Agenda Date: February 23, 2017

Item Number: A1

**Docket: A-140166**

Industries: All

Staff: Sean Bennett, Regulatory Analyst

# Recommendation

Issue an order requiring each regulated company to pay the applicable regulatory fees listed in Appendix A unless and until the commission changes those fees in a future order. Appendix A increases regulatory fees for solid waste collection companies from 0.4275 percent to 0.51 percent of gross operating revenue and maintains regulatory fees for all other industries.

# Background

RCW Title 80 and RCW Title 81 authorize the Washington Utilities and Transportation Commission (commission) to set and impose regulatory fees sufficient to pay the reasonable costs of supervising and regulating public service companies subject to commission jurisdiction.

The commission considers the funds available in the public service revolving fund when setting or determining whether to change the amount of regulatory fees. Historically, the commission set the amount of these regulatory fees periodically by separate order for each regulated industry. In 2014, the commission determined that setting regulatory fees for all industries in one docket would conserve commission time and resources.

# Discussion

Commission staff (staff) recently conducted a review of all individual industry accounts in the public service revolving fund and calculated the approximate amounts required to fund commission operations. Staff recommends setting or maintaining regulatory fees at the maximum amounts authorized by statute except in the case of solid waste collection companies, motor carriers other than household goods carriers, and low level radioactive waste companies. Fees in the Solid Waste industry have been below the expenditures for regulation for four of the last five years. The last time the commission increased the Solid Waste Regulatory fee was 2011. Based on its review, staff finds that regulatory fees for solid waste collection companies should increase proportionate to the costs the commission incurs to regulate that industry. Appendix A increases regulatory fees for solid waste collection companies from 0.4275 percent to 0.51 percent of gross operating revenue.

**Conclusion**

Staff recommends that the commission set regulatory fees in the amounts specified in Appendix A, Docket A-140166, and that those fees remain at those levels unless and until the commission changes them by future order.

**APPENDIX A**

**Annual Regulatory Fees**

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| --- | --- |
| Wastewater Companies  *RCW 80.04.580* | None established at this time. |
| Electric, Gas, Water, Telecommunications, and Irrigation Companies  *RCW 80.24.010 / WAC 480-100-252 (electric) / WAC 480-90-252 (gas) / WAC 480-110-505 (water) / WAC 480-120-382 and -385 (telecomm)* | 0.1% (.001) of the first fifty thousand dollars of gross operating revenue, plus 0.2% (.002) of any gross operating revenue in excess of fifty thousand dollars. |
| Petroleum Pipelines  *RCW 81.24.010 / WAC 480-73-160* | 0.1% (.001) of the first fifty thousand dollars of gross operating revenue, plus 0.2% (.002) of any gross operating revenue in excess of fifty thousand dollars. |
| Railroad Companies  *RCW 81.24.010 / WAC 480-62-300* | Class I companies and companies that haul crude oil:  2.5% (.025) of intrastate gross operating revenues.  Class II/III companies that do not haul crude oil:  1.5% (.015) of intrastate gross operating revenues.[[1]](#footnote-2) |
| Auto Transportation Companies  *RCW 81.24.020 / WAC 480-30-076(1)* | 0.4% (.004) of the amount of gross operating revenue from intrastate operations, with a minimum fee of $20 AND a fee waiver for companies earning less than $5,000 annually. |
| Commercial Ferries  *RCW 81.24.030 / WAC 480-51-100* | 0.4% (.004) of the amount of gross operating revenue from intrastate operations. |
| Special Needs Transportation Companies  *RCW 81.66.030 / WAC 480-31-080* | $10 per vehicle. |
| Charter and Excursion Service Companies  *RCW 81.70.350 / WAC 480-30-076(2)* | $25 per vehicle, with a minimum fee of $25. |
| Solid Waste Collection Companies  *RCW 81.77.080 / WAC 480-70-076* | 0.51% (.0051) of the amount of gross operating revenue.[[2]](#footnote-3) |
| Motor Carriers – Household Goods Carriers  *RCW 81.80.321 / WAC 480-14-150 and WAC 480-15-480* | 0.25% (0.0025) of the gross income from intrastate (Washington) operations, based on the previous calendar year’s operations. |
| Motor Carriers – All Others  *RCW 81.80.321 / WAC 480-14-150* | Zero.[[3]](#footnote-4) |
| Low Level Radioactive Waste Companies  *RCW 81.108.090 / WAC 480-92-050* | Zero.[[4]](#footnote-5) |

1. 1Railroad companies seeking a fee exemption as a nonprofit charitable organization under federal revenue code section 501(c)(3) must file a letter with the commission. [↑](#footnote-ref-2)
2. This is a reduction from the statutory maximum regulatory fee for solid waste collection companies of one percent (.01) of the amount of gross operating revenue. [↑](#footnote-ref-3)
3. Motor carriers (other than household goods carriers) participate in and pay all required fees through the nationwide Uniform Carrier Registration (UCR) program. Therefore, the commission does not impose any additional regulatory fees on this industry. [↑](#footnote-ref-4)
4. The statutory maximum regulatory fee for low level radioactive waste companies is one percent (.01) of the amount of gross operating revenue, exclusive of site surveillance fees, perpetual care and maintenance fees, site closure fees, and state or federally imposed out-of-region surcharges. The commission currently incurs minimal costs to regulate this industry and thus does not impose any regulatory fees on the sole company the commission regulates. [↑](#footnote-ref-5)