

Good Morning Chairman Hill and Members. I am John Higgins, PG&E's Senior Director of Gas Distribution, Maintenance, and Construction. On behalf of PG&E, I'd like to thank you for the opportunity to address this subcommittee on the very important subject of excavation practices.

In the few minutes I've been given I thought I'd begin with a little context. Minimizing damage to our underground infrastructure is a critical component of our pipeline integrity system. PG&E's commitment to the safe delivery of gas and electricity is more than just words, but a series of actions we take every single day by pressure testing lines, training our employees and contractors, leak surveys on our transmission and distribution system and improving our record keeping. Each of these actions is necessary to build a system that is as safe as our customers, regulators, and legislators expect and we demand of ourselves.

## **NO CALL**

As you begin to think about excavation practices we would like to make it clear that the biggest problem by far is failure to call 811 before excavation work begins. In PG&E's footprint, over 1,600 damages occurred in 2012 due to third-party excavators digging into its gas and electric facilities. Over 60 percent of the total damages occur because of failure to call 811, which is much higher than the national average of 26 percent. Contractors made up about 60 percent of those damages without 811 calls.

PG&E has taken many steps to increase 811 awareness, often partnering with the Notification Centers. These include a radio campaign featuring PG&E's officers, delivered in two languages; outreach to the 20 cities with the highest number of utility damages; establishment of 811 task forces with public safety officials; bill inserts, envelope messaging, e-campaigns to our customers; participation and sponsorship of 811 events; direct training of contractors; face to face meetings with contractors who've frequently struck PG&E's facilities; pipeline markers, door hangers and participation in home expositions and agricultural events where excavators will be present, just to name a few. However, we continue to see that over 60 percent of damages are caused by not making that free call to 811.

There is no excuse for a licensed contractor failing to use this free service. PG&E supports legislative efforts to make the failure to call 811 before excavation work evidence of a willful violation of California excavation statutes.

## **POOR EXCAVATION PRACTICES**

About 30 percent of the damages to PG&E's facilities occur due to unsafe excavation practices. Generally, that means that an excavator is digging too close to the facilities, causing damage. The law requires excavators to dig with hand tools to expose the facility, then they are free to use mechanical means once the facility location is confirmed. This responsibility is not always taken seriously, given that 30 percent of damages occur to properly marked facilities. This should be addressed through formal

excavator training to ensure excavators understand their obligation to protect underground structures.

## **MISMARKS**

We've received questions around mismarks, and the role that they play in damages. In 2012, PG&E completed about 400,000 locate and mark activities, resulting in 113 mismarks. That is a rate of less than 3/100'ths of one percent. All of PG&E's locators receive extensive training, are tested and qualified to federal standards, and their work is reviewed in the field and graded by our Quality Assurance Team. Mismarks are not one of the leading causes of utility damage.

PG&E has an extensive in-house training program and related reference materials for its locators. PG&E has trained nearly 500 employees to locate and mark its electric and gas facilities. The training includes how to read our maps and records, how to calibrate and use our locating equipment, and how to properly label our facilities with paint, flags and markers. Additionally, our excavators are taught the importance of maintaining a "tolerance zone" when working around underground facilities, tell-tale signs that there may be facilities in the area that are unmarked and proper excavating safety.

## **SOLUTIONS**

PG&E supports consistent data collection on all damage to underground infrastructure, an education program for those that violate safe digging practices, recognition that failure to call 811 is a willful violation and, finally, PG&E supports a clear, consistent enforcement program.

The current enforcement mechanism has no specific owner, and no specific filing process. We appreciate Chairman Hill's leadership on the issue and would like to work with you and others to develop a comprehensive enforcement program.

Many other states have one agency that is responsible for providing specific guidance around reporting and gathering of utility damage information. Massachusetts, for example, requires both the excavator and the utility operator to provide details of the incident to the Massachusetts Department of Public Utilities (MA DPU). The MA DPU then reviews the submittals and issues its findings, which may or may not include a fine of either the excavator or the utility operator. Virginia, which reports the lowest utility damage rates in the nation, takes the approach of a central review panel that provides a finding relative to each damage case. The review panel consists of excavators, state-appointed members, utility operators and call center operators. Both of these approaches seem to provide a more consistent framework for addressing utility damage issues. PG&E would support a similar structure here in California, and would expect a reduction in the number of damages and the related risk to public safety.

In the case of PG&E, we have chosen to approach this through attempts to collect for damages to our facilities, both directly with the excavator and through the courts. While we've had a great deal of success with this approach, this merely addresses the cost of the damages that occurred, and does not always provide the necessary motivation for excavators to comply with the law. Our goal is not simply to collect money or punish violators; we want to prevent damage.

## **Conclusion**

The lack of 811 calls is clearly the largest reason for underground damage. Combined with failure to use hand tools to expose underground facilities, they combine for well over 90 percent of all excavation damage on PG&E's system. There are quality training programs surrounding best practices for excavation. Contractors that fail to use industry best practices, including hand tools, should be subject to a clear, consistent enforcement around each dig-in that occurs. This is necessary if we are serious about improving public safety relative to utility damage in California. I appreciate your time and am happy to answer any questions you might have.