

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

WASHINGTON UTILITIES AND)	
TRANSPORTATION COMMISSION,)	DOCKET TO-011472
)	
Complainant,)	COMPLAINT AND ORDER
)	SUSPENDING TARIFF
v.)	REVISIONS AND
)	INSTITUTING
OLYMPIC PIPE LINE COMPANY, INC.)	INVESTIGATION; DENYING
)	REQUEST FOR POLICY
Respondent.)	STATEMENT OR
)	DECLARATORY ORDER
.....)	

BACKGROUND

1 On October 31, 2001, Olympic Pipeline Company (Olympic) filed with the Commission a new Tariff WUTC No. 23, canceling and replacing WUTC No. 21. The new tariff would increase all transportation rates and charges by 62 percent. On the same date, Olympic filed two petitions. The first petition is entitled "Petition of Olympic Pipeline for an Order Authorizing an Immediate Rate Increase Subject to Refund." This petition requests immediate effectiveness (on December 1, 2001) of WUTC Tariff No. 23, subject to refund. The second petition seeks a policy statement or, in the alternative, a declaratory order on ratemaking methodology.

2 The tariff filing would increase charges and rates for service provided by Olympic. Because those increases might injuriously affect the rights and interests of the public, and because Olympic has not demonstrated that the increases would result in rates that are fair, just, and reasonable, the Commission suspends the tariff filing and will hold public hearings to determine whether the proposed increases are just and reasonable.

3 The Commission also has determined, pursuant to RCW 34.05.413(1) and RCW 34.04.422, that Olympic's petitions should be considered in an adjudicative process. Therefore, the Commission denies the request for a policy statement or declaratory order on procedural grounds, inasmuch as the questions raised in the petition will be addressed in the adjudication.

4 These matters were brought before the Commission at its regularly scheduled open meeting on November 16, 2001. All participants in the open meeting discussions asked

that the Commission resolve the issues associated with the filings in an expedited manner. The Commission anticipated this, and issued a notice of hearing for Wednesday, November 21, for the consideration of the issues or such of them as remain for decision following the November 16 open meeting.

FINDINGS

- 5 (1) Olympic is a pipeline company and is a public service company subject to the jurisdiction of the Commission.
- 6 (2) The tariff revisions filed by Olympia on October 31, 2001, would increase charges and rates for service provided by Olympic, and might injuriously affect the rights and interests of the public.
- 7 (3) This proceeding is of precedential nature as described in WAC 480-09-480(2)(b).
- 8 (4) As required by RCW 81.04.130, Olympic bears the burden of proof to show that the proposed tariffs are fair, just and reasonable. The ultimate issues involved include whether the proposed tariff revisions are fair, just, reasonable, and sufficient and in the public interest, as well as whether existing rates are just, fair, reasonable, and sufficient and in the public interest. These issues include consideration of alternative rate designs and rate structures.
- 9 (5) In order to carry out the duties imposed upon the Commission by law, and as authorized in RCW 81.20.020, the Commission must investigate Olympic's books, accounts, practices and activities; make a valuation or appraisal of Olympic's property; and investigate and appraise various phases of Olympic's operations. Olympic may be required to pay the expenses reasonably attributable and allocable to the investigation to the extent the requirements for such payment are consistent with chapter 81.20 RCW.

ORDER

10 THE COMMISSION ORDERS:

- 11 (1) The operation of the tariff revisions filed by Olympic on October 31, 2001, is suspended.
- 12 (2) The Commission shall convene a preheating conference pursuant to a notice of hearing issued in this matter.
- 13 (3) Olympic must not change or alter the tariff revisions filed in this docket during the period of suspension without prior written authorization of the Commission.

- 14 (4) Pursuant to chapter 81.20 RCW, the Commission will institute an investigation of Olympic's books, accounts, practices, activities, operations, and a valuation or appraisal of Olympic's property as described above.
- 15 (5) Olympic shall pay the expenses reasonably attributable and allocable to the Commission's investigation to the extent the requirements for such payments may be in accordance with the provisions of chapter 81.20 RCW.
- 16 (6) Because the Commission has determined to address the question of applicable ratemaking methodology in the context of the adjudication, the Commission denies Olympic's petition for a policy statement or declaratory order.

DATED at Olympia, Washington, and effective this 19th day of November, 2001.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

RICHARD D. HEMSTAD, Commissioner

PATRICK J. OSHIE, Commissioner