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News

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USDOT Seeks Public Input on Proposed Fee Rate Structure for Underground Gas Storage Facilities

WASHINGTON – The U.S. Department of Transportation’s Pipeline and Hazardous Materials Safety Administration published a [notice](#) in the *Federal Register* requesting public comment on a proposed pipeline user fee assessment and rate structure for Underground Natural Gas Storage Facilities.

The [Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2016](#) (PIPES Act) requires PHMSA to issue new regulations for natural gas storage facilities. The PIPES Act also authorizes PHMSA to impose user fees on operators of underground gas storage facilities to fund an \$8 million Underground Natural Gas Storage Facility Safety Account. The notice proposes a tiered approach to determining the user fee assessment – similar to the user fee rate structure used for Liquefied Natural Gas plants – with larger operators paying a greater share. The authority to collect the fees is subject to appropriations act authority.

“The safety of Underground Natural Gas Storage facilities is one of PHMSA’s top priorities, and this proposed fee structure – in conjunction with a forthcoming interim final rule for these facilities – will provides a consistent and sustainable safety framework for both interstate and intrastate facilities,” said PHMSA Administrator Marie Therese Dominguez.

The Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) authorizes the assessment and collection of user fees to fund certain pipeline safety activities and requires the Secretary of Transportation to establish a fee schedule relative to a given operator’s miles of pipeline, volume-miles, revenues, or an appropriate combination. The PIPES Act added specific language authorizing PHMSA to impose user fees specific to underground gas storage facilities subject to appropriations act authority.

There are approximately 400 interstate and intrastate underground natural gas storage facilities currently in operation in the United States, with more than four trillion cubic feet of natural gas working capacity.

Public comments may be submitted within 60 days of publication of the notice in the *Federal Register*.

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The mission of the Pipeline and Hazardous Materials Safety Administration is to protect people and the environment by advancing the safe transportation of energy and other hazardous materials that are essential to our daily lives. PHMSA develops and enforces regulations for the safe operation of the nation's 2.6 million mile pipeline transportation system and the nearly one million daily shipments of hazardous materials by land, sea, and air. Please visit <http://phmsa.dot.gov> or https://twitter.com/PHMSA_DOT for more information.