

FEE REPORT FORM

Agency: Bureau of Waste Management
Department of Environmental Protection

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Bureau of Waste Management

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| Fee Collections: | Current and Prior Years | Fiscal Year 2010/11 (Anticipated) | Fiscal Year 2011/12 Projected | Fiscal Year 2012/13 Projected |
|-------------------------|-------------------------|-----------------------------------|-------------------------------|-------------------------------|
| Current – Total | \$0 | \$0 | | |
| Proposed— Total | | | \$100,000 | \$100,000 |

FEE TITLE AND RATE:

Title: Beneficial Use of Coal Ash at Mine Sites Fee Schedule

Current Fee Schedule:

There are no current fees for the beneficial use of coal ash.

Proposed Fee Schedule:

The proposed fees would be in accordance with the following schedule and must accompany an application for the beneficial use of coal ash, and each year thereafter. The fees are as follows:

| CATEGORY | FEE |
|---|------------|
| Yearly Fee from time of application through active ash placement at the mine site | \$2,000 |

At least every 3 years, the Department will recommend regulatory changes to the fees in this section to the Environmental Quality Board (EQB) to address any disparity between the program income generated by the fees and program costs. The regulatory amendment will be based upon an evaluation of the beneficial use of coal ash at mine sites program fees income and the Department's costs of administering the beneficial use of coal ash at mine sites program.

Fee Objective:

The fees have been calculated to cover the reasonable costs to the Department to implement and administer the beneficial use of coal ash at mine sites program as authorized under Section 4(a) of SMCRA (52 P.S. §1396.4(a)).

Fee Related Activities and Costs:

Activities supported by the fees associated with the beneficial use of coal ash at mine sites program include the following:

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- a) On-site sampling of coal ash
- b) Coal ash sample preparation
- c) Coal ash sample analysis
- d) On-site collection of water monitoring samples
- e) Water monitoring sample preparation
- f) Water monitoring sample analysis

Analysis:

Section 4(a) of SMCRA (52 P.S. §1396.4(a)) authorizes the Department to charge and collect a reasonable filing fee from persons submitting applications for a surface mining permit in order to cover the costs of reviewing and administering such permits. These fees are intended to reflect the costs of implementing and administering the beneficial use of coal ash at mine sites program. The beneficial use of coal ash at active mine sites may only be conducted in accordance with a mining permit, and the permit must specifically provide for such use.

The fee amount was calculated as follows. To assure compliance with the waste and mining regulations the Department proposes to sample ash at a mine site an average of two times per year and collect water samples from an average five monitoring points two times per year. The DEP Bureau of Laboratory's cost for analyzing ash is \$450 per sample and their cost for water sample analyses is \$314 per sample. The combined cost of ash sampling and water sampling per mine is \$4,040 per year. The coal mining program is 50% federally funded. Thus the state portion of the sample costs is \$2020, which has been rounded to \$2000 per year.

There are about 50 mine sites that will be impacted by this fee. The estimated cost of the beneficial use of coal ash at mine sites program for the first full fiscal year 2011/2012 is \$100,000 and the projected revenue is \$100,000. Thus the estimated amount collected in revenue covers half the estimated cost of \$200,000 for sample collection with other half being federally funded. The \$2,000 yearly fee for the placement of coal ash at active mine sites is based solely on the cost to prepare and analysis the samples. Field staff time is not accounted for under this proposed fee structure.

Recommendation and Comment:

Approve the proposed draft regulations. A draft of this regulation was presented to the Solid Waste Advisory Committee (SWAC) on March 19th 2009. SWAC reviewed the proposed rulemaking on March 19th 2009 and supported moving the proposed rulemaking forward to the EQB for consideration. A draft of this regulation was also presented to the Mining and Reclamation Advisory Board.