



**BP Cherry Point Refinery
4519 Grandview Road
Blaine, Washington 98230
Telephone 360 371-1500**

Todd Harrison
Assistant Regional Administrator
Northwest Region/Mr Baker Area
1043 Goldenrod Road, Suite 101
Burlington, WA 98233-3415

December 4, 2003

RE: Letter of Understanding (LOU) 66, between Washington State Department of Transportation (WSDOT) and BP Cherry Point Refinery regarding traffic mitigation during construction of the BP Cherry Point Cogeneration Project

Dear Mr. Harrison,

Project Description

BP West Coast Products ("BP") is proposing to construct a cogeneration facility adjacent to and east of the existing BP Cherry Point Refinery. Primary access to this project during operation will be from SR 548, approximately 1000 feet east of the Blaine Road intersection. The south leg of the Blaine Road intersection will serve as the primary construction access to the property. Private roads within the BP property would provide access between the existing refinery and the proposed cogeneration project.

Discussions between the Washington State Department of Transportation and BP Cherry Point Refinery have resulted in the follow Letter of Understanding.

Letter of Understanding No. 66

It is agreed by all parties that the following conditions, obligations, and requirements shall apply, and that each party shall be bound by the following:

The traffic mitigation measures set forth in this Letter will only be required if the Cherry Point Cogeneration Project moves forward to construction. Construction will be triggered by the "Site Release", at which time the decision will be made to proceed with the project. It is at this point that the contractor is given authorization to commit funds to construct the Cogeneration project. BP will notify WSDOT in writing within 10 days of Site Release.

BP Cherry Point Refinery Responsibility

It is agreed that the following actions will fully mitigate construction traffic impacts for the Project:

- Obtain all necessary permits required for implementing traffic mitigation measures.
- Design, fund, and construct a permanent traffic signal conforming to WSDOT specifications at the intersection of Grandview Road (SR 548) and Portal Way, which includes traffic signal synchronization with the existing Burlington Northern railroad signals.

- Provide WSDOT approved left-turn channelization within the existing roadway prism at the intersection of Grandview Road and Blaine Road, as described in the letter from Todd Harrison of WSDOT to Mike Torpey regarding Traffic Impact Mitigation, dated August 26, 2003, by reconstructing the shoulders and restriping to mitigate the temporary impact of construction traffic. WSDOT agrees any such modification will not require widening of the existing roadbed.
- Ensure that the traffic mitigation measures identified in this letter are completed and fully operational within 260 days following Site Release, or prior to peak construction, as identified by the Cogeneration construction schedule, whichever is first. BP anticipates peak construction would occur approximately 425 days after Site Release.

WSDOT agrees BP may assign these responsibilities to the holder of the Cogeneration project Site Certification Agreement.

WSDOT Responsibility

1. Review and comment, within 3 weeks of submission, on the following submittals:

- Signal Plans
 1. Preliminary Review
 2. 90% Review
 3. 100% Review
- Special Provisions
- Channelization Plans
 1. 90% Review
 2. 100% Review
- Construction Drawings/Details
- Traffic Control Plans

2. Preparation of Construction/Development Agreement.

3. Coordinate with Burlington Northern Santa Fe Railroad regarding changes to the rail crossing at the Grandview Road/Portal Way intersection.

4. Construction Inspection.

All parties including the Cogeneration Project and WSDOT will work together to ensure that these mitigation measures are in place before the peak construction period, which would be approximately one year and two months (425 days) after Site Release. The time period chosen to complete the traffic mitigation measures was based on traffic trips being relatively constant during the first few months of construction, but then increasing significantly at about 260 days following site release.

We estimate the cost of the above WSDOT review and inspection activities to be about \$10,000 to complete this work. This is based on WSDOT's best estimate and experience with traffic modification projects such as this.

Should conditions significantly change, or unforeseen events occur before Site Release, this letter of understanding may be amended or revised by the parties, as mutually agreed and documented in a formal, executed revision to this memorandum.

Agreed:

Mark Moore
BP Cherry Point Cogeneration Project
Project Manager

Date: _____

Todd Harrison, P.E.
Assistant Regional Administrator
NorthwestRegion/Mt. Baker Area

Date: _____