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THE STATE OF NEW HAMPSHIRE

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September 5, 2013

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, NH 03301

Your Excellency and Honorable Councilors:

REQUESTED ACTION

Authorize the New Hampshire Public Utilities Commission (Commission) to accept and expend \$60,652 in federal funds from the United States Department of Transportation, Pipeline and Hazardous Materials Safety Administration (PHMSA) for the purpose of providing oversight and regulatory enforcement of pipeline safety programs, effective upon Governor and Council approval through July 31, 2014. 100% Federal Funds.

These federal funds are to be budgeted in account 02-81-81-810510-87150000 as follows with the authority to adjust encumbrances and appropriations across State Fiscal years with Budget Office approval as needed and justified:

Fiscal Year Summary				
02-81-81-810510-87150000 Safety Suspension Grant				
Class	Description	FY 14	FY 15	TOTAL
40-500800	Indirect Costs	0	0	0
41-500801	Audit Set Aside	61	0	61
50-500109	Personal Services - FT Temporary	31,000	4,000	35,000
60-500601	Benefits	15,491	2,100	17,591
80-500710	Out-of State	7,000	1,000	8,000
Totals:		53,552	7,100	60,652

Source of Funds				
Class	Description	FY 14	FY 15	TOTAL
000-404260	Fed Funds - Gas Pipeline Safety	53,552	7,100	60,652
Totals:		53,552	7,100	60,652

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EXPLANATION

The above request is to accept and expend funds from the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration (PHMSA) as part of PHMSA's suspension of the requirement set out in § 60107(b) of the Pipeline, Inspection, Protection, Enforcement and Safety Act of 2006 that the states maintain their funding contribution at the average of the previous three years. The suspension essentially creates two types of funds for the Commission's Pipeline Safety Program, the federal base grant and supplemental "suspension" funds. The additional amount provided to New Hampshire due to these supplemental funds is \$60,652 in calendar year 2012 (See Attachment 1 NH Allocation under column heading "Grant to State WITHOUT Waiver"). PHMSA's objective in awarding these additional funds is to achieve long-term growth of state programs by increasing federal grant funding in consideration of new federal regulations for Operator Qualification, Distribution Integrity Management, Gas Integrity Management, Liquid Integrity Management and Control Room Management.

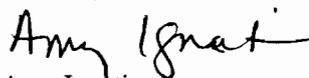
The additional grant funding will be dedicated to the Pipeline Safety Program to support training and travel for participation in standards development committees and pipeline inspections. In addition, the funding will be used to support overall Pipeline Safety near-term and long-term goals and initiatives for both New Hampshire and PHMSA. There will be no additions to staff as a result of accepting these funds. All recoverable indirect costs are budgeted in the base grant.

The Commission is requesting authorization to accept and expend \$60,652 in U.S. Department of Transportation funds and to budget the funds as follows:

- Class 040-500800 Indirect Costs will not be used in the Suspension grant. All recoverable indirect costs are budgeted in the base grant.
- Class 041-500801 Audit Set Aside Fund will be used to cover the 0.1% charge of the \$60,652 awarded in federal grant funds.
- Class 050-500109 Personal Service –Temp/Appoin will be used to allocate a portion of the salaries of current Safety Division employees associated with the Suspension Grant tasks.
- Class 060-500601 Benefits will be used to allocate the benefits of current Safety Division employees associated with the Suspension Grant tasks.
- Class 080-500710 Out-of-State Travel will be used to cover the travel-related costs associated with the Suspension Grant tasks.

In the event that federal funds are no longer available, general funds will not be requested to support these expenditures.

Sincerely,



Amy Ignatius
Chairman

Attachment

YEAR-END PAYMENT INFORMATION

Natural Gas 2012
ALABAMA
ARIZONA
ARKANSAS
CALIFORNIA_PUC
COLORADO
CONNECTICUT
DELAWARE
GEORGIA
IDAHO
ILLINOIS
INDIANA
IOWA
KANSAS
KENTUCKY
LOUISIANA
MAINE
MARYLAND
MASSACHUSETTS
MICHIGAN
MINNESOTA
MISSISSIPPI
MISSOURI
MONTANA
NEBRASKA
NEW HAMPSHIRE
NEW JERSEY
NEW MEXICO
NEW YORK
NORTH CAROLINA
NORTH DAKOTA
OHIO
OKLAHOMA
OREGON
PENNSYLVANIA
PUERTO RICO
RHODE ISLAND
SOUTH DAKOTA
TENNESSEE
TEXAS
UTAH
VERMONT
VIRGINIA
WASHINGTON
WASHINGTON DC
WEST VIRGINIA
WISCONSIN
WYOMING
NG Subtotals

Year-End	Allocation % Funding (with waiver)		
	State Submitted Year-End Costs	Total Federal Funding (MaxPay Final)	Total State Funding (highlighted = no waiver)
\$ 1,037,243.00	\$ 829,794	\$ 207,449	80.00%
\$ 1,516,002.86	\$ 1,201,281	\$ 314,722	79.24%
\$ 635,332.93	\$ 476,246	\$ 159,087	74.96%
\$ 2,930,568.00	\$ 1,882,597	\$ 1,047,971	64.24%
\$ 618,972.82	\$ 482,799	\$ 136,174	78.00%
\$ 893,712.66	\$ 714,970	\$ 178,743	80.00%
\$ 115,390.21	\$ 91,620	\$ 23,770	79.40%
\$ 1,995,654.26	\$ 1,596,523	\$ 399,131	80.00%
\$ 142,745.43	\$ 109,343	\$ 33,402	76.60%
\$ 2,040,111.60	\$ 1,632,089	\$ 408,022	80.00%
\$ 1,167,953.99	\$ 934,363	\$ 233,591	80.00%
\$ 1,006,591.72	\$ 801,247	\$ 205,345	79.60%
\$ 729,097.45	\$ 559,947	\$ 169,151	76.80%
\$ 457,824.69	\$ 365,344	\$ 92,481	79.80%
\$ 1,247,041.61	\$ 990,151	\$ 256,891	79.40%
\$ 262,814.41	\$ 205,311	\$ 57,504	78.12%
\$ 608,930.00	\$ 479,837	\$ 129,093	78.80%
\$ 1,303,217.51	\$ 1,018,595	\$ 284,623	78.16%
\$ 973,797.10	\$ 773,584	\$ 200,213	79.44%
\$ 1,353,159.00	\$ 1,082,527	\$ 270,632	80.00%
\$ 548,216.71	\$ 424,100	\$ 124,116	77.36%
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\$ 142,044.29	\$ 105,113	\$ 36,932	74.00%
\$ 285,859.35	\$ 203,989	\$ 81,870	71.36%
\$ 839,194.00	\$ 650,543	\$ 188,651	77.52%
\$ 459,556.02	\$ 367,645	\$ 91,911	80.00%
\$ 1,096,556.00	\$ 872,859	\$ 223,697	79.60%
\$ 702,738.00	\$ 546,730	\$ 156,008	77.80%
\$ 3,515,753.16	\$ 2,667,753	\$ 848,000	75.88%
\$ 629,961.66	\$ 471,211	\$ 158,750	74.80%
\$ 107,933.50	\$ 85,613	\$ 22,321	79.32%
\$ 1,306,215.14	\$ 982,274	\$ 323,941	75.20%
\$ 1,405,197.80	\$ 1,121,348	\$ 283,850	79.80%
\$ 613,146.05	\$ 489,291	\$ 123,856	79.80%
\$ 1,160,485.22	\$ 888,932	\$ 271,554	76.60%
\$ 170,662.34	\$ 115,709	\$ 54,953	67.80%
\$ 117,368.06	\$ 93,378	\$ 23,990	79.56%
\$ 277,533.00	\$ 222,026	\$ 55,507	80.00%
\$ 688,915.01	\$ 551,132	\$ 137,783	80.00%
\$ 4,420,798.98	\$ 3,483,590	\$ 937,209	78.80%
\$ 371,141.65	\$ 281,919	\$ 89,222	75.96%
\$ 166,047.29	\$ 129,650	\$ 36,398	78.08%
\$ 1,691,266.00	\$ 1,339,483	\$ 351,783	79.20%
\$ 1,589,424.00	\$ 1,253,102	\$ 336,322	78.84%
\$ 294,046.75	\$ 233,356	\$ 60,691	79.36%
\$ 506,233.48	\$ 383,927	\$ 122,306	75.84%
\$ 503,215.74	\$ 352,251	\$ 150,965	70.00%
\$ 213,405.81	\$ 170,725	\$ 42,681	80.00%
\$ 44,859,076.26	\$ 34,715,816	\$ 10,143,260	

3-Year Average Funding Data			
3-Year Average State Contribution	Additional Waiver	Federal Waiver	Federal Waiver
\$ 391,928	\$ 184,479	\$ 645,315	62.21%
\$ 460,750	\$ 146,028	\$ 1,055,252	69.61%
\$ 252,056	\$ 92,969	\$ 383,277	60.33%
\$ 756,472	\$ -	\$ 1,882,597	64.24%
\$ 185,904	\$ 49,730	\$ 433,069	69.97%
\$ 223,424	\$ 44,682	\$ 670,288	75.00%
\$ 44,849	\$ 21,079	\$ 70,541	61.13%
\$ 466,595	\$ 67,464	\$ 1,529,059	76.62%
\$ 76,703	\$ 43,301	\$ 66,042	46.27%
\$ 425,756	\$ 17,734	\$ 1,614,356	79.13%
\$ 382,062	\$ 148,471	\$ 785,892	67.29%
\$ 185,091	\$ -	\$ 801,247	79.60%
\$ 192,665	\$ 23,515	\$ 536,432	73.57%
\$ 151,669	\$ 59,189	\$ 306,155	66.87%
\$ 334,154	\$ 77,263	\$ 912,888	73.20%
\$ 80,104	\$ 22,600	\$ 182,711	69.52%
\$ 163,455	\$ 34,361	\$ 445,475	73.16%
\$ 352,479	\$ 67,856	\$ 950,739	72.95%
\$ 355,680	\$ 155,467	\$ 618,117	63.47%
\$ 463,967	\$ 193,335	\$ 889,192	65.71%
\$ 164,411	\$ 40,295	\$ 383,806	70.01%
\$ 246,310	\$ -	\$ -	
\$ 29,059	\$ -	\$ 105,113	74.00%
\$ 83,534	\$ 1,663	\$ 202,326	70.78%
\$ 385,479	\$ 196,828	\$ 453,715	54.07%
\$ 152,563	\$ 60,652	\$ 306,993	66.80%
\$ 275,556	\$ 51,859	\$ 821,000	74.87%
\$ 241,040	\$ 85,032	\$ 461,698	65.70%
\$ 1,012,988	\$ 164,988	\$ 2,502,765	71.19%
\$ 163,714	\$ 4,964	\$ 466,247	74.01%
\$ 29,311	\$ 6,991	\$ 78,622	72.84%
\$ 317,583	\$ -	\$ 982,274	75.20%
\$ 326,222	\$ 42,372	\$ 1,078,976	76.78%
\$ 182,874	\$ 59,018	\$ 430,272	70.17%
\$ 364,564	\$ 93,010	\$ 795,921	68.59%
\$ 84,557	\$ 29,604	\$ 86,105	50.45%
\$ 52,373	\$ 28,383	\$ 64,995	55.38%
\$ 80,549	\$ 25,042	\$ 196,984	70.98%
\$ 173,878	\$ 36,095	\$ 515,037	74.76%
\$ 1,287,721	\$ 350,511	\$ 3,133,078	70.87%
\$ 146,392	\$ 57,169	\$ 224,750	60.56%
\$ 50,150	\$ 13,752	\$ 115,898	69.80%
\$ 409,181	\$ 57,398	\$ 1,282,085	75.81%
\$ 549,820	\$ 213,498	\$ 1,039,604	65.41%
\$ 78,722	\$ 18,031	\$ 215,324	73.23%
\$ 151,740	\$ 29,434	\$ 354,493	70.03%
\$ 212,195	\$ 61,230	\$ 291,021	57.83%
\$ 53,552	\$ 10,871	\$ 159,854	74.91%
\$ 13,251,801	\$ 3,188,214	\$ 31,527,602	