

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

Establishing Fees to be Paid to the	)	DOCKET P-060557
Washington Utilities and Transportation	)	
Commission by Gas Companies,	)	ORDER 01
Interstate Gas Pipeline Companies, and	)	
Hazardous Liquid Pipeline Companies	)	
under Provisions of Sections 2 and 3,	)	ORDER ESTABLISHING FISCAL
Chapter 238, Laws of 2001	)	2007 PIPELINE SAFETY FEES
.....	)	

**BACKGROUND**

- 1 The Commission imposes an annual pipeline safety fee pursuant to legislative authority to meet the costs of conducting the pipeline safety program established in Title 81 RCW. RCW 80.24.060 (1) requires that every gas company, every interstate gas pipeline and every hazardous liquid pipeline company subject to inspection or enforcement by the Commission must pay an annual pipeline safety fee to the Commission. The fee is determined by the fee methodology established in WAC 480-93-240 and WAC 480-75-240. Pursuant to RCW 80.24.060, WAC 480-93-240 and WAC 480-75-240, any entity seeking to contest the imposition of the fees established by this Order shall pay the fee and request a refund within six months of the due date of the fee. The procedures are described in WAC 480-93-240 and WAC 480-75-240.
- 2 Washington State’s pipeline safety program was enhanced and expanded to become a comprehensive program by legislative action during the 2000 legislative session. To pay for the expanded jurisdiction and enhanced responsibilities mandated by the statute, the legislature created a pipeline safety fund under the Commission’s administration during the 2001 legislative session, and directed that fees imposed on pipeline companies support it.
- 3 RCW 80.24.060(3) requires the Commission to establish pipeline safety fees prior to July 1 of each year, with the first quarterly payment due on July 1. On May 16, 2005, the Commission mailed invoices to each pipeline company showing the total amount of the pipeline fee for fiscal year 2006/2007, and the first quarterly payment amount due July 1, 2006.

**FINDINGS OF FACT**

- 4 (1) The Commission has determined each company’s fiscal 2007 fee pursuant to RCW 80.24.060, WAC 480-93-240 (gas pipeline companies), and WAC 480-75-240 (hazardous liquids pipeline companies).

- 5 (2) First, the Commission adjusts the program cost by the amount of federal funds under or over the estimated amount. The amount for fiscal year 2006 under-collected is \$3,635.
- 6 (3) Second, the Commission deducts from the total program cost of \$2,202,635 the federal funding amount of \$835,740 that is anticipated to be received from the Federal Department of Transportation Natural Gas Pipeline and Hazardous Liquids Pipeline Safety Program base grants.
- 7 (4) Third, the Commission allocates overhead cost of \$350,000 to the pipeline program. This cost is charged to each company according to a company's share of the total pipeline miles within Washington state.
- 8 (5) Fourth, the total remaining program costs of \$1,016,895 are allocated to each company based on the proportion of a company's share of the program staff hours that are directly attributable to pipeline companies. Each company's hours are determined by dividing the total hours directly attributable to the company during the two preceding calendar years by the total of directly attributable hours for all companies over the same period.
- 9 (6) The total fiscal year 2007 fee for each pipeline is the sum of each pipeline's directly assigned overhead cost and cost as a percentage of pipeline company hours. That fee was then divided by four to determine each pipeline's quarterly payment that is due and payable July 1.
- 10 (7) The Commission has considered all monies on hand, the fees currently to be paid, and other anticipated revenues and debits and enters this Order to establish the fiscal year 2007 pipeline safety fee. One quarter of each company's pipeline safety fee will be due and payable no later than July 1, 2006. The remaining quarterly amounts will be due and payable on October 1, 2006, January 1, 2007, and April 1, 2007.
- 11 (8) The Commission attaches to this Order as Exhibit A, the master sheet showing the calculation of the fiscal year 2007 pipeline safety fee. The calculations shown on Exhibit A are appropriate. The Commission includes with each order served on a company subject to the payment of fees a statement of the payment due July 1, 2006.

#### CONCLUSIONS OF LAW

- 12 (1) The Commission has jurisdiction under RCW 80.24.060 to establish pipeline safety fees.

- 13 (2) The pipeline safety fees calculated as described in this Order and shown on Exhibit A are consistent with RCW 80.24.060, WAC 480-93-240 and WAC 480-75-240.

**ORDER**

**THE COMMISSION ORDERS:**

- 14 (1) The pipeline safety fees to be paid to the Commission for fiscal year 2007 (the period July 1, 2006, through June 30, 2007) under the provisions of RCW 80.24.060 and the fee methodology in WAC 480-93-240 and WAC 480-75-240 are established as set out in Exhibit A, attached to this Order.
- 15 (2) The fees are payable in quarterly installments according to WAC 480-93-240 and WAC 480-75-240, due and payable July 1, 2006; October 1, 2006; January 1, 2007; and April 1, 2007.

DATED at Olympia, Washington, and effective June 14, 2006.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK H. SIDRAN, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner