

FEB 09 1994

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Application of)	
OLYMPIC PIPE LINE COMPANY for an Order)	DOCKET TO-940189
Authorizing Issuance of its)	
Promissory Note in the Principal)	ORDER GRANTING
Amount of \$20,000,000.)	APPLICATION
.)	

On February 9, 1994, Olympic Pipe Line Company filed an application with the Commission under the provisions of chapter 81.08 RCW for an order authorizing it to issue a promissory note due February 15, 2009, in the aggregate principal amount of \$20,000,000.

This note is to be sold to The Prudential Insurance Company of America ("Prudential") for investment at terms set forth in a form of note filed as Exhibit "A" of the application. Prudential agrees to purchase the entire principal amount of the note.

Prepayment of the note is mandatory starting on February 15, 1998, at which time applicant is required to prepay \$1,500,000 of the note with a like payment on February 15 in each of years 1999 through 2008; and a final payment of the unpaid balance thereof on February 15, 2009. On the 15th of February, May, August and November of each year succeeding the execution date of the note, applicant is required to pay interest on the unpaid balance at an interest rate of 6.49 percent. As provided in a Master Shelf Agreement dated as of January 21, 1994 (the "Agreement"), the Applicant may prepay the principal in whole or from time-to-time.

Texaco Inc., The Standard Oil Company, and Atlantic Richfield Company, holder of all of applicant's capital stock, agree to guarantee the payment of any sums which may become due under the terms and provisions of the Agreement and any note issued thereunder. This guaranty is set forth in the form of a security agreement as defined in the Agreement.

All expenses connected with this financing will be paid from the general corporate funds of applicant. An estimate of such expenses amounts to \$50,000 in the aggregate.

Applicant plans to use the estimated gross proceeds from the proposed note in the amount of \$20,000,000 to discharge and refund debts and obligations in an equal amount.

FINDINGS

THE COMMISSION FINDS:

- 1. Olympic Pipe Line Company, a Delaware corporation, is a public service company subject to the jurisdiction of this Commission under the provisions of chapter 81.08 RCW.
- 2. As to form, the application submitted herein meets the requirements of chapter 81.08 RCW and the rules and regulations of the Commission promulgated thereunder.
- 3. The proceeds of the guaranteed promissory note applicant proposes to issue will be used for a legal and proper purpose.
- 4. The issuance and sale of said note will not be contrary to the public interest and therefore should be authorized subject to the terms and conditions of this Order.

ORDER


THE COMMISSION ORDERS:

- 1. On or after the effective date of this order and subject to the conditions hereof, Olympic Pipe Line Company is hereby authorized to execute and deliver its promissory note due April 15, 2009 in the aggregate principal amount of \$20,000,000 in accordance with the terms and conditions of the application herein and the exhibits attached thereto.
- 2. Olympic Pipe Line Company shall use the proceeds from the above-authorized note to discharge \$20,000,000 in principal amount of its currently outstanding promissory notes.
- 3. Within 60 days after the effective date of this order, applicant shall file with the Commission a statement (a) of the expenses actually and necessarily incurred in connection with the issuance and sale of the above-authorized note; and (b) of the disposition of proceeds of the above-authorized note in reasonable detail.
- 4. On or before April 9, 1994, applicant shall file with the Commission a true copy of the above-authorized note and the Master Shelf Agreement dated as of January 21, 1994.
- 6. This order shall in no way affect the authority of this Commission over rates, service, accounts, valuations, estimates or determination of costs, or any matters whatsoever that may come before it, nor shall anything herein be construed

as an acquiescence in any estimate or determination of costs, or any valuation of property claimed or asserted.

DATED at Olympia, Washington, and effective this 9th day of February, 1994.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



Steve McLellan
Secretary