


Staff Briefing Papers

Meeting Date	February 28, 2018	Agenda Item *3
Company	Xcel Energy (Xcel)	
Docket No.	G002/M-18-316	
	In the Matter of Xcel Energy's 2017 Annual Gas Service Quality Report	
Issue	1. Should the Commission Accept Xcel's 2017 Annual Gas Service Quality Report?	
Staff	Marc Fournier Marc.Fournier@state.mn.us	651-214-8729

 Relevant Documents	Date
Commission Order Accepting Xcel's 2015/2016 Gas Service Quality Report, Docket No. G002/M-16-382 and G002/M-17-341	December 13, 2017
Xcel's Initial Filing 2017 Natural Gas Service Quality Performance Report. G002/M-18-316	May 1, 2018
Comments of the Minnesota Department of Commerce Division of Energy Resources	August 29, 2018

These materials are work papers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless noted otherwise.

To request this document in another format such as large print or audio, call 651.296.0406 (voice). Persons with a hearing or speech impairment may call using their preferred Telecommunications Relay Service or email consumer.puc@state.mn.us for assistance.

 **Relevant Documents**

Date

Commission Information Requests 1-6

October 11, 2018

Xcel's Response to Commission Information Requests 1-6

November 21, 2018

I. Statement of the Issues

Should the Commission Accept Xcel's 2017 Annual Gas Service Quality Report?

II. Background

On April 16, 2009, the Minnesota Public Utilities Commission (Commission) opened an investigation into natural gas service quality standards and requested comments from the Minnesota Department of Commerce, Division of Energy Resources (Department) and all Minnesota regulated natural gas utilities in Docket No. G999/CI-09-409 (09-409 Docket). As a result, the gas utilities file annual reports on various service quality standards.

Northern States Power Company, a Minnesota corporation (Xcel or the Company) was allowed to report commingled gas and electric statistics for mislocates and for answer times from its utility call centers. For its first report covering calendar year 2010, the Company was allowed to report a partial year of data covering October 1, 2010 and thereafter for mislocates, gas lines damaged, summaries of major events reportable to the Minnesota Office of Pipeline Safety (MnOPS), and customer-service-related operations and maintenance expenses. For events reportable to MnOPS, all utilities were ordered to notify the Commission and the Minnesota Department of Commerce (Department) simultaneously with their notice to MnOPS.

On May 1, 2018, Xcel filed its calendar year 2017 Annual Service Quality Report (2017 Report).

On August 29, 2018, the Minnesota Department Commerce submitted its initial comments on Xcel's 2017 Service Quality Report.

On October 11, 2018, the Commission information requests 1-6 which request information related to additional gas service quality reports and a company's customer service window for customer premise (when the customer's presence is required). Xcel provided its responses on November 21, 2018.

III. Parties' Comments

DOC: Based on its review of Xcel's 2017 Annual Natural Gas Service Quality Report, the Department recommends that the Commission accept the 2017 Report.

Xcel: Xcel Energy respectfully requests the Commission accept this 2017 Annual Natural Gas Service Quality Report.

Xcel's Responses to Information Requests 1-6:

PUC # 1 Please provide an analysis of whether any of the following reports or data would enhance the Commission's evaluation of the company's level of service quality:

- a. The data required under Title 49 Code of Federal Regulations §192.1007 (e):
- Performance measures developed from an established baseline to evaluate the effectiveness of a company's Integrity Management (IM) program. These performance measures include the following:
- (i) Number of hazardous leaks either eliminated or repaired as required by § 192.703(c) of this subchapter (or total number of leaks if all leaks are repaired when found), categorized by cause;
 - (ii) Number of excavation damages;
 - (iii) Number of excavation tickets (receipt of information by the underground facility operator from the notification center);
 - (iv) Total number of leaks either eliminated or repaired, categorized by cause;
 - (v) Number of hazardous leaks either eliminated or repaired as required by § 192.703(c) (or total number of leaks if all leaks are repaired when found), categorized by material; and
 - (vi) Any additional measures the operator determines are needed to evaluate the effectiveness of the operator's IM program in controlling each identified threat.
- b. A summary of any 2017 emergency response violations cited by MNOPS along with a description of the violation and remediation in each circumstance; and
- c. The number of violation letters your company has received from MnOPS during the year in question.

Response:

The categories of data for which the Commission has asked the Company to provide an analysis in this Information Request relate primarily to natural gas pipeline safety and specifically, attributes of a utility's integrity management program, rather than utility service quality. Under Minn. Stat. Sections 299J.01, et seq., the Minnesota Office of Pipeline Safety (MNOPS) is responsible for the regulation of gas pipeline safety in Minnesota. Additionally, "by agreement with the United States Secretary of Transportation," MNOPS acts "as agent for the United States Secretary of Transportation to implement the federal Hazardous Liquid Pipeline Safety Act," the "federal Natural Gas Pipeline Safety Act," and "federal pipeline safety regulations with respect to interstate pipelines located within this state." The Company also reports to the federal Pipeline and Hazardous Materials Safety Administration (PHMSA) with respect to issues of pipeline safety.

Although elements of pipeline safety intersect with service quality – and both are squarely in the public interest – we believe the two are fundamentally different topics. The Commission recognized this previously in approving our natural gas emergency response performance

threshold in our Quality of Service (QSP) tariff saying, “Further, while public safety is paramount and trumps most other factors in the public interest equation, public safety is the primary responsibility of the Minnesota Office of Pipeline Safety, not this Commission.” Subsequent to this, the Commission initiated a proceeding that established a comprehensive set of service quality reporting for all Minnesota natural gas utilities. This reporting included some service quality indicators that overlapped with pipeline safety, but these were limited to emergency response performance and contemporaneous reports regarding natural gas issues as they occur on the system.

Notwithstanding that some pipeline safety data also relates to service quality, we believe the categories of data identified in this Information Request generally are not good and clear indicators of service quality. Additionally, they require knowledge of MNOPS and other gas safety- and operational-related protocols for proper context.

a. The metrics outlined in Title 49 CFR §192.1007(e) are specifically designed to measure performance and evaluate the effectiveness of the Company’s Natural Gas Distribution Integrity Management Program. The majority of these metrics are reported annually on the Gas Distribution Department of Transportation (DOT) annual report required by 49 C.F.R. §191.11.

This data is important from a safety and integrity management standpoint. It tracks how many leaks were discovered and repaired on the Company’s system, categorized by both cause and pipe material. The data, however, requires substantial context for interpretation—even within the safety and integrity management paradigm. For example, it is important to understand how and why the Company categorizes and prioritizes types of leaks, how the Company surveys its system, and what is included in each category of leak cause.

That said, we already provide a portion of this information in our Annual Natural Gas Service Quality Report each May 1 that relates to service quality – namely, the numbers of excavation damages to which we respond. We view our response to these incidents as a component of our overall gas emergency response performance. We also could supplement this information with the total number of facility locating requests that we receive. We view this data as both safety-related and an aspect of our service, because we are being asked to respond to perform facility locates in the name of public safety.

The remaining items however, do not meaningfully inform customer service quality. Although we could provide the data outlined in 49 C.F.R. §192.1007(e) in our May 1 Annual Report, it is operational data that we believe is not meaningful to an assessment of the Company’s service quality.

b. The Company provides its natural gas emergency response performance in both its May 1 Annual Service Quality Report and its May 1 QSP Tariff Annual Report. MNOPS emergency response violations relate to operational and MNOPS protocols rather than service quality. From a service-quality perspective, the relevant information about all MNOPS reportable events is captured in the log of Major Events provided in our May 1 Annual Service Quality Report. (See the log of Major Events provided as Attachment M

in our most recent annual report in Docket No. G002/M-18-316). There, the Company reports on a number of major events, including how many customers were affected, what actions the Company took to respond to the events, how long gas was off, etc. We believe including additional information regarding MNOPS protocols will not enhance the analysis of the Company's service quality related to these events and may distract from the relevant data. However, we are open to providing copies of any reports that are in a closed status for informational purposes.

In 2017, the Company received one citation, which related to an event on August 4, 2017, in which 19 people in Hamburg, MN were evacuated due to a natural gas pipeline leak at 3:30 p.m. The Company was on site managing the situation when the fire department arrived at 4:06 p.m. At that time, the fire department, rather than the Company, contacted the MNOPS Duty Officer (MDO) to inform MNOPS of the evacuation. MNOPS issued an emergency response violation citation because the Company is required to contact the MDO immediately when 10 or more people are evacuated in an emergency response situation. For remediation of this violation, the Company informed MNOPS that it had included the MNOPS Reportable Event Policy in its Pipeline Compliance & Standards Manual and provided MNOPS with a copy of the manual. On October 6, 2017, we received a letter from MNOPS declaring that the case was closed.

As this demonstrates, the issuance of, and Company response to, emergency response violations addresses operational procedures and MNOPS protocols, and is not directly related to service quality. However, as we have noted we are open to providing these for informational purposes as part of our May 1 annual service quality reports once they are in a closed status.

c. MNOPS violation letters relate to safety rather than service quality. MNOPS violation letters are typically triggered by a MNOPS inspection, damage that occurred in the field, or a complaint from an excavator. MNOPS conducts a variety of inspections including construction sites and our control center.

Upon receipt of a MNOPS violation letter, the Company is given a set amount of time (determined by MNOPS) to provide a response outlining a remediation plan or other steps taken to remediate the violation. MNOPS closes these items with either a letter or a verbal notification. Annually, Company staff meets with MNOPS to review the incidents that occurred in the previous year and their disposition. Because violation letters also relate specifically to pipeline safety rather than service quality, we do not believe it is appropriate to include them in the annual service quality report.

The Commission already has a robust and comprehensive set of natural gas service quality reporting requirements – and the Company additionally reports another view of its gas emergency response performance under its QSP tariff. Should the Commission disagree with our assessment regarding these safety-focused aspects of our natural gas service, we are, of course, happy to provide any of this data. For the reasons noted above, however, we believe it generally would not enhance the evaluation of the Company's level of service quality.

PUC # 2 Please identify any other PHMSA and MnOPS reporting requirements not presently collected by the Commission that gas utilities might suggest as being useful in order to give the Commission a fuller picture of a gas utility's service quality performance. This may include reporting required by 49 CFR Part 191 such as the Incident Report required by §191.9 and the Annual Report required by §191.11

Response: As noted in our response to MPUC Information Request No. 1, and as their names suggest, the federal Pipeline and Hazardous Materials Safety Administration (PHMSA) and Minnesota Office of Pipeline Safety (MNOPS) primarily are concerned with pipeline safety, not utility service quality. The reports the Company submits to PHMSA and MNOPS, similarly, concern safety rather than service quality. As a result, we do not believe the information covered in those reports—and that is not already being provided to the Commission in our annual service quality report— would assist the Commission in assessing a gas utility's service quality performance. Notwithstanding the foregoing, we identify the following list of PHMSA and MNOPS reports that are not currently included in our annual gas service quality filing. We do not believe, however, that these reports would enhance the Commission's analysis of service quality.

PHMSA Reports (Submitted to both PHMSA and MNOPS)

- DOT Annual Gas Distribution Report (§191.11). Includes general system and safety information for only the Minnesota natural gas distribution system.
- DOT Annual Gas Transmission Report (§191.17). Includes general system and safety information for both the Minnesota natural gas transmission system and the South Dakota transmission line serving the Angus Anson plant.
- The following incident reports are triggered by specific qualifying events as defined in §191.3. The Company has not had a qualifying event that required such a report since 2010.
 - o Gas Distribution Incident Reports (§191.9)
 - o Gas Transmission Incident Reports (§191.15)
- Safety Related Condition Reports (§191.23). Safety-related condition report for distribution and transmission lines. The Company has not had a qualifying event triggering this report.
- Distribution Systems: Mechanical Fitting Failure Reports (§191.12) Annual safety report on mechanical fittings that is uploaded on the PHMSA website with a copy sent to MNOPS.

MNOPS Reports

- MNOPS Quarterly Damage Report: Report used by MNOPS to evaluate the effectiveness of Minnesota's damage prevention laws.

PUC # 3 Please provide your company's standard customer service window for customer premise visits (when the customer's presence is required).

Response: We do not have a standard "customer service window" for customer premise visits, when the customer's presence is required. Rather, we will contact the customer and the customer selects the date and time that works best for them. If our field crew needs to gain access to the premise and no one is home, we leave a door tag asking the customer to call to arrange a time when the customer is available. Thus, we perform the premise visit at the

customer's convenience. The services listed below are examples of when the customer's presence is required:

- Meter Turn-On
- Meter Unlock
- Meter Checking
- Meter Validating/Testing
- Requested Re-light

PUC # 4 Please provide the rationale for the length of your customer service window for customer premise visits (when the customer's presence is required).

Response: We schedule customer premise visits at the customer's convenience, as described in our response to MPUC Information Request No. 3.

PUC # 5 If your company's customer service window for customer premise visits (when the customer's presence is required) is greater than four hours, are there other utilities or businesses that give customers a service window greater than four hours?

Response: We schedule customer premise visits at the customer's convenience, as described in our response to MPUC Information Request No. 3.

PUC # 6 If your company has a customer service window for customer premise visits (when the customer's presence is required) greater than four hours, is it possible or practical for the company to narrow the window to two or four hours?

Response: We schedule customer premise visits at the customer's convenience as described in our response to MPUC Information Request No. 3.

IV. Staff Analysis

Staff agrees with the recommendation of the DOC at page 16 of its August 29, 2018 comments and accept Xcel's 2017 Annual Natural Gas Service Quality Report. However, the Commission may wish to ask further questions of Xcel regarding the Company's responses to information requests 1-6.

Finally, if there are questions related to the Jan./Feb. 2019 polar vortex/Princeton, Hugo, etc. service outages, the Commission could pursue those questions in the planning meeting later in the day (February 28th) and/or request supplemental information in a filing in the pending demand entitlement dockets or in some other or a new proceeding.

V. Decision Options

1. Accept Xcel's 2017 Annual Gas Service Quality Report.
2. Do not accept Xcel's 2017 Annual Gas Service Quality Report.