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December 17, 2001

Office of the Commissioners
Regulatory Commission of Alaska
701 W. 8th Ave., Ste. 300
Anchorage, AK 99501

Re: TA18-334

Dear Commissioners:

Oliktok Pipeline Company (OPC) files this 7th Revised Sheet No. 27. Under the Oliktok Shippers Rate Agreement (OSRA) dated July 31, 1995, and approved by this Commission's predecessor by Order P-84-3(11), OPC is required, in accordance with the methodology in Exhibit B to that agreement, and as modified by the Tariff Advice letter dated October 12, 2001 and further modified by the explanation in its letter dated December 14, 2001, to annually calculate the rate for shipments of NGLs (Natural Gas Liquids) on and through the Oliktok pipeline. The calculation of the rate in accordance with the methodology has resulted in a rate of \$.52 per barrel for barrels shipped to the Kuparuk River Unit connection (KRU) and \$.41 per barrel for barrels shipped to the Milne Point connection (MP) for 2002. The previous approved rate was \$.31 per barrel for barrels shipped to the MP connection and \$.40 for barrels shipped to the KRU connection.

Under the new tariff calculation as outlined in TA17-334 filed on October 12, 2001 and supplemented by the letter dated December 14, 2001, an equivalent throughput calculation must be determined for the purpose of calculation of any carry over and the revenue requirement.

The equivalent throughput calculation for the carry over is as follows. In 2001, a total of 10,534,000 estimated barrels were shipped as follows:

KRU Connection	10,349,000 barrels
MP Connection	185,000 barrels.

These barrels were converted to equivalent KRU barrels as follows:

KRU Connection	10,349,000		10,349,000
MP Connection	185,000	(185,000) x .7857 ¹	145,000
TOTAL	10,534,000		10,494,000

¹ Converted to equivalent KRU barrels

Thus, the model will use 10,494,000 to develop the inputs to calculate the carry over.

Similarly, the 2002 projections are converted to equivalent KRU barrels to calculate the revenue requirement as follows:

KRU Connection	11,315,000		11,315,000
MP Connection	1,825,000	(1,825,000) x .7857 ¹	1,434,000
TOTAL	13,140,000		12,749,000

¹ Converted to equivalent KRU barrels

Enclosed in the accompanying envelope attached to the original filing only as Exhibit A is one copy of the disk showing the calculation of the rate which the Commission required in accordance with the October 12, 2001 TA letter as modified by the Supplemental Letter dated December 14, 2001. Also enclosed as an attachment to this Tariff Advice letter as Exhibit B is the calculation of OPC's cost of service and revenue requirement for the year 2002. OPC personnel are available to meet with the Commission staff to explain the calculation of the rate and answer any questions the Staff might have.

OPC hereby respectfully petitions the Commission that it be permitted under AS 42.06.390 of the Pipeline Act, as amended, 3 AAC 48.300(a)(c) and 3 AAC 48.805, as amended, and the regulations thereunder respectively, to put into force and effect the 7th Revised Sheet 27 tariff change to become effective on January 1, 2002. The date is consistent with the OSRA. OPC rates filed on October 12 are under suspension and OPC does not object to suspending these rates subject to Commission approval of the OPC methodology as set forth in the October 12, 2001 letter as modified by the December 14, 2001 letter.

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A copy of the Tariff will be available for public inspection at 700 G Street, Anchorage, AK 99501, Rm. 919. A copy of this filing will be sent to Oliktok Pipeline Company shippers. If the Commission or its staff have any questions regarding this tariff, please contact the undersigned or Bernard Washington at 907-263-3703.

Sincerely,

HARTIG RHODES HOGE & LEKISCH, P.C.

By: 
Andrew E. Hoge

AEH:mpt
cc: Oliktok Pipeline Company
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