

15 AAC 55.171(f) is amended to read:

(f) The prevailing value for ANS sold in the state at tidewater or delivered to coastal refineries in the state is the prevailing value determined in (a) of this section minus the volume-weighted average location differential between the Port of Valdez and the United States West Coast provided for under contracts for the sale of ANS delivered in the state during the previous calendar year. The department will calculate the annual volume-weighted average location differential by analyzing contracts entered into during the 18-month period ending November 30 of the previous calendar year for the sale of producers' ANS delivered in the state. The department will use contracts that it has received from producers by January 15 of the current calendar year. The department will calculate the location differential and the number of barrels **specified to be** delivered under each contract. The differential for each contract will be multiplied by the total number of barrels **specified to be** delivered under that contract. The resulting totals for all contracts will be added together, and that sum will be divided by the total number of barrels delivered under all of the contracts. **If two or fewer contracts are entered into during the 18-month period ending November 30 of the previous calendar year that meet the criteria in this subsection, the department will use the volume-weighted average of marine transportation costs, reported monthly under AS 43.55.030(f)(2), during the prior 12-month period ending June 30 of the previous calendar year, less 25 percent of those reported marine transportation costs.** The resulting location differential is a per-barrel amount. The department will provide notice to the producers of the amount of the location differential no later than February 10 each year.

Register 194, July 2010

REVENUE

(Eff. 1/1/95, Register 132; am 1/1/2000, Register 152; am 11/1/2000, Register 156; am 1/1/2002, Register 160; am 1/1/2003, Register 164; am 1/1/2004, Register 168; am 5/3/2007, Register 182; am 4/30/2010, Register 194;  
am 6/4/2010 Register 194)

**Authority:** AS 43.05.080 AS 43.55.020 AS 43.55.110