

STATEMENT OF PURPOSE

RS25012

This is a fiscal year 2017 supplemental appropriation to the Public Utilities Commission in the amount of \$100,000 in operating expenditures from the Indirect Cost Recovery Fund. The commission's only federal grant, the Pipeline Safety Program, recently expanded allowable indirect costs from a 20% ceiling to the actual negotiated indirect rate. This change was not confirmed to the states until late spring 2016, when the commission received a supplemental reimbursement check for an additional \$93,000 for overhead costs. Proper accounting for overhead expenses ensures that the regulated natural gas companies are not picking up a disproportionate share of the costs of the pipeline safety program. This appropriation doubles the base appropriation to match the new, higher indirect reimbursement amounts moving forward.

FISCAL NOTE

	FTP	Gen	Ded	Fed	Total
FY 2017 Original Appropriation	52.00	0	6,002,700	324,300	6,327,000
1. Pipeline Safety Overhead	0.00	0	100,000	0	100,000
FY 2017 Total Appropriation	52.00	0	6,102,700	324,300	6,427,000
Chg from FY 2017 Orig Approp	0.00	0	100,000	0	100,000
% Chg from FY 2017 Orig Approp.	0.0%		1.7%	0.0%	1.6%

Appropriates an additional \$100,000 from the Indirect Cost Recovery Fund to the Public Utilities Commission for fiscal year 2017.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).