
T I D E W A T E R

20 May 2005

Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
P.O. Box 47250
Olympia, Washington 98504-7250

Re: Docket No. P-041344

Tidewater Terminal Company appreciates the opportunity to provide comments on the Pipeline Fee Methodology Rulemaking.

Although we do not fundamentally disagree with trying to make a connection between the fees charged and the costs incurred by the commission, we do feel that if pipeline fee calculations are going to be based almost exclusively on the amount of time spent; the rule should also incorporate a clear path that regulated entities can take to reduce these fees. The commission has some discretion in deciding the frequency of standard inspections. A clear explanation of what those decisions are based on can aid companies in making decisions that can both reduce their fees, while helping prevent pollution and reduce risk to the public.

Examples of things companies could do to earn the benefit of reduced inspections, and therefore reduced fees, could include: demonstration of consistent compliance during past inspections, installation of prevention devices that go beyond those required by the existing regulations, conducting documented testing and inspections beyond that which is required by rule.

Tidewater conducts annual hydro-testing of our line; we have agreed to conduct smart pigging on a five (5) year schedule. These are examples of the types of steps we have taken as a company, at significant cost, to reduce the risks to public safety and the environment associated with our pipeline operations.

In addition, we also feel that phasing in the rule change, by capping the percent increase per year will help prevent placing undue burden on smaller pipeline companies.

Sincerely,

[signature]

Holly Robinson
Environmental Compliance Manager