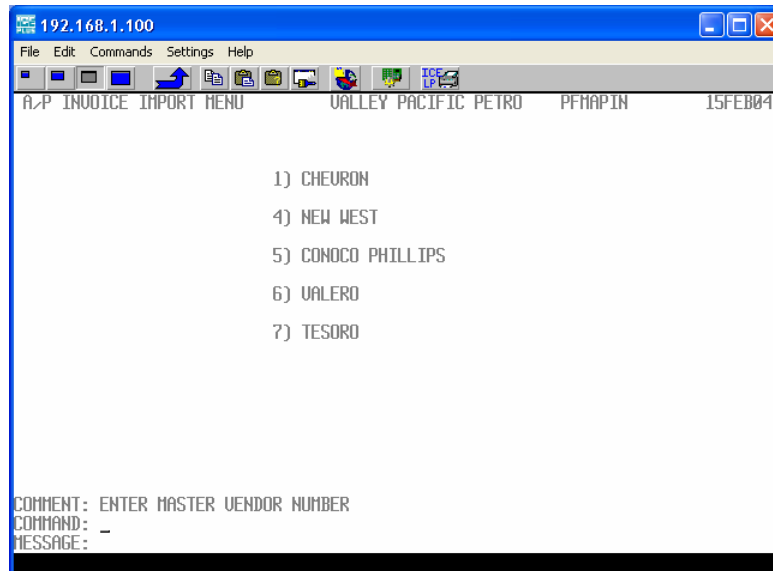


Accounting & Technical Support For Petroleum Marketers!

2004 saw a lot of work done to take web-based or e-mailed text data from fuel suppliers and turn them into PDS shortcuts for entering Accounts Payable invoices and Cash Disbursement EFTs.



The A/P side is handled from 1, 11, 6, and 13, a new A/P import menu. One then gets a list of possible vendors, which is controlled by what that jobber has had us install. The menu shown here lists five of the six vendors we support so far.

Chevron was done some years ago, but fell into disuse --- their data format is, well, hostile, and every time they changed something, the import would fail. We've recently gotten this to work again, including the ability to split gas and diesel onto separate invoices and the ability to handle deferred due dates for diesel taxes. Chevron is imported using a file downloaded from the web.

New West can cause a nightly summary of invoice activity to be e-mailed to you as an attachment suitable for import. The format is a delimited text file. New West or Rx can set your account to do this --- New West runs PDS, so we control both sides of this exchange.

Conoco Phillips provides a download option from their website that produces a comma-delimited file.

Valero can provide the invoices in text format, looking exactly like the printed invoice. We had to work a bit to gain access to batches of invoices; they were set up before to allow each invoice to be downloaded singly. They have accommodated our need to mass-process several days of invoices at a time from a single file.

Accounting & Technical Support For Petroleum Marketers!

Tesoro provides a website option to download a tab-delimited text file of headers and line detail that proved suitable for import.

Not shown above, but also completed is the interface for Western Refining out of El Paso. Here, files are being FTP'd to the jobber site.

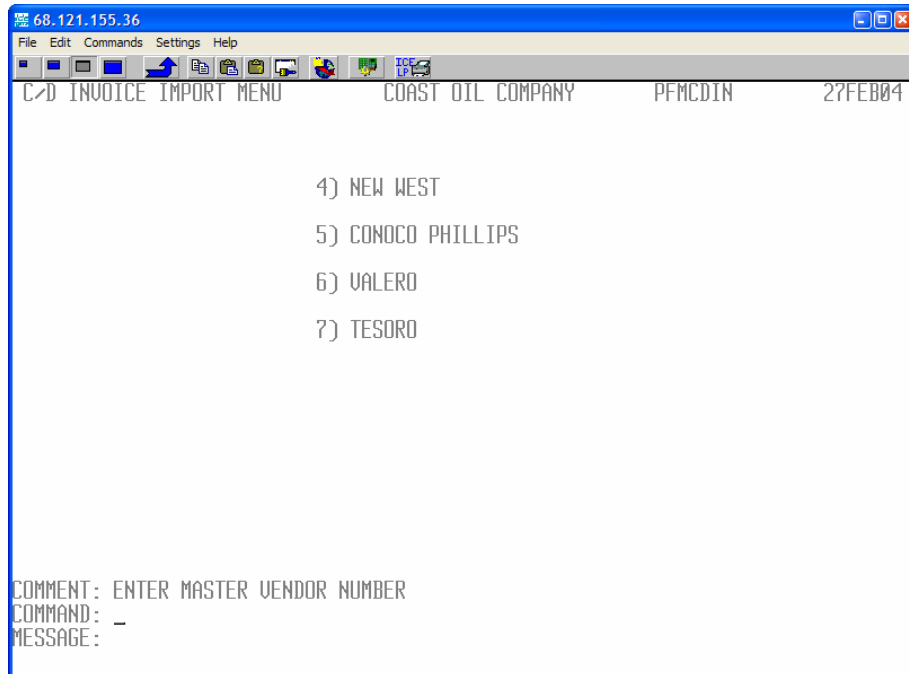
A reminder on how this all works:

1) Once a text file is on the PDS disk, the appropriate import program is run to pick it apart. A status report is sent to a printer. One of three things can happen: Ideally, the invoice will refer to bills of lading that are present and open. These will be imported. Second, it's possible that the bills of lading, while found, are no longer open. That is, they are already in A/P and importing them again would make for duplicates. So these are rejected. Finally, bills of lading might be referenced that cannot be found, causing the import of such to be rejected. The report will devote one line to each importable or duplicate invoice, while displaying as many lines as needed to flush out all the product detail for those invoices skipped for want of matching bills of lading.

2) Assuming importable invoices were found, the next step is to import them into an A/P batch. One picks a file, an A/P type and enters a batch date as usual, after which invoices are automatically inserted from the import work files into the real A/P entry file. The bill of lading matchup, the time-consuming part of doing all this the manual way, is all automated. After this completes, one is ready to run the A/P journal.

3) This is key: All variances are adjusted off to a single fixed G/L account, either a cost of goods account, or a new clearing account created for this purpose. In manual A/P, the entry clerk must voucher away any variance before each entry is accepted. This requires time and training. When we import, variances of any size, for any reason, simply try to post to a single account. This requires a bit of diligence. One should check the journal to see the scope of such postings. One would hope that the clerk would edit or delete/reenter any invoice that shows a large variance, while allowing those with little to no variance to post. The controller should do a final cleanup on the variance account at the end of the month.

Costs: Add Chevron: 4 hours
 Add New West, Tesoro, Valero, Western Refining or Conoco : 2 hours each



```
68.121.155.36
File Edit Commands Settings Help
C/D INVOICE IMPORT MENU      COAST OIL COMPANY      PFMCDIN      27FEB04

      4) NEW WEST
      5) CONOCO PHILLIPS
      6) VALERO
      7) TESORO

COMMENT: ENTER MASTER VENDOR NUMBER
COMMAND: -
MESSAGE:
```

We are also able to import for most of these same vendors the EFT data into Cash Disbursements. This is a timesaver; PDS check entry is cumbersome when dealing with a lot of invoices. One has to jump through many screens, hunting for all the activity records listed on the vendor's latest draft. Typically, this can mean wading through 600 items, trying to find the 40 or 50 "hits". By importing, we simply read the vendor's list of "hits", verify that we can find them, and then rig the AutoPay function to load up just those items when it is next invoked.

As a result, moments after downloading a file, one is ready to run the C/D journal and post, provided the invoices referenced in the EFT are found on your system.

Vendors supported so far: Conoco, Valero, New West and Tesoro. Conoco has a download option from their website that produces a delineated file. New West, Tesoro, and Valero provide a text EFT notice that we can "read", either as an e-mail attachment or a download. It may be necessary to have your supplier switch you from fax to e-mail delivery in order to provide us with a readable text document.

Costs: 1.5 hours each for adding Chevron, Valero, Tesoro, New West or Conoco.