

Agenda Date: June 24, 2010
Item Number: B1

Docket: TO-100932
Company Name: Olympic Pipeline Company

Staff: Layne Demas, Regulatory Analyst

Recommendation

Take no action, allowing the proposed rates filed by Olympic Pipeline Company in Docket TO-100932 to become effective July 1, 2010, by operation of law.

Discussion

On May 28, 2010, Olympic Pipeline Company (Olympic) filed to decrease rates in tariff WUTC No. 34 to become effective July 1, 2010. Olympic filed the proposed rate decrease under the terms of a settlement agreement accepted by the Utilities and Transportation Commission (commission) in Dockets TO-031973 and TO-040992. The filing proposes to decrease annual revenue by approximately \$1.4 million (2.5 percent).

The settlement agreement includes a “true-up” mechanism that requires Olympic to decrease its 2010 revenue requirement by approximately \$8 million, which is determined by actual 2009 revenue less the 2009 revenue requirement. The proposed rate reduction has been tempered by the Tesoro Anacortes refinery incident in April 2010, which lowered projected 2010 throughput and revenue. Nevertheless, the 2010 revenue projection is higher than the adjusted 2010 revenue requirement, thereby requiring the company to lower rates.

Staff has analyzed the proposed filing and concludes the proposed rates comply with the terms of the settlement agreement and are fair, just, reasonable and sufficient.

Conclusion

Take no action, allowing the proposed rates filed by Olympic Pipeline Company in Docket TO-100932 to become effective July 1, 2010, by operation of law.