WAC 480-93-240 Annual pipeline safety fee methodology. (1) Every gas company and every interstate gas 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.~~quarter.

(a) The total of pipeline safety fees will be calculated to recover 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 Natural Gas Pipeline Safety Program base grant.~~Transportation. 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 actual grant proceeds are different than the amount used to calculate pipeline safety fees, the difference will be applied in the following year.

(b) Total pipeline fees as determined in subsection (a) will be ~~divided between gas companies and interstate gas 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 gas companies and interstate gas pipeline companies will be based on miles of transmission lines as defined in WAC 480-93-005(18) and miles of main as defined in WAC 480-93-005(12) operated within Washington state.~~

(i) 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 commission's annual pipeline safety program allotment will be allocated among companies in proportion to each company's share of the program staff hours that are directly assigned to particular companies. The commission will determine each company's share by dividing the total hours directly assigned to the company during the two preceding fiscal years (as reflected in the program's timekeeping system) by the total of directly assigned hours for all companies over the same period.

(c) In order to ease the transition to the fee allocation method set out in this rule, a 25 percent cap on fee increases, as described in this subsection, will apply until fees are set for the 2009 fiscal year. No company's annual fee shall increase by more than 25 percent above that company's fee for the previous year, except to the extent an overall increase in fees is necessary due to an increase in the commission's annual pipeline safety allotment of its biennial appropriation. After applying the methodology described in subsection (a) and (b) and accounting for any increase in the commission's annual appropriation, fees will be adjusted by redirecting amounts from those companies whose fees would otherwise increase by more than 25 percent to those companies with fee decreases and initial fee increases of less than 25 percent. Only companies that qualify for this cap on fee increases when fees are set for the 2006 fiscal year and that continue to qualify in each subsequent year will receive this adjustment.

~~(c)~~ (d) The commission general order setting fees pursuant to this rule will detail the specific calculation of each company's pipeline safety fee including the allocation of ~~program costs between gas companies and interstate gas pipeline companies, and the specific calculation of each company's pipeline safety fee~~ the commission's annual overhead charge to the program based on the relative number of pipeline miles, the allocation of the remaining appropriation in proportion to the relative hours directly assigned to each company and the application of any fee adjustments.

(3) By April 1 of each year every gas company and every interstate gas 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 80.24.010, 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 must 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.

[Statutory Authority: RCW 80.01.040, 80.04.160, 81.04.160 and 2001 c 238 § 2. 02-03-016 (Docket No. UG-010522, General Order No. R-497), § 480-93-240, filed 1/4/02, effective 2/4/02.]