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1 Department of Public Safety

2 Office of Pipeline Safety

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4 Adopted Permanent Rules Relating to Pipeline Safety Funding

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6 Rules as Adopted

7 7530.5010 GENERAL.

8 Parts 7530.5010 to 7530.5060 set the standards and
9 procedures necessary to implement Minnesota Statutes, sections
10 299F.631 and 299J.12. Parts 7530.5010 to 7530.5060 only apply
11 to pipeline operators subject to the jurisdiction of the
12 Minnesota Office of Pipeline Safety under Minnesota Statutes,
13 sections 299F.56 to 299F.641 and, for federal pipeline safety
14 inspection purposes only, interstate pipeline operators subject
15 to inspection by the office acting in its capacity as an
16 interstate agent under Minnesota Statutes, chapter 299J.

17 7530.5020 DEFINITIONS.

18 Subpart 1. **Scope.** For purposes of parts 7530.5010 to
19 7530.5060, the following terms have the meanings given them in
20 this part.

21 Subp. 2. **Director.** "Director" means the Director of the
22 Minnesota Office of Pipeline Safety, acting directly or through
23 an authorized agent.

24 Subp. 3. **Inspection expenses.** "Inspection expenses" means
25 salary, fringe benefit, and travel expenses of pipeline safety
26 inspectors in conducting an inspection, preparing to conduct an
27 inspection, preparing reports or orders to document an
28 inspection, and reviewing operator responses.

29 Subp. 4. **Investigation expenses.** "Investigation expenses"
30 means salary, fringe benefit, and travel expenses of pipeline
31 safety inspectors in conducting an investigation, preparing to
32 conduct an investigation, preparing reports or orders to
33 document an investigation, and reviewing operator responses.

34 Subp. 5. **Office.** "Office" means the Minnesota Office of
35 Pipeline Safety, acting directly or through authorized agents.

1 Subp. 6. **Per meter assessments.** "Per meter assessments"
2 means the assessments of intrastate gas distribution operators
3 and of intrastate liquefied petroleum gas distribution operators
4 made under Minnesota Statutes, section 299F.631, subdivision 2,
5 paragraph (b), by the office.

6 Subp. 7. **Quarter.** "Quarter" means the three-month period
7 ending March 31, June 30, September 30, or December 31.

8 7530.5030 PER METER ASSESSMENTS.

9 Subpart 1. **Calculation of total expenses; limitation.** To
10 calculate per meter assessments for a quarter, the office shall
11 first calculate the total inspection expenses incurred during
12 that quarter in conducting routine maintenance and operation
13 inspections of pipeline facilities of intrastate gas
14 distribution operators and intrastate liquefied petroleum gas
15 distribution operators. This total may not include inspection
16 or investigation expenses incurred by the office in conducting
17 inspections or investigations of interstate pipeline facilities
18 or inspections or investigations listed in Minnesota Statutes,
19 section 299F.631, subdivision 2, paragraph (a), clauses (2) to
20 (6).

21 Subp. 2. **Method of assessment.** The office shall assess
22 intrastate gas distribution operators and intrastate liquefied
23 petroleum gas distribution operators a pro rata share of the
24 total inspection expenses calculated under subpart 1. The pro
25 rata share for an operator must be based on the number of meters
26 in service by that operator on the preceding December 31. A
27 liquefied petroleum gas operator is considered to have one meter
28 in service for each unmetered individual service line on the
29 preceding December 31.

30 7530.5040 DIRECT CHARGES.

31 This part applies to both intrastate and interstate
32 pipeline operators. The office shall directly charge a pipeline
33 operator for inspection or investigation expenses incurred in
34 performing an inspection or investigation of a pipeline facility
35 of the operator, unless the inspection or investigation expenses

1 are included in the calculations for intrastate operators under
2 part 7530.5030, subpart 1. The office shall assess these
3 charges each quarter.

4 7530.5050 SUPPORT COSTS.

5 Subpart 1. **Definition.** "Support costs" means the
6 expenses, including indirect costs, incurred by the office for
7 operating the office that are not recovered as per meter
8 assessments under part 7530.5030, or as direct charges under
9 part 7530.5040.

10 Subp. 2. **Reductions.** Support costs must be reduced by the
11 amounts listed in items A and B. This reduction must be done
12 before the distribution under subpart 3 is made.

13 A. Support costs must be reduced by the amount of
14 federal reimbursements received by the office.

15 B. Support costs must be reduced by the amount of
16 civil penalties collected under Minnesota Statutes, section
17 216D.08.

18 Subp. 3. **Support cost split.** Support costs not
19 distributed or reduced by the operation of subparts 1 and 2 must
20 be proportionately distributed among six categories: intrastate
21 gas distribution and intrastate liquefied petroleum gas
22 distribution operators, liquefied natural gas operators,
23 intrastate hazardous liquid operators, intrastate gas
24 transmission operators, interstate hazardous liquid operators,
25 and interstate natural gas operators. The proportion must be
26 based on inspector hours spent that quarter on each category of
27 operator by the office.

28 Subp. 4. **Method of assessment.** Support costs for a
29 quarter must be assessed against pipeline operators in a
30 category according to items A to G.

31 A. An intrastate gas distribution operator or an
32 intrastate liquefied petroleum gas distribution operator must be
33 assessed a pro rata share of the support costs for this category
34 based on the number of meters in service by that operator on the
35 preceding December 31. An operator is considered to have one

1 meter in service for each unmetered individual service line on
2 the preceding December 31.

3 B. The support costs for this category must be
4 divided into equal shares so there is one share for each
5 liquefied natural gas pipeline operator. A liquefied natural
6 gas pipeline operator must be assessed one share.

7 C. An intrastate hazardous liquid pipeline operator
8 must be assessed a portion of the support costs for this
9 category equal to the percentage of the total miles of
10 intrastate hazardous liquid pipeline operated by the pipeline
11 operator.

12 D. An intrastate gas transmission operator must be
13 assessed a portion of the support costs for this category equal
14 to the percentage of the total miles of intrastate gas
15 transmission pipeline operated by the pipeline operator.

16 E. An interstate hazardous liquid pipeline operator
17 must be assessed a portion of the support costs for this
18 category equal to the percentage of the total miles of
19 interstate hazardous liquid pipeline operated by the pipeline
20 operator.

21 F. An interstate natural gas pipeline operator must
22 be assessed a portion of the support costs for this category
23 equal to the percentage of the total miles of interstate natural
24 gas pipeline operated by the pipeline operator.

25 G. A pipeline measurement used for calculating an
26 assessment under this subpart must be the measurement on the
27 preceding December 31. The pipeline measurement must include
28 only miles of pipeline in Minnesota and must be rounded up to
29 the next whole mile.

30 7530.5060 PROCEDURE.

31 Subpart 1. **Assessment form.** No fewer than 30 days after
32 the end of each quarter, the office shall mail to each pipeline
33 operator an assessment indicating the support costs, per meter
34 assessments, and direct charges assessed against that pipeline
35 operator.

1 Subp. 2. **Delinquency fee and interest.** If an operator
2 does not pay an assessment within 60 days after the assessment
3 was mailed, the office shall impose a delinquency fee of not
4 more than ten percent of the assessment and interest at the rate
5 of not more than 15 percent per year on the portion of the
6 assessment not paid. In determining the amount of the
7 delinquency fee and interest imposed by the office under this
8 subpart, the director shall consider the following factors:

9 A. the pipeline operator's ability to pay;

10 B. good faith on the part of the pipeline operator in
11 attempting to pay; and

12 C. the effect of the delinquency fee and interest on
13 the pipeline operator's ability to continue in business.

14 Subp. 3. **Complaint procedure.** A pipeline operator that
15 disagrees with an assessment may file a written complaint with
16 the office within 15 days of the receipt of the assessment. The
17 director shall review each complaint and issue a written
18 determination within a reasonable time affirming, amending, or
19 rescinding the assessment. The pipeline operator may appeal the
20 determination of the director to the commissioner of public
21 safety.

22 A pipeline operator may withhold the amount of assessed
23 charges in dispute while a complaint or appeal is pending. The
24 office shall not assess a delinquency fee or interest on the
25 amount in dispute unless the director determines that the
26 complaint or appeal is solely for the purpose of delay.