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OF COUNSEL
GREGORY G. SILVEY
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January 14, 2005

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

Re: TAPS Carriers' Quality Bank
BP Pipelines (Alaska) Inc. Tariff Advice No. 107-311
ExxonMobil Pipeline Company Tariff Advice No. 120-304
ConocoPhillips Transportation Alaska, Inc. Tariff Advice No. 108-301
Unocal Pipeline Company Tariff Advice No. 97-312
Koch Alaska Pipeline Company, L.L.C. Tariff Advice No. 105-308

Dear Commissioners:

This tariff advice refers to the Local Pipeline Tariff containing the TAPS Quality Bank Methodology for each of the five TAPS Carriers, issued January 14, 2005, with a requested effective date of February 1, 2005. The Local Pipeline Tariff is being filed today at the Federal Energy Regulatory Commission ("FERC") and with this Commission.

This filing is made to comply with the requirements of FERC Order Approving Contested Settlement in Docket Nos. OR89-2-007, et al., Trans Alaska Pipeline System, 81 FERC ¶ 61, 319 (1997) and APUC Order Adopting Federal Energy Regulatory Commission Order Approving Contested Settlement in Docket Nos. P-89-1, et al., P-89-1(87) (1998). These Orders require the reference prices for Light Distillate, Heavy Distillate and Resid in Attachment 2 to the tariffs to be revised each year in accordance with a specified formula. The data necessary to make these adjustments does not become available within more than 30 days prior to February 1, 2005. The data appears in the first weekly issue of the January Oil & Gas Journal. The Quality Bank Administrator makes calculations using that data for purposes of complying with the FERC and Commission Orders.

Special permission has been requested of the FERC for these tariffs to become effective on February 1, 2005. The TAPS Carriers request a waiver of the usual 30-day notice requirement for a tariff revision because the tariff adjustments for Light Distillate, Heavy Distillate and Resid in Attachment 2 to the tariffs must be made within

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Regulatory Commission of Alaska
January 14, 2005
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less than 30 days, and because it is necessary and desirable for the Quality Bank provisions of the TAPS tariffs on file at the FERC and at this Commission to be identical and to have identical effective dates. Therefore, pursuant to 3 AAC 48.300(c)(4), there is good cause for waiver of the statutory notice and an effective date of February 1, 2005, as these tariff adjustments are being filed to comply with a Commission order.

Each of the five TAPS Carriers will serve a copy of the Local Pipeline Tariff upon each of its intrastate and interstate shippers.

On behalf of the TAPS Carriers, we request that the Commission Staff validate and return a copy of this filing to each of the TAPS Carriers.

Very truly yours,

GUESS & RUDD P.C.



Louis R. Veerman

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Enclosures

cc: John E. Kennedy (w/encls.)

January 14, 2005

OIL PIPELINE FILING
SPECIAL PERMISSION REQUESTED

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

Re: BP Pipelines (Alaska) Inc. Supplement No. 1 to F.E.R.C. No. 30
ExxonMobil Pipeline Company Supplement No. 1 to F.E.R.C. No. 218
ConocoPhillips Transportation Alaska, Inc. Supplement No. 1 to F.E.R.C. No. 3
Unocal Pipeline Company Supplement No. 1 to F.E.R.C. No. 273
Koch Alaska Pipeline Company, L.L.C. Supplement No. 1 to F.E.R.C. No. 4

Dear Ms. Salas:

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

BP Pipelines (Alaska) Inc. Supplement No. 1 to F.E.R.C. No. 30
ExxonMobil Pipeline Company Supplement No. 1 to F.E.R.C. No. 218
ConocoPhillips Transportation Alaska, Inc. Supplement No. 1 to F.E.R.C. No. 3
Unocal Pipeline Company Supplement No. 1 to F.E.R.C. No. 273
Koch Alaska Pipeline Company, L.L.C. Supplement No. 1 to F.E.R.C. No. 4

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

On December 17, 1997 the Federal Energy Regulatory Commission issued Order Approving Contested Settlement in Docket Nos. OR89-2-007, *et al. Trans Alaska Pipeline System*, 81 F.E.R.C. ¶ 61,319 (1997). On January 13, 1998 the Alaska Public Utilities Commission ("APUC") issued its Order Adopting Federal Energy Regulatory Commission Order Approving Contested Settlement in Docket Nos. P-89-1, *et al. In re Formal Complaint of Tesoro Alaska Petroleum Co.*, Order P-89-1(87) (1998). One of the terms of the settlement approved by the Commission and the APUC is embodied in Item III.G.4. 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 orders of this Commission and the APUC and Item III.G.4. of the tariffs. Attachment 2G reflects revised adjustments to the reference prices for the Light Distillate, Gulf Coast Heavy Distillate and Resid components for the year 2005 calculated in accordance with the method prescribed in Item III.G.4. A table showing the calculation is attached as Exhibit A.

In accordance with orders of this Commission and the APUC's successor, the Regulatory Commission of Alaska ("RCA") and Item III.G.5. of the tariffs, the reference price of West Coast Heavy Distillate has not been revised. Pending a final decision by the Commission and the RCA on the appropriate processing cost adjustment to the replacement product price, the Quality Bank continues to use the October 1999 adjusted reference price for West Coast Heavy Distillate. See *Trans Alaska Pipeline System*, 90 F.E.R.C. ¶ 61,123 (2000); *In re Filing of a Notice by the Trans Alaska Pipeline System Quality Bank Administrator*, P-99-12(2) (2000).

Although the enclosed tariff uses the symbol [U] for "Unchanged rate" in Attachment 2G, the figure following that symbol is not, in fact, a rate, but an adjustment to a reference price used in the Quality Bank methodology.

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, 2005, which is seventeen days' notice. As noted above, these tariffs are filed to comply with the orders of this Commission and the APUC and Item III.G.4. 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, 2005. Because the Quality Bank adjustments are calculated on a monthly basis, it is important that the tariff revisions become effective on February 1, 2005.

Pursuant to 18 C.F.R. § 343.3 of the Commission's regulations, each of the TAPS Carriers other than Koch Alaska Pipeline Company, L.L.C. hereby 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. Koch Alaska Pipeline Company, L.L.C. requests that any protest to its enclosed filing be telefaxed to its counsel, John B. Rudolph, at the following telefax number: (202) 973-1212.

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.

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January 14, 2005

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

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Supplement No. 1 to F.E.R.C. No. 30 (BP)
Supplement No. 1 to F.E.R.C. No. 3 (ConocoPhillips)
Supplement No. 1 to F.E.R.C. No. 218 (ExxonMobil)
Supplement No. 1 to F.E.R.C. No. 4 (Koch)
Supplement No. 1 to F.E.R.C. No. 273 (Unocal)

**BP PIPELINES (ALASKA) INC. (BP)
CONOCOPHILLIPS TRANSPORTATION ALASKA, INC. (CONOCOPHILLIPS)
EXXONMOBIL PIPELINE COMPANY (EXXONMOBIL)
KOCH ALASKA PIPELINE COMPANY, L.L.C. (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

The changes noted in Attachment [W] 2G are made to comply with this Commission's Order Adopting Contested Settlement in Docket No. OR89-2-007, *et al.*, *Trans Alaska Pipeline System*, 81 F.E.R.C. ¶ 61,319 (1997), and the Alaska Public Utilities Commission's Order Adopting Federal Energy Regulatory Commission Order Approving Contested Settlement in Docket Nos. P-89-1, *et al.*, *In re Formal Complaint of Tesoro Alaska Petroleum Co.*, Order P-89-1(87) (1998).

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. [W] 6 (ConocoPhillips), F.E.R.C. No. 161 (ExxonMobil), F.E.R.C. No. 2 (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.

SPECIAL PERMISSION REQUESTED

Issued on 17 days' notice under authority of 18 C.F.R. § 341.14. This tariff publication is conditionally accepted subject to refund pending a 30-day review period

ISSUED JANUARY 14, 2005

EFFECTIVE FEBRUARY 1, 2005

ISSUED BY

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TAPS Quality Bank

Index Ratio & Price Adjustments

Effective: February, 2005

Nelson-Farrar Index Ratio

Index Ratio: 473.1 / 460.7 = 1.0269

Index Date	Issue Date	Index	Index Date	Issue Date	Index
Sep-2002	2/3/2003	448.2	Sep-2003	2/2/2004	461.1
Oct-2002	3/3/2003	453.2	Oct-2003	3/1/2004	463.9
Nov-2002	4/7/2003	448.2	Nov-2003	4/5/2004	466.2
Dec-2002	5/5/2003	450.5	Dec-2003	5/3/2004	457.4
Jan-2003	6/2/2003	461.4	Jan-2004	6/7/2004	470.8
Feb-2003	7/7/2003	478.6	Feb-2004	7/5/2004	471.8
Mar-2003	8/4/2003	485.3	Mar-2004	8/2/2004	471.8
Apr-2003	9/8/2003	459.3	Apr-2004	9/6/2004	471.5
May-2003	10/6/2003	455.2	May-2004	10/4/2004	480.1
Jun-2003	11/3/2003	461.2	Jun-2004	11/1/2004	486.2
Jul-2003	12/1/2003	465.5	Jul-2004	12/6/2004	488.0
Aug-2003	1/5/2004	461.7	Aug-2004	1/3/2005	488.2
Average		460.7	Average		473.1

Reference Price Adjustments

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

	Gulf Coast		West Coast	
	(¢/Gal)	(\$/BBL)	(¢/Gal)	(\$/BBL)
Light Distillate				
2004	-0.5623	-0.2362	-0.5623	-0.2362
2005	-0.5774	-0.2425	-0.5774	-0.2425
Heavy Distillate				
2004	-2.2485	-0.9444	-1.1243	-0.4722
2005	-2.3090	-0.9698	-1.1545	-0.4849
Resid				
2004	-5.0592	-2.1249	-5.0592	-2.1249
2005	-5.1953	-2.1820	-5.1953	-2.1820

Attachment 2G cancels Attachment 2F

ATTACHMENT 2G

COMPONENT UNIT VALUE PRICING BASIS

PROPANE (C₃)

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 (iC₄)

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 (nC₄)

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 (C₅ - 175EF)

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

NAPHTHA (175E - 350EF)

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.	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.

LIGHT DISTILLATE (350E - 450EF)

United States Gulf Coast	United States West Coast
Platt's U.S. Gulf Coast spot quote for Waterborne Jet Kerosene 54 less [I] 0.5774 cents per gallon.	Platt's U.S. West Coast spot quote for Waterborne Jet Fuel less [I] 0.5774 cents per gallon.

HEAVY DISTILLATE (450E - 650EF)

United States Gulf Coast	United States West Coast
Platt's U.S. Gulf Coast spot quote for Waterborne No. 2 less [I] 2.3090 cents per gallon.	Platt's U.S. West Coast spot quote for Waterborne Gasoil for October 1999 less [U] 0.9973 cents per gallon.

GAS OIL (650E - 1050EF)

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. Gulf Coast spot quote for barge High Sulfur VGO.

RESID (1050EF and Over)

United States Gulf Coast	United States West Coast
Platt's U.S. Gulf Coast spot quote for Waterborne No. 6 Fuel Oil 3.0% Sulfur less [I] 5.1953 cents per gallon.	Platt's U.S. West Coast spot quote for Pipeline 380 cst at Los Angeles converted to \$/Bbl using 6.37 Bbl/MT less [I] 5.1953 cents per gallon.

Explanation of symbols:

[I] Increase

[U] Unchanged rate (adjustment)

[W] Change in wording only