BP PIPELINES (ALASKA) INC.

Tariff Number 2

of

BP Pipelines (Alaska) Inc.
900 East Benson Boulevard
Anchorage, Alaska 99519

Applying to the Transportation within the State of Alaska of Petroleum through the Trans Alaska Pipeline System

Tariff Advice No. 139-311

Effective Date: APRIL, 20 2012

Issued by: BP Pipelines (Alaska) Inc.

By: Charles J. Coulson

Title: President
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MAP

(1) Pipeline route and location of each intake and offtake point:

- Pump Station 1 - Intake
- GVEA Interconnection - Intake and Offtake
- Petro Valdez Refinery - Intake and Offtake
- Valdez Marine Terminal - Offtake

Tariff Advice No. 139-311

Effective Date: APRIL 20, 2012

Issued by: BP Pipelines (Alaska) Inc.

By: Charles J. Coulson

Title: President
2. RULES GOVERNING TRANSPORTATION OF PETROLEUM WITHIN THE STATE OF ALASKA

2.1 Applicability of Rates

The rates named in this tariff are for the trunk line transportation of petroleum having a final destination within and which does not leave the State of Alaska and are exclusive of demurrage charges, penalties, fees for the Trans Alaska Pipeline Liability Fund and other charges, set forth in BP Pipelines (Alaska) Inc.'s FERC Tariff No. 42.0.0, supplements thereto or successive issues thereof. No gathering services will be performed by Carrier.

2.2 Carrier Obligation

Carrier may limit its obligation to transport crude oil tendered as part or all of the specific intrastate movement at any original point on the system to a percentage of the total volume of that movement tendered to all carriers owning an interest in the system. Such percentage may not be less than carrier's then undivided interest in the system. Carrier is not prohibited from transporting more than said percentage by this rule. Any prorationing must be applied to the entire tender before the percentage limitation is applied. If the applicable limitation percentage of the tender is a larger volume than the volume resulting from prorationing, the smaller volume may be transported.*

*This provision approved per Alaska Pipeline Commission Order No. 2, Docket P-80-3.

Tariff Advice No. 139-311 Effective Date: APRIL, 20 2012

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By: Charles J. Coulson Title: President
BP PIPELINES (ALASKA) INC.

Connections to the Trans Alaska Pipeline System

Carrier, in conjunction with the other owners of the System, through the Operating Agent, will allow the connection to the System for the purpose of transporting Petroleum that meets the specifications set forth in the System Owners' tariffs and any other requirements as may apply to such Petroleum.

Connections must be designed, constructed, and operated in a manner consistent with established criteria, specifications, laws, regulations, state and federal right-or-way agreements, and standards of practice as initially determined by the Operating Agent or, in the event of dispute, by the Regulatory Commission of Alaska under AS 42.06.310(a). A formal connection agreement must be executed by the Operating Agent and the proposed connector and all necessary permits and required approvals must be issued by the Regulatory Commission of Alaska and any other federal, state, and local regulatory bodies.

Tariff Advice No. 139-311

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BP PIPELINES (ALASKA) INC.

RESERVED FOR FUTURE USE

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By: Charles J. Coulson

Title: President
Regulatory Cost Charge

The Regulatory Cost Charge is a special surcharge applied to all regulated retail shipper billings to pay the pipeline carrier's share of the budget of the Commission.

Regulatory Cost Charge 0.956%

Pursuant to P-17-004(2) Effective July 1, 2017

Issued By: BP Pipelines (Alaska) Inc. By: Alan Dennis Title: Vice President
**BP PIPELINES (ALASKA) INC.**

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The rates indicated are exclusive of any demurrage or other charges shown in BP Pipelines (Alaska) Inc.’s FERC Tariff and any amounts that BP Pipelines (Alaska) Inc. is required by any law or regulation to collect, including, but not limited to, any amounts to be collected for the Trans Alaska Liability Fund. No gathering service will be performed by this Carrier.

R – To denote a reduction

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Tariff Advice No. 153-311  
Effective Date: July 1, 2018

Issued by: BP Pipelines (Alaska) Inc.

By: [Signature]  
Title: President

Confidential
BP PIPELINES (ALASKA) INC.

RESERVED FOR FUTURE USE

Tariff Advice No. 139-311
Effective Date: APRIL, 20 2012

Issued by: BP Pipelines (Alaska) Inc.

By: Charles J. Coulson

Title: President
BP PIPELINES (ALASKA) INC.

RESERVED FOR FUTURE USE

Tariff Advice No. 139-311

Effective Date: APRIL, 20 2012

Issued by: BP Pipelines (Alaska) Inc.

By: Charles J. Coulson

Title: President
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Canceling

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**BP PIPELINES (ALASKA) INC.**

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Issued by: BP Pipelines (Alaska) Inc.

By: [Signature]

Title: President
BP PIPELINES (ALASKA) INC.

RESERVED FOR FUTURE USE

Tariff Advice No. 139-311

Effective Date: APRIL 20, 2012

Issued by: BP Pipelines (Alaska) Inc.

By: Charles J. Coulson

Title: President
BP PIPELINES (ALASKA) INC.

FERC TARIFF

The following rules and regulations in FERC No. 42.0.0 are applicable to the transportation of petroleum within the State of Alaska and are incorporated by reference in RCA Tariff No. 2, with the exception of Item 120, relating to Connection Policy.

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The TAPS Quality Bank Methodology, applicable to the transportation of petroleum within the State of Alaska, is contained in FERC No. 44.12.0 and successive issues thereof, and is incorporated by reference in [C] RCA Tariff No. 2.

Symbols: [C] To denote a changed condition or regulation

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Issued by: BP Pipelines (Alaska) Inc.

By: Alan Dennis  
Title: Vice President
BP PIPELINES (ALASKA) INC.

Reserved for future use

Tariff Advice No. 139-311

Effective Date: APRIL 20, 2012

Issued by: BP Pipelines (Alaska) Inc.

By: Charles J. Coulson

Title: President
BP PIPELINES (ALASKA) INC.

LOCAL TARIFF

Containing

RULES AND REGULATIONS

For the Transportation of

PETROLEUM

Through the Trans Alaska Pipeline System and
Loading Into Marine Vessels at Valdez, Alaska

Rules and Regulations published herein apply only under tariffs making specific reference by number to this
tariff; such reference will include supplements hereto and successive issues hereof.

The provisions published herein will, if effective, not result in an effect on the quality of the human environment.

[N] Filed in compliance with Order No. 714 relating to Electronic Tariff Filing, issued September 19, 2008, for
the establishment of Baseline Tariff.

ISSUED: August 31, 2010  EFFECTIVE: October 1, 2010

Issuing Officer:
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5 Definitions

“Actual Arrival Time” as herein used means the time, according to Valdez, Alaska local time, that a Vessel, after entering the Prince William Sound Vessel Traffic Service Area or an area subsequently designated by the Carrier communicates to the Carrier’s Operating Agent its readiness to commence loading.

“API” as herein used means American Petroleum Institute.

“API Gravity” as herein used means gravity determined in accordance with ASTM Designation D-287-67 (API 2544) or latest revision thereof.

“ASTM” as herein used means American Society for Testing Materials.

“Available Throughput Capability” as used herein means the difference, if any, between the Estimated Throughput Capability and the total Nominations that Carrier has accepted as of the time Available Throughput Capability is determined.

“Barrel” as herein used means forty-two (42) U.S. gallons at sixty degrees (60°) Fahrenheit and atmospheric pressure.

“Carrier” as herein used means and refers to BP Pipelines (Alaska) Inc. and/or other pipeline companies which may, by proper concurrence, be parties to joint tariffs incorporating these rules and regulations by specific reference.

“Carrier’s Working Capacity” as used herein means Working Capacity multiplied by the Carrier’s percentage of undivided interest ownership in the Terminal.

“Carrier’s Working Inventory” as used herein means the volume of Petroleum in the custody of the Carrier that constitutes a part of Working Inventory at any given time.

“Consignee” as herein used means anyone to whom Petroleum transported under this tariff is consigned to when delivered out of the System.

“Day” as herein used means the period of time commencing at 0000 hours on one day and running until 2400 hours the same day according to Valdez, Alaska, local time.

“Deadline for Initial Nominations” as used herein means a time that the Carrier will designate as described in part 1 of paragraph (B) of Item 55.
“Estimated Throughput Capability” as used herein means the throughput capability in the System that is available to the Carrier to provide transportation in accordance with the terms of this tariff.

“Initial Nomination” as used herein means a Nomination for the coming Month that the Carrier receives from a prospective Shipper by the Deadline for Initial Nominations for such month.

“Lifting Schedule” as herein used means the schedule of Vessels expected to call at the Terminal prepared by the Carrier’s Operating Agent.

“Month” as herein used means a calendar month commencing at 0000 hours on the first day thereof and running until 2400 hours on the last day thereof per Valdez, Alaska, local time.

“Nomination” as used herein means a request by a prospective Shipper for transportation in accordance with the terms of this tariff.

“100 Barrel-Mile Deliveries” as herein used means the number of Barrels of Petroleum delivered out of the System multiplied by the number of miles each such Barrel was transported, divided by 100.

“Operating Agent” as herein used means the agent engaged by the Carrier to perform the physical operation and maintenance of Carrier’s interest in facilities through which Petroleum is moved under the provisions of this tariff.

“Operating Agent Business Day” as used herein means a regularly scheduled work Day for the Operating Agent’s scheduling department.

“Petroleum” as herein used means unrefined liquid hydrocarbons, including gas liquids, delivered to Carrier at Pump Station No. 1 from Prudhoe Bay Unit through Skid 50, Kuparuk Transportation Company, Lisburne Production Center, Endicott Pipeline Company, or Northstar Oil Pipeline.

“Petroleum Fill Requirement” as herein used means the quantity of Petroleum in Barrels supplied by Shipper under Item 100 hereof.

“Pipeline Scheduling Deadline” as used herein means 2400 hours on the 15th Day of the Month prior to the Month for which the Nomination is to be effective, or, if the 15th Day is not an Operating Agent Business Day, 2400 hours on the first Operating Agent Business Day thereafter.
“Port Information Manual” means the manual governing the characteristics, required
equipment and operation of vessels arriving to lift Petroleum at Valdez. Copies of the Port
Information Manual are available upon written request.

“Revised Nomination” as used herein means a Nomination the Carrier receives after the
Pipeline Scheduling Deadline.

“Scheduled Arrival Day” as herein used means the Day, stated in a Lifting Schedule, that a
vessel is scheduled to enter the Prince William Sound Vessel Traffic Service Area.

“Shipment” as herein used means transportation by the Carrier of a stated quantity of
Petroleum from a specified origin or origins to a specified destination, or destinations, in
accordance with these rules and regulations.

“Shipper” as used herein means a party that nominates and thereafter actually delivers
Petroleum for transportation by the Carrier under the terms of this tariff.

“Supplemental Nomination” as used herein means a Nomination that the Carrier receives
from a prospective Shipper by the deadline the Carrier sets for the receipt of such
Supplemental Nomination.

“System” as herein used means a Petroleum pipeline forty-eight inches (48") in diameter
extending from a point at or near Prudhoe Bay to a point near Valdez, Alaska, together with
suitable pump stations, tankage, docks, communications facilities, and other related facilities,
equipment and appurtenances including facilities associated with the holding of Petroleum
for delivery to Vessels and associated with such delivery, in which the Carrier owns an
undivided interest.

“Terminal” as herein used means the portion of the System consisting of crude oil tankage,
tank farm manifolds, tank vent lines, vapor recovery system power generating facilities and
other related facilities, equipment and appurtenances located at Valdez, Alaska, in which the
Carrier owns an undivided interest.

“Vessel(s)” as herein used means any tanker, tank ship or vessel scheduled to load Petroleum
at the Terminal which has been transported under the terms of this tariff.

“Week” or “Weekly” as herein used means seven consecutive days commencing on Monday
at 0000 hours and running until 2400 hours the next succeeding Sunday according to Valdez,
Alaska, local time.

“Working Capacity” as herein used means the total capacity of all operational tanks for the
handling of Petroleum at the Terminal, pending loading on vessels, between 2'6" above the
bottom of the tank shell and 3'9" below the top of the tank shell, less the capacity as
determined by the Operating Agent, required to receive the volume of Petroleum which
should be moved out of the System to prevent internal pressure in the pipeline from
exceeding design limits in the event its operation should be shut down.
“Working Inventory” as herein used means the total volume of Petroleum in Working Capacity at any given time.

10 Commodity

The Carrier will transport Petroleum exclusively and will not accept any other commodity for transportation. The Carrier may make such tests of Petroleum as it deems desirable.

15 Specifications as to Quality Received

(A) Carrier reserves the right to reject any Petroleum unless:

(i) it is suitable for refining or use as a fuel and contains no more than thirty-five one-hundredths of 1% (0.35%) by volume of basic sediment and water;

(ii) its temperature does not exceed one hundred forty-two degrees (142°F) Fahrenheit, provided that Petroleum may be accepted for transportation at any point in the System at a temperature in excess of 142°F but only under such circumstances and during such times as Carrier determines will not result in violation of any design or operating requirement for the System at any point in the System or result in inequities or discrimination as between carriers or Shippers;

(iii) its hydrogen sulfide (H₂S) content in solution does not exceed fifty (50) parts per million by weight and it will not result in the combined stream of Petroleum in the System under the custody of the Carrier at any given entry point in the System at any given time exceeding ten (10) parts per million hydrogen sulfide (H₂S) content in solution by weight; and

(iv) its vapor pressure does not exceed the greater of atmospheric pressure or 14.7 psia at receipt temperature.

In calculating the combined stream of Petroleum at any given point in the System under the custody of the Carrier, only Petroleum received into the System by the Carrier at that point and all points upstream shall be considered.

(B) Petroleum will not be accepted by the Carrier for transportation in the System unless its gravity, viscosity, pour point, vapor pressure and other characteristics are such that it is readily susceptible to safe and efficient transportation through the System and will not materially affect the characteristics of other Petroleum shipments for which adjustments are not or will not be available through the procedure set forth in Item 115, Quality Bank.
(C) Carrier may require forty-five (45) days notice from Shipper before accepting Petroleum from a producing reservoir or a procession plant from which Petroleum has not previously been shipped through the System. Such notice shall include a suitable assay of the tendered Petroleum so that the acceptability and a suitable tariff for the transportation of the Petroleum can be determined.

20 Shipments, Maintenance of Identity

Petroleum will be accepted for transportation only on condition that it shall be subject to changes in gravity, quality, or characteristics while in transit as may result from the mixture with other Petroleum in the System. The Carrier shall be under no obligation to deliver the identical Petroleum received but shall make delivery out of common stock of the System.

25 Duty of Carrier

Carrier shall not be required to transport and/or deliver Petroleum except with reasonable diligence, considering the quantity of Petroleum, the distance of transportation, the safety of operation, and other material factors.

30 Title

An offer for Shipment of Petroleum shall be deemed a warranty of title by the party making the offer. The Carrier may, in the absence of adequate security, decline to receive any Petroleum which is in litigation, or as to which a dispute over title may exist, or which is encumbered by any lien. By offering Petroleum, the offeror warrants and guarantees that it has good title thereto and agrees to hold the Carrier harmless from any and all loss, cost, liability, damage and/or expense resulting from disputes, encumbrances, or failure of title thereto. Acceptance for transportation shall not be deemed a representation by the Carrier as to title.

35 Gauging, Testing and Volume Correction

(A) Petroleum accepted by the Carrier for transportation shall be measured and tested by representatives of the Carrier, or its Operating Agent, prior to or at the time of its receipt from the Shipper. Each Shipper shall have the privilege of being present or represented during the measurement and testing procedures.

(B) Quantity measurement shall be determined by meters and will conform minimally with API and ASTM Standards. In instances where meters are not be operable or otherwise available, quantities shall be determined by tank measurement in accordance with API and ASTM Standards.
(C) The volume of Petroleum Shipments received and delivered shall be as corrected to sixty (60) degrees Fahrenheit.

(D) The full amount of basic sediment, water, and other impurities corrected to sixty (60) degrees Fahrenheit shall be deducted from the corrected volume of Petroleum shipped. Determination of basic sediment shall be in accordance, at minimum, with accepted API and ASTM Standards. The net balance at sixty (60) degrees Fahrenheit, less any adjustments provided for elsewhere in these Rules and Regulations, shall be the quantity to be delivered by the Carrier.

40 Time

The determination of time under these Rules and Regulations shall be according to Valdez, Alaska, local time.

45 Scheduling and Use of Terminal, and Penalty Provisions

(A) Any Shipper expecting to commence lifting at the Terminal for the first time shall provide a one-Week notice prior to submitting the four-Week schedule required by this section. In addition to the requirements imposed by the immediately preceding sentence, each Shipper will advise Carrier of the schedule of Vessels it expects to call at the Terminal during the ensuing four-Week period, specifying for each Vessel scheduled for the first Week of such four-Week schedule and, to the extent possible, for the last three Weeks, the volume to be lifted, name, Scheduled Arrival Day, and such other information as required by the Port Information Manual.

(B) The Operating Agent will coordinate the lifting schedules for all Shippers lifting Petroleum at the Terminal. Any conflicts in the lifting schedule will be resolved equitably and in furtherance of the most efficient operation of the System. After resolution of any conflicts, the resulting Lifting Schedule will be provided to each Shipper.

(C) Changes or Vessel substitution may be made to the lifting schedule by any Shipper upon written notice delivered to the Carrier at least seven (7) Days in advance of a scheduled lifting. Changes on less than seven (7) Days written notice may only be made provided such changes or Vessel substitution will not adversely affect any other Shipper’s scheduled liftings, unless such other Shipper’s prior written consent is obtained, and the changes or substituted Vessel complies with the Port Information Manual.

(D) When a revision or change is made to the Lifting Schedule, the Carrier, or its Operating Agent, will promptly notify all affected Shippers of the revised Lifting Schedule and the effective date of the revision.

(E) If, at the beginning of any Day, the aggregate Working Inventory in the Terminal is equal to or greater than 75% of Working Capacity and the Carrier's share of Working
Inventory is in excess of the Carrier's Working Capacity, each Surplus Shipper, as that term is hereinafter defined, shall be charged a penalty consisting of such Surplus Shipper's proportion (calculated as described below) of the product obtained by multiplying [U] twenty (20) cents by the number of Barrels by which Carrier’s Working Inventory exceeds the Carrier’s Working Capacity at the beginning of the Day for which the penalty is levied. Such proportion shall be the ratio that such Surplus Shipper's share of such excess on such Day bears to the total amount of such excess on such Day.

For purposes of this Paragraph E:

(1) A Surplus Shipper is a Shipper that has a volume of Petroleum in the Terminal in the custody of the Carrier at the beginning of the Day for which the penalty is levied that exceeds such Shipper’s Tankage Entitlement;

(2) A Shipper's Tankage Entitlement is equal to the total number of Barrels of tankage capacity comprising the Carrier’s Working Capacity multiplied by such Shipper’s Delivery Percentage; and

(3) A Shipper’s Delivery Percentage is the ratio (expressed as a percentage) that the aggregate number of Barrels of that Shipper’s Petroleum in the custody of the Carrier on the Day for which the penalty is levied and that were delivered into the Terminal or other established delivery point during the seven Days preceding such Day bears to the total number of Barrels of all Shippers’ Petroleum in the custody of the Carrier in the Terminal on that Day and that were so delivered during such period.

(F) In calculating the penalty under Paragraph E, the number of excess Barrels at the beginning of any Day shall be reduced by:

(1) The number of Barrels of the Carrier's Working Inventory scheduled to be lifted by a Vessel which has established an Actual Arrival Time at the beginning of any Day the penalty is applied but is unable to dock because the passage through Prince William Sound or Valdez Arm is closed to shipping due to an event or condition not within the control of the Carrier, and;

(2) The number of Barrels of the Carrier's Working Inventory scheduled to be lifted by a Vessel which has docked but is unable to lift at the beginning of any Day due to any act or omission of the Carrier's Operating Agent or due to any local event or condition of general application not within the control of the Carrier's Operating Agent or any person responsible for the operation or control of such Vessel which does or would prevent all Vessels from loading.

(G) Each Vessel shall dock when and as instructed by the Carrier, or its Operating Agent. If any Vessel is unable to dock when instructed, the next Vessel waiting to be docked shall be docked based on the order of dock assignment until the Vessel that was unable to dock is able to dock. Vessels shall be assigned dock space by Carrier, or its Operating Agent, in the order of the Actual Arrival Time, provided, however, that adequate and appropriate
inventories designated for lifting by such Vessel have been established, and in the Operating Agent’s prudent judgment will optimize System delivery.

(H) After a Vessel has been docked, it shall be allowed twenty-four (24) hours, if the Vessel is of two hundred twenty-five thousand (225,000) dead weight tons or less, or thirty (30) hours, if the Vessel is of greater than two hundred twenty-five thousand (225,000) dead weight tons, from the time that Carrier or its Operating Agent gives notice of readiness to commence either loading or debollasting within which to complete its lifting and to release its last line from a mooring point at the dock. If any Vessel fails to release its last mooring line before a specified departure time contained in a notice from Carrier or its Operating Agent, (which specified departure time shall not be earlier than the end of such twenty-four (24) hour or thirty (30) hour period, nor earlier than four (4) hours after Carrier or its Operating Agent transmits such notice to the Vessel), the Shipper scheduling such Vessel shall thereafter pay a penalty of [U] Two Thousand Dollars ($2,000) for each hour or part thereof that such Vessel remains at the dock, while such dock is required to load another Vessel which has established an Actual Arrival Time. Any delay due to any act or omission of the Carrier or its Operating Agent or a local event or condition of general application (except mechanical equipment malfunction on the Vessel) not within the control of the Carrier or its Operating Agent or any other person responsible for the operation or control of such Vessel which act, event or condition prevents the Vessel from vacating the dock shall be added to the time until a Vessel is required to vacate the dock.

(I) If, at the beginning of any Day, the sum of the total number of Barrels of Shipper’s Petroleum in Carrier’s Working Inventory plus Shipper’s share of the Petroleum Fill Requirement divided by Shipper’s share of the Petroleum Fill Requirement is greater than the number five (5) and is or has been greater than the number five (5) for the preceding twenty (20) Days, then Shipper shall be charged on each such Day (in this Item 45(I) hereinafter called "Relevant Day") a sum equal to the product obtained by multiplying twenty (20) cents by the total number of Barrels of Shipper’s Petroleum in Carrier’s Working Inventory on the Relevant Day.

50 Application of Rates, Charges, Rules and Regulations

Petroleum accepted for transportation shall be subject to the Rates, Charges, Rules and Regulations in effect on the date of receipt of such Petroleum by the Carrier. Transportation and all other lawful charges will be collected on the basis of the net quantities of Petroleum delivered. All net quantities will be determined in the manner provided in Item 35.

55 Scheduling of Pipeline and Apportionment of Throughput Capability

(A) General Requirements for Nominations:

1. Nominations will be received and considered for acceptance if they conform in full to the terms of this tariff. Nominations shall be addressed to Oil Movements Coordinator, BP Pipelines (North America) Inc., Suite 300, 4502 E. 41st Street, Tulsa,
Oklahoma 74135, fax number (918) 660-4393, with confirmation number (918) 660-4346.

2. Each Nomination must be in writing and include the information reflected in items a. through e. for each proposed Shipment:
   a. the period for which the proposed Shipment is being nominated;
   b. the total volume for delivery during such period and the volume in Barrels per Day;
   c. the connection from which the proposed Shipment would originate;
   d. the destination of the proposed Shipment; and
   e. if Shipper nominates to Carrier Barrels for intrastate Shipment, regardless of destination, Shipper must state the total volume of Petroleum nominated by Shipper to all system carriers for each intrastate movement for the period for which the proposed Shipment is being nominated.

   In addition, each Nomination must make the statements in items f. and g:
   f. <Prospective Shipper name> has title to all the Petroleum hereby nominated.
   g. None of the Petroleum hereby nominated is currently nominated or accepted for transportation by any other carrier, whether provisionally or otherwise.

3. The Carrier reserves the right when accepting and prorating Nominations to revise, reduce or reject a Nomination if:
   a. the Carrier believes that the prospective Shipper does not have title to the Petroleum being nominated, or the Petroleum nominated is currently nominated to or accepted for transportation by another carrier;
   b. the prospective Shipper has previously withdrawn accepted Nominations from the Carrier; or
   c. the prospective Shipper has failed to make payment of lawful charges related to previous Shipments.
4. A prospective Shipper may not nominate the same Barrels of Petroleum to the Carrier and to another carrier. If, as of the Pipeline Scheduling Deadline, the Operating Agent determines that a prospective Shipper has nominated to another carrier Barrels that Carrier has accepted for the coming Month, the Carrier will reduce such prospective Shipper's Nomination to the Carrier by the number of Barrels that Carrier accepted that were also nominated to another carrier.

5. No party shall deliver to the System Petroleum that has not been nominated to and accepted by the Carrier or another carrier. If, as of the Pipeline Scheduling Deadline, there is Petroleum scheduled to be delivered to the System in the coming Month that has not been nominated to and accepted by the Carrier or another carrier, the Operating Agent will notify the owner of such Petroleum at least one Operating Agent Business Day before the deadline for nominating such Petroleum to the Carrier or another carrier. If, notwithstanding the Operating Agent's notice, the Petroleum is not nominated, but is delivered to the Pipeline, such Petroleum shall be deemed to be the property of the Carrier and the other carriers.

(B) Scheduling, Acceptance and Prorating of Initial and Supplemental Nominations

1. By the first Operating Agent Business Day of each Month, the Carrier will notify prospective Shippers of its Estimated Throughput Capability and the Deadline for Initial Nominations, which shall be no earlier than five Days after the date of such notice. Any prospective Shipper seeking such information may obtain it upon request to Carrier's Oil Movements Coordinator identified in Section (A) 1. herein.

2. If the total of the Initial Nominations received is less than the Carrier's Estimated Throughput Capability for the coming Month, all Initial Nominations will be accepted in full. If, on the other hand, the total of the Initial Nominations exceeds the Carrier's Estimated Throughput Capability for the coming Month, such Estimated Throughput Capability will be prorated among all prospective Shippers in the proportion that each Shipper's Initial Nominations bear to the total of all Initial Nominations.

3. If, after the Deadline for Initial Nominations, the Carrier has Available Throughput Capability, the Carrier will advise all prospective Shippers of such Available Throughput Capability and request Supplemental Nominations for the Available Throughput Capability. The Carrier may, at its discretion, perform one or more rounds of Supplemental Nominations. For each such round, the Carrier will set a deadline by which a prospective Shipper must submit Supplemental Nominations. If the total of the Supplemental Nominations for any round is less than the Carrier's Available Throughput Capability, such Supplemental Nominations will be accepted in full. If the total of the Supplemental Nominations for any round exceeds the Available Throughput Capability, such Available Throughput Capability will be prorated among all prospective Shippers in the proportion that each prospective Shipper's Supplemental Nominations for that round bear to the total of all Supplemental Nominations for that round. If, after the deadline (or, in the case of
multiple rounds of Supplemental Nominations, the last such deadline) for the receipt of Supplemental Nominations, the Carrier has Available Throughput Capability, the Carrier will accept Nominations for such Available Throughput Capability on a first-come, first-served basis.

4. A Revised Nomination that increases the total number of Barrels nominated to the Carrier will be effective at 0000 hours on the latter of:
   a. the Day the prospective Shipper proposes in its Revised Nomination;
   b. a Day that begins after four Operating Agent Business Days have elapsed since the Carrier accepted the Revised Nomination; and
   c. the Day the Operating Agent determines that the additional Barrels are not nominated to another carrier.

5. A Revised Nomination that decreases the total number of Barrels nominated to the Carrier will be effective at 0000 hours on the latter of:
   a. the Day the prospective Shipper proposes in its Revised Nomination;
   b. a Day that begins after four Operating Agent Business Days have elapsed since the Carrier accepted the Revised Nomination; and
   c. the Day the Operating Agent determines that the Barrels the prospective Shipper proposes not to tender to the Carrier are properly nominated to another carrier.

6. When Carrier has accepted the Shipper’s Nomination, it will so notify the Shipper and will identify when the Nomination will become effective.

7. The Carrier may reject an Initial Nomination for an intrastate movement:
   a. that exceeds 46.9263% of the total Petroleum nominated by such prospective Shipper to all carriers for that specific intrastate movement, or;
   b. if the Carrier has accepted a Nomination or Nominations for an intrastate movement, that, when added to such accepted Nomination(s), exceeds 46.9263% of the total Petroleum nominated by such prospective Shipper to all carriers for that specific intrastate movement.

8. If, after Nominations have been accepted, the Estimated Throughput Capability available to Carrier either increases or otherwise becomes available, the Carrier will advise all prospective Shippers of the deadline for submitting a Nomination for such Available Throughput Capability.

9. If, after Nominations have been accepted, the Estimated Throughput Capability available to the Carrier is reduced to an amount that is less than the total of the previously accepted Nominations, such Nominations will be reduced to the proportion that the reduced Estimated Throughput Capability bears to the accepted Nominations.
10. On the next successive business day following the closing date for nominations, or as soon thereafter as possible, Carrier will notify each prospective Shipper of the extent to which that prospective Shipper’s nomination has been accepted.

60 Payment of Transportation and other Charges

(A) The Shipper shall pay all applicable penalties, transportation charges, and other lawful charges accruing on Petroleum delivered to and accepted by the Carrier for Shipment. Unless agreed to otherwise by the Carrier, the Shipper shall make payment by federal funds wire transfer. The Carrier may require payment of such penalties and charges prior to accepting Petroleum for Shipment or before delivering such Shipment to the Shipper, or the Carrier, at Carrier’s option, may require Shipper to submit a letter of credit drafted on an approved bank covering applicable charges prior to accepting Petroleum for Shipment or before delivering such Shipment to the Shipper. Penalties and charges are due upon delivery at destination. Penalties and charges shall be considered past-due if such penalties and charges remain unpaid seven (7) days after notice and demand therefor. All past-due penalties and charges shall bear interest from the date on which they become due until paid at an annual rate equivalent to 125% of the prime rate of interest charged by the Citibank N.A. of New York, New York on ninety (90) days loans to substantial and responsible commercial borrowers as of the date of delivery, or the maximum rate allowed by law, whichever is less. In addition, the Carrier shall have a lien on all Petroleum delivered for transportation to secure the payment of any and all unpaid penalties, transportation charges and other charges that are due to the Carrier by the Shipper, and may withhold such Petroleum from delivery, without liability until all unpaid charges have been paid. If such penalties or charges remain unpaid seven (7) days after notice and demand therefor, or if there shall be a failure to lift Petroleum within seven (7) days after the scheduled lifting delivery date as provided in Item 45, the Carrier shall have the right to sell such Petroleum at public auction, on any Day not a legal holiday, and not less than forty-eight (48) hours after notice stating the time and place of such sale and the quantity, general description, and location of the Petroleum to be sold has been published in a daily newspaper of general circulation in the town or city where the sale is to be held, and notice has been sent to the Shipper. The Carrier may be a bidder and purchaser at such sale. Out of the proceeds of said sale, Carrier shall pay itself all penalties, transportation, demurrages, other lawful charges and all expenses incident to the sale. The balance from said sale shall be held for whomever may be lawfully entitled thereto.

(B) In addition to the provisions of the preceding paragraph of this Item, if the Shipper or Consignee is unable or refuses to receive or lift Petroleum Shipments at their destination, and the Carrier is subjected to the threat of financial loss or impairment of its ability to perform its services as a Carrier, the Carrier reserves the right to make whatever arrangements it deems appropriate to dispose of such Petroleum and the costs of such disposal shall be borne by the Shipper and Consignee jointly and severally and shall be in addition to transportation and other lawful charges accruing to the Shipper or Consignee.
65 Liability of Carrier

(A) The Carrier, while in possession of any Petroleum herein described, shall not be liable for any loss thereof, damage thereto or delay caused by fire, explosion, earthquake, storm, flood, epidemics, acts of God, riots, war, sabotage, strikes, the authority of law, or an act or default of the Shipper, or from any cause whatsoever, whether enumerated herein or not, except by the Carrier’s sole negligence. In case of any loss of Petroleum for which the Carrier is not liable, each Shipper shall bear the loss, damage or delay and the consequences thereof in the proportion that the amount of such Shipper’s Petroleum received and undelivered in the custody of the Carrier for transportation in the System bears to the total amount of Petroleum of all Shippers received and undelivered in the Carrier’s custody for transportation in the System at the time the loss, damage or delay occurs. The Shipper shall be entitled to have delivered only such portion of its Shipment as may remain after deduction of its due proportion of such loss.

(B) In addition to any loss of Petroleum covered by the preceding paragraph of this item, some gain or loss is unavoidably incident to pipeline transportation due to the inherent nature of Petroleum and extractions of Petroleum for use as fuel in the operation of the System. Such gains or losses shall be borne by the Shippers and shall be apportioned among them at the end of each month in the proportion that the 100-Barrel Mile Deliveries for each Shipper during such month bears to the total 100-Barrel Mile Deliveries of all Shippers during such month. Carrier shall make such allocations monthly, but the cumulative net amount of such gains, losses or extractions shall be adjusted monthly on a calendar year-to-date basis within a calendar year. Inventory left with the Carrier for a period of six (6) months, which remain unchanged during that period, will be subject to the apportionment calculation under this paragraph.

70 Claims, Suits, and Time for Filing

As a condition precedent to recovery for loss, damage, or delay to Shipments, claims must be filed in writing with the Carrier within nine (9) months and one (1) day after delivery of the Petroleum, 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; and suits arising out of such claims shall be instituted against the Carrier only within two (2) years and one (1) day from the date of delivery, or within two (2) years and one (1) day after a reasonable time for delivery has elapsed. 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. Statements of losses, ascertained and computed by Carrier’s standard accounting procedures, are to be accepted by Shipper as prima facie correct.
75 Legality of Shipments

The Carrier reserves the right to reject any and all Petroleum offered for Shipment when the Shipper or Consignee fails or is unwilling or unable to comply with all applicable laws, rules, regulations or requirements of any governmental authorities regulating Shipments or deliveries of Petroleum, or fails to demonstrate to the Carrier’s satisfaction that the Shipment would be in conformance with the provisions of the Carrier’s tariff.

80 Inhibitors

Carrier reserves the right to inject, or to approve or reject the injection of, corrosion inhibitors, viscosity or pour point suppressants, or other additives in the Petroleum to be transported.

85 Destination Facilities

Only tankage required for the handling of Petroleum at Valdez, Alaska pending loading on Vessels will be provided by the Carrier at the Terminal. Petroleum accepted for transportation to destinations other than for loading on Vessels at Valdez, Alaska will be delivered only into pipelines, tanks or other facilities which are provided or arranged for by Shipper. Carrier will determine and advise Shipper of the size and capacity of pipelines, tanks or other facilities that Shipper must provide at a point of delivery other than the Terminal to meet the operating conditions of the System at such point. If the Shipper, any consignee or a connecting carrier is not able for any reason to receive Petroleum from the Carrier at any such destination at the time when Carrier has scheduled a delivery, then Carrier shall have the right, at Shipper’s expense, to transport such Petroleum to the Terminal. If the Shipper of any such Petroleum is unable to accept delivery of any such Petroleum at the Terminal within seven (7) days, Carrier shall have the right to sell such Petroleum in accordance with the procedure contained in Item 60.

90 Origin Facilities

Carrier will provide only such facilities at the origin point as it deems necessary for the operation of the System. Shipments will be accepted for transportation hereunder only when Shipper has provided facilities satisfactory to the Carrier capable of delivering Petroleum into the origin point at pressures and pumping rates required by the Carrier.

95 Charge for TransAlaska Pipeline Liability Fund

As an additional charge, the Carrier or its Operating Agent, shall collect a fee of [$U] five cents (5¢) per Barrel of Petroleum transported under this tariff and loaded on a Vessel at the Terminal to the extent and in the manner required by Section 204 (c) of Public Law 93-153 (Title 43, U.S.C. Section 1653 (c)) and any regulations issued hereunder, and shall collect any other similar or substitute fee that Carrier or its Operating Agent is required to collect by any duly constituted governmental authority with respect to any transportation or other service performed pursuant to the provisions of this tariff.
100 Petroleum Fill Requirements

Carrier will require each Shipper to supply its pro rata share of Petroleum to fill the Carrier’s undivided interest space in the System excluding the capacity of all operational tanks at the Terminal above the top of the suction/fill tank nozzle. Changes to Shipper’s pro rata share will be phased in over seven Days (one-seventh per Day).

105 Rates Applicable to and from Intermediate Points

Petroleum delivered to a point on the System which is not named in this tariff or in tariffs making reference to this tariff but which point is intermediate to a point to which rates are published in this tariff or in tariffs making reference to this tariff, will be assessed the rate in effect to the next more-distant point published in this tariff or in tariffs making reference to this tariff. Petroleum received from a point on the System which is not named in this tariff or in tariffs making reference to this tariff but which point is intermediate to a point from which rates are published in this tariff or in tariffs making reference to this tariff, will be assessed the rate in effect from the next more-distant point published in this tariff or in tariffs making reference to this tariff.

110 In Transit Shipments

Petroleum transported through Carrier’s facilities from any origin point may be withdrawn from the System by the Shipper at any established delivery point with the privilege of subsequently reforwarding all or a portion of a like volume through Carrier’s facilities to Valdez, Alaska, and loading on Vessels, provided:

(A) Shippers availing themselves of these withdrawal and reforwarding privileges must keep complete and accurate records and permit inspection of such records by an authorized agent of Carrier or its representative as is necessary for the efficient supervision of such traffic.

(B) Petroleum is redelivered to Carrier at the same point of withdrawal within a period of seven (7) days from the date of withdrawal for future transportation to Valdez, Alaska at a delivery rate no greater than the average daily withdrawal of Petroleum by such Shipper.

(C) The applicable rate from initial point of origin to Valdez is paid upon shipment to the intermediate point.

(D) Custody and possession of the Petroleum upon withdrawal shall be that of the Shipper, not of the Carrier.
Connections to the System will be allowed, in accordance with the Interstate Commerce Act, Title 18 of the Code of Federal Regulations applicable to common carrier pipeline companies and requirements in the instruments granting the right of way for the Trans Alaska Pipeline System, for the purpose of transporting Petroleum through the System. All connectors must comply with Trans Alaska Pipeline System Connection Guidelines. A copy of such Guidelines will be made available on request to Carrier.

Explanation of Symbols:
[N] - New
[U] - Unchanged Rate
[W] - Change in Wording Only
[C] - Cancelled
FERC ICA Oil Tariff

F.E.R.C. No. 44.12.0 (BP)
(Cancels F.E.R.C. No. 44.11.0)

BP PIPELINES (ALASKA) INC. (BP)
LOCAL PIPELINE TARIFF

CONTAINING THE TAPS QUALITY BANK METHODOLOGY

GENERAL APPLICATION

This tariff shall apply only to those tariffs which specifically incorporate this tariff, and successive issues hereof, by reference.

NOTICES


For rules and regulations other than the TAPS Quality Bank Methodology tariff, see F.E.R.C. No. 42.0.0 (BP), and reissues thereof.

The provisions published herein will, if effective, not result in an effect on the quality of the human environment.

REQUEST FOR SPECIAL PERMISSION

Issued on [W] eight four 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 23, 2017
EFFECTIVE: February 1, 2017

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I. GENERAL PROVISIONS

A. Definitions

“Barrel” – as used herein means forty-two (42) U.S. gallons at sixty degrees (60°) Fahrenheit and atmospheric pressure.

“Carrier” – as used herein means BP Pipelines (Alaska) Inc., ConocoPhillips Transportation Alaska, Inc., ExxonMobil Pipeline Company, Unocal Pipeline Company, the successor to any of them, and/or a pipeline company which may, by proper concurrence, be a party to a joint tariff incorporating this tariff by specific reference.

“Connection” – as used herein means a connection to TAPS (other than at Pump Station No. 1) for the purpose of receiving Petroleum into TAPS.

“Connection Base Petroleum” – as used herein means the Petroleum resulting from the commingling of (1) the Petroleum entering TAPS at a Connection and (2) the Petroleum in TAPS just upstream of the point of entry into TAPS at that Connection.

“Gravity” – as used herein means the gravity of Petroleum expressed in API degrees at sixty degrees (60°) Fahrenheit.

“Gravity Differential Value Per Barrel” – as used herein means the gravity differential value set forth in Section II, Item No. C(3)(iii), as established from time to time in accordance with Section III, Item E.

“GVEA” – as used herein means the Golden Valley Electric Association.

“LSR” – as used herein means Light Straight Run.

“Month or Monthly” – as used herein means a calendar month commencing at 0000 hours on the first day thereof and running until 2400 hours on the last day thereof according to Valdez, Alaska, local time.

“OPIS” – as used herein means Oil Price Information Service.

“Petroleum” – as used herein means unrefined liquid hydrocarbons including gas liquids.

“Platts” – as used herein refers to Platts Oilgram Price Report.

“PSVR” – as used herein means the Petro Star Valdez Refinery.

“Pump Station No. 1” – as used herein means the pump station facilities near Prudhoe Bay, Alaska where Petroleum is received into TAPS.
“Pump Station No. 1 Base Petroleum” – as used herein means the Petroleum stream resulting from deliveries into TAPS at Pump Station No. 1 by all Shippers.

“Quality Bank Administrator” – as used herein means the person appointed by the TAPS Carriers to administer the Quality Bank.

“Quality Bank Value” – as used herein means the value of each Petroleum stream as calculated in Section III.

“Shipper” – as used herein means a party who tenders Petroleum to Carrier for transportation and thereafter actually delivers Petroleum to Carrier for transportation.

“State” – as used herein means the State of Alaska.

“STUSCO” – as used herein means Shell Trading (US) Company.

“TAPS” – as used herein means the Trans Alaska Pipeline System.

“TBP” – as used herein means True Boiling Point.

“Valdez Terminal” – as used herein means the TAPS terminal located at Valdez, Alaska.

“Valdez Terminal Base Petroleum” – as used herein means the Petroleum delivered out of the Valdez Terminal.

“Volume” – as used herein means a quantity expressed in Barrels.

“Weighted Average” – as used herein means an average calculated on a Volume weighted basis.

B. Quality Bank Administrator

The TAPS Quality Bank shall be administered by the Quality Bank Administrator, who shall be appointed by the TAPS Carriers, and by those designated by the Quality Bank Administrator to assist the Administrator.

C. Information Furnished to the State of Alaska

The Quality Bank Administrator shall furnish to the State each month copies of the invoices for Quality Bank adjustments and supporting data sent to each shipper. Such information is furnished to the State based upon the State’s representation that it will hold such information in confidence and that such information will be used only by officers or agents of the State in the exercise of the officers’ or agents’ powers.
D. Information Furnished to Carrier by Shipper

Carrier and its designee are authorized by Shipper to receive through measurement, connecting carriers or otherwise all information and data necessary to make the computations under Section II. Shipper will furnish Carrier or its designated Quality Bank Administrator, and consents to Carrier or its designated Quality Bank Administrator acquiring from other carriers or other persons, any additional information and data necessary to make the computations under Section II. Shipper also consents to Carrier or its agents disclosing to the designated Quality Bank Administrator all information and data necessary to make the computations under Section II. The name and address of Carrier’s designated Quality Bank Administrator will be made available upon written request to Carrier.

II. QUALITY ADJUSTMENTS

A. Quality Adjustments

Shippers shall be debited and/or credited for all adjustments as provided for in this Section II with respect to all Petroleum shipped. The calculation of Shipper’s debits and credits shall be made for each Month as required herein. The credit and debit balances for each accounting shall be adjusted among Shipper and all Shippers in TAPS by collecting funds from those Shippers (including Shipper, if applicable) having debit balances and by thereafter remitting funds collected to the Shippers (including Shipper, if applicable) having credit balances. In the event of delay in collection or inability to collect from one or more Shippers for any reason, only adjustment funds and applicable interest charges actually collected shall be distributed pro rata to Shippers having credit balances. A Monthly accounting shall be rendered to Shipper after the end of each Month.

B. Methodology

Shipper authorizes Carrier or its designee to compute adjustments among all Shippers in TAPS for quality differentials arising out of TAPS common stream operation. Shipper agrees to pay Carrier or its designee the adjustment due from Shipper determined in accordance with the procedures set out in this Section II.

The procedures for determining quality adjustments among all Shippers are specified in detail in the TAPS Quality Bank Methodology set forth in Section III.

As prescribed in detail in Section III, at the close of each Month, Carrier or its designated Quality Bank Administrator shall compute adjustments calculated as follows:

1. Pump Station No. 1 Adjustment - An adjustment based on the difference between the Quality Bank Value of Pump Station No. 1 Base Petroleum during a Month and the Quality Bank Value of Petroleum received into TAPS at Pump Station No. 1 for a Shipper during the same Month shall be calculated as follows:

   (i) the Quality Bank Value per Barrel of each stream received into TAPS at Pump Station No. 1 during the Month for a Shipper shall be determined by
summing the Quality Bank Values of each component of one Barrel of that stream as determined in accordance with the TAPS Quality Bank Methodology.

(ii) the Quality Bank Value per Barrel of the Pump Station No. 1 Base Petroleum for the Month shall be determined by multiplying the Quality Bank Value per Barrel of each stream received into TAPS at Pump Station No. 1 during that Month by the number of Barrels of that stream received into TAPS at Pump Station No. 1 during that Month, summing the products so obtained and dividing the total by the number of Barrels of Petroleum received into TAPS at Pump Station No. 1 during the Month.

(iii) if the Quality Bank Value per Barrel of the Pump Station No. 1 Base Petroleum for any Month is greater than the Quality Bank Value per Barrel of a stream of Petroleum received into TAPS at Pump Station No. 1 during the same Month for a Shipper, such Shipper shall be debited an amount calculated by multiplying such difference by the number of Barrels of such Petroleum received into TAPS for such Shipper at Pump Station No. 1 during that Month.

(iv) if the Quality Bank Value per Barrel of Pump Station No. 1 Base Petroleum for any Month is less than the Quality Bank Value per Barrel of a stream of Petroleum received into TAPS at Pump Station No. 1 during the same Month for a Shipper, such Shipper shall be credited an amount calculated by multiplying such difference by the number of Barrels of such Petroleum received into TAPS for such Shipper at Pump Station No. 1 during that Month.

2. Connection Adjustment - An adjustment based on the difference between the Quality Bank Value of any Connection Base Petroleum during a Month and the Quality Bank Value of a Shipper’s Petroleum commingled at that Connection during the same Month shall be calculated as follows:

(i) the Quality Bank Value per Barrel of a Shipper’s Petroleum commingled at a Connection during the Month shall be determined by summing the Quality Bank Values of each component of one Barrel of that Petroleum as determined in accordance with the TAPS Quality Bank Methodology.

(ii) the Quality Bank Value per Barrel of any Connection Base Petroleum for the Month shall be the Weighted Average Quality Bank Value of (1) the Petroleum entering TAPS at a Connection during the Month and (2) the Petroleum in TAPS just upstream of the point of entry into TAPS at that Connection during the Month.

(iii) if the Quality Bank Value per Barrel of any Connection Base Petroleum for any Month is greater than the Quality Bank Value per Barrel of a Shipper’s Petroleum commingled at that Connection during the same Month, such Shipper shall be debited an amount calculated by multiplying
such difference by the number of Barrels of such Shipper’s Petroleum commingled at that Connection during that Month.

(iv) if the Quality Bank Value per Barrel of any Connection Base Petroleum for any Month is less than the Quality Bank Value per Barrel of Shipper’s Petroleum commingled at that Connection during the same Month, such Shipper shall be credited an amount calculated by multiplying such difference by the number of Barrels of such Shipper’s Petroleum commingled at that Connection during that Month.

3. Valdez Terminal Gravity Adjustment - An adjustment based on the difference between the Weighted Average Gravity of the Valdez Terminal Base Petroleum and the Weighted Average Gravity of Petroleum received out of the Valdez Terminal by a Shipper shall be calculated as follows:

(i) if the Weighted Average Gravity of the Valdez Terminal Base Petroleum for any Month is greater than the Weighted Average Gravity of Petroleum received out of the Valdez Terminal during the same Month by a Shipper, such Shipper shall be credited an amount calculated by multiplying such difference by the Gravity Differential Value Per Barrel and multiplying that total by the number of Barrels of such Petroleum received out of the Valdez Terminal during that Month by such Shipper.

(ii) if the Weighted Average Gravity of the Valdez Terminal Base Petroleum for any Month is less than the Weighted Average Gravity of Petroleum received out of the Valdez Terminal during the same Month by a Shipper, such Shipper shall be debited an amount calculated by multiplying such difference by the Gravity Differential Value Per Barrel and multiplying that total by the number of Barrels of such Petroleum received out of the Valdez Terminal during that Month by such Shipper.

(iii) The Gravity Differential Value Per Barrel is established at [U] $0.0421 for each one-tenth degree API Gravity (0.1° API).

C. Payment Provisions

In addition to the adjustments described in this Section II, Shipper agrees to pay Carrier or its designee a per Barrel charge to reimburse Carrier for the costs of administering the adjustments among Shippers under this Section II.

In the event any payment is made to Shipper hereunder and it is subsequently determined by any Federal or state court, administrative agency or other governmental entity having jurisdiction that no other Shipper was liable for the adjustment for which payment was made, Shipper receiving such payment shall upon receipt of an accounting from Carrier return the same to Carrier or its designee. Carrier shall promptly utilize same to reimburse all Shippers who made such payments.
All payments due from Shipper under this Section II shall be made by Shipper within 20 days of receipt of each accounting and, for any delay in payment beyond such 20 day period, shall bear interest calculated at an annual rate equivalent to 125% of the prime rate of interest of Citibank N.A. of New York, New York, on ninety-day loans to substantial and responsible commercial borrowers as of the date of accounting, or the maximum rate allowed by law, whichever is less.

If Shipper fails to make payment due hereunder within thirty (30) days of issuance of each accounting, Carrier shall have the right to sell at public auction either directly or through an agent at any time after such thirty (30) day period any Petroleum of Shipper in its custody. Such auction may be held on any day, except a legal holiday, and not less than forty-eight (48) hours after publication of notice of such sale in a daily newspaper of general circulation published in the town, city or general area where the sale is to be held, stating the time and place of sale and the quantity and location of Petroleum to be sold. At said sale Carrier shall have the right to bid, and, if it is the highest bidder, to become the purchaser. From the proceeds of said sale, Carrier will deduct all payments due and expenses incident to said sale, and the balance of the proceeds of the sale remaining, if any, shall be held for whomsoever may be lawfully entitled thereto.

Adjustment payments and administrative costs in this Section II are not a part of Carrier’s transportation tariff rates, and such shall not be an offset or other claim by Shipper against sums due Carrier for transportation or other charges, costs, or fees due or collected under Carrier’s tariffs.

III. QUALITY BANK PROCEDURES

A. Overview

A distillation-based methodology shall be implemented at all TAPS Quality Banks (other than the TAPS Valdez Marine Terminal Quality Bank).

This methodology for calculation of the TAPS Quality Bank debits and credits is based on valuations of Petroleum components. This methodology shall apply to the specific Petroleum streams identified in Sections III.B, III.C, and III.D. and also shall be applied to any streams tendered to TAPS through a new connection. The Quality Bank value of each Petroleum stream shall be the volume-weighted sum of the Quality Bank values of its components. The characteristics and volumes of components for each separate Petroleum stream are based on assay information obtained using a defined set of testing procedures as set forth in Section III.F. Quality Bank credits and debits are determined by comparing the Quality Bank value of each Petroleum stream to the appropriate calculated TAPS “reference” stream Quality Bank value.

B. Quality Bank Streams at Pump Station No. 1 Quality Bank

1. The TAPS Pump Station No. 1 Quality Bank assesses the following five streams: (1) PBU IPA; (2) Lisburne; (3) Endicott Pipeline; (4) Kuparuk Pipeline; and (5) Northstar.

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1 PBU IPA is the abbreviation for the Prudhoe Bay Unit Initial Participating Areas.

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2. The Pump Station No. 1 Quality Bank reference stream is the blended common stream leaving Pump Station No. 1. The reference stream Quality Bank value is calculated using the volume weighted average of the five Quality Bank streams identified above plus any streams tendered to TAPS through a new Pump Station No. 1 connection.

C. Quality Bank Streams at GVEA Quality Bank

1. The GVEA Quality Bank streams are the combined Flint Hills and Petro Star refinery return stream delivered to TAPS by the GVEA Pipeline and the passing TAPS common stream at the GVEA offtake point, both of which are measured at the GVEA connection.

2. The GVEA Quality Bank reference stream is the blended TAPS stream immediately downstream from the GVEA return stream connection. The reference stream Quality Bank value is calculated using the volume weighted average of the GVEA Quality Bank streams identified above.

D. Quality Bank Streams at Petro Star Valdez Refinery Connection Quality Bank

1. The TAPS PSVR Connection Quality Bank streams are the refinery return stream delivered to TAPS by Petro Star and the passing TAPS common stream at the PSVR offtake point.

2. The Petro Star Valdez Quality Bank reference stream is the blended TAPS stream immediately downstream from the Petro Star return stream connection. The reference stream Quality Bank value is calculated using the volume weighted average of the two PSVR Quality Bank streams identified above.

E. Methodology for Valdez Tanker Load Out Quality Bank

1. A gravity-based Quality Bank methodology shall be used to determine the TAPS Quality Bank adjustments for volumes loaded out of the TAPS Marine Terminal at Valdez, Alaska. A Gravity Differential Value Per Barrel shall be calculated as specified in Items E.2 through E.5 below.

2. The daily average six month gravity differentials posted for November 1 - April 30 and May 1 - October 31 for California and West Texas Sour crude oils, applicable to the range(s) of gravity which includes the average API gravity of the TAPS commingled stream at Valdez (sometimes referred to as “ANS”), shall be determined. The postings of the following company shall be used for West Texas Sour crude oils: STUSCO. The postings of the following companies shall be used for California crude oils: Chevron Crude Oil Marketing, Exxon Mobil Corporation, STUSCO and Union 76. In the event that any of the aforementioned companies is merged or acquired by other companies, sells assets or reorganizes, the postings of any successor companies shall be utilized. As long as at least two companies’ gravity differentials are posted in each region (West Texas and California), the postings shall be averaged to determine the gravity differentials for that region.
3. The aforementioned six month average gravity differentials for the specified companies in each region shall be used to derive a simple average West Texas Sour differential and a simple average California differential.

4. The average West Texas Sour differential and the average California differential shall then be weighted by the percentage of ANS which is distributed east of the Rockies (including Puerto Rico and the Virgin Islands) and to the West Coast (including Alaska and Hawaii), respectively, which percentages shall be determined by averaging for the most recent six-month period for which data are available the percentage distributed to each region as reported by the Maritime Administration of the United States Department of Transportation (or any successor government agency). Volumes exported from the United States shall be excluded from the calculation of the percentages distributed to each region.

5. In the event that ANS is transported by pipeline from the West Coast to destinations east of the Rockies, the weighting of the average differentials shall be adjusted to reflect the percentage of ANS actually distributed to such regions both by vessel and pipeline. If such data regarding the destination of ANS transported by pipeline are not publicly available from the Maritime Administration, or any other government agency, the Quality Bank Administrator shall determine the percentage of ANS distributed to such regions, provided, however, that any shipper may protest such determination by filing a complaint with the Quality Bank Administrator and thereafter filing an appropriate pleading with the FERC and RCA if the complaint is not otherwise resolved.

6. The Gravity Differential Value Per Barrel shall be reviewed each November and May, and shall be adjusted to the nearest hundredth of a cent per one-tenth degree API gravity per barrel whenever the amount of any change in the quality adjustment derived above is at least five (5) percent greater or five (5) percent less than the adjustment then in effect. The effective dates of any such adjustments shall be the following January 1 and July 1 respectively.

7. The Gravity Differential Value Per Barrel in effect shall be applied to the difference in gravity (in API degrees @ 60° Fahrenheit) between the weighted average gravity of the Petroleum delivered out of the Terminal during a calendar month and the weighted average gravity of Petroleum received out of the Terminal by an individual shipper during such month.

F. Methodology For Pump Station No. 1, GVEA Connection and PSVR Connection

1. Assay Methodology -- Sampling Procedure

   Except as specified below, and except for the reference streams, each of the Quality Bank streams listed above (for Pump Station No. 1, GVEA, and PSVR Quality Banks) will be sampled by the Quality Bank Administrator using continuous monthly composite samplers on a flow rate dependent basis, and assays of these continuously collected samples shall be performed monthly by the Quality Bank Administrator.

- 10 -
2. Assay Analysis Procedure

a. Except as specified in paragraph b. below, the assays will include a TBP distillation and, as applicable, gas chromatograph analysis of each Quality Bank stream. Specifically, the TBP procedure will employ ASTM 2892 up to 650°F and ASTM 5236 for the 650 to 1050+°F range for the Petroleum samples. The light ends (175°F minus) from the Petroleum streams will be subject to a gas chromatograph analysis to determine the volumes of the propane ("C3"), Iso-butane ("iC4"), and normal butane ("nC4"), with the LSR (sometimes referred to as natural gasoline) volume determined by difference between the total of the three components and the measured 175°F minus volume.

b. The specific gravities of C3, iC4, nC4 will be derived from GPA Standard 2145.

3. Assay Data

a. The following volume and quality data will be determined for each stream.

<table>
<thead>
<tr>
<th>Component</th>
<th>TBP Boiling Range °F</th>
<th>% Vol</th>
<th>Specific Gravity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Propane (C3)</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>i-Butane (iC4)</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>n-Butane (nC4)</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>LSR</td>
<td>C5-175</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Naphtha</td>
<td>175-350</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Light Distillate</td>
<td>350-450</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Heavy Distillate</td>
<td>450-650</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Gas Oil</td>
<td>650-1050</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Resid</td>
<td>1050+</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Full Petroleum Stream</td>
<td></td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

b. The total volume must add to 100% and the total component weighted mass must be checked against the mass of the full Petroleum stream. These weight balances must be the same within calculation and assay precision. If the assay fails this threshold test of validity, a second assay shall be performed on the sample. An example of assay data required is presented in Attachment 1. These data are the basis for all calculations in this Quality Bank methodology. The Quality Bank operates on a calendar month basis, with the continuous samples retrieved for analysis on the last day of each month.

c. The Quality Bank Administrator shall investigate the validity of a sample if each of the following two tests is met.

(i) If one or more of an individual stream’s reported component percentages for a month varies by more than the ranges indicated in the following table as compared to the prior month’s assay.
<table>
<thead>
<tr>
<th>Component</th>
<th>Variation in % of Stream Relative to Prior Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Propane</td>
<td>± 0.1</td>
</tr>
<tr>
<td>I-Butane</td>
<td>± 0.1</td>
</tr>
<tr>
<td>N-Butane</td>
<td>± 0.25</td>
</tr>
<tr>
<td>LSR</td>
<td>± 0.5</td>
</tr>
<tr>
<td>Naphtha</td>
<td>± 1.0</td>
</tr>
<tr>
<td>Light Distillate</td>
<td>± 1.0</td>
</tr>
<tr>
<td>Heavy Distillate</td>
<td>± 1.0</td>
</tr>
<tr>
<td>Gas Oil</td>
<td>± 1.5</td>
</tr>
<tr>
<td>Resid</td>
<td>± 1.0</td>
</tr>
</tbody>
</table>

As an example, if a Petroleum stream’s heavy distillate volume percent is 23% for the prior month, a heavy distillate volume percent less than 22% or greater than 24% (exceeding the ± 1% range) shall cause the Quality Bank Administrator to check the second test.

(ii) The second test is whether the volume change in the specific component has resulted in a significant change in the stream’s relative value when compared to the prior month’s relative value using the prior month’s prices. If the change results in a price movement of more than ±15¢ per barrel, then the sample’s validity must be investigated.

(iii) The Quality Bank Administrator shall ascertain from the tendering shipper(s) possible causes for the change in the stream’s assay. The Quality Bank Administrator may have a second assay performed for the sample in question. The Quality Bank Administrator may decide that the first assay is valid, that the second assay is valid, or that the sample is invalid.

(iv) Should the Quality Bank Administrator determine that a sample is invalid, the last assay results accepted and used in the Quality Bank for the stream will be used instead of the invalid sample in the Quality Bank calculation.

G. Component Unit Value Procedure

1. Component unit values for the U.S. Gulf Coast and U.S. West Coast will be weighted by the percentage of ANS which is distributed east of the Rockies (including Puerto Rico and the Virgin Islands) and to the West Coast (including Alaska and Hawaii), respectively. The placement data as reported by the Maritime Administration of the United States Department of Transportation (or any successor government agency), will be updated twice a year (in November and May) based on the most recently available six month history of ANS placements. The effective dates of such updated weighting shall be the following January 1 and July 1 respectively. Volumes exported from the United States shall be excluded from the calculation of the percentages distributed to each region.
2. In the event that ANS is transported by pipeline from the West Coast to destinations east of the Rockies, the price weighting shall be adjusted to reflect the percentage of ANS actually distributed to each region both by vessel and pipeline. If such data regarding the destination of ANS transported by pipeline are not publicly available from the Maritime Administration, or any other government agency, the Quality Bank Administrator shall determine the percentage of ANS distributed to such regions.

3. All the product prices used to calculate the unit values of the components other than the Gulf Coast and West Coast Resid components are taken from Platts and OPIS as set forth in Attachment 2. Prices will be collected for each day markets are open and published prices are available (each “quote day”). The calculated monthly average price will be the average of each quote day mid-point price for the month. These monthly average prices (adjusted as shown in Attachment 2) are used to calculate component unit values each month.

4. The unit value of the West Coast Naphtha component is calculated using the formula given in Attachment 2, page 3.

5. The unit values of the Resid component on the Gulf Coast and the West Coast are calculated using the formulas given in Attachment 2, pages 4 and 5 respectively. The prices for petroleum coke and natural gas are taken from Pace Petroleum Coke Quarterly and Natural Gas Week, respectively. The unit values of all other subcomponents are the same as those specified for that material in Attachment 2. The Quality Bank Administrator shall have the discretion to retest the API gravity, sulfur content and carbon residue of the Resid component of the common stream whenever he believes that there may be a change in the common stream that will significantly affect the Resid component unit values. If the Quality Bank Administrator elects to retest the Resid component of the common stream and is satisfied that the sample is properly taken and tested, the new values for API gravity, sulfur content and carbon residue content shall be used to calculate the multipliers (product yields) in the Resid formulas given in Attachment 2, pages 4 and 5. The calculation of the new multipliers will be done using the spreadsheet depicted in Attachment 2, page 6.

6. In January of each year the adjustments to the prices used to value Light Distillate and Heavy Distillate (shown on Attachment 2 page 2) as well as the Gulf Coast and West Coast coker costs (shown on Attachment 2, pages 4 and 5) shall be revised in accordance with the changes in the Nelson-Farrar Index (Operating Indexes Refinery) published in the Oil & Gas Journal, by multiplying the adjustments or costs for the previous year by the ratio of (a) the average of the monthly indexes that are then available for the most recent 12 consecutive months to (b) the average of the monthly indexes for the previous (i.e., one year earlier) 12 consecutive months.

7. a. In the event that one of the product prices listed in Attachment 2 is no longer quoted in one of the two markets (West Coast or Gulf Coast), the price quoted for the product in the remaining market shall be used to value the entire component.

b. If both of the product prices listed in Attachment 2 for a component are no longer quoted or if the specifications or other basis for the remaining quotation(s) is radically altered, the Quality Bank Administrator shall notify the FERC, the RCA and all shippers of this fact and propose an appropriate replacement product price, with explanation and justification. Comments may be filed with the FERC and RCA within thirty
days of the filing by the Quality Bank Administrator. If the FERC and RCA take no action within sixty days of the filing, the replacement product price proposed by the Quality Bank Administrator will become effective as of the sixtieth day. For the period between the time that quotation of a product price is discontinued or the specifications or other basis for a quotation is radically altered and the time that the Commissions approve the use of a replacement product price, the Quality Bank Administrator shall use as the unit value of the component in question the unit value for the last month for which a product price was available for such component.

8. For any particular month of Quality Bank calculations, the pricing data for the month of shipment will be used (i.e., the prices are current with the volumes and assay data).

H. Quality Bank Stream Component Calculation Procedure

After all volume, quality, and pricing data are collected, the Quality Bank Administrator will establish quality differentials for each stream identified in Sections III.B., III.C., and III.D.

I. Quality Bank Calculations Procedure

The assay data and calculation procedures required by this Methodology are summarized in the Attachments. The Attachments are for reference purposes only and are not intended to predict the impact of this procedure on any specific Petroleum stream or any specific company. In the event of a conflict between the provisions of this Methodology as set forth above and the Attachments, the provisions of this Methodology shall control.

ATTACHMENT 1: Yield Data for Example Streams
ATTACHMENT 2: Component Unit Value Pricing Basis
ATTACHMENT 3: Example Component Unit Values in $/Bbl
ATTACHMENT 4: Example Stream Values in $/Bbl
ATTACHMENT 5: Quality Bank Calculation Example

J. Unanticipated Implementation Issues

This Methodology is intended to contain a comprehensive treatment of the subject matter. However, unanticipated issues concerning implementation of this Methodology may arise. If so, the Quality Bank Administrator is authorized to resolve such issues in accordance with the best understanding of the intent of the FERC and RCA that the Quality Bank Administrator can derive from their orders regarding the Quality Bank methodology. The Quality Bank Administrator's resolution of any such issue shall be final unless and until changed prospectively by orders of the FERC and RCA.

Explanation of Symbols:
[I] – Increase
[D] – Decrease
[W] – Change in wording only
[U] – Unchanged rate
## ATTACHMENT 1
### YIELD DATA FOR EXAMPLE STREAMS

<table>
<thead>
<tr>
<th>COMPONENT</th>
<th>DEFINITION BOILING RANGE (°F)</th>
<th>STREAM A</th>
<th>STREAM B</th>
<th>STREAM C</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROPANE ($C_3$)</td>
<td></td>
<td>0.15</td>
<td>0.00</td>
<td>0.10</td>
</tr>
<tr>
<td>ISOBUTANE ($iC_4$)</td>
<td></td>
<td>0.10</td>
<td>0.02</td>
<td>0.40</td>
</tr>
<tr>
<td>NORMAL BUTANE ($nC_4$)</td>
<td></td>
<td>0.50</td>
<td>0.10</td>
<td>2.00</td>
</tr>
<tr>
<td>LSR</td>
<td>C5-175</td>
<td>4.50</td>
<td>3.50</td>
<td>6.00</td>
</tr>
<tr>
<td>NAPHTHA</td>
<td>175-350</td>
<td>13.50</td>
<td>11.00</td>
<td>5.50</td>
</tr>
<tr>
<td>LIGHT DISTILLATE</td>
<td>350-450</td>
<td>9.00</td>
<td>9.00</td>
<td>2.00</td>
</tr>
<tr>
<td>HEAVY DISTILLATE</td>
<td>450-650</td>
<td>21.00</td>
<td>22.00</td>
<td>16.00</td>
</tr>
<tr>
<td>GAS OIL</td>
<td>650-1050</td>
<td>31.25</td>
<td>30.38</td>
<td>41.00</td>
</tr>
<tr>
<td>RESID</td>
<td>1050+</td>
<td>20.00</td>
<td>24.00</td>
<td>27.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
<tr>
<td>EXAMPLE VOLUME, Thousands Barrels per Month</td>
<td>34,000</td>
<td>9,000</td>
<td>2,500</td>
<td></td>
</tr>
</tbody>
</table>

Effective: February 1, 2017
## ATTACHMENT 2

### COMPONENT UNIT VALUE PRICING BASIS


<table>
<thead>
<tr>
<th>COMPONENT</th>
<th>UNIT VALUE PRICING BASIS</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROPANE (C₃)</td>
<td>United States Gulf Coast</td>
</tr>
<tr>
<td></td>
<td>Platts’ Mt. Belvieu, TX spot quote for Propane.</td>
</tr>
<tr>
<td>ISOBUTANE (iC₄)</td>
<td>United States Gulf Coast</td>
</tr>
<tr>
<td></td>
<td>Platts’ Mt. Belvieu, TX spot quote for Isobutane.</td>
</tr>
<tr>
<td>NORMAL BUTANE (nC₄)</td>
<td>United States Gulf Coast</td>
</tr>
<tr>
<td>LIGHT STRAIGHT RUN (C₅ – 175°F)</td>
<td>United States Gulf Coast</td>
</tr>
<tr>
<td></td>
<td>Platts’ Mt. Belvieu, TX spot quote for Natural Non-Targa.</td>
</tr>
<tr>
<td>NAPHTHA (175° – 350°F)</td>
<td>United States Gulf Coast</td>
</tr>
<tr>
<td></td>
<td>Platts' U.S. Gulf Coast spot quote for Waterborne Heavy Naphtha Barge.</td>
</tr>
</tbody>
</table>
ATTACHMENT 2  
(Continued)

COMPONENT UNIT VALUE PRICING BASIS

**LIGHT DISTILLATE (350° - 450°F)**

<table>
<thead>
<tr>
<th>Component Type</th>
<th>United States Gulf Coast</th>
<th>United States West Coast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Platts’ U.S. Gulf Coast spot quote for Waterborne Jet Kerosene 54 less [D]</td>
<td>0.7985 cents per gallon</td>
<td>Platts’ U.S. West Coast spot quote for Waterborne Jet Fuel less [D] 0.7985 cents per gallon</td>
</tr>
</tbody>
</table>

**HEAVY DISTILLATE (450° - 650°F)**

<table>
<thead>
<tr>
<th>Component Type</th>
<th>United States Gulf Coast</th>
<th>United States West Coast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Platts’ U.S. Gulf Coast spot quote for Waterborne No. 2 less [D]</td>
<td>3.1936 cents per gallon</td>
<td>Platts’ U.S. West Coast spot quote for Los Angeles Pipeline ULS (EPA) Diesel less [D] 10.3326 cents per gallon</td>
</tr>
</tbody>
</table>

**GAS OIL (650° - 1050°F)**

<table>
<thead>
<tr>
<th>Component Type</th>
<th>United States Gulf Coast</th>
<th>United States West Coast</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPIS’s U.S. Gulf Coast spot quote for barge High Sulfur VGO.</td>
<td></td>
<td>OPIS’s U.S. West Coast (Los Angeles basis) spot quote for High Sulfur VGO.</td>
</tr>
</tbody>
</table>

**RESID (1050°F and Over)**

<table>
<thead>
<tr>
<th>Component Type</th>
<th>United States Gulf Coast</th>
<th>United States West Coast</th>
</tr>
</thead>
<tbody>
<tr>
<td>See Attachment 2, page 4.</td>
<td></td>
<td>See Attachment 2, page 5.</td>
</tr>
</tbody>
</table>
U.S. West Coast Naphtha Component Unit Value Pricing Basis

West Coast Naphtha Component Value, $ per Barrel = [I] 0.543 x Gasoline Price + [I] 0.400 x Jet Fuel Price + [I] -1.766

Where:
Gasoline Price – Platts’ West Coast Waterborne Unleaded 87, $ per Barrel
Jet Fuel Price – Platts’ West Coast Waterborne Jet Fuel, $ per Barrel
The prices used are the monthly average of the daily high and low prices.

The three constants in the equation were derived from a dual variable regression analysis of Platts’ Gulf Coast monthly average prices for waterborne Naphtha, unleaded 87 Gasoline, and Jet/Kero 54 over the 10-year period [W] January, 2006 2007 through December, 2015 2016. The Quality Bank Administrator will recompute the constants in the regression equation whenever circumstances require, but not less than once each year.
ATTACHMENT 2
(Continued)

U.S. GULF COAST RESID COMPONENT UNIT VALUE PRICING BASIS

Resid Component Value, $ per Barrel =

(0.0348) x QB Propane Value, $/Bbl.
+ (0.0040) x QB Isobutane Value, $/Bbl.
+ (0.0264) x QB Normal Butane Value, $/Bbl.
+ (0.0616) x QB LSR Value, $/Bbl.
+ (0.1008) x QB Naphtha Value, $/Bbl.
+ (0.2046) x QB Heavy Distillate Value, $/Bbl.
+ (0.2929) x QB Gas Oil Value, $/Bbl.
+ (0.0631) x Coke Price$) - $5.00
+ (0.2989) x Natural Gas Price(2)
- [D] 11.9865(3)

(1) Monthly price quoted in Pace Petroleum Coke Quarterly for Gulf Coast high sulfur petroleum coke, >50 HGI, mid point price, $ per metric ton, converted to $ per short ton.

(2) Monthly Henry Hub natural gas spot price quote from Natural Gas Week, monthly weighted averages, $ per MMBtu.

(3) Gulf Coast coker and coker product treatment costs, including capital recovery, $ per Barrel.
U.S. WEST COAST RESID COMPONENT UNIT VALUE PRICING BASIS

Resid Component Value, $ per Barrel =

(0.0348) x QB Propane Value, $/Bbl.
+ (0.0040) x QB Isobutane Value, $/Bbl.
+ (0.0264) x QB Normal Butane Value, $/Bbl.
+ (0.0616) x QB LSR Value, $/Bbl.
+ (0.1008) x QB Naphtha Value, $/Bbl.
+ (0.2046) x QB Heavy Distillate Value, $/Bbl.
+ (0.2929) x QB Gas Oil Value, $/Bbl.
+ (0.0631) x Coke Price(1) - $8.75
+ (0.2989) x Natural Gas Price(2) + $0.15
- [D] 13.4125(3)

(1) Monthly price quoted in Pace Petroleum Coke Quarterly for West Coast low sulfur petroleum coke, >2% Sulfur, mid point price, $ per metric ton, converted to $ per short ton.

(2) Monthly California natural gas spot price quote from Natural Gas Week, gas price trends, (south, delivered to pipeline), $ per MMBtu.

(3) West Coast coker and coker product treatment costs, including capital recovery, $ per Barrel.
COKER PRODUCT YIELD MULTIPLIERS
68 DEGREE F C5 CUT POINT (1)

[U]—Unchanged Rate (Yield). All rates (yields) on this page are unchanged.

<table>
<thead>
<tr>
<th>Product</th>
<th>Base Yield (per Bbl.)</th>
<th>Yield Impact per +1% MCR (per Bbl.)</th>
<th>Yield Impact per +1 °API (per Bbl.)</th>
<th>Yield Impact per +1% Sulfur (per Bbl.)</th>
<th>Revised Product Yield (per Bbl.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Propane</td>
<td>0.0348</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0348</td>
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<tr>
<td>Isobutane</td>
<td>0.0040</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0040</td>
</tr>
<tr>
<td>Normal Butane</td>
<td>0.0264</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0264</td>
</tr>
<tr>
<td>LSR</td>
<td>0.0609</td>
<td>0.0014</td>
<td>0.0008</td>
<td>-0.0003</td>
<td>0.0616</td>
</tr>
<tr>
<td>Naphtha</td>
<td>0.0996</td>
<td>0.0023</td>
<td>0.0013</td>
<td>-0.0005</td>
<td>0.1008</td>
</tr>
<tr>
<td>Heavy Distillate</td>
<td>0.2080</td>
<td>-0.0078</td>
<td>-0.0039</td>
<td>-0.0013</td>
<td>0.2046</td>
</tr>
<tr>
<td>Gas Oil</td>
<td>0.2989</td>
<td>-0.0134</td>
<td>-0.0067</td>
<td>-0.0019</td>
<td>0.2929</td>
</tr>
<tr>
<td>Coke</td>
<td>0.0618</td>
<td>0.0030</td>
<td>0.0015</td>
<td>-0.0003</td>
<td>0.0631</td>
</tr>
<tr>
<td>Fuel Gas</td>
<td>0.2989</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.2989</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Base Caleb Brett 2001 Assay</th>
</tr>
</thead>
<tbody>
<tr>
<td>MCR, %</td>
</tr>
<tr>
<td>°API</td>
</tr>
<tr>
<td>SULFUR, %</td>
</tr>
</tbody>
</table>

¹ From EMT-197 revised to use 68°F cut point for C5+
ATTACHMENT 3
EXAMPLE COMPONENT UNIT VALUES IN S/Bbl

<table>
<thead>
<tr>
<th>COMPONENT NAME</th>
<th>WEST COAST (S/Bbl)</th>
<th>GULF COAST (S/Bbl)</th>
<th>WEIGHTED AVERAGE (S/Bbl)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROPANE (C3)</td>
<td>19.7925</td>
<td>15.0442</td>
<td>19.68</td>
</tr>
<tr>
<td>ISOBUTANE (iC4)</td>
<td>24.1238</td>
<td>18.4333</td>
<td>23.99</td>
</tr>
<tr>
<td>NORMAL BUTANE (nC4)</td>
<td>18.1125</td>
<td>18.4800</td>
<td>18.12</td>
</tr>
<tr>
<td>LSR (C5 - 175°F)</td>
<td>18.5850</td>
<td>19.5854</td>
<td>18.61</td>
</tr>
<tr>
<td>NAPHTHA (175°F - 350°F)</td>
<td>21.3383</td>
<td>21.3383</td>
<td>21.34</td>
</tr>
<tr>
<td>LIGHT DISTILLATE (350°F - 450°F)</td>
<td>25.9817</td>
<td>22.9396</td>
<td>25.91</td>
</tr>
<tr>
<td>HEAVY DISTILLATE (450°F - 650°F)</td>
<td>23.0000</td>
<td>22.1112</td>
<td>22.98</td>
</tr>
<tr>
<td>GAS OIL (650°F - 1050°F)</td>
<td>20.8133</td>
<td>21.8133</td>
<td>20.84</td>
</tr>
<tr>
<td>RESID (1050°F and over)</td>
<td>14.6349</td>
<td>15.0000</td>
<td>14.64</td>
</tr>
<tr>
<td>WEIGHTING FACTOR</td>
<td>97.71</td>
<td>2.29</td>
<td></td>
</tr>
</tbody>
</table>
**ATTACHMENT 4**

**EXAMPLE STREAM VALUES IN \$/Bbl**

<table>
<thead>
<tr>
<th>COMPONENT NAME</th>
<th>STREAM A</th>
<th>STREAM B</th>
<th>STREAM C</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROPANE (C₃)</td>
<td>0.029520</td>
<td>0.000000</td>
<td>0.019680</td>
</tr>
<tr>
<td>ISOBUTANE (iC₄)</td>
<td>0.023990</td>
<td>0.004798</td>
<td>0.095960</td>
</tr>
<tr>
<td>NORMAL BUTANE (nC₄)</td>
<td>0.090600</td>
<td>0.018120</td>
<td>0.362400</td>
</tr>
<tr>
<td>LSR (C₅ - 175°F)</td>
<td>0.837450</td>
<td>0.651350</td>
<td>1.116600</td>
</tr>
<tr>
<td>NAPHTHA (175°F - 350°F)</td>
<td>2.880900</td>
<td>2.347400</td>
<td>1.173700</td>
</tr>
<tr>
<td>LIGHT DISTILLATE (350°F - 450°F)</td>
<td>2.331900</td>
<td>2.331900</td>
<td>0.518200</td>
</tr>
<tr>
<td>HEAVY DISTILLATE (450°F - 650°F)</td>
<td>4.825800</td>
<td>5.055600</td>
<td>3.676800</td>
</tr>
<tr>
<td>GAS OIL (650°F - 1050°F)</td>
<td>6.512500</td>
<td>6.331192</td>
<td>8.544400</td>
</tr>
<tr>
<td>RESID (1050°F and over)</td>
<td>2.928000</td>
<td>3.513600</td>
<td>3.952800</td>
</tr>
<tr>
<td>TOTAL</td>
<td>20.460660</td>
<td>20.253960</td>
<td>19.460540</td>
</tr>
</tbody>
</table>
QUALITY BANK REFERENCE STREAM VALUE CALCULATION

<table>
<thead>
<tr>
<th></th>
<th>VOLUME (MBPM)</th>
<th>VALUE ($/Bbl)</th>
<th>TOTAL VALUE MS/Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>STREAM A</td>
<td>34,000</td>
<td>20.460660</td>
<td>$695.66</td>
</tr>
<tr>
<td>STREAM B</td>
<td>9,000</td>
<td>20.253960</td>
<td>$182.29</td>
</tr>
<tr>
<td>STREAM C</td>
<td>2,500</td>
<td>19.460540</td>
<td>$48.65</td>
</tr>
<tr>
<td>TOTAL</td>
<td>45,500</td>
<td>20.364823(*)</td>
<td>$926.60</td>
</tr>
</tbody>
</table>

(Reference Stream)

(1) Total Value Divided by Total Volume

QUALITY BANK PAYMENT/RECEIPT CALCULATIONS

<table>
<thead>
<tr>
<th></th>
<th>DIFFERENTIAL(*)</th>
<th>(MBPM)</th>
<th>PAYMENT OR RECEIPT (MS/Month^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>STREAM A</td>
<td>0.095837</td>
<td>34,000</td>
<td>$3,258.47</td>
</tr>
<tr>
<td>STREAM B</td>
<td>(0.110863)</td>
<td>9,000</td>
<td>$(997.76)</td>
</tr>
<tr>
<td>STREAM C</td>
<td>(0.904283)</td>
<td>2,500</td>
<td>$(2,260.71)</td>
</tr>
</tbody>
</table>

(2) Stream value minus reference value

(3) Differential times volume

TL150-311 Effective: February 1, 2017