

October 11, 2002

Via E-mail and U.S. Mail

Carole J. Washburn, Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. SW
P.O. Box 47250
Olympia, Washington 98504-7250

Re: WUTC v. Olympic Pipeline Company.
Docket No. TO-011472

Dear Ms. Washburn:

This letter is submitted on behalf of the Commission Staff, as required by the Commission's Twentieth Supplemental Order in Docket No. TO-011472 (Order). Staff's analysis of Olympic Pipe Line Co.'s (Olympic) two tariff filings follows.

Olympic timely filed the required tariffs on October 8, 2002. Both tariffs show an effective date of October 15, 2002. In response to Staff's review, Olympic filed revised pages on October 10, 2002, to correct minor typographical errors and to attach an additional Excel spreadsheet (see below) to Supplement No. 1. Although the tariffs bear October 15, 2002, effective dates, the tariffs will not become effective until the Commission issues an order, as required by WAC 480-09-340.

2.52% Permanent Increase (Order, ¶ 406)

Olympic filed a new tariff, WUTC Tariff No. 24, that cancels WUTC Tariff No. 21 (the current effective tariff) and all its supplements, and also cancels WUTC Tariff No. 23 (the proposed tariff that the Commission suspended and later rejected). WUTC Tariff No. 24 correctly increases all rates and charges by 2.52% over the current permanent rates contained in WUTC Tariff No. 21.

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Refunds (Order, ¶ 408)

Staff agrees that the refund methodology set forth in Olympic's Refund Supplement No. 1 to Tariff No. 24 will refund to each shipper the amount that the shipper's "payments under interim rates [24.3% increase] exceeded the amount that would have been due under the permanent rates [2.52% increase] authorized" by the Order, plus interest at 7.6%. The first refund credit applies on the November 2002 billing for shipments delivered in October, and will continue for the next 23 months, ending in October 2004.

Page No. 1 of Refund Supplement No. 1 summarizes the method that Olympic will use to calculate and return the proper refund amount to each shipper. Page Nos. 2 and 3 are copies of Excel spreadsheets, printed to show the formulas in each cell. For each shipper, Olympic will input basic shipment data, the spreadsheets will calculate the base refund amount due, plus accrued interest, and calculate the fixed, monthly refund payments over the 24 month payback period.

Olympic will furnish each shipper with the information needed to verify the accuracy of Olympic's calculation of the applicable refund amount. At this time, Staff has seen no shipper comments.

Olympic will issue transportation credits and/or checks to effect the refund. In the event that a shipper's monthly transportation charge is less than the refund, Olympic will issue a check for the difference. If a shipper does not ship in a particular month, Olympic will issue a check for the total refund due for that month. For shippers that no longer use the pipeline, Olympic will issue a single refund check.

Supporting Material (Order, ¶ 410)

Olympic did not literally file, "simultaneously with the filing to which it relates," "material in support of the manner in which its tariffs are constructed." However, Staff believes the proposed tariff language itself is sufficient to determine the manner in which the tariffs are constructed.

Brief Description (Order, ¶ 410)

Staff believes the transmittal letters submitted by Olympic provide "a brief description of what the Company has accomplished by the filing and how it complies with the terms of the order."

Response to Staff's Letter (Order, ¶ 409)

Olympic and other parties may respond "no later than the close of the second business day" following the date of this letter.

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Recommendation

Staff recommends that the Commission issue the appropriate order allowing the two Olympic compliance filings to become effective as soon as possible.

Very truly yours,

DONALD T. TROTTER
Senior Counsel

DTT:KLL

Enclosures

cc: All Parties