

**BEFORE THE WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND)
TRANSPORTATION COMMISSION)
)
Complainant,)
)
)
v.)
)
OLYMPIC PIPE LINE COMPANY, INC.)
)
Respondent.)
-----)

DOCKET NO. TO-011472

**TESORO REFINING AND MARKETING COMPANY'S
THIRD SET OF DISCOVERY REQUESTS RELATING TO OLYMPIC PIPE LINE COMPANY'S
AMENDED PETITION FOR IMMEDIATE RATE RELIEF**

Tesoro Refining and Marketing Company ("Tesoro"), by and through its attorneys, Brena, Bell & Clarkson, P.C., hereby requests that Olympic Pipe Line Company ("Olympic") respond to the following third set of discovery requests relating to Olympic's Amended Petition for Immediate Relief. Please send all responses and the requested production by electronic mail or facsimile with original to follow to:

Robin O. Brena, Esq.
Counsel for Tesoro West Coast Company
Brena, Bell & Clarkson, P.C.
310 K Street, Suite 601
Anchorage, AK 99501
(907) 258-2000 (phone)
(907) 258-2001 (fax)
rbrena@brenalaw.com (email)

within three (3) days from the date of email or facsimile service of these discovery requests.

VI. **GENERAL INSTRUCTIONS AND DEFINITIONS**

If you do not understand any of the following data requests, in whole or in part, please contact Robin O. Brena, Esq., counsel for Tesoro, at the number listed above for clarification.

If any of the following data requests require an interpretation or assumption for your response, please contact counsel for Tesoro for an explanation, and explain your interpretation of the language and any assumptions in your response.

Please interpret the terms "and" and "or" the singular and the plural, and all similar terms so as to bring within the scope of these data requests all possible information and documents.

1. These data requests are continuing, which means that if Olympic creates, receives, discovers, or otherwise becomes aware of responsive documents subsequent to its production, such information must be produced to Tesoro.
2. These data requests are directed to Olympic, its parent corporations and related entities, its shareholders, its operator, and its officers, directors, employees, and agents. As used in these data requests, when a request refers to "Olympic," "Olympic's shareholders," "your," "you," any of the terms above or to similar terms, the request should be interpreted to be a request to all of the foregoing entities and persons.
3. Please clearly indicate the request to which each of your responses relates.
4. To the extent you consider any of the following data requests objectionable, please set forth your objection in writing, and respond to any portion you do not consider objectionable.
5. Unless otherwise stated, each request concerns the period commencing 1990 and continuing through the final disposition of this proceeding.

II. **INSTRUCTIONS WITH REGARD TO REQUEST FOR ADMISSIONS**

1. Each request shall be deemed admitted unless, within three (3) days from the date of email or facsimile service of these discovery requests, you serve upon Brena, Bell & Clarkson, P.C., a written answer or objection addressed to the subject matter of each and every request for admission.

2. If objection is made to any request for admission, the reason therefore shall be stated. The answer shall specifically deny the matter or set forth in detail the reasons why you cannot truthfully admit or deny the matter. A denial shall fairly meet the substance of the requested admission, and when good faith requires that you qualify your answer or deny only a part of the matter of which an admission is requested, you shall specify so much of it as is true and qualify or deny the remainder.

3. You may not give lack of information or knowledge as your reason for a failure to admit or deny unless you state that you have made reasonable inquiry and that the information known or readily obtainable by you is insufficient to enable you to admit or deny. If you consider that a matter of which an admission has been requested presents a genuine issue for trial, you may not, on that ground alone, object to the request.

III. INSTRUCTIONS WITH REGARD TO INTERROGATORIES

1. The response to each interrogatory is to be fully and separately answered, in writing and under oath.

2. Whenever an interrogatory elicits the name of a person and it is claimed that one or more other persons are affected by reason of an agency or employment relationship between the first named person and the other person or persons, state such fact and also identify each other person.

3. Whenever an interrogatory requires identification of a person or if the answer to an interrogatory refers to a person, please state with respect to each such person his or her name, his or her current business affiliation and title, and his or her current business address, or if that is unknown, his or her last known business address.

4. If an interrogatory requests or requires identification of a document, or the answer to an interrogatory refers to a document, please state with respect to each such document: its nature (e.g., letter, memorandum, photograph, etc.); its title or designation; the date it bears; and the name, title, business affiliation, and business address of the person preparing it, if known.

5. Each interrogatory is intended to, and does, request that each and every particular and part thereof

be answered with the same force and effect as if each part and particular were the subject of and were asked by a separate interrogatory.

6. If you are unable to answer any interrogatory completely, so state, then answer to the extent possible, set forth the reasons for your inability to answer more fully, and state whatever knowledge or information you have concerning the unanswered portion.

IV. INSTRUCTIONS WITH REGARD TO REQUESTS FOR PRODUCTIONS

1. As used herein, the word “document” shall mean the original and any copy, regardless of origin or location, of any work papers, surveys, internal memoranda, book, pamphlet, periodical, letter, memorandum, telegram, e-mail, report, record, study, handwritten note, map, drawing, working paper, chart, paper, graph, index, tape, daily sheet, diary, business calendars, data processing card, accounting record, spread sheet, correspondence, or any other written, recorded, transcribed, punched, taped, filmed, electronically stored, imaged, digitalized data, photographic, or graphic matter, however produced or reproduced, to which you have or have had access.

2. If you claim an objection based on privilege or other discovery immunity, please provide a summary of any documents, including the file names and custodian, author(s), recipient(s), title, date, and number of pages of the documents and attachments, and a description of the nature of the information withheld and the basis for withholding such documents from production.

TESORO'S DATA REQUEST NO. 100:

Please list every proceeding in which Mr. Batch, Ms. Hammer, Ms. Omohundro, Mr. Collins, Mr. Talley, and Dr. Schink have provided sworn testimony and, for each proceeding listed, please provide a copy of such testimony.

TESORO'S DATA REQUEST NO. 101:

Regarding (BCB-8), Page 3, lines 7-9, please;

- (a) Describe in detail what Mr. Batch means by “proper staffing” and “proper procedures” and list every reason why he believes that Olympic Pipeline Company was improperly staffed prior to the Test Year.
- (b) List every improper procedure implemented by Olympic Pipeline Company prior to the Test Year, please include every proper procedure which had been omitted by Olympic Pipeline Company prior to the Test Year.
- (c) Produce any inspection reports, internal operational audits, or other documents which support Mr. Batch’s testimony and/or responses to this request.

TESORO'S DATA REQUEST NO. 102:

Regarding (BCB-8), Page 3, lines 10-13, please;

- (a) List by segment the current “pipeline capacity” of Olympic's pipeline system and list by shipper the current demand for capacity on Olympic's pipeline system.
- (b) Explain whether the “insufficient capacity” mentioned by Mr. Batch is insufficient systemwide or whether such capacity is limited to isolated segments of Olympic's system.
- (c) Produce all engineering studies and documents that discuss the design capacity of the pipeline system.

TESORO'S DATA REQUEST NO. 103:

Regarding (BCB-8), Page 3, lines 22-24, please provide all documents which relate to the approval by the

Olympic Board of Directors of the change in operator of Olympic effective July 1, 2000.

TESORO'S DATA REQUEST NO. 104:

Regarding (BCB-8), Page 4, lines 7-8, please provide a schedule setting forth the details of the calculation of the 1/4 cent a gallon effect of Olympic's requested rate increase.

TESORO'S DATA REQUEST NO. 105:

Regarding (BCB-8), Page 7, please list;

- (a) The WUTC orders relied upon by Mr. Batch in concluding that WUTC approved the use of the "federal oil pipeline rate methodology" in establishing Olympic's rates and tariffs.
- (b) All reasons why the use of the traditional ratemaking methodology followed by the WUTC in establishing rates subject to its jurisdiction "will not send the proper price signals and provide regulatory certainty."

TESORO'S DATA REQUEST NO. 106:

Regarding (BCB-9), Page 3, lines 9-13, please list the date when ARCO first discussed the acquisition of GATX's interest in Olympic and provide all documents related to ARCO's acquisition of GATX's interest in Olympic.

TESORO'S DATA REQUEST NO. 107:

Regarding (BCB-9), Page 5, line 12 through Page 6, line 5, please provide all supporting documents, including workpapers, for each of the cost-of-service amounts identified for 1996 - 1998 and list every significant reason why Olympic chose to request rate increases which were insufficient to cover its cost-of-service. Please produce all documents which are relied upon in responding to this request.

TESORO'S DATA REQUEST NO. 108:

Regarding (BCB-9), Page 6, line 20 though Page 8, line 13, please provide;

- (a) A schedule setting forth the details of the costs of each project undertaken by Olympic

following the June 1999 Bellingham incident to comply with the requirements of the Corrective Action Order (CAO), the First Amendment to the CAO and the Second Amendment to the CAO. In responding to this request, identify each section of the CAO, as amended, for which the costs were incurred and the particular expense or capital account or accounts in Olympic's accounting records in which the costs were recorded.

- (b) A statement fully explaining the actions taken by Olympic and its operator with respect to the ERW pipe installed in Olympic's pipeline system after the Office of Pipeline Safety issued warnings and recommendations mentioned by Mr. Batch at Page 7 of the referenced testimony.

TESORO'S DATA REQUEST NO. 109:

Regarding (BCB-9), Page 9, lines 8 - 17, please indicate whether or not the "revised" regulations issued by the Office of Pipeline Safety presently apply to Olympic and explain whether or not Olympic is required to regularly use internal inspection devices on its system and whether or not the OPS regulations currently impose a requirement on Olympic relative to the "high consequence areas." Please identify each regulation relied upon in responding to this request.

TESORO'S DATA REQUEST NO. 110:

Regarding (BCB-9), Page 11, lines 8-10, please provide copies of all documents submitted to and received from the OPS since June 1, 1999.

TESORO'S DATA REQUEST NO. 111:

Regarding (BCB-21), please confirm which of the 2001 "forecasted" expenditures were actually spent and which have been carried over until 2002.

TESORO'S DATA REQUEST NO. 112:

Regarding (BCB-9), Page 15, lines 3-17, please;

- (a) Produce all supporting documents, including workpapers, relating to each cost-of-service calculation mentioned in the referenced testimony (*i.e.*, \$43,506 MM for 1999 and \$61,227 MM for 2000) and identify the rate of return used to develop the return allowance included in each cost-of-service.
- (b) List all direct and indirect expenses associated with the Bellingham incident and which expenses were included in the determination of Olympic's 1999 and 2000 costs-of-service mentioned in the referenced testimony.
- (c) Identify the person(s) who were responsible for making the decision for Olympic to make the rate filings in 2001 that are the subject of the instant proceeding and the similar proceeding before the FERC relative to Olympic's intrastate and interstate rates and produce all documents and studies prepared by Olympic personnel, or for Olympic, relating to obtaining approval by authorized Olympic or operator personnel to make the interstate and intrastate rate filings on behalf of Olympic.

TESORO'S DATA REQUEST NO. 113:

Regarding (BCB-9), Page 16, lines 1-7, please provide a schedule setting forth in detail the litigation costs and expenses, including attorneys fees and the public affairs expenses, which are included in Olympic's instant intrastate and interstate rate filings. Please explain fully the basis for the inclusion of such items of expense in the rate filings and indicate the particular expense accounts in which such costs are included.

TESORO'S DATA REQUEST NO. 114:

Regarding (BCB-9), Page 16, line 17 through Page 17, line 4, please;

- (a) Describe each "recent regulatory change concerning pipelines" that Mr. Batch believes would have required Olympic to implement an "enhanced integrity management program" and explain in detail what new operations (operations that Olympic was not already performing prior

to the Whatcom Creek accident) Olympic would have had to implement in order to operate an “enhanced integrity management program.”

- (b) Provide all reports (such as BCB-21) which list one-time expenses and capital expenditures, please indicate which were incurred after the Whatcom Creek accident in order to implement Olympic’s “enhanced integrity management program.”

TESORO'S DATA REQUEST NO. 115:

Regarding (BCB-9), Page 18, line 20 through Page 19, line 4, please identify all factors which have caused Olympic's system capacity to have been constrained for at least a decade and illustrate how the system’s capacity was constrained by listing the capacity available in Olympic' s pipeline system for years 1990 through 1999 and comparing it to the annual demand for capacity (by shipper).

TESORO'S DATA REQUEST NO. 116:

Regarding (CAH-2), Page 3, lines 3 - 12, provide the basis for supporting using a base period and test period that was not used to develop the rates filed on July 30, 2001, and provide all regulatory citations which allow for such substitution.

TESORO'S DATA REQUEST NO. 117:

Please list all studies, analyses, and any other workpapers prepared by, or on behalf of, Mr. Batch, Ms. Hammer, Ms. Omohundro, Mr. Collins, and Dr. Schink which support their testimony in this proceeding. Please produce copies of all such studies, analyses, and workpapers in electronic and “hard-copy” paper format.

TESORO'S DATA REQUEST NO. 118:

Please list all items in Case 1 that are different from the same items in Case 2, explain in detail the rationale for each revision and indicate the difference.

TESORO'S DATA REQUEST NO. 119:

At (CAH-2), Page 2, line 20 through Page 3, line 1, Ms. Hammer states that she is "personally responsible for overseeing the development and maintenance of Olympic's books and records." Please provide the following for 1997 to the present: (1) all monthly financial statements including separate balance sheets, income statements, and cash flow statements; (2) all internal and external audit workpapers; (3) all monthly general ledger entries for all expenses by month including the payee, the account code and AFE code information, and all explanations for the expenses; and (4) for the base period only, an accrual to cash schedule detailing differences between actual cash expenditures in a month and accrued expenses.

TESORO'S DATA REQUEST NO. 120:

Please list all carrier plant additions made from 1999 through 2002 (identifying the account, amount, and date of those additions) which are included in the rate base reflected in Olympic's rate filing and which were replacements for existing plant damaged by the Whatcom Creek accident. Please explain whether or not Olympic expects to receive a reimbursement for any of these costs and provide all insurance claims submitted by or on behalf of Olympic arising from the Whatcom Creek accident.

TESORO'S DATA REQUEST NO. 121:

Provide a monthly list by project, account, expenditure and AFE expenditures for capital additions included in Olympic's rate base from 1998 to present.

TESORO'S DATA REQUEST NO. 122:

Provide the monthly general ledger for the CWIP account from 1995 to date and identify the projects associated with the amounts included in such CWIP accounts.

TESORO'S DATA REQUEST NO. 123:

At (CAH-2), Page 4, lines 4 - 5 and 9 - 15, Ms. Hammer addresses the sale of the SeaTac Terminal. Please provide all workpapers supporting her adjustment of \$3.6 million "made to reflect the expected sale of the SeaTac terminal." Please list the original cost of the facility by account that is reflected in the Base Year or historical data

and identify all amounts, on a monthly basis, which related to CWIP, AFUDC and Deferred Income Taxes applicable to such facilities. Also, please state the expected amount of gross proceeds from the sale of the terminal.

TESORO'S DATA REQUEST NO. 124:

At (CAH-2), Page 4, lines 16 - 19, Ms. Hammer addresses Working Capital. Please explain the rationale for using 13 month average balances rather than end of year balances.

TESORO'S DATA REQUEST NO. 125:

At (CAH-2), Page 4, line 20 through Page 5, line 8, Ms. Hammer addresses the development of CWIP in the Test Period, as well as the Cross Cascades Project. Please indicate;

- (a) Whether or not the July 30, 2001 filing, where Olympic developed both interstate and intrastate rates, included amounts related to the Bayview Terminal and/or the Cross Cascades Project in both CWIP and AFUDC for the Historical, Base and Test Periods contained in that filing.
- (b) Whether or not the current filing removes the Bayview Terminal and/or Cross Cascades Project Costs from all portions of CWIP and AFUDC; if they are not removed, provide a listing by FERC Plant Account of the amounts contained therein and provide the amount of Accrued Depreciation, Depreciation Expense, CWIP, AFUDC and Deferred Income Taxes included.

TESORO'S DATA REQUEST NO. 126:

Please list by month all shipments that have been made through the Bayview Terminal and identify the shipper, volume, product, date for each shipment, number of days the product was stored in each tank, and the purpose for the storage. Also, please produce all run tickets and any other batching records.

TESORO'S DATA REQUEST NO. 127:

_____At (CAH-2), Page 5, line 9 through Page 9, line 3, Ms. Hammer addresses Operating Expenses. At Page 5, line 17 through Page 6, line 6, she addresses the Whatcom Creek "incident."

- (a) Provide a printout and/or electronic version of the monthly items and costs that were

tracked through the "project numbering system" from date of inception to the present time.

- (b) Provide the listing of and amounts of the monthly indirect items and costs associated with the incident, including but not limited to, fees to lawyers, public relation firms, or any other consultant or firm that was hired to respond to the incident in any manner.
- (c) Provide the items and amounts that were booked to the casualty and loss account and the Claims Receivable balance sheet account.
- (d) Provide the name of the "Claims Receivable" balance sheet account as that account is actually listed on the balance sheet.
- (e) Indicate if there are any amounts for direct or indirect costs associated with the accident included in any cost or rate base item for periods outside of the Base and Test Years. Also, please indicate who determines what constitutes a "direct cost" associated with the accident.
- (f) Provide a similar listing of all safety measures taken or waiting to be taken as a result of any Office of Pipeline Safety Corrective Action Order. Include other agencies as well.

TESORO'S DATA REQUEST NO. 128:

At (CAH-2), Page 6, lines 12 - 17, Ms. Hammer addresses the methodology used to develop Test Year Expenses and lists the ten (10) expense areas where adjustments were made. Please list each adjustment to the expense area and identify all one time or extraordinary expense items that were not removed from each account.

TESORO'S DATA REQUEST NO. 129:

For the Base and Test Years, please list all employees and identify any employee that is also employed by or performing services for a company other than Olympic.

TESORO'S DATA REQUEST NO. 130:

Please identify any allocation of General and Administrative expenses that any third party, owner, or operator of Olympic's pipeline charged to the company during the Base and Test Years and provide all calculations of such allocation for the Base and Test Years.

TESORO'S DATA REQUEST NO. 131:

For the Base and Test Years, list all service providers that Olympic includes in "Outside Services" and explain the nature of service provided to Olympic. Also, please provide for the Base and Test Years: (1) all monthly general ledger account entries for "Outside Services" by month including the payee, the account code and AFE code information and all explanations for the expenses; and (2) for the base period only, an accrual to cash schedule detailing differences between actual cash expenditures in a month and accrued expenses.

TESORO'S DATA REQUEST NO. 132:

Please provide all monthly supporting data for Fuel and Power Costs for the years 1996 through 2001. Please explain the difference in Power Costs included in the July 30, 2001 filing with the amount currently used in the Cost-of-service. Also, please provide all calculations supporting the Power Costs and DRA adjustments included in the instant filing, as well as the July 30, 2001 filing.

TESORO'S DATA REQUEST NO. 133:

Please identify the date that Olympic has projected that the system will be able to return to 100% pressure and capacity and explain any contingencies that could accelerate or delay this date. Please state the level of throughput that occurs at % 100 operating pressure and state the level of throughput that occurs at 100% operating pressure when the Drag Reduction Agent (DRA) is added.

TESORO'S DATA REQUEST NO. 134:

At (GRS-2), Page 6, lines 108 - 110, Dr. Shink makes reference to having "reviewed the relevant published economic and financial literature." Please list the citations of the all of the relevant published economic and financial literature which was reviewed by Dr. Schink and was used to form his basis for his opinion. Please provide a copy of the relevant page(s) relied upon by Dr. Schink to form that opinion.

TESORO'S DATA REQUEST NO. 135:

At (GRS-2), Page 7, lines 124 - 128, Dr. Schink states that Olympic faces "substantial active competition from tankers and barges." Please identify all receipt points and delivery areas that are not served by barges or tankers and list what he considers to be the "significant volumes" that are referenced on lines 127 - 128.

TESORO'S DATA REQUEST NO. 136:

Regarding (GRS-2), Page 7, line 136 through Page 8, line 139, please provide copies of all studies performed by Dr. Schink with regard to the direct competition faced by the Proxy Oil Pipeline Companies that were relied upon in formulating his recommended common equity cost rate for Olympic Pipeline.

TESORO'S DATA REQUEST NO. 137:

Regarding (GRS-2), Page 13, lines 239 - 243, Dr. Schink notes that "prior to Olympic's accident, waterborne movements accounted for about 21.4% of the total local refinery output in Seattle," and "[i]n the Portland area, barge and tanker deliveries amounted to over 25% of total supply in 1998." Please provide all supporting data relied upon in making this statement. Also, provide the same information for Olympic for 1999 and 2000 and for each of the companies in The Oil Pipeline Proxy Group Companies relative to their service territories for the years 1998, 1999 and 2000. Please include all supporting data relied upon for each individual company.

TESORO'S DATA REQUEST NO. 138:

Regarding (GRS-2), Page 13, lines 245 - 246, please provide the referenced news reports.

TESORO'S DATA REQUEST NO. 139:

Regarding (GRS-2), Page 14, lines 256 - 263, please provide a complete copy of the referenced U.S. Army Corps data.

TESORO'S DATA REQUEST NO. 140:

Regarding (GRS-2), Page 20, lines 372 - 373, please provide a copy of all studies performed by Dr. Schink of oil pipeline companies, including his Proxy Companies, which measure their business risk, on a relative basis vis-a-vis Olympic Pipeline. Also, please explain how Dr. Schink distinguishes and quantifies the impact of

waterborne competition from any other type of competition.

TESORO'S DATA REQUEST NO. 141:

Regarding (GRS-2), Page 22, lines 411 - 415, please provide quantification of the degree of financial risk difference between the capital structure ratios recommended by Dr. Schink for determining Olympic Pipeline's cost of capital, and those of The Oil Pipeline Proxy Group Companies relied upon for the determination of common equity cost rate. Also, please explain what degree of financial risk difference exists and how was it taken into account in formulating his recommended common equity cost rate for Olympic Pipeline (either before or after Dr. Schink's adjustment for above-average risk)._____

TESORO'S DATA REQUEST NO. 142:

Regarding (GRS-2), Page 24, lines 453 - 473, please explain whether or not the "rate of return" referred to in this discussion is the rate of return on common equity or the overall rate of return.

TESORO'S DATA REQUEST NO. 143:

Regarding (GRS-2), Page 25, lines 486 - 487, please list and discuss in detail all of the elements that would make an "alternative" investment one of "comparable risk."

TESORO'S DATA REQUEST NO. 144:

Regarding (GRS-2), Section B (The approach adopted by the Commission), Page 5, line 488 through Page 31, line 610, please indicate if it is Dr. Schink's opinion that the WUTC should rely exclusively upon the FERC methodology in determining the appropriate rate of return and explain in detail the rationale for this opinion.

TESORO'S DATA REQUEST NO. 145:

Regarding (GRS-2), Page 30, lines 583 - 588, please provide all academic and empirical support in Dr. Schink's possession, or of which he is aware, which supports investors' use of a 2/3 and 1/3 weighting to the "expected annual growth rate of earnings-per-share over the upcoming five-year period" and "the expected long-term growth rate in nominal U.S. gross domestic product (GDP) over the subsequent 15 to 20 year period" in arriving at their estimation of the long-term investor required market appreciation.

TESORO'S DATA REQUEST NO. 146:

Regarding (GRS-2), Page 30, lines 585 - 586, please provide all academic and empirical support in Dr. Schink's possession, or of which he is aware, which supports investors' use of "the expected long-term growth rate in nominal U.S. gross domestic product (GDP)" in arriving at their estimation of the long-term investor required appreciation in the market values of common stocks.

TESORO'S DATA REQUEST NO. 147:

Regarding (GRS-2), Page 31, lines 598 - 599, please provide a complete copy of the DRI-WEFA, EIA and SSA long-run forecasts as referenced.

TESORO'S DATA REQUEST NO. 148:

Regarding (GRS-2), Page 33, lines 637 - 646, please provide the ex-dividend, dividend record and dividend payment dates of each of The Oil Pipeline Proxy Group Companies.

TESORO'S DATA REQUEST NO. 149:

Regarding (GRS-2), Page 33, lines 637 - 649 please provide;

- (a) All academic and empirical support in Dr. Schink's possession, or of which he is aware, which supports investors' use in arriving at their expected dividend yield for common stock securities and the methodology outlined therein by Dr. Schink.
- (b) Copies of the relevant portions of all regulatory commission orders in Dr. Schink's possession, or of which he is aware, in which such a methodology for deriving the expected dividend yield was adopted.

TESORO'S DATA REQUEST NO. 150:

Regarding (GRS-2), Page 38, line 741, please indicate if Dr. Schink believes that individual investors would, in addition to normal distribution data, rely upon log-normal distributions data and identify the specific advisory services from which individual investors would obtain such information. Please provide all empirical evidence in Dr. Schink's possession, or of which he is aware, which would confirm that individual investors rely upon log-normal distribution data.

TESORO'S DATA REQUEST NO. 151:

Regarding (GRS-2), Page 51, line 955 through Page 55, line 1009, please provide the capital structure ratios, with and without short-term debt, for Olympic and each of The Oil Pipeline Proxy Group Companies for the years 1996 - 2000. Please indicate which of these capital structures and related ratios Dr. Schink reviewed before formulating his recommendations in this proceeding.

TESORO'S DATA REQUEST NO. 152:

Regarding (GRS-2), Page 54, lines 986 - 987, please list each transaction where equity capital from each of Olympic's parent companies was provided to Olympic commencing from the dates of ownership by each parent company.

TESORO'S DATA REQUEST NO. 153:

Regarding (GRS-2), Page 54, lines 988 - 991 please;

- (a) Please provide all academic and empirical analyses performed by Dr. Schink that demonstrate "it is reasonable to presume that Olympic's parents' actual capital structures are the one(sic) which result in the lowest overall cost of capital "
- (b) Indicate whether or not the prices charged by Olympic's parent companies for their products and services were established in the same manner as the prices charged by Olympic.
- (c) Please explain the answer to Part (b) above in detail, elaborating upon any differences in the levels of financial risk which are attributable to differences in business risk and also on the prices charged to their customers (*i.e.*, the parents' vs. subsidiary's (OPL)).

TESORO'S DATA REQUEST NO. 154:

With regard to (GRS-2), Page 54, lines 992 - 994, please produce all academic and empirical support in Dr. Schink's possession, or of which he is aware, which supports his opinion that utilizing an 82.92% common equity ratio offsets the above average business risk which he believes Olympic experiences vis -a-vis the average Proxy Oil Pipeline Company.

TESORO'S DATA REQUEST NO. 155:

Regarding (GRS-2), Page 54, lines 992 - 994, please specify the common equity ratios of the five Proxy Oil Pipeline Companies utilized by Dr. Schink in his study by company and group average for the calendar year 2000.

TESORO'S DATA REQUEST NO. 156:

Regarding (GRS-2), Page 55, lines 1004 - 1005, please produce all academic and empirical support in Dr. Schink's possession, or of which he is aware, which supports his opinion that beta is a measure of the business risk faced by a firm.

TESORO'S DATA REQUEST NO. 157:

To the extent not provided previously in response to these data requests, please provide a complete copy of all workpapers, source documents, articles referenced or cited, textbook excerpts referenced or cited, etc., including all electronic spreadsheets developed by and relied upon by Dr. Schink in preparing his direct testimony and accompanying exhibits.

TESORO'S DATA REQUEST NO.158:

Regarding (BJT- 1T), Page 3, lines 17 - 21, please provide;

- (a) A statement confirming that the pressure limitation imposed by the OPS Corrective Action Order related to the maximum operating pressure of Olympic's pipeline system as opposed to the maximum allowable operating pressure mentioned in the testimony.
- (b) The specification of the present capacity of Olympic's pipeline system, stated in terms of barrels per day.
- (c) The maximum operating pressure of Olympic's pipeline system prior to its derating by the OPS CAO. In responding to this request, in the event the MOP is different for various segments of the system, separately list the MOP for each such segment.
- (d) The flow rates of product transported by Olympic prior to the imposition by the OPS in its CAO the requirement to operate the system at the reduced pressure.

TESORO'S DATA REQUEST NO. 159:

Regarding (BJT-1T), Page 4, lines 1 - 9, please state whether it is Mr. Talley's position that the OPS was prompted to issue its second amendment to its initial Corrective Action Order solely because of the failure which occurred on September 18 on the portion of Olympic's 16-inch pipeline running through the city limits of the City of Bellingham as that segment was being hydrotested.

TESORO'S DATA REQUEST NO. 160:

Regarding (BJT-1 T), Page 5, lines 15 - 22, please provide a statement confirming that the OPS also issued a letter on March 9, 2000 to Mr. Carl Gast, in care of Olympic, which included an attachment stating, among other things, that there still were uncertainties as to the cause of the failure of Olympic's pipeline on June 10, 1999.

TESORO'S DATA REQUEST NO. 161:

Regarding (BJT- 1T), Page 5, lines 3 - 5, please state whether Olympic took any action to reduce the pressure of its pipeline system following the issuance by the OPS alert letter mentioned in the referenced testimony, in which pressure reduction was one of the recommendations contained in the OPS alert letter. Also, please provide the date of the OPS alert letter.

TESORO'S DATA REQUEST NO. 162:

Regarding (BJT-1T), Page 5, lines 15 - 22, with regard to the March 9, 2000 letter sent to Mr. Gast and the attachment thereto, which is discussed in 161 above, the OPS mentioned several items it had reviewed in its investigation of the failure of Olympic's 16-inch pipeline in Bellingham on June 10, 1999. With regard to the OPS investigation of the Bellingham incident, provide a copy of all documents submitted by Olympic to the OPS relating to the investigation of such incident.

TESORO'S DATA REQUEST NO. 163:

Regarding (BJT-1T), Page 7, lines 9 - 22, please provide statements;

- (a) Fully explaining whether, in view of the capacity restrictions Olympic claims have existed on its system for at least a decade (see testimony of Bob Batch), parts of the system can be brought back to full operating pressure before the entire system is brought back to such pressure. In responding to this request, provide all documents relied upon and all documents prepared by or for Olympic relating to returning the pipeline operating pressure back to 100%.
- (b) Identifying the particular portions of the OPS directives to Olympic which require that Olympic evaluate its total system using the TFI tool before the OPS will consider granting Olympic approval to return its pipeline system to 100%.
- (c) Identifying the specific section of the 16-inch main line which Mr. Talley refers to as the "north portion."
- (d) Identifying whether Olympic has completed a hydrotest of the entire length of the 16-inch main line.

TESORO'S DATA REQUEST NO. 164:

Regarding (BJT-1T), Page 14, line 15 through Page 15, line 5, please provide;

- (a) The identity of the Olympic engineer who was selected to manage all Whatcom Creek-related projects and expenses, and a statement fully describing the duties of this Olympic engineer.

- (b) The process by which projects and expenses related to the Whatcom Creek incident were separated before being given to the Olympic engineer for his review. If the costs for those projects and expenses were not separated prior to being given to the Olympic engineer assigned to manage all Whatcom Creek-related projects and expenses, provide a statement fully explaining the process by which the engineer separated all projects and expenses related to the Whatcom Creek incident from all other projects and expenses undertaken by Olympic.
- (c) A statement fully explaining the procedures followed by ESIS, Inc. in determining the relationship of the billings selected by the Olympic engineer to the Whatcom Creek incident.
- (d) A statement fully explaining the procedures followed by Crawford Technical Services, Inc. to adjust all third-party claims for personal injury damages, property damage and business loss.
- (e) All reports and documents prepared by the Olympic engineer, ESIS, Inc. and Crawford Technical Services, Inc. relating to their reviews of records related to the Whatcom Creek incident.
- (f) The costs incurred by Olympic relative to the reviews performed by the Olympic engineer, ESIS, Inc. and Crawford Technical Services, Inc.
- (g) A statement fully explaining whether the costs requested in (g) above have been excluded from Olympic's cost-of-service in the instant proceeding. If such costs have not been excluded, provide a statement explaining the basis for not excluding such costs and identify the accounts in which such costs are included in such cost-of-service.
- (h) The identities of the ESIS, Inc. and Crawford Technical Services, Inc. personnel who worked on the review processes mentioned in the referenced testimony.

TESORO'S DATA REQUEST NO. 165:

Regarding (BJT-1T), Page 15, state whether Page 15 of Mr. Talley's testimony is the final page thereof and

the answer ending on line 17 completes his direct testimony.

TESORO'S DATA REQUEST NO. 166:

Please list all files in the following directory "common/olympic/project budgets/Olympic" (See bottom of Exhibit 40 page 12 for complete path) and produce both an electronic copy and hard copy printout of the files listed. (As an example, Olympic must list and produce all the electronic and hard copy of the "2001 Olympic Project Budget" dated "February 13, 2001" with a computer pathway as follows "common/olympic/project budgets/Olympic BDGT Feb 13 01.xls")

TESORO'S DATA REQUEST NO. 167:

Regarding Mr. Batch's testimony in the interim proceeding that other employees of Olympic are in charge of Whatcom Creek repairs and accounting, please identify the engineer(s) and bookkeeper(s) in charge of Whatcom Creek repairs and accounting. Please produce all engineering studies, internal operations audits, operations reports that address the Whatcom Creek accident repairs.

TESORO'S DATA REQUEST NO. 168:

For 1997 to the present, please produce copies of all authorizations for expenditures, including any supporting documents, (hereinafter "AFE's). Please list (include the date, amount, and purpose) all expenditures that have been made pursuant to AFE# 4-38501 through AFE# 4-38525. If such information is in a general ledger format, then produce both a hard copy and an electronic copy of the listing.

TESORO'S DATA REQUEST NO. 169:

For 1999 to the present, please list (including the date, amount, and purpose) all expenditures that have been made to British Petroleum (BP) or any of its affiliates. If such information is in a general ledger format, then produce both a hard copy and an electronic copy of the listing.

TESORO'S DATA REQUEST NO. 170:

For 1999 to the present, please list all expenditures that have been allocated by BP or any of its affiliates to Olympic and explain the methodology for such allocation. Also, please list the names of all employees whose salaries or compensation is being allocated by BP or any of its affiliates to Olympic and indicate the other pipelines or pipeline companies for which those employees perform services. If such information is in a general ledger format, then produce both a hard copy and an electronic copy of the listing.

DATED this 1st day of February, 2002.

BRENA, BELL & CLARKSON, P.C.
Attorneys for TESORO WEST COAST COMPANY

By _____
Robin O. Brena, Alaska Bar Assoc. No. 8410089
David W. Wensel, Alaska Bar Assoc. No. 9306041
310 K Street, Suite 601
Anchorage, AK 99501
(907) 258-2000

_____) ss.
 _____)
 (Judicial District/County)

I, _____, being
 first duly sworn upon oath depose and state that I am the
 _____ of OLYMPIC PIPE LINE
 COMPANY and am authorized to act on behalf of said
 corporation; that I have read the foregoing Answers to
 Interrogatories and believe them to be true.

SUBSCRIBED AND SWORN TO before me on
 this ____ day of _____, 2002.

Notary
 Public in and for

 (State) My
 commission expires: _____

As to objections:

FOR OLYMPIC PIPE LINE COMPANY
 COIE LLC

COUNSEL
 PERKINS

Dated _____ By _____

Steven C. Marshall

Patrick W. Ryan

CORPORATE VERIFICATION