

Exhibit No. _____ (LPS-2)
Docket No. TO-011472
Witness: Leon P. Smith

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 TO
REBUTTAL TESTIMONY OF
LEON P. SMITH

OLYMPIC PIPE LINE COMPANY

June 11, 2002

1 **Mr. Leon Paul Smith**

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7

8 **PERSONAL INFORMATION**

9
10 *EDUCATION:* Graduated Washington-Lee HS, Arlington, VA June 1964
11 Graduated University of Virginia, Charlottesville, VA
12 June 1968 with a Bachelor of Science in Civil Engineering
13 *MILITARY:* US Army Oct. 1968 to Oct. 1970 with honorable discharge
14 *AFFILIATIONS:* Member of the American Society of Civil Engineers.
15
16

17 **EMPLOYMENT HISTORY**

18
19 Sept. 2000 – Present ***PIPELINE REGULATORY CONSULTANT***

20
21 Leads pipeline engagements providing consultation on matters dealing with
22 economic regulation the oil pipelines. Expertise covers most all areas of oil
23 pipeline regulation including, but not limited to, tariff transportation rate structuring,
24 Federal Energy Regulatory Commission rules, regulations, and processes, common
25 carrier requirements and regulations, historical perspectives of oil pipeline
26 regulation in the United States, and permitted and prohibited practices and actions
27 under the regulatory laws of the United States. Consulting projects are listed below.
28

29 Oct. 1977 – Sept. 2000 ***CHIEF, OIL PIPELINE REGULATION***¹

30 **Federal Energy Regulatory Commission, Washington, DC**

31 **Office of Markets, Tariffs and Rates, Division of Corporate Applications**

32 Duties included the supervision of a staff of professionals (engineers, accountants,
33 lawyers, energy industry specialists, public utilities specialists, etc.) and non-
34 professionals engaged in all aspects of regulation of interstate transportation of
35 crude oil and petroleum products by pipeline. Served as the Commission's primary
36 expert on oil pipeline regulation, providing advice to the Commissioners, regulated
37 industries, state and local governments, foreign governments and the public. Served
38 as a member of the US-Russia Interministerial Experts Group of the
39 Gore/Chernomyrdin Commission in assisting the Russians in establishing a
40 workable regulatory regime for their oil pipeline industry. Provided advice and

1 information to numerous foreign governments such as: China, South Africa,
2 Kazakhstan, Brazil, Canada, and Mexico. Assisted in developing and writing the
3 Commission's rules and regulations concerning oil pipeline regulation through
4 rulemaking procedures. Developed an extensive experience in pipeline ratemaking
5 methodologies. Participated in the creation and implementation of several pipeline
6 ratemaking methodologies.

7
8 Aug. 1976 – Oct. 1977 ***CHIEF, OIL PIPELINE REGULATION¹***

9 **Interstate Commerce Commission, Washington, DC**

10 This position is similar to the one described above. In October 1977, when the
11 Department of Energy Organization Act of 1977 was enacted the authority and
12 jurisdiction of the Interstate Commerce Commission over oil pipelines was
13 transferred to a new regulatory agency, the Federal Energy Regulatory Commission,
14 centralizing the regulation of oil pipelines, natural gas pipelines, electric power, and
15 hydroelectric generation with one agency.

16
17 May 1973 – Aug. 1976 ***PROGRAM MANAGER***

18 **Department of General Services, Washington, DC**

19 **Office of Program Management**

20 Responsible for establishing the scope of work, reviewing the design, project
21 coordination, and ultimate construction of municipal capital improvement projects
22 ranging in cost up to \$130,000,000.

23
24 Oct. 1970 – May 1973 ***HIGHWAY DESIGN (CIVIL) ENGINEER***

25 **Department of Transportation, Washington, DC**

26 **Highway Design Division**

27 Responsible for designing and researching Federal and local highway projects.
28 Performed design work, instituted revision to the Department's standard
29 specifications resulting in designs that were fully coordinated between local and
30 Federal governments. Demonstrated the value of and instituted usage of computer
31 aided design programs.

32
33 Oct. 1968 – Oct. 1970 ***CIVIL ENGINEERING ASSISTANT***

34 **Cold Regions Research and Engineering Laboratory, Hanover, NH**

35 **Experimental Engineering Division, Construction Engineering Research**
36 **Branch**

37 Responsible for formulating and conducting research studies into design and
38 environmental problems of structures located in cold regions. Performed research
39 and contract work for the US Army and Air Force. Co-authored various papers (e.g.
40 1970 Performance Survey of DEW Line Ice Cap Stations, DYE-2 and DYE-3).

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42 **TESTIMONY**

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44 April 2, 2001 Filed an affidavit with the Superior Court of Arizona, Tax Court

1 discussing Commission regulations regarding the concept of Original
2 Cost in SFPP, L.P. v. Arizona Department of Revenue No. TX 1999-
3 00532
4

5 March 26, 2001 Provided Testimony to the Federal Energy Regulatory Commission
6 supporting the response of Anschutz Ranch East Pipeline Company to
7 answer of complaint made by Chevron Products Company. Docket
8 No. OR01-05-000

9 March 14, 2001 Provided Testimony to the Federal Energy Regulatory Commission
10 supporting the response of Frontier Pipeline Company to answer of
11 complaint made by Chevron Products Company. Docket No. OR01-
12 04-000

13 March 13, 2001 Provided Testimony to the Federal Energy Regulatory Commission in
14 support of the response of Anschutz Ranch East Pipeline Company to
15 answer to complaint made by Big West Oil Company Docket No.
16 OR01-03-000.

17 March 5, 2001 Provided Testimony to the Federal Energy Regulatory Commission
18 supporting the response of Frontier Pipeline Company to answer of
19 complaint made by Big West Oil Company. Docket No. OR01-02-
20 000.

21 Feb 26, 2001 Provided Rebuttal Testimony on behalf of TAPS CARRIERS regarding
22 various regulatory concepts used in calculating 1997, 1998, 1999 and
23 2000 tariff rates for the Intrastate Transportation of Petroleum over
24 the Trans Alaska Pipeline System before the State of Alaska,
25 Regulatory Commission of Alaska, P-97-4.

26 Feb. 6, 2001 Provided Testimony the Federal Energy Regulatory Commission
27 supporting the response of Anschutz Ranch East Pipeline Inc. to the
28 complaint made by Big West Oil Company. Docket No. OR01-03-
29 000.

30 Jan. 29, 2001 Filed Affidavit at the Federal Energy Regulatory Commission
31 supporting the response of Frontier Pipeline Company to the
32 complaint made by Big West Oil Company. Docket No. OR01-02-
33 000.

34 Nov. 14, 2000 Testified in State Property Tax Commission on behalf of Kinder
35 Morgan Energy Partners, LP, regarding the Federal Energy Regulatory
36 Commission's Uniform System of Accounts for Oil Pipeline
37 Companies.
38
39

1 **CONSULTING PROJECTS**
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- 3 • Provided explanation of United States rules, regulations and general experiences
4 dealing with common carrier pipelines to the Ecuadorian government on behalf of
5 the client.
6
7 • Assisted a common carrier pipeline company client in preparing a filing at the FERC
8 requesting approval for modifications to their FERC Form No. 6, page 700.

¹ The actual titles of the positions held during this period vary but the duties under each different title were ostensibly the same as listed. The actual titles were:

<i>02/27/2000 – 09/08/2000</i>	Group Leader, Group 2, Division of Corporate Applications, Office of Markets Tariffs and Rates, FERC.
<i>08/21/1994 – 02/27/2000</i>	Branch Chief, Rate Review Branch III, Division of Pipeline Rates – West, Office of Pipeline Regulation, FERC.
<i>11/04/1990 – 08/21/1994</i>	Branch Chief, Oil and Gas Filings Branch, Division of Rate Filings, Office of Pipeline and Producer Regulation, FERC.
<i>01/03/1988 – 11/04/1990</i>	Assistant to the Director, Division of Rate Filings, Office of Pipeline and Producer Regulation, FERC.
<i>09/30/1977 – 01/03/1988</i>	General Engineer, Valuation Branch, Division of Pipeline Rates and Tariffs, Office of Pipeline and Producer Regulation, FERC.
<i>08/01/1976 - 09/30/1977</i>	General Engineer, Valuation Branch, Section of Cost and Valuation, Bureau of Accounts, ICC.