Damage Prevention

... a proactive approach

2011 Damage Prevention & Excavation Safety Summit
Boone County Fairgrounds, Columbia, MO
November 10, 2011
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- Background Information

- Laclede’s Damage Prevention Program

- Lessons Learned and Benefits Experienced
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✓ Background Information

— Largest gas LDC in MO serving primarily the St. Louis, MO metro area.
  • Also provide gas service in rural areas via MO Nat Div.
— Originally incorporated in 1857 as The Laclede Gas Light Company.
  • Over the past 150+ years:
    – Installed over 16,000 miles of underground facilities.
      (approx. 200 miles added and/or replaced each year)
    – Serve over 632,000 Customers (94% are residential)
— Laclede facilities damaged approximately 3 times each workday.
  • Dig-in issues:
    – Safety
    – Service/Reliability
    – Repair Costs
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✔ History of the Damage Prevention Department
  — Decision made in 2000 to develop a small independent department within Operations to address third-party dig-in issues.
  • Department consists of:
    – 1 department supervisor—hired from outside the company;
    – 3 damage coordinators—transferred existing employees.
      (1 from Claims with investigation/collection experience)
      (1 from C&M Leak with leak repair history/experience)
      (1 from C&M Construction with main/service installation experience)
  • Department works closely with, but not under control/direction of:
    – Construction & Maintenance;
    – Engineering; or,
    – Claims.
Why did Laclede choose the current approach?

- To more proactively manage risk of damages from contractor excavations.
  - Change attitudes toward damage prevention and safety.
  - Enhance worker/public safety.
- Provide for more uniform/consistent data gathering.
  - Eliminate inaccurate, incomplete and unreliable information.
  - Reduce investigation time and speed-up recovery of costs.
  - Enhance collection on damages.
- Improve communication between excavators and the company.
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✓ What does Damage Prevention do? … Investigate
    — Perform on-site investigations of 3rd party damages to Laclede facilities.
      • Gather factual and relevant damage data.
      • Document investigations using photos and field notes.
      • Interview witnesses/participants to the damage.
      • Resolve as many damages as we can, as soon as possible.
    — Database and monitor damage information.
      • Accurately and promptly enter data into the damage database.
      • Perform follow-up fieldwork on billed damages:
        – answer questions;
        – resolve bills; and,
        – track status of payments.
      • Appear as witness in litigated cases for Claims as needed.
    — Identify root causes of damages.
      • Alert appropriate Laclede departments to problems discovered and offer suggestions to correct them.
      • Work with third-party excavators to minimize damages.
What does Damage Prevention do? … Communicate

- Network with others that have an interest in underground facility safety.
  - Common Ground Alliance (CGA).
  - MO Common Ground Alliance (MOCGA).
  - MO One Call Operations Committee.
  - MO Association of Natural Gas Operators (MANGO).
- Apply practical/applicable CGA Best Practices in program activities.
- Raise public awareness of underground facility damage.
  - Deliver damage prevention/safety awareness message:
    - Frequency of damage to underground facilities.
    - One Call notification process.
    - Natural gas safety facts and tips.
- Participate at excavator safety meetings.
- Periodically meet with excavators/facility owners to discuss specific issues.
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✓ What have we learned?

— Excavators:
  • Like knowing ASAP if they will or will not be billed for a damage.
  • Want to get damages resolved promptly.
  • Realize that fewer damages for us means less downtime for them.
  • Like having a readily accessible point-of-contact within the company.
  • Appreciate our willingness to readily accept liability for damages outside the excavator’s control.

— Laclede:
  • In the past, some damages were wrongfully attributed to excavators.
  • Past damage info collected was incomplete, inconsistent and inadequate.
  • Little or no effort was made to talk to or work with excavators.
  • Little or no follow-up was done on damage collections in the past.
What have we learned? (continued)

- Regulatory/governmental:
  - The MO One Call System is making improvements, but it still is not as effective as it needs to be.
  - “Call Before You Dig” message still not as effective as it needs to be because not all excavators are calling for locates.
  - Enforcement lacking due to low awareness level of government to the scope of the problem.
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✔ What are some of the benefits experienced to date?

— Overall

- Damage prevention and Laclede are positively linked in the minds of Missouri’s excavation community.
  - Leadership roles on many groups and committees.
  - Instrumental in MO adopting CGA marking standard statewide.
  - MO Attorney General is more involved due to increased awareness.

- Locate ticket volume has increased due to:
  - On-site damage discussions with excavators.
  - QuickNote letters.
  - Damage Prevention/Safety Awareness meetings.

- Improved spirit of cooperation with excavators.
  - 54% reduction in dig-in damages.
  - 61% improvement in damage rate (dig-ins/1,000 locates).
  - Excavators voluntarily initiate contact with Laclede if something does not look right or they need assistance before digging.
  - Repair time reduced.
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✓ Benefits (cont.)
  — Internal company changes
    • QuickNotes
      (fewer ‘no-call’ dig-ins)
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✓ Benefits (cont.) — % ‘no-call’ damages to total dig-in damages

![Graph showing the percentage of 'no-call' damages from 2001 to 2011. The percentage decreases each year, starting at 39.1% in 2001 and ending at 16.5% in 2011.](image-url)
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✓ Benefits (cont.) — improved damage data collection form F-647
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✓ Benefits (cont.) — average # of days to complete typical damage investigation

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✓ Benefits (cont.) — data tracking and collections improved

Laclede Gas Facility Damage System
Claims Main Menu

Enter / Edit
- Enter Claims Information
- Edit Ticket
- Edit Range of Tickets
- Edit Contractor
- Power Search Edit
- Enter Post Damage Notes

Tickets / Invoices
- New Tickets from C.M.
- View/Print Damage Ticket
- View/Print Invoice
- Outstanding Invoice List
- Detailed Pending List
- Pending Invoice Tracker

Reports / Searches
- Accounts Receivable
- Claims Monthly Summary
- Average Billing Days
- Damage Payments
- Dig-In Damage
- Non Dig In Damage
- View/Print Post Damage Notes

Quit Application
Benefits (cont.) — average # of days to collect on a billable damage

![Graph showing the decrease in the average number of days to collect on a billable damage over fiscal years 2001 to 2011. The x-axis represents fiscal years, and the y-axis represents calendar days. The data points show a consistent decrease in days to collect, from 460.0 days in 2001 to 98.0 days in 2011.]
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✓ Benefits (cont.)

- Track damage statistics via “Monthly Excavator Report”.

- Hold regularly scheduled Liaison meetings between Claims, C&M and Damage Prevention.
  - Routine internal dialog taking place to reduce dig-in damages.
  - Reduced friction between departments.
  - Heightened awareness of areas needing improvement.

- Lowering damages annually, now part of corporate goal setting.
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✓ Summary

— Laclede’s approach has been to:

- Communicate and cooperate with excavators
  - Be fair, consistent and even-handed.
- Network with others interested in underground damage prevention.
  - Get involved and actively participate.
- Work with state and local regulatory bodies to protect underground facilities and promote safety.
  - Look for ways to make things work voluntarily.
- Pursue/support needed legislative and/or enforcement changes.
  - Always seek improvements and clarity.
- Change internal procedures and operations to become a better facility owner and excavator.
  - Make operational corrections/improvements to learn from damages.
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✓ Questions

✓ Contact Information
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