STATE OF WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 ● Olympia, Washington 98504-7250

(360) 664-1160 ● www.utc.wa.gov

February 19, 2016

NOTICE OF OPPORTUNITY TO FILE WRITTEN COMMENTS
(By Monday, March 21, 2016)
and
NOTICE OF WORKSHOP
(Set for Wednesday, April 20, 2016, at 9:30 a.m.)

Re: Rulemaking to Consider Amending WAC 480-75-240, Relating to Pipeline Safety Fee
       Methodology, Docket PL-160122

TO ALL INTERESTED PERSONS:

On February 17, 2016, the Washington Utilities and Transportation Commission (Commission) filed with the Code Reviser a Preproposal Statement of Inquiry (CR-101) to consider amending WAC 480-75-240 relating to annual fee setting methodology for hazardous liquid pipeline companies. The Commission filed the CR-101 under Docket PL-160122.

The CR-101, as filed with the Code Reviser, is available for inspection on the Commission's website at www.utc.wa.gov/160122. If you are unable to access the Commission's web page and would like a copy of the CR-101 mailed to you, please contact the Records Center at (360) 664-1234.

Statutory guidance on establishment of pipeline safety fees for hazardous liquid companies is contained in RCW 81.24.090 and requires the Commission to establish a methodology by rule providing for an equitable distribution of program costs among all entities subject to the fee. Further, the statute requires the Commission to recover the cost of administering the pipeline safety program, taking into account federal funds used to offset these costs. Fees established shall be used to generate revenue to operate the safety program but not exceed the appropriated levels of funding for each fiscal year.

Under the original rule (adopted January 2002), a substantial portion of the fees were allocated to each company based on their percentage of the total pipeline miles located in Washington. This rule was substantially modified in 2005 (effective July 1, 2006) wherein the new fee

methodology allocated the program's cost based on effort expended on each company using the program's timekeeping system. Indirect costs (agency overhead) continued to be allocated based on the proportion of pipeline miles.

The Commission is seeking comments from interested persons on several elements of the current rule including:

- Methodology for allocating the annual overhead charge, which does not appear to be equitably spread among companies. This includes consideration of jurisdictional company units that do not have "pipeline miles" (liquefied natural gas facilities).
- Accounting for penalty money collected under the state's dig law (RCW 19.122). This statute was amended in 2011 and penalties collected under this statute are now distributed differently than when the current rule was adopted.
- Master Meter operators, which are jurisdictional to the Commission for safety inspections, are currently not assessed an annual fee.
- Consideration of federal funding (Federal Department of Transportation base grants) proceeds received that are different than those projected in the fee calculation process.

WRITTEN COMMENTS

Written comments on the CR-101 inquiry must be filed with the Commission no later than **5:00 p.m., Monday, March 21, 2016**. The Commission requests that comments be provided in electronic format to enhance public access, for ease of providing comments, to reduce the need for paper copies, and to facilitate quotations from the comments. You may submit comments via the Commission's Web portal at www.utc.wa.gov/e-filing or by electronic mail to the Commission's Records Center at records@utc.wa.gov. Please include:

- The docket number of this proceeding (Docket PL-160122).
- The commenting party's name.
- The title and date of the comment or comments.

An alternative method for submitting comments is mailing or delivering an electronic copy to the Commission's Records Center on a flash drive, DVD, or compact disk including the filed document(s). Parties must furnish electronic copies in MS Word 6.0 (or later) supplemented by a separate file in .pdf (Adobe Acrobat) format. Include all of the information requested above. The Commission will post on its website all comments that are provided in electronic format. The website is located at www.utc.wa.gov/160122.

If you are unable to file your comments electronically, the Commission will accept a paper document. If you have questions regarding this rulemaking, you may contact staff lead, Alan Rathbun at (360) 664-1219, or by email at arathbun@utc.wa.gov.

STAKEHOLDER WORKSHOP

In addition to filing written comments, interested persons are invited to attend a stakeholder workshop on **Wednesday, April 20, 2016, beginning at 9:30 a.m., in Room 206, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington**. At the workshop, Commission staff will review and discuss comments with the stakeholders.

Stakeholders will have further opportunity for comment. Information about the schedule and other aspects of the rulemaking, including comments, will be posted on the Commission's website as it becomes available. If you wish to receive further information on this rulemaking, you may:

- Call the Commission's Records Center at (360) 664-1234
- Email the Commission at records@utc.wa.gov
- Mail written comments to the address below

When contacting the Commission, please refer to Docket PL-160122 to ensure that you are placed on the appropriate service list. The Commission's mailing address is:

Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, WA 98504-7250

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NOTICE

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If you do not want to comment now, but do want to receive future information about this rulemaking, please notify the Executive Director and Secretary in one of the ways described above and ask to be included on the mailing list for Docket PL-160122. If you do not do this, you might not receive further information about this rulemaking.

STEVEN V. KING
Executive Director and Secretary