

Bodron, Don

From: Sullivan, Faye W [sullifw@unocal.com]
Sent: Tuesday, October 05, 2004 9:37 AM
To: Don_Bodron@dec.state.ak.us
Cc: Bounds, Janet G; atrbovich@hoeflernet.com
Subject: FW: Proposed ADEC Air Permit Fee Schedule

Don,

Unocal is providing the following comments regarding the proposed changes to 18 AAC 50.400 Permit Administration Fees.

1. Under 18 AAC 50.400(a), on or after January 1, 2005, an annual permit administration fee must be paid to the Alaska Department of Environmental Conservation (ADEC). Per Table 8 of the proposed regulation, this fee is comprised of two parts, an Annual Permit Fee and an Annual Compliance Review Fee. The Annual Permit Fee appears to be based on the cost to renew a Title V permit. The actual cost for this function is incurred only once every five years, but the payment for this function is equally divided into a five annual payments. Because many Title V permits are not due for renewal until 2007 or 2008, some of this renewal cost will be paid in advance. The regulations should include provisions for a refund of this advance payment if a permittee decides not to renew a Title V permit.
2. Under 18 AAC 50.401, a retainer payment of \$5,300 is required before ADEC will begin the process to reach a negotiated service agreement for preparing certain permits. Unocal's recent experience with ADEC's processing of minor construction permit changes indicates that this retainer payment is too high and that a retainer payment of \$3,000 is more appropriate. Lowering the retainer payment to \$3,000 does not represent a loss of income to ADEC because ADEC will continue to invoice the applicant once the actual costs exceed the retainer payment. However, lowering the retainer payment to \$3,000 will reduce the number of occasions that ADEC will need to provide a refund to the applicant if a portion of the retainer payment is not needed.
3. Under 18 AAC 50.401, please include specific language that requires the unspent portion of a retainer payment be refunded to the permittee upon issuance of the requested air permit.

Faye W. Sullivan
Regulatory Affairs Coordinator
Phone: 263-7685; Fax: 263-7698
Cell: 223-4419

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