

August 1, 2022

OIL PIPELINE TARIFF FILING

Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 1st Street N.E., Room 1-A
Washington, D.C. 20426

Re: ConocoPhillips Transportation Alaska, Inc. FERC Tariff No. 19.14.0

Dear Ms. Bose:

In accordance with the requirements of the Interstate Commerce Act (“ICA”) and the rules and regulations of the Federal Energy Regulatory Commission (“FERC”), ConocoPhillips Transportation Alaska, Inc. (“CPTAI”) submits the following tariff on thirty (30) days’ notice to be effective September 1, 2022:

- F.E.R.C. No. 19.14.0, Local Rates (cancels F.E.R.C. No. 19.13.0)

FERC Tariff No. 19.14.0 is being filed in compliance with the Offer of Settlement submitted in Docket No. IS11-306-007, *et al.* on December 15, 2017 and subsequently approved by FERC on February 28, 2018 (the “Offer of Settlement”). *See ConocoPhillips Transportation Alaska, Inc.*, 162 FERC ¶ 61,180 (2018). As set forth in detail below, the tariff establishes a surcharge of \$0.0037 per barrel on shipments from all origin points on the Trans Alaska Pipeline System (“TAPS”) to the interstate destination point of Valdez, Alaska, to be effective on September 1, 2022.

I. Explanation of Tariff Filing

The Offer of Settlement comprised two separate but related settlement agreements: (1) the Settlement Agreement Establishing Variable Tariff Methodology for the Trans Alaska Pipeline System dated December 14, 2017 (“VTM Settlement Agreement”), and (2) the Settlement Agreement Regarding 2009-2015 Interstate Rates for Trans Alaska Pipeline System (“Interstate Rate Agreement”). As relevant here, the VTM Settlement Agreement established a variable tariff methodology (“VTM”) for calculating interstate rates for transportation on TAPS during the term of the VTM Settlement Agreement. Specifically, Section I-3(c) of the VTM Settlement Agreement requires the TAPS Carriers to calculate the maximum allowable interstate rate (“MAIR”) that each TAPS Carrier may charge during each annual rate period in accordance

with the VTM, and to file that rate to be effective each July 1.¹ However, Section II-1(e) of the VTM Settlement Agreement further provides that the MAIR for each annual rate period “shall be adjusted either higher or lower to reflect any surcharges or sur-credits provided for in the Interstate Rate Agreement related to supplemental ad valorem tax payments, refunds, credits, amounts paid (or received) pursuant to a settlement with the relevant taxing jurisdictions, associated interest charges, and any payment of opposing counsel’s legal fees related to tax obligations for prior years.”

Consistent with that provision of the VTM Settlement Agreement, Section 6(e)(i) of the Interstate Rate Agreement provides that:

If at any time during the period after December 31, 2015, the TAPS Carriers incur any supplemental ad valorem tax payments, including payments made by the TAPS Carriers pursuant to a settlement with the relevant taxing jurisdictions, associated interest charges, and any payment of opposing counsel’s legal fees related to tax obligations for a prior tax year (collectively, “Supplemental Ad Valorem Taxes”), such Supplemental Ad Valorem Taxes will be included in rates through a five-year surcharge computed on a barrel-mile basis commencing on the first day of the calendar month occurring 90 days after the supplemental ad valorem tax is paid. The five-year surcharge will be subject to true-up for actual volumes so that Supplemental Ad Valorem Taxes are neither overcollected nor undercollected.

On April 25, 2022, Alyeska Pipeline Service Company (“Alyeska”), the operator of TAPS, received a 2021 Certified Supplemental and Amended Assessment Roll from the State of Alaska for \$7,453,395 for tax years 2017 through 2021 (the “Supplemental Assessment”). Of this total, \$3,223,609 was related to TAPS oil pipeline transportation, while the remainder was related to assets used in tanker oil spill prevention and response services. The details of the Supplemental Assessment are set forth in Attachment A hereto. Alyeska paid the Supplemental Ad Valorem Taxes as set forth in the Supplemental Assessment on May 23, 2022.

In accordance with the provisions of the VTM Settlement Agreement and the Interstate Rate Agreement set forth above, CPTAI is implementing a surcharge to be effective on September 1, 2022, in order to recover the TAPS portion of the Supplemental Assessment paid in May 2022. CPTAI emphasizes that only the \$3,223,609 in Supplemental Ad Valorem Taxes that is related to TAPS is included in the surcharge calculation; the remaining amount that is related to tanker oil spill prevention and response services will not be recovered through TAPS rates.

The detailed surcharge calculations are set forth in Attachment B hereto. As reflected therein, the TAPS Carriers calculated the surcharge to the interstate destination point of Valdez, Alaska based on barrel-miles, with the recovery spread over a five-year period beginning September 1, 2022. In order to ensure consistency with the VTM used to calculate the MAIR for the current annual rate period (*i.e.*, July 1, 2022 to June 30, 2023), the surcharge was calculated

¹ The current TAPS Carriers are CPTAI, Harvest Alaska, LLC, and ExxonMobil Pipeline Company LLC.

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using actual barrels and barrel-miles for calendar year 2021, which are the same barrels and barrel-miles used to calculate the current MAIR. The resulting surcharge is \$0.0037 per barrel on shipments from all TAPS origin points to the destination point of Valdez, the only interstate destination on TAPS.

CPTAI notes that movements to intrastate destination points on TAPS will also be assessed a surcharge to recover a portion of the Supplemental Ad Valorem Taxes, calculated using the same methodology. These surcharge calculations are also set forth in Attachment B; however, these surcharges will be filed in the TAPS Carriers' intrastate tariffs filed with the Regulatory Commission of Alaska.

The effective date of the tariff is September 1, 2022, which is the first day of the calendar month occurring 90 days after May 23, 2022, the date on which Alyeska paid the Supplemental Ad Valorem Taxes. If TAPS volumes in the future are consistent with 2021 volumes, then the surcharge will recover the interstate portion of the Supplement Ad Valorem Taxes in five years; however, CPTAI and the other TAPS Carriers will monitor TAPS volumes and the surcharge collections every year and make any necessary adjustments in order to ensure that the Supplemental Ad Valorem Taxes are neither over-collected nor under-collected, consistent with the requirements of the Interstate Rate Agreement and the VTM Settlement Agreement.

II. Certification

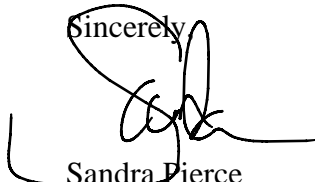
CPTAI requests that any protests or complaints, which in any way affect this tariff publication, be transmitted concurrent with their filing to the following person at the contact information shown below:

Daniel J. Poynor
Steptoe & Johnson LLP
dpoynor@steptoe.com
Fax: (202) 429-3902
Phone: (202) 429-6233

We certify that we have on or before this day notified all subscribers via email which contained the link to our tariff website that contains the updated posted tariffs.

If you have any questions or comments, please contact Barat M. LaPorte at (907) 265-6544.

Sincerely,



Sandra Pierce
Regulatory Coordinator

cc: Tariff Subscribers

CONOCOPHILLIPS TRANSPORTATION ALASKA, INC.

LOCAL PIPELINE TARIFF

Containing
RATES

Governing The Transportation of
CRUDE PETROLEUM

Transported by Pipeline from Points in Prudhoe, North Slope Borough, Alaska

TO

City of VALDEZ, ALASKA

Issued under authority of 18 CFR § 342.0(b) and
ConocoPhillips Transportation Alaska, Inc., 162 FERC ¶ 61,180 (Feb. 28, 2018).
Rates are governed, except as otherwise provided herein, by the rules and regulations in
ConocoPhillips Transportation Alaska, Inc.'s FERC Tariff No. 20.2.0 and supplements thereto and reissues thereof.

Carrier will receive
Petroleum for transportation through its own pipeline and deliver to marine vessels at its Valdez terminal.

The matter published herein will have no adverse effect on the quality of the human environment.

ISSUED: August 1, 2022

EFFECTIVE: September 1, 2022

ISSUED BY
Cameron Reitmeier
Vice President
ConocoPhillips Transportation Alaska, Inc.
700 G Street, ATO 20-2044
Anchorage, Alaska 99501

COMPILED BY
Sandra Pierce
Regulatory Coordinator
ConocoPhillips Transportation Alaska, Inc.
700 G Street, ATO 20-2052
Anchorage, Alaska 99501

RATE TABLE

Transportation rate in dollars per barrel of 42 United States Gallons, on the transportation of PETROLEUM in interstate commerce from the established receiving station to the established delivery place at locations named below:

FROM	TO	SOURCE	RATE
Trans Alaska Pipeline System Pump Station No. 1	Valdez, Alaska	Prudhoe Bay	\$4.668 [N] Note 1
		Kuparuk	\$4.668 [N] Note 1
		Lisburne	\$4.668 [N] Note 1
		Endicott	\$4.668 [N] Note 1
		Northstar	\$4.668 [N] Note 1

[N] Note 1: Supplemental Ad Valorem Tax Surcharge: In accordance with the settlement approved by the Commission in *ConocoPhillips Transportation Alaska, Inc.*, 162 FERC ¶ 61,180 (2018), a surcharge of \$0.0037 per barrel will be assessed on all shipments from the origin point to the destination point set forth in the Rate Table above. This surcharge will be assessed in addition to the applicable transportation rate reflected in the Table of Rates.

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GATHERING RATE: The above rate covers transportation by trunk line only and no gathering service will be performed under this tariff.

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The rate indicated is exclusive of any amounts required or allowed by applicable law or regulation including but not limited to the amount collected for the System Liability Fund (Item No. 17 of F.E.R.C. No. 20.2.0) and/or any penalties which may be incurred pursuant to the terms of Item 7 of F.E.R.C. No. 20.2.0.

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EXPLANATION OF REFERENCE MARKS

[N] New

Alyeska Pipeline Service Company
Summary of 2017 - 2021 Supplemental Ad Valorem Tax Assessments

<u>Tax Assessor</u> (a)	<u>Tax Year</u> (b)	<u>Amount Paid</u> (c)	Amount Related to <u>Tanker Oil Spill Prevention and Response</u> (d)	Amount Included <u>in Surcharge</u> (e) (c) - (d)
State of Alaska	2017	\$391,202	\$273,578	\$117,624
	2018	\$376,974	\$264,555	\$112,419
	2019	\$328,594	\$235,077	\$93,517
	2020	\$262,395	\$199,798	\$62,597
	2021	\$182,212	\$153,757	\$28,455
	Subtotal	<u>\$1,541,377</u>	<u>\$1,126,765</u>	<u>\$414,612</u>
City of Cordova	2017	\$63,498	\$63,498	\$0
	2018	\$58,737	\$58,737	\$0
	2019	\$55,562	\$55,562	\$0
	2020	\$48,611	\$48,611	\$0
	2021	\$45,014	\$45,014	\$0
	Subtotal	<u>\$271,422</u>	<u>\$271,422</u>	<u>\$0</u>
City of Valdez	2017	\$1,028,513	\$514,257	\$514,256
	2018	\$1,144,970	\$572,485	\$572,485
	2019	\$1,195,783	\$597,891	\$597,892
	2020	\$1,160,693	\$580,346	\$580,347
	2021	\$1,088,036	\$544,018	\$544,018
	Subtotal	<u>\$5,617,994</u>	<u>\$2,808,997</u>	<u>\$2,808,997</u>
City of Whittier	2017	\$4,426	\$4,426	\$0
	2018	\$4,544	\$4,544	\$0
	2019	\$4,544	\$4,544	\$0
	2020	\$4,544	\$4,544	\$0
	2021	\$4,544	\$4,544	\$0
	Subtotal	<u>\$22,602</u>	<u>\$22,602</u>	<u>\$0</u>
	Total	<u><u>\$7,453,395</u></u>	<u><u>\$4,229,786</u></u>	<u><u>\$3,223,609</u></u>

TRANS ALASKA PIPELINE SYSTEM
 Calculation of Supplemental Ad Valorem Tax Surcharge
 To Become Effective on September 1, 2022

Attachment B
 Schedule 1

<u>Line No.</u>	<u>Description</u>	<u>Source</u>	<u>Amount</u>
1	Supplemental Ad Valorem Taxes to be Collected	Attachment A	\$3,223,609
<u>Allocation Percentage by Destination (based on barrel-miles)</u>			
2	Mid-Alaska Interconnect	Schedule 3, Ln. 14	0.97%
3	Petrostar	Schedule 3, Ln. 15	3.37%
4	Valdez Intrastate	Schedule 3, Ln. 16	6.09%
5	Valdez Interstate	Schedule 3, Ln. 17	89.57%
6	Total	Sum Lns. (2 to 5)	100.00%
<u>Supplemental Ad Valorem Taxes Allocated by Destination</u>			
7	Mid-Alaska Interconnect	Lns. (1 * 2)	\$31,249
8	Petrostar	Lns. (1 * 3)	\$108,620
9	Valdez Intrastate	Lns. (1 * 4)	\$196,324
10	Valdez Interstate	Lns. (1 * 5)	\$2,887,416
11	Total	Sum Lns. (7 to 10)	\$3,223,609
<u>Est. Barrels For 5-Year Period</u>			
12	Mid-Alaska Interconnect Deliveries (Barrels)	Schedule 2, Ln. 6	14,417,545
13	Petrostar Deliveries (Barrels)	Schedule 2, Ln. 7	29,531,045
14	Valdez Intrastate Deliveries (Barrels)	Schedule 2, Ln. 8	53,087,375
15	Valdez Interstate Deliveries (Barrels)	Schedule 2, Ln. 9	780,777,770
16	Total Deliveries (Barrels)	Sum Lns. (12 to 15)	877,813,735
<u>Surcharge by Destination</u>			
17	Mid-Alaska Interconnect	Lns. (7 / 12)	\$0.0022
18	Petrostar	Lns. (8 / 13)	\$0.0037
19	Valdez Intrastate	Lns. (9 / 14)	\$0.0037
20	Valdez Interstate	Lns. (10 / 15)	\$0.0037

TRANS ALASKA PIPELINE SYSTEM
 Barrel Computation

Attachment B
 Schedule 2

<u>Line No.</u>	<u>Description</u>	<u>Source</u>	<u>Amount</u>
1	Mid-Alaska Interconnect Deliveries (Barrels)	2021 Actual	2,883,509
2	Petrostar Deliveries (Barrels)	2021 Actual	5,906,209
3	Valdez Intrastate Deliveries (Barrels)	2021 Actual	10,617,475
4	Valdez Interstate Deliveries (Barrels)	2021 Actual	156,155,554
5	Total Deliveries (Barrels)	Sum Lns. (1 to 4)	175,562,747
<u>Est. Barrels For 5-Year Period</u>			
6	Mid-Alaska Interconnect Deliveries (Barrels)	Ln. 1 * 5.0	14,417,545
7	Petrostar Deliveries (Barrels)	Ln. 2 * 5.0	29,531,045
8	Valdez Intrastate Deliveries (Barrels)	Ln. 3 * 5.0	53,087,375
9	Valdez Interstate Deliveries (Barrels)	Ln. 4 * 5.0	780,777,770
10	Total Deliveries (Barrels)	Sum Lns. (6 to 9)	877,813,735

TRANS ALASKA PIPELINE SYSTEM
 Barrel-Mile Computation

Attachment B
 Schedule 3

<u>Line No.</u>	<u>Description</u>	<u>Source</u>	<u>Amount</u>
1	Mid-Alaska Interconnect Deliveries (Million Barrels)	2021 Actual	2.9
2	Petrostar Deliveries (Million Barrels)	2021 Actual	5.9
3	Valdez Intrastate Deliveries (Million Barrels)	2021 Actual	10.6
4	Valdez Interstate Deliveries (Million Barrels)	2021 Actual	156.2
5	Total Deliveries (Million Barrels)	Sum Lns. (1 to 4)	175.6
6	Mid-Alaska Interconnect Distance (Miles)	VTM Model	469.1
7	Petrostar Distance (Miles)	VTM Model	796.0
8	Valdez Intrastate/Interstate Distance (Miles)	VTM Model	800.3
9	Mid-Alaska Interconnect Deliveries (Million Barrel-Miles)	Lns. (1 * 6)	1,352.5
10	Petrostar Deliveries (Million Barrel-Miles)	Lns. (2 * 7)	4,701.3
11	Valdez Intrastate Deliveries (Million Barrel-Miles)	Lns. (3 * 8)	8,497.4
12	Valdez Interstate Deliveries (Million Barrel-Miles)	Lns. (4 * 8)	124,974.4
13	Total Deliveries (Million Barrel-Miles)	Sum Lns. (9 to 12)	139,525.7
14	Mid-Alaska Interconnect % of Total Barrel-Miles	Lns. (9 / 13)	0.97%
15	Petrostar % of Total Barrel-Miles	Lns. (10 / 13)	3.37%
16	Valdez Intrastate % of Total Barrel-Miles	Lns. (11 / 13)	6.09%
17	Valdez Interstate % of Total Barrel-Miles	Lns. (12 / 13)	89.57%
18	Total	Sum Lns. (14 to 17)	100.00%