

In the Matter Of:

IN RE PUBLIC WORKSHOP AS 43.55.171

HEARING

January 09, 2018

PACIFIC RIM REPORTING

STENOGRAPHIC COURT REPORTERS

711 M STREET, SUITE 4

ANCHORAGE, ALASKA 99501

907-272-4383

www.courtreportersalaska.com

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BEFORE THE DEPARTMENT OF REVENUE

STATE OF ALASKA

In re:
Public Workshop - AS 43.55.171
and Associated Regulations.



TRANSCRIPT OF PROCEEDINGS

Pages 1 - 23, inclusive
Tuesday, January 9, 2018
1:30 P.M.

Taken at
REGULATORY COMMISSION OF ALASKA
701 West 8th Avenue, Suite 300
East Hearing Conference Room
Anchorage, Alaska

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A-P-P-E-A-R-A-N-C-E-S

For State of Alaska, Department of Revenue:

John Larsen, Audit Master
Lennie Dees, Audit Master
550 West 7th Avenue, Suite 500
Anchorage, Alaska 99501
907/269-8436

Also Present:

Ken Alper, Department of Revenue
Brandon Brefczynski, AOGA
Robin Brena, representing Anadarko
Dan E. Dickinson, Dan E. Dickinson CPA
Marie Evans, ConocoPhillips
Akis Gialopsos, Staff to Senator Giessel
Colleen Glover, Department of Revenue
David Herbert, Department of Revenue
Michael Hurley, ConocoPhillips
Jon Iversen, Stoel Rives
Teri Kostka, ConocoPhillips
George Lyle, Guess & Rudd
Steve Mahoney, Manley Brautigam
Shannon McKinley, Department of Revenue
Kelly Moghadam, Brena, Bell & Clarkson
Kara Moriarty, AOGA
Jennifer Roberts, ConocoPhillips
Erin Ruebelmann, Department of Revenue
Jamie Volz, ConocoPhillips
Jack Wakeland, Brena, Bell & Clarkson
Tom Williams, BP

Present via Teleconference:

Anna Anklam, Anadarko
Diane Colley, BP &
Mary Gramling, Department of Law
Sherri Manuel, Anadarko
Stephen McGregor, Hilcorp
Will Nebesky, Chevron
Nicole Reynolds, Department of Law

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A-P-P-E-A-R-A-N-C-E-S (Cont'd)

Court Reporter:

**Gary Brooking, Registered Professional Reporter
PACIFIC RIM REPORTING
711 M Street, Suite 4
Anchorage, Alaska 99501**

1 ANCHORAGE, ALASKA; TUESDAY, JANUARY 9, 2018

2 1:33 P.M.

3 -o0o-

4 MR. LARSEN: Well, good afternoon. It looks
5 like we have everybody here today, so we'll go ahead
6 and get started.

7 Today is Tuesday, January 9, 2018, and the
8 time is 1:33. And I'd like to welcome everybody here
9 today, both in person and via teleconference, to
10 today's public workshop regarding the determination of
11 prevailing value for crude oil sold in the state, and
12 related regulations at 15 AAC 55.171.

13 Members of the public and other interested
14 parties have been invited to make comments, either in
15 person here today or in writing, to the Department by
16 the close of the comment period on Friday, January 26,
17 2018, at 4:00 p.m.

18 My name is John Larsen, and I will be the
19 moderator for today's workshop. And before we begin,
20 just a couple of administrative matters.

21 In the event of a fire, there's stairs near
22 the elevator where you came up. There's also stairs
23 out and to the right. Restrooms are out the door to
24 the right and then the first hallway to the right.

25 If you have a cell phone or electronic

1 device, please turn that on [sic], and especially if
2 you're listening to the teleconference on your cell
3 phone, please put that on mute.

4 If you haven't signed in already, please do
5 that on your way out. And last, when making any
6 comments, I request that we use the front tables up
7 here, one, in order that people that are on the
8 teleconference can hear everything that's being said;
9 and the workshop is being transcribed as well. And
10 once we have the transcription available, we will post
11 that on our website.

12 So prior to beginning the workshop and taking
13 comments, let's go around the room and introduce
14 ourselves and their affiliations.

15 Like I said, my name is John Larsen. I am
16 with the Department of Revenue.

17 MR. DEES: My name is Lennie Dees. I'm with
18 the Department of Revenue.

19 MS. MORIARTY: Oh, I'll start. I'm Kara
20 Moriarty with the Alaska Oil and Gas Association.

21 MR. BREFCZYNSKI: Brandon Brefczynski, Alaska
22 Oil and Gas Association.

23 MR. GIALOPSOS: Good afternoon. Akis
24 Gialopsos, staff to Senator Giessel and the Senate
25 Resources Committee.

1 MS. GLOVER: Colleen Glover, Department of
2 Revenue.

3 MR. HERBERT: David Herbert, Department of
4 Revenue.

5 MS. ROBERTS: Jennifer Roberts,
6 ConocoPhillips.

7 MS. VOLZ: Jamie Volz, ConocoPhillips.

8 MS. EVANS: Marine Evans, ConocoPhillips.

9 MS. KOSTKA: Teri Kostka, ConocoPhillips.

10 MS. MOGHADAM: Kelly Moghadam, Brena, Bell &
11 Clarkson.

12 MR. WAKELAND: Jack Wakeland, Brena, Bell &
13 Clarkson.

14 MR. BRENA: Robin Brena, here on behalf of
15 Anadarko.

16 MS. RUEBELMANN: Erin Ruebelmann, Department
17 of Revenue.

18 MS. MCKINLEY: Shannon McKinley, Department
19 of Revenue.

20 MR. IVERSEN: Jon Iversen, Stoel Rives.

21 MR. WILLIAMS: Tom Williams, BP.

22 MR. HURLEY: Michael Hurley with
23 ConocoPhillips.

24 MR. ALPER: Ken Alper, Department of Revenue.

25 MR. LYLE: George Lyle with Guess & Rudd.

1 MR. DICKINSON: Dan Dickinson, Dan Dickinson,
2 CPA.

3 MR. MAHONEY: Steve Mahoney, Manley
4 Brautigam.

5 MR. LARSEN: And on the phone lines?

6 MS. COLLEY: Diane Colley with BP.

7 MR. NEBESKY: Will Nebesky with Chevron.

8 MR. MCGREGOR: Stephen McGregor with Hilcorp.

9 UNIDENTIFIED MALE: Ray [unintelligible] with
10 Chevron.

11 THE REPORTER: Could you have him repeat
12 that?

13 MS. REYNOLDS: This is Nicole Reynolds with
14 the Department of Law.

15 MS. GRAMLING: Mary Gramling with the
16 Department of Law.

17 MR. LARSEN: And I'm sorry. Our court
18 reporter did not hear the first couple names there.
19 Could you go through that again on the teleconference,
20 please.

21 MS. COLLEY: Diane Colley, BP.

22 MR. NEBESKY: Will Nebesky, Chevron.

23 MR. MCGREGOR: Stephen McGregor, Hilcorp.

24 MS. ANKLAM: Anna Anklam --

25 MS. MANUEL: Sherri Manuel with Anadarko.

1 MR. LARSEN: Okay. Thanks.

2 The purpose of today's workshop is to ask for
3 and receive input and comments from the public and
4 other interested parties regarding the application and
5 calculation of transportation costs for in-state sales
6 of crude oil, including the appropriate tariff under
7 15 AAC 55.171(g).

8 Please note that while other workshops held
9 by the Department may have been more interactive, the
10 purpose of today's workshop is to solicit feedback and
11 comments for the Department's consideration. If
12 specific or theoretical examples can be provided to
13 help illustrate the comment -- those examples will be
14 helpful to the Department as well.

15 If you believe your interest in these matters
16 may be impacted, the Department encourages you to
17 provide comment before the close of the comment period
18 at 4:00 p.m. on Friday, January 26, 2018. As a
19 reminder, written comments are considered public
20 records and will be available for public inspection.

21 If, as a part of anyone's submission of
22 written comments, you would like to include any
23 proprietary information, please consult with your
24 legal counsel to ensure the information remains
25 confidential.

1 For making your comments and suggestions, I
2 would like to first begin here in Anchorage and then
3 move to the phone lines after that.

4 And one final note. If necessary, if time
5 constraints require, we'll kind of reserve the right
6 to limit the testimony, if necessary, just in order
7 that everyone can have an opportunity to present.

8 So with that, I'll open the microphones for
9 comments. And if anybody would like to begin, please
10 step forward.

11 Always tough to want to go first.

12 Dan.

13 MR. DICKINSON: Can I just confirm this?
14 There's nothing been released by the Department,
15 right, to comment on, just other than that notice?

16 MR. LARSEN: Correct. Correct. There's no
17 proposed regulations. There's no draft, Dan.

18 MR. DICKINSON: Okay. Thank you.

19 MR. LARSEN: Yes.

20 MR. ALPER: Is there a door prize, John, we
21 could offer to the first person to speak?

22 MR. LARSEN: I had not thought of that. I
23 may do that for the next one, Ken.

24 MR. IVERSEN: Is there, John -- sorry. Jon
25 Iversen. Is there something in particular --

1 MS. COLLEY: John --

2 MR. IVERSEN: -- that's driving the need for
3 a workshop?

4 MR. LARSEN: The Department believes that
5 there were one or more parties that wanted to make
6 some comments, and so we offered to have a workshop to
7 provide that for them. But kind of in continuance of
8 Dan's question, there's not a proposed reg change in
9 the works, anything like that, at this point in time.

10 MS. COLLEY: John, this is Diane Colley on
11 the phone. Can I interrupt?

12 MR. LARSEN: You're not interrupting. Please
13 go ahead.

14 MS. COLLEY: We can't -- on the phone, at
15 least, I can't hear the people in the audience at all.
16 I can hear you very well. So if there's microphones,
17 could you ask them to step up to the microphones?
18 Like I didn't catch any of the last conversation.

19 MR. LARSEN: Okay. Yeah, I can do that. And
20 generally, Diane, people were asking if there was a
21 draft that should have been reviewed or what was the
22 intent of the workshop. And as I stated, it was an
23 opportunity to provide a forum, for those that were
24 interested, to come and talk about the transportation
25 costs for in-state sales.

1 MS. COLLEY: Thank you, John.

2 MR. LARSEN: Yep.

3 MR. BRENA: All right. If nobody -- I have a
4 couple of comments that I came here to share with you.
5 So it doesn't seem like anybody else does. I'll
6 volunteer. Do you want me to sit here?

7 MR. LARSEN: Thank you for breaking the ice
8 here, Mr. Brena.

9 MR. BRENA: First, my name is Robin Brena,
10 and I'm here on behalf of Anadarko.

11 As I understand the scope of this, you're
12 asking for feedback with regard to how to determine
13 prevailing value for oil with regard to in-state
14 sales. You have referred specifically to
15 15 AAC 55.171.

16 So I guess I have, like, four or five
17 comments that I would like to make with regard to
18 this. I guess the first one is, is I don't see the
19 real need for the workshop, and I don't see the real
20 need to revisit this issue. I think that the issue is
21 clear in the regulation and has been applied clearly
22 until about six months ago by the Department.

23 So let me start out there. And I think -- I
24 think the concept I think that's being missed,
25 perhaps, is that -- is the concept that the way you

1 value oil or gas is to the nearest liquid point. And
2 you go from the nearest liquid point, and then you
3 adjust it for the point of sale, based on the
4 transportation costs between the point of sale and the
5 nearest liquid point. Or another way to say the
6 "nearest liquid point" is the marketplace, the closest
7 active marketplace where market forces shape the
8 price.

9 The entire Alaska statutes and regulations
10 are built primarily under the assumption that that
11 point and that marketplace is the West Coast, as well
12 as the settlement agreements, the royalty and
13 severance -- settlement agreements that the State has
14 entered into with the majors.

15 So the question about prevailing value isn't
16 a question of "What if you sell it to this buyer or to
17 that buyer?" It's not a question about an individual
18 buyer. It's a question of prevailing value in a
19 marketplace.

20 And I think that the regulation is clear that
21 what it does is it goes to the West Coast price. And
22 15 AAC 55.171(a) says that if oil transferred is a
23 West Coast sale, then it's based on West Coast
24 pricing.

25 So it goes straight to the market and starts

1 right at the market, and it sets the prevailing price
2 as that market price. And that's the standard. And
3 then all it does, in the rest of its effect, is just
4 back up to a point of sale by going from that market
5 and adjusting it to the point of sale.

6 So 171(a) says if the point of sale is the
7 West Coast, you use the West Coast spot price for that
8 month. 171(f) says that if the point of sale is the
9 Valdez Marine Terminal, you go to (a), which is the
10 West Coast spot price for the month, and you subtract
11 a locational differential, which is another way of
12 saying the tanker costs back to Valdez.

13 And then (g) says if the point of sale is
14 Pump Station 1, you go to Pump Station 1. And the way
15 you determine that value is based on (f). And (f) was
16 based on (a) plus marine costs -- minus marine costs.
17 And so -- and then you subtract the TAPS tariff.

18 And so it's completely a consistent
19 regulation. It goes back to the first point of liquid
20 sale, in economic terms. It ties right into the
21 actual marketplace that determines the prevailing
22 value. And that's the West Coast.

23 And then all it does -- all that regulation
24 does is adjust from that market to the point of sale
25 through the mechanism from that market to that point

1 of sale.

2 Now, the question that you posed is: What
3 are the applicable transportation costs that should be
4 applied to a sale?

5 Now, it doesn't matter where the oil goes.
6 Prevailing price is determined on the point of sale to
7 the market. The oil could go to Russia, the oil could
8 go to Iceland, the oil could go to Saudi Arabia, the
9 oil could go to Japan. The royalty -- the "prevailing
10 value" concept doesn't change at all depending on
11 where the destination of the oil is. It goes to the
12 marketplace and then back to the point of sale. And
13 that's the way the State's -- State's interest has
14 been determined.

15 So in this particular case, to take, for
16 example, Pump Station No. 1, you start out with the
17 West Coast spot price. You subtract from that the
18 cost of marine terminals. And then you subtract from
19 that the applicable tariff to -- from the Valdez
20 Marine Terminal to Pump Station 1.

21 Now, the only applicable tariff that can
22 apply to that transaction is the federal tariff,
23 because the transaction is a transaction from the
24 point of sale to the West Coast. And the only
25 applicable tariff that can relate to that is the

1 federal tariff, because that's intrastate commerce.

2 So I think that the Department has taken
3 inconsistent positions recently, suggesting that you
4 sort of trace the oil to its destination and use a
5 transportation cost somehow associated with that.

6 There isn't anything in 171 that suggests that you go
7 to the ultimate destination of the oil. You go to the
8 ultimate market for the oil, the first liquid point,
9 and subtract out the transportation back.

10 So the argument has been advanced that if
11 the -- what if the State transportation rate from Pump
12 Station 1 to Valdez is lower or higher than the
13 federal transportation rate?

14 It doesn't matter, because you're -- because
15 you are determining -- you're going from the point of
16 sale to the West Coast, so it's the federal rate. It
17 doesn't matter what the state rate is in that
18 calculation because there is no liquid point, and
19 there is no market to determine prevailing value in
20 Alaska.

21 So the first thing I'd say is I think that
22 your regulation is incredibly clear, and it's been
23 consistently applied for decades. And the
24 Department's recently departure from that about six
25 months ago is truly unfortunate. So I would ask you

1 to go back and consistently apply it.

2 Now, the suggestion has been made in (g),
3 171(g), that it says if there's more than one
4 applicable public tariff, use the lower one.

5 And the argument has been advanced by the
6 Department that, well, how can there be two tariffs --
7 two, for tariffs?

8 Well, two things. First it says all through
9 here "the applicable tariff." There isn't anything
10 that's applicable about a state tariff when you're
11 talking about determining the transportation
12 adjustment to the West Coast marketplace. That is not
13 an applicable tariff.

14 And secondly, with regard to -- with regard
15 to that, my understanding is you can have 50 different
16 federal tariffs. And all this says -- I mean, in
17 fact, the -- for the majority of the life on TAPS, the
18 tariff methodologies that have been used have set a
19 ceiling tariff which expressly anticipates that there
20 will be more than one tariff.

21 There are multiple tariffs among the
22 different carriers. There can be multiple -- there
23 can be multiple tariffs by a single carrier in federal
24 commerce. There can be a settlement rate. There can
25 be a just and reasonable litigated rate. So there can

1 be about -- depending on the number of -- there can be
2 five or ten different tariffs.

3 So to the degree that the Department is
4 beginning to advance the argument, while it says the
5 lowest tariff and the State rate is lower than the
6 federal rate, that wasn't intended to be read that way
7 at all. It's the lowest applicable rate. The only
8 applicable rate to determining value to the West Coast
9 is the federal rate, and there may be multiple rates
10 that do that. And all this does is take into
11 consideration that reality.

12 So I think that some of the Department's
13 recent positions are unfortunate and starting to
14 ignore the underlying concepts that our statutes and
15 regulations and settlement agreements have been based
16 on.

17 I notice that the -- I note that the State
18 sale of royalty contracts to in-state refiners is
19 based on the federal -- is based on the federal rate
20 in recognition of this reality. So when the State
21 actually does contracting to determine value in a
22 third-party context, the applicable rate that they
23 apply is the federal rate, because oil in Alaska is
24 priced to the West Coast. And to get to the West
25 Coast, you have to apply a federal rate.

1 So I don't want to get bogged down in the
2 regulation. I would like to back up with a few policy
3 observations. The first is: Why in the world should
4 the Department take the position that Alaskans should
5 pay more for their oil than Californians?

6 If what you're saying there is that the State
7 rate is lower, so we're going to charge that, what
8 you're really saying is we're going to charge
9 producers higher royalty costs to sell to in-state
10 refiners. What you're really saying is, is that
11 you're going to burden Alaskans with an increased cost
12 of their oil compared with refiners in California.

13 There is no policy justification for
14 producers being forced to pay more in royalties
15 because they sell their oil in Alaska than to
16 Californians, and there is no justification for Alaska
17 consumers having to pay more for the products made
18 from oil because the royalty costs are higher on that
19 oil when compared to Californians.

20 So as a policy matter, the market's
21 California, the market's the West Coast. It's been
22 consistently applied. Californians and Alaskans
23 should be paying the same under the "prevailing value"
24 concepts. It doesn't go to the destination of the
25 purchaser. It goes to the netback to the marketplace.

1 And policies which suggest that Alaskans should pay
2 more for their own oil than Californians I think are
3 misguided.

4 Then you have the issue, of course, of, you
5 know, the state rate can be higher or lower than the
6 federal rate. I think what prompted some of these
7 positions by the Department was, is that the state
8 rate was \$1.96 for a while while the federal rate was
9 six dollars. So the Department has taken the position
10 that "Why don't we capture that difference?"

11 Well, I mean, it can go either way. And I
12 think that producers are entitled to a stabler tax
13 regime than one where interpretations that have been
14 applied consistently to in-state sales for decades
15 now, because there's a shift in pricing between state
16 and federal rates, that all of a sudden that now the
17 issue becomes which is the applicable rate for
18 determining royalty purposes.

19 I think that Alaska's best served by
20 consistently applying its tax policies and principles,
21 and I think it's -- and I think certainly independents
22 would encourage -- Anadarko would encourage the
23 Department to apply the consistent interpretation it
24 has applied for decades, and continue to do it and not
25 take the position, because the State of Alaska rate

1 happens to be lower for a period of time, that now
2 this regulation requires reworking or
3 reinterpretation. It doesn't. It doesn't at all.

4 The concept is that prevailing value is a
5 market concept, and you adjust it for the point of
6 sale. And the market that the legislature has picked
7 for all purposes is the West Coast, and the
8 transportation costs that should be considered in
9 determining the State's royalty and severance interest
10 should reflect those choices.

11 I'm happy to answer any questions. I'd
12 encourage you to not promulgate regulations, but to
13 interpret this regulation in the way in which it was
14 intended to be interpreted, and apply -- and determine
15 that the federal rate is the proper applicable rate
16 for determining prevailing value under 171.

17 Do you guys have anything for me? Or I will
18 go sit down.

19 MR. LARSEN: Thanks, Robin. I appreciate
20 your testimony.

21 MR. BRENA: Yeah. Okay.

22 MR. LARSEN: Is there anyone else that would
23 like to provide comment here?

24 On the phone lines, is there anybody that
25 would like to add anything to what Robin said, or make

1 any comments on that? Okay. Hearing none.

2 Robin, thanks for your comments here today.

3 This concludes today's workshop regarding the
4 application calculation of transportation costs for
5 in-state sales of crude oil, including the appropriate
6 tariff under 15 AAC 55.171(g). If you believe your
7 interest in these matters may be impacted, the
8 Department encourages you to provide comment before
9 the close of the comment period.

10 The comment period closes at 4:00 p.m. on
11 Friday, January 26, 2018. And written comments may be
12 submitted to me at John.Larsen@Alaska.gov. That's
13 J-o-h-n, dot, L-a-r-s-e-n at Alaska.gov.

14 They can be hand delivered or mailed to
15 550 West 7th Avenue, Suite 500, Anchorage, Alaska
16 99501, or faxed to me at 907/269-6644.

17 Thank you again everyone here today for your
18 interest in these matters. This hearing -- excuse me.
19 The time is one fifty- --

20 MS. GRAMLING: John.

21 MR. LARSEN: Oh, excuse me. Yes.

22 MS. GRAMLING: John, this is Mary Gramling.
23 The notice for this said that those wishing to provide
24 comment either orally or in writing must be in
25 attendance by no later than 2:30. And so while I

1 understand that no one else there at the moment would
2 like to provide comment, I think just someone should
3 remain at least until 2:30 to make sure there are no
4 latecomers.

5 MR. LARSEN: Thanks, Mary. I will do that.
6 But for everyone else that has other things they would
7 like to take care of, your time is free, if you would
8 like to do so. Thanks again.

9 (Off record.)

10 MR. LARSEN: This is John Larsen. The time
11 is 2:35. No one has shown up to provide any
12 additional comments or testimony, so the hearing is
13 closed at 2:35 on Tuesday, January 9, 2018. Thank
14 you.

15 (Proceedings concluded at 2:35 p.m.)

16 -o0o-

17

18

19

20

21

22

23

24

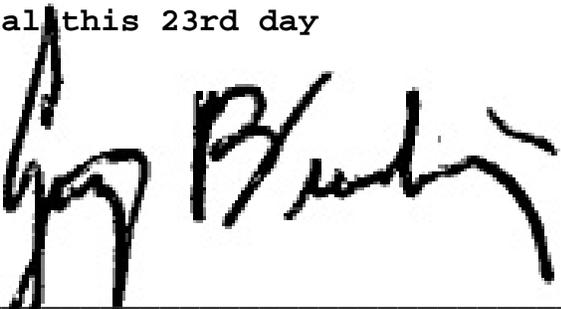
25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATE

I, GARY BROOKING, Registered Professional Reporter and Notary Public in and for the State of Alaska, do hereby certify that the foregoing proceedings were taken before me at the time and place herein set forth; that the proceedings were reported stenographically by me and later transcribed by computer transcription; that the foregoing is a true record of the proceedings taken at that time; and that I am not a party to nor have I any interest in the outcome of the action herein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal this 23rd day of January, 2018.



GARY BROOKING, RPR
My Commission Expires 6/28/2020

<hr/> \$ <hr/>	550 21:15	anticipates 16:19
\$1.96 19:8	<hr/> 7 <hr/>	anyone's 8:21
<hr/> (<hr/>	7th 21:15	applicable 14:3,19,21,25 16:4,9, 10,13 17:7,8,22 19:17 20:15
(a) 13:9,16	<hr/> 9 <hr/>	application 8:4 21:4
(f) 13:15	9 4:1,7 22:13	applied 11:21 14:4 15:23 18:22 19:14,24
(g) 13:13 16:2	907/269-6644 21:16	apply 14:22 16:1 17:23,25 19:23 20:14
<hr/> - <hr/>	99501 21:16	applying 19:20
-o0o- 4:3 22:16	<hr/> A <hr/>	Arabia 14:8
<hr/> 1 <hr/>	AAC 4:12 8:7 11:15 12:22 21:6	argument 15:10 16:5 17:4
1 13:14 14:16,20 15:12	active 12:7	Association 5:20,22
15 4:12 8:7 11:15 12:22 21:6	actual 13:21	assumption 12:10
171 15:6 20:16	add 20:25	attendance 21:25
171(a) 13:6	additional 22:12	audience 10:15
171(f) 13:8	adjust 12:3 13:24 20:5	Avenue 21:15
171(g) 16:3	adjusting 13:5	<hr/> B <hr/>
1:33 4:2,8	adjustment 16:12	back 13:4,12,19 14:12 15:9 16:1 18:2
<hr/> 2 <hr/>	administrative 4:20	based 12:3,23 13:15,16 17:15,19
2018 4:1,7,17 8:18 21:11 22:13	advance 17:4	begin 4:19 9:2,9
26 4:16 8:18 21:11	advanced 15:10 16:5	beginning 5:12 17:4
2:30 21:25 22:3	affiliations 5:14	behalf 6:14 11:10
2:35 22:11,13,15	afternoon 4:4 5:23	believes 10:4
<hr/> 4 <hr/>	agreements 12:12,13 17:15	Bell 6:10,12
4:00 4:17 8:18 21:10	ahead 4:5 10:13	bogged 18:1
<hr/> 5 <hr/>	Akis 5:23	BP 6:21 7:6,21
50 16:15	Alaska 4:1 5:20,21 12:9 15:20 17:23 18:15,16 19:25 21:15	Brandon 5:21
500 21:15	Alaska's 19:19	Brautigam 7:4
55.171 4:12 11:15	Alaska.gov. 21:13	breaking 11:7
55.171(a) 12:22	Alaskans 18:4,11,22 19:1	Brefczynski 5:21
55.171(g) 8:7 21:6	Alper 6:24 9:20	Brena 6:10,12,14 11:3,8,9 20:21
	Anadarko 6:15 7:25 11:10 19:22	built 12:10
	Anchorage 4:1 9:2 21:15	burden 18:11
	Anklam 7:24	buyer 12:16,17,18
	Anna 7:24	

<hr/> C <hr/>		
calculation 8:5 15:18 21:4	concepts 17:14 18:24	delivered 21:14
California 18:12,21	concluded 22:15	Department 4:15 5:16,18 6:1,3,16,18,24 7:14,16 8:9,14,16 9:14 10:4 11:22 15:2 16:6 17:3 18:4 19:7,9,23 21:8
Californians 18:5,16,19,22 19:2	concludes 21:3	Department's 8:11 15:24 17:12
capture 19:10	confidential 8:25	departure 15:24
care 22:7	confirm 9:13	depending 14:10 17:1
carrier 16:23	Conocophillips 6:6,7,8,9,23	destination 14:11 15:4,7 18:24
carriers 16:22	consideration 8:11 17:11	determination 4:10
case 14:15	considered 8:19 20:8	determine 11:12 13:15 15:19 17:21 20:14
catch 10:18	consistent 13:18 19:23	determined 14:6,14
ceiling 16:19	consistently 15:23 16:1 18:22 19:14,20	determines 13:21
cell 4:25 5:2	constraints 9:5	determining 15:15 16:11 17:8 19:18 20:9,16
change 10:8 14:10	consult 8:23	device 5:1
charge 18:7,8	consumers 18:17	Diane 7:6,21 10:10,20
Chevron 7:7,10,22	context 17:22	Dickinson 7:1 9:13,18
choices 20:10	continuance 10:7	difference 19:10
Clarkson 6:11,13	continue 19:24	differential 13:11
clear 11:21 12:20 15:22	contracting 17:21	dollars 19:9
close 4:16 8:17 21:9	contracts 17:18	door 4:23 9:20
closed 22:13	conversation 10:18	dot 21:13
closes 21:10	Correct 9:16	draft 9:17 10:21
closest 12:6	cost 14:18 15:5 18:11	driving 10:2
Coast 12:11,21,23 13:7,10,22 14:17,24 15:16 16:12 17:8,24,25 18:21 20:7	costs 8:5 10:25 12:4 13:12,16 14:3 18:9,18 20:8 21:4	
Colleen 6:1	counsel 8:24	
Colley 7:6,21 10:1,10,14 11:1	couple 4:20 7:18 11:4	
comment 4:16 8:13,17 9:15 20:23 21:8,9,10,24 22:2	court 7:17	
comments 4:14 5:6,13 8:3,11,19,22 9:1,9 10:6 11:4,17 21:1,2,11 22:12	CPA 7:2	
commerce 15:1 16:24	crude 4:11 8:6 21:5	
Committee 5:25		
compared 18:12,19		
completely 13:18		
concept 11:24,25 14:10 20:4,5		
	<hr/> D <hr/>	
	Dan 7:1 9:12,17	
	Dan's 10:8	
	David 6:3	
	decades 15:23 19:14,24	
	Dees 5:17	
	degree 17:3	
		<hr/> E <hr/>
		economic 13:20
		effect 13:3
		electronic 4:25
		elevator 4:22
		encourage 19:22 20:12
		encourages 8:16 21:8
		ensure 8:24
		entered 12:14
		entire 12:9
		entitled 19:12

Erin 6:16		interpret 20:13
Evans 6:8	<hr/> H <hr/>	interpretation 19:23
event 4:21	hallway 4:24	interpretations 19:13
examples 8:12,13	hand 21:14	interpreted 20:14
excuse 21:18,21	happy 20:11	interrupt 10:11
expressly 16:19	hear 5:8 7:18 10:15,16	interrupting 10:12
<hr/> F <hr/>	hearing 21:1,18 22:12	intrastate 15:1
fact 16:17	held 8:8	introduce 5:13
faxed 21:16	helpful 8:14	invited 4:14
federal 14:22 15:1,13,16 16:16, 23 17:6,9,19,23,25 19:6,8,16 20:15	Herbert 6:3	issue 11:20 19:4,17
feedback 8:10 11:12	higher 15:12 18:9,18 19:5	Iversen 6:20 9:24,25 10:2
fifty- 21:19	Hilcorp 7:8,23	<hr/> J <hr/>
final 9:4	Hurley 6:22	J-O-H-N 21:13
fire 4:21	<hr/> I <hr/>	Jack 6:12
forced 18:14	ice 11:7	Jamie 6:7
forces 12:7	Iceland 14:8	January 4:1,7,16 8:18 21:11 22:13
forum 10:23	ignore 17:14	Japan 14:9
forward 9:10	illustrate 8:13	Jennifer 6:5
free 22:7	impacted 8:16 21:7	John 4:18 5:15 9:20,24 10:1,10 11:1 21:20,22 22:10
Friday 4:16 8:18 21:11	in-state 8:5 10:25 11:13 17:18 18:9 19:14 21:5	John.larsen@alaska.gov. 21:12
front 5:6	include 8:22	Jon 6:20 9:24
<hr/> G <hr/>	including 8:6 21:5	justification 18:13,16
gas 5:20,22 12:1	inconsistent 15:3	<hr/> K <hr/>
generally 10:20	increased 18:11	Kara 5:19
George 6:25	incredibly 15:22	Kelly 6:10
Gialopsos 5:23,24	independents 19:21	Ken 6:24 9:23
Giessel 5:24	individual 12:17	kind 9:5 10:7
Glover 6:1	information 8:23,24	Kostka 6:9
good 4:4 5:23	input 8:3	<hr/> L <hr/>
Gramling 7:15 21:20,22	inspection 8:20	L-A-R-S-E-N 21:13
guess 6:25 11:16,18	intended 17:6 20:14	Larsen 4:4,18 5:15 7:5,17 8:1 9:16,19,22 10:4,12,19 11:2,7
guys 20:17	intent 10:22	
	interactive 8:9	
	interest 8:15 14:13 20:9 21:7,18	
	interested 4:13 8:4 10:24	

20:19,22 21:21 22:5,10	Mcgregor 7:8,23	open 9:8
latecomers 22:4	Mckinley 6:18	opportunity 9:7 10:23
Law 7:14,16	mechanism 13:25	orally 21:24
legal 8:24	Members 4:13	order 5:7 9:6
legislature 20:6	methodologies 16:18	
Lennie 5:17	Michael 6:22	<hr/> P <hr/>
life 16:17	microphones 9:8 10:16,17	p.m. 4:2,17 8:18 21:10 22:15
limit 9:6	minus 13:16	part 8:21
lines 7:5 9:3 20:24	misguided 19:3	parties 4:14 8:4 10:5
liquid 12:1,2,5,6 13:19 15:8,18	missed 11:24	pay 18:5,14,17 19:1
listening 5:2	moderator 4:19	paying 18:23
litigated 16:25	Moghadam 6:10	people 5:7 10:15,20
locational 13:11	moment 22:1	period 4:16 8:17 20:1 21:9,10
lower 15:12 16:4 17:5 18:7 19:5 20:1	month 13:8,10	person 4:9,15 9:21
lowest 17:5,7	months 11:22 15:25	phone 4:25 5:3 7:5 9:3 10:11,14 20:24
Lyle 6:25	Moriarty 5:19,20	picked 20:6
<hr/> M <hr/>	move 9:3	point 10:9 12:1,2,3,4,5,6,11 13:4, 5,6,8,13,19,24,25 14:6,12,24 15:8,15,18 20:5
made 16:2 18:17	multiple 16:21,22,23 17:9	policies 19:1,20
Mahoney 7:3	mute 5:3	policy 18:2,13,20
mailed 21:14	<hr/> N <hr/>	posed 14:2
majority 16:17	names 7:18	position 18:4 19:9,25
majors 12:14	nearest 12:1,2,5,6	positions 15:3 17:13 19:7
make 4:14 10:5 11:17 20:25 22:3	Nebesky 7:7,22	post 5:10
making 5:5 9:1	netback 18:25	present 9:7
MALE 7:9	Nicole 7:13	prevailing 4:11 11:13 12:15,18 13:1,21 14:6,9 15:19 18:23 20:4, 16
Manley 7:3	note 8:8 9:4 17:17	price 12:8,21 13:1,2,7,10 14:6,17
Manuel 7:25	notice 9:15 17:17 21:23	priced 17:24
marine 6:8 13:9,16 14:18,20	number 17:1	pricing 12:24 19:15
market 12:7,25 13:1,2,4,24,25 14:7 15:8,19 20:5,6	<hr/> O <hr/>	primarily 12:10
market's 18:20,21	observations 18:3	principles 19:20
marketplace 12:6,7,11,19 13:21 14:12 16:12 18:25	offer 9:21	prior 5:12
Mary 7:15 21:22 22:5	offered 10:6	prize 9:20
matter 14:5 15:14,17 18:20	oil 4:11 5:20,22 8:6 11:13 12:1,22 14:5,7,8,9,11 15:4,7,8 17:23 18:5, 12,15,18,19 19:2 21:5	proceedings 22:15
matters 4:20 8:15 21:7,18		

producers 18:9,14 19:12	referred 11:14	Rudd 6:25
products 18:17	refiners 17:18 18:10,12	Ruebelmann 6:16
prompted 19:6	reflect 20:10	Russia 14:7
promulgate 20:12	reg 10:8	
proper 20:15	regard 11:12,13,17 16:14	<hr/> S <hr/>
proposed 9:17 10:8	regime 19:13	sale 12:3,4,23 13:4,5,6,8,13,20, 24 14:1,4,6,12,24 15:16 17:18 20:6
proprietary 8:23	regulation 11:21 12:20 13:19,23 15:22 18:2 20:2,13	sales 8:5 10:25 11:14 19:14 21:5
provide 8:17 10:7,23 20:23 21:8, 23 22:2,11	regulations 4:12 9:17 12:9 17:15 20:12	Saudi 14:8
provided 8:12	reinterpretation 20:3	scope 11:11
public 4:10,13 8:3,19,20 16:4	relate 14:25	sell 12:16 18:9,15
Pump 13:14 14:16,20 15:11	related 4:12	Senate 5:24
purchaser 18:25	released 9:14	Senator 5:24
purpose 8:2,10	remain 22:3	served 19:19
purposes 19:18 20:7	remains 8:24	set 16:18
put 5:3	reminder 8:19	sets 13:1
<hr/> Q <hr/>	repeat 7:11	settlement 12:12,13 16:24 17:15
question 10:8 12:15,16,17,18 14:2	reporter 7:11,18	severance 12:13 20:9
questions 20:11	request 5:6	Shannon 6:18
<hr/> R <hr/>	require 9:5	shape 12:7
rate 15:11,13,16,17 16:24,25 17:5,6,7,8,9,19,22,23,25 18:7 19:5,6,8,17,25 20:15	requires 20:2	share 11:4
rates 17:9 19:16	reserve 9:5	Sherri 7:25
Ray 7:9	Resources 5:25	shift 19:15
read 17:6	rest 13:3	shown 22:11
real 11:19	Restrooms 4:23	sic 5:1
reality 17:11,20	Revenue 5:16,18 6:2,4,17,19,24	signed 5:4
reasonable 16:25	reviewed 10:21	single 16:23
receive 8:3	revisit 11:20	sit 11:6 20:18
recent 17:13	reworking 20:2	sold 4:11
recently 15:3,24	Reynolds 7:13	solicit 8:10
recognition 17:20	Rives 6:20	sort 15:4
record 22:9	Roberts 6:5	speak 9:21
records 8:20	Robin 6:14 11:9 20:19,25 21:2	specific 8:12
	room 5:13	specifically 11:14
	royalties 18:14	spot 13:7,10 14:17
	royalty 12:12 14:9 17:18 18:9,18 19:18 20:9	stabler 19:12

staff 5:24	15:1 16:4,9,10,13,18,19,20 17:5 21:6	unfortunate 15:25 17:13
stairs 4:21,22		UNIDENTIFIED 7:9
standard 13:2	tariffs 16:6,7,16,21,23 17:2	unintelligible 7:9
start 5:19 11:23 14:16	tax 19:12,20	
started 4:6	teleconference 4:9 5:2,8 7:19	<hr/> V <hr/>
starting 17:13	ten 17:2	Valdez 13:9,12 14:19 15:12
starts 12:25	Teri 6:9	volunteer 11:6
state 4:11 12:13 15:11,17 16:10 17:5,17,20 18:6 19:5,7,15,25	Terminal 13:9 14:20	Volz 6:7
State's 14:13 20:9	terminals 14:18	
stated 10:22	terms 13:20	<hr/> W <hr/>
Station 13:14 14:16,20 15:12	testimony 9:6 20:20 22:12	Wakeland 6:12
statutes 12:9 17:14	theoretical 8:12	wanted 10:5
step 9:10 10:17	thing 15:21	website 5:11
Stephen 7:8,23	things 16:8 22:6	West 12:11,21,23 13:7,10,22 14:17,24 15:16 16:12 17:8,24 18:21 20:7 21:15
Steve 7:3	third-party 17:22	Williams 6:21
Stoel 6:20	thought 9:22	wishing 21:23
straight 12:25	ties 13:20	works 10:9
submission 8:21	time 4:8 9:4 10:9 20:1 21:19 22:7, 10	workshop 4:10,19 5:9,12 8:2,10 10:3,6,22 11:19 21:3
submitted 21:12	today 4:5,7,9,15 21:2,17	workshops 8:8
subtract 13:10,17 14:17,18 15:9	today's 4:10,19 8:2,10 21:3	world 18:3
sudden 19:16	Tom 6:21	writing 4:15 21:24
suggest 19:1	tough 9:11	written 8:19,22 21:11
suggesting 15:3	trace 15:4	
suggestion 16:2	transaction 14:22,23	
suggestions 9:1	transcribed 5:9	
suggests 15:6	transcription 5:10	
Suite 21:15	transferred 12:22	
<hr/> T <hr/>	transportation 8:5 10:24 12:4 14:3 15:5,9,11,13 16:11 20:8 21:4	
tables 5:6	Tuesday 4:1,7 22:13	
taking 5:12	turn 5:1	
talk 10:24	<hr/> U <hr/>	
talking 16:11	ultimate 15:7,8	
tanker 13:12	underlying 17:14	
TAPS 13:17 16:17	understand 11:11 22:1	
tariff 8:6 13:17 14:19,21,22,25	understanding 16:15	