2009

One Call Report Analysis & Recommendations

Released February, 2010
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Introduction: History of Grant:

The U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration (PHMSA), administers a grant program designed to support state excavation damage prevention programs.

The grants, known as “One Call Grants”, are made under the authority of federal law at 49 USC Subtitle III, Chapter 61 “One Call Notification programs”.

The One Call grant was authorized in 1995 in response to several very serious accidents caused by excavation. The National Association of Pipeline Safety Representatives (NAPSR) works with PHMSA on the criteria for and allocation of these grants, which states in part that the purposes are:
(1) to enhance public safety;
(2) to protect the environment;
(3) to minimize risks to excavators; and
(4) to prevent disruption of vital public services, by reducing the incidence of damage to underground facilities during excavation through the voluntary adoption and efficient implementation by all States of State One Call notification programs that meet the minimum standards set forth under section 6103.

Testimonies presented by PHMSA and the natural gas industry representatives during congressional hearings showed the leading cause of incidents and leakage on natural gas systems was excavation damage. These incidents occur when a contractor or other individuals begin to excavate without requesting that the location of the underground facilities be marked, don’t wait the required time for the facilities to be marked, and don’t dig with care. These incidents also occur when the locations of these lines are either not marked by operators or they are marked inaccurately.

For years, it has been common knowledge among pipeline operators, state regulators, and PHMSA that excavation damage is the single most significant threat to pipelines. In December, 2004, The Allegro Energy Consulting firm released a report entitled, “Safety Incidents on Natural Gas Distribution Systems: Understanding the Hazards” which noted that 38 percent of natural gas distribution incidents during 1999-2003 were caused by excavation and mechanical damage to pipeline facilities.

Further, a natural gas industry study completed in January 2005 by the American Gas Foundation entitled, “Safety Performance and Integrity of the Natural Gas Distribution Infrastructure” found that 46.6 percent of the serious incidents involving injuries or fatalities from 1990-2002 were the result of outside force damage to pipeline facilities. Excavation damage accounted for 34.6 percent of these serious incidents.

State agencies who participate in the pipeline safety program with PHMSA are eligible to apply for One Call grant funding on an annual basis. This grant program has a maximum amount request of $50,000 per state designated to support initiatives which promote efforts specifically aimed at damage prevention.

Grants to eligible programs have covered areas such as compliance enforcement, legal assistance with enforcement actions, new equipment to support on-going enforcement programs, compliance monitoring, one call center statistics, compliance/noncompliance statistics, One Call membership initiatives, computer equipment, communication improvements, development and/or conduct of state-provided training programs for excavators and locators, development and/or distribution of promotional items or materials,
damage prevention awareness campaigns, public service announcements, informational mailings, advertisements and One Call center promotional items.

A complete list of qualified activities is listed in Attachment B to this report. These activities have been classified in three categories with different priorities assigned which allow these grants to have the most impact on active damage prevention programs across the nation.

**Application Procedure**

In the last quarter of each year, states may submit a detailed description of their proposed project activities in one or more of the three available priority categories. The applications must provide detailed costs on how the money will be spent and why. In the history of the One Call grant, program requests for funds have invariably exceeded the funds available for distribution. The requested amounts have exceeded significantly the $1 million grant available every year.

Each year, the One Call grant applications are submitted through FedStar and are reviewed by a peer group consisting of nine National Association of Pipeline Safety (NAPSR) representatives and two representatives from PHMSA.

The members review all projects, compare project proposals to priority descriptions and make recommendations to PHMSA regarding project funding. Tabulation of the total costs in each priority is made and reviewed. The grant award is determined by reviewing the total amounts in priority one, two and three projects and distributing funds across all projects based on the total available funds.

Each applicant is required to submit a progress report on the approved and funded projects at the end of the year and the report must provide information and data on the success of each project.

All grant award funds received by the state must be used before April 30th of the following calendar year. If funds are not used or are spent on a project that was not a part of the grant application or are redistributed without PHMSA agreement, the State agency’s Pipeline Safety Program Year –End request for reimbursement is reduced by that amount.
Funding Request and Allocation Analysis of One Call Grant

Table 1 below shows, by year, the total grant requests and available amounts from 2004 - 2009.

The amounts funded for the One Call Grant has only increased by 3.5% over the last six years compared to the increase in states requests of 11.52%.

The number of requests for funds submitted to PHMSA continues to increase each year while the funding level remains flat.

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Requested</th>
<th>Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>$1,000,000.00</td>
<td>$500,000.00</td>
</tr>
<tr>
<td>2005</td>
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<td>2007</td>
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<td>$2,000,000.00</td>
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<tr>
<td>2008</td>
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</tr>
<tr>
<td>2009</td>
<td>$1,500,000.00</td>
<td>$1,000,000.00</td>
</tr>
</tbody>
</table>
Priority 1 (Compliance Enforcement/Monitoring) Request and Allocation Analysis

Table 2, below shows, by year, the total request for priority 1 projects submitted by states for 2004 - 2009.

Funds are used by states agencies for compliance enforcement and monitoring of state damage prevention laws, strengthening legislative penalties and enforcement procedures and informational mailings about new laws or rules.

Funds requested are higher than allocated awards.

The requested level in this category is above $1 million each year.

As an example, Attachment “A” presents how Nevada Public Utilities Commission has made changes in their law to improve damage prevention in that state. This is in good part due to the grant provided to that state.
Table 3, below by year, shows the total request for priority 2.

Funds used in priority 2 are for One Call membership initiatives to encourage operators to join their state One Call system, to purchase locating equipment and to train personnel to accurately locate all underground facilities.

The amounts requested in this category have exceeded the amount allocation over the last six years.
Priority 3 (Training Programs & Awareness Campaigns) Requests and Allocation Analysis

Table 4, below, shows the total request by year for priority 3. Funds used in this category assist training of excavators and informing the general public about the operations of their state’s one call centers. Funds are also used in educational campaigns about preventing damages to underground pipelines, and other underground lines. Additionally, public service announcements, educational ads and hand-out materials are used in this priority funding to inform about calling before digging and changes in state damage prevention laws.

Funding requests continue to be above the allocation amounts awarded in this category.

Table 4

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Requested</th>
<th>Available</th>
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</thead>
<tbody>
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<td>$300,000</td>
</tr>
<tr>
<td>2008</td>
<td>$600,000</td>
<td>$500,000</td>
</tr>
<tr>
<td>2009</td>
<td>$1,200,000</td>
<td>$700,000</td>
</tr>
</tbody>
</table>
Effectiveness of priority projects

• Educational Campaigns

In 2009, thirty-seven states submitted applications for the One Call grant. This increase from previous years indicates more state agencies are becoming involved in damage prevention initiatives.

Eighteen state agencies requested funding in priority 1 for compliance enforcement and monitoring and legislative changes. This action is to assist state agencies in implementing effective laws and rules to help prevent damages and natural gas incidents from occurring and to educate excavators and the public about their state damage prevention laws.

A review of progress reports submitted to PHMSA indicates a large portion of the grant is used for educational campaigns relative to safe digging practices.

For example, approximately 47.46% ($435,033) of the $1.043 million grant award in 2008 was spent on promoting awareness of the “811” number used to call the call centers before digging.

• Reducing damages to underground facilities

This grant has helped several states reduce the number of damages to underground facilities in their states.

Table 5, below, shows gas damages per 1,000 tickets for seven states that have used the One Call grant for enforcement and educational campaigns for 2003-2009.

Reducing damages to gas facilities lowers the potential risks of leakage or explosion resulting in enhanced public safety.
Table 5

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>New York</th>
<th>Connecticut</th>
<th>Minnesota</th>
<th>Oregon</th>
<th>Virginia</th>
<th>Georgia</th>
<th>Nevada</th>
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</thead>
<tbody>
<tr>
<td>2003</td>
<td>6.53</td>
<td>5.68</td>
<td>3.47</td>
<td>9.20</td>
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<td>1.72</td>
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<tr>
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<td>5.59</td>
<td>5.36</td>
<td>3.04</td>
<td>11.10</td>
<td>2.46</td>
<td>1.74</td>
<td>7.26</td>
</tr>
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<td>2006</td>
<td>4.21</td>
<td>4.41</td>
<td>2.95</td>
<td>11.40</td>
<td>2.28</td>
<td>1.82</td>
<td>6.94</td>
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<td>2007</td>
<td>3.76</td>
<td>4.18</td>
<td>2.73</td>
<td>8.40</td>
<td>2.39</td>
<td>1.97</td>
<td>4.56</td>
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<tr>
<td>2008</td>
<td>2.80</td>
<td>4.15</td>
<td>2.51</td>
<td>8.15</td>
<td>1.98</td>
<td>2.39</td>
<td>4.52</td>
</tr>
<tr>
<td>2009</td>
<td>2.39</td>
<td>3.27</td>
<td>2.50</td>
<td>6.04</td>
<td>1.69</td>
<td>1.54</td>
<td>4.84</td>
</tr>
</tbody>
</table>

Conclusion and recommendation

The One Call grant has been used to assist state agencies in implementing educational campaigns and enforcement programs relative to damage prevention. Statistical data indicates successful results in these areas. The agencies using the grant funds to perform enforcement action need the additional funds to continue their enforcement efforts. Those states which have used these funds for public education and one-call system enhancements also need these funds to continue their efforts.

Thirty seven state agencies requested $1,792,688 in 2009 for very important damage prevention projects. With only $1,043,000 funds available to be allocated, projects in priority one were funded at a ninety percent level.

The remaining projects in priority two and three were funded at sixty-five and twenty percent levels, respectively. The inadequate funding level will markedly reduce states’ abilities to continue programs vital to reducing excavation damages to pipelines and other underground facilities.

The benefit of reduced damages to the nation’s underground infrastructure is well known. An increased funding level to match the current requested amount of $1.8 million is needed to provide the needed assistance to states particularly in this time of economic difficulty for most states.
Executive Summary

Our nation’s vast network of underground facilities infrastructure transports many types of products by pipelines, conduits, conductors, and cables and provides us with natural gas and oil, telecommunications, electricity, water, sewage, cable TV and other vital products and services. Disruption of any one of these underground facilities affects the safety of the public, the environment, and interrupts the reliable service we depend on daily.

Excavation damage is the single most significant cause of incidents involving natural gas distribution pipeline systems that results in disruption of services and other serious consequences.

To reduce these incidents and to improve public safety and service reliability of all underground facilities, underground facility owners, contractors, the public and other stakeholders must work together. Advanced planning, effective use of the states One Call system, accurate locating and marking of underground facilities, safe digging methods, educational awareness campaigns as well as following the Common Ground Alliance (CGA) best practices are all effective tools in reducing underground facility damages.

For a number of years, the United States House of Representatives has recognized the threat of excavation damage to our nation’s infrastructure in testimonies presented before the Subcommittee on Energy and Air Quality. Action to address this threat was taken with appropriation of funds designed for a One Call grant available to state agencies who participate in the Pipeline Safety Program through a certification or agreement with US DOT Pipeline and Hazardous Materials Safety Administration (PHMSA). This grant has been successful in providing much needed assistance to promote damage prevention across the country.

The grant has been used to inform the public about national campaigns (Dig Safely and 811) on damage prevention, to implement legislation changes in state damage prevention laws and to increase membership participation by all underground facility operators into the state one call center. Funds have also been used to help several state agencies secure enforcement staff who monitor compliance with damage prevention laws. Further, these funds have been used to support training of locators on proper marking practices, and safe digging practices, data collection on damages, and software programs allowing input of data into the national Damage Information Reporting Tool (DIRT) program.

In the history of the One Call grant program, requests for funds from states have invariably exceeded the funds available for distribution. For this reason specific projects have been prioritized, and projects with the highest priorities have received the funding. The limited fund available for this grant have never matched the states requests and therefore has limited their efforts to reduce excavation damage threats to all underground facilities. Additional funds are needed to strengthen states damage prevention programs via public awareness announcements, training of excavators and locators, training of first responders who are now required to respond to incidents resulting in gas or hazardous liquid release, the collection of damage data, and enforcement.
Attachment A - Nevada PUC response

Reply to Michael Thompson’s Data Request

1. What new laws or rules that have been proposed, passed and or implemented over the same period?

We think it best to answer this question with a timeline to fit in with the information provided in response to the first question:

a. In 2003, Nevada formed a Common Ground Alliance (CGA) partnership, called the Nevada Regional Common Ground Alliance, or NRCGA, and the PUCN assumed a more high profile involvement in the excavation damage prevention process, including asking for more detailed excavation damage reporting from the jurisdictional gas LDCs.

b. In early 2005, the PUCN introduced legislation to modify the state’s one-call law (NRS 455) to better incorporate the standard color-code and marking guidelines, referred by the CGA, and the PUCN promulgated regulations (NAC 455) to implement a formal complaint resolution process.

c. In early 2006, PUCN management assigned a newly hired staff member to focus on making improvements in the area of excavation damage prevention. Improvements were then seen in the functioning of the NRCGA and there was movement toward making changes to NRS 455. In addition, the PUCN promulgated regulations to implement the color-code specifications and marking guidelines changes that resulted from the revision in state law a year earlier. This was accommodated by incorporating by reference Appendix B of the CGA Best Practices Manual.

d. In early 2007, a bill (SB 396) was introduced in the NV legislature to revise NRS 455, including changing the effective duration of a ticket from 14 to 28 days, narrowing the marking tolerance from 30 to 24 inches, requiring the marking of sewer laterals, and granting PUCN Staff the authority to enforce all provisions of NRS 455 and NAC 455. While the legislative session was in progress, the NV Pipeline Safety Program manager used a period of staff turn-over to reallocate personnel in a way to more effectively perform gas inspection duties and take on the one-call enforcement role. Concurrent with this process was implementation of an interim data collection system for better documentation of inspection activities.

e. In mid-2007, the Governor signed into law the final version of SB 396, which did not include the sewer lateral marking clarification/requirement, and the PUCN’s Pipeline Safety Program initiated one-call enforcement activities in the field in a phased-in approach.

f. During 2008, the PUCN conducted rulemaking proceedings in an attempt to resolve the issue over the marking of sewer laterals. A proposed regulation ensued, but was never enacted due to concerns expressed by the legislative branch.
g. In mid-2008, the one-call enforcement effort reached the final stage of implementation in terms of field inspections, and the first written warning letters and NOPVs were issued.

h. In early 2009, a bill (AB 80) was introduced in the NV legislature by several major cities and counties to revise NRS 455 to clarify the sewer lateral marking issue. This bill was in response to the rulemaking attempted by the PUCN in 2008, and approached resolution in a manner more acceptable to the municipal agencies that operate the largest sewer systems. A major battle ensued in the legislature, with the PUCN and most other stakeholders in opposition to the original language of AB 80. Also, in early 2009 the first enforcement hearings were conducted and the first fines were assessed. In addition, there was a surge in one-call warning letter and NOPV activity over the first 3 months of 2009, which seemed to get the message out as activity in these areas dropped to near zero for the remainder of 2009.

i. In mid-2009, the Governor signed into law the final version of AB 80, which was a heavily revised version of the original bill. The sewer system operators committed to marking sewer laterals in a phased-in effort over an unspecified period of time, and were allowed to bill for such marking. However, there was a sunset provision added that limits ability to charge for this service to just 2010 for all but the 30 smallest sewer system operators, which cumulatively account for roughly 1% of all sewer laterals.

j. By mid-2009, the PUCN’s one-call enforcement effort reached full maturity, in terms of procedures, protocols, in-field inspections, etc., and repeat offenses because the rare occurrence.

k. In late 2009, the PUCN Pipeline Safety Program implemented the comprehensive data collection, transmission and retention system that had been development for almost 2 years. This system provides full autonomy to field inspection staff, who now works primarily from home. Gas and one-call inspections, as well as all other types of activities performed by field and office staff, is covered in this system. The system ties in all aspects from the point of data input on their laptops by the field inspectors all the way to the budgeting and grant expense categorization accounts. Inspector time is accounted for in 15 minute intervals and office time has been almost eliminated for field staff.
2. **What are your damage ratios for the last 3-4 years?** The PUC of Nevada provides the following information for the past several years for which we have pertinent information. First is a table showing one-call center ticket counts and natural gas LDC damages rates for the decade recently completed:

<table>
<thead>
<tr>
<th>Year</th>
<th>One-Call Center Tickets</th>
<th>Change from Prev. YR</th>
<th>% Change from Prev. YR</th>
<th>Gas Leak Damages</th>
<th>* Gas All Damages</th>
<th>Change from Prev. YR</th>
<th>% Change from Prev. YR</th>
<th>One-Call Damages per 1,000 Tickets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>103,365</td>
<td></td>
<td></td>
<td>1472</td>
<td>1730</td>
<td></td>
<td></td>
<td>16.74</td>
</tr>
<tr>
<td>2001</td>
<td>107,785</td>
<td>4,420</td>
<td>4.28%</td>
<td>1389</td>
<td>1650</td>
<td>-80</td>
<td>-4.62%</td>
<td>15.31</td>
</tr>
<tr>
<td>2002</td>
<td>133,030</td>
<td>25,245</td>
<td>23.42%</td>
<td>1495</td>
<td>1750</td>
<td>100</td>
<td>6.06%</td>
<td>13.15</td>
</tr>
<tr>
<td>2003</td>
<td>161,360</td>
<td>28,330</td>
<td>21.30%</td>
<td>1498</td>
<td>1750</td>
<td>0</td>
<td>0.00%</td>
<td>10.85</td>
</tr>
<tr>
<td>2004</td>
<td>175,075</td>
<td>13,715</td>
<td>8.50%</td>
<td>1522</td>
<td>1800</td>
<td>50</td>
<td>2.86%</td>
<td>10.28</td>
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<tr>
<td>2005</td>
<td>199,630</td>
<td>24,555</td>
<td>14.03%</td>
<td>1225</td>
<td>1450</td>
<td>-350</td>
<td>-19.44%</td>
<td>7.26</td>
</tr>
<tr>
<td>2006</td>
<td>204,485</td>
<td>4,855</td>
<td>2.43%</td>
<td>1208</td>
<td>1420</td>
<td>-30</td>
<td>-2.07%</td>
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<td>2007</td>
<td>171,550</td>
<td>32,935</td>
<td>-16.11%</td>
<td>-</td>
<td>783</td>
<td>-637</td>
<td>-44.86%</td>
<td>4.56</td>
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<tr>
<td>2008</td>
<td>121,815</td>
<td>49,735</td>
<td>-28.99%</td>
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<td>-233</td>
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</tr>
<tr>
<td>2009</td>
<td>72,250</td>
<td>49,565</td>
<td>-40.69%</td>
<td>-</td>
<td>350</td>
<td>-200</td>
<td>-36.36%</td>
<td>4.84</td>
</tr>
</tbody>
</table>

* Gas operators have reported all damages, including those that didn't result in leakage, since 2007, but previously reported just those leaks that resulted in immediate leakage. It appears that damages that result in leakage account for something under 85% of all damages. Thus, the damages reported prior to 2007 have been divided by .85 to project what the number of all damages was likely to be.

Notes:
1. Damage reports since 2003 have been made directly to the PUCN and differ from the data reported on the DOT Annual Reports. A major difference is that the data reported to DOT/PHMSA includes repairs subsequent to leaks founds during leakage survey that were attributed to damage at a previous date that had not been reported at the time. As noted above, starting in 2007 this data provided directly to the PUCN reflects all damages, not just that which resulted in immediate leakage.
2. Excavation damages reported on the DOT Annual Reports ran consistently in the 1,200-1,500 range from 1994 thru 2006, while during this period there was a constant increase in construction activity as measured by ticket volume. This led to an improvement in the ratio of damages per 1,000 tickets, probably downward from 20 or so, reflecting the limited success of gas LDCs in their damage prevention efforts in being able to keep damage rates from increasing along with the rate of construction activity.
As this question seems to be directed toward the impact of active enforcement of our state’s one-call law we felt it would be illustrative to show what has happened in terms of “repeat offenders”, as aggressive enforcement cannot do much in relation to random one-time damages, such as by homeowners. That is an issue best addressed by focused outreach efforts. The following tables are provided to show what has happened in regard to compliance by the contract excavator community.

First is a table that shows the damages caused by the top 12 “repeat offenders” each year, sorted by number of damages, not by company:

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<td>39</td>
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<td>12</td>
<td>12</td>
<td>10</td>
<td>5</td>
<td>8</td>
<td>4</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>327</td>
<td>252</td>
<td>260</td>
<td>197</td>
<td>102</td>
<td>120</td>
<td>62</td>
<td>59</td>
<td>36</td>
</tr>
</tbody>
</table>

| All Reports    | 1498             | 1522             | 1225             | 1208             | 783              | 926              | 550              | 400               | 278               |
| % of All       | 21.83%           | 16.56%           | 21.22%           | 16.31%           | 13.03%           | 12.96%           | 11.27%           | 14.75%            | 12.95%            |

* 2008 & 2009 data includes reports from multiple utilities, in addition to the gas companies. The broader reporting is projected to account for at least 70% of all damages encountered in the state.

Notes:

1. The various colored fields relate to specific excavators (companies), as described in the following table.

2. The 2008 and 2009 data reflects the addition of comprehensive reporting to the PUCN by the larger gas, electric and telecom companies, and some water & sewer operators, on a voluntary basis. This difference is much like that for all gas damages and those that resulted in immediate leakage – the reporting prior to 2008 specific to damages caused by a given excavator do not include damages to other than just gas lines.

3. The 2009 data is thru just the first 3 quarters of the year as we will not have full 4th quarter data for a few more weeks.
The next table illustrates what has happened with the contractors that caused the most damages since 2003, as color-coded on the above table:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractor A</td>
<td>174</td>
<td>144</td>
<td>28.8</td>
<td>30</td>
<td>15</td>
</tr>
<tr>
<td>Contractor B</td>
<td>161</td>
<td>150</td>
<td>30</td>
<td>11</td>
<td>5.5</td>
</tr>
<tr>
<td>Contractor C</td>
<td>156</td>
<td>137</td>
<td>27.4</td>
<td>19</td>
<td>9.5</td>
</tr>
<tr>
<td>Contractor D</td>
<td>124</td>
<td>117</td>
<td>23.4</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Contractor E</td>
<td>111</td>
<td>106</td>
<td>21.2</td>
<td>5</td>
<td>2.5</td>
</tr>
<tr>
<td>Contractor F</td>
<td>72</td>
<td>65</td>
<td>13</td>
<td>7</td>
<td>3.5</td>
</tr>
<tr>
<td>Contractor G</td>
<td>68</td>
<td>64</td>
<td>12.8</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Contractor H</td>
<td>61</td>
<td>46</td>
<td>9.2</td>
<td>15</td>
<td>7.5</td>
</tr>
</tbody>
</table>

Contractor A has been near the top in terms of damage rate every year and at the top the most recent two years. This contractor has been fined once and PUCN Staff is in the process of seeking steep financial penalty for continued non-compliance. Contractors B, E, F & G have made significant strides in terms of compliance since 2005, and Contractor H made significant gains starting in mid-2009. Contractor D went out of business in 2008.

The above tables show that the damage rate by the 12 most prominent repeat offenders has been greatly reduced, from over 20% of gas damages to the 12-13% range during the period that the rate of overall damages was dropping. In fact, the reduction in this type of damage is a main factor in overall damages dropping so much. Prior to 2007 one had to get well down the list of the most prominent repeat offenders to drop below double-digits, but in 2009 only two entities were on pace for double digit damages, and they should have ended up with around 12-13.

The next way we can measure the effectiveness of an aggressive one-call enforcement program is by looking at basic root cause categories. Based on limitations in our current format of damage data reporting, plus a desire to focus on broad issues at this stage, we have combined numerous specific root causes into these 4 main categories: “Not A Valid Ticket”, including No Call, Starting Work Too Soon, Working on an Expired Ticket, etc.; “Hit With Mechanical Equipment”, including Failure to Hand Dig, Failure to Pothole while Boring, etc.; “Misc. Damage”, including Hit with Hand Tools, Failure to Protect or Support an Exposed Facility, etc.; and “Miss-Mark”, including Incomplete or Inaccurate Locate, Failure to Locate within Required Time Limit, etc.
What follows is the breakdown of gas damages by broad root cause categories for both the 2004/2005 period and the first 3 quarters of 2009:

<table>
<thead>
<tr>
<th>Period</th>
<th>Ave of</th>
<th>Not a Valid Ticket</th>
<th>Hit With Mechanical Equipment</th>
<th>Misc. Damage</th>
<th>Miss-Mark</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004/2005</td>
<td>610</td>
<td>422</td>
<td>60</td>
<td>132</td>
<td>1224</td>
<td></td>
</tr>
<tr>
<td>3 Qtrs of 2009</td>
<td>74</td>
<td>62</td>
<td>103</td>
<td>39</td>
<td>278</td>
<td></td>
</tr>
</tbody>
</table>

Based on data collected thru the first 2 quarters of 2009, the total damage rate for the year had been projected to end up in the 350-360 range. The 3rd quarter reports came in right in line with those projections and we still project that total gas damages will end up around 350 for the year.

The pie chart below illustrates the break-down of the root cause categories for the 2004/2005 period:

Note that the “Not a Valid Ticket category accounted for half of all reported gas damages for this period, and that this and the next slightly less “egregious” category, “Hit With Mechanical Equipment”, accounted for almost 85% of all reported gas damages. So, after 30+ years of having a one-call center serving NV and 15 years after passing a one-call law most damages were still due to excavators not using the one-call system or upon accessing the one-call system not honoring the marks placed by utility operators (by digging right thru them).
What happened after effecting aggressive enforcement of the one-call law is shown on this pie chart for how these categories looked in 2009 (thru September):

Note that in 5 years the “Not a Valid Ticket” category has dropped from 50% to just two percent above 25%, and that the two categories of highest concern now account for just under one half of all damages, down from almost 85%. What was previously the smallest slice of the pie, “Misc. Damage”, is now the largest slice, indicating a better job by excavators in using the system and honoring the utility operator marks.

A major change is that the 2009 pie should end up about 1/4 as large as it was 5 years earlier (once the 4th quarter data is added). It must be noted that there has been a very distinct improvement in the quality of reporting as well as significant refinement in root cause categorization over the past 5 years, resulting in there being a bit of apples and oranges comparison of the 2009 data to the 2004/2005 data. The “Not a Valid Ticket” and “Miss-Mark” categories probably haven’t changed much, but a lot of what was categorized as “Hit With Mechanical Equipment” damage in 2004/2005 might have more properly been categorized as “Misc. Damage” if the current criteria had then been in use. As such, “Misc. Damage” in 2004/2005 was likely a much larger slice than shown, and correspondingly the “Hit with Mechanical Equipment” a smaller slice than indicated. While the steep economic downturn and drop-off in excavation activity, as measured by ticket volume, obviously contributed to the steep drop in damages, there can be only one explanation for this significant change in damage causes, and that is enforcement. In addition, the cumulative drop in damage rate has been steeper than the drop in ticket volume, and there were far higher damage rates years earlier at similar ticket volumes. For example, comparing 2007 to 2004 in
the first table above (on page 1), when ticket volume was in the area of 170,000 to 175,000 for each of these two years, shows that gas damages in 2007 were less than half that reported in 2004.
Attachment B - One Call Grant Priority List

Priority 1

1. Compliance Enforcement
   - Legal assistance with enforcement actions
   - Cost of enforcement and/or complaint investigations
   - Cost of enforcement actions
2. Compliance Monitoring - State agency collection and analysis of data
   - One Call center statistics
   - One Call center membership
   - Compliance/Noncompliance statistics
   - Causes of noncompliance
   - Frequency, cause, and consequences of dig-ins
3. Legislation and Rulemaking
   - Obtaining input from affected interests
   - Drafting assistance
   - Testimony before legislative/rulemaking bodies
4. Implementation of One Call Laws and Regulations**
   - Start-up costs for the state agency only, mandated by new law or rules
   - Equipment
   - Records systems and databases
   - Procedures
   - First-year information campaign on new/changed law or rules
5. 811 educational campaign – one time per state

** A state cannot request grant funds to implement proposed legislation - the legislation must have already been passed.

Priority 2

1. One Call Membership Initiatives for Operators
   - Initial membership fees
   - Fax machines
   - Computer equipment
   - Communication improvements
   - E-mail access
   - Dedicated phone line
   - Locating equipment and training
2. Consolidation of Multiple One Call Centers (only costs incurred by the state agency)
   - State agency expense to encourage consolidation
   - One Call Center consolidation expenses
   - First year promotion of new One Call center and phone number
3. Training of state inspection or enforcement personnel in -
   - Facility locating methods and technology
   - Provisions of state One Call law or regulations
4. Equipment to support on-going enforcement program (includes computer programming and software.)
**Priority 3**
1. Development of and/or conduct state-provided training programs for excavators
2. Development and/or conduct state-provided training programs for locators
3. Development and/or distribution of promotional items or materials
4. Development and/or conduct damage prevention awareness campaigns
   - Public service announcements
   - Informational mailings
   - Advertisements
   - One call center promotions
   - Booths/exhibits