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April 16, 2018

VIA ELECTRONIC FILING

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

**Re: In the Matter of a Commission Investigation into Natural Gas Utilities' Practices, Tariffs and Assignment of Cost Responsibility for Installation of Excess Flow Valves and Other Similar Gas Safety Equipment
Docket No. G999/CI-18-41**

Reply Comments of Minnesota Energy Resources Corporation

Dear Mr. Wolf:

On February 6, 2018, the Commission issued its Notice of Comment Period ("Notice"), requiring all Minnesota natural gas utilities to provide initial filings addressing topics related to practices, tariffs, and assignment of cost responsibility for installation of excess flow valves ("EFV") and other similar gas safety equipment. On March 6, 2018, Minnesota Energy Resources Corporation ("MERC" or the "Company") along with five other Minnesota natural gas utilities, submitted an initial filing responding to the Commission's Notice. On April 6, 2018, the Minnesota Department of Commerce, Division of Energy Resources ("Department") filed Comments providing recommendations and requesting additional information in response to the initial filings submitted by the utilities. In particular, the Department requested MERC provide, in reply comments, an updated version of its notifications to fully comply with the requirements of 49 CFR § 192.383(e) and proposed tariffs specific to EFVs consistent with Great Plains EFV tariff.

MERC submits these Reply Comments to respond to the Department's recommendations and requests for additional information.

CUSTOMER NOTIFICATION RELATED TO EFV INSTALLATION

Under 49 CFR § 192.383(e), operators must notify customers of their right to request an EFV in the following manner:

- (1) Except as specified in paragraphs (c) and (e)(5) of this section, each operator must provide written or electronic notification to customers of their right to request the installation of an EFV. Electronic notification can include emails, Web site postings, and e-billing notices.
- (2) The notification must include an explanation for the service line customer of the potential safety benefits that may be derived from

installing an EFV. The explanation must include information that an EFV is designed to shut off the flow of natural gas automatically if the service line breaks.

- (3) The notification must include a description of EFV installation and replacement costs. The notice must alert the customer that the costs for maintaining and replacing an EFV may later be incurred, and what those costs will be to the extent known.
- (4) The notification must indicate that if a service line customer requests installation of an EFV and the load does not exceed 1,000 SCFH and the conditions of paragraph (c) are not present, the operator must install an EFV at a mutually agreeable date.
- (5) Operators of master-meter systems and liquefied petroleum gas (LPG) operators with fewer than 100 customers may continuously post a general notification in a prominent location frequented by customers.

In its Comments, the Department noted that MERC's notifications do not "alert the customer that the costs for *maintaining and replacing* an EFV may later be incurred"¹ and omitted to "indicate that if a service line customer requests installation of an EFV and the load does not exceed 1,000 SCFH and the conditions of paragraph (c) are not present, *the operator must install an EFV at a mutually agreeable date.*"² The Department recommended that MERC provide, in reply comments, an updated version of the notification to fully comply with the requirements of 49 CFR § 192.383(e).

MERC agrees to revise its customer notice to reflecting the additional language recommended by the Department to incorporate the provisions of 49 CFR § 192.383(e). In particular, MERC will include the following language:

An excess flow valve (EFV) is a safety device designed to automatically stop the flow of natural gas through the service line if it exceeds a predetermined rate. When activated, an EFV may prevent the buildup of natural gas and lessen the potential for property damage and/or injury. It should be noted that these devices generally do not protect against slow leaks, such as those caused by corrosion or loose fittings, or leaks located along customer-owned piping beyond the natural gas meter. Many customers already have an EFV installed on their natural gas service line. Customers who do not have an EFV may be eligible to have one installed at their own expense. EFVs are not

¹ 49 CFR § 192.383(e.3).

² 49 CFR § 192.383(e.4).

available for some customers due to the amount of gas used, areas with delivery pressure less than 10 psi, or other circumstances that hinder the effectiveness of the EFV. If a customer is eligible and requests the installation of an EFV, an EFV will be installed at a time that is mutually agreeable to Minnesota Energy Resources and the customer. The customer may be responsible for the costs associated with the installation, replacement, and maintenance of the EFV. Estimates for cost and time frame for construction will be provided as requested on a case by case basis. Since the EFV will be installed on Minnesota Energy Resources' gas pipe, only Minnesota Energy Resources or its approved contractors may perform the installation. Customers can request more information about EFV installations by calling our 24-hour customer service at 800-889-9508.

PROPOSED EFV TARIFFS

In its March 6, 2018, filing, MERC noted that the Company does not currently have a tariff specific to EFVs, but indicated that any customer requesting the installation of an EFV on an existing service line would be charged the actual cost of providing the service. In its Comments, the Department acknowledges the agreement among the utilities that the costs of installing EFVs on existing service lines should not be socialized because they are not required under the regulations. The Department further recommended that the utilities, including MERC, propose tariffs specific to EFVs consistent with Great Plains EFV specific tariff. In particular, the Department concludes:

[T]he recent Commission-approved EFV tariff in Docket No. G004/M-17-625 would be consistent with the utilities' concerns and positions regarding the appropriate EFV tariff language for the installation of an EFV on an existing service line. ... [T]he Commission-approved EFV tariff requires the customer to pay the cost to install the requested EFV, but excludes the cost of the EFV itself and any other physical plant placed in service to accomplish the installation of the EFV. However, the Commission allowed Great Plains to add these costs to its physical plant for possible recovery in a future rate case.³

Attachment A to these Reply Comments is proposed tariff language specific to EFVs, consistent with the EFV-specific tariff approved by the Commission for Great Plains in Docket No. G004/M-17-625.

³ Department Comments at 7.

Mr. Daniel P. Wolf
April 16, 2018
Page 4

MERC thanks the Department for its thorough review of the initial filings addressing the implementation of the federal safety requirements related to EFVs and hopes that the information provided in these Reply Comments addresses the Department's recommendations and requests for additional information. Please contact me at (651) 322-8965 if you have any questions regarding the information in this filing or require any additional information.

Sincerely,

/s/ Amber S. Lee
Amber S. Lee
Regulatory and Legislative Affairs Manager
Minnesota Energy Resources Corporation

cc: Service List

GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

1. DEFINITIONS (Continued)M. Temporary Disconnection:

“Temporary Disconnection” means a voluntary cessation of utility service and applied specifically to subsection 9. A. 9(b) of these rules. This is not a permanent termination of service.

N. Maximum Daily Quantity (MDQ):

The amount calculated by dividing the volumes consumed by a particular customer during the highest historical peak month of usage for that customer by twenty (20). Company will estimate a peak month for new customers. A Maximum Daily Quantity may also be established through direct measurement or other means (i.e. estimating the peak day requirements after installation of new processing equipment or more energy efficient heating systems) if approved by Company.

O. Daily Firm Capacity (DFC):

This is the amount of capacity the customer must purchase on a daily basis on both the interstate pipeline and the distribution system in order to receive Firm service. This term replaces the term “daily contract demand”. All DFC quantities will be considered as being first through the customer’s meter.

P. Critical Day:

A “critical day” when called by the pipeline has the meaning set forth in the interstate pipeline’s tariff, and when called by the Company, is defined as any day during which in the sole judgment of the Company service is limited due to capacity constraints, operational problems or any other cause. Service limitations include, but are not limited to curtailment or interruption. A critical day may be declared with respect to any one or more delivery and/or receipt points.

Q. Operational Flow Order:

An “operational flow order” when called by the interstate pipeline has the meaning set forth in the interstate pipeline’s tariff, and when called by the Company, is defined as a notice issued by the Company to customer(s) requiring the delivery of specified quantities of gas to Company for the account of customer at times deemed necessary by the Company to maintain system integrity and to assure continued service. An operational flow order may be issued to the smallest affected area for example, a single receipt point, receipt points on a pipeline, or the entire system.

R. Excess Flow Valve:

Safety device designed to automatically stop or restrict the flow of gas if an underground pipe is broken or severed.

Issued By: Theodore Eidukas
Vice President-Regulatory Affairs

Submittal Date: ~~March 10, 2017~~ April 16, 2018

*Effective with bills issued on and after this date.

*Effective Date: ~~March 1, 2017~~ Upon Commission Approval

Proposed Effective Date: Upon Commission Approval March 1, 2017

GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

14. INFORMATION AND ASSISTANCE AVAILABLE TO CUSTOMERS AND THE PUBLIC
(Continued)E. Customer Service Practice:

The Company makes every possible effort to maintain its natural gas delivery system in good operating condition and adheres to published codes that customer appliances are manufactured under approved safety standards for safe, reliable operations at all times. A staff of qualified service personnel is maintained by the Company to perform those services necessary to enforce this policy. The service department operates on a five-day week, Monday through Friday, normal business hours except holidays. Emergency service is available on a 24-hour per day basis at all other times. Services consist of two groups; work for which no charge is made to the customer, and work for which costs are charged to the customer on a time and material basis, as follows:

1. Services on Customer Premises at no Charge – With the exception of those services performed to reconnect customers who have been disconnected for non-payment of utility bills, no charge is made for the following:
 - a) Turning on the natural gas supply for customers moving to premises served with gas.
 - b) Turning off the natural gas supply for customers moving from premises served with gas.
 - c) Repairing or replacing Company-owned equipment on customers' premises, including the meter, house regulator or piping associated thereto.
 - d) Inspecting and investigating potentially hazardous gas supply conditions on customers' premises.
2. Chargeable Services on Customer Premises – All other services on the customer's premises are chargeable to the customer. This includes such items as lighting pilots; adjusting appliances; changes, modifications and repair of house piping and service lines; repair or replacement of controls and other appliance parts; and cleaning and inspecting customer owned gas burning devices for malfunctions.
3. Excess Flow Valve – In accordance with Federal Pipeline Safety Regulations, 49 CFR § 192.383, MERC will install an excess flow valve on an existing service line at the customer's request at a mutually agreeable date. At the time of the customer's request, MERC 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.

F. ~~Account History Charge~~

~~If an authorized party requests the Company to provide more than 24 months of usage history for a non-Residential customer, the Company shall charge the authorized requesting party a fee of \$30 per account for providing the information.~~

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Vice President-Regulatory Affairs

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14. INFORMATION AND ASSISTANCE AVAILABLE TO CUSTOMERS AND THE PUBLIC
(Continued)F. Account History Charge

If an authorized party requests the Company to provide more than 24 months of usage history for a non-Residential customer, the Company shall charge the authorized requesting party a fee of \$30 per account for providing the information.

15. INFORMATION FROM CUSTOMERSA. Defective Equipment:

In case gas is found by customer to be escaping from any pipes or equipment in or about the customer's premises, the customer shall notify the Company immediately. Defective appliances shall be disconnected at once and properly repaired before using again. In case of interruption of service, customer shall notify the Company immediately.

B. Gas Load Analysis Data:

Each customer, upon request, shall furnish Company such reasonable data, as, in Company's judgment, is necessary for the proper analysis of the gas load requirements of the customer.

Issued By: Theodore Eidukas
Vice President-Regulatory Affairs

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into Natural Gas Utilities' Practices, Tariffs
and Assignment of Cost Responsibility for
Installation of Excess Flow Valves and
Other Similar Gas Safety Equipment

Docket No. G999/CI-18-41

CERTIFICATE OF SERVICE

I, Kristin M. Stastny, hereby certify that on the 16th of April, 2018, on behalf of Minnesota Energy Resources Corporation, I electronically filed a true and correct copy of the enclosed Reply Comments on www.edockets.state.mn.us. Said documents were also served via U.S. mail and electronic service as designated on the attached service list.

Dated this 16th of April, 2018.

/s/ Kristin M. Stastny
Kristin M. Stastny

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Tamie A.	Aberle	tamie.aberle@mdu.com	Great Plains Natural Gas Co.	400 North Fourth Street Bismarck, ND 585014092	Electronic Service	No	OFF_SL_18-41_Official
Kristine	Anderson	kanderson@greatermngas.com	Greater Minnesota Gas, Inc.	202 S. Main Street Le Sueur, MN 56058	Electronic Service	No	OFF_SL_18-41_Official
Ryan	Barlow	Ryan.Barlow@ag.state.mn.us	Office of the Attorney General-RUD	445 Minnesota Street Bremer Tower, Suite 1400 St. Paul, Minnesota 55101	Electronic Service	No	OFF_SL_18-41_Official
David	Blomseth	davidb@communitycoops.com	Community Co-ops of Lake Park	PO Box 329 14583 Hwy 10 W Lake Park, MN 56554	Electronic Service	No	OFF_SL_18-41_Official
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_18-41_Official
Carl	Cronin	Regulatory.records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_18-41_Official
Ian	Dobson	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_18-41_Official
Randy	Dooley	rdooley@dooleypetro.com	Dooley's Natural Gas LLC	PO Box 100 Murdock, MN 56271	Electronic Service	No	OFF_SL_18-41_Official
Steve	Downer	sdowner@mmua.org	MMUA	3025 Harbor Ln N Ste 400 Plymouth, MN 554475142	Electronic Service	No	OFF_SL_18-41_Official
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_18-41_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Mike	Gorham	mike@nwgas.com	Gorham's Inc dba Northwest Gas	1608 NW 4th St Grand Rapids, MN 55744	Electronic Service	No	OFF_SL_18-41_Official
Travis	Jacobson	travis.jacobson@mdu.com	Great Plains Natural Gas Company	400 N 4th St Bismarck, ND 58501	Electronic Service	No	OFF_SL_18-41_Official
Jack	Kegel	jkegel@mmua.org	MMUA	3025 Harbor Lane N Suite 400 Plymouth, MN 55447-5142	Electronic Service	No	OFF_SL_18-41_Official
Allen	Krug	allen.krug@xcelenergy.com	Xcel Energy	414 Nicollet Mall-7th fl Minneapolis, MN 55401	Electronic Service	No	OFF_SL_18-41_Official
Amber	Lee	ASLee@minnesotaenergyresources.com	Minnesota Energy Resources Corporation	2665 145th St W Rosemount, MN 55068	Electronic Service	No	OFF_SL_18-41_Official
Amy	Liberkowski	amy.a.liberkowski@xcelenergy.com	Xcel Energy	414 Nicollet Mall 7th Floor Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_18-41_Official
Douglas	Lund	doug.lund@ufcmn.com	United Natural Gas, LLC	705 E. 4th Street PO Box 461 Winthrop, MN 55396	Electronic Service	No	OFF_SL_18-41_Official
Brian	Meloy	brian.meloy@stinson.com	Stinson, Leonard, Street LLP	50 S 6th St Ste 2600 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_18-41_Official
Greg	Palmer	gpalmer@greatermngas.com	Greater Minnesota Gas, Inc.	PO Box 68 202 South Main Street Le Sueur, MN 56058	Electronic Service	No	OFF_SL_18-41_Official
Adam	Pyles	adam.pyles@centerpointenergy.com	CenterPoint Energy	800 LaSalle Avenue PO Box 59038 Minneapolis, MN 554590038	Electronic Service	No	OFF_SL_18-41_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Amanda	Rome	amanda.rome@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 5 Minneapolis, MN 55401	Electronic Service	No	OFF_SL_18-41_Official
Peggy	Sorum	peggy.sorum@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	No	OFF_SL_18-41_Official
Kristin	Stastny	kstastny@briggs.com	Briggs and Morgan, P.A.	2200 IDS Center 80 South 8th Street Minneapolis, MN 55402	Electronic Service	No	OFF_SL_18-41_Official
James M.	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	470 U.S. Bank Plaza 200 South Sixth Street Minneapolis, MN 55402	Electronic Service	No	OFF_SL_18-41_Official
Eric	Swanson	eswanson@winthrop.com	Winthrop & Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_18-41_Official
Tim	Thompson	tthompson@lrec.coop	Lake Region Electric Cooperative	PO Box 643 1401 South Broadway Pelican Rapids, MN 56572	Electronic Service	No	OFF_SL_18-41_Official
Teresa	Wenninger	teresa.wenninger@ufcmn.com	United Farmers Cooperative	PO Box 461 Winthrop, MN 55396	Electronic Service	No	OFF_SL_18-41_Official
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_18-41_Official