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August 13, 2013



Aaron A. Morman
North Dakota Public Service Commission
600 East Boulevard, Dept. 408
Bismarck, ND 58505-0480

Sent via e-mail at aarmorman@nd.gov and fax at (701) 328-2410

Re: Third Party Damage Complaint

Dear Mr. Morman:

I am writing to respond to your July 24, 2013 letter. That letter requested Robert Gibb & Sons, Inc.'s written response to the North Dakota Public Service Commission regarding the Third Party Damage Complaint submitted by Cenex Pipeline.

On July 9, 2013, a Robert Gibb & Sons crew damaged Cenex Pipeline's gasoline pipeline while installing water lines through easements secured by our customer, Caliber Midstream. Advanced Engineering and Environmental Services, Inc. performed project engineering work for Caliber Midstream.

As detailed in Cenex Pipeline's July 11, 2013 Complaint, Robert Gibb & Sons requested and received locates at both original planned crossings of the gasoline pipeline. We successfully crossed the pipeline in the first location, and we had already potholed the pipeline at the second location. Before performing this second crossing, however, our customer changed the route of the planned water line. As a result of this re-design, the water line would no longer cross the gas pipeline at the potholed location.

Our preliminary review of the incident suggests that Robert Gibb & Sons personnel proceeded to install the water line along its re-designed path under the mistaken belief that the new route avoided the gasoline pipeline.

The following explanations address the six criteria presented in your July 24, 2013 letter:

- (a) The nature and circumstances of the incident are described above. Regardless of the type and size of underground facilities, we consider all excavation safety issues to be significant.



- (b) We are not currently in a position to apportion fault, but we acknowledge that our personnel made mistakes. Further investigation is needed to determine whether and to what extent other parties had roles in the incident.
- (c) We are a responsible contractor with many years of high-quality service to public and private customers throughout North Dakota. We prioritize excavation safety, and we are not aware of past complaints to the Commission or alleged violations. As part of our ongoing safety efforts, we immediately used this incident as a training and educational tool with all Robert Gibb & Sons' underground crews.
- (d) If required to do so, we have the financial ability to pay the maximum civil penalty referenced in your July 24, 2013 letter.
- (e) While we take this incident seriously, it is not indicative of a systematic disregard for safe excavation procedures, and we demonstrated good faith efforts to achieve compliance on this project. As noted by Cenex Pipeline in its Complaint, our crew properly crossed the gas pipeline at the first of two planned locations:

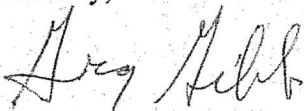
Note – this excavator had recently crossed Cenex Pipeline at another location in proximity to this area. At this other location, the excavator filed multiple requests and followed the Cenex Pipeline crossing and encroachment requirements and notified Cenex Pipeline personnel to be on-site for this other crossing location.

We also followed proper procedures at the original planned location of the second crossing. As noted in Cenex Pipeline's Complaint, we potholed the gas pipeline and were planning to perform work at that location under Cenex Pipeline's supervision (and we would have done so at this location if our work had not been rerouted).

- (f) If assessed, the maximum civil penalty referenced in your July 24, 2013 letter would not affect our ability to continue in business.

Please contact me with any questions. Thank you.

Sincerely,



Greg Gibb
Robert Gibb & Sons, Inc.