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File #:

March 31, 2020

***VIA ELECTRONIC FILING***

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

**Re: Joint Application of Aqua America, Inc., Aqua Pennsylvania, Inc., Aqua Pennsylvania Wastewater, Inc., Peoples Natural Gas Company LLC and Peoples Gas Company LLC for All of the Authority and the Necessary Certificates of Public Convenience to Approve a Change in Control of Peoples Natural Gas Company LLC and Peoples Gas Company LLC by Way of the Purchase of All of LDC Funding, LLC's Membership Interests by Aqua America, Inc.  
Docket Nos. A-2018-3006061, A-2018-3006062 and A-2018-3006063**

**Damage Prevention Improvement Plan for Peoples Natural Gas Company LLC and Peoples Gas Company LLC**

Dear Secretary Chiavetta:

In accordance with Paragraph 70 of the Joint Petition for Approval of Non-Unanimous Settlement in the above-referenced proceeding, which was approved by the Pennsylvania Public Utility Commission's order entered January 24, 2020, enclosed is the Damage Prevention Plan for Peoples Natural Gas Company LLC and Peoples Gas Company LLC required to be filed by March 31, 2020. This filing is being served electronically with the Commission and on all parties to the above-referenced proceeding.

Rosemary Chiavetta, Secretary  
March 31, 2020  
Page 2

Very truly yours,

*/s/ Michael W. Hassell*

Michael W. Hassell

MWH/kl  
Attachment

cc: Kimberly Joyce  
Andrew Wachter  
Lynda Petrichevich  
Joe Gregorini  
William Roberts, II  
Carol Scanlon  
Rob Horensky, Manager Gas Safety  
Certificate of Service

# Damage Prevention Improvement Plan for Peoples Natural Gas Company LLC and Peoples Gas Company LLC

## Background

In the settlement agreement that served as the basis for the PA PUC's approval of the indirect acquisition of Peoples Natural Gas and Peoples Gas (collectively the 'Peoples' Companies' or 'Peoples') by Aqua America at dockets A-2018-3006061, A-2018-3006062, and A-2018-3006063, Peoples agreed to provide a Damage Prevention Improvement Plan to the PA PUC by March 30, 2020. This plan details the actions already implemented and future actions to be taken to reduce the incidence of damage to Peoples' pipeline system.

As a point of reference during the acquisition proceeding, the best practices adopted by the Common Ground Alliance ('CGA')<sup>1</sup> was cited as a national benchmark for comparison purposes for damage prevention practices. While Peoples tracks multiple metrics to monitor Damage Prevention performance, we are also providing in this report Peoples' history relative to the CGA benchmarks for perspective and ongoing tracking of performance. As with all benchmarks, it's important that we are using comparable data. The CGA benchmark is calculated using total excavation damages on facilities that are jurisdictional under PHMSA pipeline safety regulations at 49 CFR Part 192 and tickets issued to Peoples by the One Call Center.

## Comparison to CGA Benchmark

First, to understand the CGA benchmark, it should be noted that CGA itself indicates that the quality of its data is low, as not all states fully report. CGA's data also shows that the reported data is likely understating the actual national damage incidence rate. Pennsylvania, however, is listed as the second best reporting state. For this reason, it is reasonable for Pennsylvania company incidence rates to be higher than the CGA's national results. Therefore, it is also not surprising that Peoples' metric is above the CGA metric.

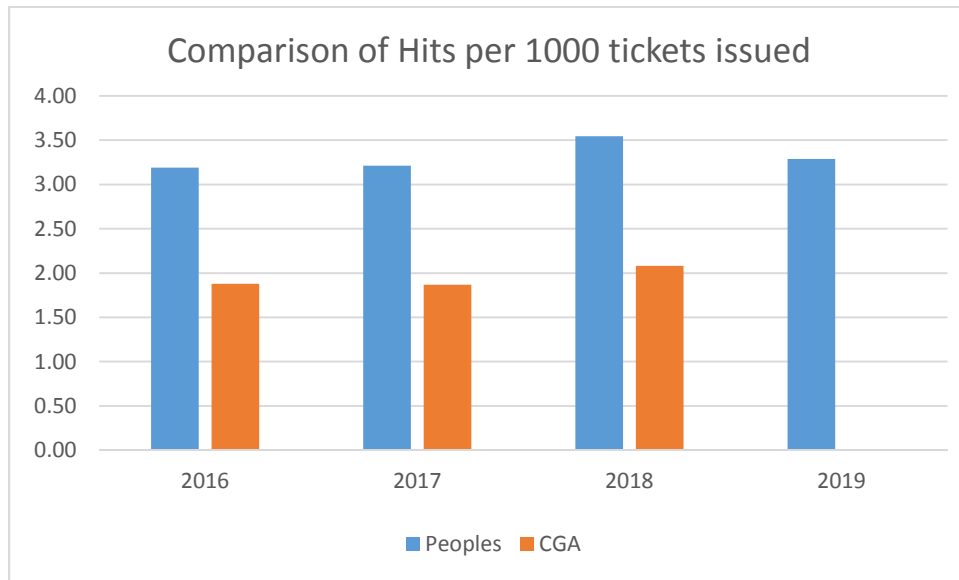
One other item of note is that mandatory reporting of damages in Pennsylvania went into effect with Act 50 in April of 2018, and Peoples believes this is the primary reason that Peoples' incidence rate increased in that year, even though the national benchmark rate also increased from 2017 to 2018. The 2019 data has not been submitted or summarized by the CGA as yet, but Peoples actual incidence rate for 2019 is below the prior year's rate.

Also, to understand Peoples data, particularly when comparing Peoples data to other PA utilities, it is important to note that Peoples uses a secondary screening service from PA One Call called Phoenix. This service provides a secondary desktop review of tickets that are applicable in Peoples' service territory, and PA One Call is able to determine whether or not a

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<sup>1</sup> The CGA is an association of individuals, organizations and sponsors interested in the underground utility industry and committed to saving lives and preventing damage to underground infrastructure by promoting effective damage prevention practices.

Peoples facility is involved. These screened tickets are included in Peoples' ticket count for the metric as other utilities do this desktop screening in-house and would be receiving these tickets and including those tickets in their counts, therefore inclusion of these tickets ensures that Peoples' reported data is consistent with others in the State. Another difference for Peoples is that although we operate the service lines from the curb to the meter, in most instances Peoples' customers are the owners of that portion of the service line and are responsible for its maintenance. Regardless of ownership, we are reporting both company owned and customer owned service line damages to be consistent with the rest of CGA reporting areas including the eastern portion of Pennsylvania.



### Program Improvements

Peoples constantly tracks and reviews its damage prevention program for improvements. The improvements made in the last two years are listed below. The Company believes these recent improvements have helped to reduce the incidence rate from 2018 to 2019.

- 2018
  - Peoples worked with PA One Call Liaisons to highlight changes resulting from Act 50 and assure that both our locators as well as field construction personnel were aware of our obligations.
  - Damage Reporting was enforced for our crews and contractors and a common review of damages with our contractors and repeat offenders was initiated.
- 2019
  - Additional/Refresher training was prepared and presented to both locators and our construction teams and contractors. The training focused on the roles of the locator and excavator in the damage prevention process and reviewed the procedures and actions to be taken to prevent damage.

- Beginning in mid-year 2019 Peoples acquired and deployed 3 additional vacuum excavation trucks to assist with problem locates bringing the VAC fleet for Damage prevention to a total of 4 trucks. These trucks are used to help locate facilities that could not be found by the locators.
  - Locators were polled about the issues they were seeing in the field and the issues were prioritized for remedial actions where appropriate.
  - Peoples reviewed and refined procedures for unlocateable facilities including the process for requesting Vacuum excavation where necessary.
  - Jameson Snakes were acquired which are intrinsically safe tools that can be inserted into the service line at the customer's meter and allow us to locate a plastic service line that may not have tracer wire or where the wire has been broken. This work must be done in conjunction with the homeowner as service must be interrupted to perform this operation.
  - Peoples also reorganized the damage prevention workforce from a location driven structure to align responsibility for the locators directly to the management of the damage prevention process. The Company believes this will allow for more consistent performance and faster implementation of improvements.
  - The Company has consistently participated in the Damage Prevention Committee reviews of damages and brings back any best practices to our workforce.
  - An exhaustive review of best practices was conducted and additional improvements were identified for future implementation some of which are to be studied and implemented in 2020.
  - Documentation of potential and completed construction projects are available to the locators in the field. This allows identification of new installations and triggers consultation to determine locational information even before the as-built drawings have made their way into the mapping system. This allows us to avoid damages to newly installed pipelines.
  - Peoples participates in POCS Coordination meetings with other facility owners to discuss upcoming projects. These meetings allow identification of potential issues and an opportunity to solve those issues and provide direct contact for project managers. This eliminates trying to solve issues within the 2 day turnaround of a routine excavation ticket.
  - Peoples, along with PA One Call Liaisons have participated in Excavator Education sessions with other facility owners and proactively meet with repeat offending contractors when contractor incidence rates rise. We have seen the incidence of damages reduced once these meetings have occurred.
  - Peoples also holds coordination meetings with our internal contractors to review any damages and determine necessary performance improvements.
  - As required by Act 50, Peoples is also maintaining abandoned facility maps.
- 2020
    - In January a new Ticket Management software system was installed that provides more flexibility in programming, reporting and documentation of tickets located and damages.

- Also implemented is a new feature that allows an email response to facility owners as another means to communicate problem locates. Previously, the only electronic communication was the response code through the one call system.

### **Future planned improvement actions**

Peoples has the following improvements slated for future implementation beginning in 2020.

- **Improvement items for the existing procedures**
  - We are currently defining reporting enhancements to include in the ticket management software. These changes will be implemented once we are past the COVID-19 situation.
  - We are equipping Peoples' crews that install new service lines so they can perform continuity checks on new plastic service lines ensuring that the line is locatable after connection.
  - We are returning to damage sites to verify the ability to locate in prior damage areas and to assure that retirement of unused facilities has occurred and is documented properly.
  - We will be conducting refresher damage prevention training and testing for our locating and construction staff.
  - An internal damage prevention audit program is being developed where supervisors will review a sampling of located facilities to assure that locators are following all procedures and documentation protocols. This will help to ensure that issues are identified before damages occur.
- **New Implementations/Ideas**
  - We are engaging with Culver<sup>2</sup> to provide educational material for excavators and will be targeting repeat offenders
  - We are scheduling a pilot program using a new technology for finding un-locatable facilities. This technology could be beneficial in areas installed when plastic pipeline was newly available and was installed without tracer wire. It could also be used if installed tracer wire has been cut or is no longer contiguous.
  - Training will be an ongoing effort with review of damages and root cause scenarios

### **Implementation plan and timing**

Due to the current COVID-19 social distancing guidelines, some of the training and intervention actions which were initially planned as in-person training sessions have been either moved to a conference call or put on hold. At the conclusion of this issue, Peoples will review the status of these initiatives and prepare an implementation timeline for the pending items.

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<sup>2</sup> Culver Company helps electric, water, and natural gas utilities educate their communities about safety and environmental sustainability.

## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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Date: March 31, 2020

*/s/ Michael W. Hassell*  
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