

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

Establishing Fees to be Paid to the Washington Utilities and Transportation Commission by Gas Companies, Interstate Gas Pipeline Companies, and Hazardous Liquid Pipeline Companies under Provisions of RCW 80.24.060 and RCW 81.24.090

DOCKET P-160804

ORDER 01

ORDER ESTABLISHING
PIPELINE SAFETY FEES FOR
FISCAL YEAR 2017

BACKGROUND

- 1 The Washington Utilities and Transportation Commission (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 81.24.090(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 (gas) and WAC 480-75-240 (hazardous liquid).
- 2 The fees set by the Commission are paid quarterly, beginning September 1 of each year. In accordance with WAC 480-93-240 (4) and WAC 480-75-240 (4), the Commission mailed invoices to each company on August 1, 2016 showing the total amount of the pipeline fee for fiscal year 2017, and the first quarterly payment amount due September 1, 2016.

FINDINGS OF FACT

- 3 (1) The Commission has determined each company's fiscal 2017 fee pursuant to RCW 80.24.060 and WAC 480-93-240 (gas pipeline companies and interstate gas pipeline companies), and RCW 81.24.090 and WAC 480-75-240 (hazardous liquid pipeline companies).
- 4 (2) The Commission deducts from the total program cost (\$2,580,000) the federal funding amount (\$1,416,469) the Commission received from the Federal

Department of Transportation Natural Gas Pipeline and Hazardous Liquid Pipeline Safety Program base grants, and the damage prevention penalty collection amount (\$26,000) the Commission received during calendar year 2015.

- 5 (3) Third, the Commission allocates overhead cost (\$398,829) to the pipeline program based on each company's percentage of the total pipeline miles within Washington State.
- 6 (4) Fourth, the Commission allocates the total remaining program cost (\$738,702) 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. The Commission determines each company's hours 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.
- 7 (5) The total fiscal year 2017 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. The Commission divides the fee by four to determine each company's quarterly payment that is due and payable beginning September 1, 2016.
- 8 (6) The Commission has considered all monies on hand, the fees currently to be paid, and other anticipated revenues and credits, and enters this Order to establish the fiscal year 2017 pipeline safety fee. One quarter of each company's pipeline safety fee will be due and payable no later than September 1, 2016. The remaining quarterly amounts will be due and payable on or before December 1, 2016, March 1, 2017, and June 1, 2017.
- 9 (7) The Commission attaches to this Order as Exhibit A, the master sheet showing the calculation of the fiscal year 2017 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 September 1, 2016.

CONCLUSIONS OF LAW

- 10 (1) The Commission has jurisdiction under RCW 80.24.060 and RCW 81.24.090 to establish pipeline safety fees.

- 11 (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:

- 12 (1) The pipeline safety fees to be paid to the Commission for fiscal year 2017 (the period July 1, 2016, through June 30, 2017) 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.
- 13 (2) The fees are payable in quarterly installments according to WAC 480-93-240 and WAC 480-75-240, due and payable on or before September 1, 2016; December 1, 2016; March 1, 2017; and June 1, 2017.
- 14 (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 must 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(6) and WAC 480-75-240(6).

The Commissioners, having determined the fee for 2017, directed the Executive Director and Secretary to issue this Order.

DATED at Olympia, Washington, and effective August 4, 2016.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

STEVEN V. KING, Executive Director and Secretary