

FILED
SECRETARY OF THE
COMMISSION

Supplement No. 2 to F.E.R.C. No. 12
(Cancels Supplement No. 1)

2008 MAY 30 P 12:05

FEDERAL ENERGY
REGULATORY COMMISSION

CONOCOPHILLIPS TRANSPORTATION ALASKA, INC.

LOCAL PIPELINE TARIFF

Containing

RULES AND REGULATIONS

Governing the Transportation of

CRUDE PETROLEUM

Transported by Pipeline from Points in Prudhoe, North Slope Borough, Alaska
to
City of Valdez, Alaska

This tariff filing is made in compliance with Order Approving Settlement
in Federal Energy Regulatory Commission Docket No. IS98-3-000, et-al

This tariff publication is conditionally accepted subject to refund pending a 30 day review period

The matter published herein will have no adverse effect on the quality of the human environment.

ISSUED: May 30, 2008

EFFECTIVE: July 1, 2008

ISSUED BY
John M. Christai
Vice-President & Controller
ConocoPhillips Transportation Alaska, Inc.
700 G Street, ATO-920
Anchorage, AK 99501

COMPILED BY
Bernard W. Washington
Tariff Coordinator
ConocoPhillips Transportation Alaska, Inc.
700 G Street, ATO-996
Anchorage, Alaska 99501
Phone 907-263-3703

RULES AND REGULATIONS

ITEM NO.	SUBJECT	
1.	Definitions	<p>"Actual Arrival Time" means the time according to Valdez, Alaska, local time that a vessel communicates to the Operator its readiness to commence loading after entering the Prince William Sound Vessel Traffic Service Area or an area subsequently designated by Carrier.</p> <p>"Available Interstate Capacity" means the volume of space in Carrier's Pipeline available for interstate movement during any Month after accounting for all intrastate nominations accepted.</p> <p>"Average Regular Shipper Volume" means the average volume (measured in Barrels per Day) actually shipped by a Shipper during the Rolling Period.</p> <p>"Barrel" means forty-two United States gallons.</p> <p>"Base Fluctuation" is the daily increase or decrease to Fixed Base Inventory as a result of Pipeline operations resulting from such things as temperature, flow rate or pressure changes.</p> <p>"Base inventory" as herein used means Fixed Base Inventory adjusted for any increase or decrease in the Base Fluctuation.</p> <p>"Carrier" means ConocoPhillips Transportation Alaska, Inc.</p> <p>"Carrier Work Day" means a regularly scheduled workday for Carrier.</p> <p>"Consignee" means anyone that a shipment, or a portion of a shipment, is consigned to when delivered from the Pipeline.</p> <p>"Day" means the period of time commencing at 0000 hours on one Day and running until 2400 hours on the same Day according to Valdez, Alaska, local time.</p> <p>"Excess Shipper" is a Shipper that has a volume of Petroleum in the custody of the Carrier that exceeds 100 percent of Shipper's Working Tankage Entitlement at the beginning of the Day for which the Carrier is assessed a penalty. The excess is computed by taking the Shipper's share of Total Inventory Barrels less Shipper's share of Base Inventory less Shippers Working Tankage Entitlement.</p> <p>"Fixed Base Inventory" as herein used means the standard total volume of Petroleum in System's Pipeline Base Inventory and terminal tankage Base Inventory that has not been adjusted for any Base Fluctuation and excludes Petroleum in fuel tanks and in Working Capacity.</p> <p>"Month or Monthly" means a calendar Month commencing at 0000 hours on the first Day thereof and running until 2400 hours on the last Day thereof according to Valdez, Alaska, local time.</p> <p>"New Shipper" means any Shipper who does not qualify as a Regular Shipper. A New Shipper becomes a Regular Shipper when it satisfies the conditions to be a Regular Shipper based on documented volumes shipped in prior Months.</p> <p>"100-Barrel Mile Deliveries" as herein used means the number of Barrels of Petroleum delivered out of the System multiplied by the number of miles each such Barrel was transported, divided by 100.</p>

RULES AND REGULATIONS

ITEM NO.	SUBJECT	
1.	(Continued) Definitions	<p>"Operator" means the contract Operator of the Trans Alaska Pipeline System.</p> <p>"Operator Business Day" means a regularly scheduled workday for Operator's scheduling department.</p> <p>"Owner(s)" refers to all of the Owners of undivided interests in the Trans Alaska Pipeline System.</p> <p>"Petroleum" means unrefined liquid hydrocarbons including gas liquids.</p> <p>"Pipeline" means Carrier's undivided interest ownership in the Trans Alaska Pipeline System.</p> <p>"Port Information Manual" means the manual governing vessel characteristics, required equipment and operation of vessels arriving to lift Petroleum at Valdez, Alaska. Copies of the Port information Manual are available upon written request.</p> <p>"Prospective Shipper" means a person nominating Petroleum for transportation through the Pipeline whose nomination has not yet been accepted by Carrier.</p> <p>"Regular Shipper" means a Shipper who has shipped interstate volumes at any time during the period July 1, 2005 through June 30, 2006, or a Shipper who thereafter ships interstate volumes each month during any consecutive twelve (12) Month period; provided, however, that once a Shipper becomes a Regular Shipper, it will lose its Regular Shipper status only if it does not ship interstate volumes at all during a period of twelve (12) consecutive months. Regular Shippers not shipping interstate volumes for any Tender Period will be credited with zero Barrels accepted for that Tender Period in establishing their Average Regular Shipper Volume.</p> <p>"Reserved Capacity" means for any Month in which prorationing applies, the greater of 90 percent of the Available Interstate Capacity or the percentage of Available Interstate Capacity for which no New Shipper nominations have been received.</p> <p>"Rolling Period" means the twelve (12) Month period beginning fourteen (14) Months prior to the Month requiring proration, except that, with respect to nominations for July 2006, the Rolling Period will be July 1, 2005 through April 30, 2006, and with respect to nominations for August, 2006, the Rolling Period will be July 1, 2005 through May 31, 2006.</p> <p>"Scheduled Arrival Day" means the Day stated in a lifting schedule that a vessel is scheduled to enter the Prince William Sound Vessel Traffic Service Area or an area subsequently designated by Carrier.</p> <p>"Shipper" means anyone who ships Petroleum through the Pipeline.</p> <p>"Shipper's Accepted Tender Percentage" is the ratio (expressed as a percentage to two decimal places, XX.XX%) that the Shipper's daily accepted tender bears to the total daily accepted tenders for all Shippers.</p> <p>"Shipper's Working Tankage Entitlement" is equal to the Shipper's Accepted Tender Percentage of the Carrier's Working Capacity.</p>

RULES AND REGULATIONS

ITEM NO.	SUBJECT	
1.	(Continued) Definitions	<p>"System" means the Trans Alaska Pipeline System.</p> <p>"Tender Period" means the Month in which the Barrels are shipped.</p> <p>"Total Inventory" is all inventories in tanks and Pipeline at any given time including both Base Inventory and Working Inventory.</p> <p>"Working Capacity" is the total capacity of all operational terminal tankage for the handling of Petroleum at Valdez, Alaska, pending delivery out of the System into vessels, between 2'6" above the bottom of each tank shell and 3'9" below the top of each tank shell, less the capacity, as determined by the Operator, required to receive the volume of Petroleum which should be moved out of the System to prevent internal pressure in the Pipeline from exceeding design limits in the event its operation should be shut down.</p> <p>"Working Inventory" means the volume of Petroleum derived by taking Total Inventory less Base Inventory at any given time. It is part of Working Capacity.</p>
3B Cancels 3A	Quality and Intermixing of Petroleum	<p>Only Petroleum will be accepted for transportation in the Pipeline. All Petroleum transported through the Pipeline will be intermixed with other Petroleum shipments and shall be subject to such changes in gravity, quality and other characteristics as may result from such intermixing. No Shipper or Consignee shall be entitled to receive the identical Petroleum delivered into the Pipeline. Delivery shall be out of the commingled stream or common stock.</p> <p><u>Quality Adjustments</u></p> <p>Shippers shall be debited and/or credited for all adjustments as provided for in this Item with respect to all Petroleum shipped. The calculation of Shipper's debits and credits shall be made for each Month as required herein. The credit and debit balances for each accounting shall be adjusted among Shipper and all Shippers in the System by collecting funds from those Shippers (including Shipper, if applicable) having debit balances and by thereafter remitting funds collected to the Shippers (including Shipper, if applicable) having credit balances. In the event of delay in collection or inability to collect from one or more Shippers for any reason, only adjustment funds and applicable interest charges actually collected shall be distributed <u>pro rata</u> to Shippers having credit balances. A Monthly accounting shall be rendered to Shipper after the end of each Month.</p> <p>(a) Methodology</p> <p>Shipper authorizes Carrier or its designee to compute adjustments among all Shippers in the System for quality differentials arising out of the System common stream operation. Shipper agrees to pay Carrier or its designee the adjustment due from Shipper determined in accordance with the procedures set out in this Item.</p> <p>The procedures for making Quality Bank calculations and determining Quality Bank adjustments among Shippers are specified in detail in this Item, as supplemented by the TAPS Quality Bank Methodology set forth in Carrier's Tariff F.E.R.C. No. 3, supplements thereto, and successive issues thereof, which are incorporated herein by reference.</p>

RULES AND REGULATIONS

ITEM NO.	SUBJECT	
3B	(Continued) Quality and Intermixing of Petroleum	<p>As prescribed in the TAPS Quality Bank Methodology, at the close of each Month, Carrier or its designated Quality Bank Administrator shall compute adjustments calculated as follows:</p> <ol style="list-style-type: none">1. Pump Station No. 1 Adjustment - An adjustment based on the difference between the Quality Bank Value of Pump Station No. 1 Base Petroleum during a Month and the Quality Bank Value of Petroleum received into the System at Pump Station No. 1 for a Shipper during the same Month shall be calculated as follows:<ol style="list-style-type: none">(i) the Quality Bank Value per Barrel of each stream received into the System at Pump Station No. 1 during the Month for a Shipper shall be determined by summing the Quality Bank Values of each component of one Barrel of that stream as determined in accordance with the TAPS Quality Bank Methodology.(ii) the Quality Bank Value per Barrel of the Pump Station No. 1 Base Petroleum for the Month shall be determined by multiplying the Quality Bank Value per Barrel of a stream of Petroleum received into the System at Pump Station No. 1 during that Month by the number of Barrels of that stream received into the System at Pump Station No. 1 during that Month, summing the products so obtained and dividing the total by the number of Barrels of Petroleum received into the System at Pump Station No. 1 during that Month.(iii) if the Quality Bank Value per Barrel of the Pump Station No. 1 Base Petroleum for any Month is greater than the Quality Bank Value per Barrel of a stream of Petroleum received into the System at Pump Station No. 1 during the same Month for a Shipper, such Shipper shall be debited an amount calculated by multiplying such difference by the number of Barrels of such Petroleum received into the System for such Shipper at Pump Station No. 1 during that Month.(iv) if the Quality Bank Value per Barrel of the Pump Station No. 1 Base Petroleum for any Month is less than the Quality Bank Value per Barrel of a stream of Petroleum received into the System at Pump Station No. 1 during the same Month for a Shipper, such Shipper shall be credited an amount calculated by multiplying such difference by the number of Barrels of such Petroleum received into the System for such Shipper at Pump Station No. 1 during that Month.2. Connection Adjustment - An adjustment based on the difference between the Quality Bank Value of any connection Base Petroleum during a Month and the Quality Bank Value of a Shipper's Petroleum commingled at that connection during the same Month shall be calculated as follows:<ol style="list-style-type: none">(i) the Quality Bank Value per Barrel of a Shipper's Petroleum commingled at a connection during the Month shall be determined by summing the Quality Bank Values of each component of one Barrel of that Petroleum as determined in accordance with the TAPS Quality Bank Methodology.(ii) the Quality Bank Value per Barrel of any connection Base Petroleum

Cancels
3A

RULES AND REGULATIONS

ITEM NO.	SUBJECT	
3B	(Continued) Quality and Intermixing of Petroleum	for the Month shall be the Weighted Average Quality Bank Value of (1) the Petroleum entering the System at connection during the Month and (2) the Petroleum in the System just upstream of the point of entry into the System at that connection during the Month.
Cancels 3A		<p>(iii) if the Quality Bank Value per Barrel of any connection base Petroleum for any Tender Period is greater than the Quality Bank Value per Barrel of a Shipper's Petroleum commingled at that connection during the same Tender Period, such Shipper shall be debited an amount calculated by multiplying such difference by the number of Barrels of such Shipper's Petroleum commingled at that connection during that Tender Period.</p> <p>(iv) if the Quality Bank Value per Barrel of any connection base Petroleum for any Tender Period is less than the Quality Bank Value per Barrel of a Shipper's Petroleum commingled at that connection during the same Tender Period, such Shipper shall be credited an amount calculated by multiplying such difference by the number of Barrels of such Shipper's Petroleum commingled at that connection during that Tender Period.</p>
		<p>3. Valdez Terminal Gravity Adjustment – An adjustment based on the difference between the Weighted Average Gravity of the Valdez Terminal Base Petroleum and the Weighted Average Gravity of Petroleum received out of the Valdez Terminal by a Shipper shall be calculated as follows:</p>
		<p>(i) if the Weighted Average Gravity of the Valdez Terminal Base Petroleum for any Tender Period is greater than the Weighted Average Gravity of Petroleum received out of the Valdez Terminal during the same Tender Period by a Shipper, such Shipper shall be credited an amount calculated by multiplying such difference by the Gravity Differential Value Per Barrel and multiplying that total by the number of Barrels of such Petroleum received out of the Valdez Terminal during that Tender Period by such Shipper.</p> <p>(ii) if the Weighted Average Gravity of the Valdez Terminal Base Petroleum for any Tender Period is less than the Weighted Average Gravity of Petroleum received out of the Valdez Terminal during the same Tender Period by a Shipper, such Shipper shall be debited an amount calculated by multiplying such difference by the Gravity Differential Value Per Barrel and multiplying that total by the number of Barrels of such Petroleum received out of the Valdez Terminal during that Tender Period by such Shipper.</p>
		<p>(iii) for the period beginning July 1, 2008, the Gravity Differential Value Per Barrel is established at \$0.0450 for each one-tenth degree API Gravity (0.1° API).</p>
		<p>(b) General Provisions. In addition to the adjustments described in this Item, Shipper agrees to pay Carrier or its designee a per Barrel charge to reimburse Carrier for the costs of administering the adjustments among Shippers under this Item.</p>

[W]
[I]

RULES AND REGULATIONS

ITEM NO.	SUBJECT
3B Cancels 3A	<p>(Continued)</p> <p>Quality and Intermixing of Petroleum</p> <p>In the event any payment is made to Shipper hereunder and it is subsequently determined by any federal or state court, administrative agency or other governmental entity having jurisdiction that no other Shipper was liable for the adjustment for which payment was made, Shipper receiving such payment shall upon receipt of an accounting from Carrier return the same to Carrier or its designee. Carrier shall promptly utilize same to reimburse all Shippers who made such payments.</p> <p>All payments due from Shipper under this Item shall be made by Shipper within 20 Days of receipt of each accounting and, for any delay in payment beyond such 20 Day period, shall bear interest calculated at an annual rate equivalent to 125 percent of the prime rate of interest of Citibank N.A. of New York, New York, on ninety-day loans to substantial and responsible commercial borrowers as of the date of accounting.</p> <p>If Shipper fails to make payment due hereunder within 30 Days of issuance of each accounting, Carrier shall have the right to sell at public auction either directly or through an agent at any time after such 30 Day period any Petroleum of Shipper in its custody. Such auction may be held on any Day, except a legal holiday, and not less than 48 hours after publication of notice of such sale in a daily newspaper of general circulation published in the town, city or general area where the sale is to be held, stating the time and place of sale and the quantity and location of Petroleum to be sold. At said sale, Carrier shall have the right to bid, and, if it is the highest bidder, to become the purchaser. From the proceeds of said sale, Carrier will deduct all payments due and expenses incident to said sale, and the balance of the proceeds of the sale remaining, if any, shall be held for whomsoever may be lawfully entitled thereto.</p> <p>Carrier and its designee are authorized by Shipper to receive through measurement, connecting Carriers or otherwise all information and data necessary to make the computations under this Item. Shipper will furnish Carrier or its designated Quality Bank Administrator, and consents to Carrier or its designated Quality Bank Administrator acquiring from other Carriers or other persons, any additional information and data necessary to make the computations under this Item. Shipper also consents to Carrier or its agents disclosing to the designated Quality Bank Administrator all information and data necessary to make the computations under this Item.</p> <p>The name and address of Carrier's designated Quality Bank Administrator will be made available upon written request to Carrier.</p> <p>Adjustment payments and administrative costs in this Item are not a part of Carrier's transportation tariff rates, and such shall not be an offset or other claim by Shipper against sums due Carrier for transportation or other charges, costs, or fees due or collected under Carrier's tariffs.</p> <p>Carrier has right to refuse Petroleum for transportation if (i) it is unsuitable for refining or use as a fuel or contains more than thirty-five one hundredths of 1 percent (0.35 percent) by volume of basic sediment and water, (ii) its temperature exceeds 142° F. provided that Petroleum may be accepted for transportation at any point in the System at a temperature in excess of 142° F but only under such circumstances and during such times as Carrier</p>

RULES AND REGULATIONS

ITEM NO.	SUBJECT	
3B	(Continued) Quality and Intermixing of Petroleum	hereunder determines that it will not result in violation of any design or operating requirement for the System at any point in the System or result in inequities or discrimination as between Carriers or Shippers, (iii) its hydrogen sulfide (H ₂ S) content in solution exceeds 50 parts per million by weight, and (iv) it will result in the calculated combined stream of Petroleum in the System at any given entry point or any given time exceeding ten (10) parts per million hydrogen sulfide (H ₂ S) content in solution by weight, or the vapor pressure of such combined stream exceeds the greater of atmospheric pressure or 14.7 psia at receipt temperature, and (v) assay analysis of the Petroleum has not been provided at least sixty (60) Days in advance of initial receipt to determine that such Petroleum is compatible with other Petroleum being transported (Carrier will notify the Prospective Shipper of the evaluation of the assay analysis and acceptance or non-acceptance of the Petroleum within forty (40) Days of the receipt of the analysis).
Cancels 3A		

Explanation of Symbols:

- [W] Change in wording
- [I] Increase

MITCHELL & MITCHELL

SUITE 750
6300 DOUGLAS AVENUE
DALLAS, TEXAS 75225

TELEPHONE 214-692-5775
FACSIMILE 214-692-6137

May 14, 2008

Mr. William H. Clifton
BP Pipelines (Alaska) Inc.
P.O. Box 190848
Anchorage, Alaska 99519-0848

Dear Bill:

Section III.E.6 of the TAPS Quality Bank Methodology requires a review of the gravity differential to be used in the calculation of the Quality Bank adjustments for the Valdez Marine Terminal twice each year, in May and November. The current review has been concluded and the gravity differential for the six-month period beginning July 1, 2008 will change from \$0.0418 to \$0.0450 per 0.1° API.

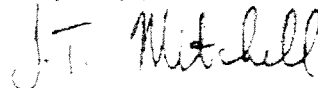
Table 1 provides a summary of the calculation of the distribution of ANS crude oil to the West Coast and East of the Rockies. The calculation is based on data from the U.S. Department of Transportation Maritime Administration. These percentages will also be used for calculation of the Weighted Average Component Values for July, 2008 – December, 2008.

Table 2 summarizes the posted gravity differentials taken from the crude oil bulletins published by the companies specified in the methodology. In accordance with the methodology, a weighted average of the differentials over the six-month period November, 2007 – April, 2008 was used.

Table 3 shows the calculation of the overall gravity differential and illustrates that the differential changed by more than 5% and, therefore, an adjustment to the differential is required.

This report is being mailed to the persons on the attached distribution list. Copies are also being sent to Vinson & Elkins, Guess & Rudd, KPMG LLP, and the State of Alaska, as well as interested shippers.

Very truly yours,



J.T. Mitchell
Quality Bank Administrator

TABLE I

TAPS Quality Bank

**Alaskan North Slope Crude Oil Distribution
(Thousands of Barrels per Day)**

Shipment Location	2007 / 2008						Six Month Average	Percent
	September	October	November	December	January	February		
ANS Pipeline Shipment	0	0	0	0	0	0	0	0.0000
U.S. East Coast	0	0	0	0	0	0	0	0.0000
U.S. Gulf Coast	0	0	0	0	0	0	0	0.0000
Panama	0	0	0	0	0	0	0	0.0000
Puerto Rico	0	0	0	0	0	0	0	0.0000
Virgin Islands	0	0	0	0	0	0	0	0.0000
Gulf Coast Sub-Total	0	0	0	0	0	0	0	0.00
Alaska	25	37	25	25	10	33	26	4.0291
ANS Pipeline Shipment	0	0	0	0	0	0	0	0.0000
Hawaii	0	0	0	0	0	29	5	0.7538
West Coast Delivered	587	539	670	626	679	562	610	95.2171
West Coast Sub-Total	612	576	695	651	689	624	641	100.00
TOTAL:	612	576	695	651	689	624	641	100.00

C.R. Mitchell 5/14/08 *J.T. Mitchell* 5/14/08

Report Date: 05/07/2008

Price Analyst

Date

Reviewed By

Date

Page: 1

TABLE 2
TAPS Quality Bank
Gravity Differentials Report

Postings averages summary for West Texas Sour (Gulf Coast) and California (West Coast) crude oils

Units for differential amounts : $\frac{c}{(.1^\circ\text{API})(\text{BBL})}$

Weighted averages based on the period: 11/01/2007 - 04/30/2008, inclusive

Coast	Company	Weighted Average Differential Amount	Period Postings
GULF	Chevron Products Company	0.00000	7
	Shell Global Trading	1.50000	7
Simple average gravity differential for Gulf Coast crude oils:		0.750	

Coast	Company	Weighted Average Differential Amount	Period Postings
WEST	ChevronTexaco	4.50000	7
	Exxon Mobil Oil Corporation	4.50000	7
	Shell Global Trading	4.50000	7
	Union 76	4.50000	7
Simple average gravity differential for West Coast crude oils:		4.500	

TABLE 2
TAPS Quality Bank
Gravity Differentials Report

Postings averages detail for West Texas Sour crude oils (Gulf Coast)

Units for differential amounts : $\frac{\text{¢}}{(.1^\circ\text{API})(\text{BBL})}$

Weighted averages based on the period: 11/01/2007 - 04/30/2008, inclusive

Company	Differential Amount	Date Posted
Chevron Products Company	0.000	04/30/2008
	0.000	03/31/2008
	0.000	02/29/2008
	0.000	01/31/2008
	0.000	12/31/2007
	0.000	11/30/2007
	0.000	10/31/2007
	0.00000	Wt. avg.
Shell Global Trading	1.500	04/30/2008
	1.500	03/31/2008
	1.500	02/29/2008
	1.500	01/31/2008
	1.500	12/31/2007
	1.500	11/30/2007
	1.500	10/31/2007
	1.50000	Wt. avg.

TABLE 2
TAPS Quality Bank
Gravity Differentials Report

Postings averages detail for California crude oils (West Coast)

Units for differential amounts : $\frac{c}{(.1^\circ\text{API})(\text{BBL})}$

Weighted averages based on the period: 11/01/2007 - 04/30/2008, inclusive

Company	Differential Amount	Date Posted
ChevronTexaco	4.500	04/30/2008
	4.500	03/31/2008
	4.500	02/29/2008
	4.500	01/31/2008
	4.500	12/31/2007
	4.500	11/30/2007
	4.500	10/31/2007
	4.50000	Wt. avg.
Exxon Mobil Oil Corporation	4.500	04/30/2008
	4.500	03/31/2008
	4.500	02/29/2008
	4.500	01/31/2008
	4.500	12/31/2007
	4.500	11/30/2007
	4.500	10/31/2007
	4.50000	Wt. avg.
Shell Global Trading	4.500	04/30/2008
	4.500	03/31/2008
	4.500	02/29/2008
	4.500	01/31/2008
	4.500	12/31/2007
	4.500	11/30/2007
	4.500	10/31/2007
	4.50000	Wt. avg.

TABLE 2
TAPS Quality Bank
Gravity Differentials Report

Postings averages detail for California crude oils (West Coast)

Units for differential amounts : $\frac{\epsilon}{(.1^\circ \text{API})(\text{BBL})}$

Weighted averages based on the period: 11/01/2007 - 04/30/2008, inclusive

Company	Differential Amount	Date Posted
Union 76	4.500	04/30/2008
	4.500	03/31/2008
	4.500	02/29/2008
	4.500	01/31/2008
	4.500	12/31/2007
	4.500	11/30/2007
	4.500	10/31/2007
	4.50000	Wt. avg.

TABLE 3

TAPS Quality Bank

Quality Differential Review Report

Review Month: May, 2008

Distribution Location	Gravity Differential (¢ / .1°API / BBL) for NOV 2007 - APR 2008		Geographic Distribution Percentages for SEP 2007 - FEB 2008		Weighted Differential (¢ / .1°API / BBL)
West Coast	4.500	x	1.0000	=	4.500
Gulf Coast	0.750	x	0.0000	=	0.000
Calculated Quality Differential					4.500

Allowable range based on current Quality Differential:

Current Differential (¢ / .1°API / BBL) Effective: JAN 2008		(5%) Allowed Range		Range Upper Bound	Range Lower Bound
4.18	x	1.05	=	4.389	
4.18	x	0.95	=		3.971

The calculated Quality Differential equals or exceeds the 5 percent tolerance. Therefore, the current Quality Differential must be adjusted on July 1, 2008 to 4.50 cents per one tenth degree API per barrel of oil.

TAPS	Owner Contacts	Accountants	Attorneys
BP Pipelines (Alaska) Inc.	Charles J. Coulson BP Pipelines (Alaska) Inc. P. O. Box 190848 Anchorage, AK 99519-0848 Tel: 907/339-4910 Fax: 907/339-5085 charles.coulson@bp.com	William H. Clifton BP Transportation (Alaska) Inc. P. O. Box 190848 900 E. Benson (99508) Anchorage, AK 99519-0848 Tel.: 907/339-4909 Fax: 907/339-5085 william.clifton@bp.com	James D. Decker BP Pipelines (Alaska) Inc. P. O. Box 199612 Anchorage, AK 99519-6612 Tel: 907/564-5535 Fax: 907/564-4031 deckerjd@bp.com
Chevron Pipe Line Company	Pauli D. Allison Chevron Pipe Line Company 4800 Fournace Place Bellaire, TX 77401-2324 Tel: 713/432-3723 Fax: 713/432-3942 pdal@chevron.com	Sanna Lilburn Chevron Pipe Line Company 4800 Fournace Place Room W734D Bellaire, TX 77401-2324 Tel.: 713/432/2882 Fax: 713/432/3939 sanna.lilburn@chevron.com	Robert A. McMillin Senior Counsel Chevron Pipe Line Company 4800 Fournace Place Bellaire, TX 77401-2324 Tel.: 713/432-3726 Fax: 713/432-3943 robmcmillin@chevron.com
ConocoPhillips Transportation Alaska, Inc.	Jim W. Taylor ConocoPhillips Transportation Alaska, Inc. 700 G Street (ATO 2100) Anchorage, AK 99501 Tel: 907/263-4431 Fax: 907/263-4438 jim.w.taylor@conocophillips.com	John M. Chrystal ConocoPhillips Transportation Alaska, Inc. 700 G Street Anchorage, AK 99501 Tel: 907/263-4793 Fax: 907/263-3748 john.m.chrystal@conocophillips.com	Rita H. Lovett ConocoPhillips Transportation Alaska, Inc. P. O. Box 100360 Anchorage, AK 99510 Tel: 907/265-1445 Fax: 918/ 662-1929 rita.h.lovett@conocophillips.com
ExxonMobil Pipeline Company	Gary W. Pruessing ExxonMobil Pipeline Company 800 Bell Street Houston, TX 77002 Tel: 713/656-5056 Fax: 713/656-9579 gary.w.pruessing@exxonmobil.com	A. J. Signater ExxonMobil Pipeline Company 800 Bell Street Attn: Tariff Coordinator, Rm. 795 Houston, TX 77002 Tel: 713/656-4968 Fax: 713/656-1580 authur.j.signater@exxonmobil.com	Daniel J. Brink ExxonMobil Pipeline Co. 800 Bell Street Houston, TX 77002 Tel: 713/656-3322 Fax: 713/656-5593 daniel.j.brink@exxonmobil.com
Koch Alaska Pipeline Company, LLC	Mike Purkey Koch Alaska Pipeline Co., LLC 4111 East 37th Street N., 67220 P. O. Box 2913, 67201-2913 Wichita, KS Tel: 316/828-7889 Fax: 316/828-9874 mike.purkey@kochpipeline.com	Richard L. Barnaby Koch Alaska Pipeline Co., LLC 4111 East 37 th Street N., 67220 P. O. Box 2913, 67201-2913 Wichita, KS Tel: 316/828-5577 Fax: 316/828-9116 rich.barnaby@kochpipeline.com	Lisa Dahlgren Koch Alaska Pipeline Co., LLC 4111 East 37th Street N., 67220 P. O. Box 2913, 67201-2913 Wichita, KS Tel: 316/828-8595 Fax: 316/828-7199 lisa.dahlgren@kochpipeline.com