

Minnesota Public Utilities Commission
Staff Briefing Papers

Meeting Date: **April 1, 2014***Agenda Item #9

Companies: Greater Minnesota Gas, Inc.

Docket No. G022/M-12-1130

In the Matter of Greater Minnesota Gas Inc.'s 2011 Annual Gas Service Quality Report

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

Staff: Marc Fournier651-201-2214

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.....October 11, 2012

Comments of the Minnesota Department of Commerce
Division of Energy Resources. March 11, 2013

Reply Comments of Greater Minnesota Gas Company..... May 2, 2013

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Statement of the Issues

Should the Commission accept Greater Minnesota Gas Inc.'s Annual Gas Service Quality Report for 2011?

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. The Commission's subsequent August 26, 2010 Order required Great Plains to submit proposals for natural gas service quality reporting by August 31, 2010.

The Commission took up GMG's proposal in which it described itself as a small gas utility with fewer than 4,000 customers, with 11 full time employees and no call center. The Commission met to consider GMG's proposal 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.¹ 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.

On October 11, 2012, the Company filed its calendar year 2011 Annual Gas Service Quality Report (Report).

Greater Minnesota Gas, Inc. (GMG) 2011 Gas Service Annual Report

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

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

GMG: GMG received a total number of 5,887 in-coming calls. All calls are answered live within 3 rings. If GMG is unable to answer the call within 3 rings, the call will automatically roll to the Company's after-hours answering service ensuring that all calls are answered live within the 20 second standard. Therefore, 100% of GMG calls are answered within 20 seconds or less.

DOC: 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.

The DOC concludes that it is likely that calls to the Company are answered promptly. It is important to note that the numbers reported by the Company likely include non-customer related calls that were made to Greater Minnesota's business line, so the total number of customer service calls is likely lower than 5,887.

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.

A total of 48,174 meters read in 2011 of which 98.4% were read by utility personnel, 0.3% self-read by customers and 1.3% estimated. (GMG's billing system does not have the capability to produce historical meter read information beyond 12 months. Actual data for September–December was able to be obtained at the time of this report and therefore the average of those months was used for the Jan.-Sept. reporting. This estimate is most likely higher than actual due to higher winter weather estimates in December). Greater Minnesota Gas did not have any meters that went unread for more than six months and the staffing level for 2011 was two (2).

DOC: The DOC had several concerns regarding Greater Minnesota's lack of meter reading data. First, the DOC is concerned that the Company is unable to retrieve historical meter data that is older than 12 months. There are several instances in which it is necessary for the Company to be able to query data that is over 12 months old. For instance, when the DOC conducts its analyses in the Annual Fuel Report (AFR), or in a general rate case, these analyses are likely to occur more than 12 months after an event happened that was the source of the data. If the DOC observed

significant billing, or related data issues, in the AFR or a general rate case, the DOC may not be unable to fully review the reasonableness of Greater Minnesota's rates. This would put the Company at risk for cost disallowance or rate case rejection.

Second, Greater Minnesota's data retention policy does not appear to comply with Commission Rules. Minnesota Rule part, 7820.4800, states the following:

The utility shall retain customer billing, complaint, payment, and deposit records for the length of time necessary to permit the utility to comply with the commission's rules; provided the utility shall retain these records for not less than three years. A customer's own billing, complaint, payment, and deposit records shall be available to that customer.

If Greater Minnesota's historical meter read information is necessary to accurately determine billing, complaints, payments, or deposits, then the Company's data retention policy is significantly below the Commission's required reporting standard and impairs ratepayers', and state agencies', ability to remedy, or identify, long running billing errors. This should be of significant importance to Greater Minnesota, because the Company has experienced a long-duration billing error, detailed in Docket No. G022/M-08-519, which cost Greater Minnesota thousands of dollars in Purchased Gas Adjustment (PGA) recovery.

In terms of the service quality reporting requirements, Greater Minnesota's inability to provide complete reporting on meter readings may be contrary to the requirements of the Commission's January 18 Order. Further, the DOC notes that Greater Minnesota did not provide data on monthly meter-reading staffing levels, by work center or geographic area.

Based on the DOC analysis, it recommends that Greater Minnesota provide the following:

- Monthly meter-reading staffing levels, by work center or geographic area;
- A plan that will enable Greater Minnesota to comply with the meter reading reporting requirements established in the Commission's January 18 Order;
- A detailed discussion explaining why Greater Minnesota believes it is in compliance with Minnesota Rule 7820.4800;
- A detailed discussion of what steps, if the Company is not in compliance, of how Greater Minnesota will comply with Minnesota Rule 7820.4800 as soon as possible; and
- A detailed discussion of what billing system the Company uses.

GMG Reply: The Company indicated that it has two meter readers headquartered in Le Sueur, MN.

GMG uses the Banyon Data Systems utility billing system. The system is used by 274 municipal and smaller utilities in Minnesota. The System maintains 3 years of billing history on each

individual customer and is compliant with Minnesota Rule 7820.4800. The DOC's concern was that GMG would not run a summary of total count of the number of estimated bills for a period exceeding 12 months. GMG has paid the software provider to program in this capability but is still working through technical issues with the software.

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.

The Company included as an attachment to its Report, weekly Cold Weather Rule (CWR) data for January-April and November and December or 2011 and monthly CWR data for the entire reporting period.

DOC: The DOC compared the 2011 information to the 2010 information and concludes that the pattern of disconnections appeared consistent between the two years. The DOC will continue monitoring this metric in future service quality reports to identify any long-run patterns that may exist. Schedule B of the Company's 2011 Annual Gas Service quality report indicates between 3 and 12 customers were currently disconnected on a weekly basis throughout 2011. This range is identical to the range for the weekly number of customers currently disconnected for 2010.

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 installed service lines to a total of 170 customers along the existing main. Taking in account that customers may request a specific date of installation or in the case of new builds there may be a waiting period for site readiness, the average number of days for installation was 39 for 2011. All requests for services for 2011 were installed prior to the end of the construction season and all customers were accommodated as such.

DOC: The DOC notes that Greater Minnesota's interpretation of this reporting metric does not

conform to the DOC's or the other utilities' interpretation. Specifically, the DOC interprets this reporting requirement to pertain to the time taken to extend service to a location, or premise, which had received service in the past. Given the nature of Greater Minnesota's service territory, the DOC believes the Company's categorization of service extensions as those involving new main and those involving existing main is relevant to the Company's operations and recommends that Greater Minnesota continue including this information in future reports. However, the DOC requests that Greater Minnesota provide, in Reply Comments, the required 2011 service extension information on requests for service to a location previously served by the Company.

GMG Reply: The Company did not lock any meters for failure to pay in 2011 and believed that was the question. However, the request deals with account transfer. 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. There are zero days delay in completing this task.

5. Customer Deposits

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

GMG: GMG did not collect any customer deposits in 2011.

DOC: This Report marks the first time that the Company has provided data regarding this reporting requirement. Greater Minnesota stated that it did not collect any customer deposits in 2011.

6. Customer Complaints

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

GMG received a total of 10 customer complaints during 2011. All 10 complaints were resolved with the resolution of "took action the customer requested."

- (3) Alleged Billing Errors
- (4) Inaccurate Metering
- (2) Inadequate Service

DOC: Greater Minnesota reported a total of ten customer complaints during calendar year 2011. The Company broke these complaints down into three separate categories: alleged billing errors (three complaints), inaccurate metering (four complaints), and inadequate service (two complaints). The Company reported that all ten complaints were resolved by taking the action the customer requested. The Commission's January 18 Order references its Consumer Affairs Office (CAO), yet there is no mention of this office in Greater Minnesota's Report. The DOC assumes

that this is because no complaints were forwarded to GMG from the CAO and no complaints escalated out to GMG to CAO; however, the DOC recommends that the Company clarify this in its Reply Comments. As noted above, this is the first year that the Company has reported this data, so the DOC does not know if these complaint levels are typical.

GMG Reply: The Company reported the complaints that were escalated within the Company. None of these complaints were escalated to the Consumer Affairs Office (CAO).

GMG did have one (1) customer complaint that was escalated from the CAO in 2011 and included a copy of the email chain which addressed the issue to completion.

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.

Standard: Each utility shall report data on gas emergency response times and include the percentage of emergencies responded to within one hour and within more than one hour. CenterPoint, IPL, and MERC shall also report the average number of minutes it takes to respond to an emergency.

GMG: Greater Minnesota Gas, Inc. manually tracks telephone answering times to its gas emergency phone line calls. The Company supplied two metrics: (1) The amount of time between the emergency related call and the dispatch time to the technician and (2) the elapsed time between the dispatch time and the time that a qualified emergency response person arrived at the incident location to make the area the safe. GMG is unable to provide a year over year (2010 vs. 2011) comparison.

Dispatch Intervals		Emergency Response Intervals	
>0 min. to 10 min.	122	< 1 hour	113
>10 min. to 20 min.	<u>4</u>	> 1 hour	<u>13</u>
Totals calls dispatched to:	126	Total calls responded to:	126

DOC: Greater Minnesota stated that it manually tracks telephone answering times to its gas emergency phone line. The Company further stated that it provided two metrics in this Report: (1) the amount of time between the emergency related call and the dispatch time to the technician; and (2) The elapsed time between the dispatch time and the time that a qualified emergency response person arrived at the incident location to make the area safe.

Greater Minnesota reported a total of 126 calls to its emergency response line in 2011. In terms of dispatch time, the vast majority of calls (122 of 126 or 97 percent) resulted in a dispatch in less

than 10 minutes. There were four instances where the dispatch time was greater than 10 minutes, but less than 20 minutes. These were relatively long dispatch intervals, but the Company does not provide any discussion explaining why the dispatch times were elevated. As such, the DOC recommends that Greater Minnesota fully explain, in its Reply Comments, why dispatch was delayed for these four incidences.

In terms of emergency response intervals, Greater Minnesota reported that 113 of the 126 (90 percent) total calls received in 2011 were responded to in less than an hour. The Company has a relatively rural service territory, which may justify a longer response time; however, it is somewhat concerning that 10 percent of calls took longer than an hour for a response. Therefore, the DOC recommends that the Company fully explain, in its Reply Comments, why each of these 13 calls required a greater than one hour emergency response time.

GMG Reply: When the Company receives an emergency call, the customer is asked a series of questions developed by the Minnesota Office of Pipeline Safety. The questions include the following:

1. What is the Concern?
2. If there is a gas smell is the smell inside or outside the home?
3. Is the odor weak or strong? Is there blowing gas?
4. If weak has the customer smelt gas before?
5. Has there been recent construction activity?

Three of the four that were dispatched in over an hour were weak odors detected outside the home near the meter. The Company dispatches the closest a technician to check the situation but allows the technician to complete the current work task before response; these three events were not classified as emergencies

The fourth call regarded a carbon monoxide detector going off after a power outage to a home. The Root cause was the backup battery had not been replaced. It took 11 minutes to walk the customer through the process.

GMG provided information on 100% of the calls received by the Company with the potential for emergency. As discussed with dispatch the Company asks a series of questions to help understand the situation before dispatching technicians. The overall average response time for the company to have a technician on sight was 42 minutes in 2011.

The DOC concerns were focused on why thirteen (13) times the Company responded in more than an hour:

Nine (9) of the thirteen (13) responses were related to faint smells of gas outside by meter. The Company allows technicians to complete current job effort before responding on these calls.

One (1) was related to a pilot light going out. The customer requested someone to follow

up the next morning.

One (1) of the calls was due to coordination with Centerpoint Energy. The original call went to Centerpoint Energy rather than to GMG. The total time of this response was 1 hour 11 minutes.

One (1) of the calls occurred over a weekend and the on-call technician had to travel across the service area. Total time of this response was 1 hour and 5 minutes.

One (1) of the calls was a request by a contractor for GMG to double-check service. The call was not an emergency.

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: GMG Response:

3 No Locate Ticket Called In by Customer

2 Mislocate by Greater Minnesota Gas, Inc.

5 Total

DOC: The Company reported five mislocates during calendar year 2011, which included three incidences that were related to customers not requesting a locate and two incidences where the mislocate was made by Greater Minnesota. Since this marks the first Report where Greater Minnesota has provided this information, the DOC cannot make any conclusions regarding the number of mislocates and will continue to monitor these data in future service quality 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 had a total of 8 service interruptions.

2 Natural Occurrence / Gopher Chews (unplanned cause)

1 Contractor Digging w/ No Locate Ticket (outside contractor)

1 Contractor Digging w/ Locate Ticket / Severed Line (outside contractor)

1 Contractor hit customer private fuel line (unplanned cause)

1 Customer didn't call for locate ticket (unplanned cause)

2 GMG mislocated line. (GMG employee)

8 Total

DOC: Greater Minnesota reported eight gas service interruptions during 2011, which is the same

as the number of gas system damage events. In its Report, the Company stated that two interruptions were due to Greater Minnesota mislocates, two were due to gopher chews, two were caused by an outside contractor, one by a contractor hitting a customer's private fuel line, and one by a customer who failed to call for a locate. Although it would appear that the contractor-related interruptions are not attributable to the Company (e.g., contractor doing work for a homeowner), it is not clear from the Company's filing; as such, the DOC recommends that Greater Minnesota clarify, in its Reply Comments, whether these contractor-caused service interruptions are related to Greater Minnesota operations.

Since this is the first Report where these data were provided, the DOC is unable to offer any conclusions regarding the number of service interruptions in 2011. 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.

GMG Reply: GMG personnel were responsible for the two missed locates. The Company does not use a third party locator. As a reference point the Company has approximately 5800 Gopher State on Call tickets per year. GMG reviews each incident to see if changes can be made to avoid mis-locates.

The contractors were not working for GMG. The work being completed was not on behalf of any gas utility.

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.

- 2 Natural Occurrence / Gopher Chews (unplanned cause)
- 1 Contractor Digging w/ No Locate Ticket (outside contractor)
- 1 Contractor Digging w/ Locate Ticket / Severed Line (outside contractor)
- 1 Contractor hit customer private fuel line (unplanned cause)
- 1 Customer didn't call for locate ticket (unplanned cause)
- 2 GMG mislocated line. (GMG employee)
- 8 Total

6 Unplanned Causes and 2 GMG Employee Related

DOC: Greater Minnesota reported eight gas service interruptions during 2011, which is the same as the number of gas system damage events, as noted above. In its Report, the Company stated that two interruptions were due to Greater Minnesota mislocates, two were due to gopher chews, two were caused by an outside contractor, one by a contractor hitting a customer's private fuel line, and one by a customer who failed to call for a locate. Although it would appear that the contractor-related interruptions are not attributable to the Company (e.g., contractor doing work

for a homeowner), it is not clear from the Company's filing; as such, the Department recommends that Greater Minnesota clarify, in its Reply Comments, whether these contractor caused service interruptions are related to Greater Minnesota operations.

GMG Reply: The contractors were not working for GMG. The work being completed was not on behalf of any gas utility.

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 had zero (0) occurrences that were immediately reportable in 2011.

DOC: Greater Minnesota reported no major reportable events in 2011.

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 zero (0) occurrences that were immediately reportable in 2011.

DOC: Greater Minnesota reported no major reportable events in 2011.

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.

Customer service related expenses for 2011 totaled \$87,646.

DOC: The Commission requires each gas utility to provide data regarding customer-service related operations and maintenance expenses recorded in FERC Accounts 901 and 903. This Report is the first time that the Company has provided data regarding this reporting requirement. The Company provided monthly and annual cost and expense breakdowns. Greater Minnesota reported total customer service expenses in 2011 of \$87,646, which results in a monthly average amount of approximately \$7,304. The DOC notes two months, August and October, had relatively high levels of expense at \$10,848 and \$10,338, respectively. The DOC recommends that Greater Minnesota fully explain, in its Reply Comments, why customer service expenses were relatively high in August and October 2011.

GMG Reply: The Company incurred \$3,610 of auto related expense for the Company meter readers in August and \$3,994 of auto expense in October. These expenses were to ensure continued safe operation of the vehicles.

14. Number of Miles of Pipe Operated In Minnesota

GMG operated 506 miles of main in 2011.

Staff Analysis

It appears that the Company has addressed all of the issues raised in the DOC's comments. These include Meter Reading Staff Levels, a Plan that will enable GMG to comply with meter reading reporting requirements established by the Commission, a detailed discussion explaining why GMG believes that it is compliance with Minn. Rule 7820.4800, a detailed discussion of what steps, if the Company is not in compliance, of how GMG will comply with Minn. Rule 7820.4800 as soon as possible, a detailed discussion of what billing system the Company uses, and provide the "required 2011 service extension information on requests for service to a location previously served by the Company, a full explanation of why dispatch was delayed for four incidences during 2011, a full explanation of why it took longer than an hour to respond to 13 emergency incidences during the reporting period, a clarification of how services were located when the company was responsible for gas line damage, a clarification of whether contractor caused service interruptions are related to GMG operations, a full explanation of why customer service expenses were relatively high in August and October 2011, and a full clarification of whether any customer complaints were forwarded to the Company from the Commission's CAO.

Commission Options

1. Accept GMG's 2011 Gas Service Quality Report.
2. Do not accept GMG's 2011 Gas Service Quality Report.

Recommendation

Staff recommends that the Commission adopt alternative number 1.