

CHAPTER 7530
DEPARTMENT OF PUBLIC SAFETY
OFFICE OF PIPELINE SAFETY
PIPELINE SAFETY ENFORCEMENT AND
SANCTIONS

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7530.5010 GENERAL.

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

Statutory Authority: *MS s 299F.631, 299J.04*

History: *16 SR 2116*

7530.5020 DEFINITIONS.

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

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

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

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

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

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

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

Statutory Authority: *MS s 299F.631; 299J.04*

History: *16 SR 2116*

7530.5030 PER METER ASSESSMENTS.

Subpart 1. **Calculation of total expenses; limitation.** To calculate per meter assessments for a quarter, the office shall first calculate the total inspection expenses incurred during that quarter in conducting routine maintenance and operation inspections of pipeline facilities of intrastate gas distribution operators and intrastate liquefied petroleum gas distribution operators. This total may not

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include inspection or investigation expenses incurred by the office in conducting inspections or investigations of interstate pipeline facilities or inspections or investigations listed in Minnesota Statutes, section 299F.631, subdivision 2, paragraph (a), clauses (2) to (6).

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

Statutory Authority: *MS s 299F.631; 299J.04*

History: *16 SR 2116*

7530.5040 DIRECT CHARGES.

This part applies to both intrastate and interstate pipeline operators. The office shall directly charge a pipeline operator for inspection or investigation expenses incurred in performing an inspection or investigation of a pipeline facility of the operator, unless the inspection or investigation expenses are included in the calculations for intrastate operators under part 7530.5030, subpart 1. The office shall assess these charges each quarter.

Statutory Authority: *MS s 299F.631, 299J.04*

History: *16 SR 2116*

7530.5050 SUPPORT COSTS.

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

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

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

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

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

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

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

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

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

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

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

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

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

Statutory Authority: *MS s 299F.631; 299J.04*

History: *16 SR 2116*

7530.5060 PROCEDURE.

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

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

A. the pipeline operator's ability to pay;

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

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

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

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

Statutory Authority: *MS s 299F.631; 299J.04*

History: *16 SR 2116*