Agenda Date: 3/9/11 Agenda Item: 6A



STATE OF NEW JERSEY

Board of Public Utilities Two Gateway Center, Suite 801 Newark, NJ 07102 <u>www.nj.gov/bpu/</u>

RELIABILITY & SECURITY/AUDITS

IN THE MATTER OF THE RATE INCREASE CHARGED BY ONE CALL CONCEPTS, INC. FOR OPERATION OF THE NEW JERSEY ONE-CALL DAMAGE PREVENTION SYSTEM

ORDER

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DOCKET NO. AA09020127

SERVICE LIST ATTACHED

Kevin Conti, Esq., Decotis. Fitzpatrick, Cole & Wisler, LLP. Teaneck, N.J. 07666

BY THE BOARD:

The Board of Public Utilities ("Board") has jurisdiction to oversee and enforce the provisions of the Underground Facility Protection Act ("the Act") pursuant to the provisions set forth in N.J.S.A. 48:2-73 et seq. The primary purpose of the Act is to establish the One-Call Damage Prevention System ("the System") for the protection of underground facilities that are used for the conveyance of water, forced sewage, telecommunications, cable television, electricity, oil, petroleum products, gas, optical signals, traffic control, or for the transportation of a hazardous liquid.

Pursuant to its implementing regulations, the Board designates a System Operator for a term of five years. On September 16, 2009 the Board selected One Call Concepts, Inc. ("OCC" or "the Vendor"), of Hanover, Maryland, as System Operator of the System for a period beginning February 17, 2010 and ending February 16, 2015. Accordingly, the Department of Treasury, Division of Purchase and Property ("Treasury"), entered into contract no. A75304 ("Contract") with OCC on behalf of the Board, for the five-year period effective February 17, 2010 through February 16, 2015, including by reference the original solicitation issued, Number 20634 any addenda thereto, and OCC bidder's proposal, as accepted by the state. As System Operator, OCC's primary responsibility is to process incoming messages from excavators of planned excavation or demolition activity ("Message") and send notifications ("Tickets") to underground facility operators with facilities in the area of the proposed activity. The Contract provides that OCC will be compensated for each Message that it receives and that it will collect this compensation through a per-Ticket charge to underground facility operators. The exact amount of this charge is calculated based upon an estimate, made at the beginning of each contract

year, of the average number of Tickets that will be sent for each Message received ("the ratio"). The ratio is established to ensure that the charges for Tickets will provide sufficient revenue to pay OCC at the contract year rate. OCC's first year contract rate effective February 17, 2010 through February 16, 2011 was \$6.90. The second year contract rate effective February 17, 2011 is \$7.01 per Message. Because the estimated ratio for any given year may result in either over or under compensation of the System Operator, the Contract also provides that OCC shall, at the request of NJBPU staff, set a lower or higher charge per Ticket, for the next contract year.

The contract between the Board and OCC set a rate for the first contract year of \$1.07 per Ticket. On February 9, 2011, OCC filed a letter with the Board, seeking approval to increase the current per ticket tariff rate to \$1.12 for facilities protection services. The information presented by OCC indicates that considering the per ticket tariff rate and other permissible charges, OCC under-collected for the first contract year. Following a review of the letter and supporting documents, as well as discussions with OCC, Staff recommends that the ticket rate for the second year of the contract be increased to \$1.12.

The Board <u>HEREBY ORDERS</u> that the rate per Ticket be increased to \$1.12 and that OCC's tariff be approved to be effective on April 1, 2011.

The Board reserves the right to order an increase and/or decrease at a future point in the contract year if warranted. The information presented by OCC and a review of the proper collection and calculation of rates and ratios is subject to audit, including a review of collection activities, proper expenditure of money under the Contract and any additional over/under collections.

DATED:

3/9/11

BOARD OF PUBLIC UTILITIES BY:

LEE A. SOLOMON PRESIDENT

JEANNE M. FOX COMMISSIONER OSEPH L. FIORDALISO

COMMISSIONER

NICHOLAS ASSELTA

COMMISSIONER

ATTEST:

KRISTI IZZO SECRETARY I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public

Utilities

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