

# Vinson&Elkins

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Tel 713.758.2550 Fax 713.615.5273

January 29, 2009

## **OIL PIPELINE FILING** **SPECIAL PERMISSION REQUESTED**

Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

Re: BP Pipelines (Alaska) Inc. Supplement No. 2 to F.E.R.C. No. 37  
ConocoPhillips Transportation Alaska, Inc. Supplement No. 2 to F.E.R.C. No. 14  
ExxonMobil Pipeline Company Supplement No. 2 to F.E.R.C. No. 332  
Koch Alaska Pipeline Company, L.L.C. Supplement No. 2 to F.E.R.C. No. 12  
Unocal Pipeline Company Supplement No. 2 to F.E.R.C. No. 299

Dear Ms. Bose:

Enclosed for filing are three copies of each of the following identical tariffs:

BP Pipelines (Alaska) Inc. Supplement No. 2 to F.E.R.C. No. 37  
ConocoPhillips Transportation Alaska, Inc. Supplement No. 2 to F.E.R.C. No. 14  
ExxonMobil Pipeline Company Supplement No. 2 to F.E.R.C. No. 332  
Koch Alaska Pipeline Company, L.L.C. Supplement No. 2 to F.E.R.C. No. 12  
Unocal Pipeline Company Supplement No. 2 to F.E.R.C. No. 299

The companies issuing these tariffs are collectively referred to herein as the TAPS Carriers.

These tariffs are issued in part to comply with the orders issued by the Federal Energy Regulatory Commission ("Commission") in *Trans Alaska Pipeline System*, 113 FERC ¶ 61,062 (2005) (Opinion No. 481); 114 FERC ¶ 61,323 (2006) (Opinion No. 481-A); 115 FERC ¶ 61,287 (2006) (Opinion No. 481-B), and with the orders issued by the Regulatory Commission of Alaska ("RCA") in *In re Formal Complaint of Tesoro Alaska Petroleum Co.*, P-89-1(104)/P-89-2(98)/P-94-4(37)/P96-6(24)/P-98-9(16)/P-99-12(19)

(2005); P-89-1(109)/P89-2(103)/P-94-4(42)/P-96-6(29)/P98-9(21)/P-99-12(24) (2006); P-89-1(111)/P-89-2(105)/P-94-4(44)/P-96-6(31)/P-98-9(23)/P-99-12(26) (2006). One of the terms of the methodology approved by the Commission and the RCA is embodied in Item III.G.6. of the tariffs to which the enclosed tariffs are supplements. It requires that the adjustments to the reference prices for Light Distillate, Heavy Distillate and Resid in Attachment 2 to the tariffs be revised each year in accordance with a specified formula.

The enclosed tariffs are filed in compliance with the foregoing orders of this Commission and the RCA and Item III.G.6. of the tariffs. Attachment 2A reflects revised adjustments to the reference prices for the Light Distillate, Heavy Distillate and Resid components for the year beginning February 1, 2010 calculated in accordance with the method prescribed in Item III.G.6. A table showing the calculation is attached as Exhibit A.

Likewise, in accordance with the foregoing orders of this Commission and the RCA the Naphtha component on the West Coast is valued using a formula shown in Attachment 2A page 3. The coefficients in this formula are recomputed whenever circumstances require, but not less often than annually, using a regression analysis of prices for gasoline, jet fuel, and naphtha on the Gulf Coast. The result of the regression analysis used to derive the coefficients for the period February 2010 through January 2011 along with the data for the 10 year period 2000-2009 is shown in Exhibit B.

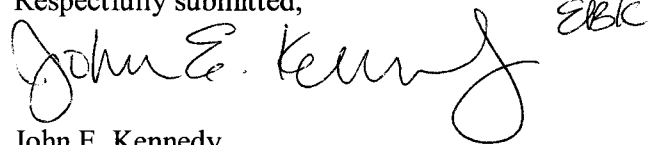
Pursuant to Section 6(3) of the Interstate Commerce Act and 18 C.F.R. § 341.14, the TAPS Carriers request special permission for the enclosed tariffs to be effective on February 1, 2010, which is two days' notice. As noted above, these tariffs are filed to comply with the orders of this Commission and the RCA and Item III.G.6. of the presently effective Quality Bank Methodology tariffs. Moreover, the data necessary to calculate the revised adjustments (from the January *Oil & Gas Journal*) is not available in time to make the required tariff filing more than 30 days prior to February 1, 2010. Because the Quality Bank adjustments are calculated on a monthly basis, it is important that the tariff revisions become effective on February 1, 2010.

Pursuant to 18 C.F.R. § 343.3 of the Commission's regulations, each of the TAPS Carriers requests that any protest to its enclosed filing be telefaxed at the time it is filed to its counsel, John E. Kennedy, at the following telefax number: 713.615.5273.

I hereby certify that on or before this day a copy of the enclosed tariffs has been sent to each subscriber on the subscriber list of the appropriate TAPS Carrier by first-class mail or other agreed-upon means of transmission.

Any questions regarding the accompanying tariff should be addressed to John E. Kennedy at 713.758.2550.

Respectfully submitted,



John E. Kennedy  
Counsel for BP Pipelines (Alaska) Inc.,  
ExxonMobil Pipeline Company,  
ConocoPhillips Transportation Alaska, Inc. and  
Unocal Pipeline Company

HAND DELIVERED AND RECEIPT  
REQUESTED

Enclosures

01/20/2010

# TAPS Quality Bank

## Index Ratio & Price Adjustments

### Effective: February, 2010

#### Nelson-Farrar Index Ratio

Index Ratio	=	596.3 / 660.0	=	0.9035
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Index Date	Issue Date	Index	Index Date	Issue Date	Index
Sep 2007	02/04/2008	576.8	Sep 2008	02/02/2009	709.3
Oct 2007	03/03/2008	581.0	Oct 2008	03/02/2009	642.8
Nov 2007	04/07/2008	620.6	Nov 2008	04/06/2009	607.8
Dec 2007	05/05/2008	615.2	Dec 2008	05/04/2009	602.4
Jan 2008	06/02/2008	620.6	Jan 2009	06/01/2009	597.8
Feb 2008	07/07/2008	635.8	Feb 2009	07/06/2009	578.2
Mar 2008	08/04/2008	659.6	Mar 2009	08/03/2009	568.0
Apr 2008	09/01/2008	675.3	Apr 2009	09/07/2009	562.8
May 2008	10/06/2008	714.7	May 2009	10/05/2009	559.2
Jun 2008	11/03/2008	736.5	Jun 2009	11/02/2009	569.6
Jul 2008	12/01/2008	766.4	Jul 2009	12/07/2009	578.0
Aug 2008	01/05/2009	717.9	Aug 2009	01/11/2010	580.0
	<b>Average</b>	660.0		<b>Average</b>	596.3

#### Reference Price Adjustments

(This year's Price Adjustments) = (Last year's Price Adjustments) x (Index Ratio)

	Gulf Coast		West Coast	
	(¢/Gal)	(\$/BBL)	(¢/Gal)	(\$/BBL)
<b>Light Distillate</b>				
2009	-0.8056	-0.3383	2009	-0.8056    -0.3383
2010	-0.7278	-0.3057	2010	-0.7278    -0.3057
<b>Heavy Distillate</b>				
2009	-3.2215	-1.3530	2009	-10.4226    -4.3775
2010	-2.9106	-1.2224	2010	-9.4166    -3.9550
<b>Resid</b>				
2009	N/A	-11.0554	2009	N/A    -13.5294
2010	N/A	-9.9883	2010	N/A    -12.2235

**Quality Bank**

**WC Naphtha**

**2000-2009 Regression**

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.99620376
R Square	0.992421931
Adjusted R Square	0.992292392
Standard Error	2.363321346
Observations	120

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	2	85579.39828	42789.69914	7661.144921	8.9986E-125
Residual	117	653.4786708	5.585287784		
Total	119	86232.87695			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	0.649501496	0.52332218	1.241112112	0.217047002	-0.386910624	1.685913617	-0.386910624	1.685913617
X Variable 1	0.719007344	0.034716526	20.71080886	6.0857E-41	0.650253085	0.787761603	0.650253085	0.787761603
X Variable 2	0.206120624	0.030011958	6.86795001	3.33801E-10	0.146683517	0.265557732	0.146683517	0.265557732

**Effective February 1, 2010**

Gasoline, K1	0.719
Jet Fuel, K2	0.206
Intercept, K3	0.650

**GC Naphtha, Gasoline, Jet Fuel Monthly Averages**  
**2000-2009**

	<b>X1 GC Gasoline (\$/bbl)</b>	<b>X2 GC Jet Fuel Gulf Coast (\$/bbl)</b>	<b>Y GC Naphtha (\$/bbl)</b>
<b>Jan-00</b>	29.389	32.721	28.505
<b>Feb-00</b>	34.409	32.910	33.584
<b>Mar-00</b>	36.207	32.634	32.749
<b>Apr-00</b>	30.961	30.234	28.311
<b>May-00</b>	37.421	31.631	33.414
<b>Jun-00</b>	40.831	33.006	36.717
<b>Jul-00</b>	34.971	33.578	31.923
<b>Aug-00</b>	35.693	37.871	34.335
<b>Sep-00</b>	38.102	42.777	36.708
<b>Oct-00</b>	37.082	41.105	36.242
<b>Nov-00</b>	36.207	43.160	35.275
<b>Dec-00</b>	30.545	36.422	30.650
<b>Jan-01</b>	36.158	36.075	35.723
<b>Feb-01</b>	35.111	34.006	31.912
<b>Mar-01</b>	32.886	31.521	30.302
<b>Apr-01</b>	40.816	32.306	36.881
<b>May-01</b>	39.034	34.478	32.051
<b>Jun-01</b>	30.925	32.410	27.370
<b>Jul-01</b>	28.345	29.963	26.563
<b>Aug-01</b>	32.819	32.141	30.706
<b>Sep-01</b>	30.614	30.309	27.474
<b>Oct-01</b>	23.783	26.122	21.598
<b>Nov-01</b>	21.131	22.822	20.270
<b>Dec-01</b>	21.492	21.649	20.166
<b>Jan-02</b>	22.7640	22.4410	20.1240
<b>Feb-02</b>	22.8524	23.2476	21.7521
<b>Mar-02</b>	30.2043	26.5965	27.4801
<b>Apr-02</b>	33.0010	28.2402	30.2309
<b>May-02</b>	31.3625	28.1701	28.8278
<b>Jun-02</b>	31.1829	27.5898	28.1074
<b>Jul-02</b>	31.9595	29.2585	29.2905
<b>Aug-02</b>	31.7668	30.5922	29.7832
<b>Sep-02</b>	33.0031	33.8063	32.3899
<b>Oct-02</b>	34.8102	33.3827	33.9958
<b>Nov-02</b>	29.3232	29.9278	26.2837
<b>Dec-02</b>	33.0040	34.2465	33.0200

**GC Naphtha, Gasoline, Jet Fuel Monthly Averages**  
**2000-2009**

	<b>X1 GC Gasoline (\$/bbl)</b>	<b>X2 GC Jet Fuel Gulf Coast (\$/bbl)</b>	<b>Y GC Naphtha (\$/bbl)</b>
<b>Jan-03</b>	37.0835	37.4475	37.5435
<b>Feb-03</b>	42.6095	44.5465	41.2446
<b>Mar-03</b>	40.6295	37.6705	38.5695
<b>Apr-03</b>	34.2430	31.4065	31.1030
<b>May-03</b>	33.2010	30.1495	30.9165
<b>Jun-03</b>	34.9545	31.6490	31.1880
<b>Jul-03</b>	37.3619	32.9280	32.8278
<b>Aug-03</b>	41.4815	34.6739	36.2005
<b>Sep-03</b>	34.1610	31.1695	31.4785
<b>Oct-03</b>	35.5713	34.6961	34.9508
<b>Nov-03</b>	34.7060	35.1213	34.7579
<b>Dec-03</b>	35.9670	37.0335	36.9840
<b>Jan-04</b>	41.5728	41.8055	42.3797
<b>Feb-04</b>	43.3739	39.4402	39.1075
<b>Mar-04</b>	46.0334	40.1114	42.9712
<b>Apr-04</b>	48.5790	41.0690	43.3375
<b>May-04</b>	56.4522	46.0766	49.1264
<b>Jun-04</b>	49.3860	43.5295	45.3055
<b>Jul-04</b>	52.1015	48.3660	47.5248
<b>Aug-04</b>	49.6369	51.7407	49.0718
<b>Sep-04</b>	52.2510	57.4615	51.9510
<b>Oct-04</b>	56.8955	64.1895	57.4870
<b>Nov-04</b>	52.2900	56.6013	52.8334
<b>Dec-04</b>	43.8570	51.5145	43.5315
<b>Jan-05</b>	52.5735	56.1188	51.5392
<b>Feb-05</b>	52.1137	56.2021	49.7040
<b>Mar-05</b>	62.6339	65.7820	60.3621
<b>Apr-05</b>	65.0320	66.2435	62.1660
<b>May-05</b>	59.4095	61.9430	58.6635
<b>Jun-05</b>	64.2118	69.6899	59.3730
<b>Jul-05</b>	67.5386	69.9725	63.9802
<b>Aug-05</b>	81.7110	78.9002	76.8518
<b>Sep-05</b>	98.6790	94.1680	86.5792
<b>Oct-05</b>	76.0105	100.4495	68.2390
<b>Nov-05</b>	61.0197	71.2310	60.4684
<b>Dec-05</b>	66.0365	72.9290	65.5140

**GC Naphtha, Gasoline, Jet Fuel Monthly Averages**  
**2000-2009**

	<b>X1 GC Gasoline (\$/bbl)</b>	<b>X2 GC Jet Fuel Gulf Coast (\$/bbl)</b>	<b>Y GC Naphtha (\$/bbl)</b>
<b>Jan-06</b>	72.0058	76.6159	70.4243
<b>Feb-06</b>	64.8916	74.0222	62.9364
<b>Mar-06</b>	77.5831	78.9038	73.7922
<b>Apr-06</b>	93.2715	87.4258	82.2957
<b>May-06</b>	88.1623	87.2111	75.3232
<b>Jun-06</b>	90.5954	87.5853	82.2231
<b>Jul-06</b>	96.8332	90.5934	85.5623
<b>Aug-06</b>	85.6165	89.5709	74.1788
<b>Sep-06</b>	65.6329	76.2878	64.3571
<b>Oct-06</b>	63.5866	73.1769	64.1545
<b>Nov-06</b>	65.8371	73.2328	64.9551
<b>Dec-06</b>	67.3328	76.2662	66.8840
<b>Jan-07</b>	59.1381	69.4727	59.5240
<b>Feb-07</b>	68.2124	73.4331	67.6753
<b>Mar-07</b>	78.2412	77.6380	76.8476
<b>Apr-07</b>	91.9784	85.4259	89.9010
<b>May-07</b>	98.4862	86.1033	83.9475
<b>Jun-07</b>	92.0200	87.6490	81.1300
<b>Jul-07</b>	90.7690	89.9410	80.8090
<b>Aug-07</b>	84.2817	87.9973	77.4247
<b>Sep-07</b>	88.9494	95.6727	86.3852
<b>Oct-07</b>	89.4059	99.7152	88.2463
<b>Nov-07</b>	99.2979	112.3007	97.7179
<b>Dec-07</b>	95.3656	109.4206	93.2364
<b>Jan-08</b>	97.4908	109.4865	96.4458
<b>Feb-08</b>	101.5051	114.9282	97.3891
<b>Mar-08</b>	108.8302	131.3780	105.3809
<b>Apr-08</b>	119.7404	140.6060	115.5604
<b>May-08</b>	133.1863	156.7739	130.3363
<b>Jun-08</b>	140.5423	163.3243	136.2923
<b>Jul-08</b>	135.1088	163.6058	131.9970
<b>Aug-08</b>	125.7395	137.6084	122.0195
<b>Sep-08</b>	131.3721	139.2707	120.3321
<b>Oct-08</b>	75.0354	97.0613	71.7028
<b>Nov-08</b>	51.2555	79.5501	48.7530
<b>Dec-08</b>	39.6794	58.0795	33.8019

**GC Naphtha, Gasoline, Jet Fuel Monthly Averages**  
**2000-2009**

	<b>X1 GC Gasoline (\$/bbl)</b>	<b>X2 GC Jet Fuel Gulf Coast (\$/bbl)</b>	<b>Y GC Naphtha (\$/bbl)</b>
<b>Jan-09</b>	49.1138	62.0651	46.4362
<b>Feb-09</b>	51.1318	53.4008	48.5344
<b>Mar-09</b>	55.1467	53.6623	52.4644
<b>Apr-09</b>	58.7509	57.6213	53.0759
<b>May-09</b>	72.3698	62.8767	66.2273
<b>Jun-09</b>	81.0965	76.3612	75.4074
<b>Jul-09</b>	74.4630	72.2685	70.7499
<b>Aug-09</b>	81.7886	79.3936	75.9036
<b>Sep-09</b>	73.2730	73.6459	69.6130
<b>Oct-09</b>	79.7705	81.9198	76.3532
<b>Nov-09</b>	81.5017	83.6234	79.4680
<b>Dec-09</b>	79.9289	83.5958	79.7427

Supplement No. 2 to F.E.R.C. No. 37 (BP)  
(Cancels Supplement No 1 to F.E.R.C. No. 37)  
Supplement No. 2 to F.E.R.C. No. 14 (ConocoPhillips)  
(Cancels Supplement No 1 to F.E.R.C. No.14)  
Supplement No. 2 to F.E.R.C. No. 332 (ExxonMobil)  
(Cancels Supplement No 1 to F.E.R.C. No. 332)  
Supplement No. 2 to F.E.R.C. No. 12 (Koch)  
(Cancels Supplement No 1 to F.E.R.C. No. 12)  
Supplement No. 2 to F.E.R.C. No. 299 (Unocal)  
(Cancels Supplement No 1 to F.E.R.C. No. 299)

**BP PIPELINES (ALASKA) INC. (BP)**  
**CONOCOPHILLIPS TRANSPORTATION ALASKA, INC. (CONOCOPHILLIPS)**  
**EXXONMOBIL PIPELINE COMPANY (EXXONMOBIL)**  
**KOCH ALASKA PIPELINE COMPANY, LLC (KOCH)**  
**UNOCAL PIPELINE COMPANY (UNOCAL)**

**LOCAL PIPELINE TARIFF**

CONTAINING THE TAPS  
QUALITY BANK METHODOLOGY

**GENERAL APPLICATION**

This tariff shall apply only to those tariffs which specifically incorporate this tariff, supplements to this tariff and successive issues hereof, by reference.

**NOTICES**

This tariff is issued in part to comply with the orders issued by the Federal Energy Regulatory Commission in *Trans Alaska Pipeline System*, 113 FERC ¶ 61,062 (2005) (Opinion No. 481); 114 FERC ¶ 61,323 (2006) (Opinion No. 481-A); 115 FERC ¶ 61,287 (2006) (Opinion No. 481-B), and with the orders issued by the Regulatory Commission of Alaska (“RCA”) in *In re Formal Complaint of Tesoro Alaska Petroleum Co.*, P-89-1(104)/P-89-2(98)/P-94-4(37)/P-96-6(24)/P-98-9(16)/P-99-12(19) (2005); P-89-1(109)/P-89-2(103)/P-94-4(42)/P-96-6(29)/P-98-9(21)/P-99-12(24) (2006); P-89-1(111)/P-89-2(105)/P-94-4(44)/P-96-6(31)/P-98-9(23)/P-99-12(26) (2006). Opinion 481-A (adopted by the RCA in Order P-89-1(109)) directs that the effective date for the new methodology is November 1, 2005. Opinion 481-A P 23.

For rules and regulations other than the TAPS Quality Bank Methodology tariff, see F.E.R.C. No. 26 (BP), F.E.R.C. No. 12 (ConocoPhillips), F.E.R.C. No. 307 (ExxonMobil), F.E.R.C. No. 9 (Koch), F.E.R.C. No. 189 (Unocal), supplements thereto and reissues thereof.

The provisions published herein will, if effective, not result in an effect on the quality of the human environment.

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ISSUED January 29, 2010

EFFECTIVE February 1, 2010

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**ISSUED BY**

Charles J. Coulson, President  
 BP PIPELINES (ALASKA) INC.  
 900 East Benson Boulevard  
 P. O. Box 190848  
 Anchorage, Alaska 99519-0848

Gary W. Pruessing, President  
 EXXONMOBIL PIPELINE COMPANY  
 P. O. Box 2220  
 Houston, Texas 77252-2220

Dolores Barnhill, President  
 UNOCAL PIPELINE COMPANY  
 P. O. Box 430  
 Bellaire, Texas 77402-0430

[W] ~~John M. Christal, Vice~~ Erec Isaacson, President;  
~~Controller and Treasurer~~  
 CONOCOPHILLIPS TRANSPORTATION  
 ALASKA, INC.  
 700 G Street, ATO-~~900 2100~~  
 Anchorage, Alaska 99501

Mike Hoover, Tariff Coordinator  
 KOCH ALASKA PIPELINE COMPANY, LLC  
 P. O. Box 2913  
 Wichita, Kansas 67201-2913

Explanation of symbols:

[W] Change in wording only

Strikethrough – Cancel

Underline - New or change in wording only

COMPILED BY  
 John E. Kennedy  
 1001 Fannin Street  
 Houston, TX 77002-6760  
 713.758.2550

**ATTACHMENT 2A CANCELS ATTACHMENT 2**

**ATTACHMENT 2A**

**COMPONENT UNIT VALUE PRICING BASIS**

**EFFECTIVE 2/1/2010**

**PROPANE (C<sub>3</sub>)**

United States Gulf Coast	United States West Coast
Platt's Mt. Belvieu, TX spot quote for Propane.	OPIS's (weekly) Los Angeles delivered spot quote for Propane.

**ISOBUTANE (iC<sub>4</sub>)**

United States Gulf Coast	United States West Coast
Platt's Mt. Belvieu, TX spot quote for Isobutane.	OPIS's (weekly) Los Angeles delivered spot quote for Isobutane.

**NORMAL BUTANE (nC<sub>4</sub>)**

United States Gulf Coast	United States West Coast
Platt's Mt. Belvieu, TX spot quote for Normal Butane.	OPIS's (weekly) Los Angeles delivered spot quote for Normal Butane.

**LIGHT STRAIGHT RUN (C<sub>5</sub> – 175°F)**

United States Gulf Coast	United States West Coast
Platt's Mt. Belvieu, TX spot quote for Natural Non-Targa.	OPIS's (weekly) Bakersfield delivered spot quote for Natural Gasoline.

**NAPHTHA (175° – 350°F)**

United States Gulf Coast	United States West Coast
Arithmetic average of (1) Platt's U.S. Gulf Coast spot quote for Waterborne Heavy Naphtha and (2) Platt's U.S. Gulf Coast spot quote for Waterborne Heavy Naphtha Barge.	See Attachment 2, page 3.

**ATTACHMENT 2A CANCELS ATTACHMENT 2**

**ATTACHMENT 2A**

**COMPONENT UNIT VALUE PRICING BASIS**

**LIGHT DISTILLATE (350° - 450°F)**

United States Gulf Coast	United States West Coast
Platt's U.S. Gulf Coast spot quote for Waterborne Jet Kerosene 54 less [D] <del>0.8056</del> <u>0.7278</u> cents per gallon.	Platt's U.S. West Coast spot quote for Waterborne Jet Fuel less [D] <del>0.8056</del> <u>0.7278</u> cents per gallon.

**HEAVY DISTILLATE (450° – 650°F)**

United States Gulf Coast	United States West Coast
Platt's U.S. Gulf Coast spot quote for Waterborne No. 2 less [D] <del>3.2215</del> <u>2.9106</u> cents per gallon.	Platt's U.S. West Coast spot quote for Los Angeles Pipeline ULS (EPA) Diesel less [D] <del>10.4226</del> <u>9.4166</u> cents per gallon.

**GAS OIL (650° – 1050°F)**

United States Gulf Coast	United States West Coast
OPIS's U.S. Gulf Coast spot quote for barge High Sulfur VGO.	OPIS's U.S. West Coast (Los Angeles basis) spot quote for High Sulfur VGO.

**RESID (1050°F and Over)**

United States Gulf Coast	United States West Coast
See Attachment 2, page 4.	See Attachment 2, page 5.

Explanation of symbols:

- [D] Decrease
- [I] Increase
- [U] Unchanged rate (adjustment)
- [W] Change in wording only

Strikethrough – Cancel

Underline - New or change in wording only

**ATTACHMENT 2A CANCELS ATTACHMENT 2**

**ATTACHMENT 2A**

**U.S. WEST COAST NAPHTHA  
COMPONENT UNIT VALUE PRICING BASIS**

West Coast Naphtha Component Value, \$ per Barrel = [~~I~~] ~~0.702~~ 0.719 x Gasoline Price + [~~D~~] ~~0.224~~ 0.206 x Jet Fuel Price + [~~I~~] ~~0.584~~ 0.650

Where:

Gasoline Price – Platt’s West Coast Waterborne Unleaded 87, \$ per Barrel

Jet Fuel Price – Platt’s West Coast Waterborne Jet Fuel, \$ per Barrel

The prices used are the monthly average of the daily high and low prices.

The three constants in the equation were derived from a dual variable regression analysis of Platt’s Gulf Coast monthly average prices for waterborne Naphtha,<sup>(1)</sup> unleaded 87 Gasoline, and Jet/Kero 54 over the 10-year period January, 1999 through December, 2008. The Quality Bank Administrator will recompute the constants in the regression equation whenever circumstances require, but not less than once each year.

- (1) Through February 2003 – WB Naphtha
- March 1, 2003 – August 16, 2003 – WB Heavy Naphtha
- Beginning August 17, 2003 – Average WB Heavy Naphtha & Heavy Naphtha Barge

Explanation of symbols:

- [~~D~~] Decrease
- [~~I~~] Increase
- [~~U~~] Unchanged rate (adjustment)
- [~~W~~] Change in wording only

Strikethrough – Cancel

Underline - New or change in wording only

**ATTACHMENT 2A CANCELS ATTACHMENT 2**

**ATTACHMENT 2A**

**U.S. GULF COAST RESID  
COMPONENT UNIT VALUE PRICING BASIS**

Resid Component Value, \$ per Barrel =

	(0.0348)	x	QB Propane Value, \$/Bbl.
+	(0.0040)	x	QB Isobutane Value, \$/Bbl.
+	(0.0264)	x	QB Normal Butane Value, \$/Bbl.
+	(0.0616)	x	QB LSR Value, \$/Bbl.
+	(0.1008)	x	QB Naphtha Value, \$/Bbl.
+	(0.2046)	x	QB Heavy Distillate Value, \$/Bbl.
+	(0.2929)	x	QB Gas Oil Value, \$/Bbl.
+	(0.0631)	x	Coke Price <sup>(1)</sup> - \$5.00
+	(0.2989)	x	Natural Gas Price <sup>(2)</sup>
-	<b>[D] 11.0554</b>		<u>9.9883</u>

- (1) Monthly price quoted in *Pace Petroleum Coke Quarterly* for Gulf Coast high sulfur petroleum coke, >50 HGI, mid point price, \$ per metric ton, converted to \$ per short ton.
- (2) Monthly Henry Hub natural gas spot price quote from *Natural Gas Week*, monthly weighted averages, \$ per MMBtu.
- (3) Gulf Coast coker and coker product treatment costs, including capital recovery, \$ per Barrel.

**ATTACHMENT 2A CANCELS ATTACHMENT 2**

**ATTACHMENT 2A**

**U.S. WEST COAST RESID  
COMPONENT UNIT VALUE PRICING BASIS**

Resid Component Value, \$ per Barrel =

	(0.0348)	x	QB Propane Value, \$/Bbl.
+	(0.0040)	x	QB Isobutane Value, \$/Bbl.
+	(0.0264)	x	QB Normal Butane Value, \$/Bbl.
+	(0.0616)	x	QB LSR Value, \$/Bbl.
+	(0.1008)	x	QB Naphtha Value, \$/Bbl.
+	(0.2046)	x	QB Heavy Distillate Value, \$/Bbl.
+	(0.2929)	x	QB Gas Oil Value, \$/Bbl.
+	(0.0631)	x	Coke Price <sup>(1)</sup> - \$8.75
+	(0.2989)	x	Natural Gas Price <sup>(2)</sup> + \$0.15
-	<b>[D]</b> <del>13.5294<sup>(3)</sup></del>		<u>12.2235<sup>3</sup></u>

- (1) Monthly price quoted in *Pace Petroleum Coke Quarterly* for West Coast low sulfur petroleum coke, >2% Sulfur, mid point price, \$ per metric ton, converted to \$ per short ton.
- (2) Monthly California natural gas spot price quote from *Natural Gas Week*, gas price trends, (south, delivered to pipeline), \$ per MMBtu.
- (3) West Coast coker and coker product treatment costs, including capital recovery, \$ per Barrel.

**ATTACHMENT 2A CANCELS ATTACHMENT 2**

**ATTACHMENT 2A**

**COKER PRODUCT YIELD MULTIPLIERS  
68 DEGREE F C5 CUT POINT (1)**

<b><u>Product</u></b>	<b><u>Base Yield (per Bbl.)<sup>1</sup></u></b>	<b><u>Yield Impact per +1% MCR (per Bbl.)</u></b>	<b><u>Yield Impact per +1 °API (per Bbl.)</u></b>	<b><u>Yield Impact per +1% Sulfur (per Bbl.)</u></b>	<b><u>Revised Product Yield (per Bbl.)</u></b>
Propane	0.0348	0.0000	0.0000	0.0000	0.0348
Isobutane	0.0040	0.0000	0.0000	0.0000	0.0040
Normal Butane	0.0264	0.0000	0.0000	0.0000	0.0264
LSR	0.0609	0.0014	0.0008	-0.0003	0.0616
Naphtha	0.0996	0.0023	0.0013	-0.0005	0.1008
Heavy Distillate	0.2080	-0.0078	-0.0039	-0.0013	0.2046
Gas Oil	0.2989	-0.0134	-0.0067	-0.0019	0.2929
Coke	0.0618	0.0030	0.0015	-0.0003	0.0631
Fuel Gas	0.2989	0.0000	0.0000	0.0000	0.2989

	<b><u>Base</u></b>	<b><u>Caleb Brett 2001 Assay</u></b>
MCR, %	23.00	23.1
°API	5.50	6.2
SULFUR, %	2.50	2.47

<sup>1</sup> From EMT-197 revised to use 68°F cut point for C<sup>5+</sup>