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March 26, 2015

VIA ELECTRONIC FILING

Mr. Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: Greater Minnesota Gas, Inc.'s Reply Comments
Docket No. G022/M-14-964

Dear Mr. Wolf:

Attached hereto, please find Greater Minnesota Gas, Inc.'s Reply Comments in the above-referenced docket regarding its Annual Gas Service Quality Report for the Calendar Year of 2013.

All individuals identified on the attached service list have been electronically served with the same.

Thank you for your assistance. Please do not hesitate to contact me should you have any questions or concerns or if you require additional information. My direct dial number is (507) 665-8657 and my email address is kanderson@greatermngas.com.

Sincerely,

GREATER MINNESOTA GAS, INC.

/s/

Kristine A. Anderson
Corporate Attorney

Enclosure

cc: Service List

CERTIFICATE OF SERVICE

I, Kristine Anderson, hereby certify that I have this day served a true and correct copy of the following document to all persons at the addresses indicated on the attached list by electronic filing, electronic mail, or by depositing the same enveloped with postage paid in the United States Mail at Le Sueur, Minnesota:

**Greater Minnesota Gas, Inc.'s Reply Comments
Docket No. G022/M-14-964**

filed this 26th day of March, 2015.

/s/ Kristine A. Anderson
Kristine A. Anderson, Esq.
Corporate Attorney
Greater Minnesota Gas, Inc.

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Kristine	Anderson	kanderson@greatermngas.com	Greater Minnesota Gas, Inc.	202 S. Main Street Le Sueur, MN 56058	Electronic Service	No	OFF_SL_14-964_M-14-964
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	Yes	OFF_SL_14-964_M-14-964
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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_14-964_M-14-964

STATE OF MINNESOTA

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
Nancy Lange	Commissioner
Dan Lipschultz	Commissioner
John Tuma	Commissioner
Betsy Wergin	Commissioner

MPUC Docket No. G022/M-14-964

In the Matter of Greater Minnesota
Gas, Inc.'s Annual Gas Service
Quality Report for the
Calendar Year of 2013

REPLY COMMENTS

OVERVIEW

Greater Minnesota Gas, Inc. ("GMG") respectfully requests that its Annual Gas Service Quality Report for the Calendar Year of 2013 be approved. GMG initially requested an extension¹ of time to file its report; and, GMG subsequently filed its report. The Minnesota Department of Commerce, Division of Energy Resources ("Department"), filed Comments of the Minnesota Department of Commerce Division of Energy Resources ("Comments") in response to GMG's Report. This submission constitutes GMG's Reply to the Department's Comments.

ISSUE SUMMARY

In its Comments, the Department recommended acceptance of GMG's 2013 Annual Gas Service Quality Report, pending the provision of certain additional information. GMG appreciates the Department's recommendation and offers additional information herein regarding the following issues:

- Discussion regarding the increase in calls to GMG's office.
- Explanation for estimated meter readings.
- Expanded discussion of service extension requests.
- Explanation of customer deposit requirements and treatment.
- Revisiting reporting of customer complaints.
- Details regarding response time for an incident in question.

¹ . GMG requested an extension to file its report because the employee that maintains the majority of the relevant information was on maternity leave. GMG's extension request was docketed in G022/M-14-411. GMG's annual report was recorded in this docket.

DISCUSSION IN REPLY

As the Department recognized in its Comments several years ago, GMG's staff (which numbered eleven at that time) is tasked with a wide variety of responsibilities for servicing its customer base, and it is not owned by a multi-state company. (G999/CI-09-409, October 29, 2010, p. 2.) That recognition, along with consideration of GMG's unique status, ultimately resulted in GMG's reporting requirements being somewhat different from the majority of the regulated utilities.² GMG understands the desire of the Commission to ensure that natural gas customers receive quality customer service from utilities. That said, GMG respectfully submits that its uniqueness creates a situation where attempts to fit GMG's statistics—even though reported differently where allowed—into a matrix comparable to the other utilities does not provide meaningful comparative or statistically significant information for some elements. GMG continues to provide information that demonstrates its commitment to superior customer service and its achievement of that goal. While GMG appreciates the need for monitoring its service quality standards, the lens through which GMG's operations are viewed should be suited to GMG's unique operational perspective.

1. The increase in calls to GMG's office is directly correlated to its growth during the 2013 calendar year and planned 2014 expansions.

The Department noted that the total number of calls received by GMG in 2013 increased from 5,887 in 2012 to 12,876 in 2013 and requested that GMG explain the significant increase in calls to its business line. In 2013, GMG's exponential growth was unprecedented in the company's history. As reflected in various GMG-related dockets, GMG more than tripled its new customer equivalents³ in 2013 as compared to its 2012 growth; and, both 2012 and 2013 dwarfed GMG's growth in previous years. GMG prides itself on continuing to offer live telephone answering for all incoming calls; and, all incoming calls arrive via GMG's main line. That essentially means that every existing customer, potential customer, vendor, business associate, and other person or entity that GMG interacts with may call the office.

GMG's customer service representatives take calls regarding all types of matters. Existing customers call GMG regarding any number of things: payment questions, contact changes, general questions, service questions, in response to notices or bills, or for any other reason that they need information from GMG. In 2013, GMG's website did not accommodate an electronic "contact us" option, so people were directed to call GMG's phone number to have any questions answered or obtain additional information. GMG also took calls regarding electronic payments

² . GMG and Great Plains were provided with amended reporting requirements given their status as small utilities.

³ . GMG uses customer equivalents for forecasting and growth purposes. GMG's actual number of customers substantially increased throughout the year. Many of GMG's larger customers amount to numerous customer equivalents; and, for that type of customer, the complexity of the relationship with GMG results in significantly more discussions than with a typical residential customer.

during 2013 prior to revision of its website payment options. Prospective customers call GMG's office in response to marketing materials when GMG is entering a new area. Interested customers call to arrange a meeting to obtain a quote for service; and, they call again to arrange for the service installation to be scheduled. Sometimes, new customers call with questions related to conversion. New customers may call with a question about reading a bill that they are seeing for the first time. Sometimes, people call GMG from unserved areas wondering if it is possible to have GMG bring service to the area. Developers call GMG to inquire about service to a new home or development. GMG's vendors call its main line. Companies and individuals who are marketing to GMG call its main line. People with questions related to Greater Minnesota Transmission and Greater Minnesota Synergy call the main line. Individuals that need to contact GMG in the regular course of business or return calls to GMG employees, whether related to permitting, easements, supply, banking, or any other matter, all call GMG's telephone number. All of those calls are reported in GMG's total number of calls received.

GMG's commitment to exceptional customer service consistently guides its handling of customer calls. Unlike larger utilities, GMG's customers always reach a live person when they call. They do not have to navigate a series of compulsory electronic prompts to drill down through categorical options before they can actually speak to someone. GMG's growth resulted in its need to hire additional staff, as reflected by the increased payroll expenses reported in GMG's expenses in various financial-related dockets like GMG's capital structure filings. Nonetheless, GMG still only has 24 people working in the company, each of whom is tasked with multiple responsibilities. Despite that, every caller still reaches a real individual, and GMG's customers appreciate the superior customer service that they receive. The increase in calls is not due to anything other than GMG's growth and the fact that all calls come through the same main line; and, the manner in which GMG continues to handle incoming calls is a testament to its service quality.

2. GMG's estimated meter readings occurred primarily during low-use months and are expected to decrease.

GMG's personnel estimated meter readings during 2013 for two primary reasons. First, during the warm summer months, GMG assigned its personnel to perform other necessary tasks during the construction season rather than have personnel read very low use meters, primarily residential in nature. Approximately 82% of the meter estimation occurred during July and August. Meters were not estimated for consecutive months, meaning that if a meter was estimated in July, it was read in August. Additionally, during November and December, 2013 there were a few dangerously cold days when GMG opted to keep its personnel safe and pulled them out of the field away from meter reading to perform inside work rather than having them exposed to the elements and risking their health and safety. On more rare occasions, a meter must be estimated if the meter reader does not have access to the meter for some reason such as a locked gate or an unsafe dog roaming in a customer's yard.

GMG does intend to increase the proportion of actual meter reads on a going-forward basis. During 2014, GMG began replacing meters with those capable of being read automatically; and,

continued meter replacement and deployment of an automatic meter reading (“AMR”) system is part of GMG’s 2015 capital budget. GMG believes that one of the benefits that AMR will provide is that it will dramatically reduce the number of estimated meter readings during the year; and, GMG is committed to so doing.

3. GMG provided timely service extensions to locations not previously served by it.

GMG appreciates the opportunity to provide additional clarification regarding its service extensions to new areas; and, GMG respectfully submits that the unique nature of its service extensions make it difficult to pigeonhole its statistics into a reporting metric that allows meaningful comparison. When GMG extends service to a new area, it is generally extending service to an entire new rural area rather than to a new development on the edge of an existing service area. Therefore, GMG installs an entire new main to an area and then runs individual service off of it. When a new project is designed, which may be during the preceding fall or winter, GMG begins working with a community to engage its business and residential customers, essentially beginning to “sell” service and receive commitments many months in advance of the main installation. Customers are aware that the main will be installed several months later and that, after the main installation is complete, their individual services will be run. Consequently, the requested metric does not easily translate into reportable data based on GMG’s construction and sales model. Because services are installed following main construction, a customer’s installation is immediately ready for service upon completion of the service construction. Similarly, GMG markets to on-main customers who do not currently use gas all year and customers often request service during a non-construction season, being slated for installation during the approaching construction season. There isn’t a request interval *per se* because the service requests were made as part of the entire project development throughout the year.

GMG respectfully suggests that it work with the Department and/or Commission staff to specifically identify what is trying to be measured by the reporting metric and whether a meaningful comparison to other utilities is actually possible. If the goal of the service extension time reporting requirement is to confirm that GMG is being responsive to customers requesting service, then perhaps a metric should be cooperatively developed that is suited to installation of main and services in an unserved community versus forcing the application of a metric developed for a different utility model. GMG’s continued delivery of gas to unserved rural areas coupled with its lack of complaints about the time for service extension provides empirical evidence that it meets customer expectations.

GMG notes that it utilized the same reporting format for 2013 that was used in 2012 without objection. GMG assumes that the Department’s request for reporting that is similar to prior reporting was a reference to its 2011 reporting in the service extension area. The difference in project development and sales used in 2013 was not similar to that in 2011, so comparative data is not available. In an effort to provide some additional information, GMG offers that in 2013, it installed service to 229 customers that were result of new main installations as explained above. It also installed service to 176 customers that were on-main customers that did not previously

have natural gas service. All service installations scheduled for the 2013 construction season were completed prior to the conclusion of the season.

4. GMG consistently applied its policies regarding customer deposit requirements.

The Department requested additional information regarding the deposits that GMG requires of customers as a condition of receiving service. GMG does not require deposits from new customers. Rather, GMG requires deposits from existing customers who had service disconnected due to non-payment. Pursuant to the terms of its tariff, GMG returns customer deposits after twelve months of timely payments. GMG did not change either its deposit policies or their application in 2013 and continues its consistent application.

5. GMG's customer complaint reporting complies with reporting requirements and is based on GMG's balanced approach to customer service.

As GMG has explained in previous Service Quality Standards dockets and its Annual Report herein, all calls are answered by a live person. If an existing customer has a question about something, that it not considered a complaint by GMG, nor does it meet the reporting requirements of a complaint within the scope of Minnesota Rule 7826.2000. Any communication from a customer that is considered a complaint, meaning that it needs attention for reaching a resolution of some kind due to the customer being unhappy, is escalated to a supervisor. Those are the complaints that GMG identifies in its Annual Report.

The Department referenced the manner in which other utilities report complaints, which it says include customer inquiries rather than just complaints as required by the rule, and asked GMG to explain how much money and time it would take to bring GMG's complaint reporting standards in line with other gas utilities. The Department specifically referenced the workgroup that met to standardize reporting metrics. While it is true that GMG did not have staff available to attend the workgroup discussion, GMG did review two items related to the workgroup that the Department included in its comments regarding GMG's 2012 Annual Report. Those two items included a grid that identified what each utility categorizes as a complaint, each of which differed in some respects from those of other utilities, and an agenda for the workgroup meeting. To the best of GMG's knowledge, there was not a comprehensive report that dictates a uniform reporting basis that resulted from the workgroup, as nothing other than the two items discussed herein were supplied to GMG; nor were there any rule changes or ordering documents that superseded prior reporting requirements. If GMG is mistaken in that regard, it will attempt to provide different information to the best of its ability after being directed to standardized definitions for complaint categories.

GMG respectfully notes that the Rule requires reporting of "complaints alleging billing errors, inaccurate metering, wrongful disconnection, high bills, inadequate service, . . . service-extension intervals, service-restoration intervals, and any other subject matter involved in five percent or more of customer complaints." Minn. R. 7826.2000. The Rule does not require reporting of customer inquiries about issues. Hence, when GMG receives an inquiry from a

customer with a question about the bill and answers it to the customer's satisfaction, it is not deemed to be a complaint. Conversely, if GMG receives a call from a customer saying a bill is too high or is not accurate, that is considered a complaint, is escalated for handling, and is reported. Ergo, GMG is reporting its complaints consistent with the requirements of the Rule.

A comparison to the information that other utilities report is not a fair characterization if other companies choose to include more than actual complaints in their complaint categories, which goes beyond what is required under the Rule. A review of the workgroup's grid indicated quite a variety of items that companies include in within each complaint component. However, a review of the annual service quality reports of other utilities indicates that they identify the same complaint categories that GMG identifies.

Most other utilities have automated-answer phone systems in which a customer drills down through electronic prompts before reaching a live service representative, if one is actually reached. Such systems create an automatic tally of the calls proceeding through each prompt. Every customer that calls related to, for example, a bill, likely drills through some, if not all, of the same automated prompts regardless of whether the call is due to a question or a complaint; and, they likely all get counted by the utility because it lacks the human factor to sort calls based on their actual content. Since GMG's phone system is not automated, GMG personnel handle every call. During a meeting with Department staff several years ago when service quality standards reporting was being discussed, it was agreed that the manpower requirements for GMG to manually track the nature of every call it receives far outweigh the reporting usefulness of the information, especially given that true complaints are escalated to a supervisor and reported in the Annual Report. Additionally, GMG has not budgeted to replace its phone system with a cost-prohibitive automated telephone system that would provide electronic drill-down information, nor does it intend to abandon its commitment to providing personal service to its customers. Therefore, GMG respectfully requests that it be permitted to continue reporting actual complaints.

6. GMG's extended response time for a particular service call was the result of delayed contact from the customer.

The Department requested a more detailed description of the meter riser replacement incident that resulted in a longer than normal response time. The incident in question occurred on Sunday, October 20, 2013. During the previous week, GMG's contractor replaced a meter riser at the customer's residence. The customer was contacted prior to the meter riser replacement and a message was left to advise the customer that the work was being done and letting the customer know that if no one was home at the time of the replacement, the customer should contact GMG to arrange to have a technician come to the home to relight the appliances. At the time that the meter was replaced, the customer was not home. The meter was locked so that gas did not flow into the customer's house without appliances being re-lit. A hang-tag was left on the customer's door asking the customer to contact GMG to have a technician come out to relight the furnace and any other necessary appliances and unlock the meter. The customer did not contact GMG until Sunday afternoon. GMG's answering service took the call at 3:34 p.m. No smell of gas was

present. GMG's weekend on-call personnel responded and had the furnace relit and the meter unlocked in 2 hours and 14 minutes.

CONCLUSION

GMG appreciates the opportunity to provide additional information to clarify the issues illuminated in the Department's Comments. GMG respectfully requests that, in accordance with the Department's recommendation, its 2013 Annual Service Quality Report be approved.

Dated: March 26, 2015

Respectfully submitted,

/s/

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