

Exhibit No. \_\_\_\_\_ (CAO-7)  
Docket No. TO-011472  
Witness: Christy Omohundro

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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

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EXHIBIT TO  
REBUTTAL TESTIMONY OF  
CHRISTY A. OMOHUNDRO

OLYMPIC PIPE LINE COMPANY

June 11, 2002

Agenda Date: January 27, 1998  
Item Number:

Docket: TO-981613  
Company Name: Olympic Pipeline Company, Inc.

Staff: <sup>be</sup> Bob Colbo, Transportation Program Consultant

Recommendation:

Allow the proposed 3.0 cent per barrel increase for the transportation of intrastate petroleum products and the 3.0 cent per barrel increase for "batching" by Olympic Pipeline Co. (Olympic) in Docket TO-981613 to become effective February 1, 1999, as filed.

Discussion:

On December 28, 1998, the above named company filed proposed tariff changes naming increased rates for the transportation of petroleum products in Washington in Docket TO-981613 to become effective February 1, 1999. This company operates from refineries at Anacortes and Ferndale in the north to intermediate points throughout Washington and as far south as Portland, Oregon. Olympic is also in the process of applying to the Energy Facility Site Evaluation Council (EFSEC) for authorization to build and operate a new cross state pipeline that will run from Woodinville to the Tri-Cities area. This filing has nothing to do with that new pipeline application.

The filing is designed to recover the costs of the new \$21 million Bayview Terminal breakout/storage/tankage facility in Mt. Vernon that will begin operations next month. This new facility will increase the capacity of the pipeline and allow greater operational efficiencies by allowing like commodities to be handled on a "fungible" basis, rather than specific per shipment "batch" accountability. Rates are proposed to be increased by 3.0 cents per barrel, plus an additional 3.0 cents if the shipper requests batching. A concurrent, identical filing has also been made with the Federal Energy Regulatory Commission (FERC). Present rates have been in effect for one year. The filing has the support of the major oil companies using the pipeline, and no protests have been received. Overall the filing will generate \$3,543,000 (8.65%).

The filing was made in accordance with FERC revenue requirement guidelines which are more liberal than traditional Washington regulatory practices, but which have been accepted by this

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January 27, 1999  
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Commission for Olympic rate applications in the past. On that basis, the company could have asked for an additional \$2.8 million dollars over and above the \$3.5 million sought here.

It is therefore recommended that the Commission allow the proposed 3.0 cent per barrel increase for the transportation of intrastate petroleum products and the 3.0 cent per barrel increase for "batching" by Olympic Pipeline Co. (Olympic) in Docket TO-981613 to become effective February 1, 1999, as filed.

**Statement A - Total Cost of Service**  
**Olympic Pipe Line Company**  
**1999 Test Period**

Operating Expenses Excluding Depreciation	22,174,000
Depreciation Expense Including AFUDC Depreciation	3,186,079
Taxes Other Than Income Taxes	1,925,000
Amortization of Deferred Earnings	899,696
Equity Return	11,093,524
Debt Return	1,503,774
Provision for Income Taxes	<u>6,545,460</u>
Total Cost of Service	47,327,534

**Statement B - Operating & Maintenance Expense**  
**Olympic Pipe Line Company**  
**1999 Test Period**

<u>Operations</u>		2,969,030
300	Salaries and Wages	576,463
310	Supplies and Expenses	2,128,643
320	Outside Services	8,726,716
330	Operating Fuel and Power	520,408
340	Oil Losses and Shortages	<u>14,921,260</u>
	Total Operations Expense	
<u>Maintenance</u>		(225,297)
400	Salaries and Wages	611,749
410	Supplies and Expenses	3,417,181
420	Outside Services	7,169
430	Maintenance Materials	<u>3,810,802</u>
	Total Maintenance Expense	
<u>General</u>		
500	Salaries and Wages	526,410
510	Supplies and Expenses	788,206
520	Outside Services	991,457
530	Rentals	469,233
540	Depreciation and Amortization	2,950,000
550	Pensions and Benefits	418,978
560	Insurance	257,934
570	Casualty and Other Losses	175,889
580	Pipeline Taxes	<u>1,738,832</u>
	Total General Expense	8,316,938
	Total Operating Expenses	27,049,000

**Statement C - Overall Return on Rate Base**  
**Olympic Pipe Line Company**  
**1999 Test Period**

Calculation of Total Return

Debt Rate Base	20,378,835
Equity Rate Base	96,556,013
Net Deferred Earnings	27,633,695
Total Rate Base Less Deferred Earnings	89,301,153
Deferred Earnings	27,633,695

Debt Return	2,684,400
Equity Return	6,596,855
Return on Deferred Earnings	3,316,043
Total Return	12,597,298

Calculation of Rate of Return

Equity Capitalization	61.6%
Real Rate of Equity Return	12.0%
Weighted Cost of Capital	7.4%

Debt Capitalization	38.4%
Cost of Debt	7.8%
Weighted Cost of Debt	3.0%

Total Weighted Rate of Return	10.4%
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Calculation of Interest Expense

Total Rate Base Less Deferred Earnings	\$ 89,301,153
Debt Portion of Rate Base Less Deferred Earnings	\$ 34,327,363
Equity Portion of Rate Base Less Deferred Earnings	\$ 54,973,790
Deferred Earnings	\$ 27,633,695
Equity Subtotal	\$ 82,607,484

Adjusted Debt Percentage	29.4%
Adjusted Equity Percentage	70.6%

Debt Rate Base at 100%	\$ 65,505,737
Weighted Cost of Debt	2.3%
Interest Expense	\$ 1,503,774

**Statement D - Income Taxes**  
**Olympic Pipe Line Company**  
**1999 Test Period**

Total Return	12,597,298
Interest Expense	<u>1,503,774</u>
Return on Equity	11,093,524
Amortization of Deferred Earnings	899,696
Equity AFUDC Depreciation	162,635
Taxable Income	12,155,855
Composite State & Federal Income Tax Rate	0
Factor to Gross Up for Federal & State Income Taxes	1
Income Tax Allowance	6,545,460
FASB 96	0
Total Provision for Income Tax	6,545,460

Statement E1 - Equity Rate Base  
Olympic Pipe Line Company  
1999 Test Period

	1983	1984	1985	1986	1987	1988	1989	1990
<u>Original Cost</u>								
Cost of Reproduction New - 1983	139,798,423	140,094,578	140,343,596	140,520,029	141,598,819	141,845,275	142,708,670	143,141,883
AFUDC	0	6,264	6,331	11,112	107,264	369,178	594,706	696,790
Land	232,959	232,959	232,959	237,959	237,959	237,959	237,959	297,959
Rights of Way	2,146,916	2,146,916	2,146,916	2,153,434	2,153,434	2,153,434	2,153,434	2,153,434
Total Plant In Service	142,178,298	142,480,717	142,729,802	142,922,534	144,097,476	144,605,846	145,694,769	146,290,066
<u>Accrued Depreciation</u>								
Plant, Property & Equipment	50,177,145	51,735,659	53,302,819	54,769,025	56,352,586	57,811,839	57,687,320	59,428,127
AFUDC	xxx	0	182	368	693	3,867	14,971	32,941
Rights of Way	816,869	870,881	924,893	978,931	1,033,098	1,087,268	1,141,435	1,195,611
Total Accrued Depreciation	50,994,014	52,606,540	54,227,894	55,748,323	57,386,377	58,902,974	58,843,725	60,656,678
Accumulated Deferred Income Taxes	6,668,114	7,215,136	7,861,242	8,301,140	8,454,018	8,448,919	8,472,843	8,450,473
Working Capital	485,807	383,968	532,559	503,487	564,969	380,846	411,819	634,774
SUBTOTAL	84,921,977	83,043,009	81,173,225	79,376,557	78,822,050	77,634,799	78,790,020	77,817,689
Equity Portion	58,502,750	57,208,329	55,920,235	54,682,510	54,300,510	53,482,613	54,278,445	53,608,606
Useful Life	xxx	34.5	34.4	34.1	34.1	33.8	33.2	33.1
Inflation Rate	xxx	4.0%	3.8%	1.1%	4.4%	4.4%	4.7%	6.1%
Equity Capitalization Ratio	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%
Deferred Earnings This Year	xxx	2,310,859	2,219,187	639,554	2,494,094	2,524,949	2,671,822	3,626,530
Accumulated Deferred Earnings	xxx	2,310,859	4,530,045	5,169,599	7,663,693	10,188,642	12,860,464	16,486,994
Amortization of Deferred Earnings This Year	xxx	33,453	99,398	142,304	187,942	264,117	346,624	443,388
Accumulated Amortization of Deferred Earnings	xxx	33,453	132,852	275,155	463,097	727,214	1,073,838	1,517,226
Accumulated Net Deferred Earnings	xxx	2,277,405	4,397,193	4,894,444	7,200,596	9,461,428	11,786,626	14,969,768
Accumulated Amortization of SRB Write-Up	xxx	1,086,087	2,176,182	3,276,856	4,375,568	5,485,507	6,613,752	7,747,226
Total Equity Rate Base	58,502,750	58,399,647	58,141,246	56,380,098	57,125,538	57,458,535	59,451,318	60,831,148



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Statement E1 - Equity Rate Base  
Olympic Pipe Line Company  
1999 Test Period

	1991	1992	1993	1994	1995	1996	1997	1998
<b>Original Cost</b>								
Cost of Reproduction New - 1983	144,558,815	146,038,253	149,564,695	151,285,686	154,092,991	158,053,009	165,033,338	190,576,404
AFUDC	865,385	1,162,859	1,467,689	1,705,621	2,049,689	3,016,553	4,880,720	8,696,812
Land	297,959	297,959	297,959	297,459	420,760	420,760	485,760	485,760
Rights of Way	2,153,434	2,154,434	2,154,434	2,153,934	2,225,733	2,225,733	2,440,025	2,440,025
Total Plant In Service	147,875,593	149,653,505	153,484,777	155,442,700	158,789,173	163,716,055	172,839,843	202,199,001
<b>Accrued Depreciation</b>								
Plant, Property & Equipment	60,620,664	62,011,199	63,490,912	64,632,375	66,046,386	67,157,487	68,951,896	71,000,896
AFUDC	49,569	69,679	97,475	128,934	166,705	214,712	288,677	393,607
Rights of Way	1,234,704	1,272,389	1,306,853	1,336,807	1,366,761	1,397,971	1,429,847	1,429,847
Total Accrued Depreciation	61,904,937	63,353,267	64,895,240	66,098,116	67,579,851	68,770,230	70,670,419	72,824,350
Accumulated Deferred Income Taxes	8,269,480	8,036,680	8,120,375	6,175,919	6,822,362	5,733,770	7,568,641	7,823,442
Working Capital	603,342	664,588	814,383	824,960	835,733	1,029,540	1,017,555	1,017,555
<b>SUBTOTAL</b>	78,304,519	78,928,146	81,283,545	83,993,626	85,222,693	90,241,595	95,618,338	122,568,764
Equity Portion	53,943,983	54,373,600	55,996,234	57,863,209	58,709,913	62,167,435	65,871,473	84,437,622
Useful Life	41.9	43.0	41.8	46.7	45.2	42.6	40.8	46.5
Inflation Rate	4.2%	3.0%	2.8%	2.6%	2.8%	2.5%	2.5%	2.6%
Equity Capitalization Ratio	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%
Deferred Earnings This Year	2,554,908	1,878,310	1,742,790	1,704,906	1,892,405	1,709,557	1,800,114	1,988,039
Accumulated Deferred Earnings	19,041,903	20,920,213	22,663,003	24,367,909	26,260,314	27,969,870	29,769,984	31,758,023
Amortization of Deferred Earnings This Year	423,928	464,337	520,886	504,037	560,572	635,880	707,302	661,396
Accumulated Amortization of Deferred Earnings	1,941,154	2,405,491	2,926,377	3,430,415	3,990,986	4,626,867	5,334,169	5,995,565
Accumulated Net Deferred Earnings	17,100,749	18,514,722	19,736,625	20,937,494	22,269,327	23,343,003	24,435,815	25,762,459
Accumulated Amortization of SRB Write-Up	8,642,402	9,514,135	10,410,783	11,214,833	12,045,509	12,925,205	13,844,231	14,650,699
Total Equity Rate Base	62,482,330	63,374,186	65,322,077	67,585,880	68,933,731	72,585,233	76,463,058	95,549,381

Statement E1 - Equity Rate Base Olympic Pipe Line Company 1999 Test Period	Page 2 of 2
<u>Original Cost</u>	1999
Cost of Reproduction New - 1983	191,767,404
AFUDC	11,531,112
Land	485,760
Rights of Way	2,440,025
Total Plant In Service	<u>206,224,301</u>
<u>Accrued Depreciation</u>	
Plant, Property & Equipment	73,950,896
AFUDC	629,686
Rights of Way	1,429,847
Total Accrued Depreciation	<u>76,010,429</u>
Accumulated Deferred Income Taxes	8,439,591
Working Capital	1,017,555
SUBTOTAL	<u>122,791,834</u>
Equity Portion	84,591,294
Useful Life	36.8
Inflation Rate	2.9%
Equity Capitalization Ratio	68.9%
Deferred Earnings This Year	2,770,932
Accumulated Deferred Earnings	34,528,936
Amortization of Deferred Earnings This Year	899,696
Accumulated Amortization of Deferred Earnings	6,895,261
Accumulated Net Deferred Earnings	<u>27,633,695</u>
Accumulated Amortization of SRB Write-Up	15,668,976
Total Equity Rate Base	<u>96,556,013</u>

Statement E1 - Debt Rate Base  
Olympic Pipe Line Company  
1999 Test Period

	1983	1984	1985	1986	1987	1988	1989	1990
<b>Original Cost</b>								
Plant, Property & Equipment	54,860,165	55,156,320	55,405,338	55,581,771	56,660,561	56,907,017	57,770,412	58,203,625
AFUDC	xxx	0	6,264	6,331	11,112	107,264	369,178	594,706
Land	232,959	232,959	232,959	237,959	237,959	237,959	237,959	297,959
Rights of Way	2,146,916	2,146,916	2,146,916	2,153,434	2,153,434	2,153,434	2,153,434	2,153,434
Total Plant in Service	57,240,040	57,536,195	57,791,477	57,979,495	59,063,066	59,405,674	60,530,983	61,249,724
<b>Accrued Depreciation</b>								
Plant, Property & Equipment	19,690,683	21,249,197	22,816,357	24,282,563	25,866,124	27,325,377	27,200,858	28,941,665
AFUDC	xxx	0	182	368	693	3,867	14,971	32,941
Rights of Way	816,869	870,881	924,893	978,931	1,033,098	1,087,268	1,141,435	1,195,611
Total Accrued Depreciation	20,507,552	22,120,078	23,741,432	25,261,862	26,899,915	28,416,512	28,357,264	30,170,217
<b>Accumulated Deferred Income Taxes</b>								
Working Capital	6,668,114	7,215,136	7,861,242	8,301,140	8,454,018	8,448,919	8,472,843	8,450,473
Total	405,807	383,968	532,559	503,487	564,969	380,846	411,819	634,774
	30,470,181	28,584,949	26,721,362	24,919,980	24,274,101	22,921,089	24,112,695	23,263,809
<b>Debt Capitalization Ratio</b>	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
Total Debt Rate Base	9,479,273	8,892,778	8,313,016	7,752,606	7,551,673	7,130,751	7,501,459	7,237,371

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Statement E2 - Debt Rate Base  
Olympic Pipe Line Company  
1999 Test Period

	1991	1992	1993	1994	1995	1996	1997	1998
<b>Original Cost</b>								
Plant, Property & Equipment	59,620,557	61,099,995	64,626,437	66,347,428	69,154,733	73,114,751	80,095,080	105,638,146
AFUDC	696,790	865,385	1,162,859	1,467,689	1,705,621	2,049,689	3,016,553	4,880,720
Land	297,959	297,959	297,959	297,459	420,760	420,760	485,760	485,760
Rights of Way	2,153,434	2,154,434	2,154,434	2,153,934	2,225,733	2,225,733	2,440,025	2,440,025
Total Plant in Service	62,768,740	64,417,773	68,241,689	70,266,510	73,506,847	77,810,933	86,037,418	113,444,651
<b>Accrued Depreciation</b>								
Plant, Property & Equipment	30,134,302	31,524,737	33,004,450	34,145,913	35,559,924	36,671,025	38,465,434	40,514,434
AFUDC	49,569	69,679	97,475	128,934	166,705	214,772	288,677	393,607
Rights of Way	1,234,704	1,272,389	1,306,853	1,336,807	1,366,761	1,397,971	1,429,847	1,429,847
Total Accrued Depreciation	31,418,475	32,866,805	34,408,778	35,611,654	37,093,390	38,283,768	40,183,958	42,337,888
<b>Accumulated Deferred Income Taxes</b>								
Working Capital	8,269,480	8,036,680	8,120,375	6,175,919	6,822,362	5,733,770	7,568,641	7,823,442
Total	603,342	664,588	814,383	824,960	835,733	1,029,540	1,017,555	1,017,555
	23,684,128	24,178,876	26,526,918	29,303,897	30,426,829	34,822,935	39,302,374	64,360,876
Debt Capitalization Ratio	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
Total Debt Rate Base	7,368,132	7,522,048	8,252,524	9,116,442	9,465,786	10,833,415	12,226,969	20,004,803

Statement E1 - Debt Rate Base Olympic Pipe Line Company 1999 Test Period		1999
<b>Original Cost</b>		
Plant, Property & Equipment		106,829,146
AFUDC		8,696,812
Land		485,760
Rights of Way		2,440,025
Total Plant in Service		<u>118,451,743</u>
<b>Accrued Depreciation</b>		
Plant, Property & Equipment		43,464,434
AFUDC		629,686
Rights of Way		1,429,847
Total Accrued Depreciation		<u>45,523,967</u>
<b>Accumulated Deferred Income Taxes</b>		
Working Capital		8,439,593
Total		<u>1,017,555</u>
<b>Debt Capitalization Ratio</b>		
Total Debt Rate Base		20,378,835
		31.1%

Statement F - Allowance for Funds Used During  
Olympic Pipe Line Company  
1999 Test Period

	1983	1984	1985	1986	1987	1988	1989	1990
<b>CWIP BALANCES</b>								
January 1	0	78,658	840	6	93,875	1,444,745	2,342,423	433,492
January 31	0	78,658	840	6	93,875	1,444,745	2,342,423	433,492
February 28	0	78,658	840	6	93,875	1,444,745	2,342,423	433,492
March 31	0	78,658	840	6	93,875	1,444,745	2,342,423	433,492
April 30	0	78,658	840	6	93,875	1,444,745	2,342,423	433,492
May 31	0	78,658	840	6	93,875	1,444,745	2,342,423	433,492
June 30	0	78,658	840	6	93,875	1,444,745	2,342,423	433,492
Total (Lines 1 - 7)	0	550,606	5,880	42	657,125	10,113,215	16,396,961	3,034,444
Number of Months	0	7	7	7	7	7	7	7
Average Monthly CWIP	0	78,658	840	6	93,875	1,444,745	2,342,423	433,492
AFUDC Rate	0	0	0	0	0	0	0	0
Mid-Year Capitalized AFUDC	0	5,437	58	0	6,708	103,418	173,286	34,973
July 1	0	78,658	840	6	93,875	1,444,745	2,342,423	433,492
July 31	0	840	840	6	93,875	2,342,423	433,492	898,244
August 31	0	840	840	6	93,875	2,342,423	433,492	898,244
September 30	0	840	840	6	93,875	2,342,423	433,492	898,244
October 31	0	840	840	6	93,875	2,342,423	433,492	898,244
November 30	0	840	840	6	93,875	2,342,423	433,492	898,244
December 31	0	840	840	6	93,875	2,342,423	433,492	898,244
Total (Lines 13 - 19)	0	83,698	876	563,256	8,762,345	15,499,283	4,943,375	5,822,956
Number of Months	0	7	7	7	7	7	7	7
Average Monthly CWIP	0	11,957	125	80,465	1,251,764	2,214,183	706,196	831,851
AFUDC Rate	0	0	0	0	0	0	0	0
2nd Half Capitalized AFUDC	0	827	9	4,780	89,444	158,496	52,242	67,111
Total Capitalized AFUDC for Yr	0	6,264	67	4,781	96,152	261,914	225,528	102,084
ICDC this Year	0	0	0	0	0	0	0	0
Cumulative AFUDC @ BOY	0	0	6,264	6,331	11,112	107,264	369,178	594,706
Cumulative AFUDC @ EOY	0	6,264	6,331	11,112	107,264	369,178	594,706	696,790
Additions This Year	0	6,264	67	4,781	96,152	261,914	225,528	102,084
AFUDC Depreciation This Yr	0	0	182	186	325	3,174	11,104	17,970
Cum AFUDC Depr @ EOY	0	0	182	368	693	3,867	14,971	32,941

Statement F - Allowance for Funds Used During  
 Olympic Pipe Line Company  
 1999 Test Period

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## CWIP BALANCES

	1991	1992	1993	1994	1995	1996	1997	1998
January 1	898,244	1,735,229	2,937,506	1,194,106	1,725,025	4,353,391	11,598,472	20,433,166
January 31	898,244	1,545,119	3,085,374	1,227,167	2,217,970	4,680,427	12,334,697	21,024,666
February 28	898,244	1,724,502	3,059,974	1,301,604	2,481,046	5,429,168	13,070,921	22,552,366
March 31	898,244	1,963,960	3,331,335	1,451,566	2,749,274	6,314,842	13,807,146	24,477,366
April 30	898,244	2,285,307	3,425,559	1,740,027	2,784,342	6,921,299	14,543,370	26,819,966
May 31	898,244	2,639,274	3,549,186	1,995,288	2,996,945	7,746,146	15,279,595	31,081,066
June 30	898,244	2,861,597	3,213,723	2,341,953	2,991,932	8,048,188	16,015,819	34,219,066
Total (Lines 1 - 7)	6,287,708	14,754,988	22,602,657	11,251,711	17,946,534	43,493,461	96,650,019	180,607,662
Number of Months	7	7	7	7	7	7	7	7
Average Monthly CWIP	898,244	2,107,855	3,228,951	1,607,387	2,563,791	6,213,152	13,807,146	25,801,095
AFUDC Rate	0	0	0	0	0	0	0	0
Mid-Year Capitalized AFUDC	60,241	130,060	190,127	94,139	146,663	355,304	803,544	1,547,262
July 1	898,244	2,861,597	3,213,723	2,341,953	2,991,932	8,048,188	16,015,819	34,219,066
July 31	1,735,229	2,798,858	2,127,767	2,563,082	2,439,033	9,346,622	16,752,044	36,595,366
August 31	1,735,229	2,357,938	2,235,544	2,517,368	2,789,041	10,405,706	17,488,268	39,023,266
September 30	1,735,229	2,431,509	1,549,150	2,720,518	3,543,216	10,862,091	18,224,493	41,451,166
October 31	1,735,229	2,736,313	1,578,395	2,907,753	3,560,167	12,534,705	18,960,717	43,956,366
November 30	1,735,229	2,868,984	1,737,405	2,410,659	4,478,732	12,066,589	19,696,942	46,316,066
December 31	1,735,229	2,937,506	1,194,106	1,725,025	4,353,391	11,598,472	20,433,166	23,273,082
Total (Lines 13 - 19)	11,309,618	18,992,705	13,636,090	17,186,358	24,155,512	74,862,373	127,571,448	264,834,378
Number of Months	7	7	7	7	7	7	7	7
Average Monthly CWIP	1,615,660	2,713,244	1,948,013	2,455,194	3,450,787	10,694,625	18,224,493	37,833,483
AFUDC Rate	0	0	0	0	0	0	0	0
2nd Half Capitalized AFUDC	108,354	167,414	114,703	143,793	197,404	611,560	1,060,623	2,268,830
Total Capitalized AFUDC for Yr	168,595	297,473	304,830	237,932	344,068	966,864	1,864,167	3,816,092
ICDC this Year	0	0	0	0	0	0	0	0
Cumulative AFUDC @ EOY	696,790	865,385	1,162,859	1,467,689	1,705,621	2,049,689	3,016,553	4,880,720
Cumulative AFUDC @ EOY	865,385	1,162,859	1,467,689	1,705,621	2,049,689	3,016,553	4,880,720	8,696,812
Additions This Year	168,595	297,473	304,830	237,932	344,068	966,864	1,864,167	3,816,092
AFUDC Depreciation This Yr	16,628	20,111	27,796	31,459	37,770	48,068	73,904	104,931
Cum AFUDC Depr @ EOY	49,569	69,679	97,475	128,934	166,705	214,772	288,677	393,607

Statement F - Allowance for Funds Used During  
Olympic Pipe Line Company  
1999 Test Period

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	1999
<b>CWIP BALANCES</b>	
January 1	23,273,082
January 31	23,273,082
February 28	23,273,082
March 31	23,273,082
April 30	23,273,082
May 31	23,273,082
June 30	23,273,082
Total (Lines 1 - 7)	162,911,574
Number of Months	7
Average Monthly CWIP	23,273,082
AFUDC Rate	0
Mid-Year Capitalized AFUDC	1,417,150
July 1	23,273,082
July 31	23,273,082
August 31	23,273,082
September 30	23,273,082
October 31	23,273,082
November 30	23,273,082
December 31	23,273,082
Total (Lines 13 - 19)	162,911,574
Number of Months	7
Average Monthly CWIP	23,273,082
AFUDC Rate	0
2nd Half Capitalized AFUDC	1,417,150
Total Capitalized AFUDC for Yr	2,834,300
ICDC this Year	0
Cumulative AFUDC @ BOY	8,696,812
Cumulative AFUDC @ EOY	11,531,112
Additions This Year	2,834,300
AFUDC Depreciation This Yr	236,079
Cum AFUDC Depr @ EOY	629,686



**Statement G - Revenues**  
**Olympic Pipe Line Company**  
**1999 Test Period**

Exhibit No. \_\_\_(CAO-7)  
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Gross Revenues Under Presently Effective Rates /1	40,965,000
Gross Revenues Under Proposed Rates	44,508,000

/1 Effective Rates are ceiling rates per 18CFR§342.3

Olympic Pipe Line Company  
Cost of Service Summary Schedule  
1999 Test Period

Total Carrier Cost-of-Service				\$47,327,534
Throughput, Barrels				121,349,000
Throughput, Barrel-Miles				21,598,145,641
Proposed Rates, \$/Barrel		Fungible Shipments-Not Requiring Batching	Non-Fungible Shipments- Requiring Batching	
Anacortes, WA to Linton or Portland, OR	44.94		47.94	
Ferndale, WA to Linton or Portland, OR	49.31		52.31	
Cherry Point, WA to Linton or Portland, OR	50.13		53.13	
Ceiling Rates per 18CFR§142.1, \$/Barrel				
Anacortes, WA to Linton or Portland, OR	41.94		--	
Ferndale, WA to Linton or Portland, OR	46.31		--	
Cherry Point, WA to Linton or Portland, OR	47.13		--	
Revenue				
With Proposed Rates				\$44,508,000
With Ceiling Rates per 18CFR§142.2				\$40,965,000

Olyr... Inc Company  
Cos... Summary Schedule  
1999 Test Period

Total Carrier Cost-of-Service 47,327,534

Throughput, Barrels 121,349,000  
Throughput, Barrel-Miles 21,598,145,641

Proposed Rates, \$/Barrel	TO	Anacortes	Cherry Point	Femdale	FROM		Bayview
					Fungible Shipments Not Requiring Batching	Non-Fungible Shipments- Requiring Batching	
	Bayview	7.70	12.70	11.80		22.10	25.10
	Olympia					11.30	14.30
	Renton					33.40	36.40
	Sea-Tac Airport					12.90	15.90
	Seattle					16.00	19.00
	Spanaway					15.40	18.40
	Tacoma					36.20	39.20
	Vancouver						

Current Rates, \$/Barrel

Bayview	4.70	9.70	8.80				
Olympia	26.70	31.80	31.20				
Renton	16.00	21.00	20.30				
Sea-Tac Airport	38.10	43.10	42.40				
Seattle	17.60	22.60	22.00				
Spanaway	20.60	25.70	25.00				
Tacoma	20.10	25.10	24.50				
Vancouver	40.80	45.90	45.30				

Current Rates Split at Bayview

Bayview	4.70	9.70	8.80				
Olympia						22.10	
Renton						11.30	
Sea-Tac Airport						33.40	
Seattle						12.90	

Spanaway	16.00
Tacoma	15.40
Vancouver	36.20
	44,508,000
	40,965,000

Spanaway	
Tacoma	
Vancouver	
	With Proposed Rates
	With Current Rates

Revenue