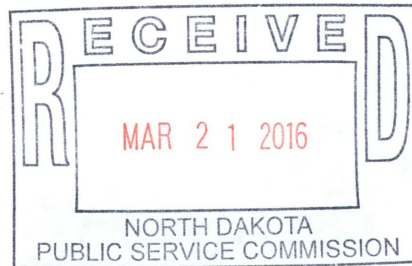




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March 17, 2016

RE: Case No. GS-14-216

We received the copy of the complaint sent by certified mail at our office in Alexander ND on March 11, 2016. After reviewing the complaint there seems to be several salient points that are not outlined in the complaint, these are as follows:

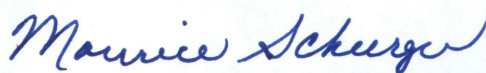
1. Paragraph VI of the **Complaint**- The excavation that we were performing on February 18, 2014 was for the purpose digging a trench for MDU to enable MDU to move a 2 inch gas line that had previously been installed in a location that was within the footprint of the Maintenance Building. The trench required for the footing for the building could not be excavated until the encroaching gas line was relocated. While attempting to excavate for the line relocation MDU crews could not dig through the frost with the equipment that they had on-site. The building contractor then asked if we could assist MDU with the excavation for the line relocation with our excavator. As a courtesy to both the building contractor and MDU we agreed to do the excavation but after hitting the line previously we would not dig the trench without having the locating done. At the time we were asked to excavate the trench to relocate the line the frost was approximately 7 feet thick and there was a high probability that the line requiring relocation would be damaged due to the fact that the ground was frozen too hard to dig through by hand. I expressed this reservation to the Building Contractor. The excavation that damaged the line that was to be relocated was for the convenience of MDU. Further, MDU never received a bill from us for digging the trench to relocate their erroneously placed gas line, but we paid for the damage to repair the line that was to be abandoned. We had been told that MDU personnel would be on-site while the excavation took place and the line killed while we were digging, this did not happen.
2. Part H of the **Third Party Damage Complaint, Description of Event**- The individual on site that had the attitude issue with MDU personnel was not our superintendent, he was the superintendent from the Building Contractor. He was quite annoyed that progress on the footings for the building he was trying to build had been held up for three weeks due to the gas line installed in the wrong location. Our personnel cooperated fully with the MDU repair crew and assisted by excavating around the line so that a repair could be made. This fact is attested to by the statement made earlier in the narrative and attributed to the gas line repairman. Since I was the individual Paul Riely spoke to on February 19, 2014 I can state that my attitude about this incident is that we were trying to help MDU relocate a line to replace the line that had been erroneously installed and we hadn't received any cooperation in return. At the time I expressed the opinion that the whole situation could have been avoided through better communication. I have worked with MDU crews in other cities and the communication and cooperation is greatly superior. In a situation like we had here, particularly where the line didn't serve any active customers and we were excavating for MDU, the gas flow would have been shut off and a MDU technician present while the digging was taking place. Paul Riely's stance was that MDU had no culpability at all.

To sum up, we made the following changes to our administrative and jobsite procedures after this incident.

1. Improved the system of requesting locates to ensure the locate requests are made in a timely manner prior to any excavation being performed.
2. Instituted a process to track the life of the locate requests to ensure that locates are updated as required.
3. Instituted a process to transmit locate information to the field crews are affected.
4. Instituted a company policy that we will not excavate in an area based on anyone's assurances other than the locator's that an area has been cleared and if temperatures preclude hand excavation that the ground will be thawed or the excavation delayed until ground conditions are appropriate.

Please take notice of the fact that when we hit this line in January, even though it was not where it was supposed to be we did not dispute the fact that we were at fault. The processes we had in place did not have the backup or redundancy to ensure that locates were requested and in place prior to working and we paid the fine levied, but in the second instance we believe MDU shares in the blame and perhaps by requesting this hearing we can improve cooperation and communication overall.

Respectfully submitted



Maurice Schurger

Project Manager

CC: Project File, PSC Complaint File, Warren Fuller

Larry Plote, Clay Padgett