

September 15, 2017

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-17-625

Dear Mr. Wolf:

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

In the Matter of the Petition of Great Plains Natural Gas Co. (Great Plains) for Approval of Proposed Revisions to its Natural Gas Tariff to Comply with Federal Pipeline Safety Regulations 49 CFR Part 192.383.

The Petition was filed on August 18, 2017 by:

Tamie A. Aberle
Director of Regulatory Affairs
Great Plains Natural Gas Co.
400 North 4th Street
Bismarck, ND 58501

The Department recommends that the Minnesota Public Utilities Commission (Commission) **approve** Great Plains' Petition and is available to answer any questions 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

Docket No. G004/M-17-625

I. SUMMARY OF PETITION

On August 18, 2017, Great Plains Natural Gas Co. (Great Plains) submitted a petition requesting that the Minnesota Public Utilities Commission (Commission) approve revisions to its Natural Gas Tariff proposed to comply with the Federal Pipeline Safety Regulations contained in 49 CFR Part 192.383.

II. DEPARTMENT ANALYSIS

In response to discovery from the Minnesota Department of Commerce, Division of Energy Resources (Department), Great Plains provided the following background to its compliance with 49 CFR Part 192.383:¹

- “Federal Pipeline Safety Regulation 49 CFR Part 192.383 (b) was effective on February 12, 2010 that required the installation of an EFV [Excess Flow Valves] on all new and replacement service lines. Great Plains had implemented this process in 2009.”
- “49 CFR Part 192.383 was updated October 21, 2016 and all utilities customers needed to be notified about the availability of Excess Flow Valves (EFV) for installation on the existing natural gas service line to their home or business by April 14, 2017.”
- “Great Plains started the notification process to customers through a bill insert that was inserted with customers’ bills started in March 2017, advising them of the option to install an EFV on their existing service line. To date no customers have requested the installation of an EFV on their existing service line.”
- “Great Plains has not incurred costs to date to install an EFV on an existing service line, since no customers have requested the installation of an EFV on their existing service line. No costs were included in the last rate case Docket No. G-004/GR –15-879 for installs on existing service lines.”

¹ Source: Attachment 1 to these comments.

As discussed below, the Department verified that the proposed revisions to Great Plains' natural gas tariff are in compliance with Federal Pipeline Safety Regulation 49 CFR 192.383 which requires natural gas companies to notify customers about the availability of an EFV for installation on an existing service line serving their home or office.

The red-lined version of the proposed natural gas tariff shows that the proposed changes consist of the addition of the following language:²

- Defining the purpose of an EFV: "EXCESS FLOW VALVE - Safety device designed to automatically stop or restrict the flow of gas if an underground pipe is broken or severed."
- Advising Great Plains' customers of the option to install an EFV on their existing service line: "EXCESS FLOW VALVE - In accordance with Federal Pipeline Safety Regulations 49 CFR 192.383, the Company will install an excess flow valve on an existing service line at the customer's request at a mutually agreeable date. The actual cost of the installation will be assessed to the customer."

The Department notes that the Notice to customers provided an estimate of the installation cost, \$650, while making it clear that the actual installation cost may be different.³

In addition, there would be no double-recovery associated with these additional costs since Great Plains stated that "[n]o costs were included in the last rate case Docket No. G-004/GR-15-879 for installs on existing service lines" and no risk of cross-subsidization in a future rate case since "the actual cost of the installation will be assessed to the customer."

Therefore, the Department recommends approval of Great Plains' proposed revisions to its Natural Gas Tariff.

III. DEPARTMENT ANALYSIS

The Department recommends approval of Great Plains proposed revisions to its Natural Gas Tariff.

/lt

² Source: Exhibit 1 of the petition.

³ Source: Exhibit 2 of the petition.

Ouanes, Samir (COMM)

From: Collins, Karen <Karen.Collins@mdu.com>
Sent: Friday, August 25, 2017 10:03 AM
To: Ouanes, Samir (COMM)
Cc: Aberle, Tamie
Subject: MN Great Plains Natural Gas Co. - Data Responses Docket No. G004/M-17-625 Excess Flow Valve
Attachments: 8.24.17 Phone Request.DOC.Samir.Ouanes.docx

Dear Mr. Ouanes,

Per our telephone conversations on 8/24/2017, attached are Great Plains Natural Gas Co. (Great Plains) responses to your questions regarding the Company's filing, Docket No. G004/M-17-625 Excess Flow Valves. If you have any additional questions, please contact Tamie Aberle 701-222-7856 tamie.aberle@mdu.com or Karen Collins 701-222-7729 karen.collins@mdu.com. Thanks.

August 25, 2017

Department of Commerce
Samir.ouanes@state.mn.us

RE: Great Plains Natural Gas Co.
Excess Flow Valve (EFV)
Docket No. G004/M-17-625

Dear Mr. Samir Ouanes,

Per our telephone conversation on 8/24/17, regarding your questions on the above referred docket, Great Plains offers the following information in response to your questions.

1. What is the effective date of the Federal Pipeline Safety Regulation that requires Great Plains to install an EFV on all new and replacement service lines?

Response: Federal Pipeline Safety Regulation 49 CFR Part 192.383 (b) was effective on February 12, 2010 that required the installation of an EFV on all new and replacement service lines. Great Plains had implemented this process in 2009.

2. What is the date of the new Federal Pipeline Safety Regulation of 49 CFR Part 192.383 (e) that required utilities to notify customers about the availability of an EFV for installation on an existing line.

Response: 49 CFR Part 192.383 was updated October 21, 2016 and all utilities customers needed to be notified about the availability of Excess Flow Valves (EFV) for installation on the existing natural gas service line to their home or business by April 14, 2017.

3. Provide a copy of the Federal Pipeline Safety Regulations applicable to this filing.

Response: Please see Attachment A for the copies of the US Department of Transportation (DOT) 49 CFR Part 192.383 and 192.381.

4. What is the specific date that we started the process?

Response: Great Plains started the notification process to customers through a bill insert that was inserted with customers' bills started in March 2017, advising them of the option to install an EFV on their existing service line. To date no customers have requested the installation of an EFV on their existing service line.

5. Did Great Plains include any of these costs in the last rate case?

Response: Great Plains has not incurred costs to date to install an EFV on an existing service line, since no customers have requested the installation of an EFV on their existing service line. No costs were included in the last rate case Docket No. G-004/GR -15-879 for installs on existing service lines.