

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

Complainant,

v.

OLYMPIC PIPE LINE COMPANY, INC.,

Respondent.

DOCKET NO. TO-011472

ERRATA TO TESTIMONY OF
DANNY P. KERMODE

Please make the following changes to the Testimony of Danny P. Kermode dated
May 24, 2002:

Pg 10 Line 5

Q. IS THE FERC USOA CONSIDERED AN OCBOA?

A. Yes, it is. However, the differences between FERC and GAAP are few and specific. ~~The issues I address, such as the use of the modified cash basis and recording of AFUDC, are the same between the two systems.~~

Pg 14 Line 1

Q. IS AFUDC A REGULATORY CALCULATION THAT IS ONLY DONE WHEN A COMPANY COMPUTES ITS COST OF SERVICE?

A. No. While AFUDC is a component of the cost of service, AFUDC is a regulatory asset that should be computed annually or semiannually and recorded on a company's books or on a side record if it is probable that the cost will be allowed in rates.