

VIA Electronic Submission

Mr. Steven King
Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
1300 S. Evergreen Park Drive S.W.
Olympia, Washington 98504-7250

**Re: Olympic Pipe Line Company LLC
Notice of Affiliated Interest and Financial Transactions**

Dear Mr. King:

Pursuant to the provisions of RCW 81.16.020 and WAC 480-73-190 as well as RCW 81.08 and WAC 480-73-170, Olympic Pipe Line Company LLC (“Olympic”) hereby provides notice to the Washington Utilities and Transportation Commission (“Commission”) of the following agreements between and among Olympic and its sole member, Arco Midcon LLC (“ARCO”):

- Termination of Second Amended and Restated Financing Agreement, dated as of August 1, 2017, by and between ARCO and Olympic (the “Termination Agreement”);
- \$67,500,000 Member Loan Agreement, dated as of August 1, 2017, by and between ARCO and Olympic (the “Loan Agreement”); and
- 2017 Financing Agreement, dated as of August 1, 2017, by and between ARCO and Olympic (the “Financing Agreement”).

True and correct verified copies of the Termination Agreement, the Loan Agreement and the Financing Agreement (collectively “Member Agreements”) are attached to the Verification of Noel Dike, Olympic’s Secretary and Controller, which is attached hereto as Exhibit 1. The Member Agreements are to become effective as of August 1, 2017.

I. Background of Agreements Previously Disclosed to the Commission

By prior notices, Olympic notified the Commission of agreements between and among Olympic, and its prior shareholders, ARCO and Enbridge Holdings (Olympic) L.L.C (“Enbridge”).¹ By Notice dated July 28, 2017, Olympic advised the Commission of an agreement between ARCO and Enbridge pursuant to which Enbridge transferred all of its shares of common stock of Olympic to ARCO and assigned to ARCO all of Enbridge’s interests in agreements to which Olympic was a party (collectively, the “Enbridge Transaction”).

Following the closing of the Enbridge Transaction, Olympic is being converted from a Delaware corporation to a Delaware limited liability company (the “Conversion”). Following the Conversion, ARCO will be the sole member of Olympic Pipe Line Company LLC.

The agreements disclosed in this Notice terminate and replace the prior agreements by and between Olympic, Enbridge, and ARCO disclosed in prior notices.

II. Effect of Member Agreements on Previously Disclosed Agreements

The Termination Agreement terminates prior loan and financing agreements that were executed by and between Olympic, Enbridge, and ARCO.

The Loan Agreement replaces the Second Amended and Restated Shareholders Agreement dated December 29, 2010 and the First Amendment to the Second Amended and Restated Shareholders Agreement dated December 15, 2015 by and between Olympic, Enbridge, and ARCO (collectively “Shareholders Agreements”). The Loan Agreement amends the terms of the Shareholders Agreements to reflect:

- (1) the change from a Shareholders Agreement to a Member Loan Agreement between Olympic and ARCO following the Enbridge Transaction and Olympic’s conversion to Delaware limited liability company;
- (2) an extension of the deadline for Olympic’s repayment of the principal balance on the loan to December 31, 2025; and

¹ These agreements were previously submitted to the Commission and detailed in Olympic's Notice of Affiliated Interest and Financial Transactions dated December 29, 2015, Olympic's Notice of Affiliated Interest and Financial Transactions dated December 26, 2013, and Olympic's Notice of Affiliated Interest and Financial Transactions dated December 29, 2010.

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(3) a reduction in the interest rate from 5.112% per annum to 3.75% per annum.

Other than these changes, the material terms of the Shareholders Agreements remain unchanged.

The Financing Agreement replaces the Second Amended and Restated Financing Agreement by and between Olympic, Enbridge, and ARCO with a new financing agreement between ARCO and Olympic. Under the Financing Agreement, ARCO agrees to advance sums to Olympic in the maximum amount of \$15,000,000, and, pursuant to promissory notes that will be delivered by Olympic to ARCO with any request for advance, Olympic promises to pay ARCO the sums advanced. These advances may be requested by Olympic consistent with Olympic's approved budget or to address revenue shortfalls, reasonable expenses in excess of the approved budget, new capital projects, or for similar reasons not described in an approved budget. The deadline for Olympic's repayment of the principal balance of any sums advanced under the Financing Agreement is December 31, 2025.

III. The Member Agreements Are in the Public Interest

The financial arrangements between and among Olympic and ARCO that are the subject of this Notice replace the agreements described in the prior notices that have proven over the years to be effective at ensuring Olympic has the means to properly maintain and improve its facilities, finance operations, and provide its common carrier services at reasonable rates, all to the benefit of the public. Other than the change to the parties, repayment dates and the interest on the Loan Agreement, the material terms of the agreements disclosed with this notice have not changed and the benefits to the public continue unchanged.

Should you have any questions regarding the foregoing, please do not hesitate to contact the undersigned.

Sincerely,



Diane M. Meyers