

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION  
COMMISSION

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION

Complainant,

v.

OLYMPIC PIPE LINE COMPANY, INC.,

Respondent.

DOCKET NO. TO-011472

ANSWER ON BEHALF OF  
COMMISSION STAFF TO  
OLYMPIC'S JUNE 13, 2002  
MOTION FOR CONTINUANCE

1 On June 13, 2002, Olympic filed a Motion for Continuance (“Motion”) seeking a delay in  
the case until August 5, 2002. For the reasons stated below, Commission Staff opposes  
the Motion.

**I. Discussion**

2 Olympic says a continuance will 1) shorten the time of hearing since Olympic will have  
audited financial statements by the end of July; 2) enable Olympic to respond to Tesoro’s  
dispositive motion; 3) shorten the hearing because Olympic will have one year’s worth of  
data on post-Whatcom Creek explosion throughput; and 4) allow discovery on the  
rebuttal case; and 5) enable the parties to pursue a throughput adjustment mechanism via  
a collaborative process; and 6) enable the parties to pursue settlement.

3 Olympic emphasizes it would not collect the 24.39% interim surcharge during the period  
of the continuance. (Motion at 6).

4 Staff offers the following points to put the Motion in perspective:

5 Olympic states that by the end of July, 2002, it will be getting “clean” audited financial  
statements. If that occurs, it will be for 2001 financial statements only. Olympic will not

have “clean” audited financial statements for 1999 or 2000, by the end of July, 2002. If this case is not continued, Staff would not object if Olympic is permitted to file a late-filed exhibit consisting of the Ernst and Young accounting statement regarding Olympic’s 2001 financial statements.

6 Obtaining one year of throughput data from the time the pipeline was restored to 80% pressure is not likely to “remove from the hearing” the throughput issue. (Motion at 2). Having one year’s actual throughput data may be helpful if it is admissible, but without systematic analysis of downtime, the usefulness of that data is diminished. Nor would the existence of that data substantially reduce the overall controversy on the throughput issue. Some parties’ proposals do not rely on test year actual throughput experience.

7 Olympic apparently remains optimistic about settlement prospects. (Motion at 6). Staff is always hopeful, but Staff is not optimistic here. For its part, Staff has been proactive in this area. Staff remains available to contribute to any legitimate effort by the parties to bring a settlement proposal to the Commission for approval. But currently, there is a 62% rate increase subject to refund at the federal level, and a 24.39% interim rate increase subject to refund at the state level. As time goes by, Olympic’s apparent reluctance to provide refunds (see rebuttal testimony of Olympic’s Mr. Peck, Exhibit No. \_\_\_ (LP-1T) at 4, lines 10-15)), coupled with the possibility of substantial refunds (if the cases are tried), provide a powerful economic reason why settlement is unlikely.

8 Staff has issued data requests on the Company’s rebuttal case, but Olympic now says it cannot timely respond to them. (Motion at 5). If Olympic is unable to timely respond to discovery on its rebuttal case, that is further justification for dismissal.

9 It has been a challenge to deal with the multiple motions that seem to be filed on a daily, if not hourly basis, and prepare for hearing, simultaneously. The Motion is addressed to the Commission's discretion. Should the Commission grant the Motion, Commission Staff is unable to commit to August 5, 2002 as a starting date for hearings. Staff personnel involved in this case have made commitments in August in reliance on the existing, approved schedule. If the Motion is granted, a prehearing conference should be convened to address specific scheduling issues.

Respectfully submitted this 17<sup>th</sup> day of June, 2002.

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