



U.S. Department of Transportation

Pipeline and Hazardous Materials  
Safety Administration

1200 New Jersey Ave., S.E.  
Washington, D.C. 20590

**RECEIVED**

APR 04 2011

March 29, 2011

**PUBLIC SERVICE COMMISSION**

**TO: THE STATE PIPELINE SAFETY PROGRAM MANAGER**

The requests for the One Call Damage Prevention Grants for CY 2011 totaled \$1,162,898, and the appropriation and carryover from past uncompleted projects total for these grants was \$1,062,000. This resulted in the Pipeline and Hazardous Materials Safety Administration (PHMSA) not being able to provide full funding for all the projects requested under the One Call Damage Prevention Grant.

For distributing the available funding across the proposed projects, PHMSA consulted with and considered recommendations and across-the-board percent reductions provided by the Grant Allocation Committee (GAC) at the February 2011 meeting. The final allocation provides funding at 95.509% for priority 1, 95.005% for priority 2, and 95% for priority 3 of the GAC approved amounts. As you may recall from last year's allocation letter and discussions again with GAC members, we agreed to change the maximum grant requests for each priority to bring States' requests more into line with what they could realistically hope to receive. This change proved to be successful and we will continue to use this suggestion in future One Call application requests.

Below are standard comments applied to grant requests during the PHMSA/GAC scoring process. Based on the comments specific to your grant application, in some cases, you will need to provide further information to PHMSA in carrying out your approved One Call Grant projects. This will include a copy of the draft or final signed contract between the agency and proposed contractor if you listed a cost for contractual services in the budget estimate. Also provided is an attachment summarizing the funds requested, PHMSA/GAC recommendations, and the PHMSA allocation for the One Call Damage Prevention Grant. You can view comments on your State's grant application and action taken in FedSTAR by clicking on the link in the to-do box on the main menu page.

**Standard comments applied to the grant requests:**

- **This activity has been checked and deemed OK.** The project requested fits the One Call program.
- **The One Call Progress Report should include specific data to show effectiveness.** This comment indicates the need for you to report specific data which indicates the effectiveness of this project when you fill out the progress report.

6      **GS-10-616**      Filed: 4/4/2011      Pages: 3  
**Letter re One-Call Damage Prevention Grant  
appropriation and allocation**

U.S. Department of Transportation, Pipeline and Hazardous  
Materials Safety Admin  
Zach Barrett

- **Pipeline personnel and other costs used for this project cannot be included in program costs for Base Grant reimbursement.** This comment indicates the need for you to ensure One Call costs are kept separate from the Base Grant program costs and no double dipping of funds are claimed on both grants.
- **It is required that the State applying for money under this activity provide a contract for this activity to USDOT/Office of Pipeline Safety, State Programs.** This comment indicates you must provide PHMSA with a copy of the draft or final signed contract you are utilizing to perform this project. Electronic copies are to be forwarded to Glynn Blanton (Glynn.Blanton@dot.gov) and Carrie Winslow (Carrie.Winslow@dot.gov), or paper copies can be sent to Carrie Winslow, USDOT/Volpe Center RVT-31, 55 Broadway, Cambridge, MA 02142. The contract will then be reviewed by PHMSA State Programs to determine compliance with 2 CFR 225.
- **If a contractor is used to perform any of these functions, the terms and condition of the contractual arrangement, and the qualification of the contractor, are subject to review by PHMSA.** If you utilize a contract for performance of the requested project, you must provide PHMSA with a copy of the final contract. Electronic copies are to be forwarded to Carrie Winslow (Carrie.Winslow@dot.gov), or paper copies can be sent to Carrie Winslow, USDOT/Volpe Center RVT-31, 55 Broadway, Cambridge, MA 02142. The contract will then be reviewed by PHMSA to determine compliance.
- **Percent (%) penalty** – projects not conforming to requirements as outlined in the instructions may have been reduced by a percentage.
- **Ensure funding sources are not mixed to cause a “double dipping” situation.** This comment applies to those States who applied for funding under the State Damage Prevention (SDP) Grant and indicates the need for you to ensure One Call costs are kept separate from the SDP program costs and no double dipping of funds are claimed on both grants.

**Changing projects or moving funds between projects in the same priority after receiving funds:** If you have requested several projects in the same priority and you do not receive full funding for them, then you may distribute the dollars to all or some of the projects – for example you may have four priority one projects and not get full funding for them all; you can do some of all four projects, if that is feasible, or you can just do two projects that were part of the four. Any funds spent on a project not in the application and which has not been approved by PHMSA will be denied at the time the progress report comes out and your base program year end payment will be reduced by that amount. We request you notify us about this change in project funding by an e-mail message to: Glynn.Blanton@dot.gov.

**Changing projects or moving funds between projects in a different priority after receiving funds:** If due to circumstances beyond your control you are unable to do a listed project(s) and you want to do another project in the same or higher priority you must contact the PHMSA State Program office (Glynn Blanton, 615-730-6417, or Glynn.Blanton@dot.gov). Any funds spent on a project not in the application and which has not been approved by PHMSA will be denied at the time the progress report comes out and your base program year end payment will be reduced by that amount.

**Payment Agreement for the One Call grant.** You will receive notice to file the Payment Agreement through FedSTAR – we are also moving towards an ‘electronic signature’ process to replace the requirement for hard copies to be mailed to PHMSA HQ. You will be able to print and sign, then scan in your hard copy for ‘electronic signature’. We are working on new processes to help eliminate the need for paper to be sent to PHMSA, this function will help us determine where we need to go next to make improvements.

**Because of the need by some applicants to have 12 months to use the funding successfully, we are again extending the period of performance on the 2011 One Call funding from December 31, 2011 to March 30, 2012.** This is an additional three months from previous grant award periods. If you have unspent funds by the end of the calendar year, you will be required to submit a progress report by early January 2012 showing the progress and funds spent on the project(s) as of December 31, 2011. Another report will be due by April 15, 2012, to confirm all funds have been spent by March 30, 2012, making this the final report. If all funds are not spent, the remaining amount will be reduced from the agency’s 2011 Pipeline Safety Program year-end reimbursement request.

We are looking forward to continuing to improve pipeline safety through our One Call Damage Prevention Grants. We appreciate your interest in pipeline safety and this opportunity to partner with you to improve damage prevention safety in your State. Please note we must have a signed copy of your 2011 One Call Application in order to send you grant funds. We will be sending a hard copy of this correspondence for your files. If you have questions regarding this matter please do not hesitate to contact Glynn Blanton of my staff at (615) 730-6417.

Sincerely,

A handwritten signature in black ink, appearing to read 'Zach Barrett', with a long, sweeping underline.

Zach Barrett  
Director State Programs  
Office of Pipeline Safety