**2010 State Damage Prevention Program Grants Final Report**

**Funding Opportunity Number: DTPH56-10-SN-0001**

**CFDA Number: 20.720**

**Award Number** DTPH56-10-G-PHPS12

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

**Date Submitted: March 17, 2011**

**Submitted by: Clark Stoner**

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

Under this grant agreement, the PUCN will continue ongoing enforcement activities that began in 2008. The grantee will also participate in the Nevada Regional Common Ground Alliance.

**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 (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 (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 the grant period (Item 1 under Agreement Article IX, Section 9.02 Final Report: “A comparison of actual accomplishments to the objectives established for the period.**”)

 **State Damage Prevention Grant**

 **Effective dates March 1 thru December 31, 2010**

 **Progress report – March 1 thru December 31, 2010**

The Grant request was based on Elements 2, 4, 6, 7, 8, and 9. A certain amount of work was projected to be completed for each of the Elements during 2010. This Progress Report, due March 31, 2011, compares the Accomplishments (actual costs by each Element) to the Projections by each Element. The projected hours were based on a 12 month period (not 10 months). The actual hours came from the new Staff Database, March 1, through December 31, 2010. When compared to the actual hours, the estimates for Elements 2, 4, 6, 8 and 9 were high, while the estimate for Element 7 was low.

**Element 2 – Fostering support and partnership of all stakeholders.**

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. Four inspectors @ 4 hours/ month = 192 X $40 = $ 7,680 + 25% Fringes or $ 1,920 = **$9,600.**

**Actual** –Hours spent attendingmonthlyNRCGA meetings equal 84 X $55.28 per hour = **$4,643.**

**Element 4 – Stakeholder partnership in employee training.**

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

**Estimate** - Training requirements would be 16 hours per month for 12 months. 16 hours X 12 months = 192 X $40 = $ 7,680 + Fringes at 25% or $ 1,920 = **$9,600.**

**Actual** – This was mainly contractor training on the One-Call Law**.** Hours spent training equal 50 hours X $55.28 per hour = **$2,764.**

**Element 6 – Enforcement agencies role to help resolve issues.**

Three to four pipeline engineers have attended every NRCGA meeting since 2006. In the past the PUCN Staff has been looked up to for guidance in resolution of issues. This activity is diminishing in importance as the NRCGA is reaching its maturity but the PUCN Staff will continue to provide input.

**Estimate** - 16 hours per month X 12 months equals = **$9,600.**

**Actual** – This was separate from Enforcement actions. Hours spent in Dispute Resolution equal 54 hours X $55.28 per hour = **$2,984.**

**Element 7 – Fair and consistent enforcement of the law.**

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** of 85 hours per month total for the 4 inspectors. 85 X 12 = 1,020 X $40 = $40,800 with fringes at 25% = $10,200 for a total of **$51,000**.

**Actual** – Fourteen formal Enforcement actions initiated. Enforcement hours spent equal 1,232 hours X $55.28 per hour = **$68,104.**

**Element 8 – Use of technology to improve the locating process.**

The NRCGA is continually looking at new locating technology

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**Estimate** of 10 hours per quarter. 10 X 4 = 40 X $40 = $ 1,600 and 25% Fringes = **$1,000.**

**Actual** – Technology review hours spent equal 16 hours X $55.28 per hour = **$ 884.**

**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 is 273.

**Estimate** of 40 hours per year or 10 per quarter. This would also be **$2,000.**

**Actual** – This is mainly review and compilation of reported damages. Damage Prevention Program Review hours spent equal 80 hours X $55.28 per hour = **$4,421.**

 **Personnel $60,336**

 **Fringes 23,464**

 **Total for all Elements based on the Grant Awarded = $83,800**

**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.”)**

 **Effectiveness**

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 1522.

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 783 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 approximately 346.

During 2010, 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 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 346 to 273. The **Effectiveness** of Nevada’s One-Call Program from the year 2000 thru 2010 is set forth below.

 Year Gas Damages Year Gas Damages

2000 1,472 2006 1,208

2001 1,389 2007 783

2002 1,495 2008 550

2003 1,498 2009 346

2004 1,522 2010 273

2005 1,225

**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.**

**Final Financial Status Report**

***“The final financial report has been sent as a separate attachment to the AA.”.***

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

**No actions requested at this time.**