

AMENDATORY SECTION (Amending Docket No. UG-010522, General Order No. R-497, filed 1/4/02, effective 2/4/02)

**WAC 480-75-240 Annual pipeline safety fee methodology.**

(1) Every hazardous liquid pipeline company subject to inspection or enforcement by the commission will pay an annual pipeline safety fee as established in the methodology set forth in section (2) below.

(2) The fee will be set by general order of the commission entered before July 1 of each year and will be collected in four equal installments payable on the first day of each calendar quarter(~~(, beginning July 1, 2001)~~).

(a) The total of pipeline safety fees will be calculated to recover no more than the costs of the legislatively authorized workload represented by current appropriations, less the amount received in (~~(federal funds)~~) total base grants through the Federal Department of Transportation(~~(s Hazardous Liquids Pipeline Safety Program base grant)~~) and less any amount received from penalties collected under RCW 19.122.050. Federal grants, other than the federal base grant, received by the commission for additional activities not included or anticipated in the legislatively directed workload will not be credited against company pipeline safety fees, nor will the work supported by such grants be considered a cost for purposes of calculating such fees. To the extent that the actual base grant proceeds are different than the amount credited, the difference will be applied in the following year.

(b) Total pipeline safety fees as determined in (a) of this subsection will be (~~(divided between intrastate hazardous liquid pipeline companies and interstate hazardous liquid pipeline companies based on two components)~~) calculated in two parts:

(i) (~~(The first component is direct assignment of average costs associated with a company's standard inspections, including the average number of inspection days per year which will be determined annually. Standard inspections are conducted to comply with the state's participation requirement under the "Guidelines for States Participating in the Pipeline Safety Program" of the Federal Department of Transportation, Office of Pipeline Safety.~~

~~(ii) The second component is an allocation of the remaining program costs that are not directly assigned in (i). Distribution of these costs between interstate and intrastate hazardous liquid pipeline companies will be based on miles of pipeline operated within Washington state.~~

~~(b))~~ The commission's annual overhead charge to the pipeline safety program will be allocated among companies according to each company's share of the total of all pipeline miles within Washington as reported by the companies in their annual reports to the commission.

(ii) After deducting the commission's annual overhead charge, the remainder of the total pipeline safety fees will be allocated among companies in proportion to each company's share of the program staff hours that are directly attributable to particular companies. The commission will determine each company's share by dividing the total hours directly attributable to the company during the two preceding calendar years (as reflected in the program's timekeeping system) by the total of directly attributable hours for all companies over the same period.

(iii) Any program hours related to a staff investigation of an incident attributed to third-party damage resulting in penalties collected under RCW 19.122.055 will not be directly attributed to the operator of the damaged pipeline for fee-setting purposes.

(c) The commission general order setting fees pursuant to this rule will detail the specific calculation of each company's pipeline safety fee including the allocations ~~((of program costs between interstate and intrastate hazardous liquid companies and the specific calculation of each company's pipeline fee))~~ set forth in (b) of this subsection.

~~(3) ((By April 1 of each year every hazardous liquids pipeline company subject to this section must file an annual report as prescribed by the commission that is necessary to establish the annual pipeline safety fee.))~~ By June 1 of each year the commission staff will mail to each company ~~((subject to this section))~~ an ~~((annual))~~ invoice ~~((showing an estimate of the quarterly amounts))~~.

(4) All funds received by the commission for the pipeline safety program will be deposited to the pipeline safety account. For those companies subject to RCW 81.24.010 the portion of the company's total regulatory fee applicable to pipeline safety will be transferred from the public service revolving fund to the pipeline safety account.

(5) Any company wishing to contest the amount of the fee imposed under this section must pay the fee and, within 6 months of the due date of the fee, file a petition in writing with the commission requesting a refund. The petition shall state the name of the petitioner; the date and the amount paid, including a copy of any receipt, if available; the amount of the fee that is contested; and any reasons why the commission may not impose the fee. The commission may grant the petition administratively or may set the petition for adjudication or for brief adjudication.