



# NARUC

National Association of Regulatory Utility Commissioners

## Gas Committee Monthly Meeting

Sept. 9, 2024

# AGENDA

1. Welcome

*Co-Vice Chair Lawrence Friedeman, Ohio*

2. Remarks

*Alex Minard, Vice President & Lead Legislative Counsel of NCTA – The Internet & Television Association*

*Andy Tubbs, Senior Director, Regulatory Strategy, NiSource Inc.*

3. Q&A/discussion

4. NARUC updates: future gas calls, annual meeting agenda update,  
DOE/EPA reliability listening session

*Kiera Zitelman, NARUC staff*

5. Other business



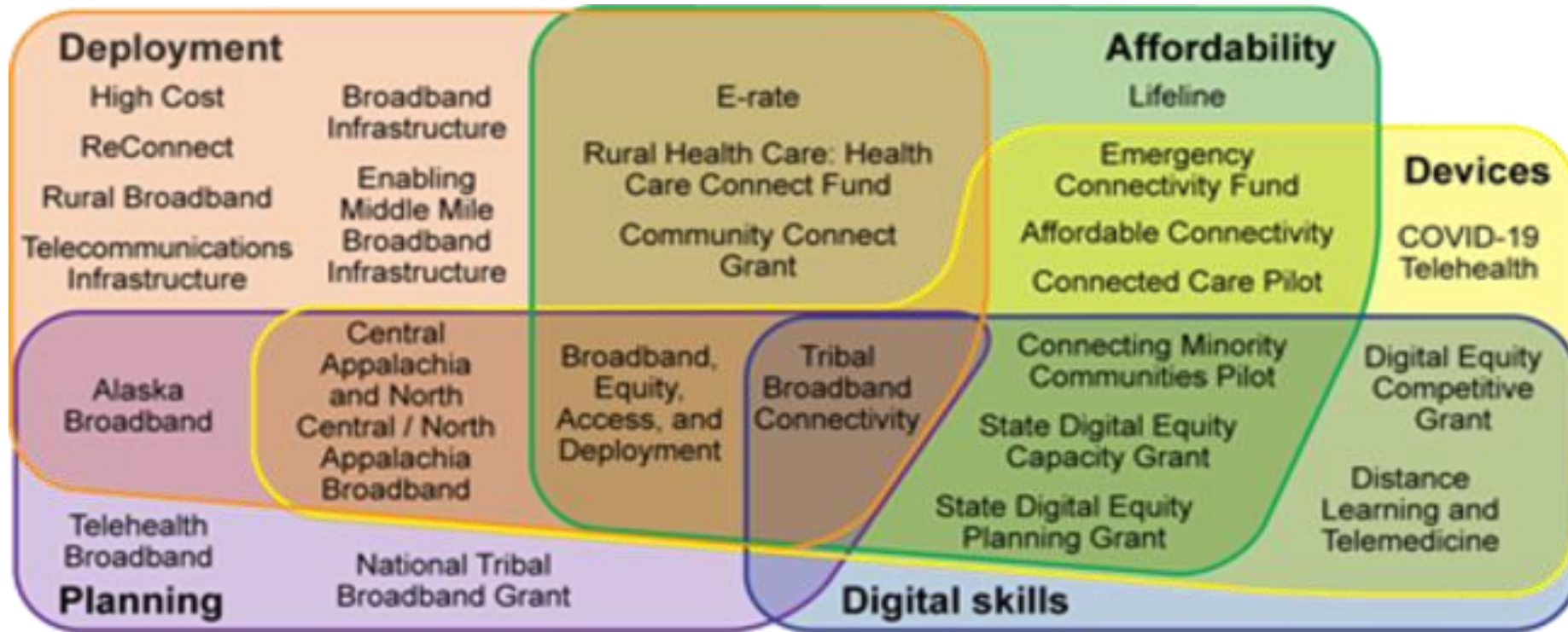
# NARUC Gas Committee

BROADBAND DEPLOYMENT & DAMAGE PREVENTION



September 9, 2024  
Alex Minard

# GAO's Survey of Federal Broadband Programs (as of November 2021, GAO 23-106818)



Source: GAO analysis. | GAO-23-106818

# Federal Broadband Funding, 2019-2023



**\$166.6 BILLION**

**Dedicated to Broadband in Last Five Years**

## **2019 | \$9.6 BILLION**

\$8.3B FCC Universal Service Fund

\$1.31B USDA Rural Utilities Service (RUS)

## **2020 | \$9.9 BILLION**

\$8.3B FCC Universal Service Fund

\$1.34B USDA Rural Utilities Service (RUS)

\$300M CARES Act

## **2021-23 | \$147.1 BILLION**

\$64.3B Infrastructure Investment & Jobs Act (IIJA)

\$44.5B FCC Universal Service Fund\*

\$29.1B+ American Rescue Plan Act

\$5B Consolidated Appropriations Acts 2021-23

\$3.4B USDA Rural Utilities Service (RUS)

\$8M HHS Telehealth Broadband Pilot

# BEAD program will provide ~\$42.5B for infrastructure planning and implementation

**Funding pool**  
**\$42.45B**

A program to get all Americans online by funding partnerships between states or territories, communities, and stakeholders to build infrastructure where we need it to and increase adoption of high-speed Internet.

## PROGRAM HIGHLIGHTS

### Entities eligible to apply for this program include:

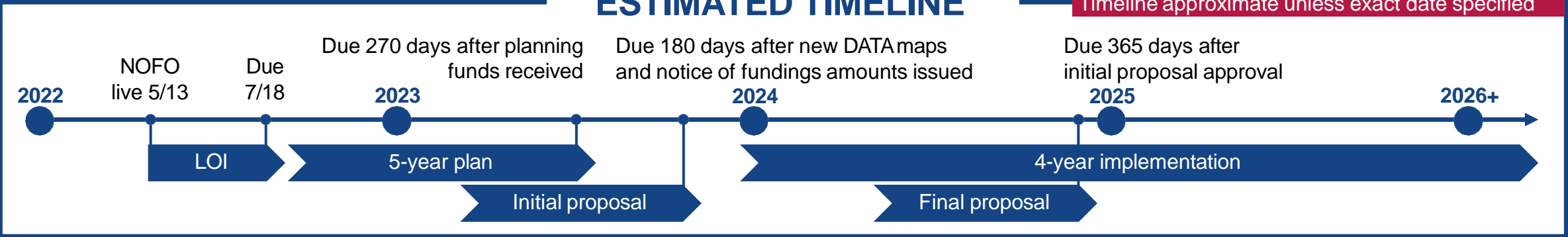
- All 50 States
- The District of Columbia and Puerto Rico
- Other Territories: U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands

### Example eligible uses of funds include:

- ☆ Planning for deployment of Internet
- ☆ Deploying or upgrading Internet
- ☆ Installing Internet in multi-tenant buildings
- ☆ Implementing adoption and digital equity programs
- ☆ Workforce and job training

## ESTIMATED TIMELINE

Timeline approximate unless exact date specified





PRESENTS

# EVERY LAST MILE

THE UNTOLD STORY OF CONNECTING RURAL AMERICA



[WWW.EVERYLASTMILE.FILM](http://WWW.EVERYLASTMILE.FILM)



NARUC Gas Committee Meeting – Broadband  
Deployment & Pipeline Safety

September 9, 2024

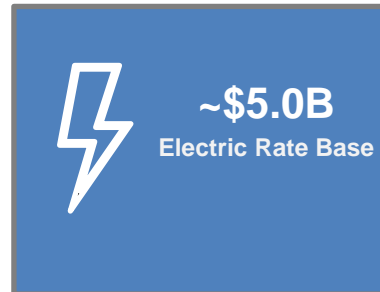
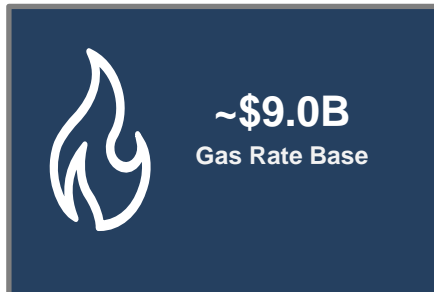
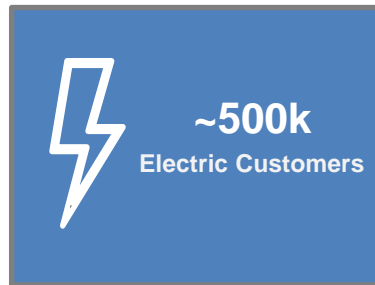


OUR VISION IS TO BE A  
**PREMIER, INNOVATIVE & TRUSTED**  
**ENERGY PARTNER**



# NiSource™

NiSource is a **100% regulated gas and electric utility** serving customers across six Mid-Western centric states with a focus on **safety and reliability**. NiSource's **well-established history** in a **strong regulatory environment** is expected to provide **consistent earnings and strong cash flows alongside sustainable growth opportunities** for the foreseeable future.



# Broadband Deployment and Federal Investment

- The nation is undergoing significant expansion of broadband.
- Federal and state funding in various stages of implementation will only accelerate this roll out to address the digital divide in unserved and under-served communities.
- Gas utilities have observed the following trends:
  - Increase in infrastructure locate requests and costs based on fiber work through One Call programs
  - Increase in damages to underground infrastructure associated with telecommunications work

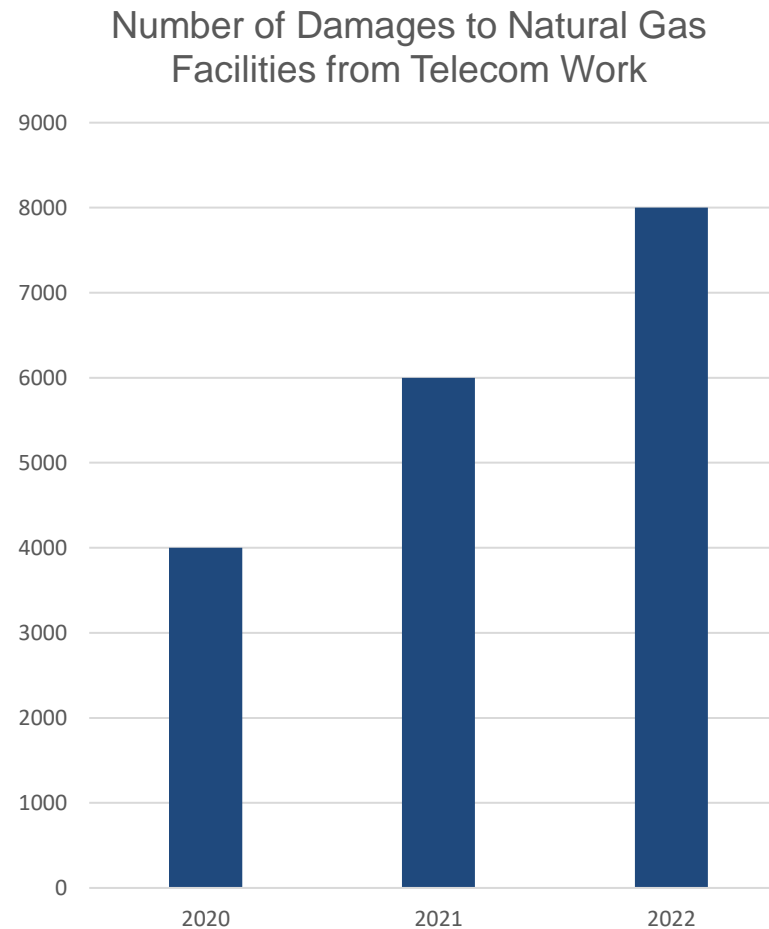
## Federal Funding Examples

- American Rescue Plan - \$25 billion
- Infrastructure Investment and Jobs Act - \$65 billion
  - Includes \$42.45 B via the Broadband Equity Access and Deployment (BEAD) program administered by NTIA and implemented by states, DC, and territories
- USDA rural broadband programs
- Federal Communications Commission Universal Service programs (including the Rural Digital Opportunity Fund)

# National Common Ground Alliance Data on Damages

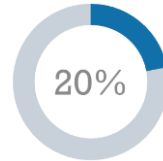
Common Ground Alliance's most recent data shows:

- Doubling of reported unique damages to natural gas facilities associated with telecommunications construction activity from 2020 to 2022
- Telecommunications work resulted in the highest number of damages to all types of facilities compared to other work performed in 2022



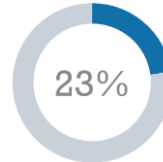
Source: Common Ground Alliance, DIRT Database, Year-to-Year Trending, available at: [DIRT Dashboard \(commongroundalliance.com\)](https://www.commongroundalliance.com/DIRT-Dashboard); 2023 CGA White Paper Telecom's Critical Role in Reversing Utility Damage Trends, available at: [CGA Telecommunications White Paper 2023.pdf \(commongroundalliance.com\)](https://www.commongroundalliance.com/CGA-Telecommunications-White-Paper-2023.pdf)

# Fiber Related Impact



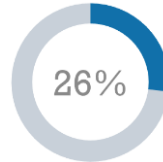
## Fiber Tickets

Since 2020, **20%** of all assigned tickets have been fiber related



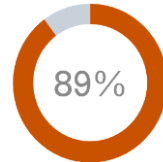
## Ticket Volume Increase

Since 2020, assigned fiber ticket volumes have increased **23%**



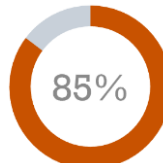
## Cost Increase

Since 2020, the cost of locating fiber tickets have increased **26%**. In 2023, NiSource spent **\$10.2M** on fiber tickets



## Damage Increase

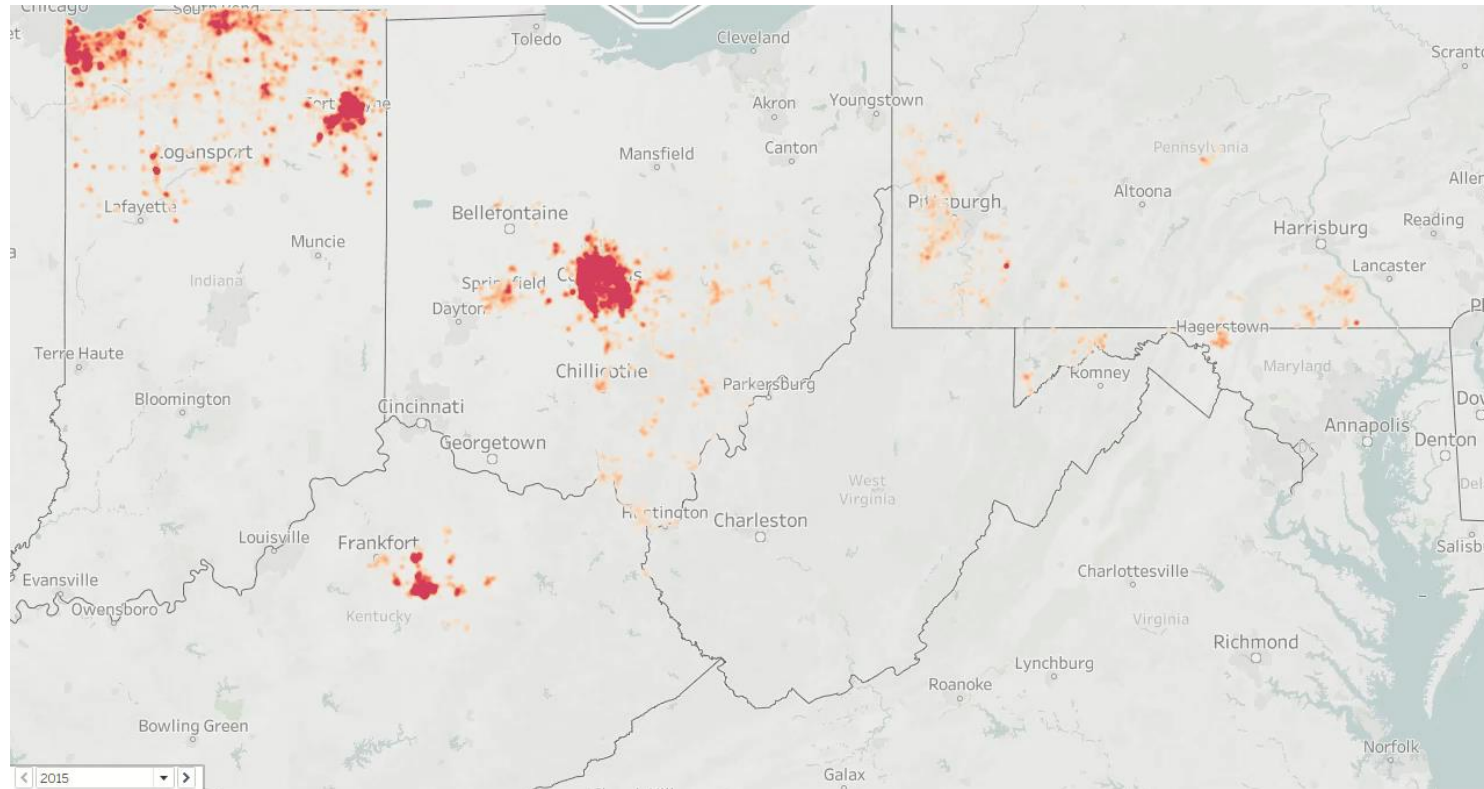
Since 2020, fiber related damages have increased **89%**. Between 2020-2023, fiber damage rates have increased **81%** while all other work types have decreased **12%**



## Damage Cost

Since 2020, the cost of fiber related damages have increased **85%**. In 2023, Columbia Distribution Companies spend **\$2.4M** on fiber damages

# Fiber Ticket Heat Map 2015 - 2024



# Ensuring Pipeline Safety, Efficient One Call Systems, and Equitable Cost Recovery



With increased federal funding of broadband and related construction activity, solutions are needed to ensure public safety and efficient, equitable One Call systems. NiSource is focused on the following three areas.

<p>Locate Costs Included in Federal Funding to Minimize Ratepayer Impact</p>	<ul style="list-style-type: none"><li>➤ National policy to augment private broadband investment presents unique opportunity to explore existing model for funding utility locating costs and reduce burden on utility ratepayers.</li><li>➤ NTIA and some state BEAD administrators have acknowledged locate costs are eligible under funding criteria.</li><li>➤ Important to have PUCs at the table to shape how this could be implemented.</li></ul>
<p>Transparency and Collaboration Among Industries</p>	<ul style="list-style-type: none"><li>➤ Infrastructure planning and execution need to be improved with greater information sharing on where and when broadband projects are happening. This can help ensure utilities are prepared to meet demand for locate needs.</li><li>➤ Strong partnerships require visibility across industries and between government and industry.</li><li>➤ Timely data on trends are needed to identify challenges and inform solutions.</li></ul>
<p>Reduce Damages and Ensure Public and Worker Safety</p>	<ul style="list-style-type: none"><li>➤ Need to be vigilant to reduce facility damage trends, especially given recent trends and additional broadband funding to be deployed in the coming years.</li><li>➤ Efficient operation of One Call systems is vital to achieving safety and timely project execution. This requires coordination among companies, industries and public-private partnerships.</li></ul>

## Appendix – Detail on Use of BEAD For Locate Costs

- Federal broadband funding can be used to cover the costs to locate existing infrastructure associated with awarded broadband deployment projects.
  - Specifically, the National Telecommunications and Information Administration (NTIA), an agency under the Department of Commerce administering the BEAD Program in coordination with state governments, indicated in response to a Congressional inquiry that costs related to location services are eligible under the BEAD program.
  - The BEAD Notice of Funding Opportunity (NOFO) defines eligible uses of program funding in connection with last-mile broadband deployment projects. According to NTIA’s interpretation, utility locate costs could fall into the eligible cost category of “Construction, improvement, and/or acquisition of facilities and telecommunications equipment required to provide qualifying broadband service, including infrastructure for backhaul, middle- and last-mile networks, and multi-tenant buildings.” (NOFO, p. 39)
- Natural gas and electric utilities are starting to engage with state BEAD administrators on how such funding could be deployed and look to engage the fiber industry and state commissions in the discussions.
  - Options include utilities seeking reimbursement for locate costs exceeding amounts authorized in rates directly from the state or from fiber companies.
  - May be opportunities to include criteria for scoring BEAD applications that address collaboration with electric and gas utilities on reimbursement of locate costs, construction schedules, and damage prevention (e.g., training of contractors, etc.)
  - May be tracking issues related to funding sources to work through with One Call administrators.

# UPCOMING MEETINGS

- Oct. 7: next Gas Committee call (1:00 – 2:00 pm ET): Natural Gas Supply Association winter gas outlook
- Nov. 10 – 13: NARUC annual meeting in Anaheim, CA
- Dec. 9: final Gas Committee call of 2024 (1:00 – 2:00 pm ET)



# ANNUAL MEETING (NOV. 10 – 13, ANAHEIM CA)

- Sunday 2:30 pm: Staff Subcommittee on Gas, “Benefits of Using an Advanced Mobile Leak Detection System for Natural Gas Leak Detection”
- Monday 10:30 am: Gas Committee business meeting
- Monday 3 pm: General Session, “Natural Gas: Energy Demand and Emissions Challenges Leading Up to 2030 and Beyond” with Commissioner Kim David and leadership of ONE Gas, The Williams Company, and EQT Corporation
- Concurrent sessions: leveraging load flexibility in gas industry / dual-fuel hybrid heating systems, hydrogen’s role in the utility sector, maintaining reliability in an era of surging load growth



# DOE/EPA LISTENING SESSION

- [Joint Memorandum on Interagency Communication & Consultation on Electric Reliability](#)
- NARUC members are invited to a listening session where members can voice their concerns on one to three reliability-related topics of interest
- DOE and EPA will inform NARUC members about resources agencies have to assist in combating electric reliability concerns
- Expected to take place in November 2024 hybrid online and in-person in Washington, DC
- Attendees will include committee chairs and additional members decided by NARUC leadership (10 – 15 participants total)



# DOE/EPA LISTENING SESSION

- NARUC needs to inform DOE and EPA of topics NARUC members would like to address
- Please email Robert Cain ([rcain@naruc.org](mailto:rcain@naruc.org)) a list of no more than three issues on electric reliability you would like discussed **by COB Tuesday, Sept. 10**
- If you are a member of the Gas Committee and you want to attend the listening session, indicate that in your email to Robert



