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October 6, 2014

Darrell Nitschke
Executive Secretary,
North Dakota Public Service Commission
600 East Boulevard, Dept. 408
Bismarck, North Dakota, 58505

RE: Case No. PU-14-714

Dear Mr. Nitschke:

In response to the above referenced complaint, Knife River offers the following information:

Knife River received several separate requests by the owner's representative of the Harvest Hills Subdivision, Phase 2, to repair water shutoff valves and/or sewer services that had been buried or driven over and damaged by builders in that subdivision. In each case, a Knife River supervisor visited the addresses provided to determine if excavation was going to be necessary to assess and/or repair any problems. If more than hand shoveling 6" deep was going to be required, the same KRC supervisor called in locates for the addresses (One-call Ticket #'s 14089230, 14127486, and 14135543) and sent part of his crew to perform the work after waiting for the 48 hour notice required by North Dakota One-call.

After we responded to the first three phone calls and located or repaired approximately 9 shut off valves and one sewer service stub, the owner's representative decided that dealing with the individual calls, one at a time, and waiting for the 48 hours of notice for ND One-call, was taking too long. He then requested that we check every water shutoff in the 110 lot subdivision.

At this time, it was determined that the original crew that had been working on the initial repairs in the subdivision was not going to be available to perform the work on the entire subdivision because of a scheduling conflict. The supervisor for the second crew visited the site to look at the work area and confirm that the locates were in place. The entire subdivision had the locate flags and marks—the same that would have been requested had KRC made the request, so the second superintendent assumed KRC had called them in. He was incorrect. It turns out, another utility contractor had called in the locates for the same 110 lots.

The following day, the supervisor met with the new crew that was going to perform the excavating to make sure they understood the scope of the work. The supervisor also saw the flags and marks and he assumed as well that the superintendent had called in locates.

The preceding narrative is long way of explaining that KRC did not have an active ND One-call Ticket for the area we were digging, and how such a scenario could happen. We certainly thought we did.

It is Knife River's policy to have active locates in place before performing work on a project.

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Response to North Dakota One-Call Complaint

Knife River Corporation
Jim Trull, General Manager



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The two employees on the job had all the information they needed to understand where to hand shovel and where they could dig with a machine. The locates were visible, accurate, and in the locations needed for the area they were working. Having an active locate under KRC's identification number would not have made a difference, in this case. We understand that we are required to have our own ticket number, even if a location is marked for others.

This utility strike was KRC's fault and 100% preventable. The reason the line was damaged boils down to a human decision. After digging up over 100 water valve shutoffs and several broken sewer service markers in extremely firm ground, the two employees decided to take a chance or a shortcut—two things that are not encouraged at KRC. The employees were experienced, well trained, and knew KRC's policy on hand digging around utilities until they are found. According to our incident report, the operator knew the groundman was getting tired and the water valve they were working was damaged deeper, approximately 5', than previous valves. Wanting to reduce the hand shoveling for the ground man, the operator attempted remove additional soil with the machine and dug into the line.

Knife River employees are required to start every day with a job hazard analysis of the site they are working. This includes discussion about looking for locate marks and hand digging within two feet of all utilities. The two employees put themselves in great danger that day. They were trained to know better. KRC does not put production over safety. In fact, just the opposite is required in cases like these. The two employees were disciplined with three days off without pay and a letter was put in their employee file that they will be terminated for any other safety violations of the ND One-call Law.

Knife River does not have a history of prior violations or complaints to this commission for utility strikes. We excavate every day, with multiple crews, in multiple states. We spend large amounts of time, effort, and money to train our employees and give them the tools they need to excavate safely. We are a large corporation and we do have the ability to pay a fine, but we feel in this case, paying for the substantial repair bill is penalty enough, given our track record in North Dakota and other states of daily working around underground utilities.

Please feel free to call me if you have any questions.

Sincerely,

Jim Trull,
General Manager
Knife River, Williston Division
701 651 7385