

Exhibit No. _____ (DMC-2)
Docket No. TO-011472
Witness: Dan Cummings

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Washington Utilities and Transportation Commission,)	DOCKET NO. TO-011472
)	
Complainant,)	
)	
v.)	
)	
Olympic Pipe Line Company, Inc.)	
)	
Respondent.)	

EXHIBIT TO
REBUTTAL TESTIMONY OF
DAN CUMMINGS

OLYMPIC PIPE LINE COMPANY

June 11, 2002

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Pipeline safety costs money

BUSINESS: Despite past disaster, Olympic's request worthy of consideration.

When it came to light that Olympic Pipeline company wanted to raise its rates by 62 percent to pay for safety improvements, many in the community were outraged. How could the company whose pipeline explosion caused so much grief and devastation have the gall to say it couldn't afford to operate more safely?

Our view



Safety is expensive. No matter how much people want Olympic to feel the pain it caused, there is no getting around the fact that the upgrades needed are pricey. The repairs and safety upgrades needed this year are expected to cost \$23 million.

Olympic, now owned by wealthy BP Amoco, has been in the red for years.

Its rates were likely, at least in part, due to the fact that it was

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Calling all opinionated high school students!
Put your research and persuasive writing skills to the test and send us a thought-provoking, 500-word editorial on a uniquely local topic (something specific to Whatcom County). Or if your pen is mightier than your keyboard, draw us an original editorial cartoon on a topic of your choosing.
Publisher Christine Chin, Managing Editor Evan Miller and Editorial Page Editor Carolyn Nielsen will review your entries and publish the best three editorials and cartoons on The Bellingham

Herald's editorial page.
The deadline has been extended to May 15 at 5 p.m.

Submit entries to:
The Bellingham Herald, Newsroom
Attn: Editorial contest
1155 N. State St.
Bellingham WA 98225
Or via e-mail to:
Cnielsen@bellinghamgannett.com with "editorial contest" in the subject line.

Be sure to include:
Your name, phone number, school, age and e-mail address if you have one.

Transportation Commission and Federal Energy Regulatory Commission will have to review the proposal to see if the rate increase is justified. Ultimately, it will make the decision about whether the refineries should have to pay for increased safety in the lines that carry their products.

Of course, any increase in costs will be passed on to the consumer at the pump, but who wouldn't gladly pay a few more pennies to

help guard against the loss of more young lives? A little peace of mind about the pipeline snaking through our city, through a popular park, past a public school, is certainly worth paying for provided appropriate standards are followed and the investment in infrastructure buys what it is supposed to.

This proposed rate hike is also a good example of why management by disaster is poor fiscal policy. That's a strong argument to send to Capitol Hill where true pipeline safety reform can happen.

Requiring safeguards and safety upgrades would prevent pipeline companies from not spending a nickel on safety until it's too late.

It's worth noting, too, that since BP Amoco took over the pipeline and reopened it in February 2001, it hasn't had a spill. After the June 10, 1999, explosion, Olympic continued to spill fuel in the parts of the line that remained open.

BP has said Olympic was poorly operated and managed. It has said it needs to make changes. We shouldn't be surprised when that costs money.