

REGULATORY COMMISSION OF ALASKA

Before Commissioners:

Robert M. Pickett, Chairman  
T. W. Patch  
Paul F. Lisankie  
Norman Rokeberg  
Janis W. Wilson

In the Matter of the Certification and )  
Formation of the KENAI BELUGA )  
PIPELINE from the Consolidation of the )  
Four Cook Inlet Natural Gas Pipelines )  
Owned and Operated by HILCORP )  
ALASKA, LLC )

Docket No. P-13-014

**NOTICE OF FILING BY HILCORP ALASKA, LLC, ON BEHALF OF ITSELF AND  
ALL PARTIES TO THE SETTLEMENT  
OF  
A SETTLEMENT AGREEMENT  
FOR THE CERTIFICATION, FORMATION, INITIAL RATES, TARIFF, AND  
OPERATION OF THE KENAI BELUGA PIPELINE**

Hilcorp Alaska, LLC ("Hilcorp Alaska"), a Delaware limited liability company with headquarters at 3800 Centerpoint Drive, Anchorage, Alaska, 99503, through its Pipeline Division ("Hilcorp Pipelines"), hereby gives notice of the filing herewith of a settlement agreement ("Settlement") in this docket. This notice is given by Hilcorp Alaska on behalf of itself and all parties to the Settlement ("Parties"). The Settlement establishes, subject to Commission acceptance and approval-in-part, agreed terms for the formation, certification, and initial operation of a consolidated pipeline system as successor to the existing certificated systems of the Kenai Nikiski Pipeline (Certificate No. 689), the Kenai Kachemak Pipeline (Certificate No. 668), the Cook Inlet Gas Gathering System (Certificate No. 711), and the Beluga Pipe Line (Certificate No. 448) (collectively the "Four Pipelines"). The Four Pipelines are currently owned, directly or

Date: 6/16/17 Exh # H-86  
Regulatory Commission of Alaska  
By: CPT  
Northern Lights Realtime & Reporting, Inc.  
(907) 337-2221 4-16-066

## ARTICLE VII

### OPERATING PRESSURES ON FORMER EAST-SIDE CIGGS BETWEEN KPL JUNCTION AND THE AGRUM PLANT

KBPL will use reasonable efforts to maintain an operating pressure of not less than 710 psig at meter 106, the Delivery Point into the Agrum Plant. "Reasonable efforts" do not include an obligation to install new or additional compression or other new facilities.

## ARTICLE VIII

### GENERAL PROVISIONS

#### Section 8.1 Settlement Term

(a) The term of this Agreement ("Settlement Term") shall commence on the Effective Date stated above and will continue until the rates filed in the 2015 Test Year Filing become effective on either an interim or a permanent basis.

(b) The following provisions will survive the Settlement Term: Section 2.1(c), Section 3.7, Section 3.9, Article V, Article VI, and Article VIII.

#### Section 8.2 Parties in Interest.

This Agreement shall be binding upon and inure solely to the benefit of the Parties and their respective successors and assigns, including lessees. No obligation under this Agreement shall be enforceable by any third party.

#### Section 8.3 No Precedential Effect.

The Parties agree that no Party shall use this Agreement, nor Commission acceptance or approval of it, directly or indirectly in any other proceeding, except as necessary to enforce or implement this Agreement. Nor shall Commission approval or acceptance of the Agreement be construed as an endorsement or adoption of any analysis, argument or opinion presented or used by a Party or witnesses herein in another case whether that case involves the Party or any other utility or pipeline.

This Agreement represents a compromise of contested positions. Except as specifically provided in this Agreement, the Parties do not intend that this Agreement, its terms, or the methodology it employs will have any precedential effect for any other pipeline or for KBPL itself. Subject to the foregoing, this Agreement may be referenced for purposes of providing an historical explanation for regulatory purposes relating to KBPL. The Parties request that the RCA specifically state in any order approving or accepting this Agreement that such order may not be used as precedent in any other proceeding except as otherwise specifically provided in this

RCA No.

Original

Sheet No. 19

Cancelling

Sheet No.

Kenai Beluga Pipeline, LLC

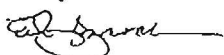
## SECTION 8 PRESSURE

- 8.1 Subject to Sections 8.2 and 8.4, and subject to the pressure limitations of downstream segments, Transporter will operate its Pipeline System at Operating Pressures that do not exceed the MAOP. On the effective date of this Tariff, the MAOP's of the various segments of the Pipeline System are:
- The KKPL segment, extending from Happy Valley to the vicinity of the interconnection of Alaska Pipeline Company at Meter No. 601: MAOP = 1480 PSIG
  - The KNPL segment, extending from the vicinity of the interconnection with Alaska Pipeline Company at Meter No. 601 to Transporter's compressor at KPL Junction: MAOP = 975 PSIG
  - The east side CIGGS segment, extending from the vicinity of the Agrium fertilizer plant to East Forelands: MAOP = 1118 PSIG
  - The dual marine CIGGS segment, extending from East Forelands to Granite Point: MAOP = 1440 PSIG
  - The west side CIGGS segment, extending from Granite Point to the Trading Bay Production Facility: MAOP = 1118 PSIG
  - The Beluga Pipe Line segment, extending from Kaloa Junction to Beluga Point: MAOP = 1440 PSIG
- 8.2 Interconnecting Persons shall use due care and diligence to deliver Natural Gas to Transporter at uniform pressures sufficient to allow their Gas to enter Transporter's System against the prevailing pressure in the System, but not exceeding the applicable MAOP as designated by Transporter
- 8.3 Transporter will use reasonable efforts (i) to not exceed a maximum Operating Pressure of 750 PSIG at its interconnections in the Kenai Gas Field, and (ii) to maintain an Operating Pressure of not less than 690 PSIG at its Delivery Points from the KNPL segment at or near Nikiski.
- 8.4 Subject to the other provisions of Transporter's Tariff, Transporter will use reasonable efforts to accept nominated volumes of Gas at any active Receipt Point on the portion of the Pipeline System formerly known as CIGGS for delivery to Meter 106 (the Agrium plant), and deliver such volumes at an operating pressure of not less than 710 PSIG.
- 8.5 "Reasonable efforts," as used in sections 8.3 and 8.4 do not include an obligation of Transporter to install new or additional compression or other new facilities. If abnormal operating conditions occur, such as (a) a drop in line pressure caused by the actions of Shippers or Interconnecting Persons or by Transporter's inability to access Working Gas (b) repairs or maintenance on Transporter's Pipeline System, (c) Force Majeure events, or (d) other similar situations where Transporter is not reasonably able to control pressures on its Pipeline System, then Transporter shall not be obligated to maintain the pressures set forth in Sections 8.3 and 8.4.

Tariff Advice No. TL

Effective Date:

Issued by: Kenai Beluga Pipeline, LLC



By: Edmund J. Jaroch

Title: Vice President and Pipeline Manager

RCA No.

Original

Sheet No. 20

Cancelling

Sheet No.

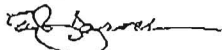
**Kenai Beluga Pipeline, LLC**

- 8.6 Notwithstanding the foregoing, Transporter reserves the right to add compression or other facilities it deems necessary or appropriate to facilitate the transportation of gas as may be requested or useful to meeting the needs of Shippers and potential Shippers.
- 8.7 Interconnecting Persons shall install, operate, and maintain at their own expense such regulating devices as may be necessary to regulate the pressure of the Natural Gas delivered to or received from Transporter.
- 8.8 Subject to Section 8.3, Transporter may operate the portion of its Pipeline System on the West Side of Cook Inlet at a pressure appropriate to maximize production from the Trading Bay Unit, the North Trading Bay Unit, and the Trading Bay Field, as advised by operator(s) of those production properties if such operator(s) are Initial CIGGS Owner(s).
- 8.9 Notwithstanding any other provision of this Section 8, Transporter is not required to operate its Pipeline System at a pressure or pressures that could, in Transporter's reasonable judgment, be deleterious to the safe operation or physical integrity of Transporter's Pipeline System.

Tariff Advice No. TL

Effective Date:

Issued by: Kenai Beluga Pipeline, LLC



By:

Edmund J. Jaroch

Title: Vice President and Pipeline Manager