

May 18, 2018

Daniel P. Wolf
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, Division of Energy Resources**
Docket No. G004/M-18-286

Dear Mr. Wolf:

Attached are the *Comments* of the Minnesota Department of Commerce, Division of Energy Resources (Department) in the following matter:

2017 Annual Gas Service Quality Report (2017 Report) submitted by Great Plains Natural Gas Company, a Division of MDU Resources Group, Inc. (Great Plains or the Company).

The 2017 Report was filed on April 18, 2018 by:

Tamie Aberle
Director of Regulatory Affairs
Great Plains Natural Gas Company
P.O. Box 176
Fergus Falls, Minnesota 56538-0176

Based on its review of Great Plains' 2017 Report, the Department recommends that the Minnesota Public Utilities Commission (Commission) **accept** the Company's 2017 Report.

The Department is available to answer any questions that the Commission may have.

Sincerely,

/s/ SAMIR OUANES
Rates Analyst

SO/lt
Attachment



Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. G004/M-18-286

I. 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 Resources¹ (Department) and all Minnesota regulated natural gas utilities in Docket No. G999/CI-09-409 (09-409 Docket).² As a result, the gas utilities file annual reports on various service quality standards.

On April 18, 2018, Great Plains Natural Gas Co. (Great Plains, GP, or the Company) filed its calendar year 2017 *Annual Service Quality Report* (2017 Report).

The Department provides its analysis of the 2017 Report below.

II. DEPARTMENT ANALYSIS

In its January 18, 2011 *Order* in the 09-409 Docket (09-409 *Order*), the Commission allowed Great Plains to delay providing certain information regarding various service quality metrics until the calendar year beginning January 1, 2011. As such, the 2017 Report marks the seventh full calendar year for which the Company has provided data for all of the Commission's service quality reporting metrics.

Each year, the Department analyzes the information provided in the Report in the context of past reports. Overall, the Department identified no major concerns regarding Great Plains' 2017 Report.

The Department provides further detail on each reporting metric by discussing each separately below.

¹ At the time the Commission opened this investigation, the Department was referred to as the Minnesota Office of Energy Security, or OES.

² Great Plains filed its 2010 Report in Docket No. G004/M-11-363, its 2011 Report in Docket No. G004/M-12-442, its 2012 Report in Docket No. G004/M-13-366, its 2013 Report in Docket No. G004/M-14-332, its 2013 Report in Docket No. G004/M-14-332, its 2014 Report in Docket No. G004/M-15-390, its 2015 Report in Docket No. G004/M-16-357 and its 2016 Report in Docket No. G004/M-17-353.

A. CALL CENTER RESPONSE TIME

Minnesota Rules, part 7826.1200³ requires Minnesota’s electric utilities to answer 80 percent of calls made to the business office during regular business hours within 20 seconds. Consistent with this requirement, the Commission required the regulated gas utilities to provide in their annual service quality reports the call center response time in terms of the percentage of calls answered within 20 seconds.

As shown in Table 1 below, Great Plains was able to answer 80 percent, or more, of calls within 20 seconds, with an average of 84.67 percent of calls answered within 20 seconds in 2017.

Table 1: Call Center Response Time

	12 Mo. Avg.	Avg. Speed (Seconds)	# of calls
2010 ⁴	n/a	n/a	n/a
2011	88.33%	35.00	21,109
2012	89.33%	12.75	24,571
2013	84.92%	21.25	25,854
2014	87.50%	18.42	30,466
2015	83.17%	12.33	25,810
2016	82.83%	12.42	21,924
2017	84.67%	18.83	27,614

B. METER READING PERFORMANCE

In its 09-409 *Order*, the Commission required Great Plains to report meter reading performance data in the same manner as prescribed in Minnesota Rule 7826.1400.⁵

As shown in Table 2 below, Great Plains reported a higher average number of active meters on the system in 2017 (22,145) than was reported in 2016 (22,052). The vast majority of the Company’s customers were able to have their meters read by the Company (99.98 percent). The average meter reading staffing level was reduced to three in 2016 and 2017. Further, Great Plains reported no meters unread for more than six months for all of calendar year 2017.

³ Titled *Call Center Response Time*.

⁴ This requirement was applied beginning with the Company’s second (calendar year 2011) service quality report. Thus, not applicable (n/a) is used for 2010.

⁵ Titled *Reporting Meter Reading Performance*.

Table 2: Meter Reading Performance

	Avg. # of Meters	Percent Company Read	Percent Customer Read	Avg. # not Read in over 6 mo.	Staff Level
2010 ⁶	n/a	n/a	n/a	n/a	n/a
2011	21,375	99.92	0.08	0	7
2012	21,506	99.86	0.09	0	8
2013	21,628	99.91	0.09	0	10
2014	21,812	99.91	0.09	0	10
2015	21,910	99.86	0.07	0	6
2016	22,052	99.97	0.00	0	3
2017	22,145	99.98	0.00	0	3

C. INVOLUNTARY SERVICE DISCONNECTIONS

The Commission's 09-409 *Order* required the Company to provide involuntary service disconnection information as submitted under Minnesota Statutes §§ 216B.091 and 216B.096, which relate to the Cold Weather Rule (CWR).

As shown in Table 3, the Company reported 743 involuntary disconnects in 2017, higher than the 2016 amount of 649 but lower than any other previously reported annual amounts. Over the last seven years 6,984 involuntary disconnections have been reported by the Company, 2,871 of which have come in the months of May and June (approximately 45 percent), coinciding with the termination of the CWR in April.

Table 3: Involuntary Service Disconnections

	Disconnect Notices Sent	# of CWR Requests	CWR Requests Granted	% CWR Granted	Involuntary Disconnects	% Restored in 24 hrs.
2010	8,618	n/a	n/a	n/a	n/a	n/a
2011	7,911	30	30	100 %	1,293	100 %
2012	13,726	22	22	100 %	1,093	100 %
2013	18,868	29	29	100 %	1,160	100 %
2014	18,711	10	10	100 %	1,227	100 %
2015	8,432	18	18	100 %	819	100 %
2016	9,732	12	12	100 %	649	100 %
2017	9,375	16	16	100 %	743	100 %

⁶ Great Plains began reporting this metric in 2011.

D. SERVICE EXTENSION REQUESTS

In its 09-409 *Order*, the Commission required Great Plains to provide in its annual report service extension request information in the same manner as described in Minnesota Rule 7826.1600,⁷ items A and B, except for information already provided in Minnesota Statutes §§ 216B.091 and 216B.096, subd. 11.⁸ Two sets of data are presented in the report, one for new service extensions to properties previously not connected to the utility’s system, and the second regarding connections of those properties previously connected to the system.

As shown in Table 4, the Company had 104 new residential connections and 17 new commercial connections in 2017. Based on the weighted average, it took Great Plains approximately 32 days to extend service to new residential customers in 2017, as well as 26 days in 2017 to extend service to new commercial customers. Residential connection time increased by 9 days in 2017 but is lower than its high of 35 in 2015. Commercial connection time remained at 26 days in 2017. In its Report, the Company explained that the number of days to extend service to a new address represents the time from receipt of the service line application to the date the meter was installed. As such, Great Plains’ reported new service extension intervals may include delays occurring that are outside the Company’s control.

Table 4: Service Extension Requests (New Customers)

	Residential		Commercial	
	# of Installations	Weighted Avg. # of Days to Complete	# of Installations	Weighted Avg. # of Days to Complete
2010	107	29	32	20
2011	3,646	6	84	11
2012	121	24	45	25
2013	132	24	31	18
2014	146	22	39	33
2015	105	35	33	27
2016	122	23	30	26
2017	104	32	17	26

As shown in Table 4(a) below, the number of service requests from previously served residential and commercial customers (1,025) decreased over the past 3 consecutive years. Additionally, the weighted average number of days for completing the request was one.

⁷ Titled *Reporting Service Extension Request Response Times*.

⁸ Titled *Reporting*.

Table 4 (a): Service Extension Requests (Previous Customers)

	Residential		Commercial	
	# of Installations	Weighted Avg. # of Days to Complete	# of Installations	Weighted Avg. # of Days to Complete
2010	0	0	1,857	1
2011	354	7	16	8
2012	1,047	1	679	1
2013	1,548	1	271	1
2014	1,569	1	272	1
2015	1,138	1	169	1
2016	1,051	1	211	1
2017	868	1	157	1

E. CUSTOMER DEPOSITS

The Commission required each natural gas utility to provide in its annual service quality report data on the number of customers required to make a deposit as a condition of receiving service. Great Plains indicated that no customers were required to make a deposit as a condition of receiving new service in 2017.⁹

F. CUSTOMER COMPLAINTS

The Commission’s 09-409 *Order* required Great Plains to provide the total number of complaints received and the number of complaints resolved for each of seven complaint categories. Prior to 2013, Great Plains included in its data only calls escalated to a supervisor for resolution or forwarded to the Company by the Commission’s Consumer Affairs Office (CAO).

As shown below in Table 5, Great Plains reported 16 calls escalated to a supervisor for resolution in 2017. None of the 2017 complaints were forwarded to the Company by the CAO. Great Plains also provided data on the amount of time needed to resolve complaints. Of the complaints reported by Great Plains, 75 percent were resolved upon initial inquiry in 2017.

⁹ 2017 Report at page 3 of 90.

Table 5: Escalated Customer Complaints

	# of Complaints Escalated	# From CAO to GP	% Resolved on Initial Inquiry
2010 ¹⁰	n/a	n/a	n/a
2011	7	1	86%
2012	16	0	100%
2013	28	1	96%
2014	21	2	86%
2015	28	0	96%
2016	10	0	100%
2017	16	0	75%

Further, Table 5(a) below shows that of the 16 complaint calls that were escalated to a supervisor for resolution in 2017, the Company resolved one complaint through compromise with the customer, 10 complaints through demonstration that the situation was beyond the control of the Company, and in five instances the Company refused the customer's request. The percentages by complaint category are as follows:

Table 5(a): Escalated Customer Complaints by Resolution Type

	% Agree with Customer Action	% Compromise with Customer	% Demonstration	% Refuse Customer's Request	% Not Categorized
2010 ¹¹	n/a	n/a	n/a	n/a	n/a
2011	0%	57%	0%	29%	14%
2012	13%	50%	0%	19%	19%
2013 ¹²	0%	4%	4%	0%	93%
2014	0%	14%	67%	19%	0% ¹³
2015	4%	18%	64%	14%	0% ¹⁴
2016	0%	50%	20%	30%	0% ¹⁵
2017	0%	6%	63%	31%	0%

¹⁰ Great Plains began reporting this metric in 2011.

¹¹ *Id.*

¹² Great Plains noted that it was unable to provide the categorization of all calls by type, resolution timeframe, or resolution type for 2013, but was making changes to be able to do so going forward. Filing in Docket No. G004/M-14-332, page 3.

¹³ Correction from previous Department comments (19 percent was incorrectly identified by DOC instead of 0 percent).

¹⁴ Correction from previous Department comments (2015 and 2016 percentages were corrected to include Commercial customer data).

¹⁵ *Id.*

Beginning in 2014, Great Plains agreed to include in the data all calls received by the customer service center that were determined to be indicative of a concern and/or complaint rather than only the calls that were escalated to a supervisor. Great Plains' customer complaint data for 2017 by complaint category are shown in Table 5(b):

Table 5(b): All Customer Complaints by Resolution Type

	# of Complaints	% Agree with Customer Action	Compromise with Customer	Demonstration	Refuse Customer's Request
2014	2,309 ¹⁶	33%	10%	52%	5%
2015	10,945	25%	13%	61%	2% ¹⁷
2016	10,056	25%	7%	66%	2% ¹⁸
2017	8,970	21%	5%	71%	3%

G. GAS EMERGENCY CALLS

In its 09-409 *Order*, the Commission required Great Plains to provide information regarding the Company's emergency line response time. The Commission additionally required Great Plains to provide an explanation regarding its expectations for answer times and procedures employees currently follow for handling emergency calls. All utilities participating in the Service Quality Reporting Workgroup¹⁹ agreed to provide their internal performance goal for answering gas emergency calls.

In February of 2011, Great Plains started tracking the percentage of gas emergency calls answered within 20 seconds.²⁰ Therefore, the 2017 Report marks the seventh year that the Company has provided these data. Great Plains stated that it has an internal performance goal of at least 80 percent of calls answered within 20 seconds.²¹ Great Plains was able to answer 86.17 percent of its emergency line calls within 20 seconds in 2017, representing an improvement over their performance in previous years.

As shown in Table 6 below, Great Plains reported 898 total emergency calls in calendar year 2017, representing a year-over-year decrease for consecutive years. The Company also

¹⁶ Great Plains noted that this number does not reflect all calls by type and resolution for 2014 but is provided to demonstrate the Company's continued effort towards meeting the reporting requirement for all customer complaint calls. Filing in Docket No. G004/M-15-390, page 3.

¹⁷ Correction from previous Department comments.

¹⁸ *Id.*

¹⁹ Great Plains participated in the Service Quality Reporting Workgroup which met on June 22, 2012.

²⁰ Prior to 2011, Great Plains tracked emergency line response times as the percentage of calls answered within 30 seconds.

²¹ 2017 Report at page 6 of 90.

reported an annual average response time of 16 seconds per call for 2017, higher than 2016 but similar to the last five-year average.

Table 6: Gas Emergency Calls

	# of Gas Emergency Calls	Average Response Time (seconds)	% of Calls Answered in 20 Seconds or Less
2010	582	n/a	n/a
2011	1,683	34	79.97%
2012	1,437	13	83.75%
2013	1,421	16	83.47%
2014	1,702	19	78.89%
2015	1,397	15	80.66%
2016	1,007	12	82.23% ²²
2017	898	16	86.17%

H. GAS EMERGENCY RESPONSE TIME

Regarding the response time to reported gas emergencies, the Company had 376 total calls to the gas emergency phone line in 2017, a significant increase from 2016, but fairly consistent with previous years.²³ The Company was able to respond to nearly all of the calls within one hour – 98.14 percent of calls in 2017. The average duration for these calls improved slightly in 2017, 22 minutes, compared to 23 minutes in 2016.²⁴ These data are shown in Table 7.

²² Correction from previous Department comments (February 2016 percentage incorrectly noted as 83.36% rather than 86.36% per Schedule 11 of Great Plains' 2016 Report.

²³ The reporting metric is the elapsed time between the time Great Plains was first notified of the emergency and the time that a qualified emergency response person arrives at the incident location and begins to make the area safe. Source: 2017 Report at page 5 of 90.

²⁴ According to Great Plains, the Company reports all calls coded as emergency calls including fire, gas odor, and line hits. Source: 2017 Report at page 5 of 90.

Table 7: Gas Emergency Response Time

	Calls Received	% Calls Responded to in <1 hour	% Calls Responded to in >1 hour	Avg. Response Time (minutes)
2010	582	96.22%	3.78%	n/a
2011	506	98.42%	1.58%	17
2012	367	99.73%	0.27%	14
2013	289	97.23%	2.77%	17
2014	159	93.71%	6.29%	20
2015	174	99.43%	0.57%	15
2016	95	94.74%	5.26%	23
2017	376	98.14%	1.86%	22

The Department encourages Great Plains to continue efforts to improve their monthly average gas emergency response time and the percent of emergency calls responded to in one hour or less.

I. MISLOCATES

The Commission's 09-409 *Order* required Great Plains to provide data on mislocates, including the number of times a line is damaged due to a mismarked line or failure to mark a line.

As shown in Table 8, Great Plains reported 8 mislocates in 2017, both years representing a decrease from 2015 and 2016. Great Plains received 7,626 locate requests in 2017, for total mislocate rate of 0.10 percent.

Table 8: Mislocates

	# of Locates	# of Mislocates	% of Mislocates	Mislocates per 1,000 Tickets
2010	7,230	1	0.01%	0.14
2011	7,676	6	0.12%	0.78
2012	7,490	1	0.02%	0.13
2013	6,867	14	0.18%	2.04
2014	7,397	8	0.10%	1.08
2015	8,287	14	0.21%	1.69
2016	8,373 ²⁵	11	0.07%	1.31 ²⁶
2017	7,626	8	0.10%	1.05

²⁵ Great Plains corrected the ticket volume provided in 2016 as 8,373 locate tickets. Source: 2017 Report at page 5 of 90.

²⁶ DOC revised calculation following Great Plains' correction of the number of 2016 locate tickets.

J. DAMAGED GAS LINES

The Commission’s 09-409 *Order* required Great Plains to provide summary data on the number of gas lines damaged, including the number of lines damaged by the utility’s employees or contractors, or any other unplanned cause.

As shown in Table 9 below, Great Plains experienced 34 instances of damage to its gas lines in 2017, a decrease of 4 from the 38 reported damages in 2016. Of the 34 damage events, 10 (29 percent) were caused by Great Plains or the Company’s contractors and the remaining 24 were due to other causes. Additionally, the Company had 522 miles of line in 2017, with a ratio of 6.51 damage events per 100 miles of line. The 2015 ratio represents a decrease in damage activity relative to the years 2012-2016. The miles of line on Great Plains’ system have been fairly constant from report to report.

Table 9: Damaged Gas Lines

	Under the Control of Utility	Resulting from Other Causes	Total	Miles of Line Operated in MN	Damage/100 Line Miles
2010 ²⁷	n/a	n/a	n/a	n/a	n/a
2011	2	28	30	507	5.92
2012	14	54	68	522	13.03
2013	9	32	41	515	7.96
2014	5	33	38	519	7.32
2015	11	37	48	524	9.16
2016	8	30	38	522	7.28
2017	10	24	34	522	6.51

Great Plains is also required to provide the same information provided to the Minnesota Office of Pipeline Safety (MNOPS) detailing the root cause of the events and the type of infrastructure involved (*i.e.*, transmission, distribution). The majority of damage incidences over the year were related to the following categories:

²⁷ Great Plains provided information regarding the total number of damage events in its 2010 *Annual Service Quality Report*, but did not classify each event by cause.

- Failed to determine precise location (10);²⁸
- Failed to maintain clearance (4);²⁹
- Notification not made (4);³⁰ and
- Damage by hand digging (4).³¹

K. SERVICE INTERRUPTIONS

In its 09-409 *Order*, the Commission required Great Plains to provide summaries of all service interruptions caused by system integrity pressure issues and summary information about major incidents based on MNOPS incident reports.

Table 10 below shows that Great Plains reported 34 service interruptions in 2017. Of the 34 interruptions reported, 10 were caused by Great Plains. The remainder of interruptions (24) were the result of other causes.

Table 10: Service Interruptions

	Outages Caused by Utility	Outages Other Causes	Total Interruptions	Customers Affected	Average Duration (minutes)
2010 ³²	n/a	n/a	n/a	n/a	n/a
2011	22	3	25	113	146
2012	13	35	48	115	222
2013	7	22	29	221	308
2014	3	26	29	123	330
2015	9	25	34	250	551
2016	6	32	38	213	236
2017	10	24	34	146	159

As the data show, there was a sharp decrease in average duration of outages in 2017.

²⁸ MN Stat. § 216D.04 Subd 4(a): Excavator failed to determine the precise location of marked facility, within 2 feet each side of locate marks, prior to starting excavation (i.e. damaged by excavation equipment, not potholing, no hand digging).

²⁹ MN Stat. § 216D.05(3): Excavator failed to maintain clearance between underground utility and cutting edge of equipment (i.e. damaged by bucket, damaged by directional drill, damaged by trencher).

³⁰ MN Stat. § 216D.04 Subd 1(a): Excavator did not make notification to Gopher State One Call (i.e., no locate ticket).

³¹ MN Stat. § 216D.05(5): Excavator had a valid locate request and was exposing facility with non-excavation equipment which caused damage.

³² Great Plains filed 2010 service interruption data, but explained in its *Reply Comments* in Docket No. G004/M-12-442 that these data only include MNOPS reportable events and are not analogous to the data submitted in later Reports.

L. MNOPS REPORTABLE EVENTS

The 09-409 *Order* also required Great Plains to provide summaries of all major events that are immediately reportable to the MNOPS and provide contemporaneous reporting of these events to both the Commission and Department when they occur. In its 2017 filing, Great Plains stated, “No service interruption were reportable to MNOPS in 2017.”³³

Table 11: MNOPS Reportable Events

	Reportable Interruptions
2010	0
2011	3
2012	0
2013	1
2014	0
2015	1
2016	0
2017	0

M. CUSTOMER-SERVICE-RELATED OPERATIONS AND MAINTENANCE (O&M) EXPENSES

In its 09-409 *Order*, the Commission also required Great Plains to report operation and maintenance (O&M) expenses related to customer service included in the Federal Energy Regulatory Commission (FERC) 901 and 903 accounts, plus payroll taxes and benefits.

As shown in Table 12 below, Great Plains reported total service-quality-related O&M expenses of \$636,475, representing a 9.2 percent decrease from the 2016 figure of \$701,088. On an average basis, the Company’s 2017 O&M expenses were approximately \$53,040 per month.

³³ 2017 Report at page 6 of 90.

Table 12: Customer Service Related O&M Expenses

	O&M Total	O&M Average/Month
2010	\$367,196	\$30,600
2011	\$349,451	\$27,121
2012	\$347,607	\$28,967
2013	\$364,517	\$30,376
2014	\$362,198	\$30,183
2015	\$650,117	\$54,176
2016	\$701,088	\$58,424
2017	\$636,475	\$53,040

III. SUMMARY AND CONCLUSIONS

Based on its review of Great Plains' 2017 *Annual Service Quality Report*, the Department recommends that the Commission accept Great Plains' 2017 Report.

/lt

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. G004/M-18-286

Dated this 18th day of May 2018

/s/Sharon Ferguson

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_18-286_M-18-286
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_18-286_M-18-286
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_18-286_M-18-286
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_18-286_M-18-286
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_18-286_M-18-286