

Exhibit No. \_\_\_\_ (BAC-6T)  
Docket No. TO-011472  
Witness: Brett A. Collins

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Washington Utilities and	)	DOCKET NO. TO-011472
Transportation Commission,	)	)
	)	
Complainant,	)	
	)	
v.	)	
	)	
Olympic Pipe Line Company, Inc.	)	
	)	
Respondent.	)	

-----

REBUTTAL TESTIMONY OF  
BRETT A. COLLINS

OLYMPIC PIPE LINE COMPANY

June 11, 2002

2 OLYMPIC PIPE LINE COMPANY

3  
4 REBUTTAL TESTIMONY OF BRETT A. COLLINS  
5

6 **I. Summary of Testimony**

7 **Q. Please summarize your testimony.**

8 A. This is an update to my Prepared Direct Testimony, Exhibit No. \_\_\_\_ (BAC-2),  
9 that was submitted in this matter on December 13, 2001. In that prior testimony,  
10 I computed cost-of-service for Olympic Pipeline Company (“Olympic” or  
11 “OPL”) that supported a rate increase of 62%. As a result of my update, I have  
12 computed total company cost-of-service for Olympic of \$56.5 million. A 62%  
13 rate increase would result in estimated total company revenues of \$57.4 million.  
14 Based on my revised calculation of cost-of-service, I recommend that the  
15 Washington Utilities and Transportation Commission (“Commission”) approve  
16 an intrastate rate increase of 59.5%.

17 **II. Introduction**

18 **Q. Please state your name, occupation and business address for the record.**

19 A. My name is Brett A. Collins. I am a Principal of Regulatory Economics Group,  
20 LLC. My business address is 332 Pine Street, Suite 600, San Francisco,  
21 California, 94104.

22 **Q. Have you previously sponsored testimony in this matter?**

23 A. Yes. My professional background is set forth in my direct testimony in Exhibit

1 No. \_\_\_\_ (BAC-1T).

2 **Q. What is the purpose of your testimony?**

3 A. The purpose of my present testimony is to evaluate the whether Olympic Pipe  
4 Line Company's ("Olympic") rate increase is just and reasonable on a cost-of-  
5 service basis.

6 **Q. How is your testimony organized?**

7 A. My total company cost-of-service testimony is organized in four sections. First,  
8 I update the cost-of-service calculations from Exhibit No.\_\_\_\_(CAH-3) ("Case  
9 2") for corrections to my calculations (Exhibit No.\_\_\_\_ (BAC-7C)) and updated  
10 data (Exhibit No.\_\_\_\_ (BAC-8C)). Second, I respond to certain criticisms made by  
11 other witnesses in this proceeding and comment on their testimonies. Third, I  
12 compute cost-of-service for a WUTC jurisdictional segment (Exhibit No.\_\_\_\_  
13 (BAC-9C)) and fully allocated cost for Olympic's WUTC jurisdictional tariffs  
14 (Exhibit No.\_\_\_\_ (BAC -10C)). Finally, I compute cost of service using a  
15 depreciated original cost ("DOC") approach (Exhibit No.\_\_\_\_ (BAC -11C)),  
16 compute a WUTC jurisdictional segment under DOC (Exhibit No.\_\_\_\_ (BAC -12))  
17 and fully allocated cost under DOC (Exhibit No.\_\_\_\_ (BAC -13)).

18 **Q. Do the results contained in Exhibit No.\_\_\_\_ (BAC-8C) represent Olympic's**  
19 **cost-of-service case in this proceeding?**

20 A. Yes. However, as I noted in my direct testimony, Exhibit No. \_\_\_\_ (BAC-1T), it  
21 could be contended that a total-company cost-of-service presentation is  
22 inappropriate or even improper in support of intrastate rates regulated by the  
23 Commission. Accordingly, although I would not agree with such a contention, I

1 have addressed it by performing a separations analysis in which I have separated  
2 interstate from intrastate revenues, investments and costs on the basis of  
3 distance-related and nondistance-related allocation factors. For the same reason,  
4 and with the same caveat, I have also used such allocation factors to show fully-  
5 allocated costs of service for all of Olympic's intrastate rates.

6 **Q. Do you believe that the FERC's 154-B cost of service methodology is**  
7 **appropriate for evaluating Olympic's rate increase?**

8 A. Yes. Since 1985, when the current FERC tariff framework went into effect,  
9 Olympic has filed three tariff increases supported by a FERC cost of service  
10 presentation. Each of these increases were for all of Olympic's rates, both  
11 FERC jurisdictional and WUTC jurisdictional. All three of the increases were  
12 accepted by the Commission.

13 **Q. In the event that the WUTC were to decide that a Depreciated Original Cost**  
14 **("DOC") methodology should be used to evaluate Olympic's rate filing, have**  
15 **you computed results under a DOC approach?**

16 A. Yes. Although I would not agree that this is the appropriate basis for setting  
17 Olympics rates, I have computed cost of service for Olympic based on a DOC  
18 approach. Additionally, and with the same caveat that I do not think that it is  
19 appropriate, I have also performed a separations analysis and fully-allocated cost  
20 calculations using a DOC methodology.

### 21 **III. Updates to Cost of Service Calculations**

22 **Q. Please describe the base and test period for which you have updated your**  
23 **calculations.**

24 A. I updated Case 2 from my December 13, 2001 testimony, which uses October

1 2000 through September 2001 for the base period. I then developed a forward-  
2 looking test period by making adjustments to the base period for items that are  
3 known and measurable, and that will be effective within nine months of the end of  
4 the base period.

5 **Q. Why have you updated for the base and test period?**

6 A. Approximately six months have elapsed since my Prepared Direct Testimony was  
7 filed. Accordingly, it is now possible to replace estimates with actual data  
8 through April 2002 and revised estimates going forward. Also, Ms. Hammer has  
9 conducted a careful review of input data and corrected for anomalies in her data. I  
10 believe the use of this test period is appropriate for evaluating the results in my  
11 Prepared Direct Testimony. This is the period that the interveners have relied on  
12 in their testimony in this proceeding.

13 **Q. What test period was relied on by Staff?**

14 A. The Staff has relied on a calendar year 2001 test period.

15 **Q. Is this appropriate?**

16 A. No, these data were not available at the time of the December 2001 filing and do  
17 not provide a meaningful basis for comparison with my cost of service  
18 calculations. Mr. Ganz, who is filing rebuttal testimony on behalf of Olympic,  
19 discusses in his testimony why it is inappropriate to move the test period, as the  
20 Staff proposes. Exhibit No. \_\_\_\_ (GRG-1T)

21 **Q. What corrections did you make to your calculations?**

22 A. I made five corrections to my calculations in the following areas: (1) interest

1 expense; (2) amortization of starting rate base; (3) amortization of deferred  
2 return; (4) treatment of FAS 96/109 income tax over/under funding (“FAS  
3 Adjustment”); and (5) working capital.

4 **Q. Please describe the change you made to the calculation of interest expense.**

5 A. The calculation of interest expense in my Prepared Direct Testimony referred to  
6 original cost rate base when it should have referred to net trended original cost  
7 rate base. This error was pointed out by Dr. Means in his testimony, and I agree  
8 with him. Exhibit No. \_\_\_\_ (RCM-1T) at 26-27. Accordingly, I have updated my  
9 calculation.

10 **Q. Please describe the change made to the amortization of starting rate base.**

11 A. The amortization of starting rate base relied on the 1983 depreciation expense  
12 when it should have referred to the 1984 depreciation expense. This error was  
13 pointed out by Dr. Means in his testimony, and I agree with him. Exhibit No. \_\_\_\_  
14 (RCM-1T) at 25. Accordingly, I have updated my calculation.

15 **Q. Please describe the change made to the amortization of deferred return.**

16 A. This adjustment relates to the amortization of the deferred return computed for  
17 the nine month period (“Nine Month Deferred Return”) preceding the base  
18 period. The amortization rate used for the base period and test period  
19 inadvertently reflected a nine month rate, so I have corrected it to reflect an  
20 amortization rate for a 12-month period.

21 **Q. Please describe the change made to the FAS adjustment.**

22 A. I made this adjustment to the income tax allowance calculation. It is for an over

1 funding of income taxes. The over funding is due to reductions in income tax  
2 rates. The amortization of these over funded amounts should be deducted in the  
3 calculation of the income tax allowance. These amounts were not deducted in  
4 my prior calculations. As such, I have updated my calculations to deduct these  
5 over funded amounts.

6 **Q. Please describe the changes related to working capital.**

7 A. The working capital data for the year 1983 were inadvertently excluded from the  
8 rate base. I have corrected these references so that 1983 working capital data are  
9 reflected in rate base.

10 **Q. Does that complete the updates that you have made to your calculations?**

11 A. Yes.

12 **Q. Please describe the cost of service results reflecting the updates to your**  
13 **calculations.**

14 A. As a result of the updates to the calculation of cost of service, the rate increase  
15 supported by cost-of-service changes from 65.4% to 63.0%. These calculations  
16 are contained in Exhibit No. \_\_ (BAC-7C).

17 **Q. For which data have you updated your calculations?**

18 A. Several of the data that were provided by Ms. Hammer have changed. Exhibit  
19 No. \_\_ (CAH-5T). Additionally, data provided by Dr. Schink also have changed.  
20 Exhibit No. \_\_ (GRS-4T)

21 **Q. Which data from Ms. Hammer have been updated?**

1 A. The data for carrier property in service, construction-work-in-progress  
 2 (“CWIP”), working capital, operating expenses, volumes, and revenues have been  
 3 updated as described by Ms. Hammer in her rebuttal testimony, submitted as  
 4 Exhibit No. \_\_\_ (CAH-5T). A summary of these data is shown in Table 1 below.

5 **Table 1: Summary of Data Updates**

Description (\$000)	Case 2	Update	Difference
Carrier Property In Service - Base Period	\$121,401	\$111,265	(\$10,136)
Carrier Property In Service - Test Period	\$134,082	\$116,751	(\$17,331)
CWIP Balance - Test Period	\$17,754	\$31,790	\$14,037
Working Capital 13 Month Avg. Balance - Test Period	\$1,807	\$1,996	\$189
Operating Expenses Excluding Depreciation - Test Period	\$36,256	\$33,446	(\$2,809)
Volumes (Million Bbls) - Test Period	105.9	103.2	(2.7)
Revenues - Test Period	\$36,876	\$35,457	(\$1,420)

6 **Q. Did you ask Ms. Hammer to make any adjustments to her data?**

7 A. Yes. I asked her to take a multi-year average of Oil Losses and Shortages for the  
 8 Olympic.

9 **Q. Why did you ask Ms. Hammer to make this adjustment to Oil Losses and**  
 10 **Shortages?**

11 A. Recently, Olympic’s losses have varied substantially--from amounts as high as  
 12 \$2.5 million to as low as a credit of \$0.6 million. Accordingly, I have suggested  
 13 that she use a multi-year average for this category of cost. This is consistent  
 14 with a recommendation made by Staff witness Colbo. Exhibit No. \_\_\_ (RGC-5T)

15 **Q. Did these updated data from Ms. Hammer cause any other data to change?**



1 A. Yes. The test period depreciation expense is estimated based on the balance of  
2 test period depreciable property in service. Since the test period balance of  
3 depreciable property has been revised, the test period depreciation expense has  
4 been revised from \$2.9 million to \$2.8 million.

5 **Q. Have you made any other adjustments to the data provided by Ms. Hammer?**

6 A. Yes, I have taken the tariff litigation costs contained in the operating expenses  
7 and made two adjustments to them--litigation costs have been updated from \$0.4  
8 million to \$2.6 million, which was then normalized over a five year period. As a  
9 result, an estimated \$0.5 million was included in the test period to reflect  
10 litigation costs.

11 **Q. Which data from Dr. Schink have been updated?**

12 A. The capital structure and rate of return are based on the recommendations of Dr.  
13 Schink whose rebuttal testimony is being submitted in this matter as Exhibit  
14 No. \_\_ (GRS-4T). The capital structure and rates of return for the test period are  
15 as follows:

16	Equity Portion of Capital Structure	86.85%
17	Debt Portion of Capital Structure	13.15%
18	Cost of Debt	5.26%
19	Real Equity Rate of Return	14.15%
20	Inflation Rate	1.52%
21	Nominal Equity Rate of Return	15.67%

1 **Q. Please describe the results of your calculations when updating for revised**  
2 **data.**

3 A. As a result of updating data, in addition to the updates to the calculations, the rate  
4 increase supported by cost-of-service changes from 63.0% to 59.5%. These  
5 calculations are contained in Exhibit No. \_\_ (BAC-8C).

6 **Q. Is this the correct basis for evaluating Olympic's rate increase?**

7 A. Yes.

8 **IV. Response to protestants and commission staff**

9 **Q Have you reviewed the comments made by the Protestants regarding your**  
10 **calculations?**

11 A. Yes. Mr. Brown, on behalf of Tesoro Refining and Marketing, made a number of  
12 recommendations relating to test period data and application of FERC Opinion  
13 154-B methodology. Exhibit No. \_\_\_\_ (JFB-1T)

14 **Q. What is your response to his recommendations on test period data?**

15 A. Mr. Brown disallowed substantial portions of operating expense, largely through  
16 his criticism of budgets as inappropriate to support test period adjustments.  
17 However, as noted by Mr. Leon Smith, who also is submitting Prepared Rebuttal  
18 Testimony on behalf of Olympic, the use of management estimates conforms to  
19 the test period standard. Exhibit No. \_\_\_\_ (LPS-1T). Ms. Hammer has revised  
20 several data to reflect the results of operations through April 2002. I have also  
21 normalized certain expenses relating to litigation. Further, Mr. Brown's  
22 allegations concerning the unusual nature of certain are not accurate, as  
23 confirmed by Mr. Talley. Accordingly, I have not made the arbitrary reductions

1 in operating expenses proposed by Mr. Brown.

2 **Q What is your response to Mr. Brown's recommendations concerning**  
3 **application of the 154-B methodology?**

4 A. Mr. Smith explains that Mr. Brown is mistaken in his assertion that Olympic is  
5 not entitled to the starting rate base adjustment and the deferred return  
6 adjustment. Accordingly, I have not changed my FERC Opinion 154-B  
7 calculations in the manner suggested by Mr. Brown. As noted elsewhere, I did  
8 correct for minor mathematical and methodological errors that I discovered  
9 during preparation of my revised calculations.

10 **Q. Have you reviewed the Intervenor's cost of service calculations?**

11 A Yes, I have reviewed calculations by Mr.Grasso, on behalf of Tesoro Refining  
12 and Marketing, and Dr. Means, on behalf of Tosco Corporation.

13 **Q. What was the result of your review of Mr. Grasso's calculations?**

14 A. Mr. Grasso made errors in his calculations of AFUDC, application of remaining  
15 life amortization, and treatment of deferred return.

16 **Q. What errors did Mr. Grasso make in his calculation of AFUDC?**

17 A. In computing the AFUDC to be transferred into rate base, Mr. Grasso relied on  
18 an in-service-ratio of 0.5, which has the effect of transferring one-half of the  
19 balance of each year's AFUDC into rate base. The regulatory convention that is  
20 typically applied to a pipeline such as Olympic would be to use an in-service-  
21 ratio of 1.0, so that the amount of AFUDC computed for a each year is  
22 transferred into the subsequent year's rate base. As an explanation for his

1 approach, Mr. Grasso cited the materials Olympic submitted in support of its  
2 proposed FERC rate increase filed on July 30, 2001. Exhibit No. \_\_\_\_ (GG-1T)  
3 at 14-15. It is true that Olympic had used an “in service ratio” of 0.5. However,  
4 this was done because the CWIP used for the July filing contained balances  
5 associated with the Cross Cascade Project (“Cross Cascades”). At that time,  
6 Olympic did not have historical CWIP associated with Cross Cascades, only the  
7 current balance of CWIP associated with it. Since the current balance of CWIP  
8 associated with Cross Cascade was roughly one half of the total CWIP, Olympic  
9 used an in-service-ratio of 0.5 instead a ratio of 1.0, as a pro forma adjustment to  
10 remove AFUDC associated with Cross Cascades from rate base. Subsequent to  
11 the July Filing, Olympic obtained historical CWIP associated with Cross  
12 Cascade. As explained in Exhibit No.\_\_\_\_ (BAC-2), the CWIP associated with  
13 Cross Cascade was removed from the CWIP used to compute AFUDC.  
14 Consequently, I used an in-service-ratio of 1.0 in my AFUDC calculations  
15 described in Exhibit No.\_\_\_\_ (BAC-2).

16 **Q. What other errors did Mr. Grasso make in his calculation of AFUDC?**

17 A. He made two other errors. First, he excluded test period AFUDC additions from  
18 the amortization of AFUDC. Second, he excluded test period AFUDC additions  
19 from the rate base. Exhibit No. \_\_\_\_ (GG-1T).

20 **Q. What errors did Mr. Grasso make in his application of remaining life**  
21 **amortization?**

22 A. Mr. Grasso amortized both deferred return and AFUDC based on remaining life.  
23 The Commission ruled in Opinion No. 435, 86 FERC ¶ 61,022 (1999), that  
24 deferred return should be amortized based upon a composite depreciation rate,

1 which is based upon useful life, not remaining life. The amortization of AFUDC  
2 also should rely on useful life to be consistent with depreciation of carrier  
3 property because AFUDC is considered a cost of construction based on  
4 commonly accepted regulatory standards.

5 **Q. What errors did Mr. Grasso make in his treatment of deferred return?**

6 A. Mr. Grasso removed a portion of the deferred return from his calculation based  
7 upon the recommendation of Mr. Brown. I do not believe that this is a correct  
8 application of the FERC Opinion No. 154-B methodology, as addressed in the  
9 testimony of Mr. Smith. Exhibit No. \_\_\_\_ (LPS-1T).

10 **Q. What were the results your review of Dr. Means calculations?**

11 A. As I note above, Dr. Means recommended that I consider revisions to two  
12 elements of cost of service: (i) amortization of starting rate base and (ii) interest  
13 expense. I concur with Dr. Means on these matters and have made the  
14 adjustments suggested, which are described elsewhere in my testimony.

15 **Q. What were the results of your review of the calculations presented by the**  
16 **WUTC Staff in this proceeding?**

17 A. I found mistakes in the calculations of Staff witnesses, Twitchell and Colbo.

18 **Q. What errors did you note in Mr. Twitchell's testimony?**

19 A. He made errors in his rate base calculations and his observations regarding  
20 Olympic's AFUDC calculations. Exhibit No. \_\_\_\_ (GRG-1T).

21 **Q. What errors did you note in Mr. Twitchell's rate base calculations?**

1 A. He used end of year ADIT balance while using average balances for the remaining  
2 items used to compute rate base. This is an inconsistent treatment of data which  
3 Mr. Ganz discusses in his testimony.

4 **Q. What comments do you have on Mr. Colbo’s testimony?**

5 A. I disagree with certain statements he makes regarding Olympic’s property  
6 balances and his treatment of the Bayview facilities.

7 **Q. What issue do you have with Mr. Colbo’s statements regarding Olympic’s**  
8 **property balances?**

9 A. In Mr. Colbo’s testimony, he implies that Olympic is not excluding “Non-  
10 Operating Plant” from its calculations. Exhibit No. \_\_\_\_ (RGC-4T) at 19, lines 4-  
11 9. The property data used to compute rate base in Exhibit No. \_\_\_\_ (CAH-4) that  
12 he references does tie to FERC Form 6 balances and does not include “Non-  
13 Operating Plant”. See Exhibit No. \_\_\_\_ (CAH-4) at 14, line 1.

14 **Q. What errors did Mr. Colbo make regarding Bayview facilities?**

15 A. In removing the Bayview facilities from rate base Mr. Colbo fails to make an  
16 adjustment to ADIT balance. I believe this is an inappropriate adjustment. Mr.  
17 Ganz will elaborate on this issue in his testimony. Exhibit No. \_\_\_\_ (GRG-1T).

18 **V. Calculation of WUTC Jurisdictional Cost-of-service and Fully**  
19 **Allocated Cost**

20 **Q. What approach have you used to compute cost-of-service for a WUTC**  
21 **jurisdictional segment (“WUTC Segmentation”) and fully allocated cost for**  
22 **the WUTC jurisdictional rates (“FAC”)?**

23 A. As I stated in my direct testimony, I have relied on the approach that Staff has

1 used in other cases to compute the Commission Segmentation and FAC. The  
2 Staff approach assumes that the general and administrative component of  
3 operating expenses (excluding depreciation) are non-distance related costs and  
4 that the balance of cost-of-service is distance-related. The non-distance related  
5 costs are divided by total barrels to develop a per barrel cost component.  
6 Distance-related costs are divided by total barrel-miles to develop a per barrel-  
7 mile cost component. The fully allocated costs for individual movements  
8 (origin/destination pairs) are computed by multiplying the mileage  
9 corresponding to that movement times the per barrel-mile cost component and  
10 adding the result to the per barrel cost component. The intra-state shipments are  
11 charged two separate tariffs--one from a refinery to Bayview and one from  
12 Bayview to a delivery point. Consequently, the per barrel cost component for the  
13 intra-state deliveries has been split into two equal parts--one part is included in  
14 the FAC calculation with a refinery origin and the other added to the FAC  
15 calculation with a Bayview origin.

16 **Q. What are the results for the WUTC Segmentation analysis?**

17 A. This results in \$24.1 million in cost-of-service versus \$23.5 million in revenues  
18 under Olympic's proposed rates. This corresponds to supporting a 66.4%  
19 increase. The calculations used to develop these results are contained in Exhibit  
20 No. \_\_ (BAC-9C).

21 **Q. What are the results for the FAC analysis?**

22 A. A comparison of the proposed rates versus FAC is contained in the Table 2. The  
23 calculations of FAC are contained in Exhibit No. \_\_ (BAC-10).

24 **Table 2: Summary of Proposed Rates vs. FAC based on Op. 154-B**

A	B	C	D	E	F	G	H
ReceiptName	DeliveryName	Mileage	\$ / Bbl-Mile	\$ / Bbl	FAC (\$/Bbl)	Proposed Tariff (\$/Bbl)	Delta (\$/Bbl)
		Company Records	(C) * Schedule 1, Ln 12	Schedule 1, Ln 14 / 2.0	(D) + (E)	Schedule 22.3	(F) - (G)
<b>WUTC Segment</b>							
Anacortes	Bayview	8.46	\$0.0204	\$0.0641	\$0.0845	\$0.1247	(\$0.0402)
Cherry Point	Bayview	44.50	\$0.1072	\$0.0641	\$0.1713	\$0.2057	(\$0.0344)
Ferndale	Bayview	39.42	\$0.0949	\$0.0641	\$0.1591	\$0.1912	(\$0.0321)
Bayview	Renton	73.56	\$0.1771	\$0.0641	\$0.2413	\$0.1831	\$0.0582
Bayview	Sea-Tac	79.06	\$0.1904	\$0.0641	\$0.2545	\$0.2171	\$0.0374
Bayview	Seattle	85.83	\$0.2067	\$0.0641	\$0.2708	\$0.2090	\$0.0618
Bayview	Spanaway	119.67	\$0.2882	\$0.0641	\$0.3523	\$0.2592	\$0.0931
Bayview	Tacoma	97.25	\$0.2342	\$0.0641	\$0.2983	\$0.2495	\$0.0488
1 Bayview	Olympia	140.66	\$0.3387	\$0.0641	\$0.4028	\$0.3580	\$0.0448
Bayview	Vancouver	218.96	\$0.5273	\$0.0641	\$0.5914	\$0.5864	\$0.0050

2 **VI. Depreciated Original Cost Alternative Case**

3 **Q. How did you compute your DOC cost of service?**

4 A. The computations are consistent with my FERC Opinion 154-B calculations with  
5 three exceptions. First, I excluded the deferred return amounts from the  
6 calculations. Second, I excluded the starting rate base balances from my  
7 calculations. Finally, I changed the equity return from a real return to a nominal  
8 return. For a further discussion of DOC, refer to Exhibit No. \_\_\_\_ (BAC-2) at 3-  
9 6.

10 **Q. What are the results of your cost of service computation based on a DOC rate**  
11 **base?**

12 A. Use of a DOC rate base results in \$50.0 million in cost-of-service and would  
13 support a 41.1% rate increase. The calculations used to develop these results are  
14 contained in Exhibit No. \_\_ (BAC-11C).

15 **Q. What are the results of WUTC Segmentation analysis based on DOC?**

16 A. This results in \$21.6 million in cost-of-service versus \$23.5 million in revenues



1 under Olympic's proposed rates. This corresponds to supporting a 49.2%  
 2 increase. The calculations used to develop these results are contained in Exhibit  
 3 No. \_\_ (BAC-12C).

4 **Q. What are the results for the FAC analysis based on DOC?**

5 A. A comparison of the proposed rates versus FAC are contained in the Table 3, the  
 6 calculations of FAC are contained in Exhibit No. \_\_ (BAC-13C).

7 **Table 3: Summary of Proposed Rates vs. FAC based on DOC**

A	B	C	D	E	F	G	H
ReceiptName	DeliveryName	Mileage	\$ / Bbl-Mile	\$ / Bbl	FAC (\$/Bbl)	Proposed Tariff (\$/Bbl)	Delta (\$/Bbl)
		Company Records	(C) * Schedule 1, Ln 12	Schedule 1, Ln 14 / 2.0	(D) + (E)	Schedule 22.3	(F) - (G)
<b>WUTC Segment</b>							
Anacortes	Bayview	8.46	\$0.0173	\$0.0641	\$0.0814	\$0.1247	(\$0.0433)
Cherry Point	Bayview	44.50	\$0.0910	\$0.0641	\$0.1552	\$0.2057	(\$0.0505)
Ferndale	Bayview	39.42	\$0.0806	\$0.0641	\$0.1448	\$0.1912	(\$0.0464)
Bayview	Renton	73.56	\$0.1505	\$0.0641	\$0.2146	\$0.1831	\$0.0315
Bayview	Sea-Tac	79.06	\$0.1617	\$0.0641	\$0.2259	\$0.2171	\$0.0088
Bayview	Seattle	85.83	\$0.1756	\$0.0641	\$0.2397	\$0.2090	\$0.0307
Bayview	Spanaway	119.67	\$0.2448	\$0.0641	\$0.3089	\$0.2592	\$0.0497
Bayview	Tacoma	97.25	\$0.1990	\$0.0641	\$0.2631	\$0.2495	\$0.0136
Bayview	Olympia	140.66	\$0.2878	\$0.0641	\$0.3519	\$0.3580	(\$0.0061)
Bayview	Vancouver	218.96	\$0.4480	\$0.0641	\$0.5121	\$0.5864	(\$0.0743)

8  
 9 **Q Does this conclude your testimony?**

10 A. Yes

11

12 BA021500037