

**2018 State Damage Prevention Program Grants Mid-Year Progress Report  
CFDA Number: 20.720**

**Award Number:** 693JK31840016

**Project Title:** State Damage Prevention (SDP) Program Grants - 2018

**Date Submitted:** August 29, 2019

**Submitted by:** James F. Huston and Kelsey Klingler

**Specific Objective(s) of the Agreement**

Under this grant agreement, the Indiana Utility Regulatory Commission (IURC or Recipient) will continue enforcement of Indiana's "One-Call" statute (Indiana Code chapter 8-1-26, "Damage to Underground Facilities") by its Pipeline Safety Division (PSD) and foster support and partnership with stakeholders in regard to damage prevention efforts.

The statute requires the PSD to: 1) investigate alleged violations of the law where excavation damages to natural gas or hazardous liquid pipelines have occurred, 2) report violations found to an Advisory Committee established by the statute and comprised of stakeholder representatives appointed by the Governor, and 3) maintain a database of all cases investigated along with their ultimate disposition. The statute also requires that the funds recovered through the monetary penalties be used for public awareness, training and education, and incentives for stakeholders, and not for the findings of violations by the PSD.

The funding provided by this grant will be used to pay for administrative and professional labor related costs associated with investigating, reporting and tracking alleged violations of the statute. Specifically, these costs will consist of direct labor, fringe benefits and indirect costs of IURC staff involved with enforcement activities including investigations, administrative support, communications and analysis.

**Workscope**

Under the terms of this grant agreement, the Recipient will address the following elements listed in the approved application as stated in 49 U.S.C. §60134 (b).

- **Element 7 (ENFORCEMENT):** 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.

**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.")**

As mentioned above, the objective of this grant is to enable the Pipeline Safety Division (PSD) to continue enforcing Indiana's One-Call statute (IC 8-1-26, "Damage to Underground Facilities"). This statute requires the PSD to investigate and track each alleged violation of the statute involving excavation damages to natural gas and hazardous liquid pipelines. This investigation includes requesting information from both operators and excavators about damages and alleged

violations reported to it. Once responses have been received the PSD reviews all of the evidence submitted, determines whether a violation of the statute has occurred, who is responsible and then creates and forwards a summary report of the case to an advisory committee for penalty recommendations.

The objective for this review process is to help enforce the requirements of the One-Call law and in doing so, reduce the number of excavation damages and potential incidents. The PSD has accomplished the objective of this grant by completing or beginning investigation of 1,168 cases of alleged violation reported to it during this reporting period.

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

For this reporting period, the PSD has been able to provide the advisory committee on a monthly basis, the maximum number of cases it has stated it would be able to review. Also, during the reporting period, the advisory committee gave recommendations for 817 cases. This includes 366 civil penalties totaling \$808,000. Finally, during the reporting period, the IURC granted final approval for 864 advisory board recommendations including \$824,500 in civil penalties. From the inception of enforcement language in the state’s One-Call law in 2009 through April 16, 2019 the advisory board has recommended \$5,725,000 in civil penalties.

Indiana’s One-Call law required the establishment of an Underground Plant Protection Account (UPPA) for the deposit of civil penalties collected by the IURC from violations of the One- Call Statute. The funds collected are to be used to provide funding for programs designed to reduce excavation damages. These programs must support one of the following categories:

- Public Awareness
- Training and education and
- Incentives for stakeholders to improve their performance and reduce excavation damages.
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The IURC has funded a number of programs through the UPPA fund. As a result of these programs and other efforts calendar year 2018 excavation damages on gas distribution pipelines per 1,000 one-call tickets continued to decline, dropping to 1.71 damages per 1,000 tickets from 1.87 damages per 1,000 tickets in calendar year 2017.

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

One of the main challenges associated with the state’s One-Call law is that operators have not been able to keep up with the demand for line locates, especially during the busy seasons for excavating. While pipeline operators are generally seeing improvements in their locating performance, non-pipeline operators continue to present real challenges to the excavator community as there are no enforcement mechanisms in place for late locates by non-pipeline underground facility operators. Attempts to address this and other issues continue through open communications and collaboration between underground facility operators and excavators.

**Mid-term Financial Status Report**

Attached.

**Plans for Next Period (Remainder of Grant)**

The PSD's plans for the remainder of the period are to continue investigating alleged violations and work with stakeholders to identify and address opportunities for improvements in the overall process from notices of excavation through successful safe-digging practices.

**Requests of the AOR and/or PHMSA**

No actions requested at this time.

Indiana Utility Regulatory Commission  
2018 State Damage Prevention Grant  
Mid-Year Financials 9/28/2018-3/27/2019

| Employee                           | Direct Salaries    | Fringe Benefits    | Total Direct Costs  | Indirect Cost Rate | Indirect Costs      | Total Costs         |
|------------------------------------|--------------------|--------------------|---------------------|--------------------|---------------------|---------------------|
| Kelsey Klingler                    | \$ 6,341.43        | \$ 1,666.36        | \$ 8,007.79         | 34.87%             | \$ 2,792.32         | \$ 10,800.11        |
| Aaron Holeman                      | \$ 9,997.56        | \$ 4,886.81        | \$ 14,884.37        | 34.87%             | \$ 5,190.18         | \$ 20,074.55        |
| Mike Neal                          | \$ 4,323.63        | \$ 1,215.80        | \$ 5,539.43         | 34.87%             | \$ 1,931.60         | \$ 7,471.03         |
| Kylie LaCourte                     | \$ 25,907.74       | \$ 4,077.31        | \$ 29,985.05        | 34.87%             | \$ 10,455.79        | \$ 40,440.84        |
| Mike Hummel                        | \$ 1,601.60        | \$ 784.47          | \$ 2,386.07         | 34.87%             | \$ 832.02           | \$ 3,218.09         |
| Mike Martin                        | \$ 1,441.44        | \$ 207.82          | \$ 1,649.26         | 34.87%             | \$ 575.10           | \$ 2,224.36         |
| <b>Gross Expenses</b>              | <b>\$49,613.40</b> | <b>\$12,838.56</b> | <b>\$ 62,451.96</b> |                    | <b>\$ 21,777.01</b> | <b>\$ 84,228.97</b> |
| <b>Expenses In Excess of Grant</b> |                    |                    | <b>\$ 20,189.05</b> | <b>34.87%</b>      | <b>\$ 7,039.92</b>  | <b>\$ 27,228.97</b> |
| <b>Final Expenses Submitted</b>    |                    |                    | <b>\$42,262.91</b>  |                    | <b>\$14,737.09</b>  | <b>\$ 57,000</b>    |