



U. S. Department  
of Transportation  
**Research and  
Special Programs  
Administration**

400 Seventh St., S.W.  
Washington, D.C. 20590

**APR 9 2004**

**TO: STATE PIPELINE SAFETY PROGRAM MANAGERS IN STATES PARTICIPATING IN  
THE NATURAL GAS PIPELINE SAFETY GRANT PROGRAM**

The Pipeline Safety Grant allocation for calendar year 2004 reflects a 100 percent performance-based formula and the performance criteria of 100 points. The breakout between the field evaluation and selected information in the certification attachments will be 50-50 percent as used in the previous year. The use of banding scores has been dropped to more accurately reflect program performance. New state programs will automatically be funded at a score of 90 the first three years assuming they are making satisfactory progress in meeting certification requirements-this will provide an adequate cushion for these programs to get established. Programs that are reinstated will be funded at a score of 90 for two years.

The calendar year 2004 appropriation for the combined natural gas and hazardous liquid grant program is **\$19,324,000**. OPS experienced an across the board percentage cut of **\$114,012** in the grant program. Therefore, the 2004 safety grant program was reduced to **\$19,209,988**. Congress determined **\$885,988** of the pipeline safety grant funds be used to support one-call damage prevention notification systems. The total amount assigned to the **Natural Gas** program is **\$16,104,896**. It has been allocated by a method designed to reflect the degree to which a state has met certain goals established by this office. Numeric points are assigned for achieving specific levels of performance based on the information in the 2004 certification packages and the results of the Regional Office program evaluation. A list of the point criteria for Natural Gas (Attachment 1) and a list of state point assignments for the Natural Gas program (Attachment 2) are enclosed. A chart (Attachment 3) showing a list of the Natural Gas request, state points, allocations, and percentages of total program funding are enclosed.

This year the payment agreement will be generated by you through the FedSTAR process. This new process will be available April 15, 2004 and will allow you to print two copies of the payment agreement. Please have both copies signed by an authorized official and return the two copies to OPS for signature. OPS will return an executed copy to you for your records. **The two copies of the payment agreement are due no later than April 30, 2004 to:**

**Ms. Gwendolyn M. Hill  
Office of Pipeline Safety, DPS-20.1  
U.S. Department of Transportation  
400 Seventh Street, S.W. Room 2103  
Washington, D.C. 20590**

Thank you for your participation in the Pipeline Safety Grant Program.  
Sincerely,

/S/

Stacey L. Gerard  
Associate Administrator for Pipeline Safety

Enclosures

**CY 2004 PIPELINE SAFETY GRANT ALLOCATION FORMULA  
STATE PERFORMANCE CRITERIA (NATURAL GAS)**

**I. RATING FROM STATE EVALUATION (50 PERCENT OF SCORE)**

**II. SELECTED INFORMATION FROM STATE CERTIFICATION/AGREEMENT  
(50 PERCENT OF SCORE)**

**A. Extent of Intrastate Safety Jurisdiction (12 POINTS)**

(Certification Attachment 1)

N = Number of operator types over which state has jurisdiction

M = Number of operator types located in state

60105 State:  $N/M \times 12$

60106 State:  $N/M \times 12 \times .5$

Distribution

1. Private
2. Municipal
3. Master Meter
4. LP Gas
5. LNG Plants

Transmission

6. Intrastate
7. Direct Sales

Other

8. Gathering Lines (jurisdictional)
9. Offshore Facilities (state waters)

**B. Inspector Qualifications (8 POINTS)**

(Certification Attachment 7, 7a)

8 – Highest percentage of inspectors in categories I and II

4 – Highest percentage of inspectors in categories I, II and III

0 – Highest percentage of inspectors in categories III, IV and V

**C. Number of Inspection Person-Days (9 POINTS)**

(Certification Attachment 2)

9 – Meets or exceeds the recommended number of inspection person-days

5 – Comes within 25 percent of meeting the recommended number of inspection person-days (achieved 75 percent or above of recommended number).

3 – Meets less than 75 percent but at least 50 percent of the recommended number of inspection person-days (achieved 50 to 75 percent of above of (delete “above of”) recommended number).

0 – Meets less than 50 percent of recommended number of inspection person-days (achieved under 50 percent of recommended number).

**D. State Adoption of Maximum Civil Penalty Requirement (2 POINTS)**

(Certification Attachment 8, Section I, Item 1)

- 2 – Adopted \$100,000/day; up to \$1,000,000
- 1 – Taking steps to adopt (has filed draft legislation)
- 0 – Not Adopted

**E. State Adoption of Applicable Federal Regulations<sup>1</sup> (8 POINTS)**

(Certification Attachment 8, Section I, Items 2, 3, 4, 5, and 6)

- 8 – Adopted within 24 months of effective date (or two general sessions of the state legislature, whichever is longer)
- 5 – Taking steps to adopt (has filed draft legislation)
- 3 – Adopted all regulations within required time frame except one -- where continuing opposition has blocked adoption and state is not presently attempting to adopt.
- 0 – Not adopted within 36 months of effective date.

**F. One-Call System Minimum Requirements under Part 198<sup>2</sup> (8 POINTS)**

(Certification Attachment 8, Section II)

- 1.5 – Mandatory coverage of areas having pipeline facilities
- 0.5 – Qualification for operation of one-call system
- 1.5 – Mandatory excavator notification of one-call center
- 0.5 – State determination whether calls to center are toll free
- 1.5 – Mandatory intrastate pipeline operator participation
- 1.0 – Mandatory operator response to notification
- 1.0 – Mandatory notification of excavators/public
- 0.5 – Civil penalties/injunctive relief substantially same as DOT (\$100,000/\$1,000,000)

**G. State Attendance at NAPS Regional Meeting (3 POINTS)**

(Certification Attachment 8, Section III)

- 3 – Attended full time (lead rep or alternate pipeline program staff)
- 1 – Attended less than full time
- 0 – No one attended

**H. Penalty Points**

- 2 – State CY 2004 Certification not received at OPS HQ by due date
- 4 – points assigned if over 1 month late

<sup>1</sup> Applicable Federal regulation for five year period will be listed in certification attachments

<sup>2</sup> Established under state law by statute, regulation, license, certification, order, or any combination of these legal means.

<b>2004 NATURAL GAS STATE SCORES</b>			
<b>(FROM PERFORMANCE EVALUATION AND CERTIFICATION/AGREEMENT ATTACHMENTS)</b>			
<b>STATE</b>	<b>2002 PERFORMANCE EVALUATION</b>	<b>2003 CERT./AGREEMENT ATTACHMENTS</b>	<b>TOTAL SCORE</b>
ALABAMA	100	50	100
ARIZONA	100	50	100
ARKANSAS	100	50	100
CALIFORNIA_PUC	98	40	89
COLORADO	100	46	96
CONNECTICUT	100	50	100
DELAWARE	96	44	92
FLORIDA_LPG	100	50	100
FLORIDA_PSC	100	50	100
GEORGIA	100	50	100
IDAHO	100	31	81
ILLINOIS	100	50	100
INDIANA	96.2	50	98.1
IOWA	100	50	100
KANSAS	100	50	100
KENTUCKY	100	50	100
LOUISIANA	99	50	99.5
MAINE	100	50	100
MARYLAND	98	46	95
MASSACHUSETTS	100	50	100
MICHIGAN	100	47	97
MINNESOTA	100	50	100
MISSISSIPPI	100	43	93
MISSOURI	100	43	93
MONTANA	100	40	90
NEBRASKA	93	39	85.5
NEVADA	100	46	96
NEW HAMPSHIRE	98	46	95
NEW JERSEY	100	50	100
NEW MEXICO	92	40	86
NEW YORK	98	50	99
NORTH CAROLINA	100	49	99
NORTH DAKOTA	100	49	99
OHIO	99.2	48	97.6
OKLAHOMA	100	48	98

<b>2004 NATURAL GAS STATE SCORES</b>			
<b>(FROM PERFORMANCE EVALUATION AND CERTIFICATION/AGREEMENT ATTACHMENTS)</b>			
<b>STATE</b>	<b>2002 PERFORMANCE EVALUATION</b>	<b>2003 CERT./AGREEMENT ATTACHMENTS</b>	<b>TOTAL SCORE</b>
OREGON	100	44	94
PENNSYLVANIA	96	42	90
PUERTO RICO	95	35	82.5
RHODE ISLAND	97	47	95.5
SOUTH CAROLINA*	100	39	90
SOUTH DAKOTA	95.3	46	93.65
TENNESSEE	96	46	94
TEXAS	100	50	100
UTAH	95	50	97.5
VERMONT	97	42	90.5
VIRGINIA	100	48	98
WASHINGTON	99	48	97.5
WASHINGTON DC	100	50	100
WEST VIRGINIA	99	47	96.5
WISCONSIN	100	48	98
WYOMING	100	50	100

\* Reinstated State programs will automatically be funded based on a score of 90 the first 2 years assuming they are making satisfactory progress.

<b>NATURAL GAS-STATE POINTS</b>									
<b>(FROM CERTIFICATION/AGREEMENT ATTACHMENTS)</b>									
<b>STATE</b>	<b>JURISDICTION (12)</b>	<b>INSPECTOR QUAL. (8)</b>	<b>NUMBER OF INSPECTION PERSON DAYS (9)</b>	<b>STATE ADOPTION OF MAX CIVIL PENALTY REGS. (2)</b>	<b>STATE ADOPTION OF APPLICABLE FED REGS. (8)</b>	<b>ONE-CALL NOTIF. REQMNTS. (8)</b>	<b>ATTENDANCE AT FED/STATE MEETING (3)</b>	<b>PENALTY POINTS (-)</b>	<b>TOTAL</b>
ALABAMA	12	8	9	2	8	8	3	-	50
ARIZONA	12	8	9	2	8	8	3	-	50
ARKANSAS	12	8	9	2	8	8	3	-	50
CALIFORNIA_PUC	8	8	3	2	8	8	3	-	40
COLORADO	12	8	5	2	8	8	3	-	46
CONNECTICUT	12	8	9	2	8	8	3	-	50
DELAWARE	6	8	9	2	8	8	3	-	44
FLORIDA_LPG	12	8	9	2	8	8	3	-	50
FLORIDA_PSC	12	8	9	2	8	8	3	-	50
GEORGIA	12	8	9	2	8	8	3	-	50
IDAHO	9	0	3	1	8	7	3	-	31
ILLINOIS	12	8	9	2	8	8	3	-	50
INDIANA	12	8	9	2	8	8	3	-	50
IOWA	12	8	9	2	8	8	3	-	50
KANSAS	12	8	9	2	8	8	3	-	50
KENTUCKY	12	8	9	2	8	8	3	-	50
LOUISIANA	12	8	9	2	8	8	3	-	50
MAINE	12	8	9	2	8	8	3	-	50
MARYLAND	12	8	5	2	8	8	3	-	46
MASSACHUSETTS	12	8	9	2	8	8	3	-	50
MICHIGAN	12	8	9	2	5	8	3	-	47
MINNESOTA	12	8	9	2	8	8	3	-	50
MISSISSIPPI	12	4	9	0	8	7	3	-	43
MISSOURI	10	8	5	1	8	8	3	-	43
MONTANA	12	8	0	2	8	7	3	-	40
NEBRASKA	12	0	9	2	5	8	3	-	39
NEVADA	12	8	9	1	5	8	3	-	46

<b>NATURAL GAS-STATE POINTS</b>									
<b>(FROM CERTIFICATION/AGREEMENT ATTACHMENTS)</b>									
STATE	JURISDICTION (12)	INSPECTOR QUAL. (8)	NUMBER OF INSPECTION PERSON DAYS (9)	STATE ADOPTION OF MAX CIVIL PENALTY REGS. (2)	STATE ADOPTION OF APPLICABLE FED REGS. (8)	ONE-CALL NOTIF. REQMNTS. (8)	ATTENDANCE AT FED/STATE MEETING (3)	PENALTY POINTS (-)	TOTAL
NEW HAMPSHIRE	12	4	9	2	8	8	3	-	46
NEW JERSEY	12	8	9	2	8	8	3	-	50
NEW MEXICO	12	4	3	2	8	8	3	-	40
NEW YORK	12	8	9	2	8	8	3	-	50
NORTH CAROLINA	12	8	9	2	8	7	3	-	49
NORTH DAKOTA	12	8	9	2	8	7	3	-	49
OHIO	12	8	9	2	8	6	3	-	48
OKLAHOMA	12	8	9	2	8	6	3	-	48
OREGON	12	8	3	2	8	8	3	-	44
PENNSYLVANIA	7	8	9	2	5	8	3	-	42
PUERTO RICO	12	0	5	2	5	8	3	-	35
RHODE ISLAND	9	8	9	2	8	8	3	-	47
SOUTH CAROLINA	12	8	5	2	8	1	3	-	39
SOUTH DAKOTA	12	8	5	2	8	8	3	-	46
TENNESSEE	12	8	5	2	8	8	3	-	46
TEXAS	12	8	9	2	8	8	3	-	50
UTAH	12	8	9	2	8	8	3	-	50
VERMONT	12	0	9	2	8	8	3	-	42
VIRGINIA	10	8	9	2	8	8	3	-	48
WASHINGTON	10	8	9	2	8	8	3	-	48
WASHINGTON DC	12	8	9	2	8	8	3	-	50
WEST VIRGINIA	12	8	9	0	8	7	3	-	47
WISCONSIN	10	8	9	2	8	8	3	-	48
WYOMING	12	8	9	2	8	8	3	-	50

<b>2004 NATURAL GAS PIPELINE SAFETY GRANT ALLOCATION</b>				
<b>STATE</b>	<b>REQUEST</b>	<b>STATE POINTS</b>	<b>ALLOCATION</b>	<b>PERCENT OF FUNDING</b>
ALABAMA	\$449,579	100	\$427,270	47.52%
ARIZONA	\$573,674	100	\$545,208	47.52%
ARKANSAS	\$249,496	100	\$237,116	47.52%
CALIFORNIA_PUC	\$1,089,149	89	\$921,244	42.29%
COLORADO	\$268,317	96	\$244,803	45.62%
CONNECTICUT	\$306,500	100	\$291,292	47.52%
DELAWARE	\$35,966	92	\$31,447	43.72%
FLORIDA_LPG	\$46,500	100	\$44,193	47.52%
GEORGIA	\$409,900	100	\$389,561	47.52%
IDAHO	\$81,150	81	\$62,473	38.49%
ILLINOIS	\$416,500	100	\$395,833	47.52%
INDIANA	\$198,329	98.1	\$184,907	46.62%
IOWA	\$245,100	100	\$232,938	47.52%
KANSAS	\$346,569	100	\$329,372	47.52%
KENTUCKY	\$277,400	100	\$263,635	47.52%
LOUISIANA	\$662,638	99.5	\$626,609	47.28%
MAINE	\$104,250	100	\$99,077	47.52%
MARYLAND	\$158,905	95	\$143,469	45.14%
MASSACHUSETTS	\$505,595	100	\$480,507	47.52%
MICHIGAN	\$283,413	97	\$261,269	46.09%
MINNESOTA	\$818,618	100	\$777,998	47.52%
MISSISSIPPI	\$182,500	93	\$161,303	44.19%
MISSOURI	\$350,465	93	\$309,760	44.19%
MONTANA	\$22,675	90	\$19,395	42.77%
NEBRASKA	\$119,439	85.5	\$97,053	40.63%
NEVADA	\$352,627	96	\$321,725	45.62%
NEW HAMPSHIRE	\$207,059	95	\$186,945	45.14%
NEW JERSEY	\$370,366	100	\$351,988	47.52%
NEW MEXICO	\$309,587	86	\$253,033	40.87%
NEW YORK	\$1,676,100	99	\$1,577,003	47.04%
NORTH CAROLINA	\$226,000	99	\$212,638	47.04%
NORTH DAKOTA	\$36,706	99	\$34,535	47.04%
OHIO	\$578,073	97.6	\$536,204	46.38%
OKLAHOMA	\$511,613	98	\$476,502	46.57%
OREGON	\$199,961	94	\$178,637	44.67%
PENNSYLVANIA	\$438,303	90	\$374,899	42.77%
PUERTO RICO	\$144,000	82.5	\$112,905	39.20%
RHODE ISLAND	\$63,908	95.5	\$58,003	45.38%
SOUTH CAROLINA	\$204,350	90	\$174,789	42.77%
SOUTH DAKOTA	\$34,205	93.65	\$30,444	44.50%
TENNESSEE	\$359,000	94	\$320,715	44.67%

<b>2004 NATURAL GAS PIPELINE SAFETY GRANT ALLOCATION</b>				
<b>STATE</b>	<b>REQUEST</b>	<b>STATE POINTS</b>	<b>ALLOCATION</b>	<b>PERCENT OF FUNDING</b>
TEXAS	\$1,559,343	100	\$1,481,968	47.52%
UTAH	\$217,620	97.5	\$201,651	46.33%
VERMONT	\$67,152	90.5	\$57,757	43.01%
VIRGINIA	\$332,299	98	\$309,494	46.57%
WASHINGTON	\$474,098	97.5	\$439,309	46.33%
WASHINGTON DC	\$139,586	100	\$132,659	47.52%
WEST VIRGINIA	\$360,300	96.5	\$330,437	45.86%
WISCONSIN	\$281,500	98	\$262,181	46.57%
WYOMING	\$116,525	100	\$110,743	47.52%
<b>Totals</b>	<b>\$17,462,908</b>		<b>\$16,104,896</b>	

Note: The 'Request' represents 50% of the State's estimated budget.  
The 'Percent of Funding' is the percentage of the budget represented by allocation.