

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

Establishing Fees to be Paid to the)	DOCKET P-070794
Washington Utilities and Transportation)	
Commission by Gas Companies,)	ORDER 01
Interstate Gas Pipeline Companies, and)	
Hazardous Liquid Pipeline Companies)	ORDER ESTABLISHING
under Provisions of RCW 80.24.060 and)	PIPELINE SAFETY FEES FOR
RCW 81.24.090)	FISCAL YEAR 2008
.....)	

BACKGROUND

- 1 The Commission imposes an annual pipeline safety fee pursuant to RCW 80.24.060 and RCW 81.24.090 to meet the costs of its pipeline safety program. RCW 80.24.060(1) requires that every gas company and every interstate gas pipeline company subject to inspection or enforcement by the Commission must pay an annual pipeline safety fee to the Commission. RCW 80.24.060(1) requires that every hazardous liquid pipeline company as defined in RCW 81.88.010 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.
- 2 RCW 80.24.060(3) and RCW 81.24.090(3) each require the Commission to establish pipeline safety fees prior to July 1 of each year, with the first quarterly payment due on July 1. On June 5, 2007, the Commission mailed invoices to each company showing the total amount of the pipeline fee for fiscal year 2008, and the first quarterly payment amount due July 1, 2007.

FINDINGS OF FACT

- 3 (1) The Commission has determined each company's fiscal 2008 fee pursuant to RCW 80.24.060, WAC 480-93-240 (gas pipeline companies and interstate gas pipeline companies), and WAC 480-75-240 (hazardous liquid pipeline companies).
- 4 (2) First, the Commission adjusts the program cost by the amount of federal funds under or over the estimated amount. For fiscal year 2007, no amount was over or under-collected.
- 5 (3) Second, the Commission deducts from the total program cost (\$2,183,402) the federal funding amount (\$858,409) the commission expects to receive from the Federal Department of Transportation Natural Gas Pipeline and Hazardous Liquids Pipeline Safety Program base grants.

- 6 (4) Third, the Commission allocates overhead cost (\$350,000) to the pipeline program based on each company's percentage of the total pipeline miles within Washington state.
- 7 (5) Fourth, the total remaining program cost (\$974,993) is allocated to each company based on the proportion of a company's share of the program staff hours that are directly attributable to each pipeline company. 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.
- 8 (6) The total fiscal year 2008 fee for each company is the sum of each company's directly assigned overhead cost plus the cost based on the percentage of company's hours. That fee was then divided by four to determine each company's quarterly payment that is due and payable beginning July 1, 2007.
- 9 (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 2008 pipeline safety fee. One quarter of each company's pipeline safety fee will be due and payable no later than July 1, 2007. The remaining quarterly amounts will be due and payable on October 1, 2007, January 1, 2008, and April 1, 2008.
- 10 (8) The Commission attaches to this Order as Exhibit A, the master sheet showing the calculation of the fiscal year 2008 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, 2007.

CONCLUSIONS OF LAW

- 11 (1) The Commission has jurisdiction under RCW 80.24.060 and RCW 81.24.090 to establish pipeline safety fees.
- 12 (2) The pipeline safety fees calculated as described in this Order and shown on Exhibit A are in compliance with RCW 80.24.060 and RCW 81.24.090, and correctly apply the methodology set forth in WAC 480-93-240 and WAC 480-75-240.

ORDER

THE COMMISSION ORDERS:

- 13 (1) The pipeline safety fees to be paid to the Commission for fiscal year 2008 (the period July 1, 2007, through June 30, 2008) under the provisions of RCW

80.24.060 and RCW 81.24.090, 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.

- 14 (2) The fees are payable in quarterly installments according to WAC 480-93-240 and WAC 480-75-240, due and payable July 1, 2007; October 1, 2007; January 1, 2008; and April 1, 2008.
- 15 (3) Pursuant to RCW 80.24.060(7) and RCW 81.24.090(7), 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(5) and WAC 480-75-240(5).

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Olympia, Washington, and effective June 27, 2007.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN, Executive Secretary