

EXHIBIT 2

**PETER K. ASHTON, SENIOR CONSULTANT WITH PREMIER
QUANTITATIVE CONSULTING, INC., ON BEHALF OF TESORO REFINING
& MARKETING COMPANY LLC**

Check appropriate box:

- An Initial (Original) Submission
- Resubmission No. _____

Form 6 Approved
OMB No.1902-0022
(Expires 10/31/2016)

Form 6-Q Approved
OMB No.1902-0206
(Expires 06/30/2016)



FERC Financial Report
FERC Form No. 6: ANNUAL REPORT
OF OIL PIPELINE COMPANIES and
Supplemental Form 6-Q:
Quarterly Financial Report

(Formerly ICC Form P)

These reports are mandatory under the Interstate Commerce Act, Sections 20 and 18 CFR Parts 357.2 and 357.4. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider this report to be of a confidential nature.

Exact Legal Name of Respondent (Company) Marathon Pipe Line LLC	Year/Period of Report End of <u>2014/Q4</u>
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Annual Cost of Service Based Analysis Schedule

- 1.) Use footnotes when particulars are required or for any explanations.
- 2.) Enter on lines 1-9, columns (b) and (c), the value the respondent's Operating & Maintenance Expenses, Depreciation Expense, AFUDC Depreciation, Amortization of Deferred Earnings, Rate Base, Rate of Return, Return, Income Tax Allowance, and Total Cost of Service, respectively, for the end of the current and previous calendar years. The values shall be computed consistent with the Commission's Opinion No. 154-B et al. methodology. Any item(s) not applicable to the filing, the oil pipeline company shall report nothing in columns (b) and (c).
- 3.) Enter on line 10, columns (b) and (c), total interstate operating revenue, as reported on page 301, for the current and previous calendar years.
- 4.) Enter on line 11, columns b and c, the interstate throughput in barrels for the current and previous calendar years.
- 5.) Enter on line 12, columns b and c, the interstate throughput in barrel-miles for the current and previous calendar years.
- 6.) If the company makes major changes to its application of the Opinion No. 154-B et al. methodology, it must describe such changes in a footnote, and calculate the amounts in columns (b) and (c) of lines No. 1-12 using the changed application.
- 7.) A respondent may be requested by the Commission or its staff to provide its workpapers which support the data reported on page 700.

Line No.	Item (a)	Current Year Amount (in dollars) (b)	Previous Year Amount (in dollars) (c)
1	Operating and Maintenance Expenses	280,295,942	265,059,696
2	Depreciation Expense	26,864,413	25,172,566
3	AFUDC Depreciation	3,122,060	2,999,319
4	Amortization of Deferred Earnings	5,503,317	5,267,449
5	Rate Base		
5a	Rate Base - Original Cost	482,475,411	500,221,825
5b	Rate Base - Unamortized Starting Rate Base Write-Up	0	0
5c	Rate Base - Accumulated Net Deferred Earnings	87,346,274	85,974,545
5d	Total Rate Base - Trended Original Cost - (line 5a + line 5b + line 5c)	569,821,685	586,196,370
6	Rate of Return % (10.25% - 10.25)		
6a	Rate of Return - Adjusted Capital Structure Ratio for Long Term Debt	31.21	19.36
6b	Rate of Return - Adjusted Capital Structure Ratio for Stockholders' Equity	68.79	80.64
6c	Rate of Return - Cost of Long Term Debt Capital	3.28	5.29
6d	Rate of Return - Real Cost of Stockholders' Equity	10.50	10.69
6e	Rate of Return - Weighted Average Cost of Capital - (line 6a x line 6c + line 6b x line 6d)	8.25	9.64
7	Return on Trended Original Cost Rate Base		
7a	Return on Rate Base - Debt Component - (line 5d x line 6a x line 6c)	5,833,196	6,003,494
7b	Return on Rate Base - Equity Component - (line 5d x line 6b x line 6d)	41,157,935	50,532,565
7c	Total Return on Rate Base - (line 7a + line 7b)	46,991,131	56,536,060
8	Income Tax Allowance	28,963,484	32,189,323
8a	Composite Tax Rate % (37.50% - 37.50)	37.60	37.60
9	Total Cost of Service	391,740,347	387,224,413
10	Total Interstate Operating Revenues	400,711,366	373,057,860
11	Total Interstate Throughput in Barrels	642,876,151	664,724,093
12	Total Interstate Throughput in Barrel-Miles	78,266,374,896	80,572,549,055