

Report Highlights A Review of the PA One Call System

The Officers of the Legislative Budget and Finance Committee directed LB&FC staff to conduct a review the Pennsylvania One Call System (PA One Call) to assess the System's financial condition, governance, and management policies and to compare the PA One Call law to laws and systems in other states. Under Act 2016-160, unless reauthorized, PA One Call is to terminate on December 31, 2017.

We found:

- **PA One Call has carried out, in all material aspects, the duties and responsibilities it is charged with under the PA One Call Law.** Our review found no significant instances of noncompliance with the law's requirements.
- **PA One Call also complies with the best practices established by the Common Ground Alliance (CGA).** These best practices have been established to promote effective damage prevention practices throughout the underground utility industry. We found that PA One Call has complied with the legislative requirement that it use its "best efforts" to implement these practices.
- **States vary in how they structure their One Call systems.** All states (except Alaska) have state One Call laws. Of the 17 other oil and gas producing states (with 20 call centers) we reviewed, nine contract for One Call operations. The remainder (except one for-profit entity in Texas) use private, nonprofit entities, such as PA, to provide services.
- **Six of the 17 states we reviewed have damage prevention committees.** Damage prevention committees exist essentially to investigate violations of states' One Call laws. Although Pennsylvania does not have such a committee, both HB 284 and SB 242 would establish one.
- **States also vary in the agencies they use to enforce One Call laws.** PA is one of only two states that enforces its One Call law through the Department of Labor and Industry. Most states (29) enforce their One Call laws through their Public Utility Commission (or equivalent agency), and PHMSA, the federal agency that regulates oil and natural gas pipelines, supports One Call enforcement programs that use state Public Utility Commissions. We found, however, that L&I has made significant strides in improving its enforcement efforts in recent years.
- **PA is one of only five states that excludes Class 1 (rural) gathering lines from its regulatory requirements.** Like PA, New Mexico and Oklahoma exclude Class 1 gathering lines by reference to federal law and regulations. Kansas and New York exclude all gathering lines. Most states in our review do not exclude any gathering lines. PHMSA is currently reviewing the appropriateness of exempting Class 1 gathering lines. If PHMSA decides to regulate such lines, they would automatically be required to be covered under PA One Call.
- **Pennsylvania's fee structure, while convoluted, appears to be reasonable.** The law prescribes the manner in which fees are to be set, based on certain costs pertinent to the operation of the One Call system, and PA One Call has developed a variety of rate and fee schedules for its various categories of users and members. We reviewed the calculations PA One Call used to establish its current rates, and found them to be reasonable given the act's requirements.
- **PA One Call's top executives have among the highest compensation levels in the country.** In 2015, PA One Call's President received a total compensation package of \$423,031, and his wife, the Vice President, received a total compensation package of \$273,618. Moreover, agencies under the Governor's jurisdiction are not permitted to have "direct and immediate" supervisory relationships between family members, but PA One Call is not under the Governor's jurisdiction.