

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

January 26, 2006

In Reply Refer To:  
The State Of Alaska and BP  
Transportation (Alaska) Inc.  
Docket Nos. IS01-504-002 and  
IS03-74-001

The State of Alaska and BP Transportation (Alaska) Inc.  
2300 First City Tower  
1001 Fannin Street, Suite 2300  
Houston, TX 77002-6760

Attention: Dean H. Lefler, Counsel  
BP Transportation (Alaska) Inc.

Reference: Amendment to Settlement Agreement

Ladies and Gentlemen:

1. On December 13, 2005, the State of Alaska (Alaska) and BP Transportation (Alaska) Inc. (BPTA) jointly filed a petition requesting the Commission approve an amendment to the Northstar Interstate Settlement (First Amendment) executed by Alaska and BPTA, effective December 13, 2005. The First Amendment amends the Settlement Agreement, Northstar Oil Pipeline (NSA), dated May 14, 2003, between Alaska and BPTA. We accept Alaska and BPTA's First Amendment effective December 13, 2005, as proposed.

2. The NSA, which the Commission approved in 2003,<sup>1</sup> established the methodology (the NSM) for calculating the maximum rates for interstate transportation on the Northstar Oil Pipeline. It did not determine rates for intrastate transportation. Effective December 13, 2005, Alaska and BPTA entered into the First Amendment to address the intrastate rates for the Northstar Oil Pipeline. The First Amendment modifies the NSA to ensure that the NSM will calculate identical maximum rates for interstate and intrastate service on the Northstar Oil Pipeline.

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<sup>1</sup> BP Transportation (Alaska) Inc., 104 FERC ¶ 61,112 (2003).

3. The First Amendment provides that: (a) section II-3 of the NSA will be amended to calculate a single Total Revenue Requirement for the Northstar Oil Pipeline, which will then be allocated between interstate and intrastate service using projected volumes; and, (b) section II-13 of the NSA will be amended to calculate a single Net Carryover that reflects both interstate and intrastate costs and revenues rather than just the costs and revenues attributable to interstate service.<sup>2</sup> In addition, the Net Carryover calculation is revised to reflect amounts that BPTA agreed to refund under the Northstar Intrastate Settlement.

4. The Commission noticed Alaska and BPTA's filing on January 10, 2006. Interventions and protests were due January 17, 2006, as provided in section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (2005)). No interventions or protests were filed.

5. The Commission accepts Alaska and BPTA's First Amendment effective December 13, 2005, as proposed.

By direction of the Commission.

Magalie R. Salas,  
Secretary.

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<sup>2</sup> Section II-13 of the First Amendment contains a typographical error by referring to the provision for amounts refunded as listed in section 1-4(c) of the Northstar Intrastate Settlement. The section referred to should be section 1-5(c).