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December 2, 2003

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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

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Washington Utilities and Transportation Commission
1330 South Evergreen Park Drive S.W.
Olympia, WA 98504-7250

Re: Docket No. _____(new)
Joint Petition of Olympic Pipe Line Company, Tesoro Refining and
Marketing Company, and ConocoPhillips Company

Ladies and Gentlemen:

Enclosed please find for filing an original and nineteen (19) copies of the Joint Petition of Olympic Pipe Line Company, Tesoro Refining and Marketing Company, and ConocoPhillips Company seeking approval of a Settlement Agreement relating to rates to be charged by Olympic. Also enclosed is a disk containing information showing how the rates are calculated under the Agreement.

Please let us know if you have any questions about these materials.

Very truly yours,

DANIELSON HARRIGAN LEYH & TOLLEFSON LLP



Karl F. Oles
Counsel for Olympic Pipe Line Company

KFO:ak
Enclosures

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STATE OF WASH
UTILITIES AND TRANSP
COMMISSION

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of

OLYMPIC PIPE LINE COMPANY, TESORO
REFINING AND MARKETING COMPANY
AND CONOCOPHILLIPS COMPANY

For an Order Approving Terms of a Settlement
Agreement Between Olympic, Tesoro and
ConocoPhillips and Approving Rates Set Pursuant
to Said Agreement.

Docket No. TC-031973

JOINT PETITION OF
PETITIONERS OLYMPIC PIPE
LINE COMPANY, TESORO
REFINING AND MARKETING
COMPANY, AND
CONOCOPHILLIPS COMPANY

IDENTITY OF PETITIONERS

1. The Petitioners are Olympic Pipe Line Company ("Olympic"), Tesoro Refining and Marketing Company ("Tesoro") and ConocoPhillips Company ("CP"). Olympic is engaged in the business of transporting petroleum products within and beyond the State of Washington as a common carrier. Tesoro and CP ship products on Olympic's pipeline and are two of Olympic's largest unaffiliated shippers. In accordance with WAC 480-09-420(3), Petitioners' names and addresses are shown below. Please direct all correspondence related to this Petition as follows:

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ConocoPhillips Company

P.L. Frederickson
Executive Vice President
600 North Dairy Ashford Rd.
Houston, TX 77079

RELEVANT STATUTES AND REGULATIONS

2. This Petition is based upon, or may bring into issue, the following statutes and rules: RCW 81.04.130, RCW 81.04.250, RCW 81.28.010, RCW 81.28.050, WAC 480-09-200, WAC 480-09-230, WAC 480-09-330, WAC 480-09-420, WAC 480-09-460, and WAC 480-09-466.

RELIEF REQUESTED

3. The Petitioners respectfully petition the Washington Utilities and Transportation Commission (the "Commission") for an order (a) approving the Settlement Agreement ("Agreement") recently entered into between Olympic, Tesoro, and CP, (b) allowing the initial rate filing under the terms of the Agreement to go into effect by operation of law without suspension on January 1, 2004, and (c) granting other relief as requested below.

4. The Agreement is the result of extensive negotiations intended to resolve the unique challenges presented by Olympic's present circumstances. The Agreement is in the public interest and should be approved by this Commission. A copy of the Agreement is attached to this Petition. The United States Bankruptcy Court, Western District of Washington, approved the Agreement on November 26, 2003, in the proceeding of Olympic Pipe Line Company, No. 03-14059 (Ch. 11).

5. Subject to approval by the Commission (as well as the Federal Energy Regulatory Commission ("FERC")), the Agreement includes new rates for Olympic's intrastate services as well as a methodology for the determination of future intrastate rates during the term of the Agreement.

6. The Agreement, including the initial rates and the rate-setting methodology set forth in the Agreement, has been extensively negotiated between Olympic and its major unaffiliated shippers and is in the public interest. The future tariffs that will be filed pursuant to the Agreement will be the product of applying the methodology set forth in the Agreement, which has been agreed to among the parties. The methodology will result in

future rates during the term of the Agreement that will vary based upon Olympic's actual costs and throughput. The Agreement also provides for a mechanism for resolution of disputes among the parties through negotiation and arbitration. Nothing in the Agreement is intended to supplant or affect the authority of the Commission to review and approve or disapprove such rates.

7. The Agreement resolves all disputes among the parties relating to the initial rates to be set effective January 1, 2004, the methodology to be applied in setting future rates during the term of the Agreement, and all disputes related to intrastate refunds ordered by the Commission in its Twentieth Supplemental Order dated September 27, 2002 ("Final Order") in Docket No. TO-011472.

8. The Agreement is the product of extensive discussions, negotiations, and drafting sessions among Olympic and the two major shippers who join in this Petition. The parties agree that the Agreement is in the public interest for several reasons. It will resolve contentious present and future litigation before multiple forums. It should result in greater rate stability for Olympic and its shippers. The Agreement is a critical element of the reorganization plan that is designed to allow Olympic to remain in business and to return to normal operations. If the Agreement does not receive the necessary approvals or cannot be implemented in a timely manner, Olympic's ability to attract financing and emerge from bankruptcy will be severely hampered.

STATEMENT OF FACTS

9. Olympic is a Delaware corporation that owns and operates a common carrier pipeline transporting petroleum products both within and outside the State of

Washington. Olympic is a stock company owned by ARCO Midcon LLC, a subsidiary of BP Pipelines (North America) Inc. (“ARCO Midcon”), and Shell Pipeline Company LP (“Shell”), formerly Equilon Pipeline Company LLC.

10. Tesoro Refining and Marketing Company (“Tesoro”) is a wholly-owned subsidiary of Tesoro Petroleum Corporation. Tesoro owns and operates a refinery in Anacortes, Washington, and ships petroleum products over Olympic’s pipeline system.

11. ConocoPhillips Company (“CP”) is successor by merger to Tosco Corporation (“Tosco”). CP owns and operates a refinery in Ferndale, Washington, and ships petroleum products over Olympic’s pipeline system.

12. The rates charged by Olympic for intrastate transportation of petroleum products are subject to regulation by the Commission under Title 81 of the Revised Code of Washington and the associated state regulations.

13. On October 31, 2001, Olympic filed a tariff with the Commission seeking increases in Olympic’s intrastate rates. Tesoro and Tosco were permitted to intervene and filed objections to the petition. On January 31, 2002, the Commission granted an interim increase of a lower amount than Olympic had requested, subject to an investigation and potential refunds to shippers. Following hearings, on September 27, 2002 the Commission issued its Final Order lowering Olympic’s proposed intrastate rate increase and required Olympic to file tariff revisions that would return to shippers over a two-year period the difference between the revenues collected under the interim increase and the rate increase authorized by the Commission (“Refunds”).

14. On March 27, 2003, Olympic filed for reorganization under Chapter 11 of the United States Bankruptcy Code and ceased making Refund payments to Tesoro, CP, and other shippers.

15. Olympic has entered into the Agreement dated November 7, 2003 with Tesoro and CP, who, along with affiliates of Olympic's owners (the owners are ARCO Midcon and Shell), are major shippers of petroleum products over Olympic's pipeline system. The Agreement provides that it will not become effective unless and until it is approved by the Commission. If that approval is given, the Agreement generally may be briefly summarized as follows (see Agreement for precise language which controls in the event of any inconsistency with the summary set forth in this Petition):

- Olympic's initial intrastate tariff rates under the methodology set forth in the Agreement will increase by approximately 35% effective January 1, 2004.
- On a quarterly basis, Olympic rates shall be adjusted if the average throughput for the previous 12 months increased by 2 percent or greater.
- On an annual basis, Olympic shall file updated tariffs based upon the methodology set forth in the Agreement that takes into account Olympic's current unrecovered capital investment, operating expenses, and throughput as well as other factors spelled out in the Agreement.
- The methodology set forth in the Agreement also provides for an annual "true-up" in the following year for over or under collections of the revenue requirement permitted under the methodology for the previous year.
- Olympic shall give Tesoro and CP access to information to permit them to verify the data used in any rate filing in advance of the rate filing to give all the parties an opportunity to discuss and resolve any issues or concerns that they may have prior to the rate filing.
- Olympic will use its best efforts to secure regulatory approval to operate its pipeline system at the maximum allowable operating pressure ("MAOP"), which will require an investment in excavation, inspections, and repairs.

- Olympic will place its Bayview facility into service by September 30, 2004 or will remove it from rate base.
- If disputes arise under the Agreement, Olympic, Tesoro, and CP have agreed to negotiate in good faith and then to seek prompt resolution through binding arbitration. While the parties have agreed to be bound, as amongst themselves, by the outcome of such arbitration, their agreement does not affect the authority of the Commission to review any resulting tariff filing.
- The Agreement and the Commission's approval of the Agreement shall have no precedential value or effect beyond the term of the Agreement.

ARGUMENTS IN FAVOR OF RELIEF

16. The Agreement is clearly fair, reasonable, and in the public interest. Olympic is the most important products pipeline within the State of Washington. The four refineries within the State rely heavily upon Olympic's pipeline system to deliver petroleum products to the major markets within the State.

17. The Agreement will end years of contentious litigation among the parties in multiple forums, including before this Commission.

18. The Agreement will provide a framework for stable and consistent rate regulation of Olympic by allowing Olympic's rates to be readily adjusted as Olympic's throughput increases, as Olympic's investment increases, or as Olympic's project and operating costs vary.

19. The Agreement provides a rational methodology for the continued economic regulation of Olympic based upon agreed criteria that will allow Olympic's shippers to better understand and predict the transportation costs associated with transporting their refined products to the marketplace. In this regard, the general rate

methodology set forth in the Agreement is the depreciated original cost methodology previously approved by the Commission in the Final Order and does not include any trended original costs or “deferred return” element. The initial rates defined by the Agreement are set forth in the proposed tariffs attached to the Agreement and filed herewith. The intrastate and interstate tariffs are consistent.

20. The mechanism for determining the rates that will be filed pursuant to the Agreement requires a calculation (or “true up”), by May 30 of each year (after 2003), of Olympic’s Total Revenue Requirement as defined in section 3.2. Included in the Total Revenue Requirement is Net Carryover, as defined in section 3.12. The Net Carryover is based on the difference between the Tariff Revenue as reported in USoA Account 600, (except sub account 250) minus the Total Revenue Requirement for the period that the prior tariff(s) have been in effect. Approval of the Agreement will constitute approval of this mechanism. Accordingly, Petitioners request that the Commission approve the Total Revenue Requirement elements as defined in Sections 3.3 through 3.12.

21. The Agreement makes it more certain that the shippers will recover the Refunds previously ordered by this Commission.

22. The Agreement makes it more likely that Olympic will (1) realize the revenue necessary to reorganize its business debts arising from its unfortunate and unique financial circumstances, (2) emerge from bankruptcy, (3) return to normal operating throughput levels, (4) return the Bayview facilities to service, and (4) complete the projects necessary to ensure the continued safe and environmentally sound operation of the pipeline.

23. The public interest will be served by Olympic's returning to normal operations under the terms of the Agreement.

24. The Final Order required (in paragraphs 256-258) that Olympic complete a new rate filing between July 1 and October 1, 2004. Petitioners request confirmation that this Petition for approval of the Agreement and of the rates filed and to be filed pursuant to it, and for entry of a Commission Order to that effect, constitute compliance with the new rate filing requirement of the Final Order.

25. The Agreement has been worked out with the input and agreement of Olympic, Tesoro and CP. Following approximately four months of negotiation, a non-binding agreement in principle was reached in July of 2003. Since that time, representatives of Olympic, Tesoro, and CP worked to conclude a comprehensive Agreement. The agreement was mailed to all shippers on November 3, 2003 as part of the Bankruptcy Court approval process. Further, an overview of the terms of the Agreement was presented at a meeting on November 12, 2003 to which all of Olympic's current shippers were invited. Olympic has not received any objections to the Agreement. The Agreement was submitted to the FERC on November 26, 2003. As a product of extensive discussions, negotiations, and drafting sessions among Olympic, Tesoro and CP, the Agreement represents a compromise among all of the parties. The product of this compromise, which includes the rate-setting methodology provided for in the Agreement, is not intended to have precedential effect in future proceedings relating to establishing or approving rates outside the operation of the Agreement.

26. The Agreement is a key element of Olympic's plan to reorganize itself in bankruptcy. Without this agreement, Olympic's future ability to attract financing and emerge from bankruptcy is greatly hampered. For that reason, Petitioners request that the Commission review and approve this Petition promptly, or give notice as soon as possible if it requires additional information for its review.

PRAYER FOR RELIEF

27. Petitioners respectfully request that the Commission issue an order (a) approving the Agreement as being in the public interest, (b) allowing the Initial Tariff Rates for intrastate shipments as defined in the Agreement to go into effect on January 1, 2004, without suspension and by operation of law, (c) approving the methodology for preparing future rate filings under the Agreement, (d) approving the Total Revenue Requirement "true-up" elements as defined in Sections 3.3 through 3.12 of the Agreement, (e) approving the refund schedule in the Agreement as satisfying the requirement in paragraph 349 of the Final Order, (f) approving this Petition and the associated rate filing as satisfying the requirement in paragraphs 256-258 of the Final Order (requiring Olympic to make a new rate filing between July 1 and October 1, 2004), and (g) stating that the Agreement and the Commission's approval of the Agreement and any subsequent rate

filings made pursuant to the Agreement shall have no precedential effect in any future rate proceeding regarding rates in effect beyond the term of the Agreement.

DATED this 2nd day of December, 2003.

Respectfully submitted,

OLYMPIC PIPE LINE COMPANY



Arthur W. Harrigan, Jr.
Karl F. Oles
Michael Hemphill
Danielson Harrigan Leyh & Tollefson LLP

TESORO REFINING AND MARKETING COMPANY

CONOCOPHILLIPS COMPANY

VERIFICATION

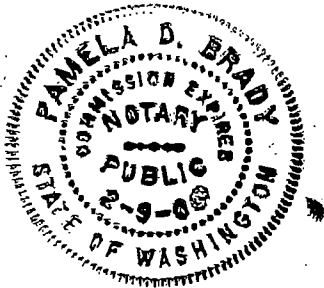
STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

Bobby J. Talley, being first duly sworn, on oath
deposes and says:

That he is the legal representative of Olympic Pipe Line Company, that he has read
the foregoing Petition for an Order Approving Terms of a Settlement Agreement Between
Olympic, Tesoro and ConocoPhillips and Approving Rates Set Pursuant to Said
Agreement, that he knows the contents thereof, and that he believes the same to be true to
the best of his knowledge and belief.

Bobby J. Talley

SUBSCRIBED AND SWORN to before me this 2 day of December, 2003.



Pamela D. Brady
Print Name: Pamela D. Brady
Notary Public in and for the State of Washington,
Residing at Seattle, WA
My Commission Expires: 02/09/06

INDEX TO ATTACHMENTS

1. Settlement Agreement dated November 7, 2003, with all attached Exhibits.
2. Local Tariff.

ATTACHMENT

1

SETTLEMENT AGREEMENT

Among the Parties:

Olympic Pipe Line Company

Tesoro Refining and Marketing Company

Conoco Phillips Company

Dated November 7, 2003

TABLE OF CONTENTS

INDEX to DEFINED TERMS...(Exhibit A)	4
INTRODUCTION	7
The Parties	7
Interstate and Intrastate Rate Regulation	8
Proceedings Before the FERC and United States Court of Appeals	8
Proceedings Before WUTC	9
Bankruptcy	9
Settlement	10
ARTICLE I - SETTLEMENT RATES.....	12
Section 1.1 Settlement	12
Section 1.2 Initial Tariff Rates.....	12
Section 1.3 Interim Tariff Filings	13
Section 1.4 Annual Tariff Rates.....	14
Section 1.5 Provision of Information.....	16
ARTICLE II - OPERATIONAL UNDERTAKINGS BY OLYMPIC.....	18
Section 2.1 Best Efforts to Achieve 100 Percent MAOP Operation	18
Section 2.2 Bayview to Be Placed in Intended Service	19
ARTICLE III - REFUNDS AND TARIFF RATE METHODOLOGY.....	20
Section 3.1 Refunds	20
Section 3.2 Total Revenue Requirement.....	21
Section 3.3 Operating Expense	21
Section 3.4 Depreciation Expense	27
Section 3.5 Amortization of AFUDC	28
Section 3.6 Return on Rate Base.....	29
Section 3.7 Rate Base	30
Section 3.8 Carrier Property	30
Section 3.9 Accumulated Deferred Income Taxes	31
Section 3.10 Working Capital Balance.....	32
Section 3.11 Income Tax Allowance	32
Section 3.12 Net Carryover.....	33
Section 3.13 Effect of Income Tax Amendments.....	33
Section 3.14 Determination of Tariff Rates-Generally.....	35

TABLE OF CONTENTS cont.

ARTICLE IV - GENERAL PROVISIONS	36
Section 4.1 Term of This Agreement.....	36
Section 4.2 Duty to Defend this Agreement	36
Section 4.3 Approval of this Agreement.....	37
Section 4.4 No Precedential Effect	38
Section 4.5 Dispute Resolution.....	38
Section 4.6 Parties of Interest	40
Section 4.7 Construction of Agreement.....	40
Section 4.8 Amendment.....	41
Section 4.9 Notices	41
Section 4.10 No Waiver	42
Section 4.11 Section Counterparts.....	42
Section 4.12 Disclaimer of OSM Model Data	43
Attachments	
Exhibit A Index to Defined Terms	4
Exhibit B Glossary	Attached
Exhibit 1.2 Initial Tariff Rates (FERC and WUTC).....	Attached
Exhibit 1.4(a) OSM Model (Excel).....	Attached
Workpaper 1 Revenue.....	Confidential
Workpaper 2 Volumes	Confidential
Exhibit 3.4(c) Bayview CPIS and Accrued Depreciation.....	Attached
Exhibit 3.9(d) Tax Depreciation Factors.....	Attached

Exhibit A
Index to Defined Terms

<u>Term</u>	<u>Section</u>
Accumulated Amortization of Equity AFUDC	3.5
Accumulated Debt AFUDC	3.5
Accumulated Depreciation	3.4
Accumulated Equity AFUDC	3.5
Additions to Carrier Property	3.8
Additions to Debt AFUDC	3.5
Additions to Equity AFUDC	3.5
ADIT Balance	3.9
Adversary Proceeding	Page 10
AFUDC	3.5
Agreement	Page 7
American Arbitration Association	4.5
Amortization of AFUDC	3.5
Amortization of Equity AFUDC	3.5
Amortization of Transition Costs	3.3
Amortization Rate	3.4
Annual Depreciation Expense	3.4
Annual Maximum Amortization	3.3
Annual Tariff Adjustment	1.5
Arbitration Demand	4.5
Average Rate Base	3.7
Bankruptcy Court	Page 7
Base Throughput	1.3
Capital Structure	3.6
Carrier Property	3.8
Corrective Action Order (CAO)	3.3
Cost of Debt	3.6
Court of Appeals	Page 9
CPI-U	3.6
CWIP	3.5
Debt AFUDC Amortization	3.5
Debt AFUDC Amortization Base	3.5
Debt AFUDC Base	3.5
Debt Ratio	3.6
Depreciation	3.4
Depreciation and Amortization	3.4
Depreciation Factors	3.4
Direct Costs	3.3
Dispute Resolution	4.5
Drag Reduction Agent	3.3
Effective Date	Page 7
Equity AFUDC Amortization	3.5

Equity AFUDC Amortization Base	3.5
Equity Portion of Return	3.11
Equity Ratio	3.6
Excluded Costs	3.3
Federal ADIT Balance	3.9
Federal Energy Regulatory Commission ("FERC")	Page 7
Federal Income Tax Base	3.11
Federal Income Tax Factor	3.11
Federal Income Tax Rate	3.11
Federal Tax Depreciation	3.9
Federal Tax Depreciation Factor	3.9
Federal Tax Depreciation Factor Schedule	3.9
Federal Tax Timing Difference	3.9
Income Tax Allowance	3.11
Initial Tariff Rate	1.2
Interest on Revenue Excess (Deficit)	3.12
Interim Tariff Filing	1.3
IRS Modified Accelerated Cost Recovery System ("MACRS")	3.9
Maximum Allowable Operating Pressure ("MAOP")	2.1
Maximum Allowable Other Operating Expense	3.3
Net Carryover	3.12
Non-Carrier Property	2.2
Notice of Termination	4.9
Olympic Settlement Methodology (OSM)	1.4
Operating Expense	3.3
100 Percent Operation Date	2.1
Other Operating Expense	3.3
Other Operating Expense Excess	3.3
Other Operating Expenses Deficit	3.3
Parties	Page 7
Pass-Through Operating Expenses	3.3
Project Expense	3.3
Proportional Adjustment	1.3
Rate Base	3.7
Rate Litigation	3.3
Refund Balances.	3.1
Return on Equity	3.6
Return on Rate Base	3.6
Revenue Deficit	3.12
Revenue Excess	3.12
Tariff Effective Date	1.2
Tariff Revenue	3.12
Tax Effect of Federal Timing Difference	3.9
Throughput	1.3
Total Revenue Requirement	3.2
Transition Costs	3.3

Transition Costs-Bankruptcy	3.3
Transition Costs-Rate Litigation	3.3
Unamortized Balance Transition Cost	3.3
Uniform System of Accounts ("USOA")	3.3
Washington Utilities and Transportation Commission ("WUTC")	Page 7
Weighted Cost of Capital	3.6
Whatcom Creek Costs	3.3
Working Capital Balance	3.10

SETTLEMENT AGREEMENT
Olympic Pipeline Company

This Settlement Agreement ("Agreement") is executed as of this 28th day of October 2003, among Olympic Pipe Line Company ("Olympic"), Tesoro Refining and Marketing Company ("Tesoro"), and ConocoPhillips Company ("CP") (hereinafter sometimes referred to collectively as the "Parties," or individually a "Party"), to be effective as of the latest date on which each of the Federal Energy Regulatory Commission (the "FERC"), the Washington Utilities and Transportation Commission (the "WUTC"), and the bankruptcy court having jurisdiction over Olympic's bankruptcy case (described below) (the "Bankruptcy Court") have issued a final order approving this Agreement (the "Effective Date") from which no timely appeal has been filed.

INTRODUCTION

The Parties

Olympic is a Delaware corporation with offices at 2201 Lind Avenue S.W., Suite 270, Renton, WA 98057-1800. Olympic owns and operates a common carrier pipeline that transports petroleum products from points in the State of Washington to points within the State of Oregon and to points within the State of Washington. Olympic is a stock company owned by ARCO Midcon LLC, a business unit of BP Pipelines (North America) Inc., and Shell Pipeline Company, LLC, formerly Equilon Pipeline Company LLC.

Tesoro is a wholly owned subsidiary of Tesoro Petroleum Corporation. Tesoro is a Delaware corporation with offices at 3450 South 344th Way, Suite 100, Auburn, WA 98001. Tesoro owns and operates a refinery in Anacortes, Washington, and ships petroleum products there refined on Olympic's pipeline system.

CP, successor by merger to Tosco Corporation (“Tosco”), is a Delaware corporation with offices at 600 N. Dairy Ashford, Houston, TX 77079. CP owns and operates a refinery in Ferndale, Washington, and ships petroleum products there refined on Olympic’s pipeline system, as did Tosco prior to its merger into CP.

Interstate and Intrastate Rate Regulation

The rates charged by Olympic for the interstate transportation of petroleum products are subject to regulation by the FERC under the Interstate Commerce Act. 49 U.S.C. (App.) §§ 1, et seq., and regulations promulgated by the FERC thereunder. The rates charged by Olympic for the intrastate transportation of petroleum products are subject to regulation by the WUTC under Titles 80 and 81 of the Revised Code of Washington and regulations promulgated by the WUTC thereunder.

Proceedings before the FERC and United States Court of Appeals

On May 30, 2001, Olympic filed a tariff with the FERC seeking increases in Olympic’s interstate rates. Those increases were protested by Tesoro and Tosco. Those increases were accepted for filing by the FERC in Docket No. IS01-441-000 and became effective on July 1, 2001, subject to an investigation and refunds to shippers. By order issued on November 26, 2002, Olympic’s tariff filing was summarily rejected, and Olympic was ordered to pay refunds to shippers of all revenues collected under the rate increases. On December 20, 2002, Olympic filed a petition for review of the FERC’s decision in the United States Court of Appeals for the District of Columbia Circuit (“Court of Appeals”). That petition is currently pending in Case No. 02-1383.

On March 31, 2003, Olympic filed a tariff with the FERC seeking increases in Olympic's interstate rates. Such increases were protested by Tesoro and CP (which had, by then, merged with Tosco), and were accepted for filing in Docket No. IS03-218-000 subject to an investigation and refunds to shippers. Olympic filed its prepared direct testimony on July 11, 2003.

Proceedings before WUTC

On October 31, 2001, Olympic filed a tariff with the WUTC seeking increases in Olympic's intrastate rates. Those increases were protested by Tesoro and Tosco. The WUTC suspended the increases on November 16, 2001, in Docket No. TO-011472. On January 31, 2002, the WUTC granted an interim increase of a lower amount than that requested by Olympic, subject to an investigation and refunds to shippers. Following hearings, by order served September 27, 2002, the WUTC rejected Olympic's proposed intrastate rate increases, enjoined Olympic from continuing to collect the interim increases authorized by the WUTC, and required Olympic to file tariff revisions that would return to shippers over a two-year period the difference between the revenues collected under the interim increase and the rate increase authorized by the WUTC – an increase of 2.52 percent. Judicial review of the WUTC's order was sought by Olympic but has since been dismissed with prejudice.

Bankruptcy

On March 27, 2003, Olympic filed for reorganization under Chapter 11 of the United States Bankruptcy Code in the Western District of Washington in Docket No. 03-14059. Subsequent to such filing, Olympic ceased making refund payments to Tesoro, CP and other shippers, notwithstanding the orders of the FERC and WUTC ordering such refunds. CP has filed an adversary proceeding, Docket No. A03-01229 (the "Adversary Proceeding"), in

Olympic's case in the Bankruptcy Court with respect to Olympic's cessation of refund payments and CP's claimed right to offset or recoup such refunds from transportation charges due to Olympic.

Settlement

The Parties have agreed to resolve their differences with regard to matters pertaining to interstate rate refunds in Docket No. IS01-441-000, currently pending before the Court of Appeals in Case No. 02-1383, and intrastate refunds ordered by the WUTC in Docket No. TO-011472; this resolution will also resolve the issues presented in the Adversary Proceeding. The Parties have also agreed to resolve their differences with regard to the matters pertaining to interstate rates during the term of this Agreement and refunds currently pending before the FERC in Docket No. IS03-218-000. The Parties wish to terminate any and all litigation regarding such rates, and to avoid controversies during the term of this Agreement regarding such rates according to the terms set forth in this Agreement. In addition, the Parties wish to avoid controversies during the term of this Agreement regarding Olympic's intrastate rates, and have agreed to new intrastate rates as well as a methodology for the determination of intrastate rates during the term of this Agreement according to the terms set forth in this Agreement. This Agreement does not resolve matters not specifically referenced in this Agreement, and CP specifically reserves, (a) CP's business interruption action pending in the United States District Court for the District of Washington under the name *Tosco Corp. v. Olympic Pipe Line Co., et al.* (Case No. C02-0495 consolidated with Case No. C01-1310), (b) CP's claims asserted in such action, or (c) the related motion for relief from the stay pending in Olympic's case in the Bankruptcy Court or treatment of such claims under a plan of reorganization; and, Olympic

specifically reserves its defenses to such action, claims, related motion for relief from the stay, or proposed treatment of such claims under a plan of reorganization.

Accordingly, in consideration of the mutual promises set forth in this Agreement, and for good and valuable consideration, the receipt of which is hereby acknowledged with the intent of being legally bound, the Parties hereby agree as follows:¹

¹ All capitalized terms that appear in this Agreement are either proper names or are defined in the text of this Agreement. An index of these terms is attached as Exhibit A.

**ARTICLE I
SETTLEMENT RATES**

Section 1.1. Settlement

If approved by the FERC, the WUTC, and the Bankruptcy Court, as provided herein, this Agreement shall settle with prejudice (a) the interstate tariff rate disputes that are currently pending before: (i) the Court of Appeals arising out of FERC Docket No. IS01-441-000 and (ii) the FERC in Docket No. IS03-218--000, and (b) the Adversary Proceeding. Within 20 days after the Effective Date, but after the filing by Olympic required in Section 1.2, below, the Parties shall file all necessary pleadings to cause Olympic's petition in the Court of Appeals with respect to FERC Docket No. IS01-441-000, Tesoro's and CP's protests in FERC Docket No. IS03-218-000, and CP's claims asserted in the Adversary Proceeding to be dismissed with prejudice.

Section 1.2. Initial Tariff Rates

(a) Within 10 days after the Effective Date, Olympic shall file the Initial Tariff Rates for the FERC and WUTC tariffs in form and substance of Exhibits 1.2 (FERC) and 1.2 (WUTC), respectively. Olympic shall file such Initial Tariff Rates to become effective on the earliest date that will permit the FERC and WUTC tariffs to become effective simultaneously, and that will coincide with the beginning of Olympic's next monthly billing cycle. ("Tariff Effective Date").

(b) Total Revenue Requirement for the purpose of determining Initial Tariff Rates is stipulated to be \$51 million.

(c) The Tariff Revenues prior to the setting of the Initial Tariff Rates is stipulated to be \$37,689,864.

(d) Total deliveries for the purpose of determining Initial Tariff Rates are stipulated to be 105,560,957 barrels.

(e) The rate increase for the Initial Tariff Rates is stipulated to be 35.3149%.

(f) Initial Tariff Rates set under this Agreement for interstate and intrastate movements will remain in effect until June 30, 2004, or the effective date of any Interim Tariff Filing whichever is earlier.

Section 1.3. Interim Tariff Filings

(a) At the end of each calendar quarter beginning with the first calendar quarter following the Effective Date of this Agreement, Olympic shall calculate current throughput as provided in this Section. "Current Throughput" will be the total deliveries for the prior 12 calendar months ending with the calendar quarter for which the calculation of Current Throughput is made. The determination of Current Throughput will be completed and the results provided to Tesoro and CP within 45 days following the end of each calendar quarter. "Base" Throughput shall be the total deliveries for the 12-month period used for the calculation of the Tariff rates then on file. The Current Throughput and Base Throughput upon which the Initial Tariff Rates are based shall be deemed to be 105,560,957 barrels. In the event that the Current Throughput determined according to this Section exceeds the Base Throughput by at least two percent, Olympic shall make an Interim Tariff Filing calculated as provided in subsection (c) of this Section revising the then-current interstate and intrastate tariff rates based upon the increased throughput.

(b) In the event that, in any calendar quarter, current throughput decreases by greater than 15 percent as the result of failures, outages, fires, strikes, embargoes, explosions, earthquakes, terrorism, floods, wars, the elements, labor disputes, government requirements, de-rating, civil or military authorities, acts of God, a public enemy, or other similar causes beyond Olympic's reasonable control, then upon request by any Party, the Parties must meet within 20 days to consider the rate impact of such events. If the Parties do not reach a satisfactory resolution of the rate impact of such events, then any Party has the right to seek relief through the Dispute Resolution process in Section 4.5.

(c) Manner of Calculating Interim Tariff Rates. Interim interstate rates and interim intrastate rates shall be determined by proportional adjustment of each of the tariff rates then on file. Each tariff rate shall be adjusted by the ratio of the Base Throughput to the Current Throughput if the Current Throughput exceeds the Base Throughput by at least two percent. These Interim Tariff Rates shall be filed no later than 60 days following the end of the quarter in which the Current Throughput exceeds the Base Throughput by at least two percent, to be effective no later than 90 days following the end of the quarter.

Section 1.4. Annual Tariff Filings

(a) While this Agreement is in effect, in addition to Interim Tariff Rates required to be filed pursuant to Section 1.3 of this Agreement, by May 30 of each year (after 2003) Olympic shall file its interstate and intrastate rates for the period beginning on the immediately following July 1 and ending on June 30 of the following year or on the date on which this Agreement expires or is terminated as provided below. Such interstate and intrastate rates shall be calculated using the Olympic Settlement Methodology ("OSM") set forth in Section 3 of this Agreement and the cost of service model in Exhibit 1.4(a). Nothing in this Agreement, however,

prohibits Olympic from filing an interstate or intrastate rate that is less than the maximum rate calculated in accordance with the OSM.

(b) During the term of this Agreement and unless as otherwise agreed among all Parties, Olympic shall not make any filing with the FERC or the WUTC except that Olympic is expressly permitted to make (i) filings set forth in Sections 1.1, 1.2, 1.3, 1.4, and 2.2 of this Agreement; (ii) filings for a new tariff for any product movement for which a tariff is not already in place; and (iii) filings to change its rules and regulations, other than material changes to the current nomination process. The phrase "material changes" in Section 1.4(b)(iii) of this Agreement shall include any change of allocated capacity from a historical usage basis to another basis, except that a performance based incentive/penalty plan that adjusts allocated capacity among shippers based on the ratio of actual shipments to nominated shipments shall not be considered a material change. Disputes concerning the rate filings set forth in Section 1.2, 1.3, 1.4, and 2.2 of this Agreement are subject to the dispute resolution provisions set forth in Section 4.5(b) and (c) of this Agreement. All other disputes are subject to the dispute resolution provisions set forth in Section 4.5(a) of this Agreement and, if not resolved under those provisions, subject to the normal regulatory or judicial process.

(c) During the term of this Agreement, neither CP nor Tesoro will file with the FERC, the WUTC, the successor of either, or any other agency or court, any protest, petition or complaint, or seek to have suspended or otherwise contest the effectiveness of any rate filings set forth in Sections 1.2, 1.3, 1.4, and 2.2 of this Agreement and further agree to address disputes relating to such rate filings in accordance with the dispute resolution provisions set forth in Section 4.5(b) and (c) of this Agreement. CP and Tesoro expressly reserve the right to file with the FERC, the WUTC, the successor of either, or any other agency or court, any protest, petition,

enforcement action, or complaint in response to any filing other than those set forth in Sections 1.2, 1.3, 1.4, and 2.2 of this Agreement.

(d) The Parties intend that the rate filings set forth in Sections 1.2, 1.3, 1.4, and 2.2 of this Agreement will be the only rate filings made by Olympic, and that FERC's approval of this Settlement shall include its waiver of its regulations regarding indexed rate filings during the term of this Agreement.

(e) The Parties acknowledge that any filings with the FERC or the WUTC are subject to their normal regulatory authority and that no provision of this Agreement supersedes or restricts their authority in any regard.

Section 1.5. Provision of Information

(a) Olympic will provide Tesoro and CP with all supporting data necessary to calculate the maximum rate no less than 60 days prior to Olympic's filing of new interstate or intrastate rates while this Agreement is in effect. Tesoro or CP, upon written request to Olympic, shall be permitted to verify the data used in calculating the new maximum rate by a procedure agreed upon by the Parties, which shall include, if requested, an audit consisting of direct examination of original source data identified by Olympic as being all of the data relied upon in calculating the maximum rate. CP and/or Tesoro shall communicate to Olympic any question about, or disagreement with, the data used by Olympic or the manner in which such data was used to calculate the maximum rate. CP and/or Tesoro and Olympic shall seek in good faith to resolve the questions or disagreements raised by Tesoro and CP prior to the rate filing.

(b) Insofar as any of these data would fall within the prohibition against disclosure set forth in Section 15(13) of the Interstate Commerce Act, such data shall be disclosed only to

reviewing representatives as defined in the protective order issued in FERC Docket Nos. IS01-441-000 and IS03-218-000 and WUTC Docket No. T0-011472.

(c) The agreement by CP and Tesoro to refrain from protest, complaint, or seeking suspension of rates filed in conformity with the procedures provided for in this Agreement shall be without prejudice to the rights of CP and/or Tesoro to: (1) conduct independent audits of the company source data relied on by Olympic for the Annual Tariff Adjustment, and (2) initiate a Dispute Resolution process based on the results of any such audit for the purpose of compelling Olympic to revise its tariff as determined by the outcome of such Dispute Resolution process, including providing refunds as determined to be appropriate based on the results of any such Dispute Resolution proceeding. During the pendency of any such Dispute Resolution proceeding, the tariff arising from any current rate filing by Olympic made in conformity with the procedures called for under this Agreement shall remain in effect.

ARTICLE II
OPERATIONAL UNDERTAKINGS BY OLYMPIC

Section 2.1. Best Efforts to Achieve 100 Percent MAOP Operation

(a) Olympic's pipeline is currently operating subject to a limitation of 80 percent of Maximum Allowable Operating Pressure ("MAOP") pending completion of certain internal line inspections and related excavation, examination and repair work by Olympic.

(b) Olympic will use its best efforts to accomplish the prerequisites for and secure regulatory approval of 100 percent MAOP operation, and to return to such operation (subject to normal safety factors, all applicable rules and restrictive orders pertaining to pipeline safety and periodic pressure reductions incident to normal 100 percent MAOP operation) by three years from the Effective Date (the "100 percent Operation Date"). Olympic shall provide an annual progress report to all current shippers detailing its efforts to return to normal 100-percent MAOP operation.

(c) If Olympic has not returned to 100 percent MAOP operation by the 100 percent Operation Date, Tesoro and/or CP may initiate the Dispute Resolution procedures set forth in Section 4.5 of this Agreement, to resolve any question whether Olympic has met its best efforts obligation set forth in Section 2.1(b). Olympic shall have the burden of proof that it has undertaken its best efforts to return to 100 percent MAOP operation by the 100 percent Operation Date. If, but only if, the arbitration results in a decision that Olympic has not met its best efforts obligation, then Tesoro and/or CP shall have the right within 30 days of the issuance of the arbitration award to terminate this Agreement upon no less than 90 days' written notice to Olympic of the intent to terminate. Such termination, when effective, shall be binding on all

Parties; provided however, if Olympic returns to 100% MAOP operation prior to the 100% Operation date, the right to terminate shall no longer be effective.

(d) Such termination shall be the sole remedy under this Agreement available to Tesoro and/or CP for any failure by Olympic to use its best efforts to accomplish the purposes described in Section 2.1(b).

Section 2.2. Bayview to Be Placed in Intended Service

Bayview shall remain in Olympic's Rate Base unless Bayview has not been placed into intended service on or before September 30, 2004. If Bayview is not in intended service by September 30, 2004, then upon written request of any Party, Olympic shall remove Bayview from the Rate Base, in the amount specified in Section 3.8(c) of this Agreement, and the maximum rate shall be recalculated and new interstate and intrastate rates reflecting only the reduced rate base shall be filed to be effective October 31, 2004, unless and until Bayview is placed into its intended service. Placing Bayview in intended service shall consist of placing Bayview into service for its intended purposes as a facility available for use for batching operations, flow rate maintenance, improved flexibility and efficiency in pipeline operations, and storage and other functions incident to these functions. Satisfaction of the intended service requirement shall not require achieving any defined throughput metric. In attempting to render Bayview operational for such purposes, Olympic shall use its best efforts to encourage the cooperation of its shippers in providing throughput.

ARTICLE III
REFUNDS AND TARIFF RATE METHODOLOGY

Section 3.1. Refunds

(a) **FERC Tariff Rates Effective May 1, 2003 (Docket No. IS03-218-000).** Refunds for the FERC tariff rates in effect since May 1, 2003, shall be determined based on the difference between the FERC Initial Tariff Rate as defined in Section 1.2 and the FERC tariff rates effective May 1, 2003. For petroleum products delivered after April 30, 2003, Olympic shall compute the refunds it owes each Shipper through the date on which the FERC Initial Tariff Rates become effective. The refund owed to each shipper shall equal the product of the tariff per barrel paid for each delivery minus the FERC Initial Tariff Rate for each delivery multiplied by the corresponding number of barrels for each delivery. Interest shall be calculated on all refunds owed for the period May 1, 2003, until the date of payment. The refunds and interest shall be paid ratably to all shippers on a non-discriminatory basis commencing on the first day of the calendar month immediately following the Tariff Effective Date such that 100 percent of the refund obligation plus interest shall be paid on or before May 1, 2006.

(b) **FERC and WUTC Refund Balances**

The FERC and WUTC Refund Balances for shipments prior to May 1, 2003 shall be paid in equal monthly installments commencing on the first day of the calendar month immediately following the Tariff Effective Date, and completed no later than October 1, 2006. To the degree any shipper has previously withheld payments of its tariff rates to offset Olympic's cessation of previously ordered refunds, such withheld payments shall be considered the payment of refunds

until the withheld payments are recaptured by Olympic in full, at which point, equal monthly installments of the remaining refunds will commence to be paid by Olympic.

(c) Interest on Refunds

Interest shall be calculated on all such refunds until the date of payment. Interest shall be computed as follows:

(i) Interest on FERC Refund Balances shall be calculated in accordance with the FERC's order establishing the refund obligation and its regulations except the time limits for repayment are as established in Sections 3.1 (a) and (b), and

(ii) Interest on WUTC Refund Balances shall be calculated in accordance with the WUTC's Order establishing the refund obligation and its regulations, except the time limits for repayment are as established in Section 3.1 (b).

Section 3.2. Total Revenue Requirement

The tariff revenues that Olympic is entitled to for a 12-month period is the sum of: Operating Expense; Depreciation Expense; Amortization of AFUDC; Return on Rate Base; Income Tax Allowance; and Net Carryover. These elements of Total Revenue Requirement are defined below.

Section 3.3. Operating Expense

Operating Expense shall mean only those normally recoverable, reasonable, non-Whatcom Creek expenses related to providing regulated service that would properly be included in Account 610 under the Uniform System of Accounts ("USOA") prescribed for oil pipeline companies subject to the provisions of the Interstate Commerce Act, 18 C.F.R. pt. 352 (2003), and the actual expenditures accrued in prior periods in accordance with generally accepted accounting

principles and the USOA, but excluding any provision for the depreciation or amortization of a capitalized cost and accruals anticipated in future periods. Determination of Operating Expense included in the Total Revenue Requirement requires placing amounts recorded in Account 610 into four categories:

(a) **Pass-Through Operating Expenses-** The Parties agree that, for the purposes of this Agreement only, operating expenses relating to fuel and power, Drag Reduction Agent and amounts in Project Expense shall be fully recoverable in the year incurred.

(b) **Transition Costs** – The Parties agree that, for the purposes of this Agreement only, the costs incurred for the purposes of: (i) resolving 2003 rate matters before the FERC and WUTC, including the costs of obtaining approval of this Agreement (“Transition Costs-Rate Litigation”); and (ii) complying with the requirements of Chapter 11 for costs incurred during the current Chapter 11 filing (“Transition Costs-Bankruptcy”) shall be recoverable in rates. The total amounts recovered annually in rates from both the Transition Costs-Rate Litigation and the Transition Costs-Bankruptcy shall be limited to the lesser of the Annual Maximum Amortization of Transition Costs or the Other Operating Expenses Deficit Amount.

The Annual Maximum Amortization of Transition Costs shall be the sum of the Annual Maximum Amortization of Transition Costs-Bankruptcy and Annual Maximum Amortization of Transition Costs-Rate Litigation as defined below.

(i) Annual Maximum Amortization of Transition Costs-Bankruptcy shall be Transition Costs- Bankruptcy divided by 24, but not to exceed the actual amount incurred. Transition Costs-Bankruptcy shall be the costs relating to the Olympic bankruptcy proceeding recorded in FERC Account 610.520.

(ii) Annual Maximum Amortization of Transition Costs - Rate Litigation shall be Transition Costs-Rate Litigation divided by 3, but not to exceed the actual amount incurred. Transition Costs-Rate Litigation shall be the costs relating to Olympic rate matters recorded in FERC Account 610.520.

(c) **Excluded Costs** – The Parties agree that, for the purposes of this Agreement only, direct costs attributable to the Whatcom Creek accident and its aftermath (“Whatcom Creek Costs”) have been and shall be in the future excluded from the Cost of Service as defined below. To minimize potential disagreement regarding the classification of specific costs, the Parties agree that, for the purposes of this Agreement only, Whatcom Creek Costs include the following specific costs: Environmental remediation and restoration costs related to the accident; payment of claims arising from the accident, including personal injury, wrongful death, property damage and business interruption claims; regulatory and criminal fines or penalties imposed as a result of the accident or of conduct allegedly precipitating the accident; litigation costs incurred in defending claims and criminal prosecution.

(d) **Included Costs** – The Parties agree that, for the purposes of this Agreement only, the following post-2002 costs may be included within the COS: Costs of complying with the Corrective Action Order (“CAO”) of June 18, 1999, and subsequent amendments of the CAO or related regulatory requirements; costs of complying with the plea agreement (i.e., the consent decree and injunctive relief) Olympic has entered into with the Department of Justice and/or of complying with related agreements with any municipal, state, and/or federal agencies and/or regulatory authorities; increased insurance expense; costs associated with returning the pipeline to 100 percent MAOP operation; costs of inspection, testing, repair or replacement of the pipeline or of systems associated with pipeline operations; costs of regulatory requirements for

continued operation brought by reason of the accident or by reason of conduct allegedly precipitating the accident; other costs incurred to enable the pipeline to continue in operation or otherwise required by regulatory authorities.

(e) **Other Operating Expense** – The Parties agree that, for the purposes of this Agreement only, amounts recorded in Account 610 shall be classified as “Other Operating Expense” excluding, however, the amounts referenced in subsection (a) (“Pass-Through Operating Expense”), subsection (b) (“Transition Costs”), subsection (c) (“Excluded Costs”), and amounts recorded in Account 610.540 (“Depreciation and Amortization”). Other Operating Expense shall be includable in the cost of service subject to limitation of Maximum Allowable Other Operating Expense.

(i) **Maximum Allowable Other Operating Expense** –The maximum Other Operating Expense for the 12-month period that may be included in the Total Revenue Requirement. The calculation of the Maximum Allowable Other Operating Expense shall be determined by the following equation:

2003 tariff filing = \$19.5 million

2004 tariff filing = [(\$19.5 million * [(1 + CPI-U²⁰⁰³)]

2005 tariff filing = [(\$19.5 million * [(1 + CPI-U²⁰⁰³) * (1 + CPI-U²⁰⁰⁴)

200N tariff filing = [(\$19.5 million * [(1 + CPI-U²⁰⁰³) * (1 + CPI-U²⁰⁰⁴)... * (1 + CPI-U^N)

(ii) **Other Operating Expense Excess** - In the event that Olympic’s Other Operating Expenses exceed the amount determined by the Maximum Allowable Other Operating Expense by more than \$750 thousand, this excess amount shall be defined as the Other Operating Expenses Excess. Olympic may request that the other Parties allow

inclusion of all or a portion of the Other Operating Expenses Excess in the Total Revenue Requirement. If Olympic does not receive the requested relief, it has the right to provide a Notice of Termination to the other Parties. If no satisfactory resolution related to the Other Operating Expenses Excess is reached within 90 days of the Notice of Termination, Olympic may terminate this Agreement.

(iii) Other Operating Expenses Deficit – In the event that Olympic’s Other Operating Expenses are less than the Maximum Allowable Other Operating Expense, Olympic may amortize any remaining balance of Transition Costs and add to Other Operating Expense an amount for Amortization of Transition Costs. The amounts to be added for Amortization of Transition Costs shall be the lesser of Annual Maximum Amortization of Transition Costs or the Other Operating Expenses Deficit.

(1) Other Operating Expenses Deficit shall be the amount by which the Maximum Allowable Other Operating Expense exceeds Other Operating Expenses.

(2) Amortization of Transition Costs

(a) Amortization of Transition Costs – Bankruptcy: If the Other Operating Expenses Deficit is greater than or equal to the Annual Maximum Amortization-Bankruptcy, then the Amortization of Transition Costs-Bankruptcy shall be the lesser of the Annual Maximum Amortization of Transition Costs-Bankruptcy or the Unamortized Balance Rate-Bankruptcy. Otherwise, the Amortization of

Transition Costs-Bankruptcy shall be the Other Operating Expenses Deficit.

- (b) Amortization of Transition Costs – Rate Litigation: If the Amortization of Transition Costs-Bankruptcy is greater than or equal to the Other Operating Expenses Deficit, then the Amortization of Transition Costs-Rate Litigation is \$0. Otherwise, the Amortization of Transition Costs-Rate Litigation shall be the lesser of Annual Maximum Amortization of Transition Costs-Rate Litigation; Other Operating Expenses Deficit, minus Amortization of Transition Cost-Bankruptcy; or Unamortized Balance Transition Cost-Rate Litigation.

- (3) Unamortized Transition Costs: For any 12-month period, the Unamortized Transition Costs shall be the sum of the Unamortized Balance of Transition Costs-Rate Litigation and Unamortized Balance of Transition Costs-Bankruptcy at the end of the prior period.
 - (a) Unamortized Balance Transition Costs-Bankruptcy at the end of a period shall be the Unamortized Balance Transition Costs-Bankruptcy at the beginning of the period, minus Amortization of Transition Costs – Bankruptcy for the period.

- (b) Unamortized Balance Transition Costs-Rate Litigation at the end of a period shall be the Unamortized Balance Transition Costs-Rate Litigation at the beginning of the period, minus Amortization of Transition Costs – Rate Litigation for the period.

Section 3.4. Depreciation Expense

(a) The Depreciation Expense equals the annual amount reported in the “Grand Total for Debits” to Account No. 610.540 of the USOA as described in 18 C.F.R. § 352.4.

(b) Accumulated Depreciation at the beginning of a year equals Accumulated Depreciation at the beginning of the previous year, plus Depreciation Expense for the previous year, net of Depreciation retirements and other adjustments recorded in Account No. 31 of the USOA as described in 18 C.F.R. § 352.4. The balance of Accumulated Depreciation at the beginning of 2003 is stipulated to be \$50,350,905.

(c) The Accumulated Depreciation for Bayview Terminal as of beginning of the year 2003 is \$2,362,036. Annual Depreciation Expense shall be determined by multiplying that Carrier Property in Service for Bayview by the Amortization Rate. In the event that Bayview is transferred to Non-Carrier Property in accordance with the terms and conditions in Section 2.2, Accumulated Depreciation Balance as of the transfer date will be transferred to Non-Carrier Property. See Exhibit 3.4 (c).

(d) Amortization Rate is the Depreciation Expense divided by the arithmetical averages of Carrier Property excluding land for the beginning of the year and the end of the year.

Section 3.5. Amortization of AFUDC

Amortization of AFUDC shall be equal to the sum of the annual Equity AFUDC Amortization, plus the annual Debt AFUDC Amortization.

(a) The Annual Equity AFUDC Amortization for a year shall equal the Accumulated Equity AFUDC at the beginning of that year, plus one half of the Additions to Equity AFUDC for that year, multiplied by the Amortization Rate for that year.

(b) Accumulated Equity AFUDC at the beginning of a year shall equal the Equity AFUDC Amortization Base at the beginning of the previous year, plus Additions to Equity AFUDC for the previous year.

The Accumulated Equity AFUDC at the beginning of 2003 is stipulated to be \$3,936,145

(c) Additions to Equity AFUDC for a year shall equal the Equity AFUDC Base for that year, multiplied by the Return on Equity.

(d) The Equity AFUDC Base for a year shall equal the average CWIP balance for that year, multiplied by the Equity Ratio.

(e) Accumulated Amortization of Equity AFUDC for a year shall equal the Accumulated Amortization of Equity AFUDC from the prior year, plus Amortization of Equity AFUDC for the current year.

The balance of Accumulated Amortization of Equity AFUDC at the beginning of 2003 is stipulated to be \$438,343.

(f) Annual Debt AFUDC Amortization for a year shall equal the Accumulated Debt AFUDC at the beginning of that year, plus one half of the Additions to Debt AFUDC for that year, multiplied by the Amortization Rate for that year.

(g) Accumulated Debt AFUDC at the beginning of a year shall equal the Debt AFUDC Amortization Base at the beginning of the previous year, plus Additions to Debt AFUDC for the previous year.

The Accumulated Debt AFUDC at the beginning of 2003 is stipulated to be \$2,431,828.

(h) Additions to Debt AFUDC for a year shall equal the Debt AFUDC Base for that year, multiplied by the Return on Debt.

(i) The Debt AFUDC Base for a year shall equal the average CWIP balance for that year, multiplied by the Debt Ratio.

(j) Accumulated Amortization of Debt AFUDC for a year shall equal the Accumulated Amortization of Debt AFUDC from the prior year, plus Amortization of Debt AFUDC for the current year.

The balance of Accumulated Amortization of Debt AFUDC at the beginning of 2003 is stipulated to be \$259,181.

Section 3.6. Return on Rate Base

(a) Return on Rate Base shall be equal to the product of the Average Rate Base, multiplied by the Weighted Cost of Capital.

(b) Weighted Cost of Capital shall be defined by the following three parameters stipulated to by the parties while this Agreement is in effect:

(i) Capital Structure shall consist of 50 percent equity (Equity Ratio) and 50 percent debt (Debt Ratio).

(ii) Cost of Debt shall be 7.80 percent.

(iii) Nominal Rate of Return on Equity shall be 12.38 percent in the Initial Period.

Return on Equity shall be 10.00 percent real. The nominal rate of return to be applied to Rate Base is the sum of 10.00 percent plus, for each subsequent period, the change in the CPI-U annual rate of inflation for the prior year as measured December to December without seasonal adjustment as published by the Bureau of Labor Statistics, U.S.

Department of Labor for the preceding calendar year calculated for each subsequent period on a non-cumulative basis.

The Weighted Cost of Capital (at a 50% Capital Structure) shall be the average of the Cost of Debt and the Nominal Rate of Return on Equity.

Section 3.7. Rate Base

(a) Rate Base for a year shall be determined as of the end of that year and shall equal the Carrier Property at the end of that year, minus the Accumulated Depreciation at the end of that year, plus Accumulated AFUDC, minus Accumulated Amortization of AFUDC, plus the Working Capital balance, minus the ADIT Balance at the end of that year.

(b) The Average Rate Base is the arithmetic average for Rate Base at the end of the preceding calendar year and the Rate Base at the end of the current calendar year.

Section 3.8. Carrier Property

(a) The balance of Carrier Property at the beginning of a year equals Carrier Property at the beginning of the previous year, plus Additions to Carrier Property for the previous year.

Carrier Property at the beginning of 2003 is stipulated to be \$138,272,430.

(b) Additions to Carrier Property for a year equals the amount by which additions during that year to USOA carrier property accounts 101 through 186 exceed net proceeds from retirements of property and other adjustments or transfers during that year from USOA carrier property accounts 101 through 186. Additions to Carrier Property shall be only those normally recoverable, reasonable capital expenses related to providing the regulated service that would properly be Additions to Carrier Property under the USOA.

(c) The Carrier Property Balance for Bayview as of beginning of the year 2003 is stipulated to be \$24,036,869 as shown in Exhibit 3.4(c).

Section 3.9. Accumulated Deferred Income Taxes

(a) The Federal ADIT Balance at the beginning of a year equals the Federal ADIT Balance at the beginning of the previous year, plus the Tax Effect of Federal Timing Difference for the previous year.

(b) The Tax Effect of Federal Timing Difference for a year shall equal the Federal Income Tax Rate for that year, multiplied by the Federal Tax Timing Difference for that year.

(c) The Federal Tax Timing Difference for a year shall equal the Federal Tax Depreciation for that year, minus Depreciation Expense for that year, minus IDC Amortization for that year, plus TEFRA Adjustment Amortization for that year.

(d) Federal Tax Depreciation for a year shall equal the sum of Federal Tax Depreciation for Additions to Carrier Property for the current and all previous years. Federal Tax Depreciation for Additions to Carrier Property for the current or a previous year shall equal the appropriate Federal Tax Depreciation Factor, multiplied by the sum of Additions to Carrier Property, plus Additions to Debt AFUDC for that current or previous year. The appropriate

Federal Tax Depreciation Factor, which varies with the time elapsed between the year of the Additions to Carrier Property and the year for which Federal Tax Depreciation is being calculated, shall be the 15-year schedule using the half-year convention according to the IRS Modified Accelerated Cost Recovery System ("MACRS") as shown in Exhibit 3.9(d). If Federal income tax laws are amended after the date of this Agreement, the Federal Tax Depreciation Factor Schedule in Exhibit 3.9(d) may be renegotiated pursuant to Section 3.13. The ADIT Balance at the beginning of 2003 is stipulated to be \$11,901,259.

Section 3.10. Working Capital Balance

The Working Capital Balance shall be based on the average balances in USOA accounts 16, 17 and 18. The Working Capital Balance at the beginning of 2003 is stipulated to be \$2,030,244.

Section 3.11. Income Tax Allowance

(a) The Income Tax Allowance equals the product of the Federal Income Tax Factor, multiplied by the Federal Income Tax Base for that year.

(b) The Federal Income Tax Factor shall equal the ratio of the Federal Income Tax Rate to the difference of one, minus the Federal Income Tax Rate.

(c) The Federal Income Tax Rate shall equal the maximum rate of tax applied by the United States Government to net income derived by a corporation from the operation of a common carrier petroleum pipeline within the United States.

(d) The Federal Income Tax Base for a year shall equal the Equity Portion of Return on Rate Base for that year, plus the Equity AFUDC Amortization for that year.

Section 3.12. Net Carryover

(a) The Net Carryover is equal to the sum of the Revenue Excess (Deficit), plus the Interest on Revenue Excess (Deficit).

(b) The Revenue Excess (Deficit) is based on the difference between the Tariff Revenue as reported in USOA Account 600, Sub accounts 200-260, (except Sub account 250) minus the Total Revenue Requirement for the period that the prior tariff(s) have been in effect. If Tariff Revenue exceeds the Total Revenue Requirement for the period, there is a Revenue Excess. If Tariff Revenue is less than the Total Revenue Requirement for the period, there is a Revenue Deficit. Upon termination of this Agreement, the final Net Carryover shall be trued up in a manner resolved through the Dispute Resolution process in Section 4.5.

(c) The Interest on Revenue Excess (Deficit) equals the Revenue Excess (Deficit) for a year, multiplied by the interest rate used to compute Interest on Revenue Excess (Deficit).

(d) The interest rate used to compute Interest on Revenue Excess (Deficit) for a year is based on the rate of interest obtained by taking the arithmetic average of the 12 monthly prime rates to the nearest one hundredth of one percent, as published in the Federal Reserves' "Selected Interest Rates" (Statistical Release H 15) for the 12 months starting with January of the previous year and ending with December of the previous year, and increasing the annual interest rate resulting from the previous step to reflect a quarterly compounding of interest.

Section 3.13. Effect of Income Tax Amendments

(a) If Federal income tax laws are amended after the date of this Agreement, the Income Tax Allowance and the ADIT Balance will continue to be calculated as described in Section 3.9, unless a Party to this Agreement objects to the manner of computation within one year of such

amendment. Upon written notice by a Party of an objection, the Parties have 60 days in which to negotiate a new method of determining the Income Tax Allowance and the ADIT Balance. This method will be consistent with the following requirements:

(i) The Federal Income Tax shall equal the maximum of tax applied by the United States Government to net income derived by a corporation from the operation of a common carrier petroleum pipeline within the United States.

(ii) It shall be assumed that the most accelerated methods of depreciation allowed under Federal income tax laws will be used and that other elections under Federal income tax laws will be made in a manner that will minimize or defer the total income tax liability to the maximum extent possible;

(iii) Any imbalance in the ADIT Balance (positive or negative) arising from a change in tax rates shall be amortized using the Amortization Rate described in Section 3.4(d);

(iv) Federal Tax Timing Differences shall be reflected in the ADIT Balance, not in the Income Tax Allowance;

(v) Applicable provisions of Federal income tax law shall be taken into account consistent with Federal regulatory policy;

(b) If the Parties are unable to agree on a new method of determining the Income Tax Allowance and the ADIT Balance within 60 days after written notice by a Party pursuant to subsection (a) of this section, the method for calculating these amounts will be determined by a mutually agreed-upon, independent expert who shall apply the requirements above to the then-applicable Federal tax laws.

Section 3.14. Determination of Tariff Rates – Generally

(a) The determination of rates for each Movement in each jurisdiction for which tariffs are posted shall be based on an equal percentage increase across all existing FERC and WUTC tariffs. For the purpose of this Agreement, Adjusted Tariff Rate shall be determined as follows:

(i) The Adjusted Tariff is the tariff rate in effect prior to the Tariff Effective Date for the Annual Tariff Filing, multiplied by the Rate Adjustment Factor.

(ii) The Rate Adjustment Factor shall be determined by dividing the Total Revenue Requirement by forecasted Tariff Revenue.

(b) The determination of tariff rates for which tariff rates are posted shall be rounded to the nearest \$0.0001 per barrel.

**ARTICLE IV
GENERAL PROVISIONS**

Section 4.1. Term of this Agreement

(a) The Parties shall be bound to devote their best efforts to secure approval of this Agreement in its entirety by the FERC, the WUTC and the Bankruptcy Court upon execution of this Agreement by all Parties and shall be bound by all other terms of this Agreement upon the Effective Date.

(b) This Agreement shall terminate automatically if the Effective Date has not occurred before February 1, 2004; otherwise this Agreement shall continue in full force and effect for five (5) years from the Effective Date, after which this Agreement shall continue from year to year subject to termination upon at least one year notice in advance of the fifth or subsequent anniversary of the Effective Date given by any Party. Upon mutual agreement of the Parties, the notice period may be changed.

(c) If Parties have not reached a new agreement prior to the termination date, Olympic's interstate and intrastate rates shall be those in effect upon the termination date subject to complaint before the FERC and/or WUTC by Tesoro and/or CP; provided, however, that the relief sought in any such complaint shall be prospective from the termination date only and shall not include reparations or damages for any period prior to the termination date.

Section 4.2. Duty to Defend This Agreement

All Parties will use their best efforts, each Party at its own expense, to defend the validity and enforceability of this Agreement.

Section 4.3. Approval of this Agreement

(a) If the FERC or the WUTC do not approve this Agreement and do not waive any regulation inconsistent with the terms and conditions of this Agreement, or if the FERC, the WUTC, or the Bankruptcy Court rejects any provision of this Agreement, or if the Bankruptcy Court, the FERC or the WUTC makes approval of this Agreement contingent upon any modification of any provision of this Agreement, or if a court reviewing an order of the FERC, the WUTC, or the Bankruptcy Court regarding this Agreement shall take any of such actions, any Party may terminate this Agreement by written notice to the other Parties within 30 days after any of the actions specified herein have occurred. In the event of such termination, Olympic shall have no further obligation to file or maintain its interstate or intrastate rates in conformance with the maximum rates determined under the OSM, and neither Olympic nor Tesoro and CP shall be bound by this Agreement in any regard.

(b) If during the period in which this Agreement is in effect, an agency or court shall thereafter declare invalid any provision of this Agreement that has an impact upon a Party, then the Parties will undertake to negotiate diligently and in good faith to make reasonable and appropriate modifications to this Agreement so as to achieve substantially the same benefits for each Party that were originally contemplated by this Agreement, consistent with the order invalidating such provision. If the Parties are unable to agree on such modifications within a period of 30 days after the order invalidating such provision is issued (or such additional period as the Parties shall mutually agree in writing) then any Party may terminate this Agreement by giving written notice to the other Parties within 30 days after the expiration of the period of negotiations.

Section 4.4. No Precedential Effect

No part of this Agreement including, without limitation, the Term, the characterizations of expenses as recoverable or non-recoverable in rates, or the underlying methodology shall have any precedential effect for any other matter. This Agreement shall not constitute an admission by the Parties concerning any question of fact or law, and this Agreement does not represent in any way the position of any Party regarding pipeline regulation in general or its application. Further, in the event that any interstate rate or intrastate rate established pursuant to this Agreement is ever challenged by any third party who is not a signatory to this Agreement, nothing in this Agreement or in the OSM set forth in Article II may be relied upon or cited as evidence to establish that such interstate or intrastate rate is excessive, discriminatory, or otherwise unlawful, or to set a new rate or rates that differ from those determined under this Agreement.

Section 4.5. Dispute Resolution

(a) Any controversy or claim arising under this Agreement shall first be subject to good-faith negotiation among the Parties and then, if such negotiation shall fail to resolve the controversy or claim, shall be subject to either binding arbitration among the Parties or the normal legal or judicial process, whichever is provided for in this Agreement. A controversy or claim may be raised by any Party at any time by serving notice upon the other Parties. Within 10 days from the receipt of the notice of controversy or claim, the Parties shall hold an initial meeting to discuss how best to proceed to resolve the controversy or claim through good-faith negotiation. Unless otherwise agreed among all Parties, the Parties shall have 30 days from the date of the initial meeting to resolve the controversy or claim. In the event a controversy or claim relating to a filing set forth in Sections 1.2, 1.3, 1.4, and 2.2 of this Agreement is not

resolved within this 30-day negotiation period, a Party may initiate binding arbitration by serving an Arbitration Demand on the other Parties. In the event a controversy or claim relating to any other matter is not resolved within this 30-day negotiation period, any Party may file with the FERC, the WUTC, the successor of either, or any other agency or court, any protest, petition or complaint or any other action allowable at law or equity.

(b) Except as otherwise agreed by all Parties, the arbitration of a controversy or claim relating to a filing set forth in Sections 1.2, 1.3, 1.4, and 2.2 of this Agreement shall be conducted by a single arbitrator with both substantial and suitable experience related to rate regulation. The arbitrator is to be selected by mutual agreement among the Parties within 10 days from the date of the Arbitration Demand. In the event of a failure to agree, any Party may petition the American Arbitration Association (“AAA”) to name an arbitrator. Such arbitration shall be held in Seattle, Washington, in conformity with the Commercial Arbitration Rules of the AAA and administered by the AAA. Except as may otherwise be agreed by all Parties, such arbitration shall be completed and a final decision issued within 90 days of the date on which Arbitration Demand was served. The arbitrator shall issue a final decision consistent with the Commercial Arbitration Rules of the AAA and the regulations and precedent governing the arbitration of FERC and WUTC tariff and rate matters, except that the final decision shall not include an award of special, consequential, or punitive damages. The Parties agree that the final decision of the arbitrator shall be final as amongst the Parties and further agree to waive any and all rights to appeal or request review of the final decision by any court or regulatory agency. In the event the arbitrator’s final decision requires enforcement, any Party may petition for enforcement of the final decision through the appropriate channels established by the FERC or the WUTC.

(c) The fees and expenses of the arbitrator and costs of AAA's administration shall be borne by the party who is deemed by the arbitrator to be the losing party. Other than arbitrator fees and expenses and AAA administration costs, each party shall be responsible for its own costs and attorney fees regardless of outcome.

(d) No provision of this Agreement is intended to nor shall be interpreted to limit the regulatory jurisdiction or authority of the FERC or the WUTC in any regard. In the event a dispute arises under the terms of this Agreement that is not resolved prior to the termination of this Agreement, the dispute resolution provisions of this Section 4.5 shall apply and shall survive the termination of this Agreement.

Section 4.6. Parties in Interest

This Agreement shall be binding upon and inure solely to the benefit of the Parties and their respective successors and assigns. No obligation under this Agreement shall be for the benefit of or be enforceable by any third party.

Section 4.7. Construction of Agreement

(a) The language of this Agreement shall, in all cases, be construed according to its fair meaning and not strictly for or against either Party. Headings of articles and sections of this Agreement are solely for the convenience of the Parties and are not a part of this Agreement. This Agreement shall be governed by, and construed in accordance with the laws of the State of Washington.

(b) Attached hereto as Exhibit 1.4(a) illustrating the OSM is an electronic disk with the computer program used to calculate rates along with a printout of a computer program with formulae based on stipulated amounts and projected data for calendar year 2003. It is the

understanding of the Parties that the language of this Agreement and the calculations shown in Exhibit 1.4(a) are consistent. If any question shall arise as to the consistency of the language of this Agreement and the calculations shown in Exhibit 1.4(a), the Parties shall resolve such controversy in accordance with Section 4.5 of this Agreement.

(c) The language of this Agreement, together with the electronic disk and printout shown in Exhibit 1.4(a), shall control over any other computer program or other document prepared by the Parties, or any of them, describing or explaining this Agreement or the OSM.

Section 4.8. Amendment

This Agreement may be modified, amended or supplemented only by a written instrument executed by the Parties.

Section 4.9. Notices

Any notice required or permitted by this Agreement shall be effective when deposited in the mails, postage prepaid, certified mail, return receipt requested, or when dispatched by overnight delivery service or by facsimile, addressed to the respective Party at its address set forth below:

If to Olympic:

Legal Department
Olympic Pipe Line Company
4101 Winfield Rd.
Warrenville, IL 60555
Attn: General Counsel
Facsimile: (630) 821-3396

If to CP:

ConocoPhillips Company
600 North Dairy Ashford Road
Houston, TX 77079
Attention: Manager/West Coast Supply
Facsimile: (918) 662-5621

If to Tesoro:

Legal Department
Tesoro Petroleum Corporation
300 Concord Plaza Drive
San Antonio, Texas 78216
Facsimile: (210) 283-2400

Legal Department
Tesoro Refining and Marketing Company
3450 South 344th Way, Suite 100
Auburn, WA 98001
Facsimile: (253) 896-8845

A Party may, at any time, substitute a different person or address for that shown in the previous sentence by giving written notice to the other.

Section 4.10. No Waiver

Unless otherwise specifically provided in this Agreement, no failure to exercise, and no delay in exercising, any right, power, or remedy under this Agreement shall impair or be construed as a waiver of this right, power, or remedy of a Party, nor shall any failure to exercise or delay in exercising any right, power, or remedy be construed to be an acquiescence in any breach or default under this Agreement. The rights and remedies specified for the enforcement of this Agreement are cumulative.

Section 4.11. Section Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 4.12. Disclaimer of OSM Model Data

The data for future periods demonstrate the mechanics of the OSM model and while based on prior projections, cannot be warranted to represent actual future performance by Olympic. Olympic's projections are subject to revision in connection with its process of formulating a Chapter 11 disclosure statement and plan of reorganization and the actual level of Olympic's various expenses, project spending and similar matters may be determined or substantially influenced by the provisions of a plan of reorganization in the form it is ultimately confirmed, a matter not strictly in Olympic's control.

Being duly authorized, the Parties execute this Agreement as of the date first written above.

Olympic Pipe Line Company

By: Bobby J. Talley
Printed Name: Bobby J. Talley
Title: President

Tesoro Refining and Marketing Company

By: _____
Printed Name: _____
Title: _____

ConocoPhillips Company

By: _____
Printed Name: _____
Title: _____

Being duly authorized, the Parties execute this Agreement as of the date first written above.

Olympic Pipe Line Company

By: _____

Printed Name: _____

Title: _____

Tesoro Refining and Marketing Company

By: *Daniel J. Porter*

Printed Name: Daniel J. Porter

Title: President Northwest Region

ConocoPhillips Company

By: _____

Printed Name: _____

Title: _____

Being duly authorized, the Parties execute this Agreement as of the date first written above.

Olympic Pipe Line Company

By: _____

Printed Name: _____

Title: _____


Tesoro Refining and Marketing Company

By: _____

Printed Name: _____

Title: _____

ConocoPhillips Company

By:  _____

Printed Name: PL FREDERICKSIN

Title: Executive Vice President

**EXHIBIT B
GLOSSARY**

AAA-American Arbitration Association

See Section 4.5 of the Settlement Agreement.

Additions to Carrier Property

Amounts added to Carrier Property in Service during a defined period.

Adversary Proceeding

See Page 10, Introduction, of the Settlement Agreement

ADIT Balance

Amount of Accumulated Deferred Income Tax at the end of a defined period as determined in the OSM. See Section 3.9 of the Settlement Agreement. Also covers Federal ADIT Balance

AFUDC

An allowance included in Rate Base reflecting earnings on the balance of the Construction Work In Progress (“CWIP”) account as determined in the OSM. See Section 3.5 of the Settlement Agreement for all references to AFUDC including Debt AFUDC, Equity AFUDC, Amortization of AFUDC and Accumulations thereof.

Agreement

The Settlement Agreement dated November, 2003 between Olympic, Tesoro, and ConocoPhillips that sets initial tariff rates and concludes litigation between the Parties.

Amortization Rate

The Depreciation Expense divided by the arithmetical averages of Carrier Property (excluding land) for the beginning of the year and the end of the year.

Annual Tariff Adjustment

Filing submitted for tariff effective July 1 of each year—See Section 1.5 of the Settlement Agreement

Arbitration Demand-see Section 4.5 of the Settlement Agreement.

Average Annual Composite Depreciation Rate

The result of dividing Depreciation by the average of the depreciable Carrier Property at the beginning and the end of the year for which Depreciation is determined

Average Rate Base

Average of the balance of Rate Base at the beginning and the end of a calendar year

Bankruptcy Court-See Introduction in Settlement Agreement

Base Throughput

The total deliveries over a 12 month period used to set an existing tariff rate.

Capital Structure

Stipulated portion of Rate Base that is funded by Equity (50%), with the balance funded by Debt

Carrier Property

Property devoted to providing common carrier pipeline transportation service. See Section 3.8 of the Settlement Agreement for Carrier Property, additions thereto.

Corrective Action Order

See Section 3.3 of the Settlement Agreement

Cost of Debt

Stipulated rate of return (7.80%) for the portion Rate Base funded by Debt.

Court of Appeals

See Introduction to Settlement Agreement, Page 9.

CPI-U

Consumer Price Index Factor used for escalation of Operating Expense and Nominal Rate of Return.

CWIP

Construction Work In Progress amounts recorded in USOA Account 30.187

Debt Ratio

Stipulated ratio of the portion of OPL capital funded by Debt (50%) to total capital, expressed in percent.

Depreciation and Amortization Amounts

Recorded in USOA Account 610.540 See Section 3.4 of the Settlement Agreement for Depreciation definitions including its Amortization and Accumulation, and Average Annual Composite Depreciation Rate.

Depreciation Factors

Ratio of Depreciation Expense to the balance of Carrier Property. See Exhibit 3.9(d).

Dispute Resolution

The process to resolve differences between the parties involved in this agreement. See Section 4.5 of the Settlement Agreement.

Direct Costs

Those portions of the Whatcom Creek Costs that are directly related to the Accident. See Section 3.3 of the Settlement Agreement.

Drag Reduction Agent

Chemical additive used by pipelines to increase transportation capacity.

Effective Date

See Introduction, page 7 of the Settlement Agreement.

Equity Portion of Return

The Rate of Return earnings attributed to the part of the Rate Base funded by equity capital.

Equity Ratio

Stipulated ratio of the portion of OPL capital funded by Equity (50%) to total capital expressed as a percent. See Capital Structure.

Excluded Costs

See Section 3.3 of the Settlement Agreement.

FERC

Federal Energy Regulatory Commission.

Federal Income Tax Rate

Maximum rate of tax applied by the United States Government to net income derived by a corporation from the operation of a common carrier petroleum pipeline within United States. See Section 3.11 of Settlement Agreement.

Federal Tax Depreciation

Amount calculated by applying the mid-year depreciation schedule applicable to 15-year property under MACRS to the depreciable portion of Additions to Carrier Property in the current and all previous years. See Section 3.4 of Settlement Agreement.

Federal Tax Depreciation Factor

The amount of Federal Tax Depreciation is allowed in a year as a decimal fraction of the undepreciated cost of depreciable Carrier Property when it was placed in service. See Exhibit 3.9 d for Schedule.

Federal Tax Timing Difference

See Section 3.9 of the Settlement Agreement

Income Tax Allowance

The product of the Federal Income Tax Factor multiplied by the Federal Income Tax Base. See Section 3.11 of the Settlement Agreement.

Initial Tariff Rate

See Section 1.2 of the Settlement Agreement

Initial FERC Rate

Cost based tariff rate as determined under terms of this Agreement for movements made under FERC tariffs after April 30, 2003 and prior to July 1, 2004

Interstate Transportation

Transportation that is subject to regulation by the FERC.

Intrastate Transportation

Transportation that is subject to regulation by the WUTC.

MACRS

Modified Accelerated Cost Recovery System (of Depreciation)—See Section 3.4 of the Settlement Agreement.

Maximum Allowable Operating Pressure (MAOP)

The maximum pressure allowed under federal government safety guidelines.

Maximum Rate

Maximum cost based rate determined by the Olympic Settlement Methodology (“OSM”) methodology defined in this Agreement.

Maximum Allowable Other Operating Expense

See Section 3.3 of the Settlement Agreement.

Net Carryover

An amount equal to the sum of the Revenue Excess (Deficit) plus the interest on Revenue Excess (Deficit).

Non-Carrier Property

Property held by OPL but not devoted to provision of common carrier pipeline transportation

Notice of Termination

See Section 4.9 of the Settlement Agreement

Olympic Settlement Methodology (OSM)

See Section 1.4 of the Settlement Agreement

100% Operation Date

See Section 2.1 of the Settlement Agreement

Operating Expense

Normally recoverable expenses related to the routine operation of the pipeline as recorded in Account 610 of the Uniform System of Accounts for Oil Pipeline Companies. See Section 3.3 of the Settlement Agreement.

Other Operating Expense

See Section 3.3 of the Settlement Agreement. Also covers Deficits or Excesses of Other Operating Expense.

Parties

Olympic, Tesoro, and ConocoPhillips. See Introduction to Settlement Agreement.

Pass-Through Operating Expenses-See Section 3.3 of the Settlement Agreement.

Project Expense—See Section 3.3 of the Settlement Agreement

Projected Volume

The Volume estimates expected for a given period.

Proportional Adjustment

Adjustments made in the same proportion to each quantity that is adjusted

Rate Base

As defined in Section 3.7 (a) of this agreement.

Rate Litigation—see Transition Costs.

Refunds, (Refund Balances)—See Section 3.1 of the Settlement Agreement

Return on Rate Base

An amount equal to the product of the Average Rate Base multiplied by the Weighted Cost of Capital. See Section 3.6 of the Settlement Agreement. Also covers Equity Portion of Return,

Return on Equity (real)

Stipulated rate of return (10.00% + CPI-U) for the portion of Rate Base funded by Equity. Return on Equity (nominal) – Equal to the Return on Equity (real) plus the change in the CPI-U as published by the Bureau of Labor Statistics, U.S. Department of Labor for the preceding calendar year

Revenue Excess/ (Deficit)

See Net Carryover

Tariff Rates

Cents-per-barrel charges to shippers for transportation service provided by Carrier. Tariff rate documents are filed with appropriate federal and state regulatory agencies.

Tariff Rate Effective Date

As defined in Sections 1.2, 1.3 and 1.4 of this agreement.

Tariff Revenue

Amounts reported in USOA Account 600.210. Throughput Quantity of refined petroleum product delivered out of OPL for a defined period. (Typically 12 months)

Throughput

Volumes transported through Olympic Pipeline.

Total Revenue Requirement

See Section 3.2 of the Settlement Agreement

Transition Costs

See Section 3.3 of the Settlement Agreement. This section also covers Transition Costs-Bankruptcy, Transition Costs-Rate Litigation, and Amortizations thereof.

Uniform System of Accounts ("USOA")

Accounting system applied to oil pipelines by the FERC

Washington Utilities and Transportation Commission (WUTC)

Regulatory agency for the State of Washington.

Weighted Cost of Capital

Weighted average of the Cost of Debt and the Return on Equity in proportion to the Capital Structure. See Section 3.6 of the Settlement Agreement.

Whatcom Creek Costs

See Section 3.3 of the Settlement Agreement

Working Capital Balance

Balance reported for USOA asset accounts 16, 17 and 18 for a specified period. See Section 3.10 of the Settlement Agreement.

Olympic Pipe Line Company
List of OSM Exhibits

<u>Exhibit</u>	<u>Description</u>	<u>OSM Location</u>	<u>Comments</u>
Exhibit 1.2	Initial Tariff Rate Filing	Section 1.2(a)	Included in this file
Exhibit 3.4(c)	CPIs and Accrued Depreciation of Bayview Terminal	Section 3.4(c)	Included in this file
Exhibit 3.9(d)	Tax Depreciation Factors	Section 3.9(d)	Included in this file
Exhibit 1.4(a)	Olympic Settlement Methodology	Section 1.4(a)	In Separate File

Prepared for Purpose of Settlement
Privileged and Confidential

Olympic Pipe Line Company
Initial Tariff Rate Filing

Exhibit 1.2

Line No	Description			Source	Initial Rates
1	Total Revenue Requirement (\$000's)			Stipulated	\$51,000
2	Revenues Based on Effective Rates (\$000's)			Stipulated	\$37,690
3	Rate Adjustment Factor			Ln (1 / 2)	1.353149
4	ANACORTES to LINNTON	Fungible	FERC	Ln 3 * Workpaper 1 Ln 1	0.6364
5	ANACORTES to LINNTON	Non-Fungible	FERC	Ln 3 * Workpaper 1 Ln 2	0.6787
6	CHERRY POINT to LINNTON	Fungible	FERC	Ln 3 * Workpaper 1 Ln 3	0.7097
7	CHERRY POINT to LINNTON	Non-Fungible	FERC	Ln 3 * Workpaper 1 Ln 4	0.7525
8	FERNDALE to LINNTON	Fungible	FERC	Ln 3 * Workpaper 1 Ln 5	0.6982
9	FERNDALE to LINNTON	Non-Fungible	FERC	Ln 3 * Workpaper 1 Ln 6	0.7407
10	ANACORTES to PORTLAND	Fungible	FERC	Ln 3 * Workpaper 1 Ln 7	0.6364
11	ANACORTES to PORTLAND	Non-Fungible	FERC	Ln 3 * Workpaper 1 Ln 8	0.6787
12	CHERRY POINT to PORTLAND	Fungible	FERC	Ln 3 * Workpaper 1 Ln 9	0.7097
13	CHERRY POINT to PORTLAND	Non-Fungible	FERC	Ln 3 * Workpaper 1 Ln 10	0.7525
14	FERNDALE to PORTLAND	Fungible	FERC	Ln 3 * Workpaper 1 Ln 11	0.6982
15	FERNDALE to PORTLAND	Non-Fungible	FERC	Ln 3 * Workpaper 1 Ln 12	0.7407
16	ANACORTES to BAYVIEW	N/A	WUTC	Ln 3 * Workpaper 1 Ln 13	0.1068
17	CHERRY POINT to BAYVIEW	N/A	WUTC	Ln 3 * Workpaper 1 Ln 14	0.1762
18	FERNDALE to BAYVIEW	N/A	WUTC	Ln 3 * Workpaper 1 Ln 15	0.1637
19	ANACORTES to RENTON	Fungible	WUTC	Ln 3 * Workpaper 1 Ln 16	0.2636
20	ANACORTES to RENTON	Non-Fungible	WUTC	Ln 3 * Workpaper 1 Ln 17	0.3051
21	CHERRY POINT to RENTON	Fungible	WUTC	Ln 3 * Workpaper 1 Ln 18	0.3329
22	CHERRY POINT to RENTON	Non-Fungible	WUTC	Ln 3 * Workpaper 1 Ln 19	0.3746
23	FERNDALE to RENTON	Fungible	WUTC	Ln 3 * Workpaper 1 Ln 20	0.3204
24	FERNDALE to RENTON	Non-Fungible	WUTC	Ln 3 * Workpaper 1 Ln 21	0.3621
25	ANACORTES to SEA-TAC	Fungible	WUTC	Ln 3 * Workpaper 1 Ln 22	0.2927
26	ANACORTES to SEA-TAC	Non-Fungible	WUTC	Ln 3 * Workpaper 1 Ln 23	0.3344
27	CHERRY POINT to SEA-TAC	Fungible	WUTC	Ln 3 * Workpaper 1 Ln 24	0.3621
28	CHERRY POINT to SEA-TAC	Non-Fungible	WUTC	Ln 3 * Workpaper 1 Ln 25	0.4036
29	FERNDALE to SEA-TAC	Fungible	WUTC	Ln 3 * Workpaper 1 Ln 26	0.3497
30	FERNDALE to SEA-TAC	Non-Fungible	WUTC	Ln 3 * Workpaper 1 Ln 27	0.3912
31	ANACORTES to SEATTLE	Fungible	WUTC	Ln 3 * Workpaper 1 Ln 28	0.2858
32	ANACORTES to SEATTLE	Non-Fungible	WUTC	Ln 3 * Workpaper 1 Ln 29	0.3273
33	CHERRY POINT to SEATTLE	Fungible	WUTC	Ln 3 * Workpaper 1 Ln 30	0.3552
34	CHERRY POINT to SEATTLE	Non-Fungible	WUTC	Ln 3 * Workpaper 1 Ln 31	0.3967
35	FERNDALE to SEATTLE	Fungible	WUTC	Ln 3 * Workpaper 1 Ln 32	0.3426
36	FERNDALE to SEATTLE	Non-Fungible	WUTC	Ln 3 * Workpaper 1 Ln 33	0.3843
37	ANACORTES to SPANAWAY	Fungible	WUTC	Ln 3 * Workpaper 1 Ln 34	0.3288
38	ANACORTES to SPANAWAY	Non-Fungible	WUTC	Ln 3 * Workpaper 1 Ln 35	0.3704
39	CHERRY POINT to SPANAWAY	Fungible	WUTC	Ln 3 * Workpaper 1 Ln 36	0.3981
40	CHERRY POINT to SPANAWAY	Non-Fungible	WUTC	Ln 3 * Workpaper 1 Ln 37	0.4398
41	FERNDALE to SPANAWAY	Fungible	WUTC	Ln 3 * Workpaper 1 Ln 38	0.3856
42	FERNDALE to SPANAWAY	Non-Fungible	WUTC	Ln 3 * Workpaper 1 Ln 39	0.4273
43	ANACORTES to TACOMA	Fungible	WUTC	Ln 3 * Workpaper 1 Ln 40	0.3204
44	ANACORTES to TACOMA	Non-Fungible	WUTC	Ln 3 * Workpaper 1 Ln 41	0.3621
45	CHERRY POINT to TACOMA	Fungible	WUTC	Ln 3 * Workpaper 1 Ln 42	0.3898
46	CHERRY POINT to TACOMA	Non-Fungible	WUTC	Ln 3 * Workpaper 1 Ln 43	0.4314
47	FERNDALE to TACOMA	Fungible	WUTC	Ln 3 * Workpaper 1 Ln 44	0.3774
48	FERNDALE to TACOMA	Non-Fungible	WUTC	Ln 3 * Workpaper 1 Ln 45	0.4189
49	ANACORTES to OLYMPIA	Fungible	WUTC	Ln 3 * Workpaper 1 Ln 46	0.4134
50	ANACORTES to OLYMPIA	Non-Fungible	WUTC	Ln 3 * Workpaper 1 Ln 47	0.4551
51	CHERRY POINT to OLYMPIA	Fungible	WUTC	Ln 3 * Workpaper 1 Ln 48	0.4828
52	CHERRY POINT to OLYMPIA	Non-Fungible	WUTC	Ln 3 * Workpaper 1 Ln 49	0.5243
53	FERNDALE to OLYMPIA	Fungible	WUTC	Ln 3 * Workpaper 1 Ln 50	0.4702
54	FERNDALE to OLYMPIA	Non-Fungible	WUTC	Ln 3 * Workpaper 1 Ln 51	0.5119
55	ANACORTES to VANCOUVER	Fungible	WUTC	Ln 3 * Workpaper 1 Ln 52	0.6089
56	ANACORTES to VANCOUVER	Non-Fungible	WUTC	Ln 3 * Workpaper 1 Ln 53	0.6506
57	CHERRY POINT to VANCOUVER	Fungible	WUTC	Ln 3 * Workpaper 1 Ln 54	0.6783
58	CHERRY POINT to VANCOUVER	Non-Fungible	WUTC	Ln 3 * Workpaper 1 Ln 55	0.7200
59	FERNDALE to VANCOUVER	Fungible	WUTC	Ln 3 * Workpaper 1 Ln 56	0.6659
60	FERNDALE to VANCOUVER	Non-Fungible	WUTC	Ln 3 * Workpaper 1 Ln 57	0.7076

Olympic Pipe Line Company
 CPIS and Accrued Depreciation of Bayview Terminal
 (\$ 000's)

Exhibit 3.4(c)

Line No	Description	Source	1997	1998	1999	2000	2001	2002
1	Bayview Terminal Investments Balance - BOY	Prior Ln 7		\$0	\$22,332	\$23,407	\$22,824	\$22,259
2	Bayview Terminal Investments - Additions	Stipulated		\$22,371	\$1,665	\$0	\$0	\$0
3	Bayview Terminal Investments - Accum. Additions	Line (2 + Prior 3)		\$22,371	\$24,037	\$24,037	\$24,037	\$24,037
4	Amortization Rate	Stipulated		2.12%	2.46%	2.49%	2.48%	2.62%
5	Bayview Terminal Depreciation Expense	Ln ((1 + 2) * 4) 1/		\$40	\$590	\$583	\$566	\$584
6	Bayview Terminal Depreciation Expense - Accum.	Line (5 + Prior 6)		\$40	\$629	\$1,212	\$1,778	\$2,362
7	Bayview Terminal Investments Balance - EOY	Line (1 + 2 - 5)		\$22,332	\$23,407	\$22,824	\$22,259	\$21,675

1/ 1998 amount adjusted by 1/12 to reflect when Bayview Terminal was placed into service in December 1998.

Exhibit No. 1.4(a)

Olympic Pipe Line Company

Index

<u>Schedule</u>	<u>Schedule Descriptions</u>
Schedule 1	Input Summary
Schedule 2	Adjustment to Operating Expenses
Schedule 3	Total Revenue Requirement (Including Net Carryover)
Schedule 4	Net Carryover
Schedule 5	Overall Return on Rate Base
Schedule 6	Income Tax Allowance
Schedule 7	Rate Base
Schedule 8	AFUDC - Calculation
Schedule 9	AFUDC - Amortization
Schedule 10	Amortization Rate
Schedule 11	Tax Depreciation
Schedule 12	Accumulated Deferred Income Taxes
Schedule 13	TEFRA Adjustment to ADIT
Schedule 14	Excess Deferred Income Tax Amortization Adjustment to ADIT
Schedule 15	Calculation of Tariff Rates
Schedule 16	Throughput Adjuster - Tariff Rates

Input Data

Line No.	Description	Source	2002 EOY	Year 1*	Year 2	Year 3	Year 4	Year 5
1	Year 1 Adjustment Factor	Stipulated						
2	Annual Maximum Amortization of Transition Costs - Rate Litigation	Stipulated						
3	Annual Maximum Amortization of Transition Costs - Bankruptcy	Stipulated						
4	Max Allowable Other Operating Expenses	Stipulated						
5	Throughput Adjuster	Stipulated						
Annual Inputs								
6	Land (EOY)	Ln (7 + 8 + 9 + Prior 6)	\$577	\$577	\$577	\$577	\$577	\$577
7	Land Additions	Form 6	\$0	\$0	\$0	\$0	\$0	\$0
8	Land Retirements	Form 6	\$0	\$0	\$0	\$0	\$0	\$0
9	Land Adjustments and Transfers	Form 6	\$0	\$0	\$0	\$0	\$0	\$0
10	Carrier Property in Service (EOY)	Ln (11 + 12 + 13 + Prior 10)	\$138,272	\$159,931	\$172,463	\$185,268	\$202,031	\$216,926
11	Carrier Property Additions	Form 6	\$21,659	\$21,659	\$12,531	\$12,805	\$16,764	\$14,795
12	Carrier Property Retirements	Form 6	\$0	\$0	\$0	\$0	\$0	\$0
13	Carrier Property Adjustments and Transfers	Form 6	\$0	\$0	\$0	\$0	\$0	\$0
14	Accumulated Depreciation of Carrier Property (EOY)	Ln (15 + 16 + 17 + Prior 14)	\$50,351	\$53,985	\$57,761	\$61,679	\$65,774	\$70,019
15	Carrier Depreciation Expense	Form 6	\$3,634	\$3,634	\$3,777	\$3,917	\$4,095	\$4,245
16	Carrier Depreciation Retirements	Form 6	\$0	\$0	\$0	\$0	\$0	\$0
17	Carrier Depreciation Adjustments	Form 6	\$0	\$0	\$0	\$0	\$0	\$0
18	Oil Inventories	Form 6	\$301	\$301	\$301	\$301	\$301	\$301
19	Materials & Supplies	Form 6	\$0	\$0	\$0	\$0	\$0	\$0
20	Prepayments	Form 6	\$1,729	\$1,729	\$1,729	\$1,729	\$1,729	\$1,729
21	Federal Income Tax Rate	2/	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
22	State Income Tax Rate	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Federal Depreciation Factors - MACRS (1987-present)	3/	9.50%	8.53%	7.70%	6.93%	6.23%	5.62%
24	Tax Basis Reduction - TEFRA	4/	0%	0%	0%	0%	0%	0%
Federal Reserve, Statistical Release C.1.3								
25	Interest on Revenue Excess (Deficit)	Stipulated	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%
26	Inflation Rate	Stipulated	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%
27	Equity Ratio	Stipulated	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
28	Cost of Debt	Stipulated	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%
29	Real Equity Rate of Return	Stipulated	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
30	Tariff Revenues - Actual	Form 6	\$0	\$0	\$0	\$0	\$0	\$0
31	Tariff Revenues - Estimated	Company Records	\$0	\$0	\$0	\$0	\$0	\$0

Line No.	Description	Source	2002 EOY	Year 1*	Year 2	Year 3	Year 4	Year 5
32	Accumulated Equity AFUDC	Stipulated	3,936					
33	Accumulated Amortization of Equity AFUDC	Stipulated	438					
34	Accumulated Debt AFUDC	Stipulated	7,432					
35	Accumulated Amortization of Debt AFUDC	Stipulated	259					
36	Federal ADIT before Excess Deferred Income Tax Amortization Adjustment	Stipulated	11,901					
37	Accumulated Excess Deferred Income Tax Amortization Adjustment	Stipulated	917					
38	Accumulated TEFRA Adjustment	Stipulated	72					
39	Accumulated Amortization of TEFRA Adjustment	Stipulated	31					
40	Accumulated Excess Deferred Income Tax Amortization	Stipulated	2,281					
41	Tax Depreciation - Pre-Year 1	Stipulated		\$6,777	\$6,232	\$5,814	\$5,479	\$5,168
42	Bayview Terminal Property Balance	Exhibit No. 3-4(G)	\$24,037					
43	Bayview Terminal Accumulated Depreciation	Exhibit No. 3-4(G)	\$7,362					
44	Bayview Terminal Depreciation Expenses	Company Records		\$584	\$584	\$584	\$584	\$584
91	Total Annual Volume	Company Records		123,154,450	105,897,682	105,897,682	111,178,361	115,983,175
92	Volume (000 bbls) - 12 mth Rolling Average - Quarter 1			105,898	105,898	105,898	111,178	115,983
93	Volume (000 bbls) - 12 mth Rolling Average - Quarter 2			105,898	105,898	105,898	110,178	115,983
94	Volume (000 bbls) - 12 mth Rolling Average - Quarter 3			105,898	105,898	105,898	111,178	115,983
95	Volume (000 bbls) - 12 mth Rolling Average - Quarter 4			105,898	105,898	105,898	113,178	115,983

Line	Description	Source	2002 EOY	Year 1*	Year 2	Year 3	Year 4	Year 5
Operating Expenses by FERC Account								
OPERATIONS AND MAINTENANCE								
45	Salaries and Wages (300)	Company Records		\$8,076	\$6,116	\$6,185	\$6,222	\$6,291
46	Materials and Supplies (310)	Company Records		\$3,700	\$4,732	\$5,257	\$6,508	\$7,076
47	Outside Services (320)	Company Records		\$10,850	\$9,797	\$9,881	\$10,368	\$10,827
48	Operating Fuel and Power (330)	Company Records						
49	Oil Losses and Shortages (340)	Company Records						
50	Rentals (350)	Company Records						
51	Other Expenses (390)	Company Records						
52	Total Operations and Maintenance Expenses	Sum Ln (45 to 51)		\$24,626	\$20,645	\$21,923	\$23,098	\$24,195
GENERAL								
53	Salaries and Wages (500)	Company Records						
54	Materials and Supplies (510)	Company Records						
55	Outside Services (520)	Company Records		\$13,229	\$12,158	\$12,446	\$12,275	\$13,081
56	Rentals (530)	Company Records						
57	Depreciation and Amortization (540)	Ln 15		\$3,634	\$3,777	\$3,917	\$4,095	\$4,245
58	Employee Benefits (550)	Company Records						
59	Insurance (560)	Company Records						
60	Casualty and Other Losses (570)	Company Records						
61	Pipeline Taxes (580)	Company Records						
62	Other Expenses (590)	Company Records						
63	Total General Expenses	Sum Ln (53 to 62)		\$16,962	\$15,935	\$16,364	\$16,871	\$17,326
64	Total Operating Expenses	Ln (53 + 63)		\$41,588	\$36,580	\$37,686	\$39,968	\$41,521
65	Operating Expenses Excluding Depreciation	Ln (64 - 57)		\$37,954	\$32,803	\$33,769	\$35,873	\$37,275
Project Expenses by FERC Account								
OPERATIONS AND MAINTENANCE								
66	Salaries and Wages (300)	Company Records						
67	Materials and Supplies (310)	Company Records						
68	Outside Services (320)	Company Records						
69	Operating Fuel and Power (330)	Company Records						
70	Oil Losses and Shortages (340)	Company Records						
71	Rentals (350)	Company Records						
72	Other Expenses (390)	Company Records						
73	Total Operations and Maintenance Expenses	Sum Ln (66 to 72)		\$0	\$0	\$0	\$0	\$0
GENERAL								
74	Salaries and Wages (500)	Company Records						
75	Materials and Supplies (510)	Company Records						
76	Outside Services (520)	Company Records		\$7,700	\$4,732	\$5,257	\$6,508	\$7,076
77	Rentals (530)	Company Records						
78	Depreciation and Amortization (540)	Company Records						
79	Employee Benefits (550)	Company Records						
80	Insurance (560)	Company Records						
81	Casualty and Other Losses (570)	Company Records						
82	Pipeline Taxes (580)	Company Records						
83	Other Expenses (590)	Company Records						
84	Total General Expenses	Sum Ln (74 to 83)		\$5,700	\$4,732	\$5,257	\$6,508	\$7,076
85	Total Project Expenses	Ln (73 + 84)		\$5,700	\$4,732	\$5,257	\$6,508	\$7,076
86	Other Operating Expenses	Ln (65 - 48 - 85)		\$21,404	\$18,274	\$18,631	\$18,997	\$19,372
87	Transition Costs - Rate Litigation	Stipulated		\$2,814				
88	Transition Costs - Bankruptcy	Stipulated		\$2,757				
89	Escalation Factor For Other Expenses			1.00	1.02	1.05	1.07	1.10
90	Other Expenses - Max Allowable			\$22,750	\$19,964	\$20,439	\$20,926	\$21,424

No.	Description	Source	Year 1*	Year 2	Year 3	Year 4	Year 5
96	ANACORTES to LINNTON	Fungible	0.4703				
97	ANACORTES to LINNTON	Non-Fungible	0.5016				
98	CHERRY POINT to LINNTON	Fungible	0.5245				
99	CHERRY POINT to LINNTON	Non-Fungible	0.5561				
100	FERNDALE to LINNTON	Fungible	0.5160				
101	FERNDALE to LINNTON	Non-Fungible	0.5474				
102	ANACORTES to PORTLAND	Fungible	0.4703				
103	ANACORTES to PORTLAND	Non-Fungible	0.5016				
104	CHERRY POINT to PORTLAND	Fungible	0.5245				
105	CHERRY POINT to PORTLAND	Non-Fungible	0.5561				
106	FERNDALE to PORTLAND	Fungible	0.5160				
107	FERNDALE to PORTLAND	Non-Fungible	0.5474				
108	ANACORTES to BAYVIEW	N/A	0.0785				
109	CHERRY POINT to BAYVIEW	N/A	0.1102				
110	FERNDALE to BAYVIEW	N/A	0.1210				
111	ANACORTES to RENTON	Fungible	0.1946				
112	ANACORTES to RENTON	Non-Fungible	0.2255				
113	CHERRY POINT to RENTON	Fungible	0.2460				
114	CHERRY POINT to RENTON	Non-Fungible	0.2768				
115	FERNDALE to RENTON	Fungible	0.2368				
116	FERNDALE to RENTON	Non-Fungible	0.2676				
117	ANACORTES to SEA-TAC	Fungible	0.2676				
118	ANACORTES to SEA-TAC	Non-Fungible	0.2653				
119	CHERRY POINT to SEA-TAC	Fungible	0.2471				
120	CHERRY POINT to SEA-TAC	Non-Fungible	0.2676				
121	FERNDALE to SEA-TAC	Fungible	0.2983				
122	FERNDALE to SEA-TAC	Non-Fungible	0.2984				
123	ANACORTES to SEATTLE	Fungible	0.2891				
124	ANACORTES to SEATTLE	Non-Fungible	0.2112				
125	CHERRY POINT to SEATTLE	Fungible	0.2419				
126	CHERRY POINT to SEATTLE	Non-Fungible	0.2625				
127	FERNDALE to SEATTLE	Fungible	0.2992				
128	FERNDALE to SEATTLE	Non-Fungible	0.2532				
129	ANACORTES to SPANAWAY	Fungible	0.2840				
130	ANACORTES to SPANAWAY	Non-Fungible	0.2430				
131	CHERRY POINT to SPANAWAY	Fungible	0.2137				
132	CHERRY POINT to SPANAWAY	Non-Fungible	0.2947				
133	FERNDALE to SPANAWAY	Fungible	0.3250				
134	FERNDALE to SPANAWAY	Non-Fungible	0.2850				
135	ANACORTES to TACOMA	Fungible	0.3156				
136	ANACORTES to TACOMA	Non-Fungible	0.2676				
137	CHERRY POINT to TACOMA	Fungible	0.2481				
138	CHERRY POINT to TACOMA	Non-Fungible	0.3188				
139	FERNDALE to TACOMA	Fungible	0.2789				
140	FERNDALE to TACOMA	Non-Fungible	0.3096				
141	ANACORTES to OLYMPIA	Fungible	0.3055				
142	ANACORTES to OLYMPIA	Non-Fungible	0.3363				
143	CHERRY POINT to OLYMPIA	Fungible	0.3368				
144	CHERRY POINT to OLYMPIA	Non-Fungible	0.3875				
145	FERNDALE to OLYMPIA	Fungible	0.3475				
146	FERNDALE to OLYMPIA	Non-Fungible	0.3783				
147	ANACORTES to VANCOUVER	Fungible	0.4500				
148	ANACORTES to VANCOUVER	Non-Fungible	0.4808				
149	CHERRY POINT to VANCOUVER	Fungible	0.5013				
150	CHERRY POINT to VANCOUVER	Non-Fungible	0.5321				
151	FERNDALE to VANCOUVER	Fungible	0.4921				
152	FERNDALE to VANCOUVER	Non-Fungible	0.5229				

Line No.	Description	Source	2002 EOY				
			Year 1*	Year 2	Year 3	Year 4	Year 5
Monthly Input							
Spending - CWIP:							
153	Month 1	Company Records	\$187	\$1,583	\$1,481	\$1,435	\$1,119
154	Month 2	Company Records	\$197	\$1,583	\$1,481	\$1,435	\$1,119
155	Month 3	Company Records	\$697	\$1,583	\$1,481	\$1,435	\$1,119
156	Month 4	Company Records	\$1,840	\$1,583	\$1,481	\$1,435	\$1,119
157	Month 5	Company Records	\$1,038	\$1,583	\$1,481	\$1,435	\$1,119
158	Month 6	Company Records	\$1,681	\$1,583	\$1,481	\$1,435	\$1,119
159	Month 7	Company Records	\$1,466	\$1,583	\$1,481	\$1,435	\$1,119
160	Month 8	Company Records	\$1,448	\$1,583	\$1,481	\$1,435	\$1,119
161	Month 9	Company Records	\$1,775	\$1,583	\$1,481	\$1,435	\$1,119
162	Month 10	Company Records	\$558	\$1,583	\$1,481	\$1,435	\$1,119
163	Month 11	Company Records	\$558	\$1,583	\$1,481	\$1,435	\$1,119
164	Month 12	Company Records	\$558	\$1,583	\$1,481	\$1,435	\$1,119

Transfers to Assets - CWIP:						
165	Month 1	Company Records				
166	Month 2	Company Records				
167	Month 3	Company Records				
168	Month 4	Company Records				
169	Month 5	Company Records				
170	Month 6	Company Records				
171	Month 7	Company Records				
172	Month 8	Company Records				
173	Month 9	Company Records				
174	Month 10	Company Records				
175	Month 11	Company Records				
176	Month 12	Company Records				

CWIP Balances:							
177	Month 1	Ln (153 + 165 + Prior 188)	\$21,333	\$13,071	\$17,956	\$21,437	\$20,463
178	Month 2	Ln (154 + 166 + 177)	\$20,346	\$11,521	\$16,236	\$18,682	\$17,883
179	Month 3	Ln (155 + 167 + 178)	\$21,043	\$13,105	\$17,716	\$20,117	\$19,602
180	Month 4	Ln (156 + 168 + 179)	\$22,883	\$14,688	\$19,197	\$21,553	\$20,121
181	Month 5	Ln (157 + 169 + 180)	\$9,777	\$13,139	\$17,476	\$18,797	\$17,542
182	Month 6	Ln (158 + 170 + 181)	\$11,458	\$14,722	\$18,957	\$20,232	\$18,661
183	Month 7	Ln (159 + 171 + 182)	\$12,923	\$16,305	\$20,437	\$21,668	\$19,780
184	Month 8	Ln (160 + 172 + 183)	\$8,039	\$14,756	\$18,716	\$18,912	\$17,200
185	Month 9	Ln (161 + 173 + 184)	\$9,813	\$16,339	\$20,197	\$20,348	\$18,319
186	Month 10	Ln (162 + 174 + 185)	\$10,371	\$17,922	\$21,678	\$21,783	\$19,438
187	Month 11	Ln (163 + 175 + 186)	\$10,929	\$16,373	\$19,957	\$19,027	\$16,859
188	Month 12	Ln (164 + 176 + 187)	\$11,487	\$17,956	\$21,437	\$20,463	\$17,978

* Year 1 reflects 14 month period.

1/ 2002 EOY Data based on FEREC Form 6

2/ 1984-1986 Federal Income Tax Rate from IRC §11(b) and (c), as amended by P.L. 95-600, §301(a), 95th Cong., 2d Sess. (1978); 1987 Federal Income Tax Rate from IRC §11(b) and (c), as amended by P.L. 99-514, §601(a), 99th Cong., 2d Sess. (1986). See also, IRC §15 (1987); 1988-1992 Federal Income Tax Rate from IRC §11(b) as amended by P.L. 100-203 §10222(d)(4), 100th Cong., 1st Sess. (1987); 1993-Test Period Federal Income Tax Rate from IRC §11(b) as amended by P.L. 103-66, §13221(b), 103rd Cong., 1st Sess. (1993); 3/ IRC §168(a), §168(c)(1), Rev. Proc. 87-56, IRB 1987-42, 4 (Asset guideline class 40), Rev. Proc. 87-57, §8 (table 1), 1987-2 CB 687.

4/ Based on Tax Equity and Fiscal Responsibility Act of 1982.

5/ FEREC Rates based on FEREC Tariff No. 24, Supplemental 7, effective April 2003.

WUTC Rates based on WUTC Tariff No. 24, effective October 2002.

Input Data

Line No.	Description	Source	Year 6	Year 7	Year 8	Year 9	Year 10
1	Year 1 Adjustment Factor	Stipulated	117				
2	Annual Maximum Amortization of Transition Costs - Rate Litigation	Stipulated	1				
3	Annual Maximum Amortization of Transition Costs - Bankruptcy	Stipulated	24				
4	Max Allowable Other Operating Expenses	Stipulated	\$19,500				
5	Throughput Adjuster	Stipulated	2.00%				
Annual Inputs							
6	Land (EOY)	Ln (7 + 8 + 9 + Prior 6)	\$577	\$577	\$577	\$577	\$577
7	Land Additions	Form 6	\$0	\$0	\$0	\$0	\$0
8	Land Retirements	Form 6	\$0	\$0	\$0	\$0	\$0
9	Land Adjustments and Transfers	Form 6	\$0	\$0	\$0	\$0	\$0
10	Carrier Property in Service (EOY)	Ln (11 + 12 + 13 + Prior 10)	\$229,240	\$240,522	\$250,631	\$260,742	\$269,685
11	Carrier Property Additions	Form 6	\$12,413	\$11,083	\$10,309	\$10,111	\$8,944
12	Carrier Property Retirements	Form 6	\$0	\$0	\$0	\$0	\$0
13	Carrier Property Adjustments and Transfers	Form 6	\$0	\$0	\$0	\$0	\$0
14	Accumulated Depreciation of Carrier Property (EOY)	Ln (15 + 16 + 17 + Prior 14)	\$74,387	\$78,860	\$83,429	\$88,091	\$92,833
15	Carrier Depreciation Expense	Form 6	\$4,367	\$4,473	\$4,569	\$4,662	\$4,742
16	Carrier Depreciation Refinements	Form 6	\$0	\$0	\$0	\$0	\$0
17	Carrier Depreciation Adjustments	Form 6	\$0	\$0	\$0	\$0	\$0
18	Oil Inventories	Form 6	\$301	\$301	\$301	\$301	\$301
19	Materials & Supplies	Form 6	\$0	\$0	\$0	\$0	\$0
20	Paypymts	Form 6	\$1,729	\$1,729	\$1,729	\$1,729	\$1,729
21	Federal Income Tax Rate	2/	35.00%	35.00%	35.00%	35.00%	35.00%
22	State Income Tax Rate	N/A	0.00%	0.00%	0.00%	0.00%	0.00%
23	Federal Depreciation Factors - MACRS (1987-present)	3/	5.90%	5.90%	5.91%	5.90%	5.91%
24	Tax Basis Reduction - TEFRA	4/	0%	0%	0%	0%	0%
Federal Reserve, Statistical Release G.13							
25	Interest on Revenue Excess (Deficit)	Stipulated	4.68%	4.68%	4.68%	4.68%	4.68%
26	Inflation Rate	Stipulated	2.38%	2.38%	2.38%	2.38%	2.38%
27	Equity Ratio	Stipulated	50.00%	50.00%	50.00%	50.00%	50.00%
28	Cost of Debt	Stipulated	7.80%	7.80%	7.80%	7.80%	7.80%
29	Real Equity Rate of Return	Stipulated	10.00%	10.00%	10.00%	10.00%	10.00%
30	Tariff Revenues - Actual	Form 6	\$0	\$0	\$0	\$0	\$0
31	Tariff Revenues - Estimated	Company Records	\$0	\$0	\$0	\$0	\$0

Line No.	Description	Source	Year 6	Year 7	Year 8	Year 9	Year 10
32	Accumulated Equity AFUDC	Stipulated					
33	Accumulated Amortization of Equity AFUDC	Stipulated					
34	Accumulated Debt AFUDC	Stipulated					
35	Accumulated Amortization of Debt AFUDC	Stipulated					
36	Federal ADIT before Excess Deferred Income Tax Amortization Adjustment	Stipulated					
37	Accumulated Excess Deferred Income Tax Amortization Adjustment	Stipulated					
38	Accumulated TEFRA Adjustment	Stipulated					
39	Accumulated Amortization of TEFRA Adjustment	Stipulated					
40	Accumulated Excess Deferred Income Tax Amortization	Stipulated					
41	Tax Depreciation - Pre-Year 1	Stipulated	\$4,927	\$4,735	\$4,603	\$4,367	\$4,008
42	Bayview Terminal Property Balance	Exhibit No. 3.4(f)					
43	Bayview Terminal Accumulated Depreciation	Exhibit No. 3.4(f)					
44	Bayview Terminal Depreciation Expenses	Company Records	\$584	\$584	\$584	\$584	\$584
91	Total Annual Volume	Company Records	116,800,000	116,800,000	116,800,000	116,800,000	116,800,000
92	Volume (000 bbls) - 12 mth Rolling Average - Quarter 1		116,800	116,800	116,800	116,800	116,800
93	Volume (000 bbls) - 12 mth Rolling Average - Quarter 2		116,800	116,800	116,800	116,800	116,800
94	Volume (000 bbls) - 12 mth Rolling Average - Quarter 3		116,800	116,800	116,800	116,800	116,800
95	Volume (000 bbls) - 12 mth Rolling Average - Quarter 4		116,800	116,800	116,800	116,800	116,800

Line No.	Description	Source	Year 6	Year 7	Year 8	Year 9	Year 10
Operating Expenses by FERC Account							
OPERATIONS AND MAINTENANCE							
45	Salaries and Wages (300)	Company Records	\$6,554	\$6,842	\$7,149	\$7,471	\$7,815
46	Materials and Supplies (310)	Company Records	\$6,145	\$6,336	\$4,999	\$3,671	\$3,209
47	Outside Services (320)	Company Records	\$10,985	\$11,081	\$11,177	\$11,274	\$11,373
48	Operating Fuel and Power (330)	Company Records					
49	Oil Losses and Shortages (340)	Company Records					
50	Rentals (350)	Company Records					
51	Other Expenses (390)	Company Records					
52	Total Operations and Maintenance Expenses	Sum Ln (45 to 51)	\$23,684	\$24,239	\$23,326	\$22,416	\$22,397
GENERAL							
53	Salaries and Wages (500)	Company Records					
54	Materials and Supplies (510)	Company Records	\$17,448	\$21,921	\$26,491	\$31,152	\$35,894
55	Outside Services (520)	Company Records					
56	Rentals (530)	Company Records	\$4,367	\$4,473	\$4,569	\$4,662	\$4,742
57	Depreciation and Amortization (540)	Ln 15					
58	Employee Benefits (550)	Company Records					
59	Insurance (560)	Company Records					
60	Casualty and Other Losses (570)	Company Records					
61	Pipeline Taxes (580)	Company Records					
62	Other Expenses (590)	Company Records					
63	Total General Expenses	Sum Ln (53 to 62)	\$21,815	\$26,394	\$31,060	\$35,814	\$40,636
64	Total Operating Expenses	Ln (52 + 63)	\$45,499	\$50,633	\$54,386	\$58,230	\$63,033
65	Operating Expenses Excluding Depreciation	Ln (64 - 57)	\$41,132	\$46,180	\$49,816	\$53,568	\$58,291
OPERATIONS AND MAINTENANCE							
66	Salaries and Wages (300)	Company Records					
67	Materials and Supplies (310)	Company Records					
68	Outside Services (320)	Company Records					
69	Operating Fuel and Power (330)	Company Records					
70	Oil Losses and Shortages (340)	Company Records					
71	Rentals (350)	Company Records					
72	Other Expenses (390)	Company Records					
73	Total Operations and Maintenance Expenses	Sum Ln (66 to 72)	\$0	\$0	\$0	\$0	\$0
GENERAL							
74	Salaries and Wages (500)	Company Records					
75	Materials and Supplies (510)	Company Records	\$6,145	\$6,336	\$4,999	\$3,671	\$3,209
76	Outside Services (520)	Company Records					
77	Rentals (530)	Company Records					
78	Depreciation and Amortization (540)	Company Records					
79	Employee Benefits (550)	Company Records					
80	Insurance (560)	Company Records					
81	Casualty and Other Losses (570)	Company Records					
82	Pipeline Taxes (580)	Company Records					
83	Other Expenses (590)	Company Records					
84	Total General Expenses	Sum Ln (74 to 83)	\$6,145	\$6,336	\$4,999	\$3,671	\$3,209
85	Total Project Expenses	Ln (73 + 84)	\$6,145	\$6,336	\$4,999	\$3,671	\$3,209
86	Other Operating Expenses	Ln (65 - 48 - 85)	\$24,002	\$28,763	\$33,640	\$38,623	\$43,709
87	Transition Costs - Rate Litigation	Stipulated					
88	Transition Costs - Bankruptcy	Stipulated					
89	Escalation Factor For Other Expenses		1.12	1.15	1.18	1.21	1.24
90	Other Expenses - Max Allowable		\$21,934	\$22,456	\$22,990	\$23,537	\$24,097

Line	Description	Source	Year 6	Year 7	Year 8	Year 9	Year 10
96	ANACORTES to LINNTON	Fungible					
97	ANACORTES to LINNTON	Non-Fungible					
98	CHERRY POINT to LINNTON	Fungible					
99	CHERRY POINT to LINNTON	Non-Fungible					
100	FERNDALE to LINNTON	Fungible					
101	FERNDALE to LINNTON	Non-Fungible					
102	ANACORTES to PORTLAND	Fungible					
103	ANACORTES to PORTLAND	Non-Fungible					
104	CHERRY POINT to PORTLAND	Fungible					
105	CHERRY POINT to PORTLAND	Non-Fungible					
106	FERNDALE to PORTLAND	Fungible					
107	FERNDALE to PORTLAND	Non-Fungible					
108	ANACORTES to BAYVIEW	N/A					
109	CHERRY POINT to BAYVIEW	N/A					
110	FERNDALE to BAYVIEW	Fungible					
111	ANACORTES to RENTON	Non-Fungible					
112	ANACORTES to RENTON	Fungible					
113	CHERRY POINT to RENTON	Non-Fungible					
114	CHERRY POINT to RENTON	Fungible					
115	FERNDALE to RENTON	Non-Fungible					
116	FERNDALE to RENTON	Fungible					
117	ANACORTES to SEA-TAC	Non-Fungible					
118	ANACORTES to SEA-TAC	Fungible					
119	CHERRY POINT to SEA-TAC	Non-Fungible					
120	CHERRY POINT to SEA-TAC	Fungible					
121	FERNDALE to SEA-TAC	Non-Fungible					
122	FERNDALE to SEA-TAC	Fungible					
123	ANACORTES to SEATTLE	Non-Fungible					
124	ANACORTES to SEATTLE	Fungible					
125	CHERRY POINT to SEATTLE	Non-Fungible					
126	CHERRY POINT to SEATTLE	Fungible					
127	FERNDALE to SEATTLE	Non-Fungible					
128	FERNDALE to SEATTLE	Fungible					
129	ANACORTES to SPANAWAY	Non-Fungible					
130	ANACORTES to SPANAWAY	Fungible					
131	CHERRY POINT to SPANAWAY	Non-Fungible					
132	CHERRY POINT to SPANAWAY	Fungible					
133	FERNDALE to SPANAWAY	Non-Fungible					
134	FERNDALE to SPANAWAY	Fungible					
135	ANACORTES to TACOMA	Non-Fungible					
136	ANACORTES to TACOMA	Fungible					
137	CHERRY POINT to TACOMA	Non-Fungible					
138	CHERRY POINT to TACOMA	Fungible					
139	FERNDALE to TACOMA	Non-Fungible					
140	FERNDALE to TACOMA	Fungible					
141	ANACORTES to OLYMPIA	Non-Fungible					
142	ANACORTES to OLYMPIA	Fungible					
143	CHERRY POINT to OLYMPIA	Non-Fungible					
144	CHERRY POINT to OLYMPIA	Fungible					
145	FERNDALE to OLYMPIA	Non-Fungible					
146	FERNDALE to OLYMPIA	Fungible					
147	ANACORTES to VANCOUVER	Non-Fungible					
148	ANACORTES to VANCOUVER	Fungible					
149	CHERRY POINT to VANCOUVER	Non-Fungible					
150	CHERRY POINT to VANCOUVER	Fungible					
151	FERNDALE to VANCOUVER	Non-Fungible					
152	FERNDALE to VANCOUVER	Fungible					

Line No.	Description	Source	Year 5	Year 7	Year 8	Year 9	Year 10
Monthly Inputs							
Spending - CWP:							
153	Month 1	Company Records	\$831	\$1,072	\$908	\$777	\$754
154	Month 2	Company Records	\$831	\$1,072	\$908	\$777	\$754
155	Month 3	Company Records	\$831	\$1,072	\$908	\$777	\$754
156	Month 4	Company Records	\$831	\$1,072	\$908	\$777	\$754
157	Month 5	Company Records	\$831	\$1,072	\$908	\$777	\$754
158	Month 6	Company Records	\$831	\$1,072	\$908	\$777	\$754
159	Month 7	Company Records	\$831	\$1,072	\$908	\$777	\$754
160	Month 8	Company Records	\$831	\$1,072	\$908	\$777	\$754
161	Month 9	Company Records	\$831	\$1,072	\$908	\$777	\$754
162	Month 10	Company Records	\$831	\$1,072	\$908	\$777	\$754
163	Month 11	Company Records	\$831	\$1,072	\$908	\$777	\$754
164	Month 12	Company Records	\$831	\$1,072	\$908	\$777	\$754
Transfers to Assets - CWP:							
165	Month 1	Company Records					
166	Month 2	Company Records	(\$1,103)	(\$2,771)	(\$2,577)	(\$2,528)	(\$2,236)
167	Month 3	Company Records					
168	Month 4	Company Records	(\$1,103)	(\$2,771)	(\$2,577)	(\$2,528)	(\$2,236)
169	Month 5	Company Records					
170	Month 6	Company Records					
171	Month 7	Company Records					
172	Month 8	Company Records	(\$1,103)	(\$2,771)	(\$2,577)	(\$2,528)	(\$2,236)
173	Month 9	Company Records					
174	Month 10	Company Records					
175	Month 11	Company Records					
176	Month 12	Company Records	(\$1,103)	(\$2,771)	(\$2,577)	(\$2,528)	(\$2,236)
CWP Balances:							
177	Month 1	Ln (153 + 165 + Prior 188)	\$17,978	\$14,706	\$15,420	\$15,099	\$13,535
178	Month 2	Ln (154 + 166 + 177)	\$15,705	\$13,007	\$13,751	\$13,349	\$12,053
179	Month 3	Ln (155 + 167 + 178)	\$16,536	\$14,080	\$14,659	\$14,126	\$12,808
180	Month 4	Ln (156 + 168 + 179)	\$17,367	\$15,152	\$15,567	\$14,902	\$13,562
181	Month 5	Ln (157 + 169 + 180)	\$15,095	\$13,454	\$13,898	\$13,152	\$12,080
182	Month 6	Ln (158 + 170 + 181)	\$15,926	\$14,527	\$14,806	\$13,929	\$12,834
183	Month 7	Ln (159 + 171 + 182)	\$16,757	\$15,599	\$15,714	\$14,706	\$13,589
184	Month 8	Ln (160 + 172 + 183)	\$14,485	\$13,901	\$14,044	\$12,955	\$12,107
185	Month 9	Ln (161 + 173 + 184)	\$15,316	\$14,973	\$15,092	\$13,732	\$12,861
186	Month 10	Ln (162 + 174 + 185)	\$16,147	\$16,046	\$15,860	\$14,509	\$13,615
187	Month 11	Ln (163 + 175 + 186)	\$13,875	\$14,347	\$14,191	\$12,758	\$12,134
188	Month 12	Ln (164 + 176 + 187)	\$14,706	\$15,420	\$15,099	\$13,535	\$12,888

* Year 1 reflects 14 month period.

1/

2002 EOY Data based on FERC Form 6

2/

1984-1986 Federal Income Tax Rate from IRC §11(b) and (c), as amended by P.L. 95-600, §301(a), 95th Cong., 2d Sess. (1978); 1987 Federal Income Tax Rate from IRC §11(b) and (c), as amended by P.L. 99-514, §601(a), 99th Cong., 2d Sess. (1986); 1988-1992 Federal Income Tax Rate from IRC §11(b) as amended by P.L. 100-203 §102224(a), 100th Cong., 1st Sess. (1987); 1993-Test Period Federal Income Tax Rate from IRC §11(b) as amended by P.L. 103-66, §13221(b), 103rd Cong., 1st Sess. (1993); 1994-Test Period Federal Income Tax Rate from IRC §11(b) as amended by P.L. 103-66, §13221(b), 103rd Cong., 1st Sess. (1994); 1995-Test Period Federal Income Tax Rate from IRC §11(b) as amended by P.L. 103-66, §13221(b), 103rd Cong., 1st Sess. (1995); 1996-Test Period Federal Income Tax Rate from IRC §11(b) as amended by P.L. 103-66, §13221(b), 103rd Cong., 1st Sess. (1996); 1997-Test Period Federal Income Tax Rate from IRC §11(b) as amended by P.L. 103-66, §13221(b), 103rd Cong., 1st Sess. (1997); 1998-Test Period Federal Income Tax Rate from IRC §11(b) as amended by P.L. 103-66, §13221(b), 103rd Cong., 1st Sess. (1998); 1999-Test Period Federal Income Tax Rate from IRC §11(b) as amended by P.L. 103-66, §13221(b), 103rd Cong., 1st Sess. (1999); 2000-Test Period Federal Income Tax Rate from IRC §11(b) as amended by P.L. 103-66, §13221(b), 103rd Cong., 1st Sess. (2000); 2001-Test Period Federal Income Tax Rate from IRC §11(b) as amended by P.L. 103-66, §13221(b), 103rd Cong., 1st Sess. (2001); 2002-Test Period Federal Income Tax Rate from IRC §11(b) as amended by P.L. 103-66, §13221(b), 103rd Cong., 1st Sess. (2002).

Based on Tax Equity and Fiscal Responsibility Act of 1982.

5/ FERC Rates based on FERC Tariff No. 24, Supplemental 7, effective April 2003.

WUTC Rates based on WUTC Tariff No. 24, effective October 2002.

Olympic Pipe Line Company
Adjustment to Operating Expenses
(\$000's)

Line No	Description (\$ 000's)	Source	Year 1*	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Operating Expenses - Unadjusted												
1	Project Expenses	Schedule 1, Ln 85	\$5,700	\$4,732	\$5,257	\$6,508	\$7,076	\$6,145	\$6,536	\$4,999	\$3,671	\$3,209
2	Power Expenses	Schedule 1, Ln 48	\$10,850	\$9,797	\$9,881	\$10,368	\$10,827	\$10,985	\$11,081	\$11,177	\$11,274	\$11,373
3	Other Operating Expenses	Schedule 1, Ln 86	\$21,404	\$18,274	\$18,631	\$18,997	\$19,372	\$24,002	\$28,763	\$33,640	\$38,623	\$43,709
4	Transition Costs - Rate Litigation	Schedule 1, Ln 87	\$2,814	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	Transition Costs - Bankruptcy	Schedule 1, Ln 88	\$2,757	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Operating Expenses	Sum Ln (1 to 5)	\$43,525	\$32,803	\$33,769	\$35,873	\$37,275	\$41,132	\$46,180	\$49,816	\$53,568	\$58,291
Operating Expenses - Adjusted												
7	Maximum Allowable Other Expenses	Schedule 1, Ln 90	\$22,750	\$19,964	\$20,439	\$20,926	\$21,424	\$21,934	\$22,456	\$22,990	\$23,537	\$24,097
8	Other Operating Expenses	Min Ln (3 or 7)	\$21,404	\$18,274	\$18,631	\$18,997	\$19,372	\$21,934	\$22,456	\$22,990	\$23,537	\$24,097
9	Other Operating Expenses Deficit	Ln (7 - 3)	\$1,346	\$1,690	\$1,808	\$1,929	\$2,052	\$0	\$0	\$0	\$0	\$0
10	Cost Increase Deficit Amount	Ln 9	\$1,346	\$1,690	\$1,808	\$1,929	\$2,052	\$0	\$0	\$0	\$0	\$0
11	Annual Maximum Amortization of Transition Costs - Bankruptcy	Ln 5 Amortized Over 24 Years	\$115	\$115	\$115	\$115	\$115	\$0	\$0	\$0	\$0	\$0
12	Difference	Ln (10 - 11)	\$1,231	\$1,575	\$1,693	\$1,814	\$1,937	\$0	\$0	\$0	\$0	\$0
13	Unamortized Balance Transition Costs - Bankruptcy BOY	Prior Ln 16	\$2,757	\$2,642	\$2,528	\$2,413	\$2,298	\$2,183	\$2,183	\$2,183	\$2,183	\$2,183
14	Add: Amortization of Transition Costs - Bankruptcy	Min Ln (10 or 11)	\$115	\$115	\$115	\$115	\$115	\$0	\$0	\$0	\$0	\$0
15	Transition Costs - Bankruptcy - Accumulated	Ln (14 + Prior 15)	\$115	\$230	\$345	\$460	\$574	\$574	\$574	\$574	\$574	\$574
16	Unamortized Balance Transition Costs - Bankruptcy EOY	Ln (13 - 14)	\$2,642	\$2,528	\$2,413	\$2,298	\$2,183	\$2,183	\$2,183	\$2,183	\$2,183	\$2,183
17	Cost Deficit Amount	Ln (10 - 14)	\$1,231	\$1,575	\$1,693	\$1,814	\$1,937	\$0	\$0	\$0	\$0	\$0
18	Annual Maximum Amortization of Transition Costs - Rate Litigation	Ln 4 Amortized Over 2 Years	\$938	\$938	\$938	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Difference	Ln (10 - 18)	\$408	\$752	\$870	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20	Unamortized Balance Transition Costs - Rate Litigation BOY	Prior Ln 23	\$2,814	\$1,876	\$938	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21	Add: Amortization of Transition Costs - Rate Litigation	Min Ln (17 or 18)	\$938	\$938	\$938	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22	Transition Costs - Rate Litigation - Accumulated	Ln (21 + Prior 22)	\$938	\$1,876	\$2,814	\$2,814	\$2,814	\$2,814	\$2,814	\$2,814	\$2,814	\$2,814
23	Unamortized Balance Transition Costs - Rate Litigation EOY	Ln (20 - 21)	\$1,876	\$938	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Total Other Expenses	Ln (8 + 14 + 21)	\$22,457	\$19,327	\$19,684	\$19,112	\$19,487	\$21,934	\$22,456	\$22,990	\$23,537	\$24,097
25	Adjusted Operating Expenses	Ln (1 + 2 + 24)	\$39,007	\$33,856	\$34,822	\$35,988	\$37,390	\$39,064	\$39,872	\$39,166	\$38,483	\$38,679

* Year 1 reflects 14 month period.

Olympic Pipe Line Company
Total Revenue Requirement (Including Net Carryover)
(\$000's)

Exhibit No. 1.4(a)
Schedule 3

Line No.	Description	Source	Year 1 *	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
1	Return on Rate Base	Schedule 5, Line 7	\$11,033	\$10,795	\$11,655	\$12,717	\$13,834	\$14,671	\$15,273	\$15,740	\$16,135	\$16,436
2	Income Tax Allowance	Schedule 6, Line 14	\$3,619	\$3,554	\$3,852	\$4,217	\$4,599	\$4,886	\$5,093	\$5,256	\$5,394	\$5,501
3	Operating Expenses Excluding Depreciation	Schedule 2, Line 25	\$39,007	\$33,856	\$34,822	\$35,988	\$37,390	\$39,064	\$39,872	\$39,166	\$38,483	\$38,679
4	Depreciation Expense	Schedule 1, Line 15	\$3,634	\$3,777	\$3,917	\$4,095	\$4,245	\$4,367	\$4,473	\$4,569	\$4,662	\$4,742
5	Amortization of AFUDC	Schedule 9, Lines (4 + 10)	\$177	\$202	\$234	\$269	\$299	\$324	\$345	\$365	\$385	\$402
6	Total Revenue Requirement (Excluding Net Carryover)	Sum Lines (1 through 5)	\$57,469	\$52,184	\$54,480	\$57,286	\$60,367	\$63,311	\$65,057	\$65,097	\$65,059	\$65,760
7	Net Carryover	Schedule 4 Prior Ln 6	N/A	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	Total Revenue Requirement (Including Net Carryover)	Ln (6 + 7)	\$57,469	\$52,184	\$54,480	\$57,286	\$60,367	\$63,311	\$65,057	\$65,097	\$65,059	\$65,760

* Year 1 reflects 14 month period.

Olympic Pipe Line Company
 Net Carryover
 (\$000's)

Exhibit No. 1.4(a)
 Schedule 4

Line No.	Description	Source	Year											
			1*	2	3	4	5	6	7	8	9	10		
1	Total Revenue Requirement (Including Net Carryover)	Schedule 3 Ln 8	\$57,469	\$52,184	\$54,480	\$57,286	\$60,367	\$63,311	\$65,057	\$65,097	\$65,059	\$65,760		
2	Tariff Revenues - Actual	Schedule 1 Ln 30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
3	Revenue Excess/(Deficit) - Without Interest	Ln (1 - 2)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4	Interest on Revenue Excess/(Deficit) - Rate	Schedule 1 Ln 25	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	
5	Interest on Revenue Excess/(Deficit)	Ln (3 * 4)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
6	Net Carryover	Ln (3 + 5)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

* Year 1 reflects 14 month period.

Olympic Pipe Line Company
Overall Return on Rate Base
(\$000's)

Exhibit No. 1 (4a)
Schedule 5

Line No.	Description	Source	Year 1 *	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
1	Average Original Cost Rate Base	Schedule 7, Line 14	\$93,724	\$106,984	\$115,514	\$126,040	\$137,104	\$145,403	\$151,367	\$155,998	\$159,910	\$162,894
2	Debt Ratio	1.0 - Ln 3	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
3	Equity Ratio	Schedule 1, Line 27	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
4	Cost of Debt	Schedule 1, Line 28	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%
5	Equity Rate of Return (Nominal)	Schedule 1, Line (29 + 26)	12.38%	12.38%	12.38%	12.38%	12.38%	12.38%	12.38%	12.38%	12.38%	12.38%
6	Weighted Cost of Capital	Lines (2 * 4) + (3 * 5)	10.09%	10.09%	10.09%	10.09%	10.09%	10.09%	10.09%	10.09%	10.09%	10.09%
7	Overall Return on Rate Base	Lines (6 * 1)	\$11,033	\$10,795	\$11,655	\$12,717	\$13,834	\$14,671	\$15,273	\$15,740	\$16,135	\$16,436
8	Weighted Cost of Debt	Lines (2 * 4)	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%
9	Interest Expense	Lines (8 * 1)	\$4,264	\$4,172	\$4,505	\$4,916	\$5,347	\$5,671	\$5,903	\$6,084	\$6,237	\$6,353

* Year 1 reflects 14 month period.

1/ Year 1 amount adjusted by 14/12 to account for 14 month period

Olympic Pipe Line Company
Income Tax Allowance
(\$000's)

Exhibit No. 1.4(a)
Schedule 6

Line No.	Description	Source	Year 1*	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
1	Overall Return on Rate Base	Schedule 5, Line 7	\$11,033	\$10,795	\$11,655	\$12,717	\$13,834	\$14,671	\$15,273	\$15,740	\$16,135	\$16,436
2	Interest Expense	Schedule 5, Line 9	\$4,264	\$4,172	\$4,505	\$4,916	\$5,347	\$5,671	\$5,903	\$6,084	\$6,237	\$6,353
3	Return on Equity	Line 1 - Line 2	\$6,768	\$6,622	\$7,150	\$7,802	\$8,487	\$9,000	\$9,370	\$9,656	\$9,898	\$10,083
4	Amortization of TEFRA Adjustment	Schedule 13, Line 6	\$2	\$2	\$2	\$2	\$1	\$1	\$1	\$1	\$1	\$1
5	Amortization of Equity AFUDC	Schedule 9, Line 4	\$109	\$125	\$144	\$166	\$184	\$200	\$213	\$225	\$237	\$248
6	Excess Deferred Income Tax Amortization Adjustment	Schedule 14, Line 12	\$56	\$52	\$50	\$48	\$46	\$45	\$44	\$43	\$42	\$41
7	Taxable Allowed Return	Line (3 + 4 + 5 - 6)	\$6,824	\$6,697	\$7,246	\$7,921	\$8,626	\$9,157	\$9,540	\$9,840	\$10,096	\$10,292
8	Federal Income Tax Rate	Schedule 1, Ln.21	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
9	State Income Tax Rate	Schedule 1, Ln.22	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Composite Income Tax Rate	1.0 - ((1.0 - Ln.9) * (1.0 - Ln.10))	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
11	Net-to-Tax Multiplier	Line 10 / (1.0 - Line 10)	53.85%	53.85%	53.85%	53.85%	53.85%	53.85%	53.85%	53.85%	53.85%	53.85%
Income Tax Allowance before Excess Deferred Income Tax												
12	Amortization Adjustment	Line 7 * Line 11	\$3,674	\$3,606	\$3,902	\$4,265	\$4,645	\$4,931	\$5,137	\$5,299	\$5,436	\$5,542
13	Excess Deferred Income Tax Amortization Adjustment	Line 6	\$56	\$52	\$50	\$48	\$46	\$45	\$44	\$43	\$42	\$41
14	Income Tax Allowance After Excess Deferred Income Tax Amortization Adjustment	Line (12 - 13)	\$3,619	\$3,554	\$3,852	\$4,217	\$4,599	\$4,886	\$5,093	\$5,256	\$5,394	\$5,501

* Year 1 reflects 14 month period.

Olympic Pipe Line Company
Rate Base
(\$000's)

Prepared for Purpose of Settlement
Privileged and Confidential

Exhibit No. 1.4(a)
Schedule 7

Line No.	Description	Source	2002 EOY	Year 1*	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Total Carrier Property in Service													
1	Carrier Property in Service	Schedule 1, Line 10	\$138,272	\$159,931	\$172,463	\$185,268	\$202,031	\$216,826	\$229,240	\$240,322	\$250,631	\$260,742	\$269,685
2	Accumulated AFUDC	Schedule 9, Lns (2+8) 1/	\$6,368	\$8,104	\$9,653	\$11,634	\$13,732	\$15,660	\$17,300	\$18,811	\$20,347	\$21,787	\$23,116
3	Total Carrier Property in Service	Lines (1 + 2)	\$144,640	\$168,036	\$182,115	\$196,902	\$215,763	\$232,486	\$246,540	\$259,134	\$270,978	\$282,528	\$292,802
Total Accumulated Depreciation													
Accumulated Depreciation of Carrier													
4	Property	Schedule 1, Line 14	\$50,351	\$53,985	\$57,761	\$61,679	\$65,774	\$70,019	\$74,387	\$78,860	\$83,429	\$88,091	\$92,833
5	Accumulated Amortization of AFUDC	Schedule 9, Lns (5+11) 2/	\$698	\$875	\$1,077	\$1,311	\$1,580	\$1,879	\$2,202	\$2,547	\$2,912	\$3,297	\$3,700
6	Total Accumulated Depreciation	Lines (4 + 5)	\$51,048	\$54,859	\$58,838	\$62,990	\$67,354	\$71,898	\$76,589	\$81,407	\$86,342	\$91,388	\$96,532
7	Net Carrier Property In Service	Lines (3 - 6)	\$93,592	\$113,177	\$123,277	\$133,913	\$148,409	\$160,588	\$169,951	\$177,727	\$184,636	\$191,140	\$196,269
Working Capital													
8	Oil Inventory	Schedule 1, Line 18	\$301	\$301	\$301	\$301	\$301	\$301	\$301	\$301	\$301	\$301	\$301
9	Materials and Supplies	Schedule 1, Line 19	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Prepayments	Schedule 1, Line 20	\$1,729	\$1,729	\$1,729	\$1,729	\$1,729	\$1,729	\$1,729	\$1,729	\$1,729	\$1,729	\$1,729
11	Total Working Capital	Lines (8 + 9 + 10)	\$2,030	\$2,030	\$2,030	\$2,030	\$2,030	\$2,030	\$2,030	\$2,030	\$2,030	\$2,030	\$2,030
12	Accumulated Deferred Income Taxes	Schedule 12, Line 10	\$10,984	\$12,396	\$14,149	\$16,074	\$18,228	\$20,622	\$23,171	\$25,833	\$28,595	\$31,421	\$34,261
13	Original Cost Rate Base	Lines (7 + 11 - 12)	\$84,638	\$102,811	\$111,158	\$119,869	\$132,212	\$141,996	\$148,810	\$153,924	\$158,072	\$161,749	\$164,039
14	Average Original Cost Rate Base	Average Line 13	\$93,724	\$106,984	\$115,514	\$126,040	\$137,104	\$145,403	\$151,367	\$155,998	\$159,910	\$162,894	

* Year 1 reflects 14 month period.
1/ Year 1 = Schedule 1, Ln (32 + 34)
2/ Year 1 = Schedule 1, Ln (33 + 35)

Olympic Pipe Line Company
AFUDC - Calculation
(\$000's)

Prepared for Purpose of Settlement
Privileged and Confidential

Exhibit No. 14(a)
Schedule 8

Line	No. Description	Source	Year 1 *	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
1	Equity Ratio	Schedule 1, Line 27	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
2	Debt Ratio	1.0 - Line 1	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
3	Nominal Equity Rate of Return	Schedule 1, Lines (29 + 26)	12.38%	12.38%	12.38%	12.38%	12.38%	12.38%	12.38%	12.38%	12.38%	12.38%
4	Cost of Debt	Schedule 1, Line 28	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%
Construction Work in Progress ("CWIP") Balances												
5	Month 1	Schedule 1, Ln 177	\$21,333	\$13,071	\$17,956	\$21,437	\$20,463	\$17,978	\$14,706	\$15,420	\$15,099	\$13,535
6	Month 2	Schedule 1, Ln 178	\$20,346	\$11,521	\$16,236	\$18,682	\$17,883	\$15,705	\$13,007	\$13,751	\$13,349	\$12,053
7	Month 3	Schedule 1, Ln 179	\$21,043	\$13,105	\$17,716	\$20,117	\$19,002	\$16,536	\$14,080	\$14,659	\$14,126	\$12,808
8	Month 4	Schedule 1, Ln 180	\$32,883	\$14,688	\$19,197	\$21,553	\$20,121	\$17,367	\$15,152	\$15,567	\$14,902	\$13,562
9	Month 5	Schedule 1, Ln 181	\$9,777	\$13,139	\$17,476	\$18,797	\$17,542	\$15,095	\$13,454	\$13,898	\$13,152	\$12,080
10	Month 6	Schedule 1, Ln 182	\$11,458	\$14,722	\$18,957	\$20,232	\$18,661	\$15,926	\$14,527	\$14,806	\$13,929	\$12,834
11	Average CWIP (Jan - Jun)	Average Lines 5 through 10	\$17,807	\$13,374	\$17,923	\$20,136	\$18,945	\$16,435	\$14,154	\$14,683	\$14,093	\$12,812
12	Equity AFUDC Additions (Jan - Jun)	Lines (((1 * 11) + 23) * 3)/2.0	\$643	\$414	\$555	\$623	\$586	\$509	\$438	\$454	\$436	\$397
13	Debt AFUDC Additions (Jan - Jun)	Lines (((2 * 11) + 27) * 4)/2.0	\$405	\$261	\$349	\$393	\$369	\$320	\$276	\$286	\$275	\$250
14	Month 7	Schedule 1, Ln 183	\$12,923	\$16,305	\$20,437	\$21,668	\$19,780	\$16,757	\$15,599	\$15,714	\$14,706	\$13,589
15	Month 8	Schedule 1, Ln 184	\$8,039	\$14,756	\$18,716	\$18,912	\$17,200	\$14,485	\$13,901	\$14,044	\$12,955	\$12,107
16	Month 9	Schedule 1, Ln 185	\$9,813	\$16,339	\$20,197	\$20,348	\$18,319	\$15,316	\$14,973	\$14,952	\$13,732	\$12,861
17	Month 10	Schedule 1, Ln 186	\$10,371	\$17,922	\$21,678	\$21,783	\$19,438	\$16,147	\$16,046	\$15,860	\$14,509	\$13,615
18	Month 11	Schedule 1, Ln 187	\$10,929	\$16,373	\$19,957	\$19,027	\$16,859	\$13,875	\$14,347	\$14,191	\$12,758	\$12,134
19	Month 12	Schedule 1, Ln 188	\$11,487	\$17,956	\$21,437	\$20,463	\$17,978	\$14,706	\$15,420	\$15,099	\$13,535	\$12,888
20	Average CWIP (Jul - Dec)	Average Lines 14 through 19	\$10,594	\$16,609	\$20,404	\$20,367	\$18,262	\$15,214	\$15,048	\$14,977	\$13,699	\$12,866
21	Equity AFUDC Additions (Jul - Dec)	Lines (((1 * 20) + 12 + 23) * 3)/2.0	\$429	\$540	\$666	\$669	\$602	\$502	\$493	\$492	\$451	\$423
22	Debt AFUDC Additions (Jul - Dec)	Lines (((2 * 20) + 13 + 27) * 4)/2.0	\$259	\$334	\$412	\$412	\$371	\$309	\$304	\$303	\$278	\$261
23	Equity AFUDC (BOY)	Prior Line 26	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Equity AFUDC Additions	Lines (12 + 21)	\$1,072	\$954	\$1,221	\$1,292	\$1,188	\$1,011	\$931	\$946	\$887	\$819
25	Equity AFUDC Transfers to Rate Ba	Lines (23 + 24)	\$1,072	\$954	\$1,221	\$1,292	\$1,188	\$1,011	\$931	\$946	\$887	\$819
26	Equity AFUDC (EOY)	Lines (23 + 24 - 25)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27	Debt AFUDC (BOY)	Prior Line 30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28	Debt AFUDC Additions	Line (13 + 22)	\$665	\$595	\$761	\$805	\$740	\$630	\$580	\$590	\$553	\$510
29	Debt AFUDC Transfers to Rate Base	Lines (27 + 28)	\$665	\$595	\$761	\$805	\$740	\$630	\$580	\$590	\$553	\$510
30	Debt AFUDC (EOY)	Lines (27 + 28 - 29)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

* Year 1 reflects 14 month period.
1/Year 1 amount adjusted by 14/12 to account for 14 month period

Olympic Pipe Line Company
AFUDC - Amortization
(\$000's)

Exhibit No. 1.4(a)
Schedule 9

Line No.	Description	Source	2002 EOY	Year 1*	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
1	Equity AFUDC Transfers to Rate Base	Schedule 8, Line 25		\$1,072	\$954	\$1,221	\$1,292	\$1,188	\$1,011	\$931	\$946	\$887	\$819
2	Accumulated Equity AFUDC	Cumulative Line 1	1/	\$3,936	\$5,008	\$5,962	\$7,182	\$8,474	\$9,662	\$10,673	\$11,604	\$12,550	\$13,437
3	Amortization Rate	Schedule 10, Line 9		2.45%	2.28%	2.20%	2.12%	2.03%	1.96%	1.91%	1.87%	1.83%	1.79%
4	Amortization of Equity AFUDC	Lines (2 + 1 / 2.0) * 3		\$109	\$125	\$144	\$166	\$184	\$200	\$213	\$225	\$237	\$248
5	Accumulated Amortization of Equity AFUDC	Cumulative Line 4	2/	\$438	\$548	\$673	\$817	\$983	\$1,168	\$1,367	\$1,580	\$1,805	\$2,043
6	Net Equity AFUDC	Line (2 - 5)		\$4,460	\$5,289	\$6,365	\$7,491	\$8,495	\$9,306	\$10,024	\$10,745	\$11,395	\$11,966
7	Debt AFUDC Transfers to Rate Base	Schedule 8, Line 29		\$665	\$595	\$761	\$805	\$740	\$630	\$580	\$590	\$553	\$510
8	Accumulated Debt AFUDC	Cumulative Line 7	3/	\$2,432	\$3,096	\$3,691	\$4,452	\$5,257	\$6,027	\$7,207	\$7,797	\$8,349	\$8,860
9	Amortization Rate	Schedule 10, Line 9		2.45%	2.28%	2.20%	2.12%	2.03%	1.96%	1.91%	1.87%	1.83%	1.79%
10	Amortization of Debt AFUDC	Lines (8 + 7 / 2.0) * 9		\$68	\$77	\$89	\$103	\$114	\$124	\$132	\$140	\$148	\$154
11	Accumulated Amortization of Debt AFUDC	Cumulative Line 10	4/	\$259	\$327	\$404	\$494	\$597	\$711	\$835	\$967	\$1,107	\$1,255
12	Net Debt AFUDC	Line (8 - 11)		\$2,770	\$3,287	\$3,959	\$4,661	\$5,286	\$5,792	\$6,240	\$6,690	\$7,095	\$7,451

* Year 1 reflects 14 month period.

1/ Year 1 = Schedule 1, Ln 32

2/ Year 1 = Schedule 1, Ln 33

3/ Year 1 = Schedule 1, Ln 34

4/ Year 1 = Schedule 1, Ln 35

Prepared for Purpose of Settlement
Privileged and Confidential

Olympic Pipe Line Company
Amortization Rate
(\$000's)

Exhibit No. 1.4(a)
Schedule 10

Line No.	Description	Source	2002 EOY	Year 1*	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
1	Carrier Property in Service	Schedule 1, Line 10	\$138,272	\$159,931	\$172,463	\$185,268	\$202,031	\$216,826	\$229,240	\$240,322	\$250,631	\$260,742	\$269,685
2	Land	Schedule 1, Line 6	\$577	\$577	\$577	\$577	\$577	\$577	\$577	\$577	\$577	\$577	\$577
3	Depreciable Carrier Property in Service	Lines (1 - 2)	\$137,695	\$159,354	\$171,885	\$184,690	\$201,454	\$216,249	\$228,662	\$239,745	\$250,054	\$260,164	\$269,108
4	Depreciable Carrier Property in Service - Average	Ln (3 + Prior 3) / 2.0	\$148,525	\$165,620	\$178,288	\$193,072	\$208,852	\$222,456	\$234,204	\$244,899	\$255,109	\$264,636	
5	Accumulated Depreciation of Carrier Property (EOY)	Schedule 1, Line 14	\$53,985	\$57,761	\$61,679	\$65,774	\$70,019	\$74,387	\$78,860	\$83,429	\$88,091	\$92,833	
6	Net Depreciable Carrier Property in Service	Lines (3 - 5)	\$105,370	\$114,124	\$123,012	\$135,680	\$146,230	\$154,276	\$160,885	\$166,625	\$172,074	\$176,275	
7	Carrier Depreciation Expense	Schedule 1, Line 15	\$3,634	\$3,777	\$3,917	\$4,095	\$4,245	\$4,367	\$4,473	\$4,569	\$4,662	\$4,742	
8	Useful Life (Years)	Avg Line 3 / Line 7	40.9	43.9	45.5	47.1	49.2	50.9	52.4	53.6	54.7	55.8	
9	Amortization Rate	1.0 / Line 8	2.45%	2.28%	2.20%	2.12%	2.03%	1.96%	1.91%	1.87%	1.83%	1.79%	

* Year 1 reflects 14 month period.

Olympic Pipe Line Company
Tax Depreciation
(\$000's)

Exhibit No. 14(a)
Schedule 11

Line No. Description	2002 EOY																	
	Year in Service	Year 1*	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	
B	Federal Depreciation Factors (1987-present)																	
		5.00%	9.50%	8.55%	7.70%	6.93%	6.23%	5.90%	5.90%	5.90%	5.91%	5.91%	5.90%	5.91%	5.90%	5.91%	2.95%	
	Schedule 1, Ln23																	
	Vintage Year																	
	Carrier Property Additions (A)																	
	TEFRA Adjustment (B)																	
	Debt AFUDC Additions (C)																	
	Tax Depreciation Base (D)																	
	(E) = (B)+(C)+(D)																	
1	2002 EOY	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	Year 1	\$21,659	\$0	\$665	\$22,324	\$6,777	\$1,116	\$6,232	\$5,814	\$5,479	\$5,168	\$4,927	\$4,755	\$4,603	\$4,367	\$4,008		
3	Year 2	\$12,531	\$0	\$595	\$13,126	\$0	\$0	\$656	\$1,247	\$1,719	\$1,547	\$1,391	\$818	\$1,317	\$1,319	\$1,317		
4	Year 3	\$12,805	\$0	\$761	\$13,566	\$0	\$0	\$678	\$1,289	\$1,122	\$1,011	\$910	\$940	\$845	\$774	\$776		
5	Year 4	\$16,764	\$0	\$805	\$17,569	\$0	\$0	\$0	\$878	\$1,669	\$1,502	\$1,045	\$1,353	\$1,218	\$1,095	\$1,037		
6	Year 5	\$14,795	\$0	\$740	\$15,535	\$0	\$0	\$0	\$777	\$1,476	\$1,353	\$1,037	\$1,328	\$1,196	\$1,077	\$968		
7	Year 6	\$12,413	\$0	\$630	\$13,043	\$0	\$0	\$0	\$0	\$652	\$1,239	\$1,115	\$1,239	\$1,115	\$1,004	\$904		
8	Year 7	\$11,083	\$0	\$580	\$11,663	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$583	\$1,108	\$997	\$898		
9	Year 8	\$10,309	\$0	\$590	\$10,898	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$545	\$1,035	\$932		
10	Year 9	\$10,111	\$0	\$553	\$10,663	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$533	\$1,013		
11	Year 10	\$8,944	\$0	\$510	\$9,454	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$473		
12	Tax Depreciation		\$7,894	\$9,009	\$9,648	\$10,488	\$11,331	\$11,902	\$12,334	\$12,721	\$13,002	\$13,125						

* Year 1 reflects 14 month period.

1/ Tax Depreciation amounts for 2002 EOY are stipulated. These amounts are based on all tax depreciation amounts prior to Year 1. Years = Schedule 1, Ln 41

Olympic Pipe Line Company
Accumulated Deferred Income Taxes
(\$000's)

Exhibit No. 14(a)
Schedule 12

Line No.	Description	Source	2002 EOY										
			Year 1*	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
1	Carrier Depreciation Expense	Schedule 1, Line 15	\$3,634	\$3,777	\$3,917	\$4,095	\$4,245	\$4,367	\$4,473	\$4,569	\$4,662	\$4,742	
2	Amortization of TEFRA Adjustment	Schedule 13, Line 6	\$2	\$2	\$2	\$2	\$1	\$1	\$1	\$1	\$1	\$1	
3	Amortization of Debt AFUDC	Schedule 9, Line 10	\$68	\$77	\$89	\$103	\$114	\$124	\$132	\$140	\$148	\$154	
3	Carrier Depreciation Expense after TEFRA Adjustment including Amortization of Debt AFUDC	Lines (1 - 2 + 3)	\$3,700	\$3,852	\$4,005	\$4,197	\$4,358	\$4,490	\$4,604	\$4,708	\$4,808	\$4,895	
4	Federal Tax Depreciation	Schedule 11, Line 12	\$7,894	\$9,009	\$9,648	\$10,488	\$11,331	\$11,902	\$12,334	\$12,721	\$13,002	\$13,125	
5	Federal Tax Timing Differences	Line 4 - Line 3	\$4,194	\$5,157	\$5,643	\$6,291	\$6,973	\$7,412	\$7,730	\$8,013	\$8,194	\$8,230	
6	Federal Income Tax Rate	Schedule 1, Line 21	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	
7	Deferred Income Tax Effect	Line 5 * Line 6	\$1,468	\$1,805	\$1,975	\$2,202	\$2,440	\$2,594	\$2,705	\$2,805	\$2,868	\$2,881	
8	Federal ADIT before Excess Deferred Income Tax Amortization Adjustment	Cumulative Line 7	\$11,901	\$13,369	\$15,174	\$17,149	\$19,351	\$21,791	\$24,386	\$27,091	\$29,896	\$32,764	\$35,644
9	Accumulated Excess Deferred Income Tax Amortization	Schedule 14, Line 13	\$917	\$973	\$1,025	\$1,075	\$1,123	\$1,170	\$1,215	\$1,258	\$1,301	\$1,342	\$1,383
10	Accumulated Deferred Income Taxes after Excess Deferred Income Tax Amortization Adjustment	Lines (8 - 9)	\$10,984	\$12,396	\$14,149	\$16,074	\$18,228	\$20,622	\$23,171	\$25,833	\$28,595	\$31,421	\$34,261

* Year 1 reflects 14 month period.
1/Year 1 = Schedule 1, Ln 36
2/Year 1 = Schedule 1, Ln 37

Olympic Pipe Line Company
TEFRA Adjustment to ADIT
(\$000's)

Exhibit

Line No.	Description	Source	2002 EOY	Year 1*	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
1	Additions to Depreciable Carrier Property	Schedule 1, Lines (11 - 7)		\$21,659	\$12,531	\$12,805	\$16,764	\$14,795	\$12,413	\$11,083	\$10,309	\$10,111
2	Tax Basis Reduction	Schedule 1, Line 24		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	TEFRA Adjustment	Line 1 * Line 2		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Accumulated TEFRA Adjustment	Line 3 + Prior Line 4	1/	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72
5	Amortization Rate	Schedule 10, Line 9		2.45%	2.28%	2.20%	2.12%	2.03%	1.96%	1.91%	1.87%	1.83%
6	Amortization of TEFRA Adjustment	Lines (4 + 3 / 2.0) * 5		\$2	\$2	\$2	\$2	\$1	\$1	\$1	\$1	\$1
7	Accumulated Amortization of TEFRA Adjustment	Cumulative Line 6	2/	\$31	\$35	\$36	\$38	\$39	\$41	\$42	\$44	\$45
8	Net Accumulated TEFRA Adjustment	Line 4 - Line 7		\$38	\$37	\$35	\$34	\$32	\$31	\$29	\$28	\$27

* Year 1 reflects 14 month period.
1/ Year 1 = Schedule 1, Ln 38
2/ Year 1 = Schedule 1, Ln 39

Prepared for Purpose of Settlement
Privileged and Confidential

Olympic Pipe Line Company
TEFRA Adjustment to ADIT
(\$000's)

it No. 14(a)
Schedule 13

Line No.	Description	Source	Year 10
1	Additions to Depreciable Carrier Property	Schedule 1, Lines (11 - 7)	\$8,944
2	Tax Basis Reduction	Schedule 1, Line 24	0.00%
3	TEFRA Adjustment	Line 1 * Line 2	\$0
4	Accumulated TEFRA Adjustment	Line 3 + Prior Line 4	\$72
5	Amortization Rate	Schedule 10, Line 9	1.79%
6	Amortization of TEFRA Adjustment	Lines (4 + 3 / 2.0) * 5	\$1
7	Accumulated Amortization of TEFRA Adjustment	Cumulative Line 6	\$46
8	Net Accumulated TEFRA Adjustment	Line 4 - Line 7	\$26

* Year 1 reflects 14 month period.
1/ Year 1 = Schedule 1, Ln 38
2/ Year 1 = Schedule 1, Ln 39

Olympic Pipe Line Company
Excess Deferred Income Tax Amortization Adjustment to ADIT
(\$000's)

Line No.	Description	Source	2002 EOY	Year 1*	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
A	Federal Tax Timing Differences	Schedule 12, Line 5		\$4,194	\$5,157	\$5,643	\$6,291	\$6,973	\$7,412	\$7,730	\$8,013	\$8,194	\$8,230
B	Federal Income Tax Rate	Schedule 1, Line 21		35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
C	Excess Deferred Income Tax Amortization Adjustment	Cum Ln A * Change Ln B 1/	\$2,281	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
D	Amortization Rate	Schedule 10, Line 9		2.45%	2.28%	2.20%	2.12%	2.03%	1.96%	1.91%	1.87%	1.83%	1.79%
		FASB 96/109 Adjustment											
		Line C											
1	2002 EOY		\$2,281	\$56	\$52	\$50	\$48	\$46	\$45	\$44	\$43	\$42	\$41
2	Year 1*		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Year 2		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Year 3		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	Year 4		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Year 5		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	Year 6		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	Year 7		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Year 8		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Year 9		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	Year 10		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

12	Excess Deferred Income Tax Amortization Adjustment	Sum Ln (to 11)		\$56	\$52	\$50	\$48	\$46	\$45	\$44	\$43	\$42	\$41
13	Accumulated Excess Deferred Income Tax Amortization	Ln (12 + Prior 13)	2/	\$917	\$973	\$1,025	\$1,075	\$1,123	\$1,170	\$1,215	\$1,258	\$1,301	\$1,342
													\$1,383

* Year 1 reflects 14 month period.
1/Year 1 = Schedule 1, Ln 40
2/Year 1 = Schedule 1, Ln 37

Line No.	Description	Source	Year									
			1*	2	3	4	5	6	7	8	9	10
1	Total Revenue Requirement (including Net Carryover) - \$000's	Schedule 3 Lr 8	\$1,060	52,184	54,480	57,286	60,367	63,211	65,057	65,097	65,059	65,760
2	Tariff Revenues - Estimated (\$000's)	Lr (1) 31	33,690	0	0	0	0	0	0	0	0	0
3	Rate Adjustment Factor	Lr (1) 72	1,35149	.	.	.	.	.	.	.	.	.
Effective Tariff Rates (Lr 8)												
4	ANACORTES to LINNTON	Fungible Schedule 1 Lr 96	0.4703	.	.	.	.	.	.	.	.	.
5	ANACORTES to LINNTON	FERC Schedule 1 Lr 97	0.5016	.	.	.	.	.	.	.	.	.
6	CHERRY POINT to LINNTON	Fungible Schedule 1 Lr 98	0.5245	.	.	.	.	.	.	.	.	.
7	CHERRY POINT to LINNTON	FERC Schedule 1 Lr 99	0.5561	.	.	.	.	.	.	.	.	.
8	FERNDALE to LINNTON	Fungible Schedule 1 Lr 100	0.5160	.	.	.	.	.	.	.	.	.
9	FERNDALE to LINNTON	FERC Schedule 1 Lr 101	0.5474	.	.	.	.	.	.	.	.	.
10	ANACORTES to PORTLAND	Fungible Schedule 1 Lr 102	0.4703	.	.	.	.	.	.	.	.	.
11	ANACORTES to PORTLAND	FERC Schedule 1 Lr 103	0.5016	.	.	.	.	.	.	.	.	.
12	CHERRY POINT to PORTLAND	Fungible Schedule 1 Lr 104	0.5245	.	.	.	.	.	.	.	.	.
13	CHERRY POINT to PORTLAND	FERC Schedule 1 Lr 105	0.5561	.	.	.	.	.	.	.	.	.
14	FERNDALE to PORTLAND	Fungible Schedule 1 Lr 106	0.5160	.	.	.	.	.	.	.	.	.
15	FERNDALE to PORTLAND	FERC Schedule 1 Lr 107	0.5474	.	.	.	.	.	.	.	.	.
16	ANACORTES to BAYVIEW	Fungible Schedule 1 Lr 108	0.0789	.	.	.	.	.	.	.	.	.
17	CHERRY POINT to BAYVIEW	FERC Schedule 1 Lr 109	0.1302	.	.	.	.	.	.	.	.	.
18	FERNDALE to BAYVIEW	WUTC Schedule 1 Lr 110	0.1210	.	.	.	.	.	.	.	.	.
19	ANACORTES to RENTON	Fungible Schedule 1 Lr 111	0.1948	.	.	.	.	.	.	.	.	.
20	ANACORTES to RENTON	WUTC Schedule 1 Lr 112	0.2255	.	.	.	.	.	.	.	.	.
21	CHERRY POINT to RENTON	Fungible Schedule 1 Lr 113	0.2460	.	.	.	.	.	.	.	.	.
22	CHERRY POINT to RENTON	FERC Schedule 1 Lr 114	0.2768	.	.	.	.	.	.	.	.	.
23	FERNDALE to RENTON	Fungible Schedule 1 Lr 115	0.2368	.	.	.	.	.	.	.	.	.
24	FERNDALE to RENTON	WUTC Schedule 1 Lr 116	0.2676	.	.	.	.	.	.	.	.	.
25	ANACORTES to SEA-TAC	Fungible Schedule 1 Lr 117	0.2163	.	.	.	.	.	.	.	.	.
26	ANACORTES to SEA-TAC	WUTC Schedule 1 Lr 118	0.2471	.	.	.	.	.	.	.	.	.
27	CHERRY POINT to SEA-TAC	Fungible Schedule 1 Lr 119	0.2676	.	.	.	.	.	.	.	.	.
28	CHERRY POINT to SEA-TAC	WUTC Schedule 1 Lr 120	0.2983	.	.	.	.	.	.	.	.	.
29	FERNDALE to SEA-TAC	Fungible Schedule 1 Lr 121	0.2584	.	.	.	.	.	.	.	.	.
30	FERNDALE to SEA-TAC	WUTC Schedule 1 Lr 122	0.2891	.	.	.	.	.	.	.	.	.
31	ANACORTES to SEATTLE	Fungible Schedule 1 Lr 123	0.2112	.	.	.	.	.	.	.	.	.
32	ANACORTES to SEATTLE	WUTC Schedule 1 Lr 124	0.2419	.	.	.	.	.	.	.	.	.
33	CHERRY POINT to SEATTLE	Fungible Schedule 1 Lr 125	0.2625	.	.	.	.	.	.	.	.	.
34	CHERRY POINT to SEATTLE	WUTC Schedule 1 Lr 126	0.2932	.	.	.	.	.	.	.	.	.
35	FERNDALE to SEATTLE	Fungible Schedule 1 Lr 127	0.2532	.	.	.	.	.	.	.	.	.
36	FERNDALE to SEATTLE	WUTC Schedule 1 Lr 128	0.2840	.	.	.	.	.	.	.	.	.
37	ANACORTES to SPANAWAY	Fungible Schedule 1 Lr 129	0.2430	.	.	.	.	.	.	.	.	.
38	ANACORTES to SPANAWAY	WUTC Schedule 1 Lr 130	0.2737	.	.	.	.	.	.	.	.	.
39	CHERRY POINT to SPANAWAY	Fungible Schedule 1 Lr 131	0.2942	.	.	.	.	.	.	.	.	.
40	CHERRY POINT to SPANAWAY	WUTC Schedule 1 Lr 132	0.3250	.	.	.	.	.	.	.	.	.
41	FERNDALE to SPANAWAY	Fungible Schedule 1 Lr 133	0.2850	.	.	.	.	.	.	.	.	.
42	FERNDALE to SPANAWAY	WUTC Schedule 1 Lr 134	0.3158	.	.	.	.	.	.	.	.	.
43	ANACORTES to TACOMA	Fungible Schedule 1 Lr 135	0.2368	.	.	.	.	.	.	.	.	.
44	ANACORTES to TACOMA	Non-Fungible Schedule 1 Lr 136	0.2676	.	.	.	.	.	.	.	.	.
45	CHERRY POINT to TACOMA	Fungible Schedule 1 Lr 137	0.2881	.	.	.	.	.	.	.	.	.
46	CHERRY POINT to TACOMA	WUTC Schedule 1 Lr 138	0.3188	.	.	.	.	.	.	.	.	.
47	FERNDALE to TACOMA	Fungible Schedule 1 Lr 139	0.2789	.	.	.	.	.	.	.	.	.
48	FERNDALE to TACOMA	WUTC Schedule 1 Lr 140	0.3095	.	.	.	.	.	.	.	.	.
49	ANACORTES to OLYMPIA	Fungible Schedule 1 Lr 141	0.3055	.	.	.	.	.	.	.	.	.
50	ANACORTES to OLYMPIA	Non-Fungible Schedule 1 Lr 142	0.3163	.	.	.	.	.	.	.	.	.
51	CHERRY POINT to OLYMPIA	Fungible Schedule 1 Lr 143	0.3368	.	.	.	.	.	.	.	.	.
52	CHERRY POINT to OLYMPIA	WUTC Schedule 1 Lr 144	0.3675	.	.	.	.	.	.	.	.	.
53	FERNDALE to OLYMPIA	Fungible Schedule 1 Lr 145	0.3475	.	.	.	.	.	.	.	.	.
54	FERNDALE to OLYMPIA	Non-Fungible Schedule 1 Lr 146	0.3783	.	.	.	.	.	.	.	.	.
55	ANACORTES to VANCOUVER	Fungible Schedule 1 Lr 147	0.4500	.	.	.	.	.	.	.	.	.
56	ANACORTES to VANCOUVER	WUTC Schedule 1 Lr 148	0.4808	.	.	.	.	.	.	.	.	.
57	CHERRY POINT to VANCOUVER	Fungible Schedule 1 Lr 149	0.5013	.	.	.	.	.	.	.	.	.
58	CHERRY POINT to VANCOUVER	Non-Fungible Schedule 1 Lr 150	0.5321	.	.	.	.	.	.	.	.	.
59	FERNDALE to VANCOUVER	Fungible Schedule 1 Lr 151	0.4921	.	.	.	.	.	.	.	.	.
60	FERNDALE to VANCOUVER	Non-Fungible Schedule 1 Lr 152	0.5229	.	.	.	.	.	.	.	.	.

Line No.	Description	Tariff Rates Based on Base Adjustment Factor (2020)	Source	Year 1*	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
61	ANACORTES to LINNEN	FERC	Ln (3 * 4)	0.6384									
62	ANACORTES to LINNEN	Non-Fungible	Ln (3 * 5)	0.6787									
63	CHEERY POINT to LINNEN	FERC	Ln (3 * 6)	0.7097									
64	CHEERY POINT to LINNEN	Non-Fungible	Ln (3 * 7)	0.7525									
65	FERRIDALE to LINNEN	FERC	Ln (3 * 8)	0.6982									
66	FERRIDALE to LINNEN	Non-Fungible	Ln (3 * 9)	0.7407									
67	ANACORTES to PORTLAND	FERC	Ln (3 * 10)	0.6384									
68	ANACORTES to PORTLAND	Non-Fungible	Ln (3 * 11)	0.6787									
69	CHEERY POINT to PORTLAND	FERC	Ln (3 * 12)	0.7097									
70	CHEERY POINT to PORTLAND	Non-Fungible	Ln (3 * 13)	0.7525									
71	FERRIDALE to PORTLAND	FERC	Ln (3 * 14)	0.6982									
72	FERRIDALE to PORTLAND	Non-Fungible	Ln (3 * 15)	0.7407									
73	ANACORTES to BAY VIEW	FERC	Ln (3 * 16)	0.1068									
74	CHEERY POINT to BAY VIEW	IVA	Ln (3 * 17)	0.1762									
75	FERRIDALE to BAY VIEW	WUTC	Ln (3 * 18)	0.1637									
76	ANACORTES to BERTON	WUTC	Ln (3 * 19)	0.2636									
77	ANACORTES to BERTON	Non-Fungible	Ln (3 * 20)	0.3051									
78	CHEERY POINT to BERTON	WUTC	Ln (3 * 21)	0.3329									
79	CHEERY POINT to BERTON	Non-Fungible	Ln (3 * 22)	0.3746									
80	FERRIDALE to BERTON	WUTC	Ln (3 * 23)	0.3204									
81	FERRIDALE to BERTON	Non-Fungible	Ln (3 * 24)	0.3621									
82	ANACORTES to SEA-TAC	WUTC	Ln (3 * 25)	0.2927									
83	ANACORTES to SEA-TAC	Non-Fungible	Ln (3 * 26)	0.3344									
84	CHEERY POINT to SEA-TAC	WUTC	Ln (3 * 27)	0.3621									
85	CHEERY POINT to SEA-TAC	Non-Fungible	Ln (3 * 28)	0.4036									
86	FERRIDALE to SEA-TAC	WUTC	Ln (3 * 29)	0.3497									
87	FERRIDALE to SEA-TAC	Non-Fungible	Ln (3 * 30)	0.3912									
88	ANACORTES to SEATTLE	WUTC	Ln (3 * 31)	0.2838									
89	ANACORTES to SEATTLE	Non-Fungible	Ln (3 * 32)	0.3273									
90	CHEERY POINT to SEATTLE	WUTC	Ln (3 * 33)	0.3552									
91	CHEERY POINT to SEATTLE	Non-Fungible	Ln (3 * 34)	0.3967									
92	FERRIDALE to SEATTLE	WUTC	Ln (3 * 35)	0.3426									
93	FERRIDALE to SEATTLE	Non-Fungible	Ln (3 * 36)	0.3843									
94	ANACORTES to SPANAWAY	WUTC	Ln (3 * 37)	0.3288									
95	ANACORTES to SPANAWAY	Non-Fungible	Ln (3 * 38)	0.3704									
96	CHEERY POINT to SPANAWAY	WUTC	Ln (3 * 39)	0.3981									
97	CHEERY POINT to SPANAWAY	Non-Fungible	Ln (3 * 40)	0.4398									
98	FERRIDALE to SPANAWAY	WUTC	Ln (3 * 41)	0.3856									
99	FERRIDALE to SPANAWAY	Non-Fungible	Ln (3 * 42)	0.4273									
100	ANACORTES to TACOMA	WUTC	Ln (3 * 43)	0.3204									
101	ANACORTES to TACOMA	Non-Fungible	Ln (3 * 44)	0.3621									
102	CHEERY POINT to TACOMA	WUTC	Ln (3 * 45)	0.3898									
103	CHEERY POINT to TACOMA	Non-Fungible	Ln (3 * 46)	0.4314									
104	FERRIDALE to TACOMA	WUTC	Ln (3 * 47)	0.3774									
105	FERRIDALE to TACOMA	Non-Fungible	Ln (3 * 48)	0.4189									
106	ANACORTES to OLIMPIA	WUTC	Ln (3 * 49)	0.4134									
107	ANACORTES to OLIMPIA	Non-Fungible	Ln (3 * 50)	0.4551									
108	CHEERY POINT to OLIMPIA	WUTC	Ln (3 * 51)	0.4828									
109	CHEERY POINT to OLIMPIA	Non-Fungible	Ln (3 * 52)	0.5243									
110	FERRIDALE to OLIMPIA	WUTC	Ln (3 * 53)	0.4702									
111	FERRIDALE to OLIMPIA	Non-Fungible	Ln (3 * 54)	0.5119									
112	ANACORTES to VANCOUVER	WUTC	Ln (3 * 55)	0.6089									
113	ANACORTES to VANCOUVER	Non-Fungible	Ln (3 * 56)	0.6506									
114	CHEERY POINT to VANCOUVER	WUTC	Ln (3 * 57)	0.6783									
115	CHEERY POINT to VANCOUVER	Non-Fungible	Ln (3 * 58)	0.7200									
116	FERRIDALE to VANCOUVER	WUTC	Ln (3 * 59)	0.6659									
117	FERRIDALE to VANCOUVER	Non-Fungible	Ln (3 * 60)	0.7076									

* Year 1 reflects 14 month period.
/ / Year 1 amount is stipulated.

Line No	Description	Source	Year 1*	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
74	ANAACORTES to LINNTON	FERC	Ln (14 * 17)	0.6364	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
75	ANAACORTES to LINNTON	FERC	Ln (14 * 18)	0.6364	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
76	CHEERY POINT to LINNTON	FERC	Ln (14 * 19)	0.7097	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
77	CHEERY POINT to LINNTON	FERC	Ln (14 * 20)	0.7525	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
78	FERRIDALE to LINNTON	FERC	Ln (14 * 21)	0.6982	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
79	FERRIDALE to LINNTON	FERC	Ln (14 * 22)	0.7407	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
80	ANAACORTES to PORTLAND	FERC	Ln (14 * 23)	0.6364	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
81	ANAACORTES to PORTLAND	FERC	Ln (14 * 24)	0.6787	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
82	CHEERY POINT to PORTLAND	FERC	Ln (14 * 25)	0.7097	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
83	CHEERY POINT to PORTLAND	FERC	Ln (14 * 26)	0.7525	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
84	FERRIDALE to PORTLAND	FERC	Ln (14 * 27)	0.6982	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
85	FERRIDALE to PORTLAND	FERC	Ln (14 * 28)	0.7407	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
86	ANAACORTES to BAYVIEW	N/A	Ln (14 * 29)	0.1068	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
87	CHEERY POINT to BAYVIEW	N/A	Ln (14 * 30)	0.1762	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
88	FERRIDALE to BAYVIEW	N/A	Ln (14 * 31)	0.1637	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
89	ANAACORTES to RENTON	FERC	Ln (14 * 32)	0.2636	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
90	ANAACORTES to RENTON	FERC	Ln (14 * 33)	0.3051	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
91	CHEERY POINT to RENTON	FERC	Ln (14 * 34)	0.3329	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
92	CHEERY POINT to RENTON	FERC	Ln (14 * 35)	0.3746	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
93	FERRIDALE to RENTON	FERC	Ln (14 * 36)	0.3204	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
94	FERRIDALE to RENTON	FERC	Ln (14 * 37)	0.3621	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
95	ANAACORTES to SEA-TAC	FERC	Ln (14 * 38)	0.2927	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
96	ANAACORTES to SEA-TAC	FERC	Ln (14 * 39)	0.3344	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
97	CHEERY POINT to SEA-TAC	FERC	Ln (14 * 40)	0.3621	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
98	CHEERY POINT to SEA-TAC	FERC	Ln (14 * 41)	0.4036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
99	FERRIDALE to SEA-TAC	FERC	Ln (14 * 42)	0.3497	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
100	FERRIDALE to SEA-TAC	FERC	Ln (14 * 43)	0.3912	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
101	ANAACORTES to SEATTLE	FERC	Ln (14 * 44)	0.2858	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
102	ANAACORTES to SEATTLE	FERC	Ln (14 * 45)	0.3273	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
103	CHEERY POINT to SEATTLE	FERC	Ln (14 * 46)	0.3552	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
104	CHEERY POINT to SEATTLE	FERC	Ln (14 * 47)	0.3967	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
105	FERRIDALE to SEATTLE	FERC	Ln (14 * 48)	0.3426	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
106	FERRIDALE to SEATTLE	FERC	Ln (14 * 49)	0.3843	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
107	ANAACORTES to SPANAWAY	FERC	Ln (14 * 50)	0.3288	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
108	ANAACORTES to SPANAWAY	FERC	Ln (14 * 51)	0.3704	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
109	CHEERY POINT to SPANAWAY	FERC	Ln (14 * 52)	0.3981	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
110	CHEERY POINT to SPANAWAY	FERC	Ln (14 * 53)	0.4398	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
111	FERRIDALE to SPANAWAY	FERC	Ln (14 * 54)	0.3856	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
112	FERRIDALE to SPANAWAY	FERC	Ln (14 * 55)	0.4273	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
113	ANAACORTES to TACOMA	FERC	Ln (14 * 56)	0.3204	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
114	ANAACORTES to TACOMA	FERC	Ln (14 * 57)	0.3621	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
115	CHEERY POINT to TACOMA	FERC	Ln (14 * 58)	0.3998	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
116	CHEERY POINT to TACOMA	FERC	Ln (14 * 59)	0.4314	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
117	FERRIDALE to TACOMA	FERC	Ln (14 * 60)	0.3774	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
118	FERRIDALE to TACOMA	FERC	Ln (14 * 61)	0.4189	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
119	ANAACORTES to OLYMPIA	FERC	Ln (14 * 62)	0.4134	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
120	ANAACORTES to OLYMPIA	FERC	Ln (14 * 63)	0.4551	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
121	CHEERY POINT to OLYMPIA	FERC	Ln (14 * 64)	0.4828	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
122	CHEERY POINT to OLYMPIA	FERC	Ln (14 * 65)	0.5243	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
123	FERRIDALE to OLYMPIA	FERC	Ln (14 * 66)	0.4702	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
124	FERRIDALE to OLYMPIA	FERC	Ln (14 * 67)	0.5119	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
125	ANAACORTES to VANCOUVER	FERC	Ln (14 * 68)	0.6098	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
126	ANAACORTES to VANCOUVER	FERC	Ln (14 * 69)	0.6506	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
127	CHEERY POINT to VANCOUVER	FERC	Ln (14 * 70)	0.6783	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
128	CHEERY POINT to VANCOUVER	FERC	Ln (14 * 71)	0.7200	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
129	FERRIDALE to VANCOUVER	FERC	Ln (14 * 72)	0.6659	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
130	FERRIDALE to VANCOUVER	FERC	Ln (14 * 73)	0.7076	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Line	No Description	Source	Year 1*	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
131	ANAACORTES to LINNTON	Fungible	0.6364	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
132	ANAACORTES to LINNTON	FERC	0.6787	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
133	CHEERY POINT to LINNTON	Fungible	0.7097	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
134	CHEERY POINT to LINNTON	FERC	0.7525	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
135	FERRIDALE to LINNTON	Non-Fungible	0.7525	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
136	FERRIDALE to LINNTON	FERC	0.7407	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
137	ANAACORTES to PORTLAND	Fungible	0.6564	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
138	ANAACORTES to PORTLAND	FERC	0.6787	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
139	CHEERY POINT to PORTLAND	Fungible	0.7097	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
140	CHEERY POINT to PORTLAND	FERC	0.7525	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
141	FERRIDALE to PORTLAND	Non-Fungible	0.6982	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
142	FERRIDALE to PORTLAND	FERC	0.7407	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
143	ANAACORTES to BAYVIEW	N/A	0.1668	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
144	CHEERY POINT to BAYVIEW	WUTC	0.1762	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
145	FERRIDALE to BAYVIEW	N/A	0.1637	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
146	ANAACORTES to RENTON	Fungible	0.2636	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
147	ANAACORTES to RENTON	Non-Fungible	0.3051	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
148	CHEERY POINT to RENTON	Fungible	0.3229	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
149	CHEERY POINT to RENTON	FERC	0.3746	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
150	FERRIDALE to RENTON	Non-Fungible	0.3204	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
151	FERRIDALE to RENTON	FERC	0.3621	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
152	ANAACORTES to SEATAC	Fungible	0.2927	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
153	ANAACORTES to SEATAC	Non-Fungible	0.3344	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
154	CHEERY POINT to SEATAC	WUTC	0.3621	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
155	CHEERY POINT to SEATAC	FERC	0.4036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
156	FERRIDALE to SEATAC	Non-Fungible	0.3972	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
157	FERRIDALE to SEATAC	FERC	0.4398	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
158	ANAACORTES to SEATTLE	Fungible	0.3704	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
159	ANAACORTES to SEATTLE	Non-Fungible	0.3273	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
160	CHEERY POINT to SEATTLE	WUTC	0.3552	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
161	CHEERY POINT to SEATTLE	FERC	0.3967	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
162	FERRIDALE to SEATTLE	Non-Fungible	0.3426	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
163	FERRIDALE to SEATTLE	FERC	0.3843	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
164	ANAACORTES to SPANAWAY	Fungible	0.3288	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
165	ANAACORTES to SPANAWAY	Non-Fungible	0.3704	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
166	CHEERY POINT to SPANAWAY	WUTC	0.3981	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
167	CHEERY POINT to SPANAWAY	FERC	0.4398	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
168	FERRIDALE to SPANAWAY	Non-Fungible	0.3556	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
169	FERRIDALE to SPANAWAY	FERC	0.4272	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
170	ANAACORTES to TACOMA	Fungible	0.3204	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
171	ANAACORTES to TACOMA	Non-Fungible	0.3621	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
172	CHEERY POINT to TACOMA	WUTC	0.3898	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
173	CHEERY POINT to TACOMA	FERC	0.4314	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
174	FERRIDALE to TACOMA	Non-Fungible	0.3774	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
175	FERRIDALE to TACOMA	FERC	0.4189	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
176	ANAACORTES to OLYMPIA	Fungible	0.4134	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
177	ANAACORTES to OLYMPIA	Non-Fungible	0.4551	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
178	CHEERY POINT to OLYMPIA	WUTC	0.4828	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
179	CHEERY POINT to OLYMPIA	FERC	0.5343	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
180	FERRIDALE to OLYMPIA	Non-Fungible	0.4702	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
181	FERRIDALE to OLYMPIA	FERC	0.5119	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
182	ANAACORTES to VANCOUVER	Fungible	0.6089	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
183	ANAACORTES to VANCOUVER	Non-Fungible	0.6506	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
184	CHEERY POINT to VANCOUVER	WUTC	0.6793	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
185	CHEERY POINT to VANCOUVER	FERC	0.7200	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
186	FERRIDALE to VANCOUVER	Non-Fungible	0.6659	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
187	FERRIDALE to VANCOUVER	FERC	0.7076	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Line

ATTACHMENT

2

OLYMPIC PIPE LINE COMPANY

LOCAL TARIFF

APPLYING ON THE TRANSPORTATION OF

PETROLEUM PRODUCTS

FROM

POINTS IN WASHINGTON

TO

POINTS IN WASHINGTON

The rates published in this tariff are for the Intrastate transportation of PETROLEUM PRODUCTS through the pipelines of Olympic Pipe Line Company and are subject to the rules and regulations contained in WUTC No. 17, supplements thereto or successive reissues thereof.

Rates effective January 1, 2004 per action taken by the Washington Utilities and Transportation Commission in Docket No. TO-011472.

ISSUED DECEMBER 1, 2003

EFFECTIVE JANUARY 1, 2004

Issued by:
Bobby Talley, President
OLYMPIC PIPELINE COMPANY
2201 Lind Ave., Suite 270
Renton, WA 98055

Compiled by:
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(Rates in cents per barrel of 42 United States Gallons each)
[1] All rates, fares or charges in this issue have been increased.

ROUTE No.	DESTINATION POINTS IN WASHINGTON	ORIGIN POINTS IN WASHINGTON	RATE
01	Bayview Terminal, or Fredonia Delivery Facility, Skagit County	Anacortes, Skagit County	10.68
02		Ferndale, Whatcom County	16.37
03		Cherry Point, Whatcom County	17.62

ROUTE No.	DESTINATION POINTS IN WASHINGTON	ORIGIN POINTS IN WASHINGTON	Fungible Shipments Not Requiring Batching	Non-Fungible Shipments Requiring Batching
04	Seattle, King County	Anacortes, Skagit County	28.58	32.73
		Ferndale, Whatcom County	34.26	38.43
		Cherry Point, Whatcom County	35.52	39.67
05	Sea-Tac International Airport, King County	Anacortes, Skagit County	29.27	33.44
		Ferndale, Whatcom County	34.97	39.12
		Cherry Point, Whatcom County	36.21	40.36
06	Renton, King County	Anacortes, Skagit County	26.36	30.51
		Ferndale, Whatcom County	32.04	36.21
		Cherry Point, Whatcom County	33.29	37.46
07	Tacoma, Pierce County	Anacortes, Skagit County	32.04	36.21
		Ferndale, Whatcom County	37.74	41.89
		Cherry Point, Whatcom County	38.98	43.14
08	Spanaway, Pierce County	Anacortes, Skagit County	32.88	37.04
		Ferndale, Whatcom County	38.56	42.73
		Cherry Point, Whatcom County	39.81	43.98
09	Olympia, Thurston County	Anacortes, Skagit County	41.34	45.51
		Ferndale, Whatcom County	47.02	51.19
		Cherry Point, Whatcom County	48.28	52.43
10	Vancouver, Clark County	Anacortes, Skagit County	60.89	65.06
		Ferndale, Whatcom County	66.59	70.76
		Cherry Point, Whatcom County	67.83	72.00

EXPLANATION OF REFERENCE MARKS:

[1] Increase