



U.S. Department  
of Transportation  
**Pipeline and Hazardous  
Materials Safety  
Administration**

1200 New Jersey Avenue SE  
Washington DC 20590

# Pipeline Safety

## 2011 Natural Gas Year End Payment Request

for

**NORTH DAKOTA PUBLIC SERVICE COMMISSION**

**Please follow the directions listed below:**

1. Review the entire document for completeness.
2. Review and have an authorized signatory sign the top of the second page of the SF-270 document, Block 13.
3. Fasten all pages with a paper or binder clip - no staples please as this package will be scanned upon it's arrival at PHMSA
4. Mail the entire document, including this cover page to the following:

**ATTN: Gwendolyn M. Hill  
U.S. Department of Transportation  
Pipeline & Hazardous Materials Safety Administration  
Pipeline Safety, PHP-50  
1200 New Jersey Avenue, SE Second Floor E22-321  
Washington, D.C. 20590**

### FedSTAR Information

Electronic Submission Date: 2/27/2012 9:09:13 AM

11 **GS-10-591** Filed: 2/27/2012 Pages: 9  
2011 Natural gas year end payment request

Public Service Commission

# REQUEST FOR ADVANCE OR REIMBURSEMENT

*(See instructions on back)*

OMB APPROVAL NO. PAGE \_\_\_\_\_ OF \_\_\_\_\_  
0348-0004

1. TYPE OF PAYMENT REQUESTED	a. "X" one or both boxes <input type="checkbox"/> ADVANCE <input checked="" type="checkbox"/> REIMBURSEMENT	BASIS OF REQUEST <input checked="" type="checkbox"/> CASH <input type="checkbox"/> ACCRUAL
	b. "X" the applicable box <input checked="" type="checkbox"/> FINAL <input type="checkbox"/> PARTIAL	

3. FEDERAL SPONSORING AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH THIS REPORT IS SUBMITTED  DOT/PHMSA/Office of the Pipeline Safety	4. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY  DTPH56-11-G-PHPG31	5. PARTIAL PAYMENT REQUEST NUMBER FOR THIS REQUEST
--	---	--

6. EMPLOYER IDENTIFICATION NUMBER 45-0309764	7. RECIPIENTS ACCOUNT NUMBER OR IDENTIFYING NUMBER	8. PERIOD COVERED BY THIS REQUEST	
		FROM (month, day, year) 01/01/2011	TO (month, day, year) 12/31/2011

9. RECIPIENT ORGANIZATION  Name: NORTH DAKOTA PUBLIC SERVICE COMMISSION  Number and Street: 600 E. BOULEVARD DEPARTMENT 408,  City, State and ZIP Code: Bismarck, ND, 58505-0408	10. PAYEE (Where check is to be sent if different then item 9)  Name: NORTH DAKOTA PUBLIC SERVICE COMMISSION  Number and Street: 600 E Boulevard - Dept 408  City, State and ZIP Code: Bismarck, ND 58505-0480
--	--

**11. COMPUTATION OF AMOUNT OF REIMBURSEMENTS/ADVANCES REQUESTED**

PROGRAMS/FUNCTIONS/ACTIVITIES	(a) Direct Costs	(b) Indirect Costs	(c)	TOTAL
a. Total program outlays to date <i>(As of date)</i>	\$115,147.02	\$21,533.22		\$136,680.24
b. Less: Cumulative program income	\$0.00	\$0.00		\$0.00
c. Net program outlays (Line a minus line b)	\$115,147.02	\$21,533.22		\$136,680.24
d. Estimated net cash outlays for advance period	\$0.00	\$0.00		\$0.00
e. Total (Sum of line c & d)	\$115,147.02	\$21,533.22		\$136,680.24
f. Non-Federal share of amount on line e	\$24,825.70	\$4,642.56		\$29,468.26
g. Federal share of amount on line e	\$90,321.32	\$16,890.66		\$107,211.98
h. Federal Payments previously requested	\$0.00	\$0.00		\$0.00
i. Federal share now requested (Line g minus line h)	\$90,321.32	\$16,890.66		\$107,211.98
j. Advances required by month, when requested by Federal grantor agency for use in making prescheduled advances	1st month	\$0.00	\$0.00	\$0.00
	2nd month	\$0.00	\$0.00	\$0.00
	3rd month	\$0.00	\$0.00	\$0.00

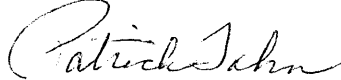
**12. ALTERNATE COMPUTATION FOR ADVANCES ONLY**

a. Estimated Federal cash outlays that will be made during period covered by the advance	
b. Less: Estimated balance of Federal cash on hand as of beginning of advance period	
c. Amount requested (Line a minus line b)	

**CERTIFICATION**

I certify that to the best of my knowledge and belief the data on the reverse are correct and that all outlays were made in accordance with the grant conditions or other agreement and that payment is due and has not been previously requested

SIGNATURE OR AUTHORIZED CERTIFYING OFFICIAL



DATE REQUEST SUBMITTED

2/27/2012

TYPED OR PRINTED NAME AND TITLE

Patrick Fahn, Director, Compliance and Competitive Markets

TELEPHONE (AREA CODE, NUMBER, EXTENSION)

701-328-4077 -

This space for agency use

Public reporting burden for this collection of information is estimated to average 60 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0004), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

**INSTRUCTIONS**

Please type or print legibly. Items 1, 3, 5, 9, 10, 11e, 11f, 11g, 11i, 12 and 13 are self-explanatory; specific instructions for other items are as follows:

Item                      Entry

- 2 Indicate whether request is prepared on cash or accrued expenditure basis. All requests for advances shall be prepared on a cash basis.
- 4 Enter the Federal grant number, or other identifying number assigned by the federal sponsoring agency. If the advance or reimbursement is for more than one grant or other agreement, insert N/A; then, show the aggregate amounts. On a separate sheet, list each grant or agreement number and the Federal share of outlays made against the grant or agreement.
- 4 Enter the employer identification number assigned by the U.S. Internal Revenue Service, or the FICE (institution) code if requested by the Federal agency.
- 7 This space is reserved for an account number or other identifying number that may be assigned by the recipient.
- 8 Enter the month, day, and year for the beginning and ending of the period covered in this request. If the request is for an advance or for both an advance and reimbursement, show the period that the advance will cover. If the request is for reimbursement, show the period for which the reimbursement is requested.

The Federal sponsoring agencies have the opinion of requiring recipients to complete items 11 or 12, but not both. Item 12 should be used when only a minimum amount of information is needed to make an advance and outlay information contained in item 11 can be obtained in a timely manner from other reports.

- 11 The purpose of the vertical columns (a), (b), and (c) is to provide space for separate cost breakdowns when a project has been planned and budgeted by program, function, or

Item                      Entry

- activity. If additional columns are needed, use as many additional forms as needed and indicate page number in space provided in upper right; however, the summary totals of all programs, functions, or activities should be shown in the "total" column on the first page.
- 11a Enter in "as of date," the month, day, and year of the ending of the accounting period to which this amount applies. Enter program outlays to date (net of refunds, rebates, and discounts), in the appropriate columns. For requests prepared on a cash basis, outlays are the sum of actual cash disbursements for goods and services, the amount of indirect expenses charged, the value of in-kind contributions applied, and the amount of cash advances and payments made to subcontractors and subrecipients. For requests prepared on an accrued expenditure basis, outlays are the sum of the actual cash disbursements, the amount of indirect expenses incurred, and the net increase (or decrease) in the amounts owed by the recipient for goods and other property received and for services performed by employees, contracts, subgrantees and other payees.
- 11b Enter the cumulative cash income received to date, if requests are prepared on a cash basis. For requests prepared on an accrued expenditure basis, enter the cumulative income earned to date. Under either basis, enter only the amount applicable to program income that was required to be used for the project or program by the terms of the grant or other agreement.
- 11d Only when making requests for advance payments, enter the total estimated amount of cash outlays that will be made during the period covered by the advance.
- 13 Complete the certification before submitting this request.

## 2011 Natural Gas Year End Payment Request Cost Summary

### DIRECT COSTS

Estimated

Actual

#### Compensation for Personnel Services (A-87 #8)

A.	Supervisory personnel who are directly engaged in the administration of the Pipeline Safety Program	\$9,100.00	\$13,340.72
A1.	Supervisory fringe benefits	\$2,800.00	\$3,947.74
B.	Technical personnel who conduct pipeline safety inspections, failure investigations and review plans, etc.	\$52,100.00	\$43,115.52
B1.	Technical fringe benefits	\$18,700.00	\$17,073.35
C.	Administrative personnel whose duties are directly related to the Pipeline Safety Program.	\$4,600.00	\$2,471.32
C1.	Administrative fringe benefits	\$1,900.00	\$684.89
D.	Damage Prevention/Technical personnel include damage prevention personnel, GIS personnel and other technical personnel directly related to the pipeline safety program	\$0.00	\$1,090.12
D1.	Damage Prevention/Technical fringe	\$0.00	\$430.34

### ACTIVITIES

Audit costs and related services (A-87 #04).....	\$0.00	\$0.00
Communication costs (A-87 #07).....	\$900.00	\$225.12
Maintenance, operations and repairs (A-87 #25).....	\$0.00	\$233.42
Memberships, subscriptions and professional activity costs (A-87 #28)..	\$150.00	\$0.00
Professional services (i.e. Studies and Research) (A-87 #32).....	\$200.00	\$0.00
Publication and printing costs(A-87 #34).....	\$1,200.00	\$1,585.96
Rental costs of building and equipment (A-87 #37).....	\$0.00	\$0.00
Training and Education (A-87 #42).....	\$15,000.00	\$18,159.90
Travel costs (A-87 #43).....	\$18,000.00	\$12,414.35

### MATERIALS

Motor Vehicles (A-87 #15).....	\$0.00	\$0.00
Office Equipment (A-87 #15).....	\$1,500.00	\$0.00
Safety Clothing (A-87 #26).....	\$300.00	\$0.00
Supplies (A-87 #26).....	\$750.00	\$374.27
Testing Equipment(A-87 #15).....	\$0.00	\$0.00

### INDIRECT COSTS (A-87 Attachment C, D, E)

Indirect costs incurred by State Agency(i.e. Public Utilities Commission, Public Service Commission, State Corporation Commission).	\$8,920.00	\$21,533.22
---	------------	-------------

### TOTAL

**\$136,120.00**

**\$136,680.24**

# Pipeline Safety Program Cost Summary Explanations -- Calendar Year 2011

## DIRECT COSTS

### PERSONNEL

#### Supervisory Personnel

After obtaining input from the State Programs Region Director and the State Programs Region Liaison, the North Dakota Gas Pipeline Safety Program revised the allocation of staff time between the supervisory, administrative, technical, and damage prevention cost categories during CY2011. The revision resulted in less staff time (and therefore less salary and fringe benefit cost) allocated to the technical and administrative categories than estimated and more staff time allocated to the supervisory and damage prevention categories than estimated. The estimates provided for CY2012 will also be inaccurate since the allocation revision was made after the time of the CY2012 base grant application.

#### Supervisory Fringe Benefits

After obtaining input from the State Programs Region Director and the State Programs Region Liaison, the North Dakota Gas Pipeline Safety Program revised the allocation of staff time between the supervisory, administrative, technical, and damage prevention cost categories during CY2011. The revision resulted in less staff time (less salary and fringe benefit cost) allocated to the technical and administrative categories and more staff time allocated to supervisory and damage prevention. Since fringe benefits costs are proportional to salary costs, the allocation revisions for CY2011 resulted in lower fringe benefit cost than estimated for the technical and administrative categories and more fringe benefit cost than estimated for the supervisory and damage prevention categories. The estimates provided for CY2012 will also be inaccurate since the allocation revision was made after the time of the CY2012 base grant application.

#### Technical Personnel

After obtaining input from the State Programs Region Director and the State Programs Region Liaison, the North Dakota Gas Pipeline Safety Program revised the allocation of staff time between the supervisory, administrative, technical, and damage prevention cost categories during CY2011. The revision resulted in less staff time (and therefore less salary and fringe benefit cost) allocated to the technical and administrative categories than estimated and more staff time allocated to the supervisory and damage prevention categories than estimated. The estimates provided for CY2012 will also be inaccurate since the allocation revision was made after the time of the CY2012 base grant application.

#### Technical Fringe Benefits

Thresholds not exceeded; therefore an explanation is not needed.

Administrative Personnel

After obtaining input from the State Programs Region Director and the State Programs Region Liaison, the North Dakota Gas Pipeline Safety Program revised the allocation of staff time between the supervisory, administrative, technical, and damage prevention cost categories during CY2011. The revision resulted in less staff time (and therefore less salary and fringe benefit cost) allocated to the technical and administrative categories than estimated and more staff time allocated to the supervisory and damage prevention categories than estimated. The estimates provided for CY2012 will also be inaccurate since the allocation revision was made after the time of the CY2012 base grant application.

Administrative Fringe Benefits

After obtaining input from the State Programs Region Director and the State Programs Region Liaison, the North Dakota Gas Pipeline Safety Program revised the allocation of staff time between the supervisory, administrative, technical, and damage prevention cost categories during CY2011. The revision resulted in less staff time (less salary and fringe benefit cost) allocated to the technical and administrative categories and more staff time allocated to supervisory and damage prevention. Since fringe benefits costs are proportional to salary costs, the allocation revisions for CY2011 resulted in lower fringe benefit cost than estimated for the technical and administrative categories and more fringe benefit cost than estimated for the supervisory and damage prevention categories. The estimates provided for CY2012 will also be inaccurate since the allocation revision was made after the time of the CY2012 base grant application.

Damage Prevention Personnel

After obtaining input from the State Programs Region Director and the State Programs Region Liaison, the North Dakota Gas Pipeline Safety Program revised the allocation of staff time between the supervisory, administrative, technical, and damage prevention cost categories during CY2011. The revision resulted in less staff time (and therefore less salary and fringe benefit cost) allocated to the technical and administrative categories than estimated and more staff time allocated to the supervisory and damage prevention categories than estimated. The estimates provided for CY2012 will also be inaccurate since the allocation revision was made after the time of the CY2012 base grant application. In addition, the estimates provided for CY2012 will be inaccurate due to the additional time spent by the Gas Pipeline Safety Inspector to investigate One Call (damage prevention) violations related to pipelines. The increased excavation activity in western North Dakota has increased the number of damage prevention complaints filed by pipeline operators.



Damage Prevention Fringe Benefits

After obtaining input from the State Programs Region Director and the State Programs Region Liaison, the North Dakota Gas Pipeline Safety Program revised the allocation of staff time between the supervisory, administrative, technical, and damage prevention cost categories during CY2011. The revision resulted in less staff time (less salary and fringe benefit cost) allocated to the technical and administrative categories and more staff time allocated to supervisory and damage prevention. Since fringe benefits costs are proportional to salary costs, the allocation revisions for CY2011 resulted in lower fringe benefit cost than estimated for the technical and administrative categories and more fringe benefit cost than estimated for the supervisory and damage prevention categories. The estimates provided for CY2012 will also be inaccurate since the allocation revision was made after the time of the CY2012 base grant application.

**ACTIVITIES**

Audit

Thresholds not exceeded; therefore an explanation is not needed.

Communication

The estimate for CY 2011 included an amount for two cellular phone service agreements, one for the program manager/gas pipeline safety inspector and one for the Division Director for backup when the gas pipeline safety inspector is on vacation or unable to be reached. The second contracted phone was not purchased until the State of North Dakota switched providers in 2012.

Maintenance, operations and repairs

This cost is for Workers Compensation Insurance Premiums required by the State of North Dakota's Risk Management Division of the Office of Management and Budget. Due the inability to select Insurance and Indemnification, #22, in Title 2: Grants and Agreements Part 225, this cost was placed in Maintenance, Operations, and Repairs, #25 as the only other section that referenced insurance. The only other option was to use a weighted average and allocate across the different salary classification. The concern with this option is that this cost is not compensation or a fringe benefit.

Memberships, subscriptions and professional activities

In CY 2011, the Gas Pipeline Safety Program asumed that the new gas pipeline safety inspector would need to become a member of pipeline organizations or subscribe to publications related to pipeline safety. The organizations and subscriptions he was involve in did not require any cost.

Professional services (i.e. studies and research)

In CY 2011, the Gas Pipeline Safety Program did not use any professional services to conduct any studies or research. The gas pipeline safety inspector conducted his own studies and research for pipeline safety related activities utilizing Commission staff and industry personal.

Publication and Printing

In April 2011 the Commission promoted "Safe Digging Month" by running press releases in daily newspapers. In July, 2011 the Gas Pipeline Safety Program had published a Notice of Intent to Amend Administrative Rules and Notice of Public Hearing, and issue an abbreviated Notice of Intent to Amend Administrative Rules Section 69-09-03-02 Amendments to Gas Pipeline Safety and Notice of Public Hearing in each official county newspaper throughout the state as required by law. The cost of publication was more than anticipated.

Rental costs of building and equipment

Thresholds not exceeded; therefore an explanation is not needed.

Training and Education

In CY 2011, the gas pipeline safety inspector was scheduled to attend six PHMSA TQ required training classes. However, in CY 2011, the gas pipeline safety inspector was enrolled into six additional PHMSA TQ classes, for a total of twelve classes that he attended 2011. These classes are required for lead inspectors before conducting inspections on pipeline operators.

Travel

In CY 2011, we estimated that travel cost would be higher because the gas pipeline safety inspector was telecommuting from his home in Granville. However, in 2011, the gas pipeline safety inspector was able to schedule his inspections to be more efficient by traveling from his home in Granville, therefore travel costs were not as much as estimated.

**MATERIALS**

Motor Vehicles

Thresholds not exceeded; therefore an explanation is not needed.

Office Equipment

For CY2011, the North Dakota Gas Pipeline Safety Program estimated that there would be additional cost for office equipment since the Inspector/Program Manager would be telecommuting from home. However, no additional equipment needed to be purchased in 2011 because the gas pipeline safety inspector was able to utilize equipment that had been used by the previous inspector and other office equipment inventory that became available at the Public Service Commission offices.

Safety Clothing

For CY2011, the Gas Safety Program anticipated that there would be a need to purchase additional safety equipment and clothing to meet the requirements for field inspections of pipeline facilities. Our experience has been that some pipeline operators have more extensive requirements for on-site safety equipment and clothing than other pipeline operators. During CY2011, the gas pipeline safety inspector had discussions with the operators about the operator required safety clothing. Operators stated that they would provide the additional operator required safety clothing at their own facilities.

Supplies

In CY 2011, the gas pipeline safety program estimated cost for office supplies the gas pipeline safety inspector would need because he is telecommuting from his home in Granville. We did purchase a camera in 2011 for the gas pipeline safety inspector to be used while doing inspections. We also utilized the office supplies from the previous inspector.

Testing Equipment

Thresholds not exceeded; therefore an explanation is not needed.

## IndirectCosts

### Indirect

In CY 2011, we used the Provisional Rate of 10% to charge indirect costs to the Gas Pipeline Safety Grant for the first half of CY 2011 expenses. After approval from DOT/PHMSA State Programs, Rex Evans, we used the 20% negotiated rate for the second half of CY 2011. Because the US Dept. of Interior is recognized as the cognizant agent for the ND Public Service Commission (NDPSC), any grant(s) that the NDPSC receives may use the 33.85% rate negotiated with US Dept. of Interior for the applicable time periods. The indirect rate is based on salaries and wages, but the pipeline safety grant from PHMSA caps indirect costs at 20% of total direct costs.

