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November 16, 2020

VIA ELECTRONIC FILING

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

RE: Formal Complaint and Petition for Relief by Greater Minnesota Gas, Inc. Against
CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas
Docket No. G022, G008/C-20-795

Dear Mr. Seuffert:

Attached hereto, please find Greater Minnesota Gas, Inc.'s Reply Comments for filing in the above-referenced docket.

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) 209-2110 and my email address is kanderson@greatermngas.com.

Sincerely,

GREATER MINNESOTA GAS, INC.

s/
Kristine A. Anderson
Corporate Attorney

cc: Service List

STATE OF MINNESOTA

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Katie Sieben
Valerie Means
Matt Schuerger
Joseph Sullivan
John Tuma

Chair
Commissioner
Commissioner
Commissioner
Commissioner

MPUC Docket No.
G022, G008/C-20-795

**In the Matter of Greater Minnesota
Gas, Inc.’s Formal Complaint Against
CenterPoint Energy Resources Corp. d/b/a
CenterPoint Energy Minnesota Gas**

REPLY COMMENTS

OVERVIEW

Greater Minnesota Gas, Inc. (“GMG”) submitted a Formal Complaint against CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas (CenterPoint) related to duplication of facilities to serve existing GMG customers in the above-referenced docket on October 19, 2020. CenterPoint submitted a responsive letter on October 21, 2020. On October 23, 2020, the Commission issued a Notice of Comment Period; and, Comments were filed by CenterPoint, the Minnesota Department of Commerce, Division of Energy Resources (“Department”), and GMG. This submission constitutes GMG’s Reply to the Department’s Comments.

ISSUE SUMMARY

Pursuant to the Notice of Comment Period, five areas were open for comment focused on jurisdiction, procedure, and whether the investigation serves the public interest. All parties agree that the Commission has jurisdiction over the instant matter, so GMG does not address that topic further. Ergo, GMG provides further discussion regarding the need for investigation and procedure therefore.

DISCUSSION IN REPLY

The Commission has historically considered examination of regulated utilities’ competitive practices as one that serves the public interest. In fact, the Commission specifically investigated competition principles and issued its Order Adopting Standards Governing Competition Among Natural Gas Utilities on September 19, 2018 in Docket No. G999/CI-17-499. The current situation falls squarely within the ambit of the Commission’s prior consideration and squarely within the public interest.

In this situation, the facts identify a pattern of practice by CenterPoint that involves dual maining to poach GMG's existing customers and customers that are already on GMG's existing main line. In particular, the specific customer targets at issue in this Complaint exist in situations where GMG had existing main prior to CenterPoint either constructing main or planning to extend main that parallels GMG's main. That creates customer confusion, heightens safety concerns, and is a wasteful duplication of resources.

GMG's Complaint identified several sites that CenterPoint specifically targeted that violate the Commission's September 19, 2018 Order. That Order specifically prohibits extending main to serve existing customers already served by another utility except in limited circumstances that have not been met here.

One of the sites in question is located at 3625 Hoffman Road, Mankato. GMG has served that parcel of land for a number of years. Earlier this year, the land was sold to a new owner and the natural gas account for that meter was transferred to that owner. That owner has been billed for and has been paying the requisite monthly facility fee for GMG's natural gas service. Since the house on the parcel is not occupied, there has not been significant gas use since transfer of the account. The current owners advised GMG that the house will be torn down and a memory care facility will be built on the site. GMG began working with the existing property owners regarding providing service to the new building. Since GMG already provides service to the property and the existing house, GMG will easily be able to serve the memory care facility that is being built by the current owner on the same site as a replacement for the existing structure. No main extension or change to GMG's main is necessary to serve the facility. While the service line and meter set and location may need to be changed, that does not obviate the fact that GMG already has service installed to the current parcel and that the current owner is GMG's existing customer. Hence, CenterPoint's actions with regard to targeting GMG's existing customer should be investigated by the Commission.

CenterPoint asserted that consideration of this location is not ripe for investigation and consideration by the customer but CenterPoint has, in fact, made the issue ripe by virtue of its own actions. The existing customer knows that GMG is its natural gas provider and already engaged in discussion with GMG regarding service to the memory care facility that will be built. Thereafter, CenterPoint discussed providing service to that customer despite the fact that the customer is currently served by GMG. CenterPoint does not have main at the location and will need to extend main to serve GMG's existing customer. The fact that CenterPoint has offered to provide service to the customer has made the issue ripe for the Commission's consideration. CenterPoint's direct violation of the Commission's September 19, 2018 Order has created confusion, as GMG's existing customer now believes that it can be served by both CenterPoint and GMG. In fact, after discussions with GMG about serving the facility, the customer contacted GMG in mid-October and requested a cut and cap of the line indicating that it was going to be served by CenterPoint. Clearly, CenterPoint's own actions to take an existing customer from GMG have made the issue ripe for consideration.

Moreover, if, for the sake of argument, one adopts CenterPoint's argument that a change in buildings on the site of an existing customer jeopardizes its status as an existing customer, then

the Commission should take the opportunity to clarify that. If a customer remodels and/or makes changes to its facilities on a site and that act leads to it no longer being considered an existing customer thus permitting parallel main installation, utilities should be aware of that. GMG has been approached by multiple industrial customers that are currently served by CenterPoint who have asked for GMG to provide service subsequent to planned facilities changes and GMG has declined, believing that doing so violated the Commission's Order. To the extent that CenterPoint's position with regard to the Hoffman Road customer is adopted by the Commission, then that opens the door to permitting companies to install parallel main to serve existing customers of another utility whenever those customers make facilities changes and request service from another provider. The regulated utilities and the public should know the Commission's policy with clarity so that consistent practices are applied uniformly.

GMG also identified certain properties on 192nd Lane, Mankato that it currently serves and for which CenterPoint began installing parallel main to serve. The properties are owned by Web Construction or by Jerry Williams, the owner of Web Construction. GMG currently serves two shops and Mr. Williams's home on 192nd Lane. Importantly, Web Construction is also the contractor for the TriFecta Truck Stop, also implicated in GMG's Complaint.

There is no question about the fact that CenterPoint intended to extend main to serve the existing Web Construction and Williams locations served by GMG. In fact, that question is so clear that CenterPoint agreed that it would cease installation to those locations in its October 20th responsive letter. While that does remove those specific locations from the sphere of the Commission's investigation herein, it demonstrates CenterPoint's pattern of practice and are part of the bigger picture. While CenterPoint does have some main on 192nd Lane, it did not have such main installed at the time that GMG's main was installed there. Rather, several years ago, CenterPoint ran some parallel main to serve a single customer, bypassing several others. Nonetheless, GMG's main in the area existed prior to the installation of CenterPoint's and it is clear from the construction activity immediately preceding GMG's Complaint that CenterPoint would have had to extend its main to serve the 192nd Lane customers in question. Noteably, CenterPoint was apparently only planning to serve the Web/Williams locations which suggests selectivity on the part of CenterPoint.

CenterPoint's documents herein also indicate that it plans to serve a new Web Construction facility being built on 192nd Lane. CenterPoint characterized the facility as a warehouse. While GMG had no knowledge of the facility prior to CenterPoint's filings, GMG believes that the building may be being constructed on a parcel that it already serves for Web Construction and/or Jerry Williams. If that is, in fact, the case, GMG posits that it should also be included in the Commission's investigation because it would be on parcel for a customer currently served by GMG.

Finally, with regard to the TriFecta Truck Stop, GMG has main across the street and serving the truck stop would essentially require only building a long-side service line. In fact, the presence of those facilities was precisely the reason that Jerry Williams of Web Construction told GMG that it was being selected to provide natural gas service. That was followed up with load information being provided to GMG and by service design work being initiated. It was only later

– after Jerry Williams advised GMG that CenterPoint was giving “a really good deal” – that GMG was advised that the TriFecta Truck Stop business was being awarded to CenterPoint. Based on CenterPoint’s existing facilities and required main extension to reach the truck stop, it seems improbable that the extension was economic for CenterPoint. GMG, which has lower overhead cost and higher rates and thus reaches economic viability more easily, would not have been able to run the same amount of main to the truck stop that CenterPoint needed to and still have it meet economic requirements. However, since GMG already has main facilities at the location, no main extension would have been required. Moreover, the timing of the sudden change, the service to the Web/Williams facilities, and “the really good deal” certainly raises the question of the legitimacy of the main extensions. Hence, further Commission investigation is warranted.

GMG and CenterPoint concur that there are not likely to be contested facts in this matter. As such, GMG believes that an informal investigation will provide sufficient information for the Commission to make a decision herein. GMG concurs with the Department that the Commission can apply the framework provided in its September 19, 2018 Order to make its decision. GMG recommends that the Commission invite the parties to submit any analysis specific to the framework with an opportunity to respond in order to fully develop the record herein.

REQUEST FOR COMMISSION ACTION

GMG respectfully requests that the Commission continue an investigation into this matter using an informal process to fully develop the record. GMG believes that such an investigation will result in a determination that CenterPoint has engaged in conduct that violates requisite competitive practice requirements set forth for regulated natural gas utilities.

Dated: November 16, 2020

Respectfully submitted,

/s/

Kristine A. Anderson
Corporate Attorney
Greater Minnesota Gas, Inc.
1900 Cardinal Lane, P.O. Box 798
Faribault, MN 55021
Phone: 888-931-3411

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 Faribault, Minnesota:

**Greater Minnesota Gas, Inc.'s Reply Comments
Docket No. G022, G008/C-20-795**

filed this 16th day of November, 2020.

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

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Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_20-795_Official
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_20-795_Official
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Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_20-795_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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