



414 Nicollet Mall
Minneapolis, MN 55401

April 16, 2018

—Via Electronic Filing—

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

RE: REPLY COMMENTS
INVESTIGATION INTO NATURAL GAS UTILITIES' PRACTICES, TARIFFS AND
ASSIGNMENT OF COST RESPONSIBILITY FOR INSTALLATION OF EXCESS
FLOW VALVES AND OTHER SIMILAR GAS SAFETY
DOCKET NO. G999/CI-18-41

Dear Mr. Wolf:

Northern States Power Company, doing business as Xcel Energy, submits the enclosed Reply Comments in response to the Minnesota Department of Commerce's April 6, 2018 Comments in the above-referenced docket.

Pursuant to Minn. Stat. §216.17, subd. 3, we have electronically filed this document with the Minnesota Public Utilities Commission, and copies have been served on all parties on the attached service list. Please contact Pamela Gibbs @ pamela.k.gibbs@xcelenergy.com or (612) 330-2889, or Amy Liberkowski at amy.a.liberkowski@xcelenergy.com or (612) 330-6613 if you have any questions regarding this filing.

Sincerely,

/s/

AMY A. LIBERKOWSKI
DIRECTOR, REGULATORY PRICING & ANALYSIS

Enclosures
c: Service Lists

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

Nancy Lange	Chair
Dan Lipschultz	Commissioner
Matthew Schuerger	Commissioner
Katie J. Sieben	Commissioner
John A. Tuma	Commissioner

IN THE MATTER OF A COMMISSION
INVESTIGATION INTO NATURAL GAS
UTILITIES' PRACTICES, TARIFFS AND
ASSIGNMENTS OF COST RESPONSIBILITY
FOR INSTALLATION OF EXCESS FLOW
VALVES AND OTHER SIMILAR GAS SAFETY
EQUIPMENT

DOCKET NO. G999/CI-18-41

REPLY COMMENTS

OVERVIEW

Northern States Power Company, doing business as Xcel Energy, submits these Reply Comments in response to the Minnesota Department of Commerce's April 6, 2018 Comments in the above-referenced docket.

As discussed in our initial filing, we provide customers with Excess Flow Valves (EFVs) in compliance with Pipeline and Hazardous Materials Safety Administration (PHMSA) guidelines. We appreciate the Department's thorough review of the Responses in this docket and are not opposed to the Department's recommendations.

In this Reply, we discuss the Department's recommendations and our action plan to fulfill them. Our Reply highlights the following topics:

- A. Proposal for EFV payment plan
- B. Updated public EFV notification
- C. Proposed EFV-specific tariff language

REPLY COMMENTS

A. Proposal for EFV Payment Plan

In their Comments, the Department recommended the establishment of a payment plan offer for the installation of customer-requested EFVs. In its discussion of this topic, the Department sought clarity on the distinction between the Company's treatment of commodity and non-commodity charges, as the Company treats the cost of EFV installations as non-commodity charges.

The distinction between commodity and non-commodity charges relates to the payment rules for each type of charge, for example what can happen if a customer falls behind on their bills. As our billing system is currently configured, establishing a payment plan for a non-commodity charge would result in customers receiving two monthly bills, rather than a single monthly bill. This would require customers to make two monthly payments, rather than one. In addition, it would be very difficult or impossible to guarantee the same payment date for each of the charges. In order to avoid a second bill, the Company's billing system would require modifications that would increase billing costs.

The Company is also concerned that, under a payment plan, the Company would be financing the installation of an optional EFV on behalf of customers. This financing would raise the costs of service to all customers over time. It is unclear at this time if these costs in aggregate would be material or not.

While the Company's preference is for customers to pay for the installation of EFVs upfront, the Company feels that affording all customers the opportunity to take advantage of this optional safety equipment is important. As such, per the recommendation of the Department, we present in this Reply a proposal to offer a payment plan option for customers who request the installation of an EFV.

Our proposal is to offer all customers the option to spread the cost of EFV installation over a period no longer than 12 months, with the option to make a down payment. All customer requested payment plans and their associated bills would be manually monitored. A specific payment plan for the non-commodity account would be established at the time of inception and the customer would be required to comply with all payment rules applicable to the account. We would handle situations where customers fall behind on their bills in the same manner we would for a commodity

account.¹ In the event that a customer moves, they would be responsible for any unpaid balance on their non-commodity EFV installation account. Similarly, the owner of rental housing could request the installation and the owner would be responsible for paying the cost of EFV installation and not the tenant.

Regardless of whether a customer pays for the EFV installation upfront or works with us to create a payment plan, the Company will only bill them for the cost of the installation and will not include the cost of the EFV equipment itself. Instead, we would include these costs in a recovery request in a future rate proceeding. The Company is open to discussing whether it would be appropriate to recover the unrecovered cost of the customer-requested excess flow valves and installation from all customers through the GUIC rider. Alternatively, we would not be opposed to asking for recovery in a future rate case.

B. Updated public EFV notification

In their Comments, the Department recommends that we provide an update to our public EFV notification.² We provide an updated version of our public EFV notification as Attachment A to this Reply. The Company has made minor modifications to our notification language consistent with the Department's recommendations. These modifications are not yet available in the publicly accessible notice on our website.³ These changes will be made as soon as technically practicable.

C. Proposed EFV-specific tariff language

We provide a separate proposed change to our tariff as Attachment B to this Reply. This proposed language specifically covers a request for the installation of an EFV by customers and is consistent with the tariff language used by Great Plains.

¹ One difference between commodity and non-commodity accounts is that the Company cannot shut off a customer's gas service due to non-payment of a non-commodity bill.

² See Comments of the Minnesota Department of Commerce, Division of Energy Resources, Page 4, Docket No. G999/CI-18-41 (April 6, 2018)

³ Our online public notice can be found here:

https://www.xcelenergy.com/energy_portfolio/natural_gas/natural_gas_safety/natural_gas_excess_flow_valves_and_eligibility

CONCLUSION

We appreciate the opportunity to respond to the Department's Comments. Based on their recommendations, we have provided a proposal for an EFV installation cost payment plan option, an updated version of our public EFV notice, and proposed EFV-specific tariff language. We request that the Commission approve our proposed changes to our Gas tariff.

Dated: April 16, 2018

Northern States Power Company

Natural Gas Excess Flow Valves and Eligibility

Xcel Energy's residential, multi-family, and small commercial customers can now request installation of an excess flow valve (EFV) on their natural gas service lines. A new regulation from the federal Pipeline and Hazardous Materials Safety Administration has expanded the use of these valves, which have been installed on new or replacement services lines for the past several years.

An EFV is a safety device installed inside a natural gas service line near its connection with our underground main pipeline, typically in or along streets. The purpose of the valve is to shut off the flow of natural gas automatically in the event of a gas line break caused by excavation or other activities that could sever a service line.

While any customer can request an EFV, not all existing service lines can be retrofitted to accommodate one. The amount of natural gas used by the customer and the system pressure inside the line are two determining factors.

The average customer cost for an excess flow valve is approximately \$1,100, but the actual cost may vary due to installation conditions. The customer may be responsible for costs associated with installation, replacing, or maintaining the EFV.

Please call Xcel Energy's Builders Call Line at 800-628-2121 to speak with an Xcel Energy representative if you are interested in an excess flow valve. We will determine if your existing service line qualifies for the installation of an EFV before working with you to set an installation date.

Additional Resources

Spanish: [Válvulas de flujo excesivo de gas natural y requisitos \(PDF\)](#)

Hmong: [Kev muaj cai thiab tau txais kev dhos lub qhib kaw roj cua \(PDF\)](#)

Redline

GENERAL RULES AND REGULATIONS
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Date Filed: ~~11-09-06~~04-16-18 By: ~~Cynthia L. Leshner~~Christopher B. Clark Effective Date: ~~01-08-07~~
President, ~~and CEO of~~ Northern States Power Company, a Minnesota corporation
Docket No. ~~G002/GR-06-1429G999/CI-~~ Order Date: ~~01-04-07~~
18-41

GENERAL RULES AND REGULATIONS (Continued)

Section No. 6
~~2nd~~3rd Revised Sheet No. 20

5.6 LIMITATIONS ON THE AVAILABILITY OF GAS (Continued)

B. New and Existing Interruptible Customers

1. New customers will be added in accordance with Section 5, EXTENSION RULES, of the General Rules and Regulations in this section.
2. Existing interruptible loads may be increased only with the approval of the Company based upon adequacy of gas delivery capacity.
3. Customer shall have access to sufficient standby alternate fuel for periods of curtailment of the delivery of gas. However, standby fuel supply is not required for natural gas vehicles which can operate using a readily available alternate fuel, nor for interruptible customers who agree to confine their use of natural gas to the months of April through October in any calendar year, nor for interruptible customers if a portion of gas usage is for processing or manufacturing and curtailment would not be in violation of applicable codes.

5.7 TEMPORARY SERVICE

The following special requirement is prescribed to govern temporary service:

A customer taking temporary service (less than five years) will pay the rate applicable to the class of service rendered and will pay in advance the Company's specified cost, figured on a time and material basis, of the installation and removal of the facilities, including the meter required to furnish the desired service, less the salvage value of such facilities.

5.8 EXCESS FLOW VALVE

In accordance with Federal Pipeline Safety Regulations 49 CFR 192.383, the Company will install an excess flow valve on an existing service line at the customer's request on a mutually agreeable date. At the time of the customer's request the Company will provide the customer with a detailed explanation of the estimated installation costs identifying specific line items and the per hour rates that the customer would be charged. The actual cost of the installation, excluding the cost of the excess flow valve and any other physical property necessary to install the excess flow valve, will be assessed to the customer.

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Date Filed: ~~11-09-06~~04-16-18 By: ~~Cynthia L. Lesho~~Christopher B. Clark Effective Date: ~~01-08-07~~
President, ~~and CEO of~~ Northern States Power Company, a Minnesota company
Docket No. ~~G002/GR-06-1429~~G999/CI-18-41 Order Date: ~~01-04-07~~

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MINNESOTA GAS RATE BOOK - MPUC NO. 2

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MINNESOTA GAS RATE BOOK - MPUC NO. 2

GENERAL RULES AND REGULATIONS (Continued)

Section No. 6
3rd Revised Sheet No. 20

5.6 LIMITATIONS ON THE AVAILABILITY OF GAS (Continued)

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CERTIFICATE OF SERVICE

I, Carl Cronin, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

xx by depositing a true and correct copy thereof, properly enveloped with postage paid in the United States mail at Minneapolis, Minnesota

xx electronic filing

Docket Nos. G999/CI-18-41

Dated this 16th day of April 2018

/s/

Carl Cronin
Regulatory Administrator

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