



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Sean Parnell, Governor
Emil Notti, Commissioner
Robert M. Pickett, Chairman

Regulatory Commission of Alaska

January 26, 2010

In reply refer to: Finance Section
File: TL35-334
LO#: L1000022

Andrew E. Hoge
Hartig, Rhodes, Hoge, & Lekisch, P.C.
717 K. Street
Anchorage, AK 99501-3397

Dear Mr. Hoge:

On December 1, 2009, OLIKTOK Pipeline Company (OLIKTOK) filed TL35-334, containing OLIKTOK's annual rate revision calculated in accordance with the Oliktok Settlement Rate Agreement (OSRA), accepted by the Commission in Order P-84-3(11)¹. Through subsequent meetings with representatives from OLIKTOK and through Commission Staff (Staff) review, Staff determined that revised input factors for years prior to 2008 were retroactively included in the model deriving the TL35-334 rate calculations. Staff informed OLIKTOK that Staff could not recommend approval of TL35-334 as filed, and that a revised filing should be made removing the retroactive model inputs.

OLIKTOK agreed to make a revised filing removing the retroactive model inputs for periods prior to 2008. On December 29, 2009, OLIKTOK filed Supplement No. 1 to TL35-334, which agreed to extend the statutory notice period for TL35-334 until January 30, 2010, to allow OLIKTOK to prepare the revised rate filing.

¹ Order P-84-3(11)/P-95-5(2), *Order Affirming Oral Grant of Temporary Certificate of Public Convenience and Necessity to Operate A Pipeline for the Transportation of Natural Gas and Natural Gas Liquids and Providing That Certificate Will Become Permanent on December 1, 1995, With Conditions; Affirming Oral Grant of Temporary Rate Identical to Filed Rate and Temporary Rules Identical to Filed Rules and Providing That Rate and Rules Will Become Permanent on December 1, 1995, in the Absence of Protest; Accepting Settlement of Future Rates as of December 1, 1995, in the Absence of Objections; Requiring Oliktok Pipeline Company to Notify Prospective Shippers and the State of Alaska of This Order; and Allocating Costs in and Closing Docket P-84-3*, dated November 6, 1995.

On January 20, 2010, OLIKTOK filed Supplement No. 2 to TL35-334², which included revised rates and requested a waiver of the statutory notice period³ with an effective date of January 31, 2010.⁴ OLIKTOK stated good cause exists to waive notice because the new proposed rate is less than the original filed rate in TL35-334 and OLIKTOK believes no special tariff processing is needed by the Commission.

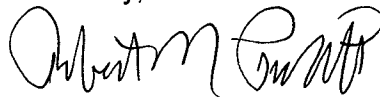
We disagree with OLIKTOK that its revised filing requires no additional tariff processing. Staff must review the filing to ensure all model revisions prior to 2008 have been corrected. OLIKTOK's waiver request would only allow Staff 10 days to perform its review, which will not be sufficient time. Further, other interested parties and shippers may want to review the filing and they may need more than 10 days to analyze the filing.

We deny OLIKTOK's request to waive the statutory notice period submitted by OLIKTOK with Second Supplement to TL35-334 to allow an effective date of January 31, 2010. The statutory notice period for TL35-334 ends on February 19, 2010.

If OLIKTOK has any questions regarding the content of this letter order, please contact Kevin AufDerHeide, Utility Financial Analyst, Regulatory Commission of Alaska at (907) 263-2131.

BY DIRECTION OF THE COMMISSION.

Sincerely,



Robert M. Pickett
Chairman

CC: Luke Kiskaddon
Oliktok Pipeline Company
P.O. Box 100360
Anchorage, AK 99510-0360

² OLIKTOK stated in Supplement No. 2 to TL35-334 that a copy of the revised tariff filing of January 20, 2010, was electronically sent to all of OLIKTOK's shippers and other affected state agencies.

³ AS 42.06.390(b) addresses statutory notice requirement for tariff filings by regulated pipeline carriers, and provides "[a] pipeline carrier may not establish or place into effect any revised rates, charges, rules, regulations, conditions of service or practice except after 30 days' notice to the commission and to the public".

⁴ OLIKTOK cited 3 AAC 48.300, which allows the Commission, for good cause shown, to waive the statutory notice period and allow a tariff filing to take effect before the end of the statutory notice period. See 3 AAC 48.300(c). When a utility or pipeline carrier includes in its advice letter a request for authorization for a tariff filing to take effect before the end of the statutory notice period, the burden of showing good cause for waiving statutory notice must be borne by the filing utility or pipeline carrier. 3 AAC 48.300(a).