

Exhibit No. 1908 (MLT-8)
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 – WASHINGTON
TOTAL RESTATING ACTUAL ADJUSTMENTS
TWELVE MONTHS ENDING DECEMBER 31, 2001**

May 24, 2002

WUTC DOCKET NO. 10-011472
EXHIBIT NO. 1908
ADMIT W/D REJECT

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Olympic Pipe Line Company - Washington
Total Restating Actual Adjustments
Twelve Months ending December 31, 2001

Line No.	Description (A)	Total RA Adj. (B)	RA-1 Reclassifications (C)	RA-2 Remove Non-Operational Land (D)	RA-3 Remove Casualty Loss & Other (E)	RA-4 Reclassify Capitalized Const. Payroll (F)	RA-5 Correct AMA Rate Base (G)	RA-6 Reclassify Employee Relocation Exp. (H)	RA-7 Normalized OTM Expenses (F)	RA-8 AFUDC (J)
1	Revenue									
2	Transportation Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	WUTC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Total Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Operations and Maintenance	\$ (264,655)	\$ (7,855)	\$ -	\$ -	\$ (126,245)	\$ -	\$ (67,863)	\$ -	\$ -
7	Salaries & Wages (300)	(7,855)	(7,855)	-	-	-	-	-	(641,521)	-
8	Materials and Supplies (310)	(641,521)	-	-	-	-	-	-	-	-
9	Outside Services (320)	26,976	26,976	-	-	-	-	-	-	-
10	Operating Fuel and Power (330)	-	-	-	-	-	-	-	-	-
11	Oil Losses and Shortages (340)	-	-	-	-	-	-	-	-	-
12	Rentals (350)	-	-	-	-	160,036	-	-	-	-
13	Other Expenses (390)	(281,380)	(403,274)	-	-	-	-	-	-	-
14	Total Operations & Maintenance Exp	\$ (1,168,435)	\$ (384,133)	\$ -	\$ -	\$ 33,792	\$ -	\$ (67,863)	\$ (641,521)	\$ -
15	General	\$ (107,710)	\$ (28,343)	\$ -	\$ -	\$ (51,380)	\$ -	\$ (27,619)	\$ -	\$ -
16	Salaries & Wages (500)	(28,343)	(28,343)	-	-	-	-	-	(578,625)	-
17	Materials and Supplies (510)	(578,625)	-	-	-	-	-	-	-	-
18	Outside Services (520)	-	-	-	-	3,942	(132,512)	-	11,752	-
19	Rentals (530)	(116,817)	-	-	-	-	-	-	-	-
20	Depreciation & Amortization (540)	-	-	-	-	-	-	-	-	-
21	Employee Benefits (550)	(8,869,434)	598,130	-	(9,467,564)	-	-	-	-	-
22	Insurance (560)	(2,266)	(3,248)	-	-	-	-	-	-	-
23	Casualty & Other Losses (570)	(9,703,197)	566,538	-	(9,467,564)	(46,148)	(132,512)	(27,619)	(566,873)	-
24	Pipeline Taxes (580)	(10,871,632)	182,385	-	(9,467,564)	(12,357)	(132,512)	(95,483)	(1,208,394)	-
25	Other Expenses (590)	29,323	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,323
26	Total General Expenses	\$ 3,797,729	\$ (63,835)	\$ -	\$ 3,313,647	\$ 4,325	\$ 46,379	\$ 33,419	\$ 422,938	\$ (7,342)
27	Total Operating Expenses	\$ 3,827,052	\$ (63,835)	\$ -	\$ 3,313,647	\$ 4,325	\$ 46,379	\$ 33,419	\$ 422,938	\$ 21,981
28	Other and Taxes	(7,044,580)	118,550	-	(6,153,917)	(8,032)	(86,133)	(62,064)	(785,456)	21,981
29	Total Operating Expenses & Other Exp.	\$ 7,044,580	\$ (118,550)	\$ -	\$ 6,153,917	\$ 8,032	\$ 86,133	\$ 62,064	\$ 785,456	\$ (21,981)
30	Net Operating Income	\$ (2,378,545)	\$ -	\$ (199,682)	\$ -	\$ 160,906	\$ (2,817,485)	\$ -	\$ 477,716	\$ -
31	Rate Base (Average)	1,608,980	-	(199,682)	-	160,906	(2,817,485)	-	477,716	1,608,980
32	Plant in Service (Average)	(769,565)	-	-	-	-	-	-	-	-
33	AFUDC (Average)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34	Total	\$ (10,173)	\$ (125,686)	\$ -	\$ -	\$ (3,942)	\$ 5,521	\$ -	\$ (11,752)	\$ (125,686)
35	Working Capital	\$ (135,858)	\$ -	\$ -	\$ -	\$ (3,942)	\$ 5,521	\$ -	\$ (11,752)	\$ (125,686)
36	Less:	(905,423)	-	(199,682)	-	156,963	(2,811,963)	-	465,964	1,483,295
37	Acc. Depreciation (Average)	-	-	-	-	-	-	-	-	-
38	Acc. Amort. AFUDC (Average)	-	-	-	-	-	-	-	-	-
39	Acc. Def. Income Tax (EOP)	-	-	-	-	-	-	-	-	-
40	Total Deductions	-	-	-	-	-	-	-	-	-
41	Total Rate Base (AMA)	\$ (905,423)	\$ -	\$ (199,682)	\$ -	\$ 156,963	\$ (2,811,963)	\$ -	\$ 465,964	\$ 1,483,295
42	Rate of Return									

Olympic Pipe Line Company - Washington Total Restating Actual Adjustments Twelve Months ending December 31, 2001										
Line No.	Description (A)	Total RA Adj. (B)	RA-1 Reclassifications (C)	RA-2 Remove Non-Operational Land (D)	RA-3 Remove Casualty Loss & Other (E)	RA-4 Reclassify Capitalized Const. Payroll (F)	RA-5 Correct AMA Rate Base (G)	RA-6 Reclassify Employee Relocation Exp. (H)	RA-7 Normalized OTM Expenses (F) (I)	RA-8 AFUDC (J)
	Federal Income Tax Calculation									
1	Revenues	-	-	-	-	-	-	-	-	-
2	Expenses	(10,842,309)	182,385	-	(9,467,564)	(12,357)	(132,512)	(95,483)	(1,208,394)	29,323
3	Interest Expense	-	-	-	-	-	-	-	-	-
4	Schedule M Adds	-	-	-	-	-	-	-	-	-
5	Book Depreciation	(116,817)	-	-	-	3,942	(132,512)	-	11,752	-
6	Miscellaneous	8,345	-	-	-	-	-	-	-	8,345
7	Amortization of AFUDC Equity	-	-	-	-	-	-	-	-	-
8	Amort of FASB 96/109	(108,473)	-	-	-	3,942	(132,512)	-	11,752	8,345
9	Total Sch M Adds	(116,817)	-	-	-	3,942	(132,512)	-	11,752	-
10	Tax Depreciation	-	-	-	-	-	-	-	-	-
11	Tax Depreciation	-	-	-	-	-	-	-	-	-
12	Miscellaneous	(116,817)	-	-	-	3,942	(132,512)	-	11,752	-
13	Total Sch M Deductions	10,850,654	(182,385)	-	9,467,564	12,357	132,512	95,483	1,208,394	(20,978)
14	Taxable Income	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
15	Tax Rate	3,797,729	(63,835)	-	3,313,647	4,325	46,379	33,419	422,938	(7,342)
16	Federal Income Tax	-	-	-	-	-	-	-	-	-
17	Amort of FASB 96/109	3,797,729	(63,835)	-	3,313,647	4,325	46,379	33,419	422,938	(7,342)
18	Total Current Tax	-	-	-	-	-	-	-	-	-
19	Deferred Tax	3,797,729	(63,835)	-	3,313,647	4,325	46,379	33,419	422,938	(7,342)
20	Total FIT	-	-	-	-	-	-	-	-	-

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Olympic Pipe Line Company - Washington
Total Restating Actual Adjustments
Twelve Months ending December 31, 2001

Line No.	Description (A)	RA-9 Amort. Empl. L.T. Disability Buyouts (K)	RA-10 Remove D.Cummins WC Payroll (L)	RA-11 Remove Charity & Lobbying (M)	RA-12 (N)
1	Revenue				
2	Transportation Revenue	\$ -	\$ -	\$ -	\$ -
3	WUTC				
4	Other Revenue	\$ -	\$ -	\$ -	\$ -
5	Total Revenue	\$ -	\$ -	\$ -	\$ -
6	Operations and Maintenance				
7	Salaries & Wages (300)	\$ (35,215)	\$ (28,508)	\$ (6,824)	\$ -
8	Materials and Supplies (310)	-	-	-	-
9	Outside Services (320)	-	-	-	-
10	Operating Fuel and Power (330)	-	-	-	-
11	Oil Losses and Shortages (340)	-	-	-	-
12	Rentals (350)	-	-	(38,143)	-
13	Other Expenses (390)	\$ (35,215)	\$ (28,508)	\$ (44,967)	\$ -
14	Total Operations & Maintenance Exp	\$ (70,430)	\$ (57,016)	\$ (83,010)	\$ -
15	General				
16	Salaries & Wages (500)	\$ (14,332)	\$ (11,602)	\$ (2,777)	\$ -
17	Materials and Supplies (510)	-	-	-	-
18	Outside Services (520)	-	-	-	-
19	Rentals (530)	-	-	-	-
20	Depreciation & Amortization (540)	-	-	-	-
21	Employee Benefits (550)	-	-	-	-
22	Insurance (560)	-	-	-	-
23	Casualty & Other Losses (570)	-	-	-	-
24	Pipeline Taxes (580)	-	-	-	-
25	Other Expenses (590)	-	-	(307)	-
26	Total General Expenses	\$ (14,332)	\$ (11,602)	\$ (3,084)	\$ -
27	Total Operating Expenses	\$ (84,762)	\$ (68,618)	\$ (86,094)	\$ -
28	Other Expenses and Taxes	\$ (49,547)	\$ (40,111)	\$ (48,051)	\$ -
29	Amortized AFUDC	\$ -	\$ -	\$ -	\$ -
30	Income Taxes	\$ 17,341	\$ 14,039	\$ 16,818	\$ -
31	Total Other and Taxes	\$ 17,341	\$ 14,039	\$ 16,818	\$ -
32	Total Operating Expenses & Other Exp.	\$ (67,421)	\$ (54,579)	\$ (69,276)	\$ -
33	Net Operating Income	\$ 32,205	\$ 26,072	\$ 31,233	\$ -
34	Rate Base (Average)	\$ -	\$ -	\$ -	\$ -
35	Plant in Service (Average)	\$ -	\$ -	\$ -	\$ -
36	AFUDC (Average)	\$ -	\$ -	\$ -	\$ -
37	Total	\$ -	\$ -	\$ -	\$ -
38	Working Capital	\$ -	\$ -	\$ -	\$ -
39	Less:				
40	Acc. Depreciation (Average)	\$ -	\$ -	\$ -	\$ -
41	Acc. Amort. AFUDC (Average)	\$ -	\$ -	\$ -	\$ -
42	Acc. Def. Income Tax (EOP)	\$ -	\$ -	\$ -	\$ -
43	Total Deductions	\$ -	\$ -	\$ -	\$ -
44	Total Rate Base (AMA)	\$ -	\$ -	\$ -	\$ -
45	Rate of Return				

Olympic Pipe Line Company - Washington Total Restating Actual Adjustments Twelve Months ending December 31, 2001		Exhibit No. (MLT- 8) Docket No. To-011472 Witness: M. L. Twitchell Page 4 of 4			
Line No.	Description	RA-9 Amort. Empl. LT Disability Buyouts (K)	RA-10 Remove D Cummins WC Payroll (L)	RA-11 Remove Charity & Lobbying (M)	RA-12 (N)
	(A)				
	Federal Income Tax Calculation				
1	Revenues	-	-	-	-
2	Expenses	(49,547)	(40,111)	(48,051)	-
3	Interest Expense	-	-	-	-
4	Schedule M Adds	-	-	-	-
5	Book Depreciation	-	-	-	-
6	Miscellaneous	-	-	-	-
7	Amortization of AFUDC Equity	-	-	-	-
8	Amort of FASB 96/109	-	-	-	-
9	Total Sch M Adds	-	-	-	-
10	Schedule M Deductions	-	-	-	-
11	Tax Depreciation	-	-	-	-
12	Miscellaneous	-	-	-	-
13	Total Sch M Deductions	-	-	-	-
14	Taxable Income	49,547	40,111	48,051	-
15	Tax Rate	0.35	0.35	0.35	0.35
16	Federal Income Tax	17,341	14,039	16,818	-
17	Amort of FASB 96/109	-	-	-	-
18	Total Current Tax	17,341	14,039	16,818	-
19	Deferred Tax	-	-	-	-
20	Total FIT	17,341	14,039	16,818	-