



Agenda Date: 4/12/06
Agenda Item: 8A

STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.bpu.state.nj.us

AUDITS

IN THE MATTER OF A DECREASE IN RATES CHARGED)
BY ONE CALL SYSTEMS, INC. FOR OPERATION OF THE)
NEW JERSEY ONE-CALL DAMAGE PREVENTION SYSTEM) ORDER

) DOCKET NO. AO06030158

(SERVICE LIST ATTACHED)

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 August 18, 2004, the Board designated One Call Systems, Inc. ("OCS") as System Operator beginning November 17, 2004 and ending November 16, 2009. The Board and OCS then entered into the Agreement for Operation of the One Call Damage Prevention System ("the Agreement").

As System Operator, OCS' primary responsibility is to receive incoming messages from excavators of planned excavation or demolition activity and to then send notifications ("Tickets") to underground facility operators with facilities in the area of the proposed activity. Section 31 of the Agreement provides that OCS will be compensated through a 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 request for mark-out ("message") received ("the Ratio"). The Ratio is established to ensure that

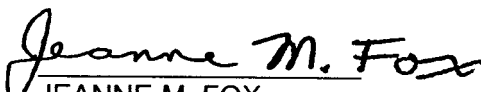
the charges for Tickets will provide sufficient revenue to pay OCS at the contract rate of \$7.68 per Message. In recognition of the fact that the estimated Ratio for any given year may result in the over-compensation of the System Operator, Section 31 also provides that "OCS shall, at the request of 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."

Using a Ratio of 6 Tickets per Message, the contract between the Board and One Call Systems, Inc. set a rate for the first contract year of \$1.28 per Ticket. On February 6, 2006, the Division of Audits received a letter from OCS indicating that this tariff rate had generated revenues in excess of \$600,000, meaning that OCS had collected more than \$7.68 per Message and therefore more than its allowable revenue in the first year of the Agreement. Following review of the letter and discussions with OCS, Staff recommends that the tariff rate per Ticket be decreased from \$1.28 to \$1.22.

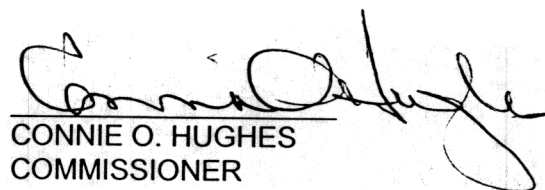
Accordingly, the Board FINDS that OCS has received revenues in excess of \$600,000 above its contractual limit. The Board HEREBY ORDERS that the rate per Ticket be decreased from \$1.28 to \$1.22 and that OCS file a revised tariff forthwith to be effective May 1, 2006. The Board reserves the right to order a further decrease at a future point in the contract year if warranted.

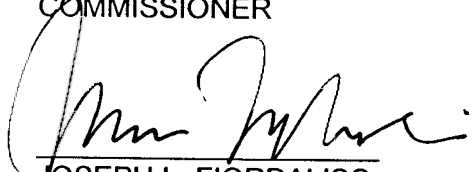
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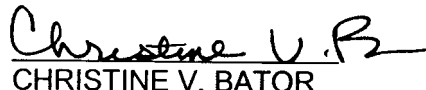
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BY:


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COMMISSIONER

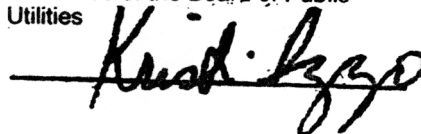

JOSEPH L. FIORDALISO
COMMISSIONER


CHRISTINE V. BATOR
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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SYSTEMS, INC. FOR OPERATION OF THE NEW JERSEY ONE-CALL DAMAGE
PREVENTION SYSTEM

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