

**Before the
House Consumer Affairs Committee**

**Hearing on Legislation Amending
The Underground Utility Line Protection Law**

June 5, 2017

Testimony of

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Good morning Chairman Godshall, Chairman Caltagirone and members of the House Consumer Affairs Committee. I am Terry Fitzpatrick, President and CEO of the Energy Association of Pennsylvania (“EAP” or “Association”), a trade association comprised of electric and natural gas utilities operating in Pennsylvania. Thank you for this opportunity to appear on behalf of our members¹ and testify regarding legislation amending the Underground Utility Line Protection Law, commonly referred to as the “One Call” law.

By way of background, the Energy Association’s main functions are to advocate positions before state agencies (most notably the Public Utility Commission) and the General Assembly, and to assist its members in sharing best practices. EAP also provides educational opportunities for its members (as well as for out-of-state utilities, government employees, and other interested parties) through its annual conferences on electric and gas operational issues and consumer service issues.

With regard to all of EAP’s activities, no issue is more important than promoting safety for customers, employees, and the general public. Safety issues are frequently on the agendas for our electric and gas operations conferences, and EAP has an Accident Prevention Committee that recognizes superior performance with annual safety awards. EAP also attends meetings of the Board of Directors of the PA One Call system and participates in three of the system’s “Safety Days” programs each year.

Established more than 40 years ago as a “call before you dig” communications service in Southwestern Pennsylvania, “PA One Call” was designed to protect underground utility facilities from damages resulting from excavation projects. After becoming law in 1974, the “one call”

¹ EAP members include: Citizens’ Electric Company; Columbia Gas of Pennsylvania; Duquesne Light Company; Metropolitan Edison Company; National Fuel Gas Distribution Corp.; PECO Energy Company; Peoples Natural Gas Company; Peoples Natural Gas-Equitable Division; Peoples TWP LLC; Pennsylvania Electric Company; Pennsylvania Power Company; Philadelphia Gas Works; Pike County Light & Power Company; PPL Electric Utilities; UGI Central Penn Gas; UGI Penn Natural Gas; UGI Utilities, Inc.; Valley Energy; Wellsboro Electric Company; and West Penn Power Company.

concept continued to expand throughout the Commonwealth (and beyond) to provide for a single nationwide toll free telephone number or 811 number, whereby excavators, designers, or other persons could notify “facility owners” thorough a central third party entity of their intent to “dig” in an area which may (or may not) include underground facilities, i.e. pipes and wires. In turn, the facility owners would then be afforded the opportunity to mark the underground facility so as to avoid damage during the planned excavation or demolition process.

In Pennsylvania, a series of legislative amendments made participation in the One Call system mandatory for most underground facility owners and operators. This legislation also defined and identified the duties, requirements and notification responsibilities of the various parties involved in the One Call system; determined the composition, staffing and leadership of the third party entity that operates the system; and delegated enforcement authority and established penalties and fines to be levied in the event of a violation and/or damage resulting from a violation. Today, the Pennsylvania Department of Labor & Industry enforces the requirements of the One Call law, which ideally protects both the excavator and the underground facility from harm which can occur where a pipe or wire is hit and damaged.

There are two bills pending in the General Assembly that would amend the One Call law: House Bill 284, sponsored by Representative Matt Baker, and Senate Bill 242, sponsored by Senator Lisa Baker. These bills are almost identical and would make the following changes to the law:

- Transfer enforcement authority from the Department of Labor and Industry to the Public Utility Commission (PUC);
- Establish a Damage Prevention Committee and set forth its composition and duties;
- Remove exceptions and place additional duties upon facility owners, excavators, and project owners;

- Create an administrative process for determining violations and assessing penalties; and,
- Extend the sunset date of the law from 2017 to 2022 (House Bill 284) or 2024 (Senate Bill 242).

EAP and its members support passage of either House Bill 284 or Senate Bill 242.

Reauthorization of the One Call law is critically important for preserving public safety.

Moreover, we believe that the changes proposed in these bills will improve safety and limit the number of hits to underground utility facilities.

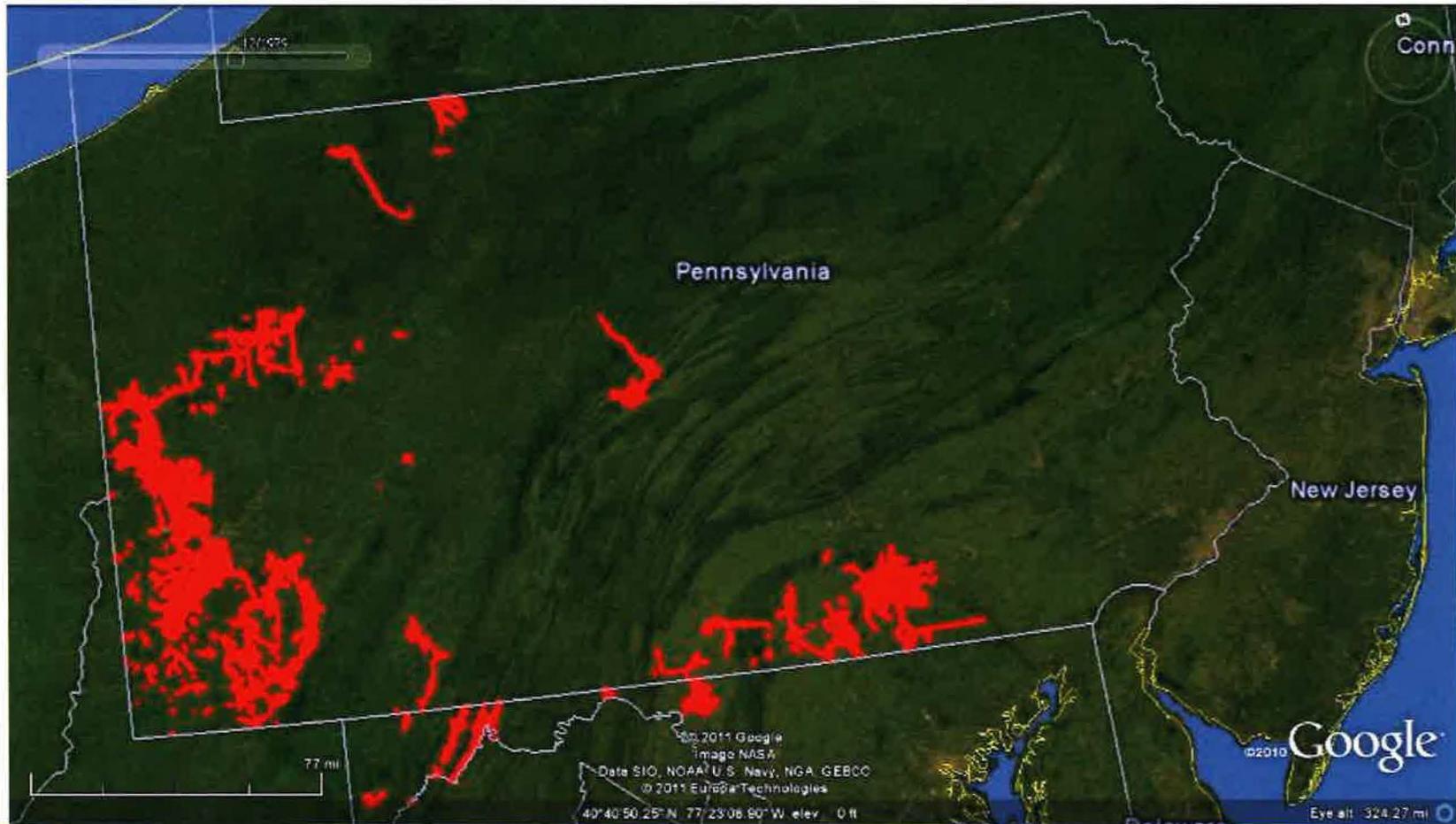
In our view, the PUC is a natural fit to enforce the law because of its historic responsibility to oversee safety issues involving public utilities. I note that a number of other states have also entrusted enforcement of their One Call laws to their utility regulatory agency. It is our understanding that the U.S. Department of Transportation's Pipelines and Hazardous Materials Safety Administration ("PHMSA") supports the proposed transfer of authority. PHMSA is on record for encouraging and supporting states to house enforcement of one call laws in the states' utility regulatory agencies because data demonstrates that for those states where enforcement is delegated to the agency overseeing utilities, a lower number of reportable incidents occurs leading to fewer incidents of personal injury or property damage.

EAP also supports the establishment of a Damage Prevention Committee to address most alleged violations of the law. It is our understanding that this type of process has worked well in other jurisdictions, such as Virginia. With regard to One Call reauthorization bills that were introduced in previous legislative sessions, we expressed concern that not all of the major utility industries were assured representation on the Damage Prevention Committee, which we believed was necessary to assure that there was adequate expertise and balance on the Committee. However, we appreciate that the sponsors of House Bill 284 and Senate Bill 242 have addressed this concern and expanded the composition of the Committee to include representatives of electric, gas, telecommunications, and water utilities.

I recognize that there are other issues involved in reauthorization of the One Call law, but the issues mentioned above are the ones of greatest concern to gas and electric utilities, so I will limit my testimony to them.

In summary, EAP supports passage of either House Bill 284 or Senate Bill 242. Thank you for the opportunity to testify.

Columbia Gas of Pennsylvania Facilities



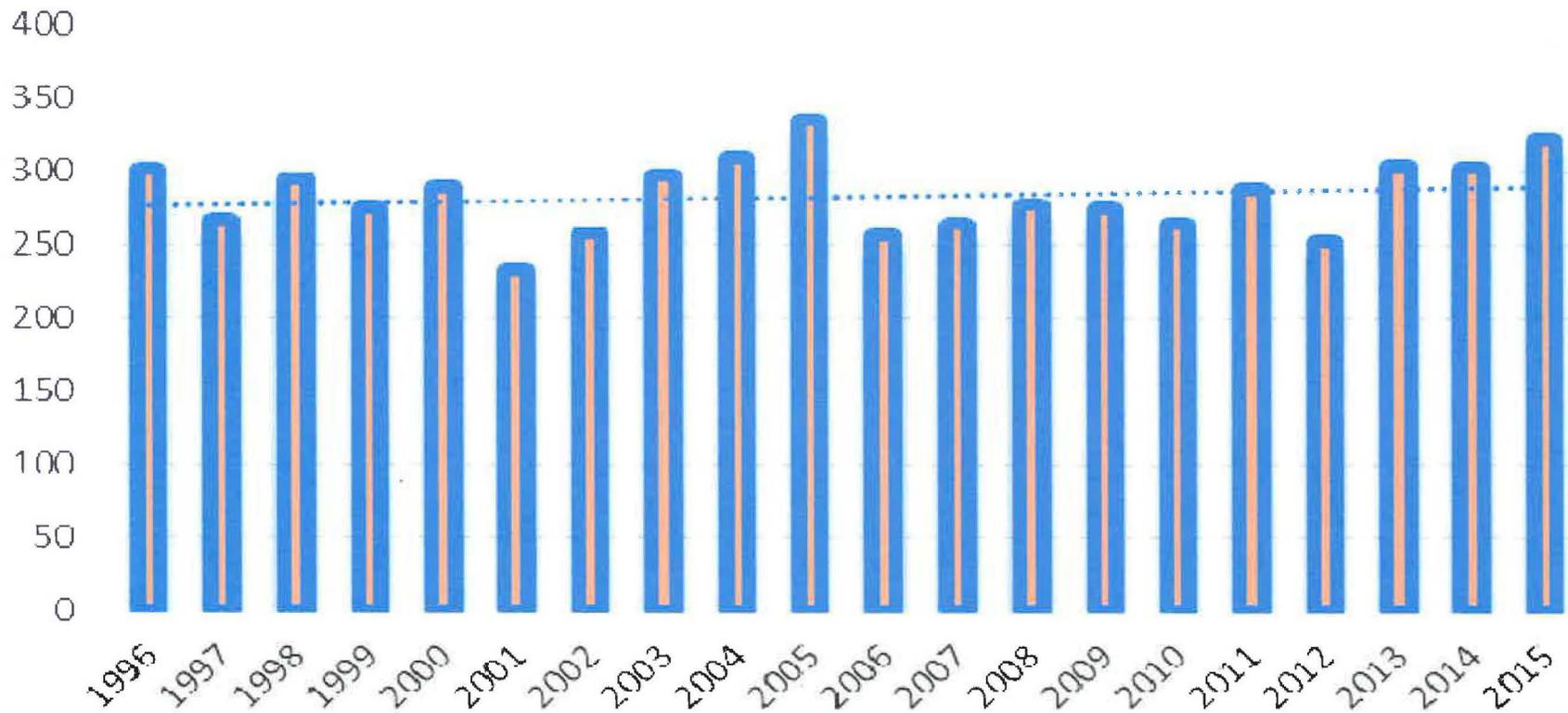
Service Territory

National Perspective

THE GOOD NEWS, AND THE BAD NEWS

The good news is that on a damage-per thousand locates basis, overall incidents to locates are going down.
The bad news is that in actual numbers of incidents related to damage, the rates are flat at best...

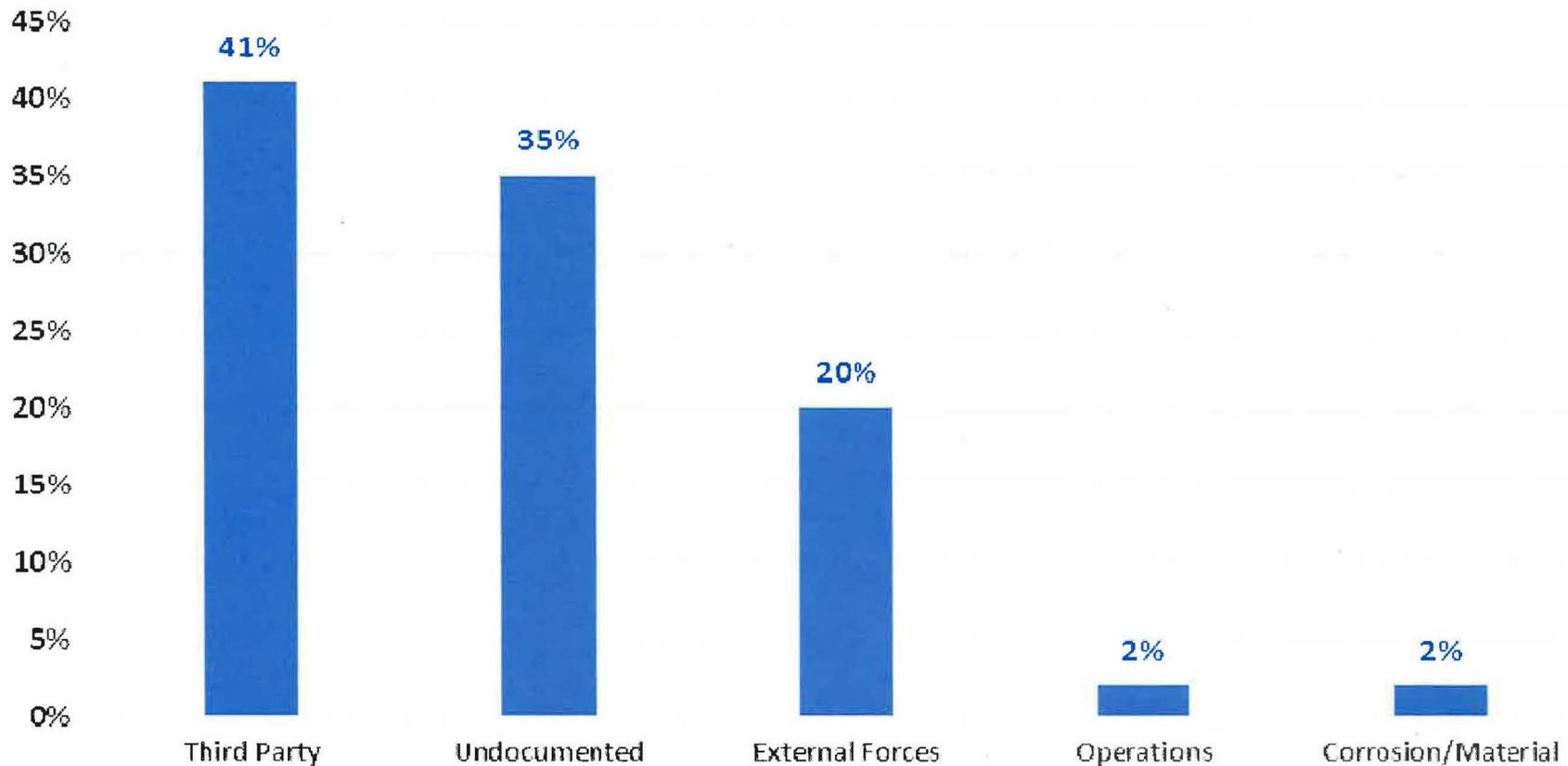
Significant Events



US Overview

Root Causes Of Federally Reportable incidents in the US, 1996 to 2015

A Federally reportable incident is an incident caused by an escape of gas from a jurisdictional Pipeline causing \$50,000 in property damage, an injury or injuries resulting in over night hospitalization, or fatalities. These incidents are most often exemplified by explosion having occurred.



Damage Prevention Analysis Report

Summary

This December, NiSource is in the **YELLOW** with a damage ratio of **2.46** damages per thousand one call locates. 2016 facility damages approximately 193 less damages than last year. Also, there is an increase in ticket volumes compared to previous year by approximately 142,837 year to date.

The Stats

 NiSource Damage Prevention Summary (YTD = January 1 - December 31)							
	YTD	2012	2013	2014	2015	2016	2016 Goal
NiSource	Damages	2,720	3,823	3,956	3,780	3,587	Y
	One Call Locates	803,908	1,158,148	1,268,745	1,316,591	1,459,428	
	Damages/1000 Locates	3.38	3.30	3.12	2.87	2.46	
COH	Damages	1,840	1,881	2,054	1,881	1,744	Y
	One Call Locates	416,897	453,002	510,184	517,252	583,508	
	Damages/1000 Locates	4.41	4.15	4.03	3.64	2.99	
CKY	Damages	196	183	219	204	157	G
	One Call Locates	37,215	40,664	46,738	54,595	61,308	
	Damages/1000 Locates	5.27	4.50	4.69	3.74	2.56	
CGV	Damages	243	223	236	240	233	G
	One Call Locates	158,888	181,969	200,592	197,919	207,900	
	Damages/1000 Locates	1.53	1.23	1.18	1.21	1.12	
CPA	Damages	289	302	291	276	289	R
	One Call Locates	111,071	115,679	109,284	114,384	118,118	
	Damages/1000 Locates	2.60	2.61	2.66	2.41	2.45	
CMD	Damages	26	25	31	27	24	G
	One Call Locates	9,914	12,698	12,233	14,287	16,746	
	Damages/1000 Locates	2.62	1.97	2.53	1.89	1.43	
CMA	Damages	126	151	161	144	155	Y
	One Call Locates	69,923	72,173	79,858	82,655	87,687	
	Damages/1000 Locates	1.80	2.09	2.02	1.74	1.77	
NIPSCO	Damages	Information unavailable for reporting	1,058	964	1,008	985	Y
	One Call Locates		281,963	309,856	335,499	384,161	
	Damages/1000 Locates		3.75	3.11	3.00	2.56	

Pennsylvania – 2015 Damages to Natural Gas Facilities

- Total # of locate requests:

601,847

- Number of pipeline damages:

2,026

- Damages per thousand tickets:

Average 3.1

- Number of violations issued:

16

- Top causes for damages?

69% Excavator Error

31% Operator Error

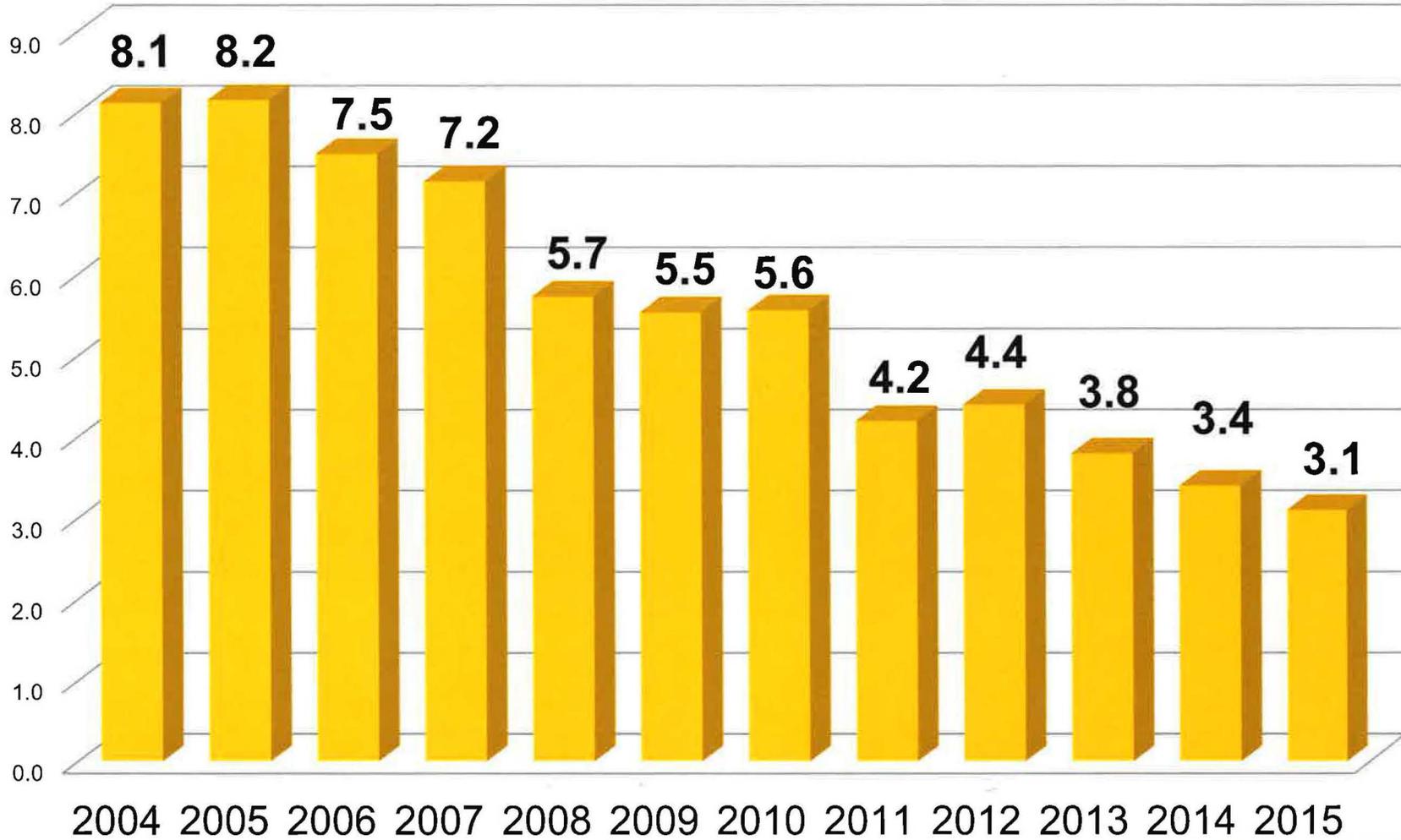
Pennsylvania

Cost of Damaged Facilities 2004-2015



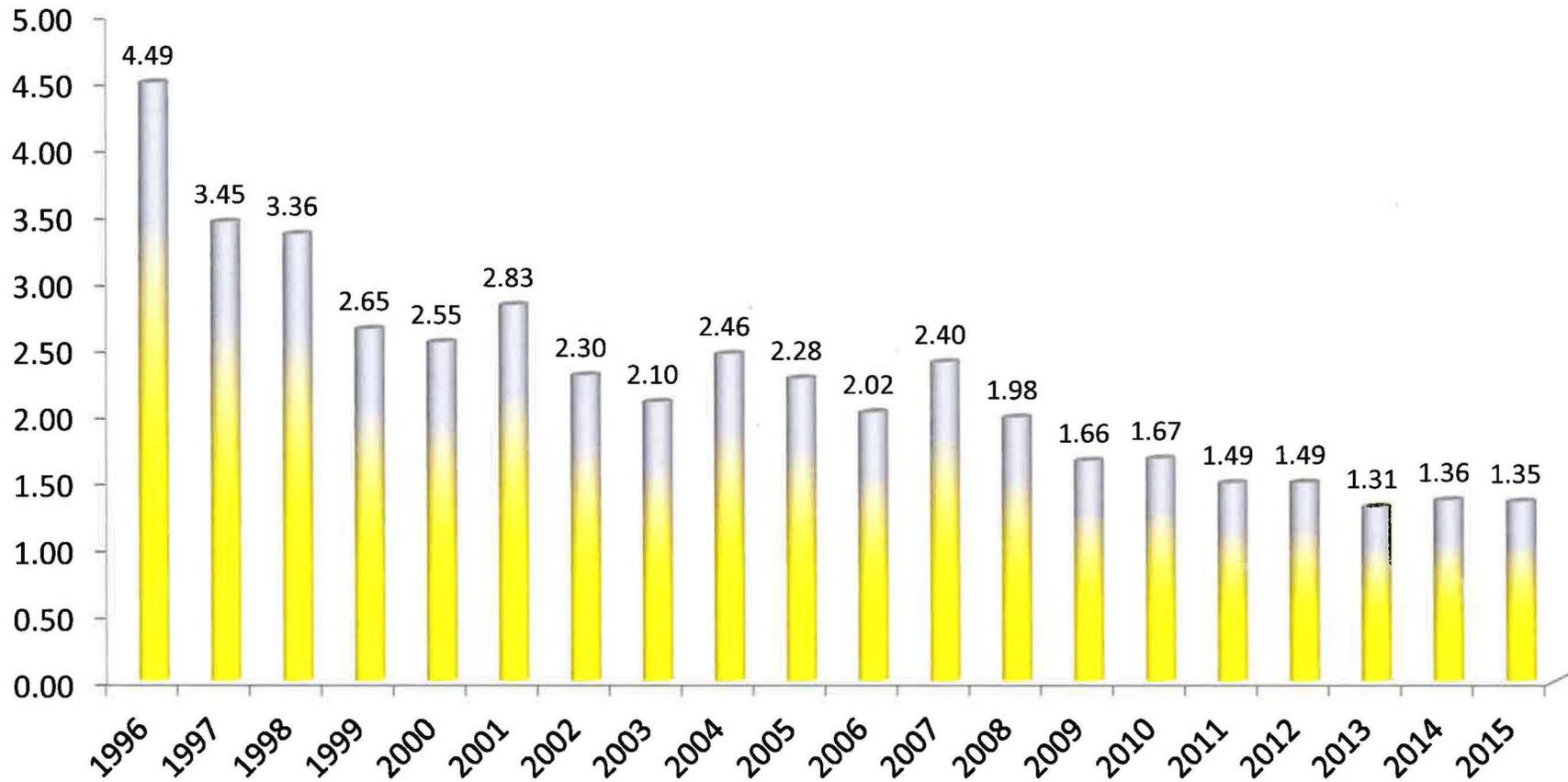
Pennsylvania

Yearly Average of Line Hits Per 1,000 Tickets Marked



Virginia

Yearly Average of Line Hits Per 1,000 Tickets Marked



Columbia Gas of Pennsylvania

- **Active membership in Pennsylvania One Call System, Inc. We partner with PA One Call in many ways, including supporting excavator training to sponsoring safety events throughout the state.**
- **Created Damage Prevention Coordinator position in Field Operations to educate excavators and contractors about the need to call 811 for facility locates and requirements for safe digging around pipelines after they've been located. Columbia Gas of PA now has eight (8) DPCs in our service territory.**
- **New Columbia Gas of PA Training Center launched in 2016. First of its kind in Pennsylvania, the 22,000 square foot facility is designed to provide the skills needed to install, operate, and maintain a safe, reliable natural gas delivery system. Includes Excavator Training and Facility Locating Training.**

Efforts to Reduce Damages

Columbia Gas of Pennsylvania

- Digger Dog® mascot to familiarize school children with safe digging and natural gas safety and help develop youth advocates for Public Awareness. Digger Dog appears year round at community events, school presentations, and other gatherings to promote 811 and Call Before You Dig, and the Digger Dog website features safe digging games, home safety information, natural gas safety lesson plans, and more.



Efforts to Reduce Damages

In Summary

- **Moving enforcement from the Department of Labor and Industry to the Public Utility Commission is not a power move.**
 - Department of Labor and Industry is simply a poor fit for the task
 - Enforcement personnel lack pipeline safety expertise
 - Department budget is subject to whims of Governor and legislature
- **No category of natural gas infrastructure should ever be exempt from One Call. These proposals are about public safety.**
- **Columbia Gas is not concerned with the current operations of the One Call system. If the General Assembly believes that reforms are needed, they should happen on a parallel track**
- **The Damage Prevention Committee is a best practice and has been shown to work in other states.**