STATE OF ALASKA
THE REGULATORY COMMISSION OF ALASKA

Before Commissioners: Robert M. Pickett, Chairman
Stephen McAlpine
Antony G. Scott
Daniel A. Sullivan
Janis W. Wilson

In the Matter of the Joint Application for Approval of the Acquisition by Harvest Alaska, LLC of BP PIPELINES (ALASKA) INC.'s Indirect 32% Interest in PTE PIPELINE, LLC, Holder of Certificate of Public Convenience and Necessity No. 746

ORDER NO. 7

In the Matter of the Joint Application for Approval of the Acquisition by Harvest Alaska, LLC of BP PIPELINES (ALASKA) INC.'s Indirect 50% Interest in MILNE POINT PIPELINE, LLC, Holder of Certificate of Public Convenience and Necessity Nos. 329 and 638

ORDER NO. 7

In the Matter of the Joint Application for Approval to Transfer Certificate of Public Convenience and Necessity No. 311 from BP PIPELINES (ALASKA) INC. to Harvest Alaska, LLC

ORDER NO. 7

ORDER REQUIRING FILING

BY THE COMMISSION:

Summary

We require a response from the applicants1 to the series of questions presented in this order.

Background

Harvest Alaska and BPPA filed three joint applications seeking approval of the transfer of the following BPPA assets to Harvest Alaska: (1) an indirect 32% interest

1Harvest Alaska, LLC (Harvest Alaska) and BP Pipelines (Alaska) Inc. (BPPA).
in PTE Pipeline, LLC (PTEP);\(^2\) (2) an indirect 50% interest in Milne Point Pipeline, LLC (MPPLLC);\(^3\) and (3) Certificate of Public Convenience and Necessity (Certificate ) No. 311 (authorizing BPPA to own and operate a 48.4410% share of Trans Alaska Pipeline System (TAPS) assets and a 47.5881% share of Valdez Marine Terminal tankage assets).\(^4\) Each application was accompanied by a petition requesting confidential treatment of financial statements for Harvest Alaska, Hilcorp Alaska, LLC (Hilcorp

\(^2\)See Joint Application for Approval of Transfer of BP Pipelines (Alaska) Inc.'s Indirect 32.0% Ownership Interest in PTE Pipeline, LLC, Holder of Certificate of Public Convenience and Necessity No. 746, to Harvest Alaska, LLC, filed September 27, 2019 (P-19-015 Application). Docket P-19-015 was opened to address this matter.

\(^3\)See Joint Application for Approval of Transfer of BP Pipelines (Alaska) Inc.'s Indirect Controlling Interest in Milne Point Pipeline, LLC, Holder of Certificate of Public Convenience and Necessity Nos. 329 and 638, to Harvest Alaska, LLC, filed September 27, 2019 (P-19-016 Application). Docket P-19-016 was opened to address this matter.

\(^4\)See Joint Application for Approval of Transfer of Certificate of Public Convenience and Necessity No. 311 and Operating Authority Thereunder from BP Pipelines (Alaska) Inc. to Hilcorp Alaska, LLC, filed September 27, 2019 (P-19-017 Application). Docket P-19-017 was opened to address this matter. Unocal Pipeline Company's share of TAPS was recently transferred to BPPA, ExxonMobil Pipeline Company, and ConocoPhillips Transportation (Alaska) Inc., a transfer we approved in Order P-19-018(1), Order Denying Motion for Expedited Consideration, Granting Motion for Waiver and Transfer of Ownership Interest, Amending Certificates, Revoking Certificate, Designating Commission Panel, and Closing Docket, dated February 24, 2020. The application in Docket P-19-017 was amended to change the percentage ownership in TAPS to be acquired by Harvest Alaska to a 49.1069% share of TAPS pipeline assets and a 48.3914% share of Valdez Marine Terminal tankage assets. See Supplement to Joint Application for Approval of Transfer of CPCN No. 311 and Operating Authority Thereunder from BP PIPELINES (Alaska) Inc. to Harvest Alaska, LLC, filed March 6, 2020, in Docket P-19-017.
Alaska), and Harvest Midstream I, LP (Harvest Midstream), and a motion to waive the requirement that Harvest Alaska file audited financial statements for the two years preceding the application filing.

We issued three public notices of the applications, petitions for confidential treatment, and waiver requests, extending the comment period twice to accommodate additional public comment. We also held a public input hearing to allow additional comment.

We required the applicants to file several documents during the extended comment period. Specifically, we required the filing of (1) the purchase and sale agreement governing the transfers in these proceedings; (2) financial statements for specific affiliates of the applicants; (3) agreements related to dismantlement, removal, and a motion to waive the requirement that Harvest Alaska file audited financial statements for the two years preceding the application filing.

We issued three public notices of the applications, petitions for confidential treatment, and waiver requests, extending the comment period twice to accommodate additional public comment. We also held a public input hearing to allow additional comment.

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6 Motion for Waiver Associated with the Joint Application for Approval of the Transfer of BP Pipelines (Alaska) Inc.’s Indirect 32.0% Ownership Interest in PTE Pipeline, LLC, Holder of Certificate of Public Convenience and Necessity No. 746, to Harvest Alaska, LLC, filed September 27, 2019, in Docket P-19-015; Motion for Waiver Associated with Joint Application for Approval of Transfer of BP Pipelines (Alaska) Inc.’s Indirect Controlling Interest in Milne Point Pipeline, LLC, Holder of Certificate of Public Convenience and Necessity Nos. 329 and 638, to Harvest Alaska, LLC, filed September 27, 2019, in Docket P-19-016; Motion for Waiver Associated with Joint Application for Approval of Transfer of Certificate of Public Convenience and Necessity No. 311 and Operating Authority Thereunder from BP Pipelines (Alaska) Inc. to Harvest Alaska, LLC, filed September 27, 2019, in Docket P-19-017.

7 See Notice of Pipeline Application (Docket P-19-015) issued October 4, 2019; Notice of Pipeline Application (Docket P-19-016) issued October 4, 2019; Notice of Pipeline Application (Dockets P-19-017) issued October 4, 2019; Supplemental Notice of Pipeline Applications dated October 23, 2019; Second Supplemental Notice of Pipeline Applications dated November 4, 2019.

8 The deadline for comments was initially established as October 25, 2019, before being extended first until November 8, 2019, and then until December 13, 2019.

and restoration (DR&R) responsibilities; (4) information regarding corporate relationships and performance guarantees among Harvest Alaska affiliates responsible for operating the pipelines subject to transfer; and (5) information regarding corporate relationships and performance guaranties among affiliated BP companies involved in the ownership, operation, or maintenance of the PTEP, MPPLC, and TAPS.¹⁰

The requested information was filed on December 23, 2019. The applicants’ filing included petitions requesting confidential treatment of audited financial statements for Hilcorp Energy I, LP (HEI), Hilcorp Energy Company (HEC), and BP Corporation North America Inc. (BPCNA),¹¹ and the purchase and sale agreement governing the acquisition of BPPA’s assets.¹²

After the public input hearing we issued an order regarding the pending petitions for confidential treatment. We granted the petition for confidential treatment of the purchase and sale agreement governing the acquisition of BPPA’s assets. We extended the deadline to rule on the petitions for confidential treatment of the financial statements of Harvest Alaska, Hilcorp Alaska, Harvest Midstream, HEI, HEC, and BPCNA, noting that the petitions lacked specificity regarding the competitive harm that could result from disclosure of the financial information. We required the applicants to provide a more detailed explanation of the potential competitive harm that could result from disclosure of the financial information.


¹¹See Hilcorp Energy I, LP and Hilcorp Energy Company’s Petition for Confidential Treatment of Financial Statements, filed December 23, 2019; BPPA’s Petition for Confidential Treatment of Financial Statements, filed December 23, 2019. HEI is Hilcorp Alaska’s immediate parent company, while HEC is the general partner for HEI. BPCNA is the indirect parent company of BPPA.

¹²Harvest Alaska, LLC and BP Pipelines (Alaska) Inc.’s Petition for Confidential Treatment of Purchase and Sale Agreement, December 23, 2019 (December 23 PSA Petition). The purchase and sale agreement was between Standard Oil Company and BP Pipelines (Alaska), Inc. as seller, and Hilcorp Alaska and Harvest Alaska as buyer.
from disclosure. We also questioned whether AS 42.06.445(c) prohibited us from publicly disclosing the financial information of a pipeline carrier subject to federal jurisdiction when the document at issue is not required to be filed with the applicable federal agency.\textsuperscript{13} In addition, we extended the deadline to rule on the pending motion for waiver of the requirement to file audited financial statements.

Our subsequent order resolved the petitions for confidential treatment of financial statements and the request to waive the requirement to file audited financial statements.\textsuperscript{14} We afforded the financial statements confidential treatment under AS 42.06.445(c) based on our finding that the financial statements relate to the finances and operations of pipelines subject to federal jurisdiction, and are not required to be filed with the appropriate federal agency.\textsuperscript{15} We determined that the requests to classify the financial statements as confidential under 3 AAC 48.045 were moot based on the confidentiality of the financial statements under AS 42.06.445(c). We also granted the

\textsuperscript{13} AS 42.06.445 addresses public records for regulated pipeline carriers, and provides exceptions to the general rule that records in the possession of this agency are open to public inspection. This statute allows an entity to object to disclosure, and requires us to withhold the information from public disclosure if the information adversely affects the objecting party and disclosure is not required in the interest of the public. AS 42.06.445(d). The statute also precludes us from disclosing to the general public documents related to the finances or operations of a pipeline carrier subject to federal jurisdiction if the document is not required to be filed with the appropriate federal agency. See AS 42.06.445(c); see also 3 AAC 48.040(b)(3).

\textsuperscript{14} See Order P-19-015(6)/P-19-016(6)/P-19-017(6)/P-19-019(3), Order Granting Motions for Waiver; Denying Motion to Strike and Motion for Expedited Consideration; Declaring Financial Statements Confidential Under AS 42.06.445(c); Finding Request for Confidential Treatment of Financial Statements Under 3 AAC 48.045 Moot; and Addressing Timeline for Decision, dated March 12, 2020 (Order P-19-015(6)).

\textsuperscript{15} As noted in footnote 13, AS 42.06.445(c) precludes us from disclosing to the general public documents related to the finances of a pipeline carrier subject to federal jurisdiction if the document is not required to be filed with the appropriate federal agency. We identified the Federal Energy Regulatory Commission (FERC) as the appropriate federal agency given that FERC economically regulates oil pipelines at the federal level, and noted that the applicants stated that the financial statements at issue were not required to be filed with the FERC. Order P-19-015(6) at 14.
motions to waive the requirement that an application filed by a pipeline carrier include audited financial statements, noting that the applicants satisfied the waiver requirements stated at 3 AAC 48.624(a)(7)(D).\textsuperscript{16} We also addressed a filing by the City of Valdez that opposed treating the financial information as confidential under AS 42.06.445(c), and denied the applicants’ motion to strike the City of Valdez opposition filing. Finally, we established a deadline of September 28, 2020, to issue a final order in these proceedings.

Discussion

Having resolved pending requests that impacted the completeness of the joint application to transfer BP’s Alaskan assets,\textsuperscript{17} we now delve into the determination of whether the acquisitions meets our statutory standards. When addressing an application to acquire common carrier pipeline assets, we first look to the standard for issuing a new certificate. We must issue a certificate if the applicant is found to be able and willing to properly perform the proposed service and the proposed service is required by the present or future public convenience and necessity.\textsuperscript{18} Additionally, our decision to approve the transfer of operating authority of a pipeline carrier, involving the sale or lease

\textsuperscript{16}The requirement for an applicant to file audited financial statements may be waived if the request for waiver is accompanied by a certification that independent audits are not performed, and the requesting party submits financial statements consisting of (at a minimum) balance sheets, income, and cash flow statements for the two most recent fiscal years (verified and certified for accuracy). We found that the applicants fulfilled those requirements. Order P-19-015(6) at 7-8.

\textsuperscript{17}Our regulations provide that should an applicant request a request for waiver of a filing requirement or a petition for confidential treatment of a filing requirement, our determination on completeness of an application is deferred until we resolve the request. In that circumstance the application is deemed complete on the date of filing if the waiver request and/or petition for confidential treatment is granted. See 3 AAC 48.648(c) and (d).

\textsuperscript{18}See AS 42.06.270(a).
of a certificate or a sale of substantially all of the stock or assets of a pipeline carrier holding a certificate, must be based on the best interest of the public.\textsuperscript{19}

To assist us in our analysis of whether Harvest Alaska’s proposed acquisition of BP’s Alaskan assets meet our statutory standards, we have several initial questions for both the BP and Hilcorp family of companies. Unless otherwise specified,\textsuperscript{20} questions regarding the transfers of BPPA’s Alaskan assets will reference BPPA and questions concerning ongoing obligations after consummation of the transfer will reference BP. Despite this referencing convention we require answers from all BP affiliates that are best able to provide the information that is the most useful to the Commission in its deliberations.

We note that should the acquisition of BPPA’s assets be approved, operational responsibilities for the Hilcorp affiliates will be handled by Harvest Alaska with operational support from Hilcorp Alaska and access to the pipeline operating expertise of Harvest Midstream and Harvest Midstream Company.\textsuperscript{21} For that reason, inquiries regarding the company’s approach to operational issues such as insurance should reference Harvest Alaska. The applicants submitted the financial statements of Harvest Alaska, Hilcorp Alaska, and Harvest Midstream to support its position that Harvest Alaska will have access to sufficient assets to support ownership of BPPA’s assets.\textsuperscript{22} For that reason questions regarding the company’s ability to handle financial responsibilities relating the acquired BPPA assets will reference Harvest Alaska/Hilcorp Alaska/Harvest Midstream. Nevertheless, despite the foregoing conventions, it is possible that different

\textsuperscript{19}See AS 42.06.305(b).

\textsuperscript{20}For example, some questions inquire into corporate guarantees provided by BPCNA for BPPA’s Alaskan operations.

\textsuperscript{21}See P-19-015 Application at 3-4; P-19-016 Application at 3-4; P-19-017 Application at 6-7.

\textsuperscript{22}P-19-015 Application at 7-8; P-19-016 Application at 7; P-19-017 Application at 9-10.
Hilcorp affiliates may in any given instance be able to provide better, more complete, and more informative answers. We require that the best information be provided to the Commission, irrespective of which affiliate it comes from.

**Operational Requests**

**Questions Regarding TAPS, Milne Point, & Point Thomson Pipelines**

1) Please provide all operational risk assessments performed for TAPS, MPPLLC, or PTEP in the last ten years.

2) Please detail the process for establishing work plans and budgets for TAPS, MPPLLC, and PTEP, and provide the capital improvement plans for each for the current and next budget cycle.

   a) How are the budgeted expenses apportioned among the pipeline owners?
   b) How are unbudgeted and unanticipated expenditures apportioned among the pipeline owners?
   c) Do the pipeline operators ever have a midcourse correction to their budgets during a budget cycle?
   d) Is there a cap on expenditures for unbudgeted, unusual, or unanticipated incidents?

3) What known pipeline repairs, replacements, or improvements are currently scheduled or underway and what known repairs, replacements, or improvements are not currently scheduled? For each pipeline who is responsible for performing repairs, replacements, or improvements? What are the criteria for determining whether repairs, replacements, or improvements are paid out of DR&R funds?

4) Outside of the regular work plan and budget process, what are the processes for developing longer-range plans (or concepts) for improvements or
modifications to TAPS, MPPLLC, or PTEP? For each pipeline please provide, as applicable, the most recent longer-range plan, concept, or study.

5) Please provide a list and brief description of each incident that resulted in a reportable spill, material pipeline or terminal damage, or any other major pipeline operational upset since inception.

a) What was the cost of responding to each incident? Please separate the cost of response, remediation, and facility repair.

b) Which incidents, if any, required cash calls from owners outside of and in addition to the normal work plan and budget process?

c) Please describe how each incident was fully paid for (recovered through operating and maintenance expenses charged in rates, claims against insurance, etc.)? If applicable, specify the extent to which historical DR&R collections and earnings were used to cover incident costs.

6) Please describe in detail the specific means and extent to which TAPS, MPPLLC, and PTEP are insured to cover unanticipated incidents? Please describe exclusions, riders, and maximum limits on any third party insurance.

a) What have been BPPA’s (or BPPA affiliates) individual insurance mechanisms that would address pipeline operational incidents on these pipelines? Please describe exclusions, riders, and maximum limits on any third party insurance.

b) Please provide a copy of each insurance policy which provides either direct or indirect protection to BPPA, Harvest Alaska, or their affiliates, and that to some extent cover operational upsets on TAPS, MPPLLC, and PTEP.

c) Please describe in detail the specific means and extent to which Harvest Alaska has provided insurance against unplanned incidents on its Alaskan common carrier pipelines.
d) How does Harvest Alaska intend to insure against unplanned incidents affecting operation of TAPS and the MPPLLC and PTEP pipelines?

7) Please provide all operating agreements and all amendments to those agreements between or among TAPS carriers and the Alyeska Service Company (Alyeska).

8) Similarly, please provide all operating agreements and all amendments to those agreements between or among the owners and operators of both the MPPLLC and PTEP pipelines.

9) Has BP agreed to provide a backstop to any interested entity for Harvest Alaska's operational liability? If so, please describe the nature and extent of the backstop and the circumstances that the backstop may be drawn upon. Please provide copies of those backstop agreements.

Questions Regarding Milne Point Pipelines and Point Thomson Export Pipeline

10) MPPLLC and PTEP are limited liability companies, which means liability exposure is limited to the assets held by the limited liability company. Are the members of those limited liability companies otherwise obligated to cover large unanticipated expenses not reflected in the contemporaneous rates charged by MPPLLC and PTEP?

Questions Regarding Trans Alaska Pipeline System

11) Please describe in detail how Alyeska is funded given that the Alyeska does not collect rates to cover its expenses?

12) How will Harvest Alaska/Hilcorp Alaska/Harvest Midstream fund any large or unusual amounts requested by Alyeska?
Questions Regarding Financial Fitness of Hilcorp

13) Explain whether recent changes in the financial markets have impacted Harvest Alaska/Hilcorp Alaska/Harvest Midstream’s access to the capital necessary to fund this transaction.

a) If market conditions have impaired access to the capital, how will Harvest Alaska/Hilcorp Alaska/Harvest Midstream address this?

b) If market conditions have not impaired access to capital, please explain the sources of capital for this acquisition.

14) What is the level of financial reserves set aside to fund Alaskan operations? Have the recent turmoil in capital markets affected Harvest Alaska/Hilcorp Alaska/Harvest Midstream’s anticipated ability to secure adequate financial reserves to fund Alaskan operations? If Harvest Alaska/Hilcorp Alaska/Harvest Midstream are not impacted by capital markets, is it because Harvest Alaska/Hilcorp Alaska/Harvest Midstream independently have the capital necessary to fund obligations related to its Alaskan operations?

15) Harvest Alaska or an affiliate has entered one or more Financial Assurance Agreements (FAAs) with the State of Alaska’s Department of Natural Resources (DNR) to ensure they have the financial resources necessary to meet their obligations related to Alaskan operations for their Alaskan pipelines.23

23The pipelines operated and owned (in whole or in part) by Harvest Alaska are the Swanson River Oil Pipeline; Cook Inlet Pipe Line, LLC’s oil and gas pipelines; Kenai Beluga Pipeline, LLC’s consolidated gas pipeline system in Cook Inlet and oil pipeline; Northstar Oil Pipeline; Northstar Gas Pipeline; Endicott Pipeline; Milne Point Oil Pipeline; and Milne Point Natural Gas Liquids Pipeline. P-19-015 Application at 4; P-19-016 Application at 4; P-19-017 Application at 6-7.
a) Describe in detail the scope of operational, DR&R, or other liabilities that the FAA(s) cover.

b) How many FAAs are there, and what assets and operations does each apply to?

c) Please provide a written description and a copy of each FAA that covers liabilities, in whole or in part.

d) In addition, please provide a non-confidential description in the greatest detail possible of each FAA.

Questions Regarding Responsibilities Among Oversight Agencies

16) AS 38.35.120(a)(14) provides that an oil pipeline valued at over a million dollars may only obtain a pipeline right-of-way lease if it obtains liability and property damage insurance should the DNR Commissioner find that the net assets of the lessee are insufficient to protect the public from potential damages arising from the lessee’s operations.

a) What insurance bonding or security has DNR required under AS 38.35.120(a)(14)? Please provide documents evidencing insurance bonding or security.

17) By entering into a right-of-way lease, a lessee is bound by its lease covenants and the state has the right to enforce those covenants (see AS 38.35.225).

a) Will any BP lease obligations survive the transfer or even expiration of the lease?

18) AS 38.35.120(a)(13) provides that an oil pipeline valued at over a million dollars that obtains a pipeline right-of-way lease is liable to and will indemnify the state for damages caused by the construction, operation, or maintenance of the pipeline. TAPS crosses state, federal, and private land.
a) Do the applicants agree that current lease obligations include indemnity requirements to the State or another entity for all operations (including DR&R obligations) in Alaska, regardless of whether the damage incident occurs on state, federal, or private land?

19) The transfer application states that the corporate guaranty provided by BPPA affiliate BPCNA will remain in effect after the transfer of BP's Alaskan assets.²⁴

a) Please list all BPCNA corporate guaranties for TAPS with state and federal agencies.

b) Are any of BPPA’s obligations to any federal agency or private land owner, including right of way obligations, guarantied by an affiliate other than BPCNA? If so, please provide a copy of the guaranty.

c) What is the scope of BPCNA’s corporate guaranty to state agencies for liabilities and obligations of any of its affiliates?

d) Are there any limitations on the extent or nature of any BPCNA corporate guaranty with state or federal agencies?

e) Please provide a copy of each BPCNA corporate guaranty filed with any state or federal agency.

f) BPCNA has been identified as the entity that provides financial assurance for obligations associated with State of Alaska right of way leases. Which BP affiliates provide financial assurance to the federal government associated with federal right of way leases/grants?

²⁴See Application at 3; see also Joint Response of Harvest Alaska, LLC and BP Pipelines (Alaska) Inc. to Public Comments and to Oppositions to Petitions for Confidential Treatment of Financial Statements and to Motions for Waiver, filed December 20, 2019, at 14-16.
Dismantlement, Removal, and Restoration

20) Please provide all studies and updates of studies that BP, its affiliates, or its contractors or agents or Alyeska have performed since the inception of TAPS that estimate costs of performing TAPS DR&R. Please specify the performance standards for DR&R that are assumed in each study, the total expected performance cost, the year that those performance cost dollars are estimated in, and the expected date of DR&R performance.

21) To date, have any DR&R funds been expended to cover costs that relate to any pipeline or terminal facilities? Please provide a list of all DR&R-funded projects, their cost, and the year the project was completed.

22) If a TAPS Carrier is unable to contribute all or part of its percentage share for DR&R performance, are the other TAPS Carriers required to make up the difference (i.e., is the obligation to perform DR&R joint and several)?

23) How much money has BP collected in rates by destination, by shipper, and by month since the inception of TAPS through interstate and intrastate rates to cover BP’s share of DR&R costs? Please confirm that BP’s liability for DR&R extends to a lawfully-ordered refund of DR&R overcollections.

24) Please provide a schedule showing the extent to which BP or its affiliates have assumed responsibility for DR&R liabilities associated with former TAPS carriers that no longer own a share of TAPS (e.g., Unocal Pipeline Company). To the extent that BP or its affiliates assumed responsibility for a former TAPS owner’s DR&R liabilities, please confirm that liability for a former TAPS owner’s previous DR&R obligations extends to a lawfully-ordered refund of DR&R overcollections.

25) Please specify the interest rates, by year, which BP has imputed on money collected in rates for DR&R. Similarly, please specify the imputed interest
rates, by year, applicable to money collected in rates for DR&R for any former
TAPS Carrier for which BP has assumed ownership and liability.

26) Is there a BP backstop for Harvest Alaska’s DR&R liability should Harvest
Alaska fail, for whatever reason, to adequately perform or fund its share of
DR&R costs?

a) If so, what is the nature and extent of the backstop? Under what
circumstances would the backstop be accessed? Please provide illustrative
examples, as well as all written agreements that contain any such backstop.
b) Who other than Harvest Alaska or its affiliates can enforce the backstop?
Are the State of Alaska and/or other TAPS carriers intended third party
beneficiaries of the Purchase and Sales Agreement as to that issue?
c) Does the backstop include the potential for refunds of historical shipping
rates that may include over-collected DR&R?

27) How are DR&R collections (including imputed interest) and anticipated
expenditures recorded in BP’s financial filings? Please provide a copy of
the most recent such recording.

28) Does Harvest Alaska or its affiliates, or BPPA or its affiliates, expect that any
additional allowances in rates for TAPS DR&R will be required after the
acquisition closes? If not, why not?

29) Once BPPA’s Alaskan assets are acquired by Harvest Alaska, BP will no
longer be subject to clear RCA jurisdiction as it will have no intrastate pipeline
assets in Alaska.

a) Is it BP’s position that the RCA will have jurisdictional reach over BPCNA to
perform on DR&R obligations?
b) If RCA has no jurisdictional reach, what is the mechanism that will ensure
the RCA can mandate BP performance regarding any potential DR&R
obligations, including refund obligations?
c) Please list and describe any agreement between or among BP, Harvest
Alaska or its affiliates, and state or federal government entities that
addresses overcollections or undercollections of DR&R by BPPA before its
exit from Alaska?

30) Under the proposed transaction, BPPA and Harvest Alaska will split financial
responsibilities related to DR&R on a temporal basis.

a) After the proposed transaction, who is responsible for planning and
performing BPPA’s DR&R obligations at the end of the useful life of TAPS
– Alyeska, Harvest Alaska, or BP? Please explain the arrangements.

b) What arrangements have been made between Harvest Alaska and BP to
ensure Harvest Alaska has the capabilities to assume BP’s DR&R
responsibilities, both financially and operationally?

31) If a new component of TAPS is placed in service, please explain how the asset
will be distinguished for DR&R purposes? Will the DR&R of a replacement of
an existing TAPS asset – for example, a section of pipe or a replacement of a
vertical support member – be a liability borne by BP affiliates or by Harvest
Alaska affiliates? Will new TAPS components be distinguished and
documented as to which company bears liability? If so, where will this be
documented, by whom, when, according to what process, and according to
what standards?

MPPLLC and PTEP Dismantlement, Removal, and Restoration

32) Answer each of these requests separately for MPPLLC and PTEP:
a) Please provide all studies and updates of studies that the pipeline carrier or any predecessor has performed since inception of the pipeline that estimate costs of performing DR&R. Please specify the performance standards for DR&R that are assumed in each study, the total expected performance cost, the year that those performance cost dollars are estimated in, and the expected date of DR&R performance.

b) Are any future allowances in rates for DR&R anticipated for the pipeline company after the acquisition?

c) How much money has the pipeline company collected through intrastate rates and through interstate rates since inception?

d) Please specify, by year, the interest rates that the pipeline company has imputed on money collected in rates for DR&R.

e) What is the total amount as of December 31, 2019 (amount collected in rates plus imputed interest) that can be used to perform DR&R at the end of the life of the pipeline.

While we are mindful of our September 28, 2020, deadline for a final order in this proceeding, we will allow thirty days to respond to these questions given current circumstances. We advise BP and Harvest Alaska that the completeness, clarity, and candor of answers to the preceding questions will shape the course of future proceedings in these dockets, including whether there is a need for a hearing, whether participation by intervenors may aid our resolution of the issues raised by the applications, and what (if any) conditions on the approvals sought by applications may be necessary to protect the public interest.
ORDER

THE COMMISSION FURTHER ORDERS that, by May 4, 2020, Harvest Alaska, LLC and BP Pipelines (Alaska) Inc. shall file responses to the questions listed in this order.

DATED AND EFFECTIVE at Anchorage, Alaska, this 2nd day of April, 2020.

BY DIRECTION OF THE COMMISSION