

Exhibit No. 1907 (MLT-7)  
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	)	
	)	
	)	
	)	

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**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

WUTS DOCKET NO. TO-011472  
E. 1907  
ADMIN  W/D  REJECT

**007967**

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)	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	Revenue							
2	Transportation Revenue	\$ 11,154,029	-	\$ 11,154,029	\$ 3,270,843	\$ 14,424,872	\$ 78,614	\$ 14,503,487
3	WUTC	138,352	-	138,352	-	138,352	-	138,352
4	Other Revenue	\$ 11,292,381	-	\$ 11,292,381	\$ 3,270,843	\$ 14,563,224	\$ 78,614	\$ 14,641,838
5	Total Revenue	\$ 2,024,918	\$ (264,655)	\$ 1,760,263	\$ -	\$ 1,760,263	\$ -	\$ 1,760,263
6	Salaries & Wages (300)	116,840	(7,855)	108,985	(32,992)	75,993	-	75,993
7	Materials and Supplies (310)	2,187,867	(641,521)	1,546,347	(6,700)	1,539,646	-	1,539,646
8	Outside Services (320)	2,627,875	26,976	2,654,851	704,151	3,359,002	-	3,359,002
9	Operating Fuel and Power (330)	921,575	-	921,575	(921,574)	0	-	0
10	Oil Losses and Shortages (340)	-	-	-	-	-	-	-
11	Rentals (350)	657,405	(281,380)	376,025	-	376,025	-	376,025
12	Other Expenses (390)	\$ 8,536,480	\$ (1,168,435)	\$ 7,368,045	\$ (257,115)	\$ 7,110,930	\$ -	\$ 7,110,930
13	Total Operations & Maintenance Exp	\$ 824,110	\$ (107,710)	\$ 716,399	\$ -	\$ 716,399	\$ -	\$ 716,399
14	General	421,579	(28,343)	393,236	(119,039)	274,197	-	274,197
15	Salaries & Wages (500)	1,973,366	(578,625)	1,394,741	(6,043)	1,388,697	-	1,388,697
16	Materials and Supplies (510)	312,646	-	312,646	(19,662)	292,984	-	292,984
17	Outside Services (520)	1,052,947	(116,817)	936,130	(111,195)	824,935	-	824,935
18	Rentals (530)	297,769	-	297,769	294,336	592,105	-	592,105
19	Depreciation & Amortization (540)	8,869,434	(8,869,434)	0	62,996	1,001,385	1,514	1,001,899
20	Employee Benefits (550)	937,389	-	937,389	-	937,389	-	937,389
21	Insurance (560)	5,295	(2,266)	3,029	-	3,029	-	3,029
22	Casualty & Other Losses (570)	-	-	-	-	-	-	-
23	Pipeline Taxes (580)	14,694,534	(9,703,197)	4,991,338	101,393	5,092,730	1,514	5,094,244
24	Other Expenses (590)	23,231,015	(10,871,632)	12,359,383	(155,722)	12,203,660	1,514	12,205,175
25	Total General Expenses	\$ -	\$ 29,323	\$ 29,323	\$ -	\$ 29,323	\$ -	\$ 29,323
26	Total Operating Expenses	(4,778,201)	3,797,729	(980,472)	1,712,776	732,305	26,985	759,290
27	Other expenses and Taxes	(4,778,201)	3,827,052	(951,149)	1,712,776	761,628	26,985	788,613
28	Total Other and Taxes	18,452,814	(7,044,580)	11,408,234	1,557,054	12,965,288	28,499	12,993,787
29	Total Operating Expenses & Other Exp.	(7,160,433)	7,044,580	(115,853)	1,713,789	1,597,936	51,629	1,649,565
30	Net Operating Income	\$ 43,468,990	(2,378,545)	\$ 41,090,444	\$ 642,672	\$ 41,733,116	\$ -	\$ 41,733,116
31	Rate Base (Average)	-	1,608,980	1,608,980	-	1,608,980	-	1,608,980
32	Plant in Service (Average)	43,468,990	(769,565)	42,699,424	642,672	43,342,097	-	43,342,097
33	AFUDC (Average)	-	-	-	-	-	-	-
34	Total	\$ 658,248	\$ -	\$ 658,248	\$ -	\$ 658,248	\$ -	\$ 658,248
35	Working Capital	\$ (17,495,076)	(10,173)	(17,505,248)	(1,279,144)	(18,784,392)	-	(18,784,392)
36	Less:	-	(125,686)	(125,686)	-	(125,686)	-	(125,686)
37	Acc. Depreciation (Average)	(3,273,987)	-	(3,273,987)	475,144	(2,798,843)	-	(2,798,843)
38	Acc. Amort. AFUDC (Average)	(20,769,062)	(135,858)	(20,904,921)	(804,000)	(21,708,921)	-	(21,708,921)
39	Acc. Def. Income Tax (EOP)	23,358,175	(905,423)	22,452,752	(161,328)	22,291,424	-	22,291,424
40	Total Deductions	-	-	-	-	-	-	-
41	Total Rate Base (AMA)	-30,655%	-0.52%	-0.52%	-	7.17%	-	7.40%
42	Rate of Return							

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	<b>Federal Income Tax Calculation</b>							
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							
16	Federal Income Tax	\$ (5,410,129)	\$ 3,797,729	\$ (1,612,400)	\$ 1,712,776	\$ 100,376	\$ 26,985	\$ 127,361
17	Amort of FASB 96/109	-	-	-	-	-	-	-
18	Total Current Tax	\$ (5,410,129)	\$ 3,797,729	\$ (1,612,400)	\$ 1,712,776	\$ 100,376	\$ 26,985	\$ 127,361
19	Deferred Tax	631,928	-	631,928	-	631,928	-	631,928
20	<b>Total FIT</b>	\$ (4,778,201)	\$ 3,797,729	\$ (980,472)	\$ 1,712,776	\$ 732,304	\$ 26,985	\$ 759,289