

**PUBLIC SERVICE COMMISSION**  
**TESTING AND SAFETY DIVISION**  
**MEMORANDUM**

**TO:** Commissioners Cramer, Clark, and Kalk  
Darrell Nitschke, Executive Secretary

**FROM:** Alan Moch, Director  
Testing and Safety Division

**DATE:** April 13, 2009

**RE:** 2009 Damage Prevention Grant Awards

On November 19, 2008, the Commission submitted a Damage Prevention Grant to PHMSA in the amount of \$100,00. On March 30, 2009, I received a letter from Warren Osterberg, PHMSA Contracting Officer, stating that North Dakota's application was "not among those selected for further consideration."

This morning I hosted a conference call with PHMSA to "debrief" me regarding the reasons why our grant was not chosen to receive funding. Gloria Geiger also attended the conference. They gave the following reasons as to what the application seemed to show to the review committee:

- ◆ The Damage Prevention Plan was only a draft (it was not adopted nor was a date given for its future adoption).
- ◆ We did not detail what we have done to implement the nine elements of damage prevention in North Dakota prior to November 2008.
- ◆ The specifics regarding what we intended to do with the award as stated within our Plan were vague.

This was an "all or nothing" award. Only 15 awards were possible (\$1.5M budgeted). PHMSA received more than 15 applications, with less than 15 applications awarded (North Dakota was not the only State that failed to receive a grant award).

The next application period will occur sometime in July 2009.

If anyone has any questions, or if you wish this item to appear on a future Admin Agenda, please contact me.

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c: Legal  
Accounting  
Hanson