Exhibit No. 1910 (MLT-10)
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
RESULTS OF OPERATION 1984 THROUGH 2001
ACHIEVED RATE OF RETURN

May 24, 2002

WUTC DOCKET NO. TO-011472
EXHIBIT NO. 1910
ADMIT ☒ W/D ☐ REJECT ☐

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Olympic Pipe Line Company
Results of Operation 1984 through 2001
Achieved Rate of Return

Exhibit _____(MLT-10)
Docket No. TO-011472
Witness: M. L. Twitchell

line No		Source Exhibit CAH-4	1984	1985	1986	1987	1988	1989	1990	1991	1992
***1	Revenues	Sch. 14 L.24	24,811	24,737	26,151	27,686	28,290	28,620	29,271	28,806	30,541
***2	Expenses	Sch. 14 L. 25	8,790	9,494	11,064	12,893	12,415	13,052	12,989	15,047	15,070
3	Depreciation	Sch 11 L 7	1,655	1,669	1,691	1,707	1,744	1,789	1,817	1,457	1,453
4	Taxes	rate .35	5,028	4,751	4,689	4,580	4,946	4,823	5,063	4,306	4,906
5	NOI	L6-L7-L8-L9	9,338	8,823	8,707	8,506	9,185	8,956	9,402	7,996	9,112
6	Rate Base	Sch. 5 L 18	27,329	26,001	24,515	23,546	22,787	22,883	23,108	22,879	23,366
7	Rate of Return Achieved	L 10 / L 11	**34.17%**	**33.93%**	**35.52%**	**36.12%**	**40.31%**	**39.14%**	**40.69%**	**34.95%**	**39.00%**

Olympic Pipe Line Company
Calculation of Rate of Return Requirement

line No		Source	1984	1985	1986	1987	1988	1989	1990	1991	1992
8	Equity ratio	Sch.7 L 1	0.6587	0.7012	0.7269	0.7210	0.7180	0.7735	0.8075	0.6172	0.5783
9	Debt ratio	Sch.7 L 2	0.3413	0.2988	0.2731	0.2790	0.2820	0.2265	0.1925	0.3828	0.4217
10	Equity cost	Sch.7 L 3	0.1713	0.1703	0.1433	0.1763	0.1763	0.1783	0.1933	0.1633	0.1613
11	Debt cost	Sch.7 L 4	0.1040	0.1020	0.0953	0.0938	0.0909	0.0842	0.0820	0.0864	0.0838
12	Rate of Return Requirement		**14.83%**	**14.99%**	**13.02%**	**15.33%**	**15.22%**	**15.70%**	**17.19%**	**13.39%**	**12.86%**
13	**Excess Rate of Return**	L 7 less L 12	**19.34%**	**18.94%**	**22.50%**	**20.80%**	**25.09%**	**23.44%**	**23.50%**	**21.56%**	**26.13%**

* FERC 2000 FERC report
** Response to DR 303 A
*** Line 1 Revenues and line 2 Expenses had to be supplied as WUTC Data Request 41

Olympic Pipe Line Company
Results of Operation 1984 through 2001
Achieved Rate of Return

Exhibit _____(MLT - 10)
Docket No. TO-011472
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line No		Source Exhibit CAH-4	1993	1994	1995	1996	1997	1998	1999	2000*	2001**
***1	Revenues	Sch. 14 L.24	30,164	31,848	35,806	36,348	40,919	41,211	32,604	23,039	34,710
***2	Expenses	Sch. 14 L. 25	16,141	17,105	20,044	25,829	26,037	22,211	24,383	41,344	38,539
3	Depreciation	Sch 11 L 7	1,554	1,450	1,549	1,720	1,934	1,991	2,625	2,733	2,905
4	Taxes	rate .35	4,364	4,653	4,975	3,080	4,532	5,953	1,959	(7,363)	(2,357)
5	NOI	L6-L7-L8-L9	8,105	8,640	9,238	5,719	8,416	11,056	3,637	(13,675)	(4,377)
6	Rate Base	Sch. 5 L 18	25,048	26,924	28,403	31,160	35,741	49,644	61,547	NA	NA
7	Rate of Return Achieved	L 10 / L 11	**32.36%**	**32.09%**	**32.53%**	**18.35%**	**23.55%**	**22.27%**	**5.91%**	**NA**	**NA**

Olympic Pipe Line Company
Calculation of Rate of Return requirement

line No		Source Exhibit CAH-4	1993	1994	1995	1996	1997	1998	1999	2000*	2001**
8	Equity ratio	Sch.7 L 1	0.5676	0.5936	0.4976	0.5313	0.5619	0.5377	0.5749	0.8292	0.8292
9	Debt ratio	Sch.7 L 2	0.4324	0.4064	0.5024	0.4687	0.4381	0.4623	0.4251	0.1708	0.1708
10	Equity cost	Sch.7 L 3	0.1593	0.1593	0.1573	0.1653	0.1493	0.1483	0.1593	0.1613	0.1536
11	Debt cost	Sch.7 L 4	0.0838	0.0812	0.0810	0.0812	0.0796	0.0761	0.0717	0.0674	0.0674
12	Rate of Return Requirement		**12.67%**	**12.76%**	**11.90%**	**12.59%**	**11.88%**	**11.49%**	**12.21%**	**14.53%**	**13.89%**
13	**Excess Rate of Return**	L 7 less L 12	**19.69%**	**19.34%**	**20.63%**	**5.77%**	**11.67%**	**10.78%**	**-6.30%**		

* FERC 2000 FERC report
** Response to DR 303 A
*** Line 1 Revenues and line 2 Expenses had to be supplied as WUTC Data Request 41

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