



STATE OF INDIANA

Michael R. Pence
Governor

OFFICE OF MANAGEMENT & BUDGET

212 State House
Indianapolis, Indiana 46204-2796
317-232-5610

Micah G. Vincent
Director

November 30, 2015

DeAnna L. Poon
Assistant General Counsel
Indiana Utility Regulatory Commission
101 W. Washington St. Suite 1500E
Indianapolis, Indiana 46204

Dear Ms. Poon,

On September 30, 2015, OMB received your submission attached hereto seeking a determination whether the Indiana Utility Regulatory Commission's request to amend 170 IAC 5-3 regarding pipeline safety standards falls within an exception of Governor Pence's Executive Order 13-03.

Based on the IURC's submission, the request qualifies for an exception under paragraph 6(c) and 6(g) of Executive Order 13-03. Therefore, the IURC may proceed with the rule proposed in its September 30, 2015 submission.

Sincerely,

A handwritten signature in cursive script that reads "Micah G. Vincent".

Micah G. Vincent
OMB Director

STATE OF INDIANA



INDIANA UTILITY REGULATORY COMMISSION
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September 30, 2015

Mr. Micah Vincent
Indiana Office of Management and Budget
200 West Washington Street, Room 212
Indianapolis, Indiana 46204

VIA ELECTRONIC MAIL

RE: IURC RM #15-04;LSA Document #15-xxx (to be assigned) - Minimum Safety Standards for the Transportation of Gas, Hazardous Liquids, Carbon Dioxide Fluids, and Related Pipeline Facilities.

Dear Mr. Vincent:

The Indiana Utility Regulatory Commission ("IURC") hereby submits its draft Proposed Rule to amend the rule relating to the minimum safety standards for the transportation of gas, hazardous liquids, carbon dioxide fluids, and related pipeline facilities for review and approval by the State Budget Agency ("SBA").

The IURC is aware of the suspension of rulemakings that is addressed in Executive Order 13-03. This rulemaking falls under the permitted exceptions to the moratorium. Paragraph 6(c) permits "rules that implement a federal mandate and no waiver is permitted." As explained in detail in the attached Cost Benefit Analysis, the United States Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) requires the IURC to adopt the federal rules on pipeline safety into the state's administrative rules. No waiver is permitted and the agency's receipt of federal funding is contingent on this rulemaking.

This rulemaking also falls under the exception to the rulemaking suspension listed in Paragraph 6(g), "rules whose predominate purpose and effect are to address matters of emergency or health or safety...." These rules specifically address safety standards to carry out the IURC's Pipeline Safety Division's statutory obligation under Ind. Code § 8-1-22.5-2 "to promote public safety." Further, Ind. Code § 8-1-22.5-4(2) requires the IURC to establish by rules minimum state safety standards that are not less stringent than the federal standards. The Proposed Rule updates current language to match the federally mandated Pipeline Safety regulations promulgated by 49 U.S.C. §178 *et seq.* The purpose of the Proposed Rule is to increase public safety and, in particular, to reduce the risk of gas leaks and explosions causing property damage, injuries, and loss of life.

Attached to this cover email are the following documents:

- SBA Rule Promulgation Submission Form
- Draft Proposed Rule
- Fiscal Impact Analysis on State and Local Government (FMC 2010-4)
- Cost Benefit Analysis (IC 4-3-22-13, IC 4-22-2-28, FMC 2010-4)
- The Notice of Intent (IC 4-22-2-23) or, if applicable, the relevant notice from IC 13-14
- Small Business Economic Impact Statement (IC 4-22-2.1-1)

Please contact me if you have any questions or if you need any additional information.

Thank you for your consideration.

Sincerely,

/s/

DeAnna L. Poon
Assistant General Counsel