

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of
OLYMPIC PIPE LINE COMPANY
For an Order Authorizing an Immediate Rate
Increase

DOCKET NO. TO-011472

DECLARATION OF HOWARD B. FOX

I, Howard B. Fox, hereby declare as follows:

1. I am Olympic's Assistant Treasurer, and I make this declaration based on my review of Olympic's books and records and my personal knowledge. My background and qualifications were attached to my previous testimony in this matter (HBF-IT).

2. Olympic continues to lose money. Last week Olympic submitted its 2001 year-end actual financial results in response to Staff's Data Request No. 303. Without FERC revenue, the Fourth Quarter Cash Flow would have been a net deficiency of \$9 million. With FERC rate revenues this loss still amounted to \$5.8 million.

3. Olympic has a \$1.7 million payment due Prudential on February 15, but has only \$2.5 million on hand.

4. Olympic has not received additional loans from BP/ARCO and is being asked for additional information on the implications of the Commission's interim rate Order. One possibility, presented in Bob Batch's rebuttal testimony, being examined is whether to

postpone expenditures that would increase throughput, but to continue to fund all safety-related expenditures.

5. During my redirect examination, I was asked if I would recommend that BP/ARCO loan sufficient funds to Olympic to complete the 2002 capital budget if the Commission granted Olympic's interim rate request in full and I responded that I would. I reconfirm that testimony.

EXECUTED this _____ day of February, 2002 at Lisle.

Howard B. Fox