

Supplemental Response by MidAmerican Energy

In the Matter of the Complaint OC14-012

On July 10, 2014 MidAmerican Energy Company filed an electronic response to South Dakota One Call Board Complaint OC14-012 related to the excavation damage that occurred on June 10th 2014 in Dell Rapids, South Dakota. To provide additional clarity, MidAmerican hereby submits the following supplemental comments.

MidAmerican Energy Company (MidAmerican or "MEC") appreciates the role of the South Dakota One Call Board in promoting excavation safety. As both an excavator and a facility operator, MidAmerican recognizes the importance of strict compliance with excavation laws and has actively utilized the South Dakota One Call Board complaint process to help promote compliance with those rules. While it is unfortunate that the incident of June 10th has required this review, we believe this provides MidAmerican and other stakeholders another opportunity to discuss actions that can be taken to further the goal of safe excavation in the State of South Dakota.

For the purposes of this response, MidAmerican would offer a summary of actions it has taken or will be taking in three categories;

1. Oversight and management of United States Infrastructure Corporation locating work performed for MidAmerican.
2. Review and response to the Dell Rapids event and specific locate contractor employee error.
3. MidAmerican support for damage prevention in South Dakota

Oversight and Management of USIC Locating Work

As noted in our electronic response, MidAmerican has determined that the root cause of the damage that occurred on June 10 , 2014 was the failure of MidAmerican's contract locator employee to properly locate MidAmerican's gas pipeline facility along North State Street in Dell Rapids South Dakota. MidAmerican utilizes United States Infrastructure Corporation (USIC) to provide facility locating throughout the four states served by MidAmerican Energy. USIC is a nationwide expert in locating for underground facilities and is the largest provider of underground utility locating services in North America. In 2013 USIC performed more than 41,000 MidAmerican facility locates in South Dakota in a timely and accurate manner.

While the error that occurred with this locate was made by an employee of USIC, MidAmerican recognizes its ultimate responsibility for the accuracy and timeliness of all locates performed by both our employees and contractors. With that recognition, MidAmerican has previously established strict specifications and oversight of USIC to make sure the locating service they provide fully complies with state law, rules and good practice. These steps include;

- In 2013 MidAmerican worked with USIC to develop an enhanced five step locating process for MidAmerican gas facility locates. This process requires USIC locators to evaluate and identify unique obstacles that affect the accuracy of each locate and provides multi-step guidance for the locate planning, completion, marking and documentation. While these steps substantially exceed the minimum requirements of the South Dakota One Call laws, we believe these steps provide a necessary layer of quality in the locate process.
 - MEC and USIC have established limits for daily employee-to-locate ratios to ensure that adequate time is allowed to perform accurate locates. USIC has increased the number of South Dakota peak season locating employees from 13 employees in 2013 to 18 employees in 2014.
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- In 2013 USIC agreed to add one additional quality assurance inspector to provide field locators with additional support related to performing locates.
 - In 2013 MEC and USIC agreed to restrict the frequency of locating work assigned to USIC supervisors to ensure supervisors are available to assist with employee training, support and audits.
 - USIC and MEC conduct monthly meetings to review the quality of all locate work performed by USIC and to discuss ways to improve the handling of locate requests.
 - MEC contract specifications require USIC to perform locating work in full compliance with all local, state and federal laws and regulations, including South Dakota One call rules.
 - MEC gas operating standards require all USIC locating employees to be tested and certified as “Operator Qualified” in accordance with requirements of Part 192 of the Federal Code for Pipeline Safety.
 - MEC has expanded our locating quality assurance plan to include monthly audits of locates performed by USIC. These audits will be used to identify potential deficiencies and corrective action plans necessary to ensure accurate locates.

Review and Response to Dell Rapids Event

As noted previously, the locate error that occurred on June 10th, 2014 was made by a single employee of USIC who failed to recognize the need to perform facility locates for a second locate ticket related to the One Call request submitted by May Construction. While the employee could offer no explanation for this oversight, it appears the failure to locate was due to confusion that occurred regarding the scope of the two separate locate tickets for the ongoing May Construction project. In response to this error, the following actions have been taken regarding the employee involved and futures locate activities in South Dakota;

- The employee who failed to complete the locate was suspended immediately the day of the incident. Upon completion of interviews and review of the facts, the USIC employee was terminated on June 11th.
- USIC performed a root cause analysis of the locate error and determined the error was caused by a failure of the employee to follow establish procedures for verification of all locates. The employee involved was a skilled technician who had performed locates successfully for two seasons for USIC. In April 2014 he attended refresher training that covered the specific requirements for locating MidAmerican gas facilities, and was routinely field audited by USIC on four occasions since that training. It appears he simply failed to follow establish procedures he had been previously trained on, performed successfully, and been audited.
- In response to this incident, USIC dispatched an additional auditor from their Iowa operations who has conducted follow up audits of their locate technicians working in South Dakota to determine if any gaps exists in skills or knowledge of procedures similar to those that occurred in Dell Rapids.
- USIC conducted stand down meetings with all South Dakota employees to review the events that occurred in Dell Rapids. The established MidAmerican locate process was reviewed and supplemental training materials were covered to emphasize to USIC employees the importance of their work and the necessary procedures required to ensure accurate locates.

MidAmerican Support for Damage Prevention in South Dakota

As a long time operator of underground gas and electric facilities in South Dakota, MidAmerican has a substantial interest in reducing excavation related damages to its facilities and promoting safe digging. As noted previously, MidAmerican supports and adheres to the rules established by South Dakota regarding the locating of and excavation near underground facilities, and works diligently to inform the public of the importance of these rules. In addition to this general emphasis, MidAmerican is engaged in the following specific activities that support and supplement safe digging practices;

- MidAmerican actively participates in Spring Excavator/Facility operator meetings sponsored by South Dakota One Call. Numerous MidAmerican operations, engineering and damage prevention employees are required to attend these sessions annually.
- MidAmerican is a member of the Pipeline Association for Public Awareness (PAPA) and supports PAPA's annual direct mail process to public excavators.
- MidAmerican incorporates damage prevention messages into bill inserts, conventional media coverage and social media messaging that encourages safe digging.
- MidAmerican is an active participant in One Call boards in other states and also participates and supports the activities of Common Ground Alliance.
- MidAmerican operating standards contain detailed procedures related to damage prevention.

Summary Comments

Since the adoption of the South Dakota One Call law MidAmerican Energy has diligently and accurately performed over 100,000 gas facility locates in South Dakota. During this period, MidAmerican has also performed thousands of excavations requiring it to request locates and adhere to One Call rules. MidAmerican has never been cited by the South Dakota One Call Board for any failure to comply with these rules and, until this incident, has not been the subject of any formal complaints. MidAmerican has consistently demonstrated a strong commitment to compliance with these rules and promoting safe digging practices throughout South Dakota and the other states we serve.

Despite this impressive commitment, MidAmerican and its contractors recognize that the laws and rules that guide excavation in South Dakota are demanding of constant and unwavering compliance. Prior to this incident, MidAmerican has demonstrated a commitment to continuous

improvement of its locating and excavation practices by making substantial changes that improve the quality and dependability of our locating practices. In addition, in response to this incident, MidAmerican has worked with our locate contractors to update and reinforce our requirements for accurate and timely locates. Viewed against the backdrop of MidAmerican's longstanding support for safe digging practice, we believe our commitment to avoid similar events is substantial.
