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July 3, 2006

OIL PIPELINE FILING

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

Re: BP Pipelines (Alaska) Inc. F.E.R.C. No. 33
ConocoPhillips Transportation Alaska, Inc. F.E.R.C. No. 10
ExxonMobil Pipeline Company F.E.R.C. No. 274
Koch Alaska Pipeline Company, L.L.C. F.E.R.C. No. 7
Unocal Pipeline Company Supplement F.E.R.C. No. 285

Dear Ms. Salas:

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

BP Pipelines (Alaska) Inc. F.E.R.C. No. 33
ConocoPhillips Transportation Alaska, Inc. F.E.R.C. No. 10
ExxonMobil Pipeline Company F.E.R.C. No. 274
Koch Alaska Pipeline Company, L.L.C. F.E.R.C. No. 7
Unocal Pipeline Company F.E.R.C. No. 285

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 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 Commisison 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).

The enclosed tariffs incorporate the new methodology adopted by the Commissions in those orders. Opinion 481-A P 23 (adopted by the RCA in Order P-89-1(109)) directs that the new methodology is effective November 1, 2005.

The bases for each of the revised component valuation methods set forth in the enclosed tariffs are explained in the enclosed memorandum from the Quality Bank Administrator dated 29 June 2006.[1]

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.

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.,
ConocoPhillips Transportation Alaska, Inc.,
ExxonMobil Pipeline Company, and
Unocal Pipeline Company

HAND DELIVERED AND RECEIPT REQUESTED

Enclosures

Houston 2910696v.1

[1] Recalculation of the Quality Bank adjustments for the period February 1, 2000 through October 31, 2005, is underway, and new statements reflecting the refunds due or payments owed will be filed as soon as possible. At present, the Quality Bank Administrator estimates that new statements for that period will be issued on or about September 15, 2006. Recalculation of Quality Bank adjustments for such an extended period is a massive undertaking, as the Quality Bank Administrator has consistently informed the parties.

TAPS QUALITY BANK

To: All Shippers and Interested Parties

From: J.T. Mitchell – Quality Bank Administrator

Date: 29 June 2006

Subject: Bases for Revised Tariff

Under the orders issued in FERC Opinions 481, 481-A, and 481-B the Quality Bank methodology is to be revised on a prospective basis effective November 1, 2005. The purpose of this memo is to provide the bases for each of the revised component valuation methods as set forth in Attachment 2 to the Methodology Tariff.

Two Versions of Attachment 2

Because the revisions are being implemented after the fact, it is necessary to issue two versions of Attachment 2 to reflect changes in some of the valuation factors since November 1, 2005. These two versions apply to the following periods:

Period of Application	Reason
Nov 1, 2005 – Jan 31, 2006 (Version 1)	Overall revised methodology
Feb 1, 2006 forward (Version 2)	Revised LD, HD, & Resid adjs. Revised WC Naphtha coefficients

It is planned that the new methodology will be applied on a current basis for the June Quality Bank with invoices issued in July. The above-referenced versions of Attachment 2 will be the basis for refund calculations for the months of Nov 2005 through May 2006.

Use of Nelson-Farrar Escalation Factors

The Nelson-Farrar (N-F) indices are used in two ways. First, they are used to convert 1996 based capital investments to a year 2000 basis as required by the Commissions. For this purpose the average index for the calendar year 2000 was divided by the average for 1996 to yield a capital escalation factor of 1.0742 as documented in the attached Exhibit 1.

It should be noted that well after the fact it was discovered that there was a typo in the Oil & Gas Journal for the index for September, 2000. The index should have been 450.7 instead of 458.7 as published. This was established with finality through correspondence with Mr. Farrar. At the time it was determined that this correction did not affect any of the processing adjustments used during the pertinent period. However, since we are using these factors for both the prospective and retroactive calculations, it was decided to include the correction at this time.

Once the processing adjustments for HD and Resid have been established using the new methodology for the base year 2000, the N-F factors are used to up-date the adjustments annually. This has been done since 1998 on the basis of a February to January period. In other words the new escalation factor is determined each January, the processing adjustments redetermined, and a revised Tariff filed effective February 1. The revised processing adjustments then remain the same through the following January. It was decided to continue this practice both to be consistent with the approach in the past and to have all the adjustments change at the same time, including that for Light Distillate that was not changed by these orders. The N-F escalation ratios for each year through 2006 are shown in the attached Exhibit 2.

Gulf Coast Light Straight Run

In May of this year Platts changed the designation of GC natural gasoline used by the Quality Bank for valuation of LSR from "non-Dynegy" to "non-Targa" to reflect a change in ownership of some mid-stream facilities. There was no change in the product being assessed and this name change is reflected in Version 2 of Attachment 2.

West Coast Naphtha

Beginning November 1, 2005 the WC Naphtha component will be valued using a formula developed from a regression analysis of 10 years data for GC naphtha, gasoline, and jet fuel prices. The formula is set forth on page 3 of Attachment 2. The coefficients in the formula will be redetermined each January and made effective February 1. The revised Naphtha formula will then be put into effect on the same schedule as the revised processing adjustments for LD, HD, and Resid.

The formula to be used for Nov 2005 – Jan 2006 is given on page 3 of Version 1 of Attachment 2 while the formula for Feb 2006 – Jan 2007 is shown on page 3 of Version 2 of Attachment 2.

The monthly average prices for each ten-year period are shown in the attached Exhibits 3A and 3B. The results of the two regression analyses are given in Exhibits 4A and 4B. Consistent with Opinion 481-A the following product prices were used for the GC naphtha element of the regression:

Through Feb 2003	Naphtha
From Mar 1 – Aug 16, 2003	Heavy Naphtha
From Aug 17, 2003 forward	Average of Heavy Naphtha and Heavy Naphtha Barge

The actual published Heavy Naphtha prices were used during the period from May 1 to August 16 rather than the April price that had been frozen pending a decision by the Commissions. This is consistent with both the wording of Opinion 481-A and the concept that the regression should be based on actual prices rather that a price frozen due to regulatory reasons.

West Coast Heavy Distillate

All parties agreed to use WC, pipeline, Los Angeles LS No. 2 as the pricing basis for WC HD beginning in Feb 2000. The name of the product was subsequently changed by Platts to LS Diesel and later LS (EPA) Diesel.

The Commissions, in essence, ordered that the O'Brien calculation of the processing adjustment was to be used with the exception that a WC location factor of 1.27 was to be applied to the capital investment. Exhibit No. PAI-19 has been revised from the original to include the location factor. This is attached as Exhibit 5. The result is a processing cost of $1.962 per barrel on a 1996 basis. Application of the N-F escalation factor described previously gives the adjustment for the 2000 base year of $2.108 per barrel. Processing adjustments for subsequent years are shown in Exhibit 6.

West Coast Gas Oil

As agreed by the parties and approved by the Commissions, beginning Nov 1, 2005 the Gas Oil component on the WC will be valued based on the OPIS weekly quotation for WC HS VGO.

Gulf Coast and West Coast Resid

Under the new formula approach for determination of Resid value it is necessary to establish two separate elements of the formula. First, the yield coefficients must be determined and, second, the processing adjustments must be calculated.

The yield coefficients are a function of the API gravity, sulfur content, and carbon residue content of the Resid component of the ANS common stream. These properties are used in the PIMS coker yield correlation to calculate the coefficients. The Initial Decision, as approved in Opinion 481, provided that the 2001 Caleb Brett assay was to serve as the basis for prospective implementation of the new Resid valuation until the QBA determined that some other basis was more appropriate. As discussed in the attached Exhibit 7, it is my determination that the 2001 Caleb Brett assay should serve as the basis for coefficient determination until further notice. The coefficients calculated using these properties are the same for both GC and WC and are shown on pages 4 and 5 of both versions of Attachment 2. The calculation was accomplished using Exhibit No. EMT-197 revised to include a 68 °F cut point for C_5+ as ordered by the Commissions. The format of this calculation is shown on page 6 of Attachment 2.

The processing adjustments for the GC and WC are determined based on the capital and operating costs for a petroleum coking unit as specified by the Commissions. The calculation of these costs for the 2000 base year is shown in Exhibits 8 and 9. For each cost item the basis is provided in the right-hand column.

The annual adjustments are determined using the N-F escalation factors as discussed in the section concerning Heavy Distillate. These are shown in Exhibits 10 and 11 for the GC and WC. The adjustments for the periods Nov 2005 - Jan 2006 and for Feb 2006 – Jan 2007 are shown on pages 4 and 5 of Versions 1 and 2 of Attachment 2, respectively.

Exhibit 1

Nelson-Farrar Cost Indexes
(1996 / 2000)

Operating Index - Refinery

Jan-00	432.9	Jan-96	413.6	
Feb-00	441.7	Feb-96	411.7	
Mar-00	440.7	Mar-96	408.3	
Apr-00	437.3	Apr-96	405.5	
May-00	432.6	May-96	408.4	
Jun-00	440.2	Jun-96	410.1	
Jul-00	443.9	Jul-96	412.6	
Aug-00	436.6	Aug-96	411.4	
Sep-00	450.7	Sep-96	415.1	
Oct-00	458.7	Oct-96	415.1	
Nov-00	454.8	Nov-96	421.2	
Dec-00	457.9	Dec-96	426.8	
Average	444.0000	Average	413.3167	Ratio: 1.074237

EXHIBIT 2
NELSON-FARRAR RATIOS
2000 - 2006

Effective Date	Previous Index	Current Index	Escalation Ratio
February 1, 2001	402.0	432.8	1.0768
February 1, 2002	432.8	442.7	1.0229
February 1, 2003	442.7	422.0	0.9532
February 1, 2004	422.0	460.7	1.0916
February , 2005	460.7	473.1	1.0269
February 1, 2006	473.	515.1	1.0888

Exhibit 3A

GC Naphtha, Gasoline, Jet Fuel Monthly Averages 1995-2004

	X1 GC Gasoline ($/bbl)	X2 GC Jet Fuel Gulf Coast ($/bbl)	Y GC Naphtha ($/bbl)
Jan-95	19.980	19.795	18.970
Feb-95	20.591	19.629	19.433
Mar-95	20.667	18.939	18.870
Apr-95	24.935	21.050	22.857
May-95	26.658	21.477	23.341
Jun-95	23.131	20.124	20.179
Jul-95	20.127	19.649	18.256
Aug-95	21.201	20.865	20.235
Sep-95	21.215	21.564	19.506
Oct-95	18.886	21.122	18.012
Nov-95	19.212	21.969	17.897
Dec-95	20.176	23.284	19.412
Jan-96	20.852	23.005	20.477
Feb-96	21.848	22.688	20.433
Mar-96	24.480	24.245	21.953
Apr-96	27.815	25.705	25.375
May-96	26.534	23.341	23.868
Jun-96	23.990	21.769	20.572
Jul-96	24.948	23.413	22.163
Aug-96	24.532	25.933	22.618
Sep-96	25.008	28.670	24.394
Oct-96	27.053	29.617	26.465
Nov-96	27.795	29.254	26.789
Dec-96	27.313	29.158	26.310
Jan-97	28.295	28.572	27.121
Feb-97	26.214	26.012	24.705
Mar-97	25.938	23.452	24.121
Apr-97	24.751	22.771	21.480
May-97	25.783	23.083	22.943
Jun-97	23.408	21.955	20.695
Jul-97	24.887	22.546	22.818
Aug-97	27.493	23.523	25.053
Sep-97	24.005	22.775	21.293
Oct-97	23.219	24.022	21.228
Nov-97	22.339	23.150	21.338
Dec-97	20.964	20.792	19.857

Exhibit 3A

GC Naphtha, Gasoline, Jet Fuel Monthly Averages 1995-2004

	X1 GC Gasoline ($/bbl)	X2 GC Jet Fuel Gulf Coast ($/bbl)	Y GC Naphtha ($/bbl)
Jan-98	19.514	20.029	18.493
Feb-98	19.091	18.889	17.400
Mar-98	18.148	17.330	16.351
Apr-98	19.693	17.875	17.730
May-98	20.396	17.488	16.160
Jun-98	18.642	16.487	15.227
Jul-98	17.812	16.418	15.392
Aug-98	15.883	15.803	13.870
Sep-98	17.138	17.683	15.888
Oct-98	17.559	17.759	15.535
Nov-98	14.269	15.670	13.059
Dec-98	12.672	12.999	11.784
Jan-99	13.954	14.194	12.777
Feb-99	12.990	13.042	11.315
Mar-99	17.866	15.921	15.812
Apr-99	21.165	18.160	16.938
May-99	20.423	17.438	17.945
Jun-99	20.592	18.638	18.447
Jul-99	23.908	21.705	21.938
Aug-99	25.603	23.852	23.856
Sep-99	27.280	25.913	25.340
Oct-99	24.973	25.080	23.760
Nov-99	27.725	27.838	26.463
Dec-99	27.555	29.588	26.455
Jan-00	29.389	32.721	28.505
Feb-00	34.409	32.910	33.584
Mar-00	36.207	32.634	32.749
Apr-00	30.961	30.234	28.311
May-00	37.421	31.631	33.414
Jun-00	40.831	33.006	36.717
Jul-00	34.971	33.578	31.923
Aug-00	35.693	37.871	34.335
Sep-00	38.102	42.777	36.708
Oct-00	37.082	41.105	36.242
Nov-00	36.207	43.160	35.275
	30.545	36.422	30.650

Exhibit 3A

GC Naphtha, Gasoline, Jet Fuel Monthly Averages 1995-2004

	X1 GC Gasoline ($/bbl)	X2 GC Jet Fuel Gulf Coast ($/bbl)	Y GC Naphtha ($/bbl)
Jan-01	36.158	36.075	35.723
Feb-01	35.111	34.006	31.912
Mar-01	32.886	31.521	30.302
Apr-01	40.816	32.306	36.881
May-01	39.034	34.478	32.051
Jun-01	30.925	32.410	27.370
Jul-01	28.345	29.963	26.563
Aug-01	32.819	32.141	30.706
Sep-01	30.614	30.309	27.474
Oct-01	23.783	26.122	21.598
Nov-01	21.131	22.822	20.270
Dec-01	21.492	21.649	20.166
Jan-02	22.7640	22.4410	20.1240
Feb-02	22.8524	23.2476	21.7521
Mar-02	30.2043	26.5965	27.4801
Apr-02	33.0010	28.2402	30.2309
May-02	31.3625	28.1701	28.8278
Jun-02	31.1829	27.5898	28.1074
Jul-02	31.9595	29.2585	29.2905
Aug-02	31.7668	30.5922	29.7832
Sep-02	33.0031	33.8063	32.3899
Oct-02	34.8102	33.3827	33.9958
Nov-02	29.3232	29.9278	26.2837
Dec-02	33.0040	34.2465	33.0200
Jan-03	37.0835	37.4475	37.5435
Feb-03	42.6095	44.5465	41.2446
Mar-03	40.6295	37.6705	38.5695
Apr-03	34.2430	31.4065	31.1030
May-03	33.2010	30.1495	30.9165
Jun-03	34.9545	31.6490	31.1880
Jul-03	37.3619	32.9280	32.8278
Aug-03	41.4815	34.6739	36.2005
Sep-03	34.1610	31.1695	31.4785
Oct-03	35.5713	34.6961	34.9508
Nov-03	34.7060	35.1213	34.7579
Dec-03	35.9670	37.0335	36.9840

Exhibit 3A

GC Naphtha, Gasoline, Jet Fuel Monthly Averages 1995-2004

	X1 GC Gasoline ($/bbl)	X2 GC Jet Fuel Gulf Coast ($/bbl)	Y GC Naphtha ($/bbl)
Jan-04	41.5728	41.8055	42.3797
Feb-04	43.3739	39.4402	39.1075
Mar-04	46.0334	40.1114	42.9712
Apr-04	48.5790	41.0690	43.3375
May-04	56.4522	46.0766	49.1264
Jun-04	49.3860	43.5295	45.3055
Jul-04	52.1015	48.3660	47.5248
Aug-04	49.6369	51.7407	49.0718
Sep-04	52.2510	57.4615	51.9510
Oct-04	56.8955	64.1895	57.4870
Nov-04	52.2900	56.6013	52.8334
Dec-04	43.8570	51.5145	43.5315

Exhibit 3B

GC Naphtha, Gasoline, Jet Fuel Monthly Averages 1996-2005

	X1 GC Gasoline ($/bbl)	X2 GC Jet Fuel Gulf Coast ($/bbl)	Y GC Naphtha ($/bbl)
Jan-96	20.852	23.005	20.477
Feb-96	21.848	22.688	20.433
Mar-96	24.480	24.245	21.953
	27.815	25.705	25.375
	26.534	23.341	23.868
Jun-96	23.990	21.769	20.572
Jul-96	24.948	23.413	22.163
Aug-96	24.532	25.933	22.618
Sep-96	25.008	28.670	24.394
Oct-96	27.053	29.617	26.465
Nov-96	27.795	29.254	26.789
Dec-96	27.313	29.158	26.310
Jan-97	28.295	28.572	27.121
Feb-97	26.214	26.012	24.705
Mar-97	25.938	23.452	24.121
Apr-97	24.751	22.771	21.480
May-97	25.783	23.083	22.943
Jun-97	23.408	21.955	20.695
Jul-97	24.887	22.546	22.818
Aug-97	27.493	23.523	25.053
Sep-97	24.005	22.775	21.293
Oct-97	23.219	24.022	21.228
Nov-97	22.339	23.150	21.338
Dec-97	20.964	20.792	19.857
Jan-98	19.514	20.029	18.493
Feb-98	19.091	18.889	17.400
Mar-98	18.148	17.330	16.351
Apr-98	19.693	17.875	17.730
May-98	20.396	17.488	16.160
Jun-98	18.642	16.487	15.227
Jul-98	17.812	16.418	15.392
Aug-98	15.883	15.803	13.870
Sep-98	17.138	17.683	15.888
Oct-98	17.559	17.759	15.535
Nov-98	14.269	15.670	13.059
Dec-98	12.672	12.999	11.784

Exhibit 3B

GC Naphtha, Gasoline, Jet Fuel Monthly Averages 1996-2005

	X1 GC Gasoline ($/bbl)	X2 GC Jet Fuel Gulf Coast ($/bbl)	Y GC Naphtha ($/bbl)
Jan-99	13.954	14.194	12.777
Feb-99	12.990	13.042	11.315
Mar-99	17.866	15.921	15.812
Apr-99	21.165	18.160	16.938
May-99	20.423	17.438	17.945
Jun-99	20.592	18.638	18.447
Jul-99	23.908	21.705	21.938
Aug-99	25.603	23.852	23.856
Sep-99	27.280	25.913	25.340
Oct-99	24.973	25.080	23.760
Nov-99	27.725	27.838	26.463
Dec-99	27.555	29.588	26.455
Jan-00	29.389	32.721	28.505
Feb-00	34.409	32.910	33.584
Mar-00	36.207	32.634	32.749
Apr-00	30.961	30.234	28.311
May-00	37.421	31.631	33.414
Jun-00	40.831	33.006	36.717
Jul-00	34.971	33.578	31.923
Aug-00	35.693	37.871	34.335
Sep-00	38.102	42.777	36.708
Oct-00	37.082	41.105	36.242
Nov-00	36.207	43.160	35.275
Dec-00	30.545	36.422	30.650
Jan-01	36.158	36.075	35.723
Feb-01	35.111	34.006	31.912
Mar-01	32.886	31.521	30.302
Apr-01	40.816	32.306	36.881
May-01	39.034	34.478	32.051
Jun-01	30.925	32.410	27.370
Jul-01	28.345	29.963	26.563
Aug-01	32.819	32.141	30.706
Sep-01	30.614	30.309	27.474
Oct-01	23.783	26.122	21.598
Nov-01	21.131	22.822	20.270
Dec-01	21.492	21.649	20.166

Exhibit 3B

GC Naphtha, Gasoline, Jet Fuel Monthly Averages 1996-2005

	X1 GC Gasoline ($/bbl)	X2 GC Jet Fuel Gulf Coast ($/bbl)	Y GC Naphtha ($/bbl)
Jan-02	22.7640	22.4410	20.1240
Feb-02	22.8524	23.2476	21.7521
Mar-02	30.2043	26.5965	27.4801
Apr-02	33.0010	28.2402	30.2309
May-02	31.3625	28.1701	28.8278
Jun-02	31.1829	27.5898	28.1074
Jul-02	31.9595	29.2585	29.2905
Aug-02	31.7668	30.5922	29.7832
Sep-02	33.0031	33.8063	32.3899
Oct-02	34.8102	33.3827	33.9958
Nov-02	29.3232	29.9278	26.2837
Dec-02	33.0040	34.2465	33.0200
Jan-03	37.0835	37.4475	37.5435
Feb-03	42.6095	44.5465	41.2446
Mar-03	40.6295	37.6705	38.5695
Apr-03	34.2430	31.4065	31.1030
May-03	33.2010	30.1495	30.9165
Jun-03	34.9545	31.6490	31.1880
Jul-03	37.3619	32.9280	32.8278
Aug-03	41.4815	34.6739	36.2005
Sep-03	34.1610	31.1695	31.4785
Oct-03	35.5713	34.6961	34.9508
Nov-03	34.7060	35.1213	34.7579
Dec-03	35.9670	37.0335	36.9840
Jan-04	41.5728	41.8055	42.3797
Feb-04	43.3739	39.4402	39.1075
Mar-04	46.0334	40.1114	42.9712
Apr-04	48.5790	41.0690	43.3375
May-04	56.4522	46.0766	49.1264
Jun-04	49.3860	43.5295	45.3055
Jul-04	52.1015	48.3660	47.5248
Aug-04	49.6369	51.7407	49.0718
Sep-04	52.2510	57.4615	51.9510
Oct-04	56.8955	64.1895	57.4870
Nov-04	52.2900	56.6013	52.8334
Dec-04	43.8570	51.5145	43.5315

Exhibit 3B

GC Naphtha, Gasoline, Jet Fuel Monthly Averages 1996-2005

	X1 GC Gasoline ($/bbl)	X2 GC Jet Fuel Gulf Coast ($/bbl)	Y GC Naphtha ($/bbl)
Jan-05	52.5735	56.1188	51.5392
Feb-05	52.1137	56.2021	49.7040
Mar-05	62.6339	65.7820	60.3621
Apr-05	65.0320	66.2435	62.1660
May-05	59.4095	61.9430	58.6635
Jun-05	64.2118	69.6899	59.3730
Jul-05	67.5386	69.9725	63.9802
Aug-05	81.7110	78.9002	76.8518
Sep-05	98.6790	94.1680	86.5792
Oct-05	76.0105	100.4495	68.2390
Nov-05	61.0197	71.2310	60.4684
Dec-05	66.0365	72.9290	65.5140

Exhibit 4A

TAPS Quality Bank

WC Naphtha

1995-2004 Regression

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.995485454
R Square	0.990991289
Adjusted R Square	0.990837294
Standard Error	0.910037011
Observations	120

ANOVA

	df	*SS*	*MS*	*F*	*Significance F*
Regression	2	10658.87025	5329.435126		
Residual	117	96.89558128	0.828167361		
Total	119	10755.76583			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95.0%*	*Upper 95.0%*
Intercept	-1.414575702	0.267344654	-5.291206245	5.7454E-07	-1.944037762	-0.885113642	-1.944037762	-0.885113642
X Variable 1 (Gasoline	0.630621051	0.027417486	23.00068849	3.15157E-45	0.576322159	0.684919943	0.576322159	0.684919943
X Variable 2 (Jet Fuel)	0.35769015	0.027157736	13.17083812	7.4781E-25	0.303905678	0.411474622	0.303905678	0.411474622

Effective February 1, 2005	
Gasoline, K1	0.631
Jet Fuel, K2	0.358
Intercept, K3	-1.415

Exhibit 4B

TAPS Quality Bank

WC Naphtha

1996-2005 Regression

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.994863002
R Square	0.989752393
Adjusted R Square	0.98957722
Standard Error	1.468961187
Observations	120

ANOVA

	df	*SS*	*MS*	*F*	*Significance F*
Regression	2	24384.31799	12192.15899	5650.149971	4.1823E-117
Residual	117	252.4680954	2.15784697		
Total	119	24636.78608			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95.0%*	*Upper 95.0%*
Intercept	-0.132035868	0.341476777	-0.38666134	0.699709273	-0.808312708	0.544240972	-0.808312708	0.544240972
X Variable 1 (Gasoline	0.732652436	0.036886046	19.8625906	2.77029E-39	0.659601557	0.805703315	0.659601557	0.805703315
X Variable 2 (Jet Fuel)	0.207036453	0.033764893	6.131707671	1.21257E-08	0.140166854	0.273906052	0.140166854	0.273906052

Effective February 1, 2006	
Gasoline, K1	0.733
Jet Fuel, K2	0.207
Intercept, K3	-0.132

Exhibit 5

Exhibit No. PAI-19 (Revised)

ANS HEAVY DISTILLATE TREATMENT COST

ANS HEAVY DISTILLATE TO 0.05% S PIPELINE EPA DIESEL

Cost Basis: United States, 1996

Cost Component	*Units*	*Dollars*	*Notes*
Fuel	Million Btu (MMBtu)	2.11	1.0
Power	Kilowatt-Hour (Kwh)	0.05	2.0
Steam	Thousand Pounds	3.00	3.0
Water	Thousand Gallons	0.50	4.0
Hydrogen	Thousand Cubic Feet	1.75	5.0
Labor	Average Hourly Rate	19.00	6.0
Labor Burdens & Benefits	Percent of Hourly Rate	45.00	7.0
Utilization	Stream Days % of Calendar Days	92.00	8.0

Variable Costs

Cost Component	*Units*	*Units/ Barrel Product*	*$/Bbl.*	*Notes*
Fuel	MMBtu	0.09	0.190	9.0
Power	Kwh	2.00	0.100	10.0
Steam	Lb.	13.20	0.040	11.0
Water	Gal.	15.00	0.008	12.0
Catalyst/Chemicals	Dollars	0.02	0.020	13.0
Hydrogen	Cubic Feet	250	0.438	14.0
Total Variable Costs			**0.795**	

Fixed Costs (Basis: 50,000 B/D High Pressure Distillate Hydrotreater)

Cost Component	*Fixed Cost Basis*		*$/Bbl.*	*Notes*
Labor	Hours/Year	8,760.0	0.014	15.0
Maintenance	% ISBL Capital	4.0	0.150	16.0
Tax and Insurance	% ISBL Capital	1.0	0.037	17.0
Total Fixed Costs			**0.202**	

Capital Recovery (Basis: 50,000 B/D High Pressure Distillate Hydrotreater)

	Cost Component	*Factor*		*MM$*	*$/Bbl.*	*Notes*
GC	ISBL			49.50	-	
WC	ISBL		1.27	62.87		
	OSBL factor	29% ISBL		18.23	-	
	Total Capital Investment			81.10	-	
	Total Capital Recovery	20% Annually		16.22	**0.966**	

Total ANS Distillate Processing Costs

Dollars per Barrel	**1.962**
Cents per Gallon	**4.67**

Testimony of John B. O'Brien
On Resid and Heavy Distillate Values

EXHIBIT 6
WC HEAVY DISTILLATE
PROCESSING ADJUSTMENT
2000-2006

Period	N-F Factor	West Coast Heavy Distillate Adjustment, $/Bbl	West Coast Heavy Distillate Adjustment, cents/Gal.	
1996		962	4.6714	Basis: PAI-19 (Rev.)
2000 Feb 2000 - Jan 2001	1.0742	2.108	5.0180	N-F for 1996 to 2000
200 Feb 2001 - Jan 2002	1.0768	2.269	5.4034	
2002 Feb 2002 - Jan 2003	1.0229	2.321	5.5272	
2003 Feb 2003 - Jan 2004	0.9532	2.213	5.2685	
2004 Feb 2004 - Jan 2005	1.0916	2.415	5.7511	
2005 Feb 2005 - Jan 2006	1.0269	2.480	5.9058	
2006 Feb 2006 - May 2006	1.0888	2.701	6.4302	

EXHIBIT 7

TAPS QUALITY BANK

'o: File

From: JTM – QBA

Date: 16 June 2006

Subject: Resid Properties for Prospective Implementation

Under the ALJ's Initial Decision as adopted by Opinion 481 the initial basis for Resid properties to be used to determine the yield coefficients in the Resid valuation formula prospectively is the 2001 Caleb Brett assay (#1148). As explained in the Decision, the QBA also has certain latitude to undertake additional testing and to replace these properties at his discretion. This topic was not addressed in Opinion 481 or any Order on Rehearing.

In expectation that additional Resid property data would prove useful, beginning in January 2004, samples of the Resid from the PSVR Offtake and Return streams were retained. After the Decision these samples were tested for sulfur and microcarbon residue (MCR) content. The API gravity of these samples was available from the monthly assays. As the Quality Bank does not sample the full ANS stream at the Valdez Marine Terminal, these two streams give the best indication available of trends in Resid properties. The results from this testing program are shown in Table 1. Results of the special assays in 2003 and 2004 are also available for comparison purposes.

The various results are compared in Table 2. As is shown in this table the data for 2005 and recent months in 2006 indicate that the properties from the 2001 assay are still appropriate for use in the Resid value determination. The MCR result for ANS Resid in the 2004 special assay of 20.7% appears to be an outlier and was not even consistent with the MCR values for the other "down-the pipeline" samples taken in that program which varied from 21.1 to 22.5%.

Based on this data the 2001 Caleb Brett properties will be used to calculate the yield factors for the Resid formula to be used from November 2005 forward. The properties of the PSVR streams will continue to be monitored to determine if there is any trend in the Resid properties that might call for additional testing.

Use of the 2001 properties in the PIMS coker spreadsheet (EMT-197) gives the yield factors shown in both versions of Attachment 2. These factors are the same for both the Gulf Coast and the West Coast. The spreadsheet used has been corrected for the use of 68 °F as the initial point for LSR component as required by the Decision.

EXHIBIT 7 - TABLE 1
PSVR OFFTAKE AND RETURN RESID PROPERTIES

	PSVR Offtake			PSVR Return		
Month	API	%S	%MCR	API	%S	%MCR
2004						
Jan		2.47	22.5		2.50	22.5
Feb		2.47	22.3		2.49	22.1
Mar		2.49	22.6		2.47	21.9
Apr		2.52	22.6		2.47	21.8
May		2.44	22.6		2.47	21.9
Jun		2.46	21.8		2.46	22.3
Jul		2.41	22.7		2.43	21.5
Aug		2.57	23.1		2.57	23.4
Sep		2.49	23.1		2.45	23.0
Oct		2.44	21.8		2.49	22.7
Nov		2.45	22.2		2.47	22.4
Dec		2.50	21.9		2.44	22.1
Average	6.3	2.48	22.4	6.4	2.48	22.3
2005						
Jan					2.45	24.8
Feb		2.45	23.4		2.45	22.9
Mar		2.48	22.9		2.45	22.0
Apr		2.45	23.3		2.51	22.5
May		2.53	22.4		2.43	22.5
Jun		2.48	22.2		2.46	22.8
Jul		2.56	23.9		2.49	22.4
Aug		2.35	23.9		2.53	22.9
Sep		2.47	22.9		2.49	22.3
Oct		2.63	25.1		2.60	25.1
Nov		2.55	23.5		2.50	22.8
Dec		2.52	23.1		2.51	23.0
Average	6.2	2.50	23.3		2.49	23.0
Ave. excl Oct			23.2			22.8
Ave. excl Jan/Oct						22.6
2006						
Jan	6.2	2.44	23.3			
Feb	6.2	2.47	23.1	6.6	2.44	22.9
Mar	6.2	2.58	23.2	6.6	2.55	22.3
Apr	6.2	2.59	23.7		2.59	23.3

EXHIBIT 7 - TABLE 2
COMPARISON OF RESID PROPERTIES

Stream	Gravity, °API	Sulfur, Wt %	MCR, Wt %	MCR Range, Wt %
Caleb Brett (ANS) 200	6.2	2.47	23.	
PSVR Passing - 2004 Avg		2.48	22.4	21.8-23.1
PSVR Passing - 2005 Avg (1)	6.2	2.50	23.2	22.2-23.9
PSVR Passing - 2006 Avg (2)	6.2	2.52	23.3	23.1-23.7
Special Sample (ANS) 2003	6.2	2.48	22.7	
Special Sample (ANS) 2004 (3)	6.2	2.47	20.7	

(1) Excludes value for October 2005 as outlier explained by refinery operations.
(2) Data for Jan-Apr, 2006
(3) MCR value for ANS not consistent with upstream values and is possible outlier.

EXHIBIT 8
COKER CAPITAL COST
(Base Year - 2000)

	Capital Cost, MM$	
Base Cost - 4-Drum Coker (1996 - GC)	120.5	2-Drum cost of $107.4 + $13.1 per EPBOE App. B; Opn. 481 #34
Base Cost - 4-Drum Coker (2000 - GC)	129.4	2000/1996 NF Operating Cost Index ratio of 1.0742
Automatic Deheading - Btm only	2.1	Opn. 481-B #11; $2,616,810/1.27
Coke Handling Equipment	37.7	Opn. 481-A #45; PAI-10 estimate $35.1MM x 1.0742
Coker Gas Plant	14.0	EMT-146 p.37; Opn. 481 #37
Gulf Coast Coker ISBL	183.2	
OSBL	64.1	35% of ISBL - ID at #1212; Opn. 481 #38
Total Coker Capital Cost	247.3	
Two, 100% Sulfur Plants	15.4	ID#1220; EMT-146 p.9
Downstream Hydrotreaters	14.4	ID#1226; EPBOE App. B; $13.4 MM x 1.0742
Total Gulf Coast Capital Cost	277.1	
Total West Coast Capital Cost	351.9	Location Factor of 1.27 times Gulf Coast -ID at #1240 - Opn 481 #43
Annual Capital Cost		20% per year - ID at #123
-Gulf Coast	55.4	
-West Coast	70.4	
Unit Capital Cost, $ per Barrel		40,000 BPSD at 87% utilization - by agreement
-Gulf Coast - 2000	4.363	
-West Coast - 2000	5.540	

EXHIBIT 9
OVERALL COKER COST
Base Year - 2000
$ per Barrel

	Gulf Coast	West Coast	
Capital Cost:			
Coker ISBL, MM$	183.2	232.7	Exhibit 8; WC = GC x 1.27
Unit Cost	4.363	5.540	Exhibit 8
Fixed Operating Cost:			
Labor	0.21	0.21	ID #1243,1245,& 1247; EPBOE App. B
Maintenance @ 5% ISBL	0.72	0.92	Use O'Brien
Taxes & Insurance @ 1% ISBL	0.14	0.18	Use O'Brien
Miscellaneous @ 2.25% ISBL	0.32	0.41	Use O'Brien
Product Treatment	0.11	0.11	EPBOE App. B
Total Fixed Cost	1.50	1.83	
Variable Operating Cost	0.87	0.87	EPBOE App. B; 40.81 x 1.0742
Total Coker Cost - 2000	6.733	8.240	

EXHIBIT 10
GC RESID
COKER PROCESSING COST
2000-2006

Year	Period	N-F Factor	Gulf Coast Resid Adjustment, $/Bbl	Note
2000	Feb 2000 - Jan 2001		6.733	See Exhibit 9
	Feb 2001 - Jan 2002	1.0768	7.250	
	Feb 2002 - Jan 2003	1.0229	7.416	
	Feb 2003 - Jan 2004	0.9532	7.069	
	Feb 2004 - Jan 2005	1.0916	7.717	
	Feb 2005 - Jan 2006	1.0269	7.924	
	Feb 2006 - Jan 2007	.0888	8.628	

EXHIBIT 11
WC RESID
COKER PROCESSING COST
2000-2006

Period	N-F Factor	West Coast Resid Adjustment, $/Bbl	Note
Feb 2000 - Jan 2001		8.240	See Exhibit 9
Feb 2001 - Jan 2002	0768	8.873	
Feb 2002 - Jan 2003	1.0229	9.076	
Feb 2003 - Jan 2004	0.9532	8.651	
Feb 2004 - Jan 2005	.0916	9.444	
Feb 2005 - Jan 2006	0269	9.698	
Feb 2006 - Jan 2007	1.0888	10.559	