



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

JUL 30 2009

HARTIG RHODES HOGE & LEKISCH *Sean Parnell, Governor*
Emil Notti, Commissioner
Robert M. Pickett, Chairman

Regulatory Commission of Alaska

July 29, 2009

In reply refer to: Tariff Section
File: TL134-301
LO #: L0900412

John M. Christal
Vice President and Controller
ConocoPhillips Transportation Alaska, Inc.
700 G Street, ATO-920
Anchorage, Alaska 99501

Dear Mr. Christal:

Enclosed is a validated copy of RCA No. 301 Tariff Sheet No. 10 and Supplement No. 3 to F.E.R.C. Tariff No.12, filed by Conoco Phillips Transportation Alaska, Inc.. on April 27, 2009, with TL134-301. The effective date of the Tariff Sheet No. 10 and the supplement is June 1, 2009. A copy of the Staff memorandum is also enclosed.

Please note a reference to TL134-301 has been added to the bottom left side of Supplement No. 3 to F.E.R.C. Tariff No.12.

BY DIRECTION OF THE COMMISSION (Chairman Robert M. Pickett not participating)

Sincerely,

REGULATORY COMMISSION OF ALASKA

Mary J. Vittone
Chief, Tariff Section

Enclosures

cc: Andrew E. Hoge
Hartig Rhodes Hoge & Lekisch
717 K Street
Anchorage, Alaska 99501-3397

RCA No. 301 16th Revised

Sheet No. 10

Cancelling

15th Revised

Sheet No. 10

RECEIVED

APR 27 2009

STATE OF ALASKA
REGULATORY COMMISSION OF ALASKA

Phillips Transportation Alaska, Inc.

SECTION 5
F.E.R.C. TARIFF AND SUPPLEMENTS
RULES AND REGULATIONS

F.E.R.C. Tariff No. 12 Supplement No. 3. The rules and regulations in F.E.R.C. Tariff No. 12 Supplement No. 3 which are effective June 1, 2009, and as attached hereto, are applicable to the transportation of Petroleum having final destination within the State of Alaska and are incorporated by reference. This tariff includes the following items:

ITEM NO.

- 1 Definitions
- 2 Title
- 3 Quality and Intermixing of Petroleum
- 4 Nomination Policy and Proration Procedures
- 5 Scheduling of Receipts
- 6 Shipper Receipt and Delivery Facilities
- 7 Scheduling and Use of Terminal and Penalty Provisions
- 8 Minimum Delivery
- 9 Measurement
- 10 Delivery Adjustments
- 11 Applicability of Rates, Charges, Rules and Regulations
- 12 Vessel Requirements
- 13 Liability for Charges and Quality Adjustments
- 14 Liability for Loss
- 15 Time Limitation of Claims
- 16 Use of Excess Capacity of Communications Facilities
- 17 System Liability Fund
- 18 Rates Applicable from and to Intermediate Points
- 19 In Transit Shipments
- 20 Additives
- 21 Liability for Non-Compliance with Tariff
- 22 Connections to the Trans Alaska Pipeline System*
*(Connection policy under this tariff is governed by RCA Tariff Sheet 5, as directed by RCA Order P-97-5(10))
- 23 Base Inventory Requirement

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F.E.R.C. Tariff No. 10 F.E.R.C. Tariff No. 10, and supplements thereto is attached hereto and is applicable to the transportation of Petroleum having final destination within the State of Alaska and are incorporated by reference. This tariff includes the TAPS Quality Bank Methodology.

Tariff Advice No. 134-301

Effective June 1, 2009

Issued By: ConocoPhillips Transportation Alaska, Inc.

By: John M. Christal
John M. Christal

Title: Vice President

APR 27 2009

STATE OF ALASKA
REGULATORY COMMISSION OF ALASKA

Supplement No. 3 to F.E.R.C. No. 12
(Cancels Supplement No. 2 to F.E.R.C. No. 12)

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: April 27, 2009

EFFECTIVE: June 1, 2009

ISSUED BY
John M. Christal
Vice-President & Controller
ConocoPhillips Transportation Alaska, Inc.
700 G Street, ATO-900 [W]
Anchorage, AK 99501

COMPILED BY
Luke Kiskadden [W]
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Anchorage, Alaska 99501
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RULES AND REGULATIONS

STATE OF ALASKA
REGULATORY COMMISSION OF ALASKA

ITEM
NO. SUBJECT

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EXPLANATION OF REFERENCE MARKS

- [U] Unchanged Rate
- [W] Change in wording only

RULES AND REGULATIONS

STATE OF ALASKA
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ITEM NO.	SUBJECT
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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</p>
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RULES AND REGULATIONS

ITEM NO.

SUBJECT

STATE OF ALASKA
REGULATORY COMMISSION OF ALASKA

<p>1.</p>	<p>(Continued)</p> <p>Definitions</p>	<p>Barrel was transported, divided by 100.</p> <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</p>
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RULES AND REGULATIONS

STATE OF ALASKA
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ITEM NO. SUBJECT

1.	(Continued) Definitions	<p>Tender Percentage of the Carrier's Working Capacity.</p> <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>
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3B Cancels 3A	Quality and Intermixing of Petroleum	<p><u>This item is cancelled in its entirety. Please see CPTAI's F.E.R.C. No. 14 for further information regarding the TAPS Quality Bank. [W]</u></p>
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TARIFF ACTION MEMORANDUM

Date: May 20, 2009

Date Filed: April 27, 2009

File No.: TL134-301

Name of Pipeline: ConocoPhillips Transportation Alaska, Inc.: Trans Alaska Pipeline System (TAPS)

Tariff Recommendation:

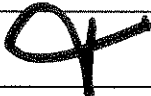
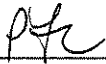



The modified FERC Tariff No. 12 does not meet the minimum requirements of state regulations (3 AAC 48.200 – 3 AAC 48.430). Based a limited review, there are some minor problems with definitions. Based on previous tariff filings related to the above referenced FERC tariffs, it appears the commission approved previous filings under similar circumstances. Staff recommends that the modifications to FERC Tariff No. 12, FERC Tariff No. 10, and RCA Tariffs Sheet No. 10 be accepted with a reminder to CPTAI of the need to follow both Federal and State regulations regarding the format of a tariff.

Reason(s) for the above-indicated recommendation:

See attached memorandum.

Signed: Keven Kleweno Title: Utility Engineering Analyst

Commission decision regarding this recommendation:

	Date (if different from <u>May 21, 2009</u>)	I <u>CONCUR</u>	I <u>DO NOT CONCUR</u>	I WILL WRITE A DISSENTING STATEMENT *
Pickett	_____		_____	_____
Giard	_____		_____	_____
Lisankie	_____		_____	_____
Price	_____		_____	_____
Wilson	_____		_____	_____

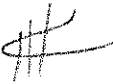
- If this column is initialed, Staff will contact the Commissioner for the statement; otherwise, the dissent will simply be noted at the close of the By Direction letter or order.

STATE OF ALASKA
The Regulatory Commission of Alaska
701 West 8th Ave., Suite 300
Anchorage, Alaska 99501-3469

M E M O R A N D U M

TO: Commissioners:
Bob Pickett, Chairman
Kate Giard
Paul F. Lisankie
Anthony A. Price
Janis W. Wilson

DATE: May 20, 2009

FROM: Keven Kleweno, Utility Engineering Analyst 

Subject: TL134-301

Statement of Case

Whether the commission should approve ConocoPhillips Transportation Alaska, Inc.'s (CPTAI) request for the following:

- removal of the information regarding the Trans Alaska Pipeline System (TAPS) Quality Bank Methodology from its Federal Energy Regulatory Commission (FERC) Tariff No. 12 and placement of this information into CPTAI FERC Tariff No. 14;
- cancelation of its FERC Tariff No. 10 entitled "Local Pipeline Tariff containing TAPS Quality Bank Methodology and placement of this information into CPTAI FERC Tariff No. 14; and
- modification of Regulatory Commission of Alaska (RCA) Tariffs Sheet No. 10 filed under Certificate of Public Convenience and Necessity (CPCN) No. 301 to document the above noted changes.

Recommendation

The modified FERC Tariff No. 12 does not meet the minimum requirements of state regulations (3 AAC 48.200 – 3 AAC 48.430). Based a limited review, there are some minor problems with definitions. Based on previous tariff filings related to the above referenced FERC tariffs, it appears the commission approved previous filings under similar circumstances. Staff recommends that the modifications to FERC Tariff No. 12, FERC Tariff No. 10, and RCA Tariffs Sheet No. 10 be accepted with a reminder to CPTAI of the need to follow both Federal and State regulations regarding the format of a tariff. This approval recommendation is based on

the following conditions: 1) A protest of the intrastate tariff revisions/modifications is not filed with the commission by 4:00 PM May 20, 2009; and 2) FERC does not suspend the identical interstate tariff filings. The commission should make it clear that if FERC suspends the identical interstate tariff revisions, then the intrastate tariff revisions will be deemed suspended within five working days of FERC's suspension.

Background

On April 27, 2009, CPTAI filed a revision to Tariff Sheet No. 10 and amendment to CPTAI's FERC Tariff No. 12. The amendment excludes (cancels) Item No. 3 which contains information regarding TAPS Quality Bank Methodology. The commission issued a public notice of the filing on May 6, 2009. The notice included a request that comments on the filing be submitted by May 20, 2009. As of 11:04 AM on May 20, 2009, no comments had been received.

Discussion

In the filing, CPTAI submitted proposed changes to Tariff Sheet No. 10 which reflects the amendment to its FERC Tariff No. 307. The amendment to its FERC Tariff No. 12¹ is the removal of Item No. 3 which contains information regarding the TAPS Quality Bank Methodology. The information regarding the TAPS Quality Bank Methodology taken from Tariff No. 12 was placed in CPTAI's FERC Tariff No. 14.² In addition, CPTAI is cancelling its FERC Tariff No. 10 entitled "Local Pipeline Tariff containing the TAPS Quality Bank Methodology" and placing this information, with minor modifications, into its FERC Tariff No. 14. These changes are being proposed to consolidate into one tariff all of the information regarding the TAPS Quality Bank Methodology.

Staff's concern was with the term "tariff" as used to refer to the documents included under TL134-301. Under AS 42.06.630(19), the term "tariff" is defined as a rate, charge, toll, rule, or regulation of an oil or gas pipeline facility relating to services furnished by the facility to the general public or other users for compensation. By removing all the information regarding the TAPS Quality Bank Methodology from CPTAI's FERC Tariff No. 12, it addresses the rules and regulations governing the transportation of petroleum. All information regarding TAPS Quality Bank Methodology is now consolidated into its FERC Tariff No. 14.

Currently, the commission uses the term "tariff" to include all rates, charges, tolls, rules, or regulations that an oil pipeline carrier uses in its dealings with the general public or shippers. When a change is made to RCA tariffs, such as the removal of a section that included

¹CPTAI's FERC Tariff No. 12 is entitled: "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."

² See Tariff Advice Memorandum for File Numbers: TL130-311, TL135-301, TL 144-304, TL131-308, & TL 120-312 for information, comments, and recommendations on the development of a Local Pipeline Tariff for the TAPS Quality Bank Methodology.

information regarding TAPS Quality Bank Methodology, that section of the tariffs showing the revisions would be filed. The amendment that CPTAI proposes for the RCA Tariffs Sheet No. 10 is in accordance with state regulations³ regarding changing a tariff.

It appears that the format of its FERC Tariff No. 12 meets the minimum requirements of the federal regulations⁴. Tariff No. 12 also meets the requirements found in 3 AAC 48.360(f)⁵. The title page of Tariff No. 12 does not include the State CPCN number assigned to CPTAI as required by 3 AAC 48.360(a)⁶. However, the State CPCN number can be found on CPTAI's Supplement No. 7 to its FERC Tariff No. 10.

The index page of Supplement No. 3 to its FERC Tariff No. 12 does not include the state tariff number (CPCN Number 301), the exact legal name of the utility or pipeline carrier issuing the tariff, the effective date of the sheet, and the name, title and signature of a person authorized to issue the tariff as required by 3 AAC 48.360(b)⁷.

Review of definitions found that CPTAI's FERC Local Pipeline Tariff No. 12 (Supplement No. 3), CPTAI's FERC Local Pipeline Tariff No. 14 containing the TAPS Quality Bank Methodology, and CPTAI's FERC Tariff No. 10 revealed that CPTAI is using two different definitions for the term "Barrel". Under Tariff No. 12, CPTAI defines a "Barrel" as forty-two United States gallons. Under Tariff No. 14, CPTAI defines a "Barrel" as forty-two (42) U.S. gallons at sixty degrees (60°) Fahrenheit and atmospheric pressure. In its Tariff No. 10, CPTAI did not include a definition for "Barrel".

From a review of the statutes under the Alaska Pipeline Act and state regulations, staff believes that while federal regulations regarding the format of a tariff must be accepted, the same statutes

³ 3 AAC 48.340 and 3 AAC 48.360(i)

⁴ 18 C.F.R. 341 – Oil Pipeline Tariffs: Oil Pipeline Companies subject to Section 5 of the Interstate Commerce Act.

⁵ 3 AAC 48.360(f) states: "For a pipeline carrier also subject to federal jurisdiction, tariff sheets delineating the sections of its currently effective federal tariff which are applicable to intrastate transportation of oil and petroleum products, together with a complete copy of the federal tariff, must be set out on consecutively numbered pages immediately following the intrastate rates and charges."

⁶ 3 AAC 48.360(a) states: "The first page of each tariff is the title page. It must show the tariff number, the cancelled tariff number when applicable, the exact legal name of the utility or pipeline carrier issuing the tariff, the service or commodity offered, the area or areas to which the tariff applies, the effective date of the sheet, the complete address of the issuing utility or pipeline carrier, and the name, title, and signature of a person authorized to issue the tariff. Whenever a service area is increased or decreased, or when any other information referred to in this section is changed, the title page of the tariff applicable to that area must be revised to reflect the change."

⁷ 3 AAC 48.360(b) states: "The second page of each tariff is the index page. It must show the tariff number, the sheet number, the exact legal name of the utility or pipeline carrier issuing the tariff, the effective date of the sheet, the name, title and signature of a person authorized to issue the tariff, and a complete and accurate list of the contents of the tariff. When a new or revised tariff sheet is added, and it is not listed on the currently effective index page, the index page must promptly be revised to reflect the addition and must be filed with the commission, together with other new or revised pages."

and regulations make it clear that state regulations regarding tariffs must also be addressed. Based on review of the tariffs that ExxonMobil has filed under the CPCN No. 301, it appears the previous staff recommendations may have been based on a different interpretation of the statutes and regulations.

State regulations⁸ do allow the commission at its discretion to reject a tariff filing that is not consistent, in whole or in part, with 3 AAC 48.200 – 3 AAC 48.430. Staff believes the discrepancies are of a minor nature and the commission should approve the documents filed under TL134-301.

⁸ 3 AAC 48.310(a) states: “A tariff filing that is received by the commission in a form or filed by a method which, in whole or in part, is not consistent with 3 AAC 48.200– 3 AAC 48.430, or which reflects retroactive rate treatment, will, in the commission’s discretion, be rejected.”