



R.C.A.  
RECEIVED

11 MAY 20 PM 3:09

John M. Christal  
Vice President  
P.O. Box 100360  
Anchorage, AK 99510-0360  
Phone 907.263.3703

May 20, 2011

Regulatory Commission of Alaska  
701 West 8th Avenue, Suite 300  
Anchorage, Alaska 99501

**Tariff Advice Letter No. TL143-301  
Test Year 2010 Rate Filing**

Commissioners:

The tariff filing described below is transmitted to you for filing in compliance with the Pipeline Act and 3 AAC 48.200 — 3 AAC 48.430.

Tariff Sheet Number		Cancels Sheet Number		Schedule or
Original	Revised	Original	Revised	Rule Number
7	8th	7	7th	Section 3

By this filing, ConocoPhillips Transportation Alaska, Inc. (“CPTAI”) requests Commission approval to change its tariff rates for the intrastate transportation of crude petroleum through the Trans Alaska Pipeline System (“TAPS”). The requested rate changes are based on application of the methodology prescribed by the Commission in Order No. P-97-4(151)/P-97-7(110) (Nov. 27, 2002) (“Order 151”) to a 2010 test year. CPTAI requests that the Commission approve the proposed rate changes effective June 20, 2011, upon expiration of the 30-day statutory notice period required under AS 42.06.390(b).

The proposed rates are shown on the enclosed eighth revision to Tariff Sheet No. 7 of

Phillips Transportation Alaska, Inc.'s Tariff No. 301.<sup>1</sup> The proposed rates are as follows:

ITEM	FROM	TO	SOURCE	PROPOSED RATE (\$/bbl)
3.1	Trans Alaska Pipeline System PS No. 1	Golden Valley Electric Association, Inc.	Prudhoe Bay (Sadlerochit Petroleum)	\$3.37
			Kuparuk	\$3.37
			Lisburne	\$3.37
			Endicott	\$3.37
			Northstar	\$3.37
3.2	Trans Alaska Pipeline System PS No. 1	Valdez Refinery Connection	Prudhoe Bay (Sadlerochit Petroleum)	\$5.26
			Kuparuk	\$5.26
			Lisburne	\$5.26
			Endicott	\$5.26
			Northstar	\$5.26
3.3	Trans Alaska Pipeline System PS No. 1	Valdez, Alaska	Prudhoe Bay (Sadlerochit Petroleum)	\$5.28
			Kuparuk	\$5.28
			Lisburne	\$5.28
			Endicott	\$5.28
			Northstar	\$5.28

The proposed changes will increase CPTAI's intrastate transportation rates. As required under 3 AAC 48.270(a), CPTAI provides the following estimated impacts of the proposed rate changes. The estimated effect on CPTAI's annual revenues for each intrastate destination is set

---

<sup>1</sup> By Order No. P-04-13(1) (Jun. 25, 2004), CPTAI was required to file a new tariff under its own name. CPTAI complied with the Commission's order by filing TL105-301 on September 23, 2004. Subsequently, the Commission requested that TL 105-301 be withdrawn pending the resolution by the Commission of the disputes concerning the rates calculated using the TAPS Settlement Methodology. CPTAI understands that the requirement to file a new tariff in its own name has been waived until further notice by the Commission. Thus, CPTAI is maintaining the current tariff filed under the name of Phillips Transportation Alaska, Inc., which was adopted by CPTAI. CPTAI requests, however, that the Commission permit further tariff filings to be made in its own name.

forth below (as calculated on Exhibit EGW-3 of the Prepared Direct Testimony of Erik G.

Wetmore (T-4)):

Destination	Annual Intrastate Revenue (\$ millions) Under Most Recently Approved Rates	Annual Intrastate Revenue (\$ millions) Under Existing Rates	Proposed Annual Intrastate Revenue (\$ millions)
GVEA	\$2.5	\$5.7	\$6.7
Valdez Refinery Connection	\$8.8	\$20.2	\$23.7
Valdez Terminal	\$0.0	\$0.0	\$0.0
<b>TOTAL</b>	<b>\$11.3</b>	<b>\$25.8</b>	<b>\$30.4</b>

The shippers that will be affected by the proposed change in rates are all CPTAI intrastate shippers (which typically consist of fewer than five shippers). The proposed changes will not result in the termination of any existing service.

**Overview of Proposed Rate Changes**

CPTAI's existing rates were filed on July 23, 2010 (TL141-301), based on a 2009 test year. The existing rates were approved on a temporary and refundable basis effective August 22, 2010. *See* Order No. P-10-10(1). As CPTAI noted in TL141-301 and prior rate filings, throughput on TAPS continues to decline, while costs continue to increase. As a result, CPTAI's existing rates no longer provide an adequate opportunity for recovery of CPTAI's revenue requirement under the terms of the Commission's prescribed methodology.

This filing is not designed to challenge any aspect of the Order 151 methodology, which has been upheld by the Alaska courts. Instead, CPTAI has followed the Order 151 methodology as closely as possible. The sole purpose of this rate filing is to update CPTAI's intrastate rates using the Order 151 methodology and more current information regarding costs and throughput.

### **Temporary Rates**

To the extent the Commission determines it is appropriate to suspend the proposed rates, CPTAI requests that the Commission (1) permit CPTAI to collect the proposed rates subject to refund, and (2) establish temporary rates equal to the filed proposed rates so that neither CPTAI nor the shippers are required to escrow any difference between the temporary rates and the filed proposed rates. *See* AS 42.06.400(c). This proposed treatment is consistent with the manner in which the Commission has treated TAPS rate filings in prior proceedings. *See, e.g.*, Order No. P-10-10(1) (granting temporary rates equal to the filed rates, subject to refund); *see also* Order No. P-09-10(1); Order No. P-08-9(1); Order No. P-97-4(1).

As the Commission has stated, AS 42.06.400(c) requires the Commission to “establish a reasonable temporary rate if a proposed increased rate is suspended.” Order No. P-10-10(1) at 8. In addition, the Commission “may require collection of either the temporary rate or the proposed increased filed rate, and [it] must order the difference between the temporary rate and the filed rate placed in escrow.” *Id.* However, when the filed rates and temporary rates are equal, no escrow of funds is required. *Id.* In that case, the carrier is required to collect the temporary rates subject to refund of the difference between those rates and the rates set by the Commission at the conclusion of the proceeding. *Id.*

CPTAI submits that in the circumstances presented here, no purpose would be served by setting temporary rates that are different from the proposed filed rates. If the temporary rates are set lower than the filed rates and CPTAI is allowed to collect the higher filed rates in the interim, CPTAI would be required to escrow the difference (or alternatively, provide a bond or letter of

credit for an equivalent amount).<sup>2</sup> However, there is no significant risk that CPTAI would be unable to pay refunds, if required, at the end of the proceeding, as evidenced by CPTAI's (and the other TAPS Carriers') past payment of substantial refunds (with interest) in connection with Dockets P-97-4 and P-03-4. Alternatively, if the Commission were to set the temporary rates lower than the filed rates and require CPTAI to charge only the temporary rates in the interim, the shippers would have to undertake the burden and expense of creating an escrow account (or providing a bond or letter of credit) for the difference. Particularly where, as here, CPTAI is proposing to apply the Order 151 methodology to updated costs and revenues for a more current test year, it would be entirely reasonable and within the Commission's authority to establish temporary rates that are equal to the proposed filed rates if the filed rates are suspended.

### **Uniform Systemwide Rate**

As the Commission knows, TAPS is owned by five separate companies (the "TAPS Carriers"), each of which holds an undivided joint interest in TAPS.<sup>3</sup> Although the Commission has not unequivocally required the TAPS Carriers to file uniform, systemwide rates, the Commission has imposed uniform rates on the Carriers in prior orders. *See* Order 151 at 160 and Endnote 9; Order No. P-03-4(34) at 48-51 (Jun. 10, 2004). Pursuant to Order 151, an individual Carrier may file individual rates only if it can establish that the sum of the revenues to be

---

<sup>2</sup> The Commission has also permitted CPTAI to substitute a parent guarantee or letter of credit in some circumstances. *See* Order No. P-97-4(166)/P-97-7(125) (Jun. 30, 2003); Order No. P-97-4(167)/P-97-7(126) (Sep. 9, 2003).

<sup>3</sup> In addition to CPTAI, the TAPS Carriers are BP Pipelines (Alaska) Inc., ExxonMobil Pipeline Company, Unocal Pipeline Company, and Koch Alaska Pipeline Company LLC.

collected under the individual rates charged by all of the TAPS Carriers would not exceed the total systemwide revenue requirement for a particular test year permitted by Order 151. *See* Order 151 at 160; Order P-03-4(34) at 48-51. CPTAI could only make that determination upon consultation with the other TAPS Carriers to establish what each Carrier's forward-looking individual rates would be, based on a 2010 test year adjusted for appropriate pro forma changes. Because of antitrust concerns, however, CPTAI did not consult with the other TAPS Carriers about the establishment of forward-looking intrastate rates when preparing this rate filing. This inability to consult with other Carriers to verify that aggregated individual rates would not exceed the total systemwide revenue requirement has led CPTAI to conclude that it is appropriate in this case to file uniform systemwide rates (*i.e.*, rates based on systemwide costs spread over total TAPS throughput rather than rates based solely on CPTAI's individual costs and throughput).<sup>4</sup>

Because it has not consulted with the other TAPS Carriers in preparing its intrastate rate filing, CPTAI has primarily relied on cost data available to it from Alyeska Pipeline Service Company ("Alyeska"), which is the agent of the TAPS Carriers and the operator of TAPS, as well as on information regarding TAPS-related costs that CPTAI incurs directly as a TAPS

---

<sup>4</sup> CPTAI nevertheless has confirmed that the combination of the rates in its present filing and the intrastate rates of the other TAPS Carriers currently on file would not be expected to generate total revenues in excess of the systemwide revenue requirement calculated by Mr. Wetmore on behalf of CPTAI. CPTAI is filing uniform rates, based on systemwide costs and total TAPS throughput, in order to conform as closely as possible to the methodology applied by the Commission in Order 151 and thereby reduce the potential for dispute regarding that issue. In so doing, CPTAI does not waive any objections it may assert to the uniform systemwide rate approach for purposes of any future rate filings with the Commission or any existing or future rate filings with any other regulatory agency.

Carrier (“Carrier-direct costs”). With respect to the Carrier-direct costs of the other TAPS Carriers, CPTAI has been able to confirm the major categories of costs that are common to all of the Carriers, such as fuel gas, depreciation, and ad valorem property taxes, using public data and data provided by Alyeska. For the remaining Carrier-direct costs of the other TAPS Carriers, CPTAI has relied on information contained in the Carriers’ 2010 RCA Annual Reports and rate filings submitted by the TAPS Carriers with this Commission and with the Federal Energy Regulatory Commission (“FERC”), which is the best information currently available to CPTAI.

Using that cost information and the methodology prescribed in Order 151, CPTAI calculated the total revenue requirement for TAPS for the normalized test-year (2010 data updated for normalizing adjustments and known and measurable changes). CPTAI then calculated across-the-board rate increases by spreading the revenue requirement to the specific destinations using systemwide volume data for 2010 (adjusted downward by 5.3 percent to account for declining throughput) and the existing TAPS rate design methodology applied in Order 151. Order 151 at 159-60. That rate design methodology, which has been used for TAPS rates since the 1980s (*see Re Amerada Hess Pipeline Corp.*, 1 APUC 606, 611 (1980); 6 APUC 401, 405 (1984)), assigns all costs to one of two categories: distance-related costs, which vary with the distance oil is transported on the system (*e.g.*, pipeline capital costs, fuel and power, maintenance costs, etc.); and non-distance-related costs, which do not vary with distance traveled (*e.g.*, Alyeska management costs, overhead expense, etc.). Distance-related costs are allocated on a barrel-mile basis (that is, based on the volume transported to each particular destination multiplied by the miles to that destination). Non-distance-related costs are allocated on a barrel

basis, meaning that each barrel on the system bears an equal share of the non-distance-related costs. Because the bulk of the systemwide costs are distance-related, the resulting rates are generally proportional to distance.<sup>5</sup>

### **Depreciable Life Change**

This rate filing complies with the Order 151 depreciation methodology by applying straight-line depreciation from 1997 forward based on the carrier property balances determined in Order 151. CPTAI submits, however, that it is appropriate to apply the most current information available to update the depreciable life as of January 1, 2008, to end in 2034 rather than in 2026, the date that was used in Order 151. *See* Order 151 at 150. The change to a 2034 end date is supported by a number of factors, including: (1) the expiration of the current right-of-way leases for TAPS at the end of 2034; and (2) the adoption of a depreciable life for TAPS ending in 2034 by FERC in its most recent interstate rate decisions for TAPS, *BP Pipelines (Alaska) Inc.*, 123 FERC ¶ 61,287 at PP 126-127 (2008); *BP Pipelines (Alaska) Inc.*, 127 FERC ¶ 61,047, at P 37 (2009). The effect of this change is to reduce the depreciation expense that would otherwise be attributable to the normalized test-year if a depreciable life ending in 2026

---

<sup>5</sup> Since CPTAI is not seeking a “rate redesign” but is simply applying an across-the-board rate increase under the existing rate design methodology applied in Order 151, there does not appear to be any requirement to file a cost-of-service study pursuant to 3 AAC 48.275(h) (“Section 275(h)”). To the extent a cost-of-service study is required, CPTAI submits that the rate design calculations shown on Exhibit EGW-2, Schedule 5, and the narrative discussion of the rate design methodology in Mr. Wetmore’s testimony (Exhibit T-4) satisfy the requirements of Section 275(h). If the Commission deems Section 275(h) to require anything greater than that, CPTAI requests that the Commission waive any such requirement, since the rate design methodology used by CPTAI complies with Order 151, which is the applicable ratemaking methodology governing TAPS intrastate rates.

had been used, and therefore reduce the rates calculated for each destination under Order 151. Making the transition from a 2026 to a 2034 end of useful life, as of January 1, 2008, is also consistent with how CPTAI's existing rates were calculated.<sup>6</sup>

**Section 275(a) Presentation**

This rate filing includes the schedules required by 3 AAC 48.275(a) ("Section 275(a)"), as supported by the testimony of the following witnesses:<sup>7</sup>

Joseph C. Falcone – Mr. Falcone, a Commercial Supervisor with responsibility for CPTAI, provides an overview of the circumstances that support CPTAI's need for an intrastate rate increase and describes and supports the Carrier-direct costs incurred by CPTAI during the test year.

George R. Ganz – Mr. Ganz, an expert regulatory consultant, presents the costs incurred by Alyeska on behalf of all of the TAPS Carriers during the test year and makes appropriate adjustments.

---

<sup>6</sup> See Mr. Wetmore's prepared direct testimony (Exhibit T-4) filed with TL141-301 (Docket P-10-10) at 23-24 and Exh. EGW-2, Sch. 10, to that testimony (using the 2026 end of useful life date for depreciation expense for 2000 through 2007, and the 2034 end of useful life date for depreciation expense thereafter).

<sup>7</sup> As explained in the testimony of Mr. Wetmore (Exhibit T-4), there are three instances in which the information required by Section 275(a) is different from the information needed to calculate rates consistent with Order 151. Section 275(a)(9) requires the regulated entity to compute rate base using a 13-month average, whereas Order 151 used the average of the beginning-of-year rate base and end-of-year rate base. Sections 275(a)(12) and (13) appear to require the regulated entity to provide information regarding its own embedded cost of debt, while Order 151 calculates debt cost with reference to proxy companies. In those instances, Mr. Wetmore's testimony notes the difference between Section 275(a) and Order 151 and provides both the information required by Section 275(a) and the information necessary to calculate rates pursuant to Order 151. To the extent the Commission determines that the information provided pursuant to Order 151 is inconsistent with that required by Section 275(a), CPTAI requests that the Commission waive the requirements of Section 275(a) in those limited instances.

Dr. Bruce H. Fairchild – Dr. Fairchild, an expert economist, presents the cost of capital for TAPS as calculated under the Commission’s Order 151 methodology.

Erik G. Wetmore – Mr. Wetmore, an expert regulatory consultant, presents the systemwide revenue requirement for TAPS and the calculation of rates to specific intrastate destinations, applying the Order 151 methodology and other Commission precedents and policies and using the data supplied to him by the other witnesses. Mr. Wetmore also sponsors the schedules required under Section 275(a).

Attached to this Tariff Advice Letter as Schedule 1 is a list of the schedules, testimony, exhibits and other information submitted with this filing.

**CPTAI Does Not Seek to Consolidate this Filing with Dockets P-08-9, et al.**

There are currently 12 consolidated dockets<sup>8</sup> that involve TAPS Carrier intrastate rate filings that cover test years 2007 through 2009. The primary reasons for consolidating those dockets were the similarity of issues among the dockets, that no party opposed consolidation, and the fact that the previously consolidated proceedings were still in their initial stages procedurally. *See, e.g.*, Order No. P-08-9(24) at 11 (Dec. 16, 2010) (consolidating CPTAI’s and Koch Alaska Pipeline Company, LLC’s test year 2009 filings with previously consolidated dockets, and finding that “[e]ach tariff filing is at a slightly different stage, though each is in the initial stage of its respective proceeding.”).

Now, however, the consolidated proceedings are no longer in their initial stages. In addition to the original prefiled testimony that was filed in each of those dockets with the initial

---

<sup>8</sup> Dockets P-08-9, P-08-13, P-09-5, P-09-6, P-09-10, P-09-12, -P-09-15, P-10-5, P-10-10, P-10-13, P-11-6, and P-11-9 (“P-08-9, et al.”). *See* Order No. P-08-9(29) at 3.

tariff filing, additional testimony was filed in each of those dockets by January 24, 2011, and February 22, 2011, answering testimony is due June 20, 2011, and reply testimony is due August 22, 2011. *See* ALJ's electronic orders dated Jan. 19, 2011, and Feb. 15, 2011. In addition, the parties in the consolidated dockets have already conducted a significant amount of discovery.

Under these circumstances, CPTAI believes that any efficiency benefits of consolidating the instant filing with the other dockets would be outweighed by disruption of the current procedural schedule in those dockets. In addition, CPTAI's instant filing is based on a 2010 test year, in contrast to all of the consolidated dockets. For these reasons, CPTAI is not submitting a motion to consolidate any proceedings that might result from TL143-301 with the previously consolidated dockets in Docket P-09-8 *et al.*

#### **Petition for Confidential Treatment**

By separate petition, CPTAI is requesting confidential treatment of a limited portion of the materials submitted in support of this rate filing. CPTAI has made every effort to keep the confidential material in the filing to a minimum. All of the narrative testimony of CPTAI's witnesses is being submitted without restriction, as is the great majority of the exhibits to that testimony. The following six exhibits, however, contain confidential information and are being filed under seal: Exhibit EGW-2 (Schedule 6.1), Exhibit EGW-7, Exhibit EGW-8, Exhibit GRG-6, Exhibit GRG-7 (Schedule 1), and Exhibit GRG-8. For the reasons set forth in its petition for confidential treatment, CPTAI submits that these exhibits are confidential pursuant to AS 42.06.445(c) and 3 AAC 48.040 and 48.045.

Regulatory Commission of Alaska  
Tariff Advice Letter No. TL143-301  
May 20, 2011  
Page 12 of 13

**Tariff Sheet No. 7.**

The proposed intrastate transportation rates are set forth on the enclosed eighth revision to Tariff Sheet No. 7. In addition to those transportation rates, the last paragraph of Tariff Sheet No. 7 includes minor changes to update references to CPTAI's effective FERC rules and regulations tariff (from FERC Tariff No. 12 to FERC Tariff No. 20.1.0). By Letter Order No. L1100062 (Feb. 18, 2011), regarding TL142-301, the Commission approved CPTAI's adoption by reference of the rules and regulations set forth in CPTAI's FERC Tariff No. 20.1.0, which cancelled FERC Tariff No. 12.

**Electronic Copy**

For the Commission's convenience, a CONFIDENTIAL compact disc is enclosed, which contains certain schedules from this filing in electronic format.

**Notification of Tariff Filing**

CPTAI shippers as well as the State of Alaska are being notified of this filing electronically. A copy of the tariff filing will be available for public inspection at the offices of CPTAI at 700 G Street, Room 919, Anchorage, AK 99501, Attn: Luke Kiskaddon (907) 265-6393.

**Notices**

Please send notices relating to this matter to:

Rita H. Lovett  
ConocoPhillips Transportation Alaska, Inc.  
700 G Street  
Anchorage, Alaska 99501  
(907) 263-3703

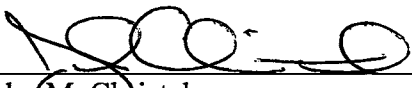
Regulatory Commission of Alaska  
Tariff Advice Letter No. TL143-301  
May 20, 2011  
Page 13 of 13

Steven H. Brose  
Steven Reed  
Daniel J. Poynor  
Steptoe & Johnson LLP  
1330 Connecticut Avenue, NW  
Washington, D.C. 20036  
(202) 429-6250

Dean Thompson  
Kempel, Huffman & Ellis, P.C.  
255 E. Fireweed Lane, Suite 200  
Anchorage, Alaska 99503  
(907) 277-1604

Very truly yours,

CONOCOPHILLIPS TRANSPORTATION ALASKA, INC.

By:   
John M. Christal  
Vice President

Enclosures

Phillips Transportation Alaska, Inc.

**SECTION 3  
RATE TABLE**

Transportation rate in dollars per barrel of 42 United States Gallons, on the transportation of PETROLEUM in intrastate commerce from the established receiving station to the established delivery place at locations named below.

ITEM	FROM	TO	SOURCE	PROPOSED RATE
3.1	Trans Alaska Pipeline System PS No. 1	Golden Valley Electric Association, Inc.	Prudhoe Bay (Sadlerochit Petroleum)	\$3.37 (I)
			Kuparuk	\$3.37 (I)
			Lisburne	\$3.37 (I)
			Endicott	\$3.37 (I)
			Northstar	\$3.37 (I)
3.2	Trans Alaska Pipeline System PS No. 1	Valdez Refinery Connection	Prudhoe Bay (Sadlerochit Petroleum)	\$5.26 (I)
			Kuparuk	\$5.26 (I)
			Lisburne	\$5.26 (I)
			Endicott	\$5.26 (I)
			Northstar	\$5.26 (I)
3.3	Trans Alaska Pipeline System PS No. 1	Valdez, Alaska	Prudhoe Bay (Sadlerochit Petroleum)	\$5.28 (I)
			Kuparuk	\$5.28 (I)
			Lisburne	\$5.28 (I)
			Endicott	\$5.28 (I)
			Northstar	\$5.28 (I)

GATHERING RATE: The above rates cover transportation by trunk line only and no gathering service will be performed under this tariff.

The rates indicated are exclusive of the amount required or allowed by applicable law or regulation including but not limited to the amount collected for the System Liability Fund (Item 17) of F.E.R.C. Tariff No. 20.1.0, adopted by reference in RCA Tariff 301 and Supplements, (C) and/or any penalties which may be incurred pursuant to the terms of Item 7 of F.E.R.C Tariff No. 20.1.0, adopted by reference in RCA Tariff 301 and Supplements. (C)

Tariff Advice No. 143-301

Effective: June 20, 2011

Issued by: ConocoPhillips Transportation Alaska, Inc.

By:  Title: Vice President

John M. Christal

**ConocoPhillips Transportation Alaska, Inc.**  
**2010 Test Year Rate Case – Tariff Advice Letter TL143-301**

**SCHEDULE 1 – INDEX TO FILING**

**T-1 Prepared Direct Testimony of Joseph C. Falcone**

- Exhibit JCF-1 CPTAI Carrier Direct Operating Expenses
- Exhibit JCF-2 TAPS Throughput 1988-2010
- Exhibit JCF-3 TAPS Volume Data Through May 2011

**T-2 Prepared Direct Testimony of George R. Ganz**

- Exhibit GRG-1 Resume of George R. Ganz
- Exhibit GRG-2 Alyeska Monthly Construction Work in Progress 2000-2010
- Exhibit GRG-3 Alyeska Carrier Property in Service 2000-2010
- Exhibit GRG-4 Alyeska Property and Accrued Depreciation Retirements 2000-2010
- Exhibit GRG-5 Alyeska Monthly Working Capital 2010
- Exhibit GRG-6 Alyeska Major Maintenance Expense 2010 (**Confidential**)
- Exhibit GRG-7 Alyeska Operating Expense 2010 and Normalized Test-Year (**Schedule 1 Confidential**)
- Exhibit GRG-8 Alyeska Operating Expense 2010 by Account Number and Subcategory (**Confidential**)

**T-3 Prepared Direct Testimony of Dr. Bruce H. Fairchild**

Appendix A	Resume of Bruce H. Fairchild
Appendix B	Summary of Testimony Before Regulatory Agencies
Exhibit BHF-1	Overall Rate of Return
Exhibit BHF-2	Proxy Group Selection
Exhibit BHF-3	Capital Structure
Exhibit BHF-4	Embedded Cost of Debt
Exhibit BHF-5	Summary of Cost of Equity Estimates
Exhibit BHF-6	Summary of Discounted Cash Flow Estimates
Exhibit BHF-7	Dividend Yield
Exhibit BHF-8	Single-Stage DCF Model Growth
Exhibit BHF-9	Two-Stage DCF Model Growth – 20-Year General Form
Exhibit BHF-10	Two-Stage DCF Model Growth – FERC Form
Exhibit BHF-11	Summary of Equity Risk Premium Method
Exhibit BHF-12	Prospective Triple-B Utility Bond Yield
Exhibit BHF-13	Beta-Adjusted Total Market Equity Risk Premium
Exhibit BHF-14	S&P Public Utilities Equity Risk Premium
Exhibit BHF-15	Empirical Capital Asset Pricing Model
Exhibit BHF-16	Comparable Earnings Method
Exhibit BHF-17	Allowance For Funds Used During Construction

**T-4 Prepared Direct Testimony of Erik G. Wetmore**

Exhibit EGW-1	Resume of Erik G. Wetmore
Exhibit EGW-2	Section 275(a) Filing
Schedule 1	Comparative Balance Sheet
Schedule 2	Income Statement
Schedule 3	Unappropriated Retained Income Statement
Schedule 4	Proposed Rate Change
Schedule 5	Revenue Requirement
Schedule 6	Test-Year Revenues and Expenses, Pro Forma Adjustment, and Normalized Test-Year Revenues and Expenses. <b>(Schedule 6.1 Confidential)</b>
Schedule 7	Computation of and a Narrative Explanation for Pro Forma Adjustments
Schedule 8	Income Tax Allowance
Schedule 9	Rate Base
Schedule 10	Carrier Property in Service and Depreciation
Schedule 11	Cash Working Capital Requirement
Schedule 12	Weighted Cost of Capital and Return on Rate Base
Schedule 13	Long-Term Debt Statement
Schedule 14	Prefiled Direct Testimony (T-1 through T-4)
Schedule 15	Costs to Dismantle
Schedule 16	Adjustments to Costs to Dismantle
Workpaper 1.1	Allowance for Funds Used During Construction (“AFUDC”)

Workpaper 1.2	Amortization of AFUDC
Workpaper 1.3	Pro Forma Adjustment for AFUDC
Workpaper 2.1	Accumulated Deferred Income Taxes ("ADIT")
Workpaper 2.2	TEFRA Adjustment to ADIT
Workpaper 2.3	State Tax Depreciation
Workpaper 2.4	Federal Tax Depreciation
Workpaper 3.1	Summary of Retirements from Accumulated Depreciation
Workpaper 3.2	Undepreciated Property Factors, by Vintage Year
Workpaper 3.3	Adjustments to Accumulated Depreciation
Workpaper 4	Non-Distance Costs
Exhibit EGW-3	Intrastate Revenue Deficit
Exhibit EGW-4	Volumes
Exhibit EGW-5	Average Carrier-Direct Fuel Gas Costs
Exhibit EGW-6	State of Alaska Department of Natural Resources North Slope Gas Reports, December 2009 and April 2010
Exhibit EGW-7	Affiliated Costs ( <b>Confidential</b> )
Exhibit EGW-8	ConocoPhillips Overhead Analysis ( <b>Confidential</b> )