

Exhibit No. 1903(MLT-3)
Docket No. TO-011472
Witness: Maurice L. Twitchell

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Washington Utilities and)	DOCKET NO. TO-011472
Transportation Commission,)	
)	
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 ALLOCATED RESULTS OF OPERATIONS
TWELVE MONTHS ENDING DECEMBER 31, 2001

May 24, 2002

WUTC DOCKET NO. TO-011472
1903
ADMITTED W/D REJECT
007951

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

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Line No.	Description	Per Books 2001	Source	Wash. Alloc. Factors	Wash. Alloc. Results
	(A)	(B)	(C)	(D)	(E) = (B) * (D)
Revenue					
1	Transportation Revenue	\$ 34,709,733			
2	FERC				
3	WUTC			Dir	11,154,029
4	Other Revenue	348,230	DR 303.1	0.39730	138,352
5	Total Revenue	\$ 35,057,963			\$ 11,292,381
Operations and Maintenance					
6	Salaries & Wages (300)	\$ 5,587,522	DR 303.3.2	0.36240	\$ 2,024,918
7	Materials and Supplies (310)	322,406	DR 303.3.2	0.36240	116,840
8	Outside Services (320)	6,037,162	DR 303.3.2	0.36240	2,187,867
9	Operating Fuel and Power (330)	7,251,311	DR 303.3.2	0.36240	2,627,875
10	Oil Losses and Shortages (340)	2,542,976	DR 303.3.2	0.36240	921,575
11	Rentals (350)	-	DR 303.3.2	0.36240	-
12	Other Expenses (390)	1,814,033	DR 303.3.2	0.36240	657,405
13	Total Operations & Maintenance Exp	\$ 23,555,410			\$ 8,536,480
General					
14	Salaries & Wages (500)	\$ 1,534,084	DR 303.3.2	0.53720	\$ 824,110
15	Materials and Supplies (510)	784,771	DR 303.3.2	0.53720	421,579
16	Outside Services (520)	3,673,429	DR 303.3.2	0.53720	1,973,366
17	Rentals (530)	581,992	DR 303.3.2	0.53720	312,646
18	Depreciation & Amortization (540)	2,905,483	DR 303.3.2	0.36240	1,052,947
19	Employee Benefits (550)	-	DR 303.3.2	0.53720	-
20	Insurance (560)	554,298	DR 303.3.2	0.53720	297,769
21	Casualty & Other Losses (570)	16,510,488	DR 303.3.2	0.53720	8,869,434
22	Pipeline Taxes (580)	1,744,953	DR 303.3.2	0.53720	937,389
23	Other Expenses (590)	9,857	DR 303.3.2	0.53720	5,295
24	Total General Expenses	\$ 28,299,354			\$ 14,694,534
25	Total Operating Expenses	\$ 51,854,763			\$ 23,231,015
FERC Expenses					
26	Amortized Deferred Return				
27	Amortized AFUDC				
28	Income Taxes	(7,599,170)		calculated	(4,778,201)
29	Total FERC Expenses	\$ (7,599,170)			\$ (4,778,201)
30	Total Operating Expenses & FERC Exp.	\$ 44,255,593			\$ 18,452,814
31	Net Operating Income	\$ (9,197,631)			\$ (7,160,433)
Rate Base (Average)					
32	Plant in Service (Average)	\$ 119,947,543	DR 303	0.36240	\$ 43,468,990
33	AFUDC (Average)	-		0.36240	-
34	Net Write-Up of SRB (Average)	-			-
35	Net Deferred Return (Average)	-			-
36	Total	\$ 119,947,543			\$ 43,468,990
Working Capital					
37	Oil Inventory (Average)	\$ 623,929	DR 303	0.36240	\$ 226,112
38	Materials & Supplies (Average)	132,323	DR 303	0.36240	47,954
39	Prepayments (Average)	1,060,106	DR 303	0.36240	384,183
40	Total Working Capital	\$ 1,816,358			\$ 658,248
Less:					
41	Acc. Depreciation (Average)	\$ (48,275,595)	DR 303	0.36240	\$ (17,495,076)
42	Acc. Amort. AFUDC (Average)	-		0.36240	-
43	Acc. Def. Income Tax (EOP)	(9,034,180)	DR 303	0.36240	(3,273,987)
44	Total Deductions	\$ (57,309,775)			\$ (20,769,062)
45	Total Rate Base (AMA)	\$ 64,454,126			\$ 23,358,175
16	Rate of Return				
		-14.27%			-30.65%

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Line No.	Description	Per Books 2001	Source	Wash. Alloc. Factors	Wash. Alloc. Results
	(A)	(B)	(C)	(D)	(E) = (B) * (D)
	<u>Federal Income Tax Calculation</u>				
1	Revenues	\$ 35,057,963			\$ 11,292,381
2	Expenses	51,854,763			23,231,015
3	Interest Expense	8,642,656	DR 303	0.36240	3,132,099
4	Schedule M Adds				
5	Book Depreciation	2,905,483			1,052,947
6	Miscellaneous	3,914,820	DR 319	0.36240	1,418,731
7	Amortization of AFUDC Equity	-		0.36240	-
8	Amort of FASB 96/109	-			-
9	Total Sch M Adds	\$ 6,820,303			\$ 2,471,678
10	Schedule M Deductions				
11	Tax Depreciation	\$ 7,063,201	DR 319	0.36240	\$ 2,559,704
12	Miscellaneous	824,373	DR 319	0.36240	\$ 298,753
13	Total Sch M Deductions	\$ 7,887,574			\$ 2,858,457
14	Taxable Income	\$ (26,506,728)			\$ (15,457,511)
15	Tax Rate	0.35			0.35
16	Federal Income Tax	\$ (9,277,355)			\$ (5,410,129)
17	Amort of FASB 96/109			0.36240	0
18	Total Current Tax	\$ (9,277,355)			\$ (5,410,129)
19	Deferred Tax	1,743,732		0.36240	631,928
20	Total FIT	\$ (7,533,623)			\$ (4,778,201)
21	Allocation factor for General Expenses		OPL-32, L 24	0.53720	
22	Allocation factor for Operations and Maintenance Exp.		OPL-32, L 15	0.36240	
23	Allocation factor for Investments Expenses		OPL-32, L 15	0.36240	
24	Allocation factor for Revenues		OPL-32, L-32	0.39730	