

PILOTAGE FEE COMMISSION

STATE OF LOUISIANA

IN THE MATTER OF THE ASSOCIATED
BRANCH PILOTS FOR THE PORT OF LAKE
CHARLES, DULY INCORPORATED AS
LAKE CHARLES PILOTS, INC., REQUEST FOR
INCREASE IN PILOTAGE FEES
(ON REMAND TO PILOTAGE FEE COMMISSION)

DOCKET NO. P06-004

RECEIVED
MAY 14 2008
LA Pilotage Fee Commission

Re: ConocoPhillips Company, Citgo Petroleum Corporation, and Port Aggregates, Inc., ex parte. In re: Request for action on behalf of ConocoPhillips Company, Citgo Petroleum Corporation, and Port Aggregates, Inc. for consideration and implementation of fee recommendations made by Administrative Law Judge in Louisiana Public Service Commission Docket No. T-23792.

Re: Lake Charles Pilots request for increase in fees pursuant to La. Revised Statutes 34:1122 (LPSC Docket No. T-23792)

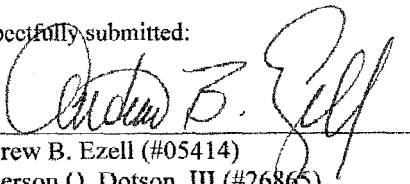
JOINT MOTION FOR APPROVAL OF STIPULATED SETTLEMENT

NOW COME all parties to this proceeding. The Associated Branch Pilots for the Port of Lake Charles, duly incorporated as Lake Charles Pilots, Inc., (hereinafter "Lake Charles Pilots" or "LC Pilots"), ConocoPhillips Company ("Conoco"), Port Aggregates, Inc. ("PA"), CITGO Petroleum Corporation ("CITGO"), BG LNG Services, LLC and Cameron LNG, LLC (referred to hereinafter collectively as "parties") who jointly move this Commission, pursuant to Rule 53 of the Rules of Practice and Procedure of the Louisiana Pilotage Fee Commission (the "Rules of Practice and Procedure"), to approve the proposed Stipulated Settlement between the parties, which is attached hereto and incorporated herein by reference.

In support of this motion, and submitted herewith, are sworn affidavits of authorized principals of each party to this proceeding.

Wherefore, pursuant to Rule 53 of the Rules of Practice and Procedure, the parties jointly move the Commission to file this motion in the record, issue timely notice of the hearing of this matter now scheduled for May 15, 2008, take any necessary supplemental testimony at the hearing, and, at the conclusion thereof, and upon receipt of a timely report issued by the Hearing Master, consider, approve and order implementation of the Stipulated Settlement at a special meeting of the Commission called for that purpose.

Respectfully submitted:



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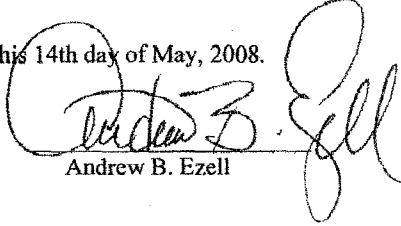
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Attorneys for Cameron LNG, LLC

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing Joint Motion for Approval of Stipulated Settlement has been served upon the parties of record by electronic mail

Baton Rouge, Louisiana, this 14th day of May, 2008.



Andrew B. Ezell

BEFORE THE

LOUISIANA PILOTAGE FEE COMMISSION

**IN THE MATTER OF RIVER PORT PILOTS DOCKET NO. P07-001
FOR THE PORT OF NEW ORLEANS,
DULY ORGANIZED AS THE CRESCENT
RIVER PORT PILOTS' ASSOCIATION,
EX PARTE**

*In Re: Request for Tariff Redesign and for Increase in Allowed Expenses Pursuant
to La. Revised Statute 34:1122 and for Related Relief*

PROPOSED SETTLEMENT STIPULATION

This settlement stipulation is agreed to and accepted by The Associated Branch Pilots for the Port of Lake Charles, duly incorporated as Lake Charles Pilots, Inc. ("Lake Charles Pilots" or "LC Pilots"), CITGO Petroleum Corporation ("CITGO"), ConocoPhillips Company ("Conoco"), and Port Aggregates, Inc. ("PA") represented herein by undersigned counsel, pursuant to a settlement conference held on May 9, 2008. Cameron LNG, LLC and BG LNG Services, LLC, also appear herein and agree to accept this settlement stipulation. Settlement approval proceedings shall be held pursuant to the rules of the Louisiana Pilotage Fee Commission ("PFC"), with the settlement hearing scheduled for May 15, 2008, at 10:30 a.m., or as may otherwise be agreed, at the offices of the PFC, before the duly appointed Hearing Master, the Honorable Brady M. Fitzsimmons.

The settlement agreed to in this stipulation addresses and resolves the claims of the LC Pilots, Conoco, CITGO, and PA as provided in the settlement terms below.

Settlement Terms

1. Ordinary and Necessary Operating and Administrative Fees and Expenses

The provisions of the new tariff are intended to provide total annual revenue to the Lake Charles Pilots in the amount of \$10,600,456 to fund all ordinary and necessary operating and administrative costs and expenses of pilotage, including fair average annual compensation for sixteen (16) pilots, as more fully set forth in Exhibit A and Exhibit B, which are attached hereto.

Beginning April 1, 2009, (and every April 1 thereafter), the tariff and fees shall be adjusted annually to provide for the ordinary and necessary operating and administrative costs and expenses of pilotage by applying a cost-of-living adjustment, based upon 73% of the Consumer Price Index – All Urban Consumers – South Urban Area, as published for the last month of the preceding calendar year. It is intended that the tariff and subsequent cost of living adjustments are sufficient to provide all reasonable and foreseeable future expenses of pilotage, including equipment repairs, upgrades and capital expenditures incurred in the normal course of business.

2. Capital Improvement Expenditures

The current capital improvement surcharge shall continue indefinitely, but shall be adjusted to provide the Lake Charles Pilots with funding for capital expenditures in the total amount of \$5,200,000, less net proceeds derived from the dissolution of the escrow account and the sale of a specific capital asset as herein provided, for the purchase of a special purpose-built pilot boat with an approximate cost of \$3,200,000, construction of a new pilot station with an approximate cost of \$1,600,000, and construction of a new dock with an approximate cost of \$400,000. The Capital Improvement Surcharge will be funded by a per unit surcharge of \$.1479 applied to each inbound and outbound transit, until April 1, 2009, at which time the surcharge will be adjusted downward by the amount of the net proceeds, after tax, resulting from the sale of the MV Calcasieu Pilot. It is the intent of the parties that the Capital Improvement Surcharge will not be increased for a period of fifteen (15) years, absent unforeseen, extraordinary circumstances.

3. Escrow Account

The Escrow Account implemented by the Louisiana Public Service Commission in Docket No. T-23792 will be dissolved on May 31, 2008 with an estimated balance of \$4,240,778. This amount, net of taxes, shall be applied to the capital expenditures made a part of this settlement. The Lake Charles Pilots will incur any tax effect resulting from the distribution of funds from the escrow account, and the estimated net amount of \$2,662,954 will then be applied to the acquisition of capital assets by the Lake Charles Pilots.

Settlement:

This settlement shall compromise and resolve in full all past, present, future, direct and indirect claims of any kind and nature between Conoco, CITGO, PA, and the LC Pilots. In addition, any other related civil proceedings between the parties are hereby resolved and the parties will execute a joint motion to dismiss, with prejudice, in the court(s) in which any such proceeding is pending.

Transparency Requirements:

The LC Pilots shall publicly file with the PFC complete and unaudited financial statements on an annual basis in the same form as the 2007 financial statements submitted in this proceeding, with the filings to be completed by the LC Pilots on or before June 30 of each year.

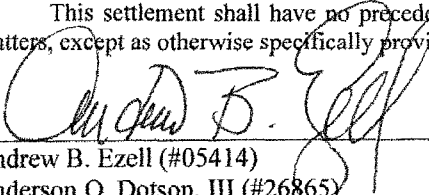
Conoco further requests that the duly appointed Hearing Master recommend to the PFC that it conduct an independent audit of the financial statements filed by the Lake Charles Pilots with the Commission.

Additional Terms:

This settlement represents a compromise of highly disputed issues and is entered into in recognition of the costs and risks of protracted litigation with no party waiving or conceding positions or admitting the positions of others in the settlement.

This settlement is not intended to be, and shall not be, used as evidence in any subsequent proceedings other than to enforce this settlement.

This settlement shall have no precedential effect as to any other proceedings or matters, except as otherwise specifically provided for by agreement herein.



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