

Minnesota Public Utilities Commission
Staff Briefing Papers

Meeting Date: **April 1, 2014***Agenda Item #12

Companies: Greater Minnesota Gas, Inc.

Docket No. G022/M-13-362

In the Matter of Greater Minnesota Gas Inc.'s 2012 Annual Gas Service Quality Report

Issues: Should the Commission Accept Greater Minnesota Gas Company's Annual Gas Service Quality Report?

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Relevant Documents

Commission Order Setting Reporting Requirements
G-999/CI-09-409..... August 26, 2010

Commission Order Setting Reporting Requirements
(Great Plains Gas Company and Greater Minnesota Gas)
G-999/CI-09-409..... January 18, 2011

Greater Minnesota Gas Company's
Annual Service Quality Report..... May 1, 2013

Comments of the Minnesota Department of Commerce
Division of Energy Resources. June 27, 2013

Reply Comments of Greater Minnesota Gas Company..... July 5, 2013

Response Letter Minnesota Department of Commerce..... July 18, 2013

The attached materials are workpapers 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.

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Statement of the Issues

Should the Commission accept Greater Minnesota Gas Inc.'s Annual Service Quality Report for 2012?

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 Interested parties in Docket No. G999/CI-09-409. During the August 5, 2010 Commission Meeting, Greater Minnesota (Greater Minnesota, GMG, or Company) argued that, due to its size relative to Minnesota's larger regulated gas utilities, certain reporting requirements should be modified. GMG described itself as a small gas utility with fewer than 4,000 customers, only 11 full time employees and no call center. The Commission's subsequent August 26, 2010 Order required Greater Minnesota Gas to submit proposals for natural gas service quality reporting by August 31, 2010.

The Commission took up GMG's proposal for relaxed reporting requirements on December 21, 2010. The Commission issued its Order setting Reporting Requirements on January 18, 2011. In this Order, the Commission determined that Greater Minnesota Gas must provide service quality information in generally the same manner as other Minnesota gas utilities except the Commission allowed GMG to keep track of all calls answered during an annual reporting period and to track calls answered on or before the sixth ring. GMG was also allowed to begin tracking and reporting the total number of customer complaints resolved for the categories listed in Minn. Rules, part 7826.2000, item B.

On April 25, 2011, Greater Minnesota Gas filed its calendar year 2010 Annual Service Quality Report. On March 6, 2012, the Commission issued an Order Accepting Reports and Setting Further Requirements In this Order, the Commission accepted this report and required that Greater Minnesota provide, in subsequent service quality reports, a breakdown of what type of party (e.g., third-party contractor, utility personnel, or customer) caused each particular gas line damage event to the Company's distribution system.

In its March 6, 2012 Order Accepting Reports and Setting Reporting Requirements (March 6 Order) in Docket No. G022/M-11-356 et. al, the Commission supplemented the reporting requirements set out in its 09-409 Order and directed the Minnesota natural gas utilities to convene a workgroup to improve reporting consistency and address other issues. The workgroup met on June 22, 2012 and developed more uniform reporting; GMG did not attend the workgroup meeting.

On May 1, 2013, the Company filed its calendar year 2012 Annual Service Quality Report (Report).

Greater Minnesota Gas, Inc. (GMG) 2012 Gas Service Annual Report

1. Call Center Response Time/Average Speed of Answer & Percentage of Calls Answered Within 20 Seconds or Less

Standard: Each utility is required to report call center response time in terms of the percentage of calls answered within 20 seconds.

Greater Minnesota: In 2012, GMG received a total of 9,107 incoming calls to the business line. Incoming calls include both customer-related and non-customer related callers. All calls are answered live by the Company's Customer Service Team within three rings or approximately fifteen seconds. If the Company does not answer within the initial three rings, the call is automatically forwarded to MAS Communications (MASCom), a professional live telephone answering service. MASCom typically answers within one additional ring after the call is transferred this making contact with the customer and keeping the total time below the twenty second goal.

DOC: For GMG, the Commission's 09-409 *Order* requires the following regarding telephone response time:

GMG shall track and report the total number of phone calls received during each annual reporting period and report on the number of times the phone rings before calls are answered. GMG shall begin tracking this data on January 1, 2011 and begin including data for this requirement in its second annual report.

Greater Minnesota reported monthly data indicating the number of calls received by the Company in 2012. The Company stated that all calls are answered live within three rings; if the Company does not answer within three rings, the call is automatically forwarded to Greater Minnesota's after-hours answering service.³ As such, Greater Minnesota concluded that all 5,887 in-coming calls to the Company were answered within 20 seconds. Based on the DOC's experience, it does not disagree with the Company's conclusion.

2. Meter Reading Performance

Standard: Each utility shall report the meter reading performance data contained in Minn. Rules, part 7826.1400. The reporting metrics include a detailed report on meter-reading performance for each customer class and for each calendar month:

- 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 estimated;
- The number and percentage of customer meters that have not been read by utility personnel for periods of 6 to 12 months and for periods longer than 12 months, and an explanation as to why they have not been read; and

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

Greater Minnesota: In 2012, GMG offers the following summary of meter reading performance and staffing levels:

| | <u>Quantity</u> | <u>Percentage</u> |
|---|-----------------|-------------------|
| Total Meters Billed | 54,169 | 100% |
| Number & % Read by GMG Personnel | 42,733 | 79% |
| Number & % Self-Read by Customer | 60 | < 1% |
| Number & % of Customer Meters Estimated | 11,376* | 21 % |
| Number & % of Meters not read for 6-12 mo | 0 | 0 % |
| Number & % of Meters not read for > 12 mo | 0 | 0 % |

* In May, July and September 2012, the Company's meter reading personnel were required to attend technical training in order to increase the resources available for emergency response. To provide time for the training, the Company estimated residential meters with greater than one year of billing history. The Company had zero (0) complaints as these were low/no use months for residential customers.

In 2012, GMG had two-full time operational staff dedicated to the reading of meters in one geographical area headquartered in Le Sueur, Minnesota.

DOC: The Company reported the number of active meters on the system as 54,169 in 2012 and 48,174 in 2011. In 2012 the Company was able to perform 42,733 meters reads, or 78.89 percent of total system meters reads. This is a decrease from the number and percentage of meters read in 2011, 47,422 and 98.44 percent respectively. The percentage of meter reads in 2012 compared to those read in 2011 indicates a drop of nearly 20 percent. The DOC requested that GMG provide, in Reply Comments, a full explanation of why the percentage of meter reads by utility personnel decreased from 2011 to 2012.

Greater Minnesota reported no meters unread for more than six months in calendar year 2012. Meter reading staffing levels remained constant at 2 from 2011 to 2012. The DOC will continue to monitor these metrics.

GMG Reply: As reflected in the Report, there were three months (May, July, and September) during 2012 when some meters were estimated rather than actually read. Residential natural gas usage during each of those three months was nominal; and, customer meters were read during the alternate months to insure appropriate billing. On June 1, 2012, approximately one-third of GMG's field personnel resources were dedicated to meter reading.

In 2012, GMG examined its service to customers and its company resources. GMG determined that one way to improve service to its customers was to have more of its personnel trained as emergency response gas technicians. Therefore, since residential customers' gas usage was trifling, often little more than zero, during May, July and September, GMG sent its meter readers to gas technician training in order to be better qualified to handle emergency situations. As a result of these changes, the number of personnel available for emergency responses more than doubled.

GMG's decision to estimate residential meters for some customers in three warm months enabled it to provide high customer service in multiple areas without adversely impacting the customers who were billed on the estimated meter usage. Selection of the months for residential estimation was based on load data from the Town Border Stations, historical information, and weather conditions; and, the only customers affected had greater than one year of billing history to use for predictive purposes. Each customer for whom meter estimation was done was notified on his or her monthly invoice that the billing was based on estimated information. Even through the warm period of the year, those residential meters were read every-other month to insure that customers were accurately billed. No customers complained about either the fact that their meters were estimated during those months or about the amounts that they were billed. In fact, GMG's practice in estimating some residential meters during the summer months was in keeping with some of the recommendations made by customers in GMG's last rate case. Opting to estimate a limited amount of residential customer meters during nominal usage months enabled GMG to put its field personnel to work on other equally necessary tasks including restoration, field work, marking pipes in the right-of-way for snowmobile trails, responding to locate requests, undergoing emergency response training, etc., without compromising efficiency or increasing the ultimate cost to GMG customers. As such, its rationale for meter estimation during 2012 was sound, and GMG encourages acceptance of its Report.

3. Involuntary Service Disconnection

Standard: In lieu of reporting data on involuntary service disconnections as contained in Minn. Rules, part 7826.1500, each utility shall reference the data that it submits under Minn. Stat.216B.091 and 216B.096.

GMG: As required, GMG electronically filed weekly Cold Weather Rule (CWR) data for Jan -Apr 2012 and monthly reports for Jan– Dec 2012 under Docket 12-2. Copies of these reports were included with the Company's Annual Gas Service Quality Report.

DOC: The Table below shows GMG's number of disconnections over the past three years.

Involuntary Disconnections

| | |
|------|-----|
| 2010 | 361 |
| 2011 | 205 |
| 2012 | 499 |

As shown above, the Company reported 499 involuntary disconnects in 2012, 143 percent more than the involuntary disconnects reported in 2011, and 40 percent more than were reported in 2010. The DOC requested that the Company provide, in *Reply Comments*, an explanation of why the level of involuntary disconnects increased so significantly in 2012.

The DOC reviewed GMG's monthly disconnection data and notes that disconnection levels were higher in the spring and summer of calendar year 2012 (roughly coinciding with the end of the Cold Weather Rule period) than during the rest of the year.

The DOC also noted that the number of past due residential accounts averaged between 9 and 5 percent of total residential accounts throughout 2012. This is identical to the range of percentages of past due accounts reported in 2011. The DOC will continue to monitor this metric and will make additional recommendations in the future as needed.

GMG Reply: The DOC alleged that GMG had several hundred involuntary service disconnections in the past three years, including nearly 500 in 2012. While GMG is uncertain as to how the DOC reached its conclusion, GMG respectfully notes that perhaps the DOC is mis-reading the meaning of some components in GMG's Cold Weather Rule reporting and/or has a mathematical error in its calculations.

Historically, GMG has had minimal involuntary service disconnections. In 2010, involuntary disconnection for non-payment occurred on 35 occasions. During 2011, that number decreased and only 17 involuntarily disconnections were made, as GMG tried a new approach and, rather than subjecting customers to involuntary disconnection, GMG tried working with affected customers to make payment arrangements and prevent disconnection. Unfortunately, a number of those customers failed to comply with payment arrangements. Accordingly, in 2012, GMG returned to the practice of involuntarily disconnecting service for non-payment as a last resort, and involuntary service disconnection happened 54 times. In 2010 and 2011, the number of involuntary service disconnections represented an average of less than one percent of GMG's residential customers. In 2012, the involuntary service disconnections represented an average of 1.3% of GMG's residential customer base. GMG does everything it can to work with its customers to maintain their service. Hence, GMG respectfully requests that the DOC and the Commission consider its actual involuntary disconnection data, reflected in the table below:

| | |
|------|----|
| 2010 | 35 |
| 2011 | 17 |
| 2012 | 54 |

The weekly and monthly Cold Weather Rule reporting does not provide data that can simply be added together to identify a cumulative number of involuntary service disconnections. Rather, each report provides a snapshot of the included data for the relevant time period, some of which is likely carried over from the last reporting period. For example, during one eleven-week period,

GMG's weekly reports indicate that two customers were, at that time, currently disconnected. That does not mean that two new customers were disconnected each week. Rather, as the report states, two customers were "currently disconnected." In the preceding week, the report indicated that three customers were "currently disconnected" and that there had been no reconnections that week. During the first week of the referenced eleven week stretch, the weekly report indicated that two customers were "currently disconnected" and that one customer had been "reconnected this week." Each of the remaining ten weekly reports in that period identified two customers currently disconnected and zero reconnections. There is no line item on the weekly report identifying *new* disconnections that week. GMG can only speculate that perhaps DOC staff inadvertently used cumulative numbers from its Cold Weather Rule reports in arriving at its assertions regarding GMG's involuntary disconnect totals. In preparing its Reply, GMG staff reviewed its historical reports to insure accuracy.

4. Service Extension Request Response Time

Standard: Each utility shall report the service extension request response time data contained in Minn. Rules, part 7826.1600, items A and B., except that data reported under Minn. Stat.216B.091 and 216B.096, subd.11, is not required.

- a) The number of customers requesting service to a location not previously served by the utility and the intervals between the date service was installed and the later of the in-service date requested by the customer or the date the premises were ready for service; and
- b) The number of customers requesting service to a location previously served by the utility, but not served at the time of the request, and the interval between the date service was installed and the date the premises were ready for service.

GMG: In 2012, GMG extended service in five (5) locations in 2012 not previously served by the utility. The service line is installed at the same time as the main line. Therefore, the premises were immediately ready for service.

In 2012, in regard to change of responsibility/occupancy requests, GMG estimates that it processed an estimated 800 requests. GMG does not lock or stop service between transfers. The account responsibility is transferred on the day agreed to by the former and subsequent tenant. Therefore, there are zero (0) days delay in completing this task. In the event that gas service is shut-off due to a foreclosure, GMG may require the third party/bank to provide assurance that the premise has been inspected by a qualified plumbing/heating contractor and is safe condition for the gas service to be turned on. In addition, the Company requires that the third party/bank, or a qualified contractor hired on their behalf, meet a GMG technician at the location for the meter unlock/turn on. GMG accommodates the customer's schedule but does request a courtesy twenty-four notice whenever possible.

DOC: For calendar year 2012, the Company extended service to 5 customers at a location not previously served by Greater Minnesota and to 800 customers along existing main. The Company

reported an average length of time to extend service to both new and existing locations of 1 day. The Company stated that the reason new service extensions took only one day to complete in 2012 was due to the fact that all 5 new service requests were for service lines “installed congruent with the main line.” The DOC will continue to monitor this metric for emerging patterns or trends in future reports and will provide future recommendations as necessary.

5. Customer Deposits

Standard: Each utility shall report the customer deposit data contained in Minn. Rules, part 7826.1900.

GMG: In 2012, three (3) customers were required to make a deposit as a condition of receiving service.

DOC: No deposits were collected in 2011. The DOC will continue to monitor this reporting requirement in future reports.

The Commission’s March 6 *Order* requires Minnesota’s natural gas utilities “to explain, beginning with their 2011 annual reports, the types of deposits (such as new deposits from new and reconnecting customers and the total number of deposits currently held) included in the reported number of ‘required customer deposits.’” The Company did not include this explanation; however the DOC assumed that the total number of deposits held by GMG is 3, and that all 3 were newly required in 2012. The DOC reminded GMG to provide this information in future reports.

6. Customer Complaints

Standard: Each utility shall report the customer complaint data contained in Minn. Rules, part 7826.2000.

GMG: In 2012, GMG had a total of six (6) complaints. Of the six (6) five (5) were handled internally and one (1) was reported to the CAO. The breakdown by type and action taken:

- (2) Billing Errors
 - (1) taking the action the customer requested
 - (1) taking an action the customer and the utility agree is an acceptable compromise
- (1) Inaccurate Metering
 - (1) taking the action the customer requested
- (0) Wrongful Disconnection
- (0) High Bills

- (2) Inadequate Service
 - (2) taking an action the customer and the utility agree is an acceptable compromise
- (0) Service Extension Intervals
- (1) Service Restoration Intervals
 - (1) taking the action the customer requested

DOC: In terms of total complaints, GMG reported 6 during calendar year 2012, 4 less than the 10 complaints reported for 2011. Greater Minnesota stated that it only reported complaints that were escalated to a supervisor for response. The DOC noted that the other utilities' complaint data reflect all complaints received. Given this, the DOC requested that Greater Minnesota clarify and explain, in its *Reply Comments*, how it determines and classifies complaints and whether the Company is able to provide complete complaint data.

The Company also provided data on whether complaints were forwarded from another party, such as the Commission's Consumer Affairs Office (CAO). Greater Minnesota reported that 1 complaint was received from the CAO in 2012; no CAO complaints were received in 2011.

The Company provided information on how many complaints were resolved by taking the customer's requested action, by reaching a mutually agreeable compromise, by explaining that the problem was out of utility control, and by refusing to take action. In 2012, 3 complaints were resolved by taking the customer suggested action and the other 3 were resolved by reaching a mutually agreeable compromise.

Greater Minnesota reports customer complaints by complaint type. In 2012, GMG received 2 billing error complaints, 1 inaccurate metering complaint, 2 inadequate service complaints, and 1 complaint regarding service restoration intervals.

GMG Reply: The DOC was ostensibly concerned that GMG only provided complaint data for those complaints that "were escalated to a supervisor for response." Therefore, the DOC requested that GMG clarify how it classifies complaints and whether it is able to provide "complete complaint data." However, the data that GMG provided is complete complaint data.

As explained in its Report, all calls to GMG are promptly answered by GMG's customer service team. If a call comes in after-hours, it is routed to a live-answer professional answering service. As such, none of GMG's customers have to navigate an automated system with a variety of prompt options. When a customer calls, it is not necessarily due to a complaint. GMG's customer service representatives attempt to identify and meet each customer's needs. In the vast majority of calls, the customer service representative can provide a response that answers the customer's question or otherwise meets the customer's needs. For example, if a customer has a question about his or her bill, the customer service representative explains the relevant billing entry and, generally, the customer is satisfied with the explanation and the customer's needs have been met. GMG does not

consider a customer inquiry to be a customer complaint and the call is logged and closed out. If, after speaking with a customer service representative, the customer requests that GMG take some type of action to address a particular situation, that is considered a customer complaint and it is automatically escalated to a supervisor with the authority to respond to the customer’s complaint. Therefore, all of the customer complaints that GMG receives are, by virtue of GMG’s customer service policy, escalated to a supervisor for proper handling; and, GMG provided complete complaint data in its Report, because all of those calls were reflected therein.

7. Gas Emergency Calls and Response Time

Standard: Each utility shall report the data on telephone answering times to its gas emergency phone line calls.

GMG: In 2012, GMG received a total of 100 calls. GMG is supplying two metrics: (1) the elapsed time between the call being answered and being dispatched, (2) the elapsed time between the dispatch time and the time of arrival by a technician and (3) average elapsed time for each category (1-2).

| <u>From Call to Time Dispatched</u> | | <u>From Time Dispatched to Arrive on Site</u> | |
|-------------------------------------|--------|---|---------|
| 0 - 10 minutes | 95 | < 60 minutes | 81 |
| > 10 minutes | 5 | > 60 minutes | 19* |
| Avg. | 3 min. | Avg. Response | 44 min. |

* of the 19 with a response time > 60 minutes:

- 16 were for a faint odor outside and were not treated as an emergency
- 1 was a carbon monoxide call whereby GMG responds, however also advises the customer to call a HVAC contractor as GMG does not have equipment or material to repair appliances. Customer is advised to vent the household, contact HVAC and the Company’s technician responds ready to shut off the gas if a repair is needed or to follow up certain a repair has been performed.
- 2 were “unfounded” meaning there was no presence of gas.

DOC: GMG stated that, as the Company does not have a dedicated emergency line, emergency calls are manually tallied and the amount of time it takes to answer each call cannot be tracked. The Company reported a total of 100 emergency calls received in 2012, a decrease from the 126 received in 2011. The DOC will continue to monitor this reporting metric.

In terms of emergency response intervals, Greater Minnesota reported that 81 of the 100 (81 percent) total calls received in 2012 were responded to in less than an hour. In its *Comments* on GMG’s 2011 report, the DOC requested that the Company explain why, in 2011, 10 percent of emergency calls were not responded to within an hour. The Company responded in Reply

Comments by listing the reasons that calls were responded to in more than an hour, with all but two of these incidences concerning calls that were determined to not be emergencies. In the 2012 report, the Company provided this information in its initial filing, which the DOC appreciated. Of the 19 calls responded to in over an hour in 2012, 16 were for a faint outdoor odor and not treated as emergencies, 1 was for carbon monoxide, which the Company cannot address without the assistance of an outside contractor (to repair appliances), and two were “unfounded” with no gas present. The DOC will continue to monitor this criterion in future reports.

8. Mislocates

Standard: Each utility shall report the data on mislocates, including the number of times a line is damaged due to mismarked or failure to mark a line.

GMG: In, 2012 there were a total of 6 damages due to a mislocate (mismark/failure to mark).

- Number of times a line is damaged due to a mismarked line = 2*
- Number of times a line is damaged due to failure to mark a line = 4
- 3 customer failed to call in locate tickets
- 1 failure to expose line by installation contractor.

*In 2012, GMG personnel were responsible for two (2) missed locates out of an approximate 5,800 Gopher State One locate tickets. GMG reviews each incident to see if changes can be made to avoid future mislocates.

DOC: The Commission’s March 6 Order requires Greater Minnesota 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. The Company reported 6 mislocates in 2012; the Company reported 5 mislocates in 2011. GMG received 5,807 locate requests in 2012 for a total mislocate rate of 0.1 percent. The mislocate rate for 2011 was 0.05 percent. While the mislocate rate did rise between 2011 and 2012, there is insufficient data available to indicate a trend. The DOC will continue to monitor this metric in future annual service reports.

9. Gas System Damage

Standard: Each utility shall report data on the number of gas lines damaged. The damage shall be categorized according to whether it was caused by the utility’s employees or contractors, or whether it was due to any other unplanned cause.

GMG: In 2012, GMG had a total of seven (7) lines damaged.

| | |
|---|---|
| Number of damages caused by the utility’s employees or contractors = | 3 |
| Number resulting from any other unplanned cause not related to utility operations | 4 |

Attached is copy of 2012 reports as filed with the Minnesota Office of Pipeline Safety (MNOPS)

DOC: The DOC requested that Greater Minnesota provide a more detailed breakdown of particular damage events such that they better align with information provided by other utilities. The DOC noted that Greater Minnesota provided a more detailed breakdown of gas line damage events in the 2011 Report and again in the 2012 Report.

Greater Minnesota reported seven gas line damage events in 2012, which is one less than the eight events reported in 2011 and two greater than the five events reported in 2011. Of the seven events, three were the result of a party not requesting a locate, three were caused by excavation equipment (where the line had been properly marked), and one was the result of a mismarked line.

The Company reported a decrease in gas line damage in 2012 compared to 2011, though the number of events is relatively similar between all three years of available data. The DOC will continue to monitor this metric in future service quality reports.

10. Gas Service Interruptions

Standard: Each utility shall report data on service interruptions. Each interruption shall be categorized according to whether it was caused by the utility’s employees or contractors, or whether it was due to any other unplanned cause.

GMG: In 2012, GMG has a total of seven (7) gas service interruptions.

| | |
|--|---|
| Number of damages caused by the utility’s employees or contractors = | 3 |
| 2 mislocated lines by GMG employees | |
| 1 failure to expose line by installation contractor | |
| Number resulting from any other unplanned cause = | 4 |

All seven events were reported to MNOPS under AL-04-2010 Reporting of Gas Pipeline Leaks Caused by Excavation.

DOC: Greater Minnesota reported seven gas service interruptions during 2012, which is the same as the number of gas system damage events noted above. GMG reported that 3 of the 7 interruptions were caused by Company employees or contractors. The Company reported one fewer interruption in 2012 than in 2011, when there were eight interruptions. In its Report, the Company stated that two interruptions were due to Greater Minnesota mislocates, one was caused by an installation contractor (GMG contractor), and four resulted from unplanned causes. The DOC will continue to monitor these data in future service quality reports and will make any relevant conclusions once a sufficient amount of data is available.

11. Major Event Reporting

Standard: Each utility shall report summaries of major events that immediately reportable to the Minnesota Office of Pipeline Safety (MOPS) according to the criteria used by MOPS to identify reportable events. Each utility shall also provide summaries of all service interruptions caused by system integrity pressure issues. Each summary shall include the following ten 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 contact customers
- any public relations or medial issues;
- whether the customer or the company relighted; and
- the longest any customer was without gas service during the incident.

GMG: In 2012, GMG had one (1) MNOPS reportable event considered a potential threat to public safety and was promptly reported to MNOPS through the 24-hour Minnesota Duty Officer (MNDO) at 651/649-5451 or 1-800-422-0798 as per the MNOPS Event Policy (12/15/2012). See Summary below:

On June 29, 2012 at 8:55 am a contractor hired by GMG to do both main and service line installations hit a 4” natural gas main line while boring. As a result, there was re-routing of traffic for a period of time which meets the criteria for a Major Event.

DOC: The Company began providing this information starting with its calendar year 2011 annual report, reporting 0 reportable events in 2011 and 1 reportable event in 2012. The Company provided a brief summary of the reportable event in its Report. The DOC commended Greater Minnesota on its low levels of MnOPS reportable events and will continue to monitor this metric in future reports.

12. Notification of Reportable Events

Standard: Each utility shall provide the Commission and the OES with notification of reportable events as they are defined by MOPS, contemporaneous with the utility’s notification of the event to MOPS. The notice should be sent to the Commission’s Consumer Affairs Office as consumer.puc@state.mn.us and shall describe the location and cause of the event, the number of customers affected, the expected duration of the event, and the utility’s best estimate of when service will be restored.

GMG has one (1) occurrences that were immediately reportable in 2012.

DOC: Greater Minnesota reported one major reportable events in 2012.

13. Customer Service Related Operations and Maintenance Expenses

Standard: Each utility shall report customer-service related operations and maintenance expenses. The reports shall include only Minnesota-regulated, customer-service expenses based on the costs recorded in FERC accounts 901 and 903 plus payroll taxes and benefits.

GMG: Customer service related expenses for 2012 totaled \$84,348.70.

DOC: Greater Minnesota reported total customer service expenses in 2012 of \$84,348.70, which averages to \$7,029 per month. In 2011 GMG reported O&M expenses of \$87,646, which results in a monthly average amount of approximately \$7,304. The DOC noted that O&M expenses decreased 3.8 percent from 2011 to 2012. The DOC will continue to monitor this metric and will offer further comments as appropriate.

14. Number of Miles of Pipe Operated In Minnesota

GMG operated 551 miles of main in 2012.

Staff Analysis

It appears that the Company has addressed all of the issues raised in the DOC's comments. These include:

- GMG's Field Personnel Conducted Sufficient Meter Readings and Prepared to Address Additional Customer Needs;
- GMG Did Not Have a Spike in Involuntary Service Disconnections During 2012;
- GMG Reported All Complaints in its Report Data; and
- GMG Requires Customer Deposits to Reconnect Customers With a Poor Payment History.

Finally, the workgroup appears to have made some progress on ensuring consistency in reporting this service quality data. Staff is interested in further exploring ways of making this data more efficiently reported to the Commission, and overall streamline the process. An example of this might be to put this in a spreadsheet report of all data which will allow for a more graphic presentation.

Commission Options

1. Accept GMG's 2012 Gas Service Quality Report.
2. Do not accept GMG's 2012 Gas Service Quality Report.

Recommendation

Staff recommends that the Commission adopt alternative number 1.