

2011 State Damage Prevention Program Grants Final Report
Funding Opportunity Number: DTPH56-11-SN-0001
CFDA Number: 20.720

Award Number: DTPH56-11-G-PHPS10

Project Title: The Public Utilities Commission of Nevada, State Damage Prevention

Date Submitted: April 26, 2012

Submitted by: Clark Stoner

Section 2.03 Specific Objective(s) of the Agreement

Under this grant agreement, the PUCN will:

- Foster support and partnership with stakeholders
- Reviewing the adequacy of internal performance measures
- Support a Damage Prevention Education Program for industry stakeholders
- Resolving disputes to define State authority's role; and
- Laws and regulations of the damage prevention process
- Foster and promote the use of Improving Technologies
- Review the Effectiveness of Damage Prevention Programs

Article III. Workscope

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

- *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 once call center, the enforcing agency, and the excavators have partnered to design and implement training for the employees of operators, excavators, and locators.
- *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 review.

Accomplishments for this period (Item 1 under Article IX, Section 9.01 Progress Report: “A comparison of actual accomplishments to the objectives established for the period.”)

**2011 State Damage Prevention Grant
Effective dates April 8 thru April 7, 2012
Progress report – April 8 thru April 7, 2012**

The Grant request was based on Elements 2, 3, 4, 6, 7, 8, and 9. A certain amount of work was projected to be completed for each of the Elements during 2011. This Final Report, due April 30, 2012, compares the Accomplishments (actual costs by each Element) to the Projections by each Element. The projected hours were based on a 12 month period ending December 31, 2010. The actual hours came from the new Staff Database, April 8, through April 7, 2012.

Element 2 – Comprehensive Stakeholder Support

This has been accomplished through the participation of the operators, excavators, USAN and the PUCN during the monthly NRCGA meetings.

Estimate – 4 inspectors attend a monthly NRCGA meeting. A total of 40 hours was projected for this Element. $40 \times \$40 = \$1,600 + 25\% \text{ Fringes or } \$400 = \mathbf{\$2,000}$.

Actual – Hours spent attending monthly NRCGA meetings equal $108 \times \$50.0 \text{ per hour} = \mathbf{\$5,400}$.

Element 3 – Operator Internal Performance measurement

The PUCN has developed audit procedures for locator training for the other than LDC operators.

Estimate – A total of 40 hours was projected for this Element. $40 \times \$40 = \$1,600 + 25\% \text{ Fringes or } \$400 = \mathbf{\$2,000}$.

Actual – Hours spent doing line location audits equal $2 \times \$50. \text{ Per hour} = \100 .

Element 4 – Effective Employee Training

Excavator training has been developed and implemented through the NRCGA by the PUCN Staff and LDC operators.

Estimate - Training requirements would be 60 hours for 12 months. $60 \times \$40 = \$2,400 + \text{Fringes at } 25\% \text{ or } \$600 = \mathbf{\$3,000}$.

Actual – This was mainly contractor training on the One-Call Law. Hours spent training equal $42 \text{ hours} \times \$50.0 \text{ per hour} = \mathbf{\$2,100}$.

Element 6 – Dispute Resolution

A procedure has been developed for the enforcement of NRS 455, Nevada’s One-Call Statute. Verbal warnings are given in the field. If the warnings are not heeded a formal warning letter will be sent. This is the beginning of the dispute resolution process.

Estimate – 70 for the year is estimated to be spent on this process. $70 \times \$40 = \$2,800 + \text{Fringes at } 25\% = \mathbf{\$3,500}$.

Actual – This was separate from Enforcement actions. Hours spent in Dispute Resolution equal $90 \text{ hours} \times \$50.0 \text{ per hour} = \mathbf{\$4,500}$.

Element 7 – Enforcement

Nevada’s One-Call Statute, NRS 455 was revised during the 2007 legislative session to include enforcement by the PUCN Staff. Since that time the PUCN Staff, with the help of Staff Counsel, has developed procedures for enforcing NRS 455, the One-Call Statute.

Estimate – 1,600 hours will be spent on Enforcement. $1,600 \times \$40 = \$64,000$ with fringes at 25% = \$16,000 for a total of **\$80,000**.

Actual –XXX formal Enforcement actions initiated. Enforcement hours spent equal 1573 hours X \$50.0 per hour = **\$78,650**.

Element 8 – Use of technology to improve the locating process

The NRCGA is continually looking at new locating technology.

Estimate - 40 hours was estimated, $40 \times \$40 = \$1,600$ and 25% Fringes = **\$2,000**.

Actual – Technology review hours spent equal 0 hours X \$50.0 per hour = **\$0**.

Element 9 – Data analysis to continually improve program effectiveness.

The primary measure of program effectiveness would be the number of dig-ins by year. Nevada has been tracking this data since 2002. In 2004 Nevada experienced its highest number of dig-ins at 1,522. The number for 2010 was 273.

Estimate - 40 hours was estimated, $40 \times \$40 = \$1,600$ and 25% Fringes = **\$2,000**.

Actual – This is mainly review and compilation of reported damages. Damage Prevention Program Review hours spent equal 75 hours X \$50.0 per hour = **\$3,750**.

Total for all Elements based on the Grant Awarded = \$94,500

Total actual for this period = \$94,500.

Payroll	70,875.
Fringes	23,625.

[How are you progressing on each of the items/elements provided in the “Specific Objectives” and “Workscope”? Start with an overall description followed by item-by-item or element-by-element detail if possible.]

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

Element 2 – Foster support and partnership with stakeholders. This is done through the NRCGA at monthly meetings.

Element 3 – Reviewing the adequacy of internal performance measures. Auditing Procedures for locating have been developed. Audits of Operators locating procedures are on-going.

Element 4 – Support a Damage Prevention Education Program for Industry Stakeholders. One-Call training has been developed by the NRCGA and is provided upon request or required due to the violation procedure.

Element 6 – Resolving disputes to define State authority’s role. Net-working with excavators has been developed where contractors contact Pipeline Inspectors and they respond if disputes may be pending.

Element 7 – Laws and regulations of the damage prevention Process. Procedures for Enforcement have been developed. Oral Warnings first, if violations continue Staff Counsel issues a Warning Letter or Citation if required.

Element 8 - Foster and promote the use of Improving Technologies. Technology is discussed and reviewed through the NRCGA.

Element 9 – Review the Effectiveness of Damage Prevention Programs.

The purpose of Nevada’s One-Call Program is Damage Prevention. Nevada Pipeline Safety Program (“PSP”) started focusing on damage prevention for the Local Distribution Companies (“LDC’s”) in 2004, beginning with audits of the procedures implemented pursuant to 49 CFR 192.614. The focus of these audits was office procedures, how the One-Call Center notifications were transmitted to the line locators and the LDC’s specific locating procedures. In 2004 the LDC’s were required to start maintaining a Dig-In database, by Cause. The data base was designed by the PSP Staff. During 2004 the number of gas dig-ins was 1237.

During 2006, damage prevention for all operators became the focus when the PSP started full time participation in the Nevada Regional Common Ground Alliance (“NRCGA”). Since then, the PSP has been the driving force of the NRCGA but it looks like in 2010 that the NRCGA is reaching its own maturity as the PSP moves more to a consulting role.

During the 2007 legislative session, Nevada revised the One-Call Statute, NRS 455. One of the revisions was to include enforcement by the PSP. This allowed the PSP to police all excavators. As stated, the primary purpose of Nevada’s One-Call Program is to reduce damages in the state, especially gas damages.

Subsequent to the 2007 legislative session, enforcement was adopted by the PSP and the initial enforcement procedures were established by Staff Counsel during 2008. During 2008, six enforcement actions took place. Four warning letters were sent to contractors and two formal enforcement proceedings were processed where fines were levied. One-Call training was provided as required. From January 1, 2008 thru December 31, 2008 dig-ins of gas facilities were reduced from 768 to 550.

During 2009 twenty-two enforcement actions took place. Of these, eleven warning letters were sent. These were primarily sent to excavators but one action involved the Nevada Department of Transportation (“NDOT”). Over 500 NDOT employees were trained. Eleven formal enforcement proceedings were processed wherein fines were levied against excavators and One-Call training was performed. From January 1, 2009 thru December 31, 2009 dig-ins, of gas facilities, were reduced from 550 to 345.

During 2010, additional enforcement procedures were developed by Staff Counsel that further refined the process. Fourteen enforcement actions took place. Of these, eleven warning letters were sent. Again these were primarily sent to excavators. One-Call training was provided as required. Three formal enforcement proceedings were processed wherein fines were or will be levied against excavators and One-Call training was performed. From January 1, 2010 to December 31, 2010 dig-ins, of gas facilities, were reduced from 345 to 319.

During 2011, Nevada again focused on One-Call enforcement. Nevada’s One-Call Statute requires the Work Area to be marked in white paint. The pipeline inspectors constantly patrol job sites, if it becomes obvious that a One-Call ticket has not been called in because there is no white paint or facility marks, the pipeline inspectors will stop and investigate.

During 2011, 7 Enforcement actions took place. All were Warning Letters sent to excavators. One-Call training was provided in all cases. No formal enforcement proceedings were processed during 2011. During 2011, one contractor had 32 damages, this matter is pending before the Commission. The damages were caused while replacing thin wall PVC. From January 1, 2011 to December 31, 2011, dig-ins of gas facilities were reduced from 319 to 305.

The **Effectiveness** of Nevada’s One-Call Program from the year 2000 thru 2011 is set forth below.

Year	Gas Damages	Year	Gas Damages
2000	1,472	2006	1,140
2001	1,389	2007	768
2002	1,495	2008	550
2003	1,333	2009	345
2004	1,237	2010	319
2005	1,201	2011	305

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

No issues.

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No issues.

Final Financial Status Report

Forms 425 and 270 to be submitted to GA and GOTR electronically.

Requests of the AOTR and/or PHMSA

No issues.