

APPENDIX II-B

**OFFICE OF LEGISLATIVE BUDGET ASSISTANT
REQUEST FOR FISCAL IMPACT STATEMENT (FIS)**

FIS Number _____ Rule Number En 500

<p>1. Agency Name & Address:</p> <p>Department of Energy 21 S. Fruit Street, Suite 10 Concord, NH 03301</p>	<p>2. RSA Authority: <u>RSA 12-P:5, IV; RSA 374:3; RSA 365:8</u></p> <p>3. Federal Authority: _____</p> <p>4. Type of Action:</p> <p>Adoption <u> X </u></p> <p>Amendment _____</p> <p>Repeal _____</p> <p>Readoption _____</p> <p>Readoption w/amendment _____</p> <p>Interim rule _____</p> <p>5. Have the rules expired? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>Date Expired: _____</p>
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6. Short Title: **En 500 RULES FOR GAS SERVICE**

7. Contact Person:

Name:	Andrew J. Harmon, Esq.	Title:	Hearings Examiner
Address:	21 S. Fruit Street, Suite 10 Concord, NH 03301	Phone #:	603-271-2443
		Fax #:	
		E-mail:	andrew.j.harmon@energy.nh.gov

Remember:

- (a) A copy of the proposed rule or an annotated copy of the amended rule must accompany this form. The annotated copy shall use [brackets] to indicate deleted material, and underlining for added material, or any other annotation style allowed in Section 5.4 in Chapter 4 of the Drafting and Procedure Manual for Administrative Rules.
- (b) Please provide the methodology and any calculations used in determining the fiscal impact. Where appropriate or necessary, please attach a worksheet detailing the methodology and associated calculations.
- (c) This form may be replicated to expedite preparation.
- (d) Please allow 10 working days from day of receipt for the Office of Legislative Budget Assistant to complete the fiscal impact statement. Additional information about this form is in Section 2.3 in Chapter 3 of the Drafting and Procedure Manual for Administrative Rules.

REQUEST FOR FISCAL IMPACT STATEMENT (FIS) - Page 2

- (e) Please provide the following information and attach additional sheets if necessary:

NOTE: Pursuant to RSA 541-A:5, IV the fiscal impact of the proposed rule which was previously effective but has expired, or of a proposed rule which adopts a current agency policy, procedure or practice as a rule for the first time, shall not be assessed as an existing rule but as a proposed rule which is not yet effective.

- (1) Summarize the intended action and the proposed rule. The intended action is defined by RSA 541-A:5, VII as the proposed adoption, amendment, readoption, readoption with amendment, or repeal of a rule pursuant to RSA 541-A.

The substance of the new En 500 rules regarding gas service proposed by the Department of Energy (the Department) is the same as various provisions of the existing Puc 500 rules, with the En 500 rules effectuating the division of gas service regulatory responsibilities between the Department and the Public Utilities Commission (the PUC). The Department drafted the En 500 rules in coordination with the PUC pursuant to RSA 12-P:3,II. The En 500 rules preserve the hearing process in the existing Puc 500 rules, but reflect that enforcement is the responsibility of the Department and hearings thereon are within the jurisdiction of the PUC.

The Department intends to adopt new Chapter En 500 rules in accordance with RSA 12-P:2, which created the Department effective July 1, 2021, and pursuant to RSA 12-P:5, IV regarding rules “necessary to assure continuance or granting of federal funds” (the proposed rules are necessary to retain PHMSA gas pipeline safety funding) and regarding “rules necessary to implement the specific statutes administered by the department.” The PUC formerly regulated pipeline safety, and RSA 12-P:13,I directs the Department to continue such efforts.

The Department intends to adopt all applicable, existing Puc 500 rules in adopting the new Chapter En 500 rules pursuant to RSA 362, et seq., and 365:8, VII regarding “safe and reliable utility service.” More specifically, the En 500 rules apply to gas utilities and operators in the State and govern gas service by adopting the existing Puc 500 rules regarding gas quality, meter accuracy and testing, equipment and facilities, record retention, safety standards, accident and leak reporting, utility advertising, other reporting and accounting, and appropriate enforcement procedures and applicable forms.

- (2) Is the cost associated with this intended action mandated by the rule or by state statute? If the cost is mandated by statute, then the rule itself may not have a cost or benefit associated with it. Please state either the statute or chapter law that is instigating this rule.

The costs, if any, associated with these rules are the direct result of the creation of the Department under RSA 12-P:2,I and the division of existing gas service regulatory responsibilities between the Department and the PUC; the rules adopt the substance of existing Puc rules and do not impose any other costs. Accordingly, there are no additional costs mandated solely by the rules.

REQUEST FOR FISCAL IMPACT STATEMENT (FIS) - Page 3

- (3) Compare the cost of the proposed rule with the cost of the existing rule, if there is an existing rule. Please provide the methodology and any calculations used in making your determination. If there is no cost, please explain why.

There are no incremental or net costs to the State of New Hampshire as a result of the proposed new En 500 rules.

- (4) To the extent the proposed rule had expired, please indicate the cost of the expired rule as you do for a new rule, and if applicable, the difference in cost of any proposed change from the expired rule. Please provide the methodology and any calculations used in making your determination. If there is no cost, please explain why.

These are new rules to be adopted by the Department and the corresponding provisions of the existing Puc 500 rules have not expired.

- (5) Describe the costs and benefits to the state general fund which would result from this intended action.

For the reasons set forth above, there are no costs or benefits to the state general fund as a result of the proposed new rules.

- (6) Explain and cite the federal mandate for the intended action, if there is such a mandate. How would the mandate affect state funds?

Several provisions of the En 500 rules refer to requirements in federal law. In accordance with RSA 12-P:13,I, the Department continues the former efforts of the PUC in applying annually to the Pipeline and Hazardous Materials Safety Administration of the United States Department of Transportation for authorization to take actions on its behalf to oversee pipeline operation safety, security, monitoring, and compliance through an inspection process. As a result, the Department, through its Enforcement Division, continues the exercise of authority to enforce federal gas safety requirements pursuant to the Natural Gas Pipeline Safety Act, 49 U.S.C. section 60101 et seq., as required to retain PHMSA gas pipeline safety funding. In this regard, the new En 500 rules adopt the relevant, existing Puc 500 rules following the reorganization of the PUC and the creation of the Department, with a revision to En 504.05(c) to require emergency response notifications in one hour rather than two, consistent with federal requirements.

- (7) Describe the cost and benefits to any state special fund which would result.

There are no costs or benefits to any state special fund in carrying forward existing Puc 500 rules in the new En 500 rules.

- (8) Describe the costs and benefits to the political subdivisions of the state.

These rules are neutral as applied to political subdivisions of the State.

REQUEST FOR FISCAL IMPACT STATEMENT (FIS) - Page 4

- (9) Describe the costs and benefits to the citizens of the state.

There are no direct costs to citizens of the state; Citizens benefit from the continuation of existing Puc rules regulating and monitoring utility operations and service to customers, including regarding safety and reliability.

- (10) Describe the costs and benefits to any independently owned business, including a description of the specific reporting and recordkeeping requirements upon those employing fewer than 10 employees.

The En 500 rules do not impose any costs whatsoever that are particular to independently owned businesses or businesses employing fewer than 10 employees, and do not impose any new costs upon regulated utilities; The rules benefit the referenced independent and small businesses through the regulation gas service and safety.