



Agenda Date: 4/6/20

Agenda Item: 1A

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

DIVISIONS OF AUDITS AND
RELIABILITY AND SECURITY

IN THE MATTER OF THE RATE CHARGED) ORDER
ORDER BY ONE CALL CONCEPTS, INC. FOR)
OPERATION OF THE NEW JERSEY ONE-CALL)
DAMAGE PREVENTION SYSTEM AND REQUEST)
TO EXTEND CONTRACT) DOCKET NO. AA15090993

Party of Record:

Thomas Hoff, President, One Call Concepts, Inc.

BY THE BOARD:

The Board of Public Utilities ("Board") has jurisdiction to oversee and enforce the provisions of the Underground Facility Protection Act ("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 ("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.

The New Jersey Department of Treasury, Division of Purchase and Property, issued a Request for Proposal to designate a system operator for the System. On October 15, 2015, after reviewing the report and recommendations of the Evaluation Committee, the Board selected One Call Concepts, Inc. ("OCC" or "Vendor"), of Hanover, Maryland, as the system operator of the System for a period beginning March 1, 2016 and ending February 28, 2021. Accordingly, and acting on the Board's behalf, the New Jersey Department of Treasury, Division of Purchase and Property entered into Contract Number A40171 ("Contract") with OCC. The Contract term is for a five-year period effective March 1, 2016 through February 28, 2021, including by reference the original solicitation issued, Number 23298, and any addenda thereto, and OCC's bidder proposal as accepted by the State of New Jersey. This is OCC's second five-year contract with the State of New Jersey to run the One-Call Damage Prevention System.

The Vendor's primary responsibility as the system operator is to process incoming messages from excavators of planned excavation or demolition activity and send notifications ("Tickets") to underground facility operators with facilities in the area of the proposed activity. The Contract provides compensation to OCC for each request for mark-out ("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 ("Ratio"). The Ratio is established to ensure that the charges for Tickets will provide sufficient revenue to pay OCC at the Contract rate of \$7.41 per Message. Because the estimated Ratio for any given year may result in the over-compensation to the system operator, the Contract also provides that "OCC shall, at the request of NJBPU staff, set a lower charge per Ticket [for the next contract year] if sufficient funds are available from prior 12-month periods or collections."

On December 17, 2015, OCC filed a petition with the Board, seeking approval of its initial tariff for facilities protection services, in accordance with approved contract rates, which established the first year's per Ticket Rate at \$1.25. The charge is subject to an annual adjustment, which may increase or decrease, based upon actual revenues received. By Order dated January 27, 2016, the Board approved the \$1.25 per Ticket rate.¹

On September 21, 2018, OCC filed a letter and proposed tariff sheets with the Board, seeking approval of its facilities protection services tariff sheets, reflecting an eleven cents increase from the current Ticket Rate of \$1.25 to \$1.36 per mark-out notification ticket. OCC also requested the new Ticket Rate become effective November 1, 2018. By Order dated October 29, 2018, the Board approved the \$1.36 per Ticket Rate.²

In addition to the Contract rate, the tariff sets forth rates for other permissible services provided by OCC under the Contract. When calculating the annual reconciliation as well as any subsequent rate changes and true-ups any revenue from these charges associated with other permissible services, OCC shall be included them in the calculation.

On February 3, 2020, OCC filed a letter and proposed new tariff sheets with the Board, seeking approval of its facilities protection services tariff sheets, reflecting a seven cents increase from the current Ticket Rate of \$1.36 to \$1.43 per mark-out notification ticket. OCC requested the tariffs for the new Ticket Rate become effective on April 1, 2020. On March 17, 2020 OCC filed a revised proposed tariff with a revised effective date of May 1, 2020.

Pursuant to the existing agreement with Treasury, the agreement can be extended for all or part of two additional one year periods, by mutual written consent of the contractor and the director at the same terms, conditions, and pricing at the rates in effect in the last year of the contract or rates more favorable to the State. Based upon inquiries from Staff, in the February 3, 2020 letter, OCC also expressed its desire to extend its contract to operate the System for two additional years at the current rate of \$7.41 per incoming ticket beginning March 1, 2021 through February 28, 2023. Pursuant to OMB Circular 14-07-DPP/OMB/OIT this matter will be forwarded to OMB for their approval since it involves an extension to a State Contract for Professional Services in excess of \$250,000.³

¹ In the Matter of the Rate Charged By One Call Concepts, Inc. For Operation of the New Jersey One-Call Damage Prevention System, BPU Docket No. AA15090993, Order dated January 27, 2016.

² In the Matter of the Rate Charged By One Call Concepts, Inc. For Operation of the New Jersey One-Call Damage Prevention System, BPU Docket No. AA15090993, Order dated October 29, 2018.

³ With respect to OCC's request to extend the Contract, the Board agrees to seek the Office of Management and Budget's ("OMB") approval of the extension so it may commence, and coordinate with Board Staff to finalize the process for issuing a Bid Solicitation and selection of a vendor to operate the System prior to the term end of the contract extension of February 28, 2023 to ensure continuity of service.

FINDING AND DISCUSSION

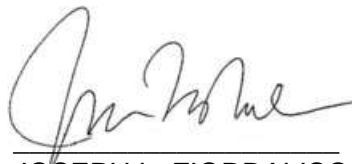
The Board **HEREBY FINDS** that the change in the Ticket Rate is necessary to ensure the appropriate amount of revenue is recovered to fund the Contract Rate. Therefore, the Board **HEREBY ORDERS** that the rate per Ticket increase from \$1.36 to \$1.43, and OCC's revised tariff, as proposed, be effective as of May1, 2020.⁴

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 by the Board, including a review of collection activities, proper expenditure of money under the Contract and any additional over/under collections. This Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

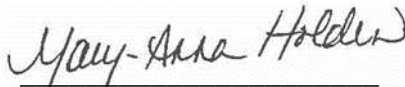
The effective date of this Order is April 16, 2020.

DATED: April 6, 2020

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

⁴ This Order does not change the Contract message rate. Pursuant to the Board's Decision on January 27, 2016, OCC will continue to receive \$7.41 through the end of the contract on February 28, 2021 and through the extended period ending February 28, 2023.

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OPERATION OF THE NEW JERSEY ONE-CALL DAMAGE PREVENTION SYSTEM
DOCKET NO. AA15090993

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