

September 23, 2025

Sasha Bergman
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: Comments of the Minnesota Department of Commerce
Docket No. G011/M-25-34

Dear Ms. Bergman:

Attached are the comments of the Minnesota Department of Commerce (Department) in the following matter:

Minnesota Energy Resources 2024 Annual Service Quality Report (Report).

The Petition was filed by Minnesota Energy Resources (MERC or the Company) on May 1, 2025.

The Department recommends the Minnesota Public Utilities Commission **approve** MERC's 2024 Service Quality Report and is available to answer any questions the Commission may have.

Sincerely,

/s/ Dr. SYDNIE LIEB
Assistant Commissioner of Regulatory Analysis

KS/ad
Attachment

Table of Contents

List of Tables iii

List of Acronyms and Abbreviations iii

I.	INTRODUCTION1
II.	PROCEDURAL BACKGROUND12
III.	SUMMARY OF REPORT AND DEPARTMENT ANALYSIS2
A.	RESPONSE TO COMMISSION QUESTIONS3
	A.1. Should the Commission accept MERC’s 2024 Annual Gas Service Quality Report?.....2	
	A.2. Are there other issues or concerns relating to this matter?2
B.	REPORT ANALYSIS2
	<i>B.1. PHMSA Gas Distribution Reports</i>	<i>.....2</i>
	<i>B.2. Call Center Reponse Time</i>	<i>.....3</i>
	<i>B.3. Meter Reading Performance</i>	<i>.....4</i>
	<i>B.4. Involuntary Service Disconnection Data</i>	<i>.....9</i>
	<i>B.5. Service Extension Requests</i>	<i>..... 9</i>
	<i>B.6. Customer Deposits</i>	<i>.....12</i>
	<i>B.7. Customer Complaints</i>	<i>.....12</i>
	<i>B.8. Gas Emergency Phone Line Answer Time</i>	<i>.....15</i>
	<i>B.9. Gas Emergency Response Time</i>	<i>.....15</i>
	<i>B.10. Excavation Damages (formerly Mislocates)</i>	<i>.....17</i>
	<i>B.11. Gas Service Interruptions</i>	<i>.....17</i>
	<i>B.12. Major Incident Reporting</i>	<i>.....19</i>
	<i>B.13. Integrity Management Plan Reporting</i>	<i>.....20</i>
	<i>B.14. Excess Flow Valves (EFVs) and Manual Shut-Off Valves</i>	<i>.....21</i>
	<i>B.15. MERC Web-Based Metrics</i>	<i>.....22</i>
IV.	DEPARTMENT RECOMMENDATION23

List of Tables:

Table 1:	MERC's Call Center Response Times
Table 2:	MERC's Meter Reading Performance, Excluding Farm Tap Data
Table 2A:	MERC's Annual Number of Meters Not Read for 6-12 Months and Over 12 Months
Table 2B:	MERC's Meter Reading Full-time-equivalents (FTEs) and Hours Charged
Table 2C:	Farm Tap Meter Reading Information by Year
Table 3:	MERC's Involuntary Service Disconnections
Table 4:	MERC's Service Extension Requests for New Service Locations
Table 4A:	MERC's Service Extension Requests for Previously Served Locations
Table 5:	MERC's Customer Complaints
Table 5A:	MERC's Customer Complaints by Resolution Method
Table 6:	MERC's Gas Emergency Phone Calls
Table 7:	MERC's Gas Emergency Response Time
Table 8:	MERC's Excavation Damages
Table 9:	MERC's Service Interruptions
Table 10:	MERC's MNOPS Reportable Interruptions
Table 11:	MERC's Cumulative EFV and Shut-off Valve Installations
Table 12:	MERC's Website Metrics

List of Acronyms and Abbreviations:

Avg.	Average
CAO	Consumer Affairs Office of the Minnesota Public Utilities Commission
Chg	Change
CWR	Cold Weather Rule
EFV	Excess Flow Valve
FTE	Full-Time Equivalents
GMG	Greater Minnesota Gas
LDC	Local Distribution Companies
MERC	Minnesota Energy Resources Corporation
MNOPS	Minnesota Office of Pipeline Safety
NGWG	Natural Gas Service Quality Working Group
NNG	Northern Natural Gas
NSF	Non-Sufficient Funds
PHMSA	Pipeline and Hazardous Materials Safety Administration
PUC	Public Utilities Commission
SRSQ	Service Reliability and Service Quality Report
Yr.	Year
#	Number



Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce

Docket No. G011/M-25-34

I. INTRODUCTION

Minnesota Energy Resources Corporation (MERC or the Company) filed its 2024 annual gas service quality report (Report) on May 1, 2025. The Report covers the issues established in previous Minnesota Public Utilities Commission (PUC or Commission) Orders, including, but not limited to, call center response times, meter reading performance, involuntary disconnections, extension requests, customer deposits, customer complaints, gas emergency response times, excavation damages, and service interruptions.

The Department has reviewed the Company's Report and provides analysis below.

II. PROCEDURAL BACKGROUND

- | | |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| April 16, 2009 | The Minnesota PUC 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). ¹ |
| August 26, 2010 | The Commission issued an Order requiring MERC to begin submitting annual service quality reports (Report or SRSQ). Subsequent orders revised and updated the reporting requirements. ² |
| November 18, 2022 | The Commission established a Natural Gas Service Quality Working Group (NGWG) in Docket No. G002, G022, G004, G011, G008/CI-22-548 (22-548) to develop and refine future reporting requirements for natural gas utilities. ³ |
| December 22, 2023 | The Commission issues its Order in docket 25-548 which adopted the NGWG's recommendations and authorized the Executive Secretary to establish a comprehensive list of current gas service quality reporting requirements which all gas utilities shall work from in future reporting. ⁴ |

¹ In the matter of a Commission Investigation into Gas Utility Service Quality Standards, Notice of Comment Period, April 16, 2009, Docket No. G999/CI-09-409, (eDockets) [20094-36334-01](#).

² *In the Matter of a Commission Investigation into Gas Utility Standards, Order Setting Reporting Requirements*, August 26, 2010, Docket No. G999/CI-09-409, (eDockets) [20108-53874-01](#) (hereafter "09-409 Order"), at Order Point 2.

³ In the Matter of an Exploration of Comparative Performance Metrics and Improvements to Natural Gas Service Quality Reports Notice of Comment and Workgroup, November 18, 2022, Docket No. G002, G022, G004, G011, G008/CI-22-548. (eDockets) [202211-190735-01](#).

⁴ *In the Matter of an Exploration of Comparative Performance Metrics and Improvements to Natural Gas Service Quality Reports*, Order, December 22, 2023, Docket No. G002,G022,G004,G011,G008/CI-22-548 (eDockets) [202312-201514-01](#) (hereinafter, "December 22, 2023 Order").

February 2, 2024 Commission issued [Notice of Gas Service Quality Reporting Requirements](#).⁵
May 1, 2025 Minnesota Energy Resources Corporation filed its 2024 Report.⁶

III. SUMMARY OF REPORT AND DEPARTMENT ANALYSIS

The Department reviewed MERC’s 2024 Report to assess compliance with the updated reporting requirements established by the Commission in Docket 22-548. The Department used information from past annual reports to identify issues and/or trends regarding the Company’s performance in 2024.

The Department provides responses to the Commission’s questions and a summary of the Department’s review of MERC’s 2024 Report.

A. RESPONSE TO COMMISSION QUESTIONS

A.1. *Should the Commission accept MERC’s 2024 Annual Gas Service Quality Report?*

Based on its review of MERC’s 2024 *Annual Natural Gas Service Quality Report*, the Department recommends the Commission accept the 2024 Report.

A.2. *Are there other issues or concerns related to this matter?*

The Department didn’t identify any other issues or concerns as part of its review.

B. REPORT ANALYSIS

B.1. *PHMSA Gas Distribution Reports*

The Commission issued its “Notice of Gas Service Quality Reporting Requirements” on February 2, 2024, in the 22-548 docket.⁷ That document included the following language regarding this topic.

All Gas Utilities shall append their annual PHMSA Gas Distribution Reports to their Gas Service Quality Reports.

⁵ Notice of Gas Service Quality Reporting Requirements in the Matter of an Exploration of Comparative Performance Metrics and Improvements to Natural Gas Service Quality Reports, February 2, 2024, Docket No. G002, G022, G004, G011, G008/CI-22-548, (eDockets) [20242-203037-01](#), (hereinafter “22-548 Notice of February 2, 2024”).

⁶ *In the Matter of the Annual Service Quality Report for Minnesota Energy Resources Corporation for 2024*, Minnesota Energy Resources Corporation, Initial Filing, May 1, 2025, Docket No. G011/M-25-34 (eDockets) [20255-218440-01](#) (hereinafter “Report”).

⁷ In the Matter of an Exploration of Comparative Performance Metrics and Improvements to Natural Gas Service Quality Reports, *Notice of Gas Service Quality Reporting Requirements*, Notice of Gas Service Quality Reporting Requirements, February 2, 2024, Docket No. G002, G022, G004, G011, G008/CI-22-548 (eDockets) [20242-203037-01](#) (hereinafter, “February 2, 2024 Notice”).

MERC included this information in Attachment 1 to the Report.⁸ Hence, the Department concludes the Company has complied with this reporting requirement for 2025.

B.2. Call Center Response Time

The “Notice of Gas Service Quality Reporting Requirements” issued on February 2, 2024, included the following language regarding this topic.

All Gas Utilities, excluding GMG, shall report:

- The percent of calls answered within 20 seconds.⁹

All Gas Utilities shall report:

- The average time required to answer an incoming call.¹⁰

MERC provided call center response information required for 2023 in Attachment 2 of its report. Table 1 summarizes MERC’s call center response information for the years 2014 through 2024.

The 2024 total number of calls was 179,586. This was 32.4% below the ten-year average and 29.2% lower than the 2023 figure. The 2024 average response time was 12 seconds which was approximately 46% faster than the ten-year average and approximately 37% faster than the 2023 answer times. For the average number of calls answered in 20 seconds or less, the 2024 result was 92% which was almost 14% higher than the ten-year average and 8% higher than the 2023 figure.

⁸ Report, Attachment 1

⁹ February 2, 2024 Notice at 3.

¹⁰ February 2, 2024 Notice at 3.

Table 1: MERC’s Call Center Response Times¹¹

Calendar Year	Total # of Calls Answered	Avg. # of Seconds Before Calls Answered ¹²	Avg. (%) of Calls Answered in 20 Seconds or Less
2014	397,976	36	75%
2015	369,736	28	79%
2016	252,972	38	81%
2017	244,853	15	84%
2018	263,979	20	79%
2019	286,697	22	77%
2020	205,592	13	84%
2021	181,442	18	81%
2022	200,888	16	82%
2023	253,803	19	85%
10-Yr. Avg.	265,794	22.5	81%
2024	179,586	12	92%
% Chg. from 10-yr Avg.	-32.4%	-46.7%	13.6%
% Chg. 2024 from 2023	-29.2%	-36.8%	8.2%

MERC has received fewer calls this year compared to the 10-year average and has answered those calls faster, on average, than in previous years. The Department concludes that MERC has met the service quality standard and reporting requirements for call center data for 2024.

B.3. Meter Reading Performance

The “Notice of Gas Service Quality Reporting Requirements” includes the following language regarding this topic.¹³

All Gas Utilities shall report, as described in *Minn. Rules, part 7826.1400*¹⁴;

- The number and percentage of customer meters read by utility personnel;
- The number and percentage of customer meters self-read by customers;
- The number and percentage of customer meters that have not been read by utility personnel for periods of six to 12 months and for periods longer than 12 months, and an explanation as to why they have not been read; and

¹¹ Attachment 2 of the Report filed May 1, 2025.

¹² Note that, for certain years, the average number of seconds before calls were answered shown Table 1 in the instant comments do not match the corresponding figures shown in Table 1 of MERC’s Report. In particular, the Department-calculated averages for 2014 and 2016 are more than one second less than those shown in Table 1 of MERC’s Report. The Department’s conclusions on the Company’s call center response times are unchanged by these discrepancies.

¹³ February 2, 2024 Notice at 3.

¹⁴ Minnesota Administrative Rules, [7826.1400](#) Reporting Meter-Reading Performance.

- Data on monthly meter reading staffing levels, by work center and geographical area.

MERC’s reports shall include data both with and without farm tap account information. The Company provided this required information for 2024. Tables 2 and 2A summarize MERC’s meter reading performance for the years 201 through 2024.

Table 2: MERC’s Meter Reading Performance, Excluding Farm Tap Data¹⁵

Calendar Year	Avg. # of Meters	# of Meters Read - MERC	% of Meters Read - MERC	# of Meters Read by Customers	% of Meters Read by Customers
2014	218,220	210,219	96.33%	8,001	3.67%
2015	226,493	221,444	97.77%	581	0.26%
2016	238,936	229,476	96.04%	93	0.04%
2017	232,730	232,602	99.94%	122	0.05%
2018	237,606	233,663	98.34%	106	0.04%
2019	241,914	225,438	93.19%	107	0.04%
2020	244,616	223,486	91.36%	104	0.04%
2021	247,374	235,788	95.33%	31	0.01%
2022	250,046	242,791	95.85%	22	0.01%
2023	252,334	247,392	95.81%	7	<0.01%
10-yr Avg.	239,027	230,230	96.00%	917	.42%
2024	255,334	247,392	96.89%	62	<0.01%
% Chg. from 10-yr Avg.	6.8%	7.5%	.9%	-93.2%	NA ¹⁶
% Chg. from 2023	1.2%	0%	1.1%	785.7%	0%

MERC’s 2024 results for the number of meters read by the Company were 7.5% above the ten-year average. The 2024 results for the number of meters read by the Customers were 93.2% lower than the ten-year average, though closely aligned with post-pandemic years.

The Department notes the Company’s meter reading performance declined slightly during the COVID-19 Pandemic. The annual average of meters read by customers and the average annual number of meter reading personnel were both sharply lower in 2024 than the ten-year average though this data is largely skewed because of particularly high numbers in 2014 and 2015. The Department attributes those changes to MERC’s installation of automated metering reading in the 2015-2016 timeframe. The figures since 2021, including the percentage of self-read meters has remained largely consistent.

¹⁵ Report, Attachment 3.

¹⁶ Levels of self-read meters has fallen to rates so low that these values are effectively 0%.

Table 2A provides a summary on MERC’s meter reading performance for meters not read for long periods of time.

Table 2A: MERC’s Annual Number of Meters Not Read for 6-12 Months and Over 12 Months¹⁷¹⁸

Calendar Year	# of Meters Unread for 6-12 Months	# of Meters Unread for More than 12 Months
2014	1,439	91
2015	1,406	78
2016	12,419	530
2017	1,540	14
2018	2,056	16
2019	2,252	98
2020	1,970	18
2021	2,462	41
2022	2,118	57
2023	2,530	73
10-yr Avg.	3,019	102
2024	1,972	44
% Chg. from 10-yr Avg.	-34.7%	-56.9%
% Chg. from 2023	-22.1%	-39.7%

The annual number of meters not read for 6 to 12 months decreased almost 35% in 2024 compared to the ten-year average¹⁹. The annual number of meters not read for longer than 12 months decreased 56.86% in 2024 compared to the ten-year average. Excluding the year, 2016, these figures remain similar to previous years.

¹⁷ The meter number figures in Table 2a are the sum totals of the number of unread meters MERC reported for each month in the reporting year and the totals double count meters that remain in an unread status over multiple months. For example, if MERC reported 100 meters unread for 6-12 months in January and February, the sum total of unread meters for those two months would be 200 meters (100 + 100); if February’s unread meter count (100 meters) includes 25 of the same meters that were included in January’s unread meter count, then the 200-meter sum total would recognize these 25 meters twice.

¹⁸ Report, Attachment 3.

¹⁹ These values were calculated including meters with farm-taps.

Table 2B shows data associated with MERC’s meter reading staffing levels.

Table 2B: MERC’s Meter Reading Full-time-equivalents (FTEs) and Hours Charged²⁰

Calendar Year	Total Meter Reading FTE ²¹	Total Hours Charged to Meter Reading
2014	30.2	53,000
2015	32.5	54,886
2016	31.5	52,298
2017	30.7	49,874
2018	32.9	48,411
2019	35.8	47,536
2020	22.8	35,134
2021 ²²	4.0	8,359
2022	1.8	3,684
2023	2.1	4,272
10-yr Avg.	22.43	35,745
2024	1.8	3,698
% Chg. from 10-yr Avg.	-92%	-90%
% Chg. from 2023	-14.3%	-13.4%

The 2024 results for the FTEs for meter reading was 92% below the ten-year average while the number of hours charged to meter reading in 2024 was 89.7% lower than the ten-year average. The 2024 results when compared to 2023 were approximately 14% lower for total FTEs and 13% lower for the number of hours charged to meter reading. These decreases compared to the 10 year average are in line with recent years and are due to MERC’s implementation of advanced metering infrastructure which does not require meter readers.

MERC is unique among Minnesota’s economically regulated natural gas local distribution companies (LDC) in that it serves a higher number of customers who are served directly from Northern Natural Gas’ (NNG) interstate pipeline than the other natural gas LDCs. Given that these customers are almost entirely rural customers who live near NNG’s facilities, “farm tap” is the commonly defined term for this group of customers.

As noted previously, the Commission in its “Notice of Gas Service Quality Reporting Requirements” required MERC to provide “meter reading information with and without farm taps.” MERC provided the required information in Attachment 3 of the Report. Table 2C shows the data associated with farm taps.

²⁰ Report, Attachment 3.

²¹ Includes MERC’s internal FTEs and external contracted FTEs.

²² There were no reported external contracted FTEs from 2021-2024.

While MERC has included that information for several years in its Report, the Department previously had chosen not to summarize it. Table 2C provides summary information on the farm tap customer group for the years 2018 through 2024.

In 2024, the number of farm tap meters identified was 1,763, which was 2.3% less than the prior average and only 1% more than the number of farm tap meters identified in 2023. The number of customer-read farm tap meters for 2024 was 21% below the five-year average and 9% below the Company’s 2023 results.

The number of farm tap meters not read for 6 to 12 months in 2024 was 1,947 which was 5% lower than average and 8% lower than the 2023 results. The number of farm tap meters not read for over 12 months in 2024 was 42, which was 13.5% higher than the average but 38% below the 2023 results. MERC’s results for 2024 relative to this customer group are consistent with the yearly averages and show slight improvements from 2023.

Table 2C: Farm Tap Meter Reading Information by Year

Calendar Year	# of Farm Taps	# of Customer Read Farm Taps	# of Meters not read 6-12 months	# of Meters not read > 12 months
2018	1,801	7,938	NV	NV
2019	1,874	8,138	2,174	72
2020	1,842	8,403	1,738	0.0
2021	1,809	7,654	2,294	12
2022	1,748	7,556	1,967	57
2023	1,748	6,759	2,122	68
Prior Average	1,804	7,741	2,059	37
2024	1,763	6,131	1,947	42
% Chg. from Prior Avg.	-2.3%	-20.8%	-5.4%	13.5%
% Chg. from 2023	.9%	-9.3%	-8.2%	-38.2%

The Department concludes that MERC has met the service quality standard and reporting requirements for meter reading performance for 2024.

B.4. Involuntary Service Disconnection Data

The “Notice of Gas Service Quality Reporting Requirements” included the following language regarding this topic:²³

All Gas Utilities shall append their December Residential Customer Status Reports, including data for January through December as filed in Docket No. E,G-999/PR-YY-02, in their annual service quality reports. Gas Utilities shall also provide a narrative explanation of their involuntary service

²³ February 2, 2024 Notice at 4.

disconnection performance, as needed, including steps taken to improve performance in the future.

MERC did provide that information in Attachment 4 to the Report. Table 3 provides a summary of the Company’s involuntary service disconnection data.

For 2024, the number of disconnection notices mailed was 8% above the ten-year average but 25% lower than 2023. The number of Cold Weather Rule (CWR) requests submitted by customers was 65% lower than the ten-year average and dropped 43% from 2023. The percentage of CWR requests granted remained constant at 100% in 2024. The number of involuntary disconnections was 15% above the ten-year average but 25% lower than 2023. The percentage of involuntary disconnections restored within 24 hours was 8.63% in 2024, 80% below the ten-year average but a 93% increase from the 2023 figure.

Table 3: MERC’s Involuntary Service Disconnections²⁴

Calendar Year	# of Disconnection Notices Mailed	# of CWR Requests	% of CWR requests Granted	# of Involuntary Disconnections	% of Inv. Disconnections Restored < 24 Hours
2014	87,069	7,014	100%	6,801	88%
2015	71,061	8,748	100%	5,393	48%
2016	2,690	4,649	100%	782	38%
2017	37,208	8,751	100%	1,744	81%
2018	58,151	10,014	100%	3,438	70%
2019	55,276	8,693	100%	4,961	84%
2020	15,805	1,433	100%	338	26%
2021	7,684	414	100%	812	0%
2022	34,262	1,963	100%	4,427	0.29%
2023	61,729	3,361	100%	5,155	4.48%
10-yr Avg.	43,093	5,481	100%	3,385	44%
2024	46,572	1,907	100%	3,882	8.63%
% Chg. from 10-yr Avg.	8.07%	-65.2%	0%	14.7%	-80.4%
% Chg. from 2023	-24.6%	-43.3%	0%	-24.7%	93%

The Department appreciates the Company’s responses and concludes that MERC has met the service quality standard and reporting requirements for involuntary service disconnections for 2024.

B.5. Service Extension Requests

The “Notice of Gas Service Quality Reporting Requirements” included the following language regarding this topic:²⁵

²⁴ Report, Attachment 4.

²⁵ February 2, 2024 Notice at 4.

All Gas Utilities except GMG shall report, as described by *Minn. Rules, part 7826.1600, items A and B*:²⁶

- The number of customers requesting a service extension by customer class.
 - The interval between the date service was installed and the latter of the customer-requested in-service date or the date the premises were ready for service.
- The number of customers requesting service at a location previously served by the utility.
 - The interval between the date service was installed and the latter of the customer-requested in-service date or the date the premises were ready for service.

These same utilities shall also report:

- The types of extension requests, such as requests for reconnection after disconnection for nonpayment, for both locations previously serviced and not previously served.

Table 4 provides the historical information for new main extension projects.

Table 4: MERC’s Service Extension Requests for New Service Locations²⁷

Calendar Year	Residential		Commercial	
	Mo Avg. # of Installations	Avg. # of Days to Complete	Mo Avg. # of Installations	Avg. # of Days to Complete
2014	170	24	12	75
2015	165	30	19	46
2016	169	12	20	20
2017	189	19	22	27
2018	188	19	25	26
2019	183	16	22	29
2020	204	16	19	26
2021	210	19	22	25
2022	184	19	22	31
2023	161	18	20	24
10-yr Avg.	183	19	19	33
2024	166	18	23	28
% Chg. from 10-yr Avg.	-9.3%	-5.3%	21.1%	-15.2%
% Chg. from 2023	3.1%	0%	15%	16.7%

MERC’s average number of new residential installations in 2024 was 166 (annual total = 1,996). This result was 9% below the ten-year average but 3% above the Company’s 2023 figures. The average time

²⁶ Minnesota Administrative Rules, [7826.1600](#) Reporting Service Extension Request Response Times.

²⁷ Report, Attachment 5.

it took to complete a new residential service installation was 18 days in 2024, the same as 2023. This compared to a ten-year average of 19 days shows consistency. In 2024, the average number of installations for commercial customers was 23 per month. This figure is 21% above the ten-year average and 15% above the 2023 figure. The average number of new installations for commercial customer was 23 per month which was 21% higher than the ten-year average and 15% higher the same figure from 2023. The average number of days required to complete a commercial service installation in 2024 was 28 days which is 15% faster than the ten-year average but 17% slower when compared to figures from 2023.

Tables 4A summarizes the number of service extension requests for previously served locations for residential and commercial customers. The number of requests in 2024 was 36% below the ten-year average and 26% below the 2023 figure. For commercial customers, the same figure was 46% below the ten-year average and 20% below the 2023 results. For residential customers, the number of days necessary to complete service installations, for both residential and commercial customers, has been effectively zero since 2021.

The Department believes that the decline in the time needed to complete an installation for a pre-existing customer is likely due to the Company implementing advanced metering infrastructure.

Table 4A: MERC’s Service Extension Requests for Previously Served Locations²⁸

Calendar Year	Residential Customers		Commercial Customers	
	Number of Service Installations	Average # of Days to Complete Installation	Number of Service Installations	Average # of Days to Complete Installation
2014	11,888	<1	507	<1
2015	9,120	<1	1,012	1.08
2016	6,398	<1	383	<1
2017	5,054	<1	438	<1
2018	4,861	<1	399	<1
2019	6,190	<1	496	<1
2020	3,940	<1	406	<1
2021	4,501	0	480	0
2022	4,823	0	316	0
2023	5,561	0	335	0
10-yr. Avg.	6,409	0	501	0
2024	4,092	0	269	0
% Chg. from 10-yr Avg.	-36.2%	0	-46.3%	0
% Chg. from 2023	-26.4%	0	-19.7%	0

²⁸ Report, Attachment 5.

The Department concludes that MERC has met the service quality reporting requirements for service extension requests for 2024.

B.6. Customer Deposits

Minnesota Rules 7826.1900 is applicable to regulated electric utilities. The Commission required each natural gas utility to provide data on the number of customers required to make a deposit as a condition of receiving service.

The Commission issued a notice in the 22-548 docket regarding the new service quality metrics on February 2, 2024.²⁹ That document included the following language regarding this topic.

All Gas Utilities shall report on customer deposits within their annual service quality reports whenever their deposit collection policies change. These reports shall include:

- a description of the previous deposit collection policy;
- a description of the new deposit collection policy;
- the reason for the policy change; and
- data from the previous three years regarding the number of customers who were required to make a deposit as a condition of receiving service including the total number of deposits held at the end of each year.

The Company noted on page 7 of the Report that it had made modifications to its deposit requirements in Docket No. G011/GR-22-204, effective March 1, 2024.

The Department concludes the Company has met the Commission's customer deposit reporting requirements for 2024.

B.7. Customer Complaints

The "Notice of Gas Service Quality Reporting Requirements" included the following language regarding this topic:³⁰

All Gas Utilities except GMG shall report, as described by Minn. Rules part 7826.2000³¹:

- The number of complaints received.
- The number and percentage of complaints alleging or involving;
 - Billing errors
 - Inaccurate metering
 - Wrongful disconnection
 - High bills
 - Inadequate service

²⁹ February 2, 2024 Notice at 5.

³⁰ February 2, 2024 Notice at 5.

³¹ Minnesota Administrative Rules, [7826.2000](#), Reporting Customer Complaints.

- Service extension intervals
- Service-restoration intervals.
- Any other identifiable subject matter involved in five percent or more of customer complaints.
- The number and percentage of all complaints resolved by taking any of the following actions:
 - Taking the actions the customer requested
 - Taking action which the customer and utility agree is an acceptable compromise.
 - Providing the customer with information that demonstrates that the situation complained of is not reasonably within the control of the utility.
 - Refusing to take the action the customer requested.
- The number of complaints forwarded to the utility by the Commission’s Consumer Affairs Office (CAO) for further investigation and action.

All Gas Utilities shall include customer complaint data from Minnesota Rules 7820.0500 in their Annual Service Quality Reports.

Table 5 summarizes select customer complaint data MERC submitted.

Table 5: MERC’s Customer Complaints³²

Calendar Year	Number of Complaints Received	Number of Complaints Forwarded from the CAO	% of Complaints Resolved Upon Initial Inquiry
2014	557	26	71
2015	454	55	28
2016	577	27	18
2017	1,547	10	65
2018	1,883	8	58
2019	1,199	49	76
2020	1,337	32	88
2021	322	25	64
2022	197	45	6
2023	298	46	37
10-yr. Avg.	837	32	51
2024	831	44	92
% Chg. from 10-yr Avg.	-.7%	37.5%	80.4%
% Chg. from 2023	178.9%	-4.3%	148.6%

³² Report, Attachment 6

The 2024 number of complaints received nearly the same as the ten-year average, but 179% higher than the number of complaints in 2023. The number of complaints forwarded from the Commission’s CAO was 37.5% above the ten-year average but down 4.3% higher than the same figure in 2023. The number of complaints resolved upon initial inquiry in 2024 was 80% higher than the ten-year average and 148% higher than 2023.

Table 5A provides details on the Company’s resolution of its customer complaints. The data shows, overall, that MERC resolves complaints most often through either an agreement with or a compromise with the customer and only on rare occasions does it refuse a customer’s request.

Table 5A: MERC’s Customer Complaints by Resolution Method³³

Calendar Year	Percentage (%) of Customer Complaints Resolved by:			
	Agreement with Customer	Compromise with Customer	Out of Company Control	Refuse Customer Request
2014	44%	28%	1%	27%
2015	41%	40%	9%	10%
2016	55%	27%	6%	12%
2017	60%	40%	1%	0%
2018	85%	14%	1%	1%
2019	75.23%	22.52%	0.25%	1.92%
2020	92.45%	6.88%	0.30%	0.37%
2021	89.44%	7.76%	0.93%	1.55%
2022	70.56%	22.84%	3.05%	3.55%
2023	60.74%	28.86%	6.71%	3.69%
10-yr Avg.	67.34%	23.79%	2.92%	6.11%
2024	16.97%	77.74%	4.33%	.96%
% Chg. from 10-yr Avg.	-74.8%	226.78%	48.29%	-84.29%
% Chg. from 2023	-72.06%	169.37%	-35.47%	-73.98%

In 2024, MERC resolved 17% of consumer complaints by agreeing to customer requests, a nearly 75% decrease from the ten-year average and 72% decrease from the 2023 figure. However, the Company resolved customer complaints through compromise more than 226% more often than the ten-year average and nearly 170% more often than it did in 2023. Complaints that were out of Company control occurred 48% more often than the 10-year average but 35% less often than 2023. The Company refused customer requests in less than 1% of complaints, a decrease of 84% from the ten-year average and about 74% from 2023.

The Department concludes that MERC has met the service quality standard and reporting requirements for customer complaints for 2024.

³³ Report, Attachment 6.

B.8. Gas Emergency Phone Line Answer Time

The “Notice of Gas Service Quality Reporting Requirements” requires the following information on this topic.

All Gas Utilities except GMG shall report:³⁴

- Telephone answer times to the utility’s gas emergency phone line.

The Company reported receiving 20,746 emergency phone calls in 2024. The 2024 figure was 4% above the ten-year average but 13% below the 2023 figure. The average speed with which MERC answered emergency phone calls in 2024 was 1% above the ten-year average and 20% below the 2023 figure. As for the percentage of calls answered in less than 15 seconds, the 2024 results were 1% higher than the ten-year average and 3% higher than 2023.

Table 6 summarizes those results.

Table 6: MERC’s Gas Emergency Phone Calls

Calendar Year	# of Gas Emergency Calls	Avg. # of Seconds Before Calls were Answered	% of Calls Answered in 15 Seconds or Less
2014	19,205	10.08	93
2015	19,205	9.25	93
2016	23,773	3.92	96
2017	20,017	5.58	93
2018	21,920	5.42	94
2019	19,446	5.17	94
2020	15,928	5.92	94
2021	16,787	11	84
2022	19,197	13	83
2023	23,730	10	89
10-yr Avg.	19,921	7.9	91
2024	20,746	8	92
% Chg. from 10-yr Avg.	4.14%	1.27%	1.1%
% Chg. from 2023	-12.57%	-20%	3.37%

The Department concludes that MERC has met the service quality standard and reporting requirements for gas emergency phone line calls for 2024.

B.9. Gas Emergency Response Times

The “Notice of Gas Service Quality Reporting Requirements” requires the following information on this topic.³⁵

³⁴ February 2, 2024 Notice at 6.

³⁵ February 2, 2024 Notice at 6.

All Gas Utilities shall report:

- The percentage of emergencies responded to within one hour and within more than one hour.

Additionally, Xcel, CenterPoint, and MERC shall report:

- The average number of minutes it takes to respond to an emergency.

MERC’s 2024 emergency call numbers were 4% lower than the ten-year average but 13% higher than 2023. The percentage of calls responded to in less than one hour in 2024 was 95% which was equal to the ten-year average and 1% higher than the percentage change from 2023. The percentage of calls that took longer than one hour for the Company to respond in 2024 was 5%, again equal to the ten-year average and down from 2023. The 2024 average response time was 27 minutes. That result was equal to the ten-year average and 3.5% faster than the average response time in 2023.

Table 7 summarizes the Company’s gas emergency response time data.

Table 7: MERC’s Gas Emergency Response Time³⁶

Calendar Year	# of Emergency Calls Requiring Response	% of Calls Responded < One Hour	% of Calls Responded to > One Hour	Average Response Time in Minutes
2014	6,896	94	6	23.67
2015	5,832	95	5	26.92
2016	5,382	94	6	28
2017	6,344	95	5	28.15
2018	6,625	96	4	26.7
2019	7,204	96	4	26.93
2020	6,118	96	4	25.59
2021	5,515	95	5	27.43
2022	5,536	96	4	27.65
2023	5,704	94	6	28.00
10-Yr Avg.	6,116	95	5	26.9
2024	5,170	95	5	27
% Chg. from 10-yr Avg.	-15.47%	0	0	.37%
% Chg. from 2023	-9.36%	1.06%	16.67%	-3.57%

The Department concludes that MERC has met the service quality standard and reporting requirements for gas emergency response times for 2024.

B.10. Excavation Damages (formerly Mislocates)

The “Notice of Gas Service Quality Reporting Requirements” requires:³⁷

³⁶ Report, Attachment 7.

³⁷ February 2, 2024 Notice at 7.

All Gas Utilities shall report on excavation damages using the following metrics:

- a. The number of excavation tickets received;
- b. The number of excavation damages;
- c. The number of excavation damages per 1,000 excavation tickets, and;
- d. The number of at-fault damages.³⁸

An “at fault damage” shall be defined as a damage were the root cause of the damage falls under the responsibility of the utility or its contractors including mislocates made by the Company or its contract locating companies.

The data provided for the Excavation Damages reporting requirement differs from the Gas System Damages and Mislocate Rates, so the data from prior years is not comparable.³⁹ Hence, the Department only has two years of data under the new reporting structure and does not see value in drawing conclusions from this narrow window of data.

Table 8: MERC’s Excavation Damages⁴⁰

Callendar Year	Excavation tickets	Excavation damages	Damages per 1,000 tickets	Company employee or contractor at fault	Damage by other
2023	105,218	220	2.09	29	191
2024	106,535	214	2.01	42	172
Average	105,876.5	217	2.05	35.5	181.5
% Chg. from previous year	1.25%	-2.73%	-3.83%	44.83%	9.95%

The Department concludes the Company has met the Excavation Damages reporting requirement for 2024.

B.11. Gas Service Interruptions

The “Notice of Gas Service Quality Reporting Requirements” required Gas Utilities to report the following information on service interruptions: ⁴¹

All Gas Utilities except GMG shall report:

- The number of service interruptions categorized according to whether it was:
 - Caused by utility’s employees or contractors, or
 - Whether it was due to any unplanned cause.

³⁸ The definition of an “at-fault damage” is one where the utility or its contractors are responsible for the damages. It also includes mislocates made by the Company and its contractors.

³⁹ Prior years’ results include all tickets whereas the 2023 and 2024 information is only reporting excavation tickets.

⁴⁰ Report, Attachment 8.

⁴¹ February 2, 2024 Notice at 7.

Additionally, MERC shall report:

- The number of customers whose service was interrupted.
- The average duration of interruptions.

The number of service interruptions on MERC’s system is shown in Table 9.

Table 9: MERC’s Service Interruptions⁴²

Calendar Year	Number of Service Interruptions:		
	Caused by MERC (A)	Caused by Factors Outside of MERC’s Control (B)	Total (A + B)
2014	1	152	153
2015	22	155	177
2016	35	162	197
2017	26	150	176
2018	26	159	185
2019	41	172	213
2020	40	212	252
2021	40	174	214
2022	51	165	216
2023	50	174	224
10-yr Avg.	33	167.5	200.7
2024	39	167	206
% Chg. from 10-yr Avg.	18.18%	-.3%	2.64%
% Chg. from 2023	-22%	-4.02%	-8.04%

The Company identified 206 damage events in 2024. 167 of the damage events were caused by factors outside the Company’s control. 39 were classified as being caused by MERC. The number of damage events caused by MERC was consistent with the ten-year average, and 4% below the 2023 figure. The figure for service interruptions caused by factors outside of MERC’s control was 18% higher than the ten-year average and 22% below the 2023 results. As for the total number of service interruptions in 2024, it was 2.6% above the ten-year average and 8% below the 2023 figure.

MERC reported 206 service interruptions in 2024. The service interruption that affected the greatest number of ratepayers was 240 customers. The longest lasting outage involved a vacant house and lasted more than two and a half days.

The Department concludes that MERC has met the service quality standard and reporting requirements for service interruption times for 2024.

⁴² Report, Attachment 9.

B.12. Major Incident Reporting

The “Notice of Gas Service Quality Reporting Requirements” included the following language regarding this topic.

All Gas Utilities shall report:⁴³

- Summaries of major events that are immediately reportable to the Minnesota Office of Pipeline Safety (MNOPS) according to the criteria used by MNOPS to identify reportable events.
- Each summary shall include the following items:
 - The location
 - When the incident occurred
 - How many customers were affected.
 - How the company was made aware of the incident
 - The root cause of the incident
 - The actions taken to fix the problem.
 - What actions were taken to contact customers?
 - Any public relations or media issues
 - Whether the customer or the company relighted
 - The longest any customer was without gas service during the incident.

⁴³ February 2, 2024 Notice at 8.

The Company provided all the information required for reportable events to MNOPS in Attachment 10.⁴⁴ Table 10 shows MERC’s historical MNOPS reportable events. The Company’s 15 MNOPS reportable events for 2024 was a 30% drop compared to the previous ten-year average.

Table 10: MERC’s MNOPS Reportable Interruptions⁴⁵

Calendar Year	Number of MNOPS Reportable Interruptions
2014	18
2015	35
2016	25
2017	25
2018	26
2019	20
2020	11
2021	17
2022	18
2023	21
10-yr Avg.	21.6
2024	15
% Chg. from 10-yr Avg.	-30.56%
% Chg. from 2023	-28.57%

MERC’s 2024 results were 31% below the ten-year average and 29% lower than the 2023 figure. In Attachment 11 of its Report, MERC stated that it was not cited for any emergency response violations by MNOPS 2024, though it had eight such violations in 2023.

B.13. Integrity Management Plan Reporting

The “Notice of Gas Service Quality Reporting Requirements” included the following language regarding this topic:⁴⁶

Xcel Energy, MERC, GMG, and Great Plains shall report the following metrics from their Annual PHMSA Distribution Reports in their service quality reports:

- Miles of Distribution Main
- Number of Main Leaks
- Number of Main Leaks by Cause
- Number of Hazardous Main Leaks by Cause
- Main Leaks per 1,000 Miles of Main
- Number of Services

⁴⁴ Report, Attachment 10.

⁴⁵ Report, Attachment 10.

⁴⁶ February 2, 2024 Notice at 8.

- Number of Service Leaks.
- Number of Service Leaks by Cause
- Number of Hazardous Service Leaks by Cause
- Service Leaks per 1,000 Services

Attachment 1 of MERC's Report provides the Company's leak counts and Part C of the Attachment provides leak counts by cause. The Department notes the total number of leaks in 2024 were 67 for mains and 1,095 for services, which are nearly identical to last year's figures.

B.14. Excess Flow Valves (EFVs) and Manual Shut-Off Valves

The "Notice of Gas Service Quality Reporting Requirements" included the following language regarding this topic.⁴⁷

All Gas Utilities (except GMG, which has already completed the required outreach) shall confirm with the Commission that they have completed their EFV and manual shut-off valve outreach pursuant to the Commission's July 31, 2019, Order in Docket No. 18-41. Upon receiving confirmation from the Commission, utilities that have completed their EFV and manual shut-off valve outreach may cease annual reporting on EFVs, manual shut-off valves and related outreach in their annual service quality reports, including the reporting of EFV and manual shut-off valve data pursuant to the Commission's November 14, 2019, Order in Docket Nos. G-004/M-19-280, G-004/M-19-300, G-011/M-19-303, and G-002/M-19-305. Utilities shall continue appending their annual PHMSA reports to their service quality reports, which contains information on the number of EFVs and manual shut-off valves installed on their system.

MERC provided its 2024 information on EFVs and manual shut-off valves in Tables 7 and 8 on pages 15 and 16 of its Report. The Company indicated 33.5% and 10.4% percent of eligible customers have EFVs or manual shutoff valves, respectively. Table 11 shows, by year, the cumulative number of EFVs and manual shutoff valves installed on MERC's system.

⁴⁷ February 2, 2024 Notice at 9.

Table 11: MERC’s Cumulative EFV and Shut-off Valve Installations⁴⁸

Calendar Year	EFV	Annual # of Installations	Manual shutoff valves	Annual # of Installations
2018	50,363	NA	124	NA
2019	55,837	5,474	195	71
2020	59,922	4,085	249	54
2021	65,788	5,866	312	63
2022	70,635	4,847	379	67
2023	74,864	14,355	384	384
Prior Avg.	62,901.5	6,925.4	273.8	127.8
2024	79,562	4,698	521	137
% Chg. from previous Avg.	26.49%	-32.16%	90.28%	7.2%
% Chg. from 2023	6.28%	-67.27%	35.68%	-64.32%

The 2024 results for annual EFV installations were 32% below the average of annual installations and 67% below the record-high 2023 results. Regarding manual shut-off valve annual installations in 2024, there were 7% more installed, than the average, but 64% below the 2023 figure.

B.15. MERC Web-Based Metrics

The Commission issued its “Notice of Gas Service Quality Reporting Requirements” on February 2, 2024, in the 22-548 docket. That document included language which required MERC and others to report the following in their annual service quality reports: ⁴⁹

- *The percentage of uptime of the utility’s enterprise-wide website (may not be state specific.)*
- *The percentage of uptime for web payment services ability (defined as the percentage of time that web payment services are available to some customers on utility-based platforms.)*
- *The error rate percentage for the utility-based payment services (defined as payment processing error rate – does not include errors outside of the utility’s control such as non-sufficient funds (“NSF”), expired customer debit or credit cards, etc.)*
- *The yearly total number of website visits to initial facing enterprise-wide website (may not be state specific.)*
- *The yearly number of logins via electronic customer communication platforms (to include enterprise-wide website and mobile apps, if applicable; may not be state-specific and provides combined total for all customer logins, regardless of platform.*

⁴⁸ Report at 15, 16.

⁴⁹ February 2, 2024 Notice at 9.

Table 12: MERC’s Website Metrics

Calendar Year	Percentage of uptime of the utility’s enterprise-wide website	Percentage of uptime for web payment services ability	Error rate percentage for the utility-base payment services	Annual number of website visits	Annual number of logins via electronic customer communication platforms
2024	99.99%	99.63%	.0089%	567,509	1,630,165

IV. RECOMMENDATION

Based on its review, the Department recommends that the Commission accept MERC’s 2024 Annual Service Quality Report.

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce
Comments**

Docket No. G011/M-25-34

Dated this **23rd** day of **September 2025**

/s/Sharon Ferguson

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4	Generic	Commerce Attorneys	commerce.attorneys@ag.state.mn.us		Office of the Attorney General - Department of Commerce	445 Minnesota Street Suite 1400 St. Paul MN, 55101 United States	Electronic Service		Yes	M-25-34
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