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FROM: Tiffany Van Meter

**DATE:** July 20, 2017

**SUBJECT:** TO-170324, Olympic Pipeline Company, Inc.

**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 WAC 480-73-210 (1), the company is to file with the Utilities and Transportation Commission (UTC or commission) a report on its affiliated interest and subsidiary transactions. On April 26, 2017, the company filed with the commission its affiliated interest and subsidiary report.

**Scope of Staff Investigation:**

Staff will examine the filing in UTC Docket TO-170324 and answer the following questions:

1. Does the information provided by the company meet the requirements of WAC 480-73-210.?
2. As a result of examining the transactions contained in this filing, what areas and elements of affiliate contracts and arrangements will need to be examined in a future rate case to validate that they are reasonable and consistent with the public interest?

**Requirements set forth in WAC 480-73-210 (2) and (3) (a) through (g):**

WAC 480-73-210 requires regulated hazardous liquid pipeline companies to provide the commission with the following information relating to transactions between them and their affiliate(s):

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| --- | --- |
| ***Requirement*** | ***Staff opinion*** |
| The report must include a corporate organization chart showing the pipeline company and how it is related to its affiliated interests and subsidiaries (WAC 480-73-210 (2)). | Olympic has met this requirement. |

In the materials filed by the company, specifically TO-170324 Exhibit D – Summary of Transactions between Olympic Pipeline Company and Affiliates, Olympic reports that the total value of affiliated interest transactions are $15 million for 2016. As the amount exceeds one hundred thousand dollars for the reporting period, WAC 480-73-210 (3) applies requiring the company to file the following information with the commission:

| ***Requirement*** | ***Staff opinion*** |
| --- | --- |
| A balance sheet and income statement for such affiliated interest to the extent such information is publicly available, and if not publicly available but the balance sheet and income statement of a parent of such affiliated interest is publicly available, then the balance sheet and income statement for such parent must be provided (WAC 480-73-210 (3) (a)). | Olympic has met this requirement. |
| A description of the products or services provided to or from the company and each such affiliated interest or subsidiary (WAC 480-73-210 (3) (b)). | Olympic has met this requirement. |
| A description of the pricing basis or costing method, and procedures for allocating costs for such products or services, and the amount and accounts charged during the year (WAC 480-73-210 (3) (c)). | Olympic has met this requirement. |
| A description of the terms of any loans between the company and each such affiliated interest or subsidiary and a listing of the year-end loan amounts and maximum loan amounts outstanding during the year (WAC 480-73-210 (3) (d)). | Olympic has met this requirement.  The specific terms and obligations of loans with both ARCO MidCon LLC (BP Pipelines (North America) Inc.) and Enbridge Holdings (Olympic) LLC were filed with the commission in Docket TO-072412. On August 6, 2010, the company filed with the commission a notification regarding the sale and transfer of shares of Olympic common stock between the two current owners of the company, Arco Midcon LLC (Arco) and Enbridge Holdings L.L.C. (Enbridge). Docket TO-101364 details the corresponding change in the Finance Agreement for a line of credit, amended to reflect the change in ownership percentages resulting from the sale and transfer of common stock. BP's commitment remains $10.1 million. Enbridge's commitment remains $57.3 million. |
| A description of the terms and total amount of any obligation or liability assumed by the company for each such affiliated interest or subsidiary (WAC 480-73-210 (3) (e)). | Olympic has met this requirement. |
| A description of the activities of each such affiliated interest or subsidiary with which the company has transactions (WAC 480-73-210 (3) (f)) | Olympic has met this requirement. |
| A list of all common officers and directors between the pipeline company and each such affiliated interest or subsidiary, along with their titles in each organization (WAC 480-73-210 (3) (g)). | Olympic has met this requirement. |

**Conclusion**

Take no other action on this filing at this time and close the docket.