

Exhibit No. _____ (MLT-7)
Docket No. TO-011472
Witness: Maurice L. Twitchell

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Washington Utilities and Transportation Commission,)	DOCKET NO. TO-011472
)	
Complainant,)	
)	
v.)	
)	
Olympic Pipe Line Company, Inc.,)	
)	
Respondent)	
)	
)	
)	

EXHIBIT OF
MAURICE L. TWITCHELL
STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION
OLYMPIC PIPE LINE COMPANY
ACTUAL AND PROFORMA RESULTS OF OPERATIONS WASHINGTON
TWELVE MONTHS ENDING DECEMBER 31, 2001

May 24, 2002

EXHIBIT

10

Olympic Pipe Line Company
 Actual and Proforma Results of Operations Washington
 Twelve Months ending December 31, 2001

Line No.	Description (A)	Total Company Results (B)	Remaining Actual Adjustments (C)	Results After RA Adj. (D) = (B) + (C)	Pro Forma Adjustments (E)	Results after Prof. Adj. (F) = (D) + (E)	Increase (Decrease) (G)	Results (H) = (F) + (G)
1	REVENUE							
2	Transportation Revenue	\$ 11,154,029	\$ -	\$ 11,154,029	\$ -	\$ 11,154,029	\$ -	\$ 11,154,029
3	WUTC	138,352	-	138,352	3,270,843	138,352	78,614	14,503,487
4	Other Revenue	138,352	-	138,352	-	138,352	-	138,352
5	Total Revenue	\$ 11,292,381	\$ -	\$ 11,292,381	\$ 3,270,843	\$ 14,563,224	\$ 78,614	\$ 14,641,838
6	Operations and Maintenance							
7	Salaries & Wages (300)	\$ 2,024,918	\$ (264,655)	\$ 1,760,263	\$ -	\$ 1,760,263	\$ -	\$ 1,760,263
8	Materials and Supplies (310)	116,840	(7,855)	108,985	(32,992)	75,993	-	75,993
9	Outside Services (320)	2,187,867	(641,521)	1,546,347	(6,700)	1,539,646	-	1,539,646
10	Operating Fuel and Power (330)	2,627,875	26,976	2,654,851	704,151	3,359,002	-	3,359,002
11	Oil Losses and Shortages (340)	921,575	-	921,575	(921,574)	0	-	0
12	Rentals (350)	-	-	-	-	-	-	-
13	Other Expenses (390)	657,405	(281,380)	376,025	-	376,025	-	376,025
14	Total Operations & Maintenance Exp	\$ 8,536,480	\$ (1,168,435)	\$ 7,368,045	\$ (257,115)	\$ 7,110,930	\$ -	\$ 7,110,930
15	General							
16	Salaries & Wages (500)	\$ 824,110	\$ (107,710)	\$ 716,399	\$ -	\$ 716,399	\$ -	\$ 716,399
17	Materials and Supplies (510)	421,579	(28,343)	393,236	(119,039)	274,197	-	274,197
18	Outside Services (520)	1,973,366	(578,625)	1,394,741	(6,043)	1,388,697	-	1,388,697
19	Rentals (530)	312,646	-	312,646	(19,662)	292,984	-	292,984
20	Depreciation & Amortization (540)	1,052,947	(116,817)	936,130	(111,195)	824,935	-	824,935
21	Employee Benefits (550)	297,769	-	297,769	294,336	592,105	-	592,105
22	Insurance (560)	8,869,434	(8,869,434)	0	-	0	-	0
23	Casualty & Other Losses (570)	937,389	-	937,389	62,996	1,000,385	1,514	1,001,899
24	Pipeline Taxes (580)	5,295	(2,266)	3,029	-	3,029	-	3,029
25	Other Expenses (590)	14,694,534	(9,703,197)	4,991,338	101,393	5,092,730	1,514	5,094,244
26	Total General Expenses	\$ 23,231,015	\$ (10,871,632)	\$ 12,359,383	\$ (155,722)	\$ 12,203,660	\$ 1,514	\$ 12,205,175
27	Other expenses and Taxes							
28	Amortized AFUDC	\$ -	\$ 29,323	\$ 29,323	\$ -	\$ 29,323	\$ -	\$ 29,323
29	Income Taxes	(4,778,201)	3,797,729	(980,472)	1,712,776	732,305	26,985	759,290
30	Total Other and Taxes	\$ (4,778,201)	\$ 3,827,052	\$ (951,149)	\$ 1,712,776	\$ 761,628	\$ 26,985	\$ 788,613
31	Total Operating Expenses & Other Exp.	\$ 18,452,814	\$ (7,044,580)	\$ 11,408,234	\$ 1,557,054	\$ 12,965,288	\$ 28,499	\$ 12,993,787
32	Net Operating Income	\$ (7,160,433)	\$ 7,044,580	\$ (115,853)	\$ 1,713,789	\$ 1,597,936	\$ 51,629	\$ 1,649,565
33	Rate Base (Average)	\$ 43,468,990	\$ (2,378,545)	\$ 41,090,444	\$ 642,672	\$ 41,733,116	\$ -	\$ 41,733,116
34	Plant in Service (Average)	-	1,608,980	1,608,980	-	1,608,980	-	1,608,980
35	AFUDC (Average)	\$ 43,468,990	\$ (769,565)	\$ 42,699,424	\$ 642,672	\$ 43,342,097	\$ -	\$ 43,342,097
36	Total	\$ 658,248	\$ -	\$ 658,248	\$ -	\$ 658,248	\$ -	\$ 658,248
37	Working Capital							
38	Less:							
39	Acc. Depreciation (Average)	\$ (17,495,076)	\$ (10,173)	\$ (17,505,248)	\$ (1,279,144)	\$ (18,784,392)	\$ -	\$ (18,784,392)
40	Acc. Amort. AFUDC (Average)	-	(125,686)	(125,686)	-	(125,686)	-	(125,686)
41	Acc. Def. Income Tax (EOP)	(3,273,987)	-	(3,273,987)	475,144	(2,798,843)	-	(2,798,843)
42	Total Deductions	\$ (20,769,062)	\$ (135,858)	\$ (20,904,921)	\$ (804,000)	\$ (21,708,921)	\$ -	\$ (21,708,921)
43	Total Rate Base (AMA)	\$ 23,358,175	\$ (905,423)	\$ 22,452,752	\$ (161,328)	\$ 22,291,424	\$ -	\$ 22,291,424
44	Rate of Return	-30.65%		-0.52%		7.17%		7.40%

Olympic Pipe Line Company
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Twelve Months ending December 31, 2001

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Federal Income Tax Calculation								
1	Revenues	\$ 11,292,381	-	\$ 11,292,381	\$ 3,270,843	\$ 14,563,224	\$ 78,614	\$ 14,641,838
2	Expenses	23,231,015	(10,842,309)	12,388,706	(155,722)	12,232,983	1,514	12,234,498
3	Interest Expense	3,132,099	-	3,132,099	(1,467,080)	1,665,019	-	1,665,019
4	Schedule M Adds	-	-	-	-	-	-	-
5	Book Depreciation	1,052,947	(116,817)	936,130	(111,195)	824,935	-	824,935
6	Miscellaneous	1,418,731	-	1,418,731	-	1,418,731	-	1,418,731
7	Amortization of AFUDC Equity	-	8,345	8,345	-	8,345	-	8,345
8	Amort of FASB 96/109	-	-	-	-	-	-	0
9	Total Sch M Adds	\$ 2,471,678	\$ (108,473)	\$ 2,363,205	\$ (111,195)	\$ 2,252,010	\$ -	\$ 2,252,010
10	Schedule M Deductions	\$ 2,559,704	\$ (116,817)	\$ 2,442,887	\$ (111,195)	\$ 2,331,692	\$ -	\$ 2,331,692
11	Tax Depreciation	298,753	-	298,753	-	298,753	-	298,753
12	Miscellaneous	\$ 2,858,457	\$ (116,817)	\$ 2,741,639	\$ (111,195)	\$ 2,630,444	\$ -	\$ 2,630,444
13	Total Sch M Deductions	\$ (15,457,511)	\$ 10,850,654	\$ (4,606,857)	\$ 4,893,645	\$ 286,788	\$ 77,100	\$ 363,888
14	Taxable Income	0.35	0.35	0.35	0.35	0.35	0.35	0.35
15	Tax Rate	\$ (5,410,129)	\$ 3,797,729	\$ (1,612,400)	\$ 1,712,776	\$ 100,376	\$ 26,985	\$ 127,361
16	Federal Income Tax	-	-	-	-	-	-	-
17	Amort of FASB 96/109	\$ (5,410,129)	\$ 3,797,729	\$ (1,612,400)	\$ 1,712,776	\$ 100,376	\$ 26,985	\$ 127,361
18	Total Current Tax	631,928	-	631,928	-	631,928	-	631,928
19	Deferred Tax	\$ (4,778,201)	\$ 3,797,729	\$ (980,472)	\$ 1,712,776	\$ 732,304	\$ 26,985	\$ 759,289
20	Total FIT							