

Exhibit No. 1904 (MLT-4)  
Docket No. TO-011472  
Witness: Maurice L. Twitchell

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Washington Utilities and                    )  
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 PROFORMA RESULTS OF OPERATIONS  
TOTAL COMPANY TWELVE MONTHS ENDING  
DECEMBER 31, 2001

May 24, 2002

WUTC DOCKET NO. TO-011472  
EXH. NO. 1904  
ADMIT  W/D  REJECT   
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Olympic Pipe Line Company  
Actual and Proforma Results of Operations Total Company  
Twelve Months ending December 31, 2001

Line No.	Description (A)	Total Company Results (B)	Restating 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	<b>Revenue</b>							
2	Transportation Revenue	\$ 23,555,703	\$ -	\$ 23,555,703	\$ (259,314)	\$ 23,296,389	\$ (1,628,150)	\$ 21,668,240
3	WUTC	11,154,029	-	11,154,029	3,270,843	14,424,872	78,614	14,503,487
4	Other Revenue	348,230	-	348,230	-	348,230	-	348,230
5	<b>Total Revenue</b>	<b>\$ 35,057,963</b>	<b>\$ -</b>	<b>\$ 35,057,963</b>	<b>\$ 3,011,529</b>	<b>\$ 38,069,492</b>	<b>\$ (1,549,535)</b>	<b>\$ 36,519,956</b>
6	<b>Operations and Maintenance</b>							
7	Salaries & Wages (300)	\$ 5,587,522	\$ (730,284)	\$ 4,857,238	\$ -	\$ 4,857,238	\$ -	\$ 4,857,238
8	Materials and Supplies (310)	322,406	(21,676)	300,730	(91,036)	209,694	-	209,694
9	Outside Services (320)	6,037,162	(1,770,201)	4,266,961	(18,489)	4,248,472	-	4,248,472
10	Operating Fuel and Power (330)	7,251,311	74,437	7,325,748	1,943,023	9,268,770	-	9,268,770
11	Oil Losses and Shortages (340)	2,542,976	-	2,542,976	(2,542,976)	0	-	0
12	Rentals (350)	-	-	-	-	-	-	-
13	Other Expenses (390)	1,814,033	(776,436)	1,037,596	-	1,037,596	-	1,037,596
14	<b>Total Operations &amp; Maintenance Exp</b>	<b>\$ 23,555,410</b>	<b>\$ (3,224,160)</b>	<b>\$ 20,331,250</b>	<b>\$ (709,479)</b>	<b>\$ 19,621,771</b>	<b>\$ -</b>	<b>\$ 19,621,771</b>
15	<b>General</b>							
16	Salaries & Wages (500)	\$ 1,534,084	\$ (200,503)	\$ 1,333,581	\$ -	\$ 1,333,581	\$ -	\$ 1,333,581
17	Materials and Supplies (510)	784,771	(52,761)	732,010	(221,592)	510,418	-	510,418
18	Outside Services (520)	3,673,429	(1,077,113)	2,596,316	(11,250)	2,585,066	-	2,585,066
19	Rentals (530)	581,992	-	581,992	(36,600)	545,392	-	545,392
20	Depreciation & Amortization (540)	2,905,483	(322,344)	2,583,139	(306,829)	2,276,310	-	2,276,310
21	Employee Benefits (550)	-	-	-	-	-	-	-
22	Insurance (560)	554,298	-	554,298	547,907	1,102,205	-	1,102,205
23	Casualty & Other Losses (570)	16,510,488	(16,510,488)	0	62,996	62,996	1,514	1,809,463
24	Pipeline Taxes (580)	1,744,953	-	1,744,953	-	1,744,953	-	1,744,953
25	Other Expenses (590)	9,857	(4,219)	5,638	-	5,638	-	5,638
26	<b>Total General Expenses</b>	<b>\$ 28,299,354</b>	<b>\$ (18,167,428)</b>	<b>\$ 10,131,925</b>	<b>\$ 34,632</b>	<b>\$ 10,166,558</b>	<b>\$ 1,514</b>	<b>\$ 10,168,072</b>
27	<b>Total Operating Expenses</b>	<b>\$ 51,854,763</b>	<b>\$ (21,391,588)</b>	<b>\$ 30,463,175</b>	<b>\$ (674,847)</b>	<b>\$ 29,788,329</b>	<b>\$ 1,514</b>	<b>\$ 29,789,843</b>
28	<b>Other expenses and Taxes</b>							
29	Amortized AFUDC	-	\$ 80,913	\$ 80,913	\$ -	\$ 80,913	\$ -	\$ 80,913
30	Income Taxes	(7,599,170)	7,466,795	(132,375)	2,772,661	2,640,286	(542,867)	2,097,419
31	Total Other and Taxes	(7,599,170)	7,547,709	(51,461)	2,772,661	2,721,200	(542,867)	2,178,332
32	<b>Total Operating Expenses &amp; Other Exp.</b>	<b>\$ 44,255,593</b>	<b>\$ (13,843,879)</b>	<b>\$ 30,411,714</b>	<b>\$ 2,097,815</b>	<b>\$ 32,509,529</b>	<b>\$ (541,353)</b>	<b>\$ 31,968,175</b>
33	<b>Net Operating Income</b>	<b>\$ (9,197,631)</b>	<b>\$ 13,843,879</b>	<b>\$ 4,646,248</b>	<b>\$ 913,714</b>	<b>\$ 5,559,963</b>	<b>\$ (1,008,182)</b>	<b>\$ 4,551,781</b>
34	<b>Rate Base (Average)</b>							
35	Plant in Service (Average)	\$ 119,947,543	\$ (6,563,315)	\$ 113,384,228	\$ 1,773,378	\$ 115,157,606	\$ -	\$ 115,157,606
36	AFUDC (Average)	-	4,439,791	4,439,791	-	4,439,791	-	4,439,791
37	Total	\$ 119,947,543	\$ (2,123,524)	\$ 117,824,019	\$ 1,773,378	\$ 119,597,397	\$ -	\$ 119,597,397
38	<b>Working Capital</b>	\$ 1,816,358	\$ -	\$ 1,816,358	\$ -	\$ 1,816,358	\$ -	\$ 1,816,358
39	<b>Less:</b>							
40	Acc. Depreciation (Average)	\$ (48,275,595)	\$ (28,071)	\$ (48,303,666)	\$ (3,529,647)	\$ (51,833,312)	\$ -	\$ (51,833,312)
41	Acc. Amort. AFUDC (Average)	(9,034,180)	(346,815)	(9,380,995)	-	(9,380,995)	-	(9,380,995)
42	Acc. Def. Income Tax (EOP)	\$ (57,309,775)	\$ (374,885)	\$ (57,684,660)	\$ (2,218,544)	\$ (59,903,204)	\$ -	\$ (59,903,204)
43	Total Deductions	\$ 64,454,126	\$ (2,498,409)	\$ 61,955,717	\$ (445,166)	\$ 61,510,551	\$ -	\$ 61,510,551
44	<b>Total Rate Base (AMA)</b>							
45	<b>Rate of Return</b>			7.50%		9.04%		7.40%

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

Line No.	Description (A)	Total Company Results (B)	Restating 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)
	<b>Federal Income Tax Calculation</b>							
1	Revenues	\$ 35,057,963	\$ -	\$ 35,057,963	\$ 3,011,529	\$ 38,069,492	\$ (1,549,535)	\$ 36,519,956
2	Expenses	51,854,763	(21,310,675)	30,544,089	(674,847)	29,869,242	1,514	29,870,756
3	Interest Expense	8,642,656	-	8,642,656	(4,048,234)	4,594,423	-	4,594,423
4	Schedule M Adds	-	-	-	-	-	-	-
5	Book Depreciation	2,905,483	(322,344)	2,583,139	(306,829)	2,276,310	-	2,276,310
6	Miscellaneous	3,914,820	-	3,914,820	-	3,914,820	-	3,914,820
7	Amortization of AFUDC Equity	-	23,027	23,027	-	23,027	-	23,027
8	Amort of FASB 96/109	-	-	-	-	-	-	0
9	Total Sch M Adds	\$ 6,820,303	\$ (299,317)	\$ 6,520,986	\$ (306,829)	\$ 6,214,157	\$ -	\$ 6,214,157
10	Schedule M Deductions	\$ 7,063,201	\$ (322,344)	\$ 6,740,857	\$ (306,829)	\$ 6,434,028	\$ -	\$ 6,434,028
11	Tax Depreciation	824,373	-	824,373	-	824,373	-	824,373
12	Miscellaneous	7,887,574	(322,344)	7,565,230	(306,829)	7,258,401	-	7,258,401
13	Total Sch M Deductions	\$ (26,506,728)	\$ 21,333,701	\$ (5,173,027)	\$ 7,734,609	\$ 2,561,583	\$ (1,551,049)	\$ 1,010,533
14	Taxable Income	0.35	0.35	0.35	0.35	0.35	0.35	0.35
15	Tax Rate							
16	Federal Income Tax	\$ (9,277,355)	\$ 7,466,795	\$ (1,810,559)	\$ 2,707,113	\$ 896,554	\$ (542,867)	\$ 353,687
17	Amort of FASB 96/109	-	-	-	-	-	-	-
18	Total Current Tax	\$ (9,277,355)	\$ 7,466,795	\$ (1,810,559)	\$ 2,707,113	\$ 896,554	\$ (542,867)	\$ 353,687
19	Deferred Tax	1,743,732	-	1,743,732	-	1,743,732	-	1,743,732
20	Total FIT	\$ (7,533,623)	\$ 7,466,795	\$ (66,827)	\$ 2,707,113	\$ 2,640,286	\$ (542,867)	\$ 2,097,418