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July 28, 2017

Via Electronic Submission

Mr. Steven King
Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250, 1300 S. Evergreen Park Drive S.W.
Olympia, Washington 98504-7250

Re: Olympic Pipe Line Company Notice

Dear Mr. King:

Olympic Pipe Line Company (“Olympic”) hereby provides notice to the Washington Utilities and Transportation Commission (“Commission”) of an agreement between its two shareholders, Enbridge Holdings (Olympic) L.L.C. (“Enbridge”) and Arco Midcon LLC (“ARCO”). The sole record and beneficial shareholders of Olympic are Enbridge and ARCO. Enbridge is transferring all of its stock to ARCO, subject to the terms and conditions set forth in an agreement between Enbridge and ARCO. Olympic is not a party to that stock purchase agreement. The sale of Enbridge’s stock to ARCO will result in a change of control of Olympic.

Under its agreement with ARCO, Enbridge is assigning to ARCO all of Enbridge’s interests in the following agreements to which Olympic is a party and which have previously been provided to the Commission:

- Amended and Restated Shareholders Loan Agreement, dated December 29, 2010, between Enbridge, ARCO and Olympic, as amended by the First Amendment to Second Amended and Restated Shareholders Loan Agreement, dated December 15, 2015 and effective December 30, 2015;
- Second Amended and Restated Financing Agreement, dated December 29, 2010, between Enbridge, ARCO and Olympic;
- Line of Credit Promissory Note, dated December 31, 2010, by Olympic to Enbridge, as amended by (A) the First Amendment to Line of Credit Promissory Note, dated December 17, 2013 and effective December 30, 2013,

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- and (B) the Second Amendment to Line of Credit Promissory Note, dated December 15, 2015 and effective December 30, 2015; and
- Amended and Restated Olympic Pipe Line Company Shareholders Agreement, dated August 4, 2010, between Enbridge, ARCO and Olympic.

Olympic is not a party to the assignment of these agreements, and under the terms of the agreements, Olympic's consent is not required.

Although the Commission asserts jurisdiction over stock transfers that result in a change of control of a public service company under RCW 81.12, under RCW 81.12.010, federally regulated common carriers are exempt from application of the transfer of property statutes. *See* RCW 81.12.010 ("The term 'public service company,' as used in this chapter . . . shall not include common carriers subject to regulation by the federal energy regulatory commission. . . ."). Olympic is such a common carrier regulated by the Federal Energy Regulatory Commission. Accordingly, and consistent with prior decisions of the Commission, the Commission lacks jurisdiction to entertain a request for approval or to issue an order approving the sale by Enbridge of its shares in Olympic to ARCO. *See In the Matter of the Application of Olympic Pipe Line Co., Applicant, for an Order Approving the Sale by Arco Midcon LLC of A Portion of Its Shares in Olympic Pipe Line Co. to Enbridge, Inc.*, 01, 2006 WL 1580157, at *2 (Jan. 25, 2006).

The Commission also requires prior notice of and retains jurisdiction to disapprove contracts or arrangements between public service companies and affiliated interests if the Commission is not satisfied that the transaction is reasonable and in the public interest. *See* RCW 81.16.020. Because Olympic is not a party to the stock purchase agreement between Enbridge and ARCO, the agreement does not qualify as a dealing with affiliated interests under RCW 81.16.020. Accordingly, the notice provisions of RCW 81.16.020 do not apply. Regardless, the public interest is not impacted by the agreement between Enbridge and ARCO, because the material terms, necessity for, and the benefit to the public flowing from the underlying agreements remain unchanged.

Should you have any questions regarding the foregoing, please do not hesitate to contact the undersigned.

Sincerely,

Diane M. Meyers