

Agenda Date: June 27, 2001  
Item Number:

**Docket:** **UG-010885**  
Annual Pipeline Safety Fees  
WAC 480-93-240 and WAC 480-75-240

Staff: Sondra Walsh, Senior Policy Strategist  
Doug Kilpatrick, Director, Pipeline Safety  
Karen Caille, Administrative Law Judge

### **Recommendation**

Staff recommends that the Commission enter an order setting the annual pipeline safety fee and payment for the first quarter of the 2002 fiscal year. This fee is to be collected from each pipeline company subject to the Commission's safety enforcement and inspection. The fees are calculated using the methodology adopted in rule WAC 480-93-240 and WAC 480-75-240.

### **Fee**

The pipeline safety fee covers the costs of the legislatively authorized workload represented by current appropriations, less the amount received from the Federal Department of Transportation's Natural Gas Pipeline and Hazardous Liquids Pipeline Safety Program base grants.

The annual pipeline safety fee is based on two components: (1) allocation of the total program cost to intrastate and interstate companies by assigning 58.3% of the program cost to intrastate companies and 41.7% to interstate companies. (2) deducting from the intrastate and interstate program cost the federal dollars received from the Federal Department of Transportation Natural Gas Pipeline and Hazardous Liquids Pipeline Safety Program base grant.

The Commission then establishes net program cost responsibilities for individual companies represented by standard inspection activities. To do so, it determines the anticipated cost of conducting inspections, based on programmatically determined standard inspection workload requirements. That cost becomes part of the fee assigned to each company and the total of all such costs are deducted from the respective (interstate or intrastate) program cost totals.

The remaining program costs are allocated among the companies based on total pipeline miles subject to safety regulation under the program. Each company's allocated share of these costs is calculated by multiplying the net program costs by the fraction that represents the individual company's mileage to the total (interstate or intrastate) pipeline miles identified.

Finally, the net program costs allocated to each company are added to the company's individual cost responsibilities associated with standard inspections, resulting in the fiscal year 2002 fee. That fee is divided by four to determine the quarterly fee that is due and payable July 1.

Because the second component of the fee calculation is determined by the percentage of a company's actual miles, Staff requested and has received from every company confirmation of each company's actual pipeline miles.

### **Public Comment**

No public comment has been received.

### **Conclusion**

Staff recommends that the Commission enter an order setting the annual pipeline safety fee and payment for the first quarter of the 2002 fiscal year. This fee is to be collected from each pipeline company subject to the Commission's safety enforcement and inspection. The fees are calculated using the methodology adopted in rule WAC 480-93-240 and WAC 480-75-240.