

RCA TARIFF NO. 1
RULES, REGULATIONS AND RATE SCHEDULE
OF
OLIKTOK PIPELINE COMPANY

700 "G" Street
P.O. Box 100360
Anchorage, AK 99510-0360

Applying to the Intrastate Transportation of Natural Gas Liquids (NGLs)
Through Oliktok Pipeline Company Pipeline System.

OLIKTOK PIPELINE COMPANY
Rules, Regulations and Rate Schedule

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Rates, Regulations and Rate Schedule

Section 100 – Territory

These Rules, Regulations and Rate Schedule shall be applicable to all Shippers utilizing the NGL transmission services of the Oliktok Pipeline Company under Certificate No. _____ from the Regulatory Commission of Alaska.

Section 200 – Definitions

The definitions set forth below apply throughout these Rules, Regulations and Rate Schedule:

201 Carrier – OLIKTOK PIPELINE COMPANY, its agents, successors and assigns.

202 Consignee – The party with whom a Shipper has contracted for the delivery of NGLs.

203 Consignor – The party who consigns NGLs.

204 Shipper Facilities – In general, all pipes, utilization equipment and apparatus of any kind or nature on the Shipper's side of the Point of Receipt or Point of Delivery. These facilities may or may not be owned by the Shipper, but the Shipper will be responsible for providing reasonable access for Carrier to such facilities and the premises on which the facilities are located for purposes of Sections 405 and 601 (d) and insuring compliance with the tariff on behalf of the Shipper and the Carrier with the owners and operators of such facilities.

205 Natural Gas Liquids (NGLs) – A stream consisting of any or all of the following hydrocarbon components: ethane, propane, butanes, pentanes, hexanes, heptanes, octanes, nonanes, decanes, or carbon dioxide meeting the Carrier's specifications provided in Sections 301 and 303 ("Specifications").

206 Pipeline – The 16-inch NGL pipeline and associated facilities from Prudhoe Bay Unit Skid 50 to Kuparuk River Unit Central Processing Facility No. 1 (CPF-1).

207 Point of Delivery – The point of connection between the Carrier's piping connected to the outlet of the Carrier's NGL meter and the Shipper Facilities in the vicinity of Central Processing Facility No. 1, or any other delivery point designated by the Shipper or Consignee and acceptable to the Carrier. Shipper or consignee will be responsible for any treatment of NGLs at the Point of Delivery.

208 Point of Receipt – The point of connection at Skid 50 within the Prudhoe Bay Unit or any other point of connection designated by the Shipper, Consignor, or Carrier to the Carrier's Pipeline and acceptable to the Carrier.

209 Shipper – Any person including an individual, partnership, association, public or private corporation or governmental agency shipping NGLs through the Pipeline. A Shipper may be the agent or Consignor or Consignee for another person. The obligations of Shipper under the tariff shall apply to the actual Shipper of NGLs (the Shipper of record) on Oliktok Pipeline. Also, the Shipper of record shall be responsible for causing the principal of the Shipper of record, including any Consignor or Consignee to be responsible for Shipper's obligations under this tariff.

Section 300 – Character of Service

301 Natural Gas Liquids Product Characteristics – Only Natural Gas Liquids will be accepted for transportation by the Carrier. All NGLs that can practically be transported through Carrier’s Pipeline shall be entitled to transport, subject to Section 303. Carrier shall be required to permit all operationally feasible connections upon application by the Shipper subject to Section 601. All NGLs accepted for transport by Carrier must possess physical characteristics which do not render them incompatible with the existing NGLs transported by the Carrier.

302 NGL Measurement – Carrier’s rates are based on the transportation of NGLs adjusted to the inlet metered number of barrels corrected to a temperature of sixty degrees (60°) Fahrenheit and at a pressure of 14.70 pounds per square inch absolute (psia) before applying the applicable rate schedule.

303 Quality of NGLs – Carrier must accept for transport NGLs which can be commingled or intermixed with other NGLs which Carrier regularly transports between the origination and destination points of the shipment; provided, however, that the volume of carbon dioxide in the commingled NGL stream shall not exceed one percent (1%) of the commingled NGL stream volume. Carrier will accept NGLs for transportation only on condition that Carrier shall not be liable to the Shipper for changes in quality which may occur from commingling or intermixing such NGLs with other NGLs in transit. Carrier shall not be obligated to deliver to Shipper the identical NGLs received from Shipper, but may make delivery out of its common stream.

In the event Carrier is required to commingle streams of NGLs which differ as to quality, Carrier reserves the right to require a special contract or make an additional tariff filing to reflect the quality differences of the NGLs in the commingled streams and make an appropriate charge for such quality differences. The Shipper reserves the right to petition the Regulatory Commission of Alaska to establish a quality bank to reflect such quality differences.

304 Quantities Deliverable – The quantity of NGLs deliverable at each destination shall be the quantity received at the Point of Receipt, less shrinkage or loss in transit, resulting from any cause other than negligence or willful misconduct on the part of Carrier.

305 Warranty of Title – The act of delivering NGLs into the Pipeline shall constitute a warranty by Shipper that it has either unencumbered title thereto or a right to ship on behalf of another and that unencumbered title or the right to ship on behalf of another shall remain with Shipper until such NGLs are delivered out of the Pipeline.

Section 400 – Relationships Regarding Service

[W] 401 Request for Service – Shippers and prospective Shippers shall promptly provide Carrier with all essential information for Carrier to schedule such proposed shipments of NGLs to satisfy Carrier that offers to ship are in good faith; and to satisfy Carrier that shipments can be transported in conformance with Carrier’s tariffs and supplements thereto. Carrier reserves the right to revise, reduce or reject a tender if acceptance of Shipper’s tender in the form provided would adversely effect the rights of the other Shippers to equitable and fair treatment.

Such adverse effects include, but not limited to the following acts or omissions:

1. Shipper offering more NGL for transportation than that to which it has title or than it plans to ship.
2. Shipper fails upon request to demonstrate satisfactorily that it currently has unencumbered title to the NGL being tendered.
3. Shipper has failed to make timely payment for previous shipments.

[W] 402 Scheduling of Shipments – Good faith nominations will be received and considered for acceptance only if they conform in full to Carrier’s requirements. Nominations must be received by Carrier’s office no later than noon, Anchorage, Alaska local time on the 3rd business day of each month. Nominations received by the deadline will cover the ensuing one month period that begins on the first day of the next successive calendar month. A Shipper’s nominated volume must agree to the Shipper Facilities forecast of NGL throughput. Carrier will use each Shipper Facilities current monthly forecast of NGL throughput including revised filing if Shipper submits no notice.

All nominations will be submitted by facsimile transmission to:

Oliktok Pipeline Company
Attention: Oil Movements Coordinator
700 “G” Street, ATO 912
Anchorage, Alaska 99501
Telephone: (907) 263-3760
Facsimile: (907) 263-3751

Oliktok Pipeline Company does not accept responsibility for nominations sent but not received. It is the Shipper’s responsibility to confirm receipt via telephone.

Scheduled receipts from Shippers shall not be subject to change except with written or telegraphic notice from Shipper at least two (2) days prior to date of scheduled receipt of NGLs.

Each Shipper shall provide its pro rata share of NGLs necessary to fill the Pipeline. Carrier shall not be obligated to deliver Shipper’s NGLs tendered for shipment in the Pipeline unless Shipper has provided its pro rata share of such line fill. NGLs provided by a Shipper for this purpose may be withdrawn from the system only with the prior approval of the Carrier.

[N] Intrasystem transfers of custody or ownership of NGLs will not be permitted.

Section 400 – Relationships Regarding Service (continued)

402 Scheduling of Shipments (continued)

In the event Shippers offer to ship more NGLs through the Pipeline during any period of time than can be pumped through the Pipeline during such period, then Carrier shall accept and transport during such period only that portion of each good-faith offer to ship which Carrier shall determine to be that Shipper's pro rata share of capacity based on nominated volumes.

The volumes of NGLs delivered to Carrier and redelivered from Carrier will be determined by Carrier's transportation and redelivery obligations to its Shippers, and prudent operation of the Pipeline. Carrier will assume no liability for its inability to maintain schedules or comply with Shipper's redelivery requests when caused by operational or scheduling problems, excess demand, delays and other problems encountered in the Pipeline operations except to the extent caused by imprudent operations by Carrier.

403 Contract for Service – A contract for work or service other than regular Pipeline service to be performed may be required by the Carrier to be signed by the Shipper requesting the work or service. All such contracts may require prior approval of the Regulatory Commission of Alaska.

404 Rates and Rules Applicable – The rates to be charged by and paid to the Carrier for regular Pipeline service will be the rates on file with the Regulatory Commission of Alaska. The rate which shall apply to the transportation on NGLs shall be the rate in effect on the date NGLs are received by Carrier for transportation. Likewise, the tariff which shall govern the transportation of NGLs shall be the tariff in effect on the date NGLs are received by Carrier for transportation. Complete schedules of all rates, rules and regulations in effect will be kept at all times in the Carrier's offices where they will be available for public inspection.

405 Access to Facilities – Authorized employees or agents of the Carrier shall, at all reasonable times, have free access to the Shipper's facilities to inspect, repair, replace or remove Carrier's property; and to inspect the Shipper's facilities for purposes directly related to Pipeline service.

406 Connection or Disconnection of Service – Only duly authorized employees or agents of the Carrier will be allowed to connect the Shipper's facilities to, or disconnect the same from, the Carrier's Pipeline.

407 Each Shipper's Responsibilities for Meeting Specifications – Each Shipper shall perform applicable tests to insure that the stream delivered to Carrier's Pipeline conforms to Carrier's Specifications. Should spot samples, analyses or any other test (including tests performed by Carrier) indicate that the stream delivered does not meet the specifications required by Carrier, Shipper agrees, either voluntarily or upon notification by Carrier, to stop delivery of such off-specification stream to Carrier until such time as it is determined by additional testing that the stream meets the definition of NGLs stated in Carrier's tariff. Any such off-specification deliveries attributable to Shipper may be disposed of by Carrier according to the disposal provisions of Section 410. Shipper shall indemnify and save Carrier harmless from any loss sustained by other Shippers or by Carrier by reason of contamination or damage

Section 400 – Relationships Regarding Service (continued)

407 Each Shipper's Responsibilities for Meeting Specifications (continued)

to other NGLs in Carrier's custody, or by reason of damage to Carrier's Pipeline or associated facilities caused by failure of the materials accepted for transportation to meet specifications issued by Carrier.

408 Receipt, Delivery and Legality of Shipments Tendered – NGLs tendered for shipment will be received into the Carrier's Pipeline only under the conditions that:

- (a) The Shipper has provided adequate facilities for injecting NGLs into Carrier's Pipeline at pressures, rates of flow, volumes and temperatures which do not compromise the prudent operation of the Pipeline;
- (b) NGLs tendered for shipment meet the tariff specifications;
- (c) The Shipper has provided adequate facilities for receiving the shipment as it arrives at the Point of Delivery; and
- (d) The Shipper has complied with all applicable laws, rules and regulations made by any governmental authorities regulating the shipment of NGLs.

409 Liability for Charges – The Shipper shall be liable for payment of all transportation charges, including interest and any other applicable charges set forth in or allowed by this tariff. Such charges are due on receipt of the bill by the Shipper.

[W] Carrier will bill Shipper each month for transportation and any other applicable charges. If such a bill is not paid with ten (10) days from the receipt of the bill, then Shipper will become liable for payment to Carrier of a charge equal to an annual interest rate equivalent to 125% of the prime rate of interest charged by the Citibank N. A. of New York, New York, on ninety (90) day loans to substantial and responsible commercial borrowers as of the due date or the maximum rate allowed by the law, whichever is less.

[W] The time for determining such charge shall be measured from the date which is 10 days from the receipt of the bill until payment is made. Carrier shall have a lien on all NGLs received into the Pipeline. Such lien shall take effect at the time NGLs are received into the Pipeline. Such lien shall secure the payment of any and all transportation charges and other lawful charges, set forth in or allowed by this tariff and owed to Carrier by Shipper, including but not limited to interest whether or not incurred on the NGLs in the Pipeline and whether or not invoiced. Such lien shall be in addition to and shall supplement any and all other rights and remedies Carrier has at law or in equity.

If it appears that the value of NGLs received from a Shipper that will remain in the custody of Carrier after making delivery will not exceed the total of all transportation and other charges which are or will be due from Shipper upon making such delivery, Carrier may require the Shipper to prepay transportation and other charges before making delivery.

410 Remedies of Carrier for Failure of Shipper to deliver NGLs or Take Redelivery – Carrier shall have the right to divert, reassign or make whatever arrangements for NGLs as Carrier deems appropriate, in the event that: (1) any Shipper or its Consignee fails to take redelivery as required; or (2) any Shipper's or its Consignee's failure to take redelivery, alone or coupled with any similar failure of other Shippers, exhausts Carrier's capacity; or (3) any Shipper's deliveries fail to be NGLs.

Section 400 – Relationships Regarding Service (continued)

410 Remedies of Carrier for Failure of Shipper to deliver NGLs or Take Redelivery (continued)

Carrier has the right to sell such NGLs at private sale for the best price obtainable. Carrier may be a purchaser at any such sale. Out of the proceeds of any such sale, Carrier may pay itself all charges, fees and expenses of sale. The balance shall be held for whomever may be lawfully entitled thereto. If the proceeds of any such sale are not sufficient to pay such charges and expenses, Shipper shall pay the deficiency. Carrier shall have the right to pro rate any loss or damage to NGLs in Carrier's custody among all Shippers affected in an equitable manner.

411 Discontinuance and Restoration of Service –

- (a) Past Due Bills – When a bill for regular Pipeline service has become past due, Carrier may on at least thirty (30) days notice to Shipper discontinue service if the bill is not paid within the time required by the notice. Carrier shall not have this right to discontinue service if Shipper has given Carrier written notice of a reasonable question concerning the appropriateness or correctness of Carrier's billing. Shipper shall pay the undisputed portion of the billing to the Carrier and the disputed portion of the billing shall be put into an escrow account pending resolution of the dispute.
- (b) Unsafe Apparatus – The Carrier without notice shall have the right to refuse or cease to deliver NGLs to the Shipper if any part of the Shipper's facilities shall at any time be deemed unsafe by the Carrier or its agents or if the utilization of NGLs by means thereof shall be prohibited or forbidden under the authority of any law or municipal ordinance or regulation and may refuse to serve until the Shipper shall put such part in good and safe condition and comply with all laws, ordinances and regulations applicable thereto.
- (c) Non-Compliance with Carrier's Tariff – If the Shipper should fail to comply with any of the Carrier's tariff, the Carrier will advise the Shipper of such failure. If the Shipper does not remedy same within a reasonable time, the Carrier shall have the right, after giving due notice, to discontinue service to the Shipper.

Except as otherwise provided below, the Carrier will not discontinue the service of any Shipper for violation of any tariff provision except on written notice of at least thirty (30) days, advising the Shipper what tariff provision has been violated for which service will be discontinued if the violation is not remedied. This notice may be waived or dispensed with by the Carrier in the event of an emergency, discovery of an unsafe condition with Shipper's facilities or in case of the Shipper's utilization of the service in such a manner as to make it unsafe to use the facilities, thus rendering the immediate discontinuance of service imperative.

412 Liability for Non-Compliance with Tariff – Any Shipper who does any act or permits any act to be done which violates the terms of this tariff shall be liable to Carrier for all loss, damage or injury caused thereby or resulting therefrom.

413 Liability for Damages – The Carrier shall not be liable for any injury, casualty or damage resulting in any way from the supply or use of NGLs or from the presence or operation of the Carrier's structures, pipes or devices within the Shipper's facilities, except to the extent such injuries, casualties or damages result from the negligence or willful misconduct of the Carrier.

Section 500 – Non-Carrier Installation

501 Non-Carrier and Shipper Facilities – The Carrier will determine the location of Carrier’s connection(s), regulators or the metering equipment. The Shipper will, at its own expense, furnish, install and maintain in good and safe condition or provide such facilities which may be required for receiving or delivering NGLs, or for utilizing such NGLs, including all necessary protective appliances.

Shipper’s facilities shall be installed and maintained in accordance with the applicable laws and rules of any governmental authority that has jurisdiction over the Carrier.

All construction by the Shipper at a connection to Carrier’s Pipeline shall be subject to the inspection and approval of the Carrier.

The Carrier shall not be responsible for any loss or damage to the extent that it is caused by the negligence or willful misconduct of the Shipper or any of the Shipper’s agents in installing, maintaining, using or operating Carrier’s Pipeline.

502 Notice of Facilities Malfunctions – the Shipper shall give the Carrier immediate notice of any leakage or escape of NGLs or improper operation of Carrier’s Pipeline or the Shipper’s facilities. However, all repairs to and maintenance of the Shipper’s facilities shall be made by the Shipper.

Section 600 – Carrier’s Installation

601 Connections and Facilities on Non-Carrier Premises

- (a) Connections – Shipper shall pay for connections to Carrier’s Pipeline. Connections, if performed by Carrier, will be quoted on a cost basis which shall include an allowance for industry typical overhead. Carrier shall install additional connection points requested by a Shipper if the Carrier can do so in a safe and reliable manner. Carrier may require a separate agreement for such a connection.
- (b) Maintenance of Connections – The materials furnished by the Carrier, at its own expense, in the construction, maintenance or operation of such connection will at all times be and remain the sole property of the Carrier, which will have the right, by its agents or employees, to enter upon the property occupied by the Shipper’s facilities and remove such materials after the Shipper shall cease taking service from the Carrier.

The connection materials furnished by the Carrier and for which the Shipper may be charged a non-recoverable contribution for the construction of such connection will at all times be and remain the sole property of the Carrier. The Carrier will make all ordinary repairs thereon and have sole control of the same. Carrier shall reimburse the Shipper for the net salvage value of such facilities when removed by Carrier.

- (c) Meters and Facilities – All meters, regulators, service pipe, fixtures, etc., installed by the Carrier at its expense or conveyed to Carrier within the Shipper’s facilities for the purpose of delivering NGLs to or receiving NGLs from the Shipper shall continue to be the property of the Carrier and may be repaired by the Carrier. If metering or other facilities are furnished by the Shipper, the Shipper may require the Carrier to provide its own facilities or metering. In the event Carrier is required to provide its own metering or facilities previously furnished by the Shipper, Carrier shall have a reasonable time to replace such metering or other facilities before the existing relationship as to metering or other facilities may be terminated by the Shipper.
- (d) Carrier’s Right of Ingress to and Egress from Shipper’s Facilities – The Carrier shall at all times have the right of ingress to and egress from the Shipper’s Facilities at any time for any purpose reasonably connected with metering, the furnishing of NGLs and the exercise of any and all rights secured to it by law or the tariff.
- (e) Shipper Responsible for Equipment for Receiving NGLs – The Shipper shall, at its own risk and expense, provide, install and keep in good and safe condition all Shipper facilities of any kind or character, which may be required for receiving NGLs from the Carrier and for applying and utilizing such NGLs, including all necessary protective appliances and suitable housing thereof, and the Carrier shall not be responsible for any loss or damage to the extent that it is caused by the negligence or willful misconduct of the Shipper or any of its agents, employees or licensees in installing, maintaining, using, operating or interfering with any such Shipper facilities.
- (f) Connections Made by Carrier’s Employees or Agents – Only duly authorized employees or agents of the Carrier shall be allowed to connect to the Carrier’s Pipeline and/or install connections or to unlock meters whether such meters are Carrier’s property or are provided by the Shipper.

Section 600 – Carrier’s Installation (continued)

602 Change in Location of Existing Service Facilities – Any change requested by the Shipper in the Point of Receipt or Point of Delivery or location of any facilities provided such change is approved by the Carrier, will be made at the expense of the Shipper, who shall pay the Carrier’s cost of such change including industry typical overhead.

603 Protection by Shipper – The Shipper shall protect all of Carrier’s property within the Shipper’s facilities. The Shipper shall not tamper with or remove any of Carrier’s property located and installed within the Shipper’s facilities and shall permit no one but Carrier’s authorized employees or agents to inspect or handle same. To the extent loss or damage to the property of Carrier is caused by the negligence or willful misconduct of the Shipper or its agents or employees, the Shipper shall pay Carrier the amount of such loss or damage to the Carrier’s property, plus any other damages incurred by the Carrier.

Section 700 – Metering and Billing

701 Measurement of NGLs – The measurement of NGLs by Carrier’s owned or approved inlet meter shall be conclusive upon the Shipper and the Carrier, except when such meter ceases to register or proves to be defective, in which case, the steps prescribed in Section 702 of the tariff also should apply. Carrier may seal or lock any meter and associated equipment connected to the Carrier’s Pipeline regardless of whether such equipment is Carrier’s property or the Shipper’s facilities. No person, except a duly authorized employee or agent of the Carrier, shall be permitted to break or replace a seal or lock or to alter or change a meter or its connections or location, or to alter a NGL pressure regulator.

702 Estimated Usage – Where Carrier is unable to read the meter because it is inoperable, Carrier shall calculate the amount of NGLs supplied based on the best available information until such time as the inlet meter is operable.

703 Shared System Meter – If multiple Shippers deliver NGLs derived from a common source to the Carrier’s Pipeline through a common connection and meter for transportation to a common destination, then the difference between the volume nominated and the volume tendered and metered shall be allocated to the Shippers on a pro rata basis.

704 Discontinuance of Service Notice – Carrier will notify Shippers by mail or other appropriate means in the event of delinquency requiring discontinuance of service, with such notice given not less than thirty (30) days prior to the date of discontinuance unless a shorter period is permitted under the tariff.

Section 800 – Continuity of Service and Liability

801 Shortage and Interruption – The Carrier will use reasonable diligence to supply steady and continuous service, but does not guarantee the service against irregularities or interruptions.

802 Liability – In addition to any other provision of this tariff which restricts the liability or sets forth the liability of Carrier, the Carrier shall not be liable for any loss, cost, damage or expense to any of the Shippers occasioned by any suspension, curtailment or discontinuance by the Carrier for any of the reasons set forth in the tariff, or occasioned by any failure to supply NGLs or by interruption if caused in whole or in part by an Act of God, weather, the public enemy, acts of parties other than Carrier, quarantine, the authority of law, strikes, riots, the act of default of the Shippers, requisition or other action by any government or governmental agency, shrinkage, or other normal operating losses, or any other cause, except to the extent it is attributable to the negligence or willful misconduct of the Carrier.

[N] Except as otherwise provided in Section 806 if such loss of NGLs occurs, then each Shipper of NGLs so lost shall share such loss in the proportion that the amount of such NGLs then in custody of the Carrier for the account of such Shipper bears to the total amount of NGLs then in custody of Carrier. Carrier will be obligated to deliver only that portion of Petroleum remaining after deducting such loss.

803 Time Limitation of Claims – As a condition precedent to recovery for loss or delay, claims must be filed in writing with the Carrier within nine (9) months and one (1) day after delivery of the NGLs, or in case of failure to make delivery, then within nine(9) months and one (1) day after a reasonable time for delivery has elapsed. Suits may be instituted against the Carrier only within two (2) years and one (1) day from the day when notice in writing is given by the Carrier to the claimant that Carrier has disallowed the claim or any part or parts thereof, specified in the notice. Where claims are not filed or suits are not instituted thereon in accordance with the foregoing provisions, Carrier will not be liable and such claims will not be paid.

804 Responsibility for Personal Injury, Property Damage and Environmental Claims – To the extent caused by the negligence or willful misconduct of Carrier, claims for losses, damages or legal expenses requiring the expenditure of funds by Carrier on behalf of Carrier, its officers, directors, employees, or agents relating to personal injury, property damage or environmental liabilities shall be paid for by the Carrier. Carrier may self-insure or purchase insurance against its negligence or willful misconduct including the negligence or willful misconduct of Carrier's operator and may include the cost of insurance or the imputed cost of self-insurance in its rates. Carrier may include in its rate the cost of losses, damages or legal expenses relating to personal injuries, property damage or environmental liability, except to the extent caused by Carrier's negligence or willful misconduct.

805 Limitation on Damages – Notwithstanding any other provision of this tariff, in no event shall Carrier and Shipper be liable to each other for exemplary or consequential damages relating to operation of the Pipeline including, but not limited to, loss of profits or revenue.

Section 800 – Continuity of Service and Liability (continued)

[N] 806 Delivery Adjustments – Carrier shall account to each Shipper for NGLs received. Any overage or shortages resulting from shrinkage, evaporation and other normal operating losses will be allocated equitably among the Shippers. Accounting for such overages and shortages will be made proportionately on the basis of volume for each Shipper.

 Only such portion of a Shipper's NGLs as may remain after deduction of its allocated part of such net overages and shortages shall be deliverable from the System. Deductions for such overages and shortages will initially be made on the basis of estimates and adjusted to actual at the end of each Month.

Section 900 – Notices

[W] 901 Carrier Notices to Shippers – Any notices the Carrier may give to any Shipper which transports NGLs pursuant to the tariff of the Carrier shall be either facsimile, e-mail or other forms of written communication, addressed to the Shipper at the Shipper's address.

[W] 902 Shipper's Notices to Carrier – Any notice from any Shipper to the Carrier under any of the Carrier's schedules of rates or under and pursuant to the tariff of the Carrier may be given to the Carrier by itself, or by an authorized agent, at its office, or either facsimile, e-mail, or other forms of written communication, addressed to the Carrier at the Carrier's address.

The Carrier's address and telephone number for purposes of notice is:

Vice-President
Oliktok Pipeline Company
P.O. Box 100360
Anchorage, AK 99510-0360

Telephone Number:
(907) 263-4980

Fax Number:
(907) 263-3748

RATE
SCHEDULE "A"
NGL Transmission Service

Application

This rate applies to regular Pipeline service through a single meter or system of meters as set forth in Carrier" tariff.

Rate

\$_____ per barrel, subject to the rate adjustment formula.

Rate Adjustment Formula

1. Initial Rates. The initial rates of Carrier shall be computed in accordance with the Oliktok Shippers' Rate Agreement (OSRA) and shall be in effect for the remainder of the calendar year in which Carrier begins operating and shall be referred to as the Initial Year.
2. Annual Adjustment. On or before December 1 of each calendar year, Carrier shall file a rate schedule to be effective January 1 of the next calendar year. The rates shall be computed in the manner set forth in the OSRA and the Revenue Requirement set forth in that agreement. The rate schedule for the next calendar year shall be based on the January through October actual expenses and the estimated expenses for the remaining two months of the calendar year. A Net Carryover shall be added to the projected Revenue Requirement.
3. Net Carryover. The Net Carryover for Carrier equals the sum of the following items:
 - (1) The arithmetic difference (positive or negative) of the actual Revenue Requirement for the previous year minus the actual revenue received for the previous year; and
 - (2) The product of the Interest Rate for the current year multiplied by the arithmetic difference calculated in (1) above.

The Interest Rate for the current year is the arithmetic average of the rates for three-month commercial paper as published in the Federal Reserve Bulletin for the twelve (12) months beginning in July of the previous year and ending in June of the current year.

4. All rate filings shall be established in accordance with the provisions of this tariff and the OSRA and shall be approved by the Regulatory Commission of Alaska.

Regulatory Cost Charge

Regulatory Cost Charge – The Regulatory Cost Charge is a special surcharge applied to all regulated retail Shipper billings to pay the Carrier's share of the budget of the Regulatory Commission of Alaska.

Regulatory Cost Charge _____% of billing