

WASHINGTON
UTC
UTILITIES AND TRANSPORTATION
COMMISSION

1/7/09
I agree.
JTB

TO: Gene Eckhardt

FROM: Dave Gomez

DATE: January 7, 2009

SUBJECT: TO-081786 Olympic Pipeline Company – Affiliated Interest Filing – Close Docket

Discussion:

Olympic Pipe Line Company (Olympic or company) is a hazardous liquid pipeline company as defined in RCW 81.88.010 (7). As required by RCW 81.16.020 and WAC 480-73-190, the company is to file with the Utilities and Transportation Commission (UTC or commission) a verified copy or summary of any contract or arrangement with an affiliated interest prior to the contract or arrangement becoming effective. On October 1, 2008, the company filed with the commission its notice of its proposed lease agreement between itself and BP West Coast Products LLC. In its October 1, 2008, filing, Olympic stipulated that the proposed lease agreement could not go into effect until the commission:

- a) Allows the leased facility to be removed from rate base for tariff setting purposes during the term of the lease; and
- b) Approves the lease as a proper transfer of common carrier property.

The company also filed on October 1, 2008, a petition to re-open Docket TO-031973 seeking to revise the terms of the Settlement Agreement between Olympic and its four primary shippers; Tesoro, Conoco Phillips, British Petroleum and Shell. In addition, the company filed on September 30, 2008, a petition seeking approval of the transfer of property through a 5-year lease between Olympic and BP West Coast Products LLC (Docket TO-081785). On October 14, 2008, the commission consolidated Dockets TO-081785 and TO-031973.

On December 4, 2008, Judge Marguerite Russell of the UTC's Administrative Law Division issued her initial order granting the company's petition to re-open Docket TO-031973 to revise the terms of the Settlement Agreement and allow the transfer of property. On December 16, 2008, the commission issued a Notice of Finality notifying the parties that the Commission would not seek review on its own motion and allowing the Initial Order to become effective.

Conclusion

Olympic has met the requirements set forth in rule and statute relating to this affiliated interest agreement. Staff recommends the docket be closed.