

2008 State Damage Prevention Program Grants Progress Report
Funding Opportunity Number: DTPH56-08-SN-0001
CFDA Number: 20.720

Award Number: DTPH56-08-G-PHPS03
Project Title: Nevada's One-Call Project
Date Submitted: September 12, 2008
Submitted by: Clark Stoner and Ken Jones

Specific Objective(s) of the Agreement

Under this grant award PUCN will:

- Continue ongoing implementation of the 9 elements as set forth in the PIPES Act.
- Start new initiatives to implement the 9 elements as set forth in the PIPES Act.
- Continue field enforcement of contractors that do not have a One-Call ticket or are repeat offenders

Workscope

Under the terms of this agreement, the Grantee will address, the following elements listed in 49 USC §60134 through the actions it has specified in its Application.

- *Element (1):* Participation by operators, excavators, and other stakeholders in the development and implementation of methods for establishing and maintaining effective communications between stakeholders from receipt of an excavation notification until successful completion of the excavation, as appropriate.
- *Element (2):* A process for fostering and ensuring the support and partnership of stakeholders, including excavators, operators, locators, designers, and local government in all phases of the program.
- *Element (3):* A process for reviewing the adequacy of a pipeline operator's internal performance measures regarding persons performing locating services and quality assurance programs.
- *Element (4):* Participation by operators, excavators, and other stakeholders in the development and implementation of effective employee training programs to ensure that operators, the one-call center, the enforcing agency, and the excavators have partnered to design and implement training for the employees of operators, excavators, and locators.

- *Element (5):* A process for fostering and ensuring active participation by all stakeholders in public education for damage prevention activities.
- *Element (6):* A process for resolving disputes that defines the State authority's role as a partner and facilitator to resolve issues.
- *Element (7):* Enforcement of State damage prevention laws and regulations for all aspects of the damage prevention process, including public education, and the use of civil penalties for violations assessable by the appropriate State authority.
- *Element (8):* A process for fostering and promoting the use, by all appropriate stakeholders, of improving technologies that may enhance communications, underground pipeline locating capability, and gathering and analyzing information about the accuracy and effectiveness of locating programs.
- *Element (9):* A process for review and analysis of the effectiveness of each program element, including a means for implementing improvements identified by such program reviews.

Accomplishments for this period (Item 1 under Agreement Section 9.01 Progress Report: "A comparison of actual accomplishments to the objectives established for the period.")

The Nine Elements on the following document have been addressed in the logical order relative to their perceived relationships as set forth in PHMSA's Damage Prevention Assistance Program (DPAP) guidance document.

Progress with Nevada's Damage Prevention Program is moving forward with no problems other than the lack of sewer lateral marking and a One-Call center dominated by California Municipalities that is not responsive to Nevada's enhanced requirements. Both these issues are addressed in the following document.

Nevada's Progress on the 9 Elements

Element #	Element Description	Nevada Plan	Current Status	Schedule Going Forward
2	Fostering support and partnership of all stakeholders	Evolve loose-knit Nevada Regional Common Ground Alliance (NRCGA) partnership into a formal, highly structured stakeholder advisory group with functions defined in statute and regulation.	NRCGA is in process of incorporating as a non-profit organization. This should be completed 3Q-08. A 13-member Governing Board structure has already been established, and many subcommittees have been formed.	A funding mechanism needs to be determined. This will likely be done thru dues assessed to the Governing Board members. This decision should be made by year end 2008, with fees starting in 2009. (Several planned activities are on-hold pending funding.) References to the NRCGA role in the damage prevention process should be added to statute and regulation between 2009 & 2011.
5	Partnership in public education	The NRCGA will have a permanent Public Outreach/Education Subcommittee, where the major stakeholders can pool their efforts and resources in focused advertising, marketing and outreach efforts under the NRCGA banner.	This subcommittee will be formed soon after the NRCGA is incorporated. Preparatory meetings began in mid 2007, where the major gas, pipeline, electric and telecom utilities indicated that pooled funds from currently individual efforts could add up to \$100-250K.	The Public Outreach/Education Subcommittee should form in early 2009, but the pooled effort should not become largely effective until 2010.
1	Enhanced communications between operators and excavators.	Upgrade or replace the current one-call center provider for Nevada to better meet the needs of operators and excavators.	The current provider, USAN, has made a few minor improvements, but remains an impediment to significant improvements that are desired.	A fully effective and responsive one-call center provider should be in place by early by 2011.
8	Use of technology to improve the locating process	Upgrade the one-call center capability to make better use of web applications, make better use of GPS capabilities and review other technologies for possible applications.	The one-call center software provider has made some enhancements to facilitate better use of GPS data by an excavator to delineate the area or excavation, and the one-call center is working toward making mapping upgrades to make use of this capability. The one-call center remains resistant to desired improvements in web access.	Full web access for making excavation notifications to the one-call center will come with the comprehensive upgrades by the current provider or a new provider as the above schedule. Use of TV cameras installed within sewer mains and laterals to facilitate locating laterals of unknown alignment is being proposed as part of a comprehensive agreement to address the locating of sewer laterals, which has not been done in the past in most areas. This should get resolved in statute and regulation between now and 2011.

Element #	Element Description	Nevada Plan	Current Status	Schedule Going Forward
4	Partnership in employee training	The NRCGA will have a permanent Education & Training Subcommittee, which will develop and implement training programs for excavators, operators, locators, and other stakeholders.	<p>The Education & Training Subcommittee was formed 2Q-08 and has identified the need for training programs tailored to over a half-dozen areas, as well as how training sessions will actually be conducted and by who. Most training materials will be provided in both English and Spanish.</p> <p>The subcommittee is currently working on training for excavator field personnel and a guide for excavator office personnel on how to best manage the ticket process. A first draft of the office guide has already been completed.</p>	<p>The excavator office guide should be finished by 1Q-09 and training begun soon thereafter. The excavator field personnel training modules should be finished by the middle of 09, an extensive training effort begun soon thereafter. SWG and SPPC, who have been conducting excavator training classes for years, are heavily involved in the NRCGA effort and will transition their efforts over to the NRCGA certified training when the modules are completed. At that time, the AGC, NUCA and other excavator associations, as well as other large operators will start to offer such training courses. Once the excavator office guide is done, that group will start working on a developer/ builder guide. Once the excavator field personnel training modules are done, that group will start working on locator training and certification modules.</p>
3	Operators use of performance measures for locators	Each operator that has defined locating personnel and/or uses contract locating technicians needs to have a QA/QC process in place to ensure that timely and accurate marking is being performed.	<p>The gas and pipeline companies have been confirmed to have effective locator QA/QC programs based on 49 CFR Part 192 audits. However, the operators of other utilities have spotty performance in this area. Cox Comm. has put a program in place and NPC is just now doing the same, but there are another 15-20 larger operators who need to implement such programs. This effort needs to be coordinated with development of the locator training and certification program</p>	<p>All the major investor-owned utilities should have locating QA/QC programs in place by end of 2009. Most are networking right now to share programs, lessons learned, etc. It may take a while longer to get the larger muni utilities up to speed, although the largest, LVVWD, already has a comprehensive program in place. The smallest 150 or so, mostly water and sewer, operators should need to do little but get their personnel certified thru the NRCGA training once that program is in place. All operators should have adequate QA/QC programs in place by the end of 2010.</p>

Element #	Element Description	Nevada Plan	Current Status	Schedule Going Forward
6	Enforcement agencies' role to help resolve issues	PSP staff will be involved with the NRCGA, attending all routine full meetings and being involved in most if not all subcommittees formed.	3-5 PSP staff members have attended every monthly or bi-monthly NRCGA meeting since late 2005, and have been included in every subcommittee formed thus far, chairing many.	Numerous topic-focused subcommittees are working at any one time. Those working on changes to regulations are formed once or twice a year. One will soon be formed to review possible changes to the statute at the 2009 legislative session. A subsequent proposal could be anything from a few minors modifications to a major re-write. More will be known in 6 months. A major objective is to memorialize the NRCGA's role in statute and regulation, to work hand in hand with PSP staff in putting forward the most effective damage prevention program possible. PSP staff is also involved in the formation of the new NRCGA permanent subcommittees that will take on specific roles defined in statute or regulation. A new one is forming roughly every quarter and all should be in place by late 2009. One planned permanent subcommittee will perform enforcement oversight and dispute resolution roles. Formation of that subcommittee will depend on what gets done at the next legislative session.
7	Fair and consistent enforcement of the law	An enforcement system composed of numerous checks and balances is proposed. In the proposal, enforcement activities by PSP staff could be appealed to a peer appeals panel, and decisions of the peer appeals panel could be appealed to the Commission.	PSP staff has been working with stakeholders in the NRCGA Enforcement Subcommittee to develop criteria for assessing direct citations in the filed. Every pertinent statutory and regulatory requirement has been reviewed and assigned a tier ranking based on assessed likelihood of damage resulting. Three tiers have been defined, with verbal warning, written warning and graduated fine levels specified. An outline has been developed of how to revise the statute to implement such a system.	The hope is to get the new enforcement plan into the statute at the 2009 legislative sessions, but it is hard to project how things will go in that arena. PSP staff is currently aggressively enforcing the one-call law, but our current Commission based process is cumbersome, slow and too expensive when it comes to assessing financial penalties. The stakeholders want lesser, immediate fines assessed, with possible review by a select group of stakeholders, to ensure that enforcement is being applied fairly and equitably. Our current and future mandate covers ALL operators, excavators and contract locators, including muni's.

Element #	Element Description	Nevada Plan	Current Status	Schedule Going Forward
9	Data analysis to continually improve program effectiveness	The NRCGA will operate an Adverse Impact reporting system, which will cover damage reports from ALL operators, and delays and/or cost impacts borne by excavators or locators. The operator data will dump into the CGA DIRT system. In addition, PSP will compile similar data in an enforcement database. It will be possible to combine or align the data from both systems to perform detailed analysis.	The outlines and criteria, e.g., data fields, for the Adverse Impact reporting system have been developed, but the software can't be developed and activated until after the NRCGA has been incorporated, funds allocated, and the website started up. What will be called "NV DIRT" will allow on-line data entry or periodic data dumps of common fields from sophisticate damage/claims databases that the major utilities use. PSP developed and has been using One-Call Field Inspection Report forms since mid 2007. This form undergoes periodic revision to conform with the Adverse impact form design, with both formats using much the same data fields.	We hope to have NV DIRT up and running at the beginning of 2009. The PUCN is collecting simpler damage data from stakeholders in 2008. We also hope to build the back-end database for the PUCN One-Call Field Inspection Report forms in 2009, and hopefully upgrade our PCs to facilitate direct in-field data entry.

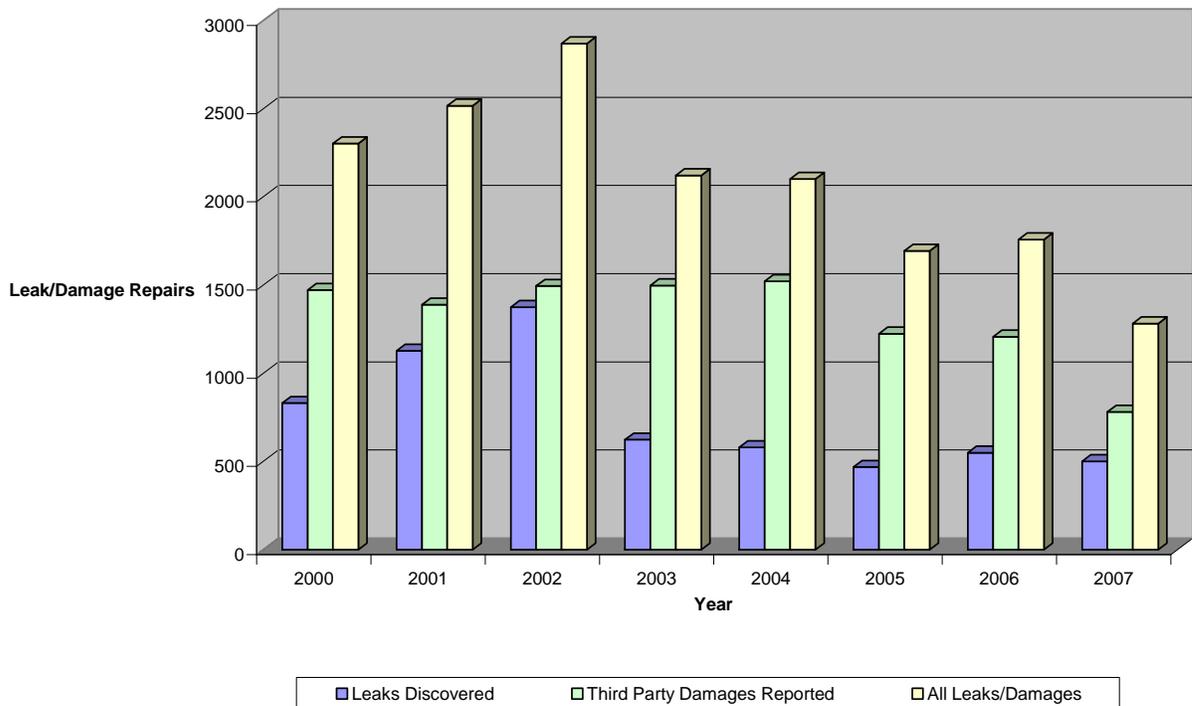
Quantifiable Metrics/Measures of Effectiveness (Item 2 under Agreement Section 9.01 Project Report: “Where the output of the project can be quantified, a computation of the cost per unit of output.”)

During the 2007 legislative session, Nevada’s One-Call Statute, NRS 455, was revised to reduce the marking location distance from 30 to 24 inches, extend the one-call ticket from 14 to 28 days and extended enforcement authority to the Public Utilities Commission of Nevada’s (PUCN) Regulatory Operations Staff. Nevada currently is in the process of developing enforcement procedures including issuing citations.

With the receipt of the PIPES Grant, Nevada is increasing its focus on One-Call field inspections. So far during 2008 the inspectors have inspected over 259 job sites. There were 103 violations found and 41 jobs were shut down. Violations could be: no white paint, no ticket, no marks, etc. Subsequently there were 52 training sessions held with the excavators, explaining Nevada’s One-Call Law.

Since 2003 Nevada has been focusing on the Damage Prevention Process by enforcing 49 CFR 192 with the LDC’s. The results can be seen on the following graph showing a decline in third party damages beginning in 2004 thru 2007.

2000-2007 Leak/Damage Repair Trends



Beginning in 2008, Nevada has been receiving damage reports from all stake holders. The following explanation and pie charts show the results of this new data base.

Review of PUCN Damage Reports Submitted for the First Half of 2008

For the first two quarterly reporting periods of 2008, January 1 thru June 30, the PUCN received 532 damage reports, 244 were supplied by database spreadsheet and 288 were supplied on individual report form. Entities reporting as Operators submitted 489 of the reports, and entities reporting as Excavators reported 43, with 32 of the Excavator reports being for instances also reported by the Operator. The number of reports from contract Excavators was also 32, with the other 11 coming from utilities acting in the role of an Excavator. (One entity reported damaging itself !) The resulting number of distinct damage events reported was 500.

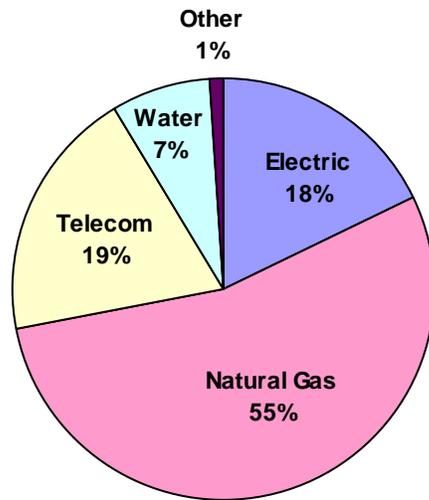
Not all Operators provided damage reports, but most of the larger ones did, which allows for projecting what the “real” number of damages might have been for the period. Dividing the number of reported damages for each Operator type (electric, water, etc.) by the percentage of all that type of customers served by the reporting entities allows for projecting what wasn’t reported. Doing so indicates that the total number of damages statewide was probably in the area of 550 for the first half of the year, or about 10% above what was reported. The biggest estimate comes with Other, which covers sewer and roadway facilities plus some other dogs and cats. Probably only a small fraction of such damages get reported, and in fact most of those that were reported to the PUCN for this period were reported by Excavators.

The following pie charts illustrate: the damage break-down by operator type (reported & projected), and the damage break-down by basic root causes for all operators combined, as well as for each major type. The basic root cause of “Not a Valid Ticket” covers: No Call, Early Start, Working Outside of the Designated Work Area, Working With an Expired Ticket, etc. The basic root cause of “Hit With Mechanical Equipment” covers the aspects relating to not confirming the location of a marked facility. “Misc. Damage” covers damage with hand tools, failure to support/protect an exposed facility, etc. “Miss-Mark” covers the aspect where the operator didn’t mark correctly, if at all.

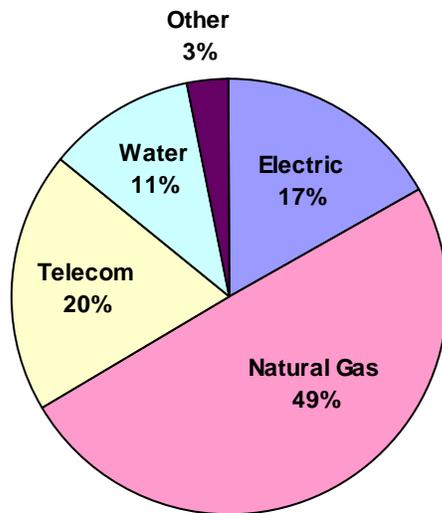
Tabulated Reporting Data

Operator Type	Not a Valid Ticket	Hit With Mechanical Equipment	Misc. Damage	Miss-Mark	TOTAL Damages	% of All Damages	% of All Accounts Reported	Projected # of Damages	Projected % of All Damages
Electric	18	36	23	12	89	17.8%	95%	94	17.0%
Natural Gas	96	84	46	45	271	54.2%	100%	271	49.2%
Telecom	38	36	9	14	97	19.4%	90%	108	19.6%
Water	0	17	9	11	37	7.4%	60%	62	11.2%
Other	0	2	1	3	6	1.2%	37%	16	2.9%
TOTALS:	152	175	88	85	500			550	

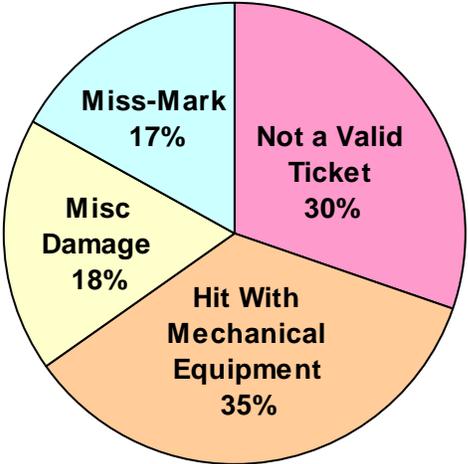
**Break-Down of Damages by Type of Operator
(500 Reported)**



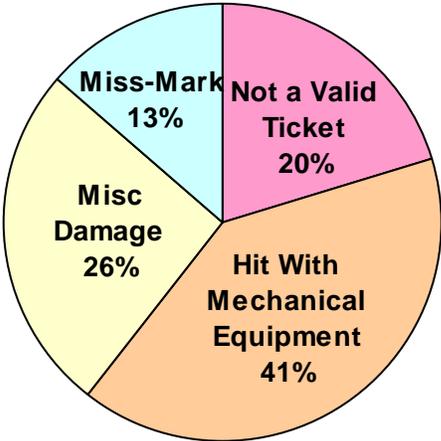
**Break-Down of Damages by Type of Operator
(550 Projected)**



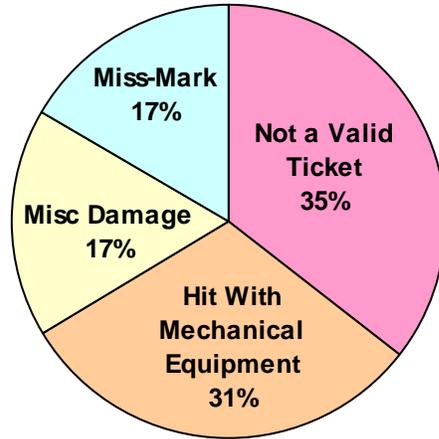
**YTD Break-Down of Damages by
Basic Root Causes - All Operators**



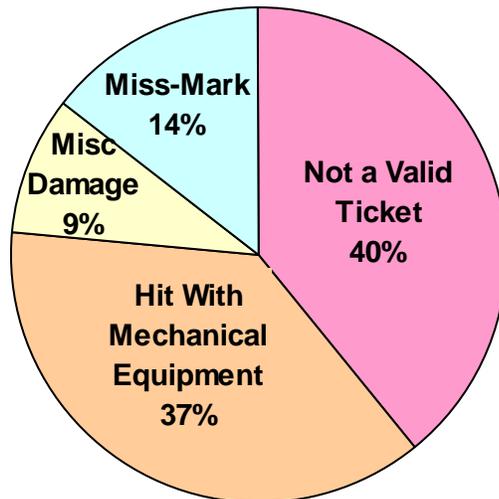
**YTD Break-Down of Damages by
Basic Root Cause - Electric**



**YTD Break-Down of Damages by
Basic Root Cause - Natural Gas**



**YTD Break-Down of Damages by
Basic Root Cause - Telecom**



Issues, Problems or Challenges (Item 3 under Agreement Section 9.01 Project Report: “The reasons for slippage if established objectives were not met. “)

No issues.

Other pertinent information including, when appropriate, actions taken to address the recommendations PHMSA provided in correspondence dated [Different for each] (Item 4 under Agreement Section 9.01).

3b. Recommendations:

1. Solicitation, Section 6.01, Criteria (6) states, “A commitment to quality controls in timing, personnel, and costs for deliverables offered in exchange for the grant.” We would like to see more detail on your commitment to this criterion.
2. It appears from the proposal that two individuals working on enforcement will be transitioned to field work. While we encourage experienced people going to these types of roles, we had some concern on how this move may negatively affect progress of the enforcement program. We would like to know if someone else will be taking these previous roles, and if not, will these individuals be spread too thin ?
3. While we acknowledge sub-committees are good, sometimes too many sub-committees are counter-productive. It appears to be a large amount of sub-committees being considered. We would like to see more detail clarifying how each will integrate with the other, and how they will be properly managed to ensure progress is made.
4. In some cases, it may be good to prioritize and focus on getting a smaller amount of sub-committees going first. We would like to see better definition of timelines and milestones.

The following is in response to PHMSA’s “Recommendations” under 3(b) of the Solicitation. Nevada enhanced its focus on the One-Call Program (OCP) in 2003. This was done by performing special audits on the Damage Prevention Programs and Line Locating Procedures of the LDC’s.

3b.(1),(2) In 2005 one engineer was hired and assigned full time to the OCP. This was the beginning of Nevada’s increased focus on the Common Ground Alliance (CGA). This increased focus has resulted in the formation of the very viable Nevada Regional Common Ground Alliance (NRCGA). In 2007 two new inspectors were hired. One is focusing full time on One-Call field inspections. Currently, Nevada has 3 other inspectors performing full time field inspections some of which are One-Call related.

All inspector time for One-Call inspections is being recorded. This will provide the basis for tracking of the costs per month that will be included on Form 269. The actual amounts will exceed the Grant amounts. Nevada is planning to do an allocation for the SF-269.

3b.(3),(4) Again, this comment regarding sub committees is true. Nevada understands that too many committees might lead to the NRCGA just spinning its wheels and limiting their accomplishments. This is not what is going on in Nevada. Please refer above to the Progress on the 9 Elements section of this report. Certain sub committees have been established based on their importance. As the objectives of the Committees are accomplished, additional sub committees will be developed as appropriate.

Mid-term Financial Status Report

Currently there are no issues or delays. The SF-269 and the Mid-term financial report will be sent as separate attachments to the AA and AOTR. This will be done on October 1, rather than September 29 due to Clark Stoner being on annual leave from September 19th thru the 26th.

Plans for next period (remainder of grant)

Nevada plans to increase its One-Call inspections during the second half of the term of the Grant. The NRCGA will continue to work on the 9 Elements as shown above.

Requests of the AOTR and/or PHMSA

None