

July 31, 2018

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. G022/M-18-314

Dear Mr. Wolf:

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

2017 *Annual Gas Service Quality Report* (Report) submitted by Greater Minnesota Gas, Inc. (Greater Minnesota or the Company).

The 2017 *Annual Gas Service Quality Report* was filed on May 1, 2018 by:

Kristine A. Anderson
Corporate Attorney
Greater Minnesota Gas, Inc.
202 South Main Street, P.O. Box 68
Le Sueur, Minnesota 56058

Based on its review of Greater Minnesota's 2017 *Annual Gas Service Quality Report*, the Department withholds final recommendation pending the provision of additional information in *Reply Comments*.

The Department is available to answer any questions that the Minnesota Public Utilities Commission may have.

Sincerely,

/s/ ADAM J. HEINEN
Rates Analyst
651-539-1825

AJH/ja
Attachment

Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. G022/M-18-314

I. 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 Minnesota Department of Commerce, Division of Energy Resources¹ (Department) and all Minnesota regulated gas utilities in Docket No. G999/CI-09-409 (09-409 Docket). Various rounds of comments and discussion occurred in the 09-409 Docket and the issues came before the Commission on August 5, 2010. During the August 5, 2010 Commission Agenda Meeting, Greater Minnesota Gas, Inc. (Greater Minnesota, GMG, or the Company) argued that, due to its size relative to Minnesota's larger regulated gas utilities, certain reporting requirements should be modified. In its January 18, 2011 *Order—Setting Reporting Requirements* (09-409 Order), the Commission determined that Greater Minnesota must provide service quality information in generally the same manner as other Minnesota gas utilities, except as modified by the Commission's 09-409 Order.

On April 25, 2011, Greater Minnesota filed its calendar year 2010 *Annual Service Quality Report*. 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 requirements; GMG did not attend the workgroup meeting.

Subsequently, the Company has filed the following annual service quality reports:

Calendar Year Covered by Report	Date Filed
2011	October 11, 2012
2012	May 1, 2013
2013	November 13, 2014
2014	May 7, 2015
2015	May 2, 2016 ¹
2016	May 1, 2017
2017	May 1, 2018

The Department reviewed the Company's 2017 Report for compliance with Commission Orders and to identify potential issues. The Department provides its analysis below.

II. THE DEPARTMENT'S ANALYSIS

Per the Commission's 09-409 Order, Greater Minnesota was not required to track information for certain reporting requirements until January 1, 2011, which means that this report marks the seventh time that Greater Minnesota has provided information for the following reporting requirements: Telephone Response Time, Meter Reading Performance, Service Extension Request Time,² Customer Deposits, Customer Complaints, Gas Emergency Information, Minnesota Office of Pipeline Safety (MnOPS) damage reports, Service Interruptions, Gas Emergency Response Time, and Customer Service Expenditures related to FERC Accounts 901 and 903. The 2017 Report contains the eighth year of data for the remaining metrics: Service Disconnections and System Damage.

The Department discusses, separately, each reporting requirement below.

A. CALL CENTER RESPONSE TIME

The Commission required each utility to provide, in its annual service quality report, call center response time in terms of the percentage of calls answered within 20 seconds. The Department notes that Minnesota Rules, part 7826.1200 requires Minnesota's electric utilities to answer, on an annual average, 80 percent of calls made to the business office during regular business hours within 20 seconds.

¹The Commission's 09-409 Order requires the gas utilities to file its annual report by May 1, however May 1, 2016 was a Sunday and the Company filed its 2015 annual service quality report on May 2, 2016; as such, Greater Minnesota complied with the 09-409 Order.

² In its April 8, 2016 Order in Docket No. G022/M-15-1090, the Commission approved new Service Extension Request Time reporting requirements beginning with the 2016 annual service quality report.

For Greater Minnesota, 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.

The Company explained in its filing that all calls are answered live within three rings; however, if the Company does not answer within three rings, the call is automatically forwarded to an after-hours answering service. The Company's call response information is summarized in Table 1 below.

Table 1: Call Response Data (2011-2017)

Year	Number of Calls Received	Percentage Change in Calls
2011	5,887	n/a
2012	9,107	54.70%
2013	12,876	41.39%
2014	13,399	4.06%
2015	11,308	(15.61)%
2016	10,812	(4.39)%
2017	10,705	(0.99)%

In its Report, Greater Minnesota noted that the incoming call rate is comparable to the number of calls received over the last several years. Greater Minnesota explained that the calls received include existing customers with questions regarding their service and prospective customers inquiring about potential service options or scheduling service installation. The Company also explained that these call volumes reflect all calls made to the general business line, which may include calls regarding Greater Minnesota Transmission (a pipeline affiliate), Greater Minnesota Synergy (utility holding company), or other general business inquiries that may not be related to Greater Minnesota operations.

Based on the Company's information, the Department concludes that the Company likely answered calls promptly.

B. METER READING PERFORMANCE

In its 09-409 Order, the Commission required GMG to report meter reading performance data in the same manner as prescribed in Minnesota Rule 7826.1400. The Company provided, in its Report, the meter reading performance data per Minnesota Rules.

The Company’s meter reading data over the seven years that it has collected these data are summarized in Table 2 below.

Table 2: Meter Reading Data (2011-2017)

Year	Total Meters Billed	Company Read	% Company Read	Self-Read	% Self-Read	Estimated	% Estimated
2011	48,174	47,403	98.40%	145	0.30%	626	1.3%
2012	54,169	42,733	79.00%	60	0.10%	11,376	21.0%
2013	62,868	56,623	90.00%	336	0.50%	5,909	9.5%
2014	66,284	64,357	97.00%	372	0.50%	1,555	2.5%
2015	80,580	79,570	98.75%	135	0.17%	1,010	1.25%
2016	84,371	83,784	99.30%	133	0.16%	458	0.54%
2017	92,456	92,297	99.83%	23	0.03%	136	0.15%

As noted in Table 2, approximately 85 percent of meters not read by the Company in 2017 were estimated meters (136 out of 159). Greater Minnesota explained that these estimated meters were generally for residential customers and associated with conditions that were either unsafe or made it impossible for the meter reader to reach the meter. The Company stated that these included circumstances such as loose dogs, locked gates, or meter/lens issues. The Company indicated that it notified customers if their bill was estimated. Greater Minnesota also clarified that it received no complaints for estimated billing periods.

In earlier annual service quality reports, Greater Minnesota noted that it began deployment of automated meter reading (AMR) devices in late 2014 and that it increased deployment in 2015 and continued deployment in 2016. The Company explained in this Report that it essentially completed deployment of AMR in 2017, and GMG anticipates further reduction in estimated meters. Based on the data in Table 2 above, it is clear that deployment of AMR has significantly reduced the amount of estimated meters. The Department is encouraged by the Company’s significant decrease in the number of estimated bills since 2012.

Greater Minnesota reported no unread meters for more than six months in calendar year 2017. In 2017, the Company operated in three general geographic areas: Le Sueur, Swanville, and Becker/Otter Tail County. Greater Minnesota employed two dedicated staff for meter reading, and an additional four trained staff if needed, in the Le Sueur area. The Company also employed two meter reading trained technicians in the Swanville area and three meter reading trained technicians in the Becker/Otter Tail County area.

C. INVOLUNTARY SERVICE DISCONNECTION

The Commission’s 09-409 Order requires Greater Minnesota to provide involuntary service disconnection data in the same manner that it reports these data under Minnesota Statutes §§

216B.091 and 216B.096 in Docket No. E,G999/PR-14-02, which relate to the Cold Weather Rule (CWR). Table 3 shows GMG's number of disconnections over the past eight years as reported in its service quality dockets.

Table 3: Involuntary Disconnections (2010-2017)³

2010	35
2011	17
2012	54
2013	63
2014	125
2015	122
2016	69
2017	39

Involuntary disconnections decreased significantly (57 percent) between 2016 and 2017 and marked the lowest number since 2011. The Company did not provide an explanation as to the decrease in involuntary disconnections between 2016 and 2017 but it did provide an explanation for the historical increase in involuntary disconnections in its 2014 annual service quality report. In the 2014 annual service quality report, the Company explained that it added an administrative employee in 2014 who focused on reducing Greater Minnesota's accounts receivable and delinquent account balances. This focus resulted in the increase in involuntary disconnections, but the Company clarified that these efforts were targeted to non-heating season months and that all efforts complied with the CWR requirements. In its July 7, 2017 *Reply Comments* in 2015 and 2016 annual service quality reports, Greater Minnesota clarified that it has remained consistent in its program application to reduce delinquent accounts.

As noted above, the involuntary disconnection data are taken from the monthly CWR filings. The Department observed significant inconsistencies and issues (*e.g.*, data issues, late filings) with Greater Minnesota's CWR data in the 2014 annual service quality report; as such, the Department requested that the Company improve its reporting of this metric going forward. In light of these previous concerns, the Department reviewed the Company's monthly and weekly CWR filings.⁴ The Department reviewed the CWR data filed in calendar year 2017 and compared it to the information provided by Greater Minnesota in the annual service quality reports.⁵ The Department was able to reconcile the information contained in the service quality reports and the monthly CWR reports.

³ As noted in its July 22, 2015 *Comments* in the 2014 service quality report, the Department stated that older data may not be comparable given the data concerns identified in that docket. These comparability issues still exist, so caution should be used when comparing older involuntary disconnection information with the post-2014 data.

⁴ 2017 Cold Weather Rule filings can be found in Docket No. E,G999/PR-17-2.

⁵ *Report*, Attachment A.

However, while reviewing these data, the Department did observe some minor concerns that require revision. First, the Department observed an inaccurate residential customer count figure in the January 2017 CWR Report. When reviewing the other monthly reports, it appears that Greater Minnesota, likely inadvertently, under-reported residential customer counts by approximately 3,000 customers in January 2017. The Department requests that Greater Minnesota address this inconsistency in its *Reply Comments* and, if this customer count is inaccurate, the Company should refile the accurate CWR Report for January 2017.

Second, the Department observed issues (*e.g.*, number of disconnected customers the same despite a reconnection being logged) with the reported disconnection and reconnection data in certain weekly CWR filing. In particular, the Department observed these issues in the February, April, and November weekly filing. The Department requests that Greater Minnesota fully address these issues in its *Reply Comments* and refile any inaccurate reports in the CWR docket.

The Department also reviewed the monthly CWR reports for 2017 to determine whether they were filed in a timely manner. The Department notes that Greater Minnesota filed its CWR reports in a timely manner.

Based on its review, the Department concludes that Greater Minnesota's involuntary disconnection data in these Reports appear acceptable subject to the provision of corrected January 2017 CWR and weekly CWR filings as noted above.

D. SERVICE EXTENSION REQUEST RESPONSE TIME

The reporting method for service extension request response time has been a topic of great discussion in past Greater Minnesota annual service quality reports. Based on the 09-409 Order, Greater Minnesota is required to report service extension request response time data contained in Minn. Rules, part 7826.1600, items A and B, except for service connections related to Minn. Stat. §§ 216B.091 and 216B.096, subd. 11 (involuntary service disconnections). Minnesota Rules, part 7826.1600, items A and B requires the following:

- 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 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.

In the 2013 annual report, the Department raised concerns regarding the Company's service extension data. Specifically, the Department noted that Greater Minnesota did not provide a breakdown of service extension times between existing and new areas as prescribed by Minnesota Rules and Commission Order, and the Department requested that the Company provide these data.⁶ The Company subsequently provided information regarding customer additions along new main installations and additions for customers on existing main that did not previously have natural gas service in 2013. In its 2014 annual report, Greater Minnesota stated that it added approximately 550 new meters in 2014, but it did not provide a breakdown by new main installations and extensions off existing mains as it had in the 2013 annual service quality report, nor did the Company provide an exact number of total meter additions.

In both the 2013 and 2014 service quality reports, Greater Minnesota expressed concern that the service extension reporting requirement may not be the best means of determining whether service is being extended to customers in a timely manner. In its August 31, 2015 *Order* in Docket No. G022/M-14-964, the Commission allowed Greater Minnesota to propose a new metric for service extension response time and required that the Company file a proposal within 120 days of the date of the *Order*. On December 31, 2015, Greater Minnesota filed its proposal in Docket No. G022/M-15-1090. Greater Minnesota and the Department exchanged written comments regarding the Company's proposal and the Commission ultimately approved a new service extension reporting requirement in its April 6, 2016 *Order* in Docket No. G022/M-15-1090. The *Order* required the Company to begin reporting its new service extension data beginning with the 2016 annual service quality report. As such, this Report marks the second time that the Company has provided data per the new service extension data requirements.

Per the *Order* in Docket No. G022/M-15-1090, Greater Minnesota is required to provide information on extensions to new service areas, the addition of new customers on existing mains, and a discussion on requests for changes in service to areas already served by the Company (*e.g.*, transfer of ownership of property). In addition to the service extension data, the Commission also required that Greater Minnesota provide copies of advertisements to potential new customers, the date that deposits were first taken for a new service area, and an explanation of why customers along existing mains were denied service. The Department reviewed the service extension data provided by Greater Minnesota and it appears to conform to the requirements ordered by the Commission.

The Company extended service to two new geographic areas in 2017: Detroit Lakes Area and Rural Medford. The Department notes that in the 2016 annual service quality report, Greater Minnesota stated that expansions in the Pelican Lake area were delayed because of a county road project and that there may be an impact on customer additions in 2017. Based on the

⁶ See Greater Minnesota 2014 Annual Service Quality Report, Docket No. G022/M-15-434, page 5.

information provided by the Company in this Report, it is unclear if customers in the Pelican Lake area are included in the main extension data in Table 4 below. The Department requests that the Company clarify this point in its *Reply Comments*.

Table 4: New Main Extension Projects 2017

Area Served	Estimated Number of Residential Customers	Actual Number of Residential Customers Served	Estimated Number of Firm Commercial Customers	Actual Number of Firm Commercial Customers Served	Estimated Number of Interruptible Commercial Customers	Actual Number of Interruptible Commercial Customers Served
Detroit Lakes Area	280	257	0	0	0	0
Rural Medford	1	21	1	1	0	0
Total	281	278	1	1	0	0

Table 5: New Main Extension Projects (2016-2017)

Year	Estimated Number of Residential Customers	Actual Number of Residential Customers Served	Estimated Number of Firm Commercial Customers	Actual Number of Firm Commercial Customers Served	Estimated Number of Interruptible Commercial Customers	Actual Number of Interruptible Commercial Customers Served
2016	404	374	27	28	3	3
2017	281	278	1	1	0	0

The Company's customer growth in 2017 was slightly below expectations and lower than calendar year 2016 by approximately 126 customers. Lower customer additions in the Detroit Lakes Area was the primary reason for below-forecasted customer growth; however, above-forecasted customer growth in the Medford area nearly allowed actual customer growth to equal total forecasted customer growth. Overall, the difference between estimated customer additions and actual customer additions are not significant; as such, the Department does not have additional comment on this topic.

Greater Minnesota also provided monthly data for on-main customer additions, which are areas where the Company already extended service. Simply put, these customers had access to Greater Minnesota service but had not previously requested service. The Department provides a summary of annual service extensions for these customers below.

Table 6: On-Main Customers Added (2016-2017)

Year	Residential Service Requests	Average Number of Days to Install	Firm Commercial Service Requests	Average Number of Days to Install	Interruptible Commercial Service Requests	Average Number of Days to Install	Denied Service Requests
2016	276	27	7	23	2	26	0
2017	178	30	24	13	1	8	0

In 2017, the Company added 203 on-main customers and extended service to all customers who requested service. This is a decrease of 82 on-main customers relative to 2016. In general, across customer classes, the average length of time required to extend service was similar and similar to extension times in calendar year 2016. On a monthly basis, the service extension times for the Residential rate class were longer (*e.g.*, over 50 days) in February and May. The length of time required for these extensions appear long but may be related to the requests being made early in the construction season. In addition, the Department notes that it took 69 days for the Company to extend service to a commercial customer in June. This is a relatively long period and may be related to specific circumstances with this customer, but Greater Minnesota did not provide specific information regarding this instance in its filing. In its response to Department Information Request No. 1, Greater Minnesota provided additional clarification regarding this service extension to the commercial customer (Department Attachment 1). The Company stated that the commercial customer was a new facility and they signed an agreement with Greater Minnesota on June 7, 2017 and anticipated service to begin on July 30, 2017. In fact, the site was not ready for service to begin until August 15, 2017. Greater Minnesota further noted that the time lag was a result of the customer's site not being ready for installation and, as a practical matter, the customer did not experience a delay in service. The Department appreciates this clarification and concludes that Greater Minnesota extended service in a timely matter.

Overall, the on-main service extension data for 2017 appears acceptable; however, this is the second year that data were provided in this format, so it is premature to provide any substantive conclusions at this time. The Department looks forward to reviewing these data in future reports.

Greater Minnesota also represented that there were no issues or delays related to the transfer of service between customers (*e.g.*, new ownership of a house). The Company stated that it does not lock or stop service for an ownership transfer unless there is a foreclosure at a previously served location. Given the lack of customer complaints, as discussed in Section II.D below, the Department concludes that the Company has reasonably dealt with service requests in this instance.

As noted above, the Commission's *Order* in Docket No. G022/M-15-1090 also required Greater Minnesota to provide copies of all advertisements and solicitations provided to potential new customers in a new geographical area, date at which deposits were first accepted for a new geographic area, and an explanation of the reasons why customers were denied service when requested. Attachments to the Company's 2017 Report include GMG's advertisements and solicitations.

As shown on page 5 of its Report, Greater Minnesota did not deny service to any customer requesting service during 2017. The Company also provided the dates where it first received activation fees for its individual expansion projects on page 5 of its Report. Therefore, the Company complied with the Commission's *Order* in Docket No. G022/M-15-1090 concerning service extension reporting requirements.

E. CUSTOMER DEPOSITS

The 2017 Report marks the seventh time that the Company has provided data regarding customer deposits.

Table 7: Customer Deposits (2010-2017)

Year	Number of New Deposits	Average Residential Customer Count*
2011	0	3,622
2012	3	4,075
2013	6	4,432
2014	13	4,918
2015	10	5,396
2016	4	6,289
2017	5	6,893

*Source: Annual Gas Jurisdictional Reports filed each May 1.

The Department notes that in past service quality reports it observed minor inconsistencies between the Annual Jurisdictional Report and Regional Energy Information System (REIS) data. The Department reviewed the most recent data available (calendar year 2017) and the data between the two filings is consistent.⁷

⁷ Greater Minnesota filed its 2017 REIS data on July 3, 2018 in Docket No. E,G999/PR-18-19.

The number of customer deposits increased steadily over the first four years of data but decreased in recent years and remains well below the highest number (13) in 2014 despite an increase of one customer between 2016 and 2017. The Company did note in its Report that it currently holds 21 total customer deposits because Greater Minnesota has not received 12 consecutive months of payment from these customers. The Department appreciates the inclusion of this additional information.

F. CUSTOMER COMPLAINTS

The Commission's 09-409 Order specified GMG's customer complaint reporting requirements, as follows:

In addition to tracking and reporting on customer complaints received from the Commission's CAO, GMG shall begin tracking and reporting on the total number of customer complaints received and the number of complaints resolved for each of the following categories: billing errors; inaccurate metering; wrongful disconnection; high bills; inadequate service; service extension intervals and service restoration intervals. This requirement becomes effective for GMG for the calendar year beginning on January 1, 2011. GMG shall begin including data for this requirement in its second annual report.

In its Report, GMG stated that when a customer calls, it is not necessarily a complaint and the Company's customer service representatives attempt to identify and answer the caller's question or concern immediately. The Company only classifies a call as a complaint if the customer service representative escalates the matter to a supervisor either because the customer service representative is unable to satisfy the customer's concerns or the customer is requesting that GMG take some type of action.

Greater Minnesota's reported total number of complaints, on an annual basis, is summarized in Table 7 below.

Table 8: Annual Total Complaints (2011-2017)

Year	Complaints
2011	10
2012	6
2013	3
2014	4
2015	4
2016	1
2017	4

The Company noted in its Report that the Commission’s CAO and the Office of the Attorney General (OAG) forwarded no complaints in 2017. The Company provided a breakdown of customer complaints by type. In 2017, Greater Minnesota classified all of its four complaints as billing errors. Greater Minnesota provided additional information regarding how its complaints were resolved; specifically, the Company worked with the customers and had a third party (Energy Economics) test the meters. Energy Economics determined that each meter was within the acceptably accurate measuring range; thus, no billing adjustments were required and the customers were satisfied with the Company’s response. After reviewing the Company’s explanations, the Department concludes that Greater Minnesota’s complaint responses were adequate.

G. GAS EMERGENCY CALLS AND RESPONSE TIME

In its 09-409 Order, the Commission required Greater Minnesota to track and report the total number of gas emergency calls received during each annual reporting period. The 2017 Report marks the seventh time these data were collected and reported. Greater Minnesota stated that, since 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. Greater Minnesota’s emergency call and response time metrics are reported in Table 9 below.

Table 9: Gas Emergency Calls and Response Time (2011-2017)

Year	Number of Emergency Calls	Call to Dispatch (0-10 minutes)	Call to Dispatch (more than 10 minutes)	Average Dispatch Time (minutes)	Dispatch to Arrival (less than 60 minutes)	Dispatch to Arrival (greater than 60 minutes)	Average Dispatch to Arrival (minutes)
2011	126	122	4	n/a	113	13	n/a
2012	100	95	5	3	81	19	44
2013	88	75	13	6	75	13	16
2014	110	107	3	3	102	8	36
2015	123	120	3	7	116	7	33
2016	219	214	5	5	208	11	30
2017	220	220	0	3	204	16	30

The Company also provided additional information regarding the calls where dispatch to arrival was greater than 60 minutes.⁸ The Department reviewed these explanations and concludes

⁸ In previous annual service quality reports, the Company also provided information regarding calls that took longer than 10 minutes between call to dispatch.

that the response times are generally reasonable, save for six incidences in 2017. Greater Minnesota stated that two incidences occurred after hours, during winter driving conditions, and that it took the technician 83 and 89 minutes, respectively, to reach the customers. The other four incidences in question involved response times of 86, 90, 90, and 100 minutes, respectively, that were the result of road construction and detours. The Department acknowledges that Greater Minnesota's technicians may have responded in the quickest means possible; however, these are lengthy responses times and, if a gas leak were large, there could have been significant safety concerns. Given these concerns, the Department issued discovery requesting additional information on these events.

In its response to Department Information Request No. 2, Greater Minnesota provided additional information regarding these incidents (Department Attachment 2). The Company explained that the winter driving incidences occurred after hours following a snowstorm (89-minute incident) and on a day with extreme weather with travel advisories (83-minute incident). Greater Minnesota further noted that its technicians responded in a prompt manner considering the driving conditions. In terms of the incidences related to road construction, the Company noted that three of these occurred on holiday weekends and the fourth event occurred after hours. Greater Minnesota further explained that it attempts to route technicians around known construction areas; however, it is unable to anticipate all construction or possible detours. The Company finished its analysis by noting that it strives for rapid emergency response and evolves when it receives new information.

Based on the additional information provided by Greater Minnesota, the Department concludes that the Company responded to emergencies in a timely manner. Although the Company had several incidences with lengthy response times, it appears that, given prevailing conditions, Greater Minnesota responded adequately. In its response to discovery, Greater Minnesota stated that it strives for rapid emergency response, and the Department expects the Company will maintain this goal and work to improve its emergency response where possible going forward.

H. MISLOCATES

The Commission's 09-409 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. Greater Minnesota's mislocate data are summarized in Table 10 below.

Table 10: Mislocates (2011-2017)

Year	Mislocates	Number of Locate Requests
2011	5	n/a
2012	6	5,807
2013	0	6,853
2014	0	7,445
2015	1	8,033
2016	4	9,632
2017	4	8,895

Although the number of mislocates remained constant between 2016 and 2017, Greater Minnesota noted continued issues with its locating contractor. The Company stated that its locating contractor was responsible for three of the four mislocates in 2017 despite remedial actions from the Company. In response to these actions, Greater Minnesota ended its relationship with the locating contractor and has moved all locating in-house. The Department appreciates Greater Minnesota’s response to these mislocate issues, and the Department will continue to monitor this metric in future annual service quality reports.

I. GAS SYSTEM DAMAGE (DAMAGED GAS LINES) AND GAS SERVICE INTERRUPTIONS

The Commission’s 09-409 Order requires Greater Minnesota to provide data on damaged gas lines by providing copies of the Company’s reports submitted to MnOPS. Table 11 summarizes GMG’s gas system damage events.

Table 11: Gas System Damage (2010-2017)

Year	Damage Events
2010	5
2011	8
2012	7
2013	9
2014	9
2015	7
2016	9 ⁹
2017	12

⁹ The Company noted in its 2016 Report that only eight of the nine events resulted in a natural gas leak. The one event that did not cause a leak involved a kinked service line, which was repaired in the interest of safety.

All 12 events in 2017 were the result of unplanned outages not related to utility operations. Of the 12 events, 4 involved the Company- or contractor-related mislocates discussed in Section II.F above. Greater Minnesota clarified that each of these 4 events resulted in line hits during excavation of one form or another. The other 8 incidents were the result of one gopher chew, 6 hits by excavators, and one incident caused by another utility. The Company further stated that each event caused leaks and they were appropriately reported to MnOPS.

The incident involving another utility is a unique circumstance. In such an incidence, it is important that there is a correct accounting and assignment of cost such that the appropriate set of ratepayers are assessed costs. Given these issues, the Department issued discovery seeking to clarify this topic. In its response to Department Information Request No. 4, Greater Minnesota stated that the line was hit by Bevcomm while Bevcomm was installing line to a new construction home (Department Attachment 3). During its investigation of the incident, the Company determined that the line was not properly located; as such, the Company did not request compensation from Bevcomm. The Department appreciates the Company's response on this issue; however, based on the information in Section II.F above, there remains confusion as to whether GMG was the entity that provided the improper locate, or whether it was the Company's former locating contractor, since Greater Minnesota noted that, in addition to the 8 events caused by other parties, there were 4 mislocate events in 2017 of which 3 were the result of its former locating contractor and the other was caused by the Company. The Department requests that Greater Minnesota fully discuss in *Reply Comments* which party was responsible for the mislocate classified as caused by another utility, and provide a detailed accounting of any, and all, costs associated with this incident. The Department also requests that Greater Minnesota clarify the number of damage incidents in 2017 because the Bevcomm incident may be counted in both the mislocate and other incident categories.

Greater Minnesota also stated that there were 28 gas service interruptions in 2017. Eight of these interruptions involved service line hits and the other 20 involved a single event. Greater Minnesota stated that this single event involved the installation of a new main for a road project. During the installation process, a problem caused Greater Minnesota to lose gas pressure to 20 customers. The Company stated that all customers were promptly notified and their service restorations and relights occurred within eight hours. In its response to Department Information Request No. 5, Greater Minnesota explained that it planned this installation in such a manner as to mitigate the risk of service interruptions (Department Attachment 4). However, when the Company was tying in the new main a blowout occurred which required Greater Minnesota to pinch the line off. Based on its review, the Department concludes that Greater Minnesota likely reacted to this incident in an appropriate manner and attempted to minimize impacts to ratepayers.

The Department concludes that Greater Minnesota generally responded to system damage and service interruptions in an appropriate manner. However, the Department withholds final assessment of this subject pending provision of additional information regarding the mislocate incident with another utility in *Reply Comments*.

J. MAJOR EVENT REPORTING AND NOTIFICATION OF REPORTABLE EVENTS

The 09-409 Order also required Greater Minnesota to provide summaries of all major events that are immediately reportable to MnOPS and provide contemporaneous reporting of these events to both the Commission and the Department when they occur. The Company had one MnOPS reportable event during 2017. In its response to Department Information Request No. 6, Greater Minnesota stated that the reportable event was the result of the mislocate incident involving Bevcomm discussed in Section G above (Department Attachment 5). The Company further explained that the service line was hit near a main line and that someone at the scene contacted emergency responders. Greater Minnesota noted that the local fire department responded to the incident and that traffic was impacted by the incident; as such, Greater Minnesota chose to report the incident based on these facts.

The Department appreciates the Company's additional discussion regarding this event, and concludes that it appears that Greater Minnesota took all reasonable steps to respond to this incident. The Department notes that its representatives are unaware if Greater Minnesota notified the Commission or the Department of the incident in question at the same time it contacted MnOPS. The Department requests that Greater Minnesota clarify in *Reply Comments* whether it contacted the Department and the Commission when this event occurred and, if so, the individuals contacted. As noted in Section II.G above, the Department withholds final judgement on the incident until the provision of additional information in *Reply Comments*.

K. CUSTOMER-SERVICE-RELATED OPERATIONS AND MAINTENANCE EXPENSES

The Commission requires each gas utility to provide data regarding customer-service-related operations and maintenance expenses recorded in FERC Accounts 901 and 903. The Company's annual costs are summarized in Table 11.

Table 11: Customer Service Expenses

Year	Expenses (\$)
2011	\$87.646
2012	\$84.349
2013	\$85.034
2014	\$105.579
2015	\$99.101
2016	\$116.380
2017	\$106.407

The amount of customer service expenses appear reasonable for 2017 given current growth and operations. The Department will continue to monitor this metric in future service quality reports.

III. SUMMARY AND CONCLUSIONS

Based on its review of Greater Minnesota's 2017 Annual Service Quality Report, the Department withholds final recommendation subject to the provision of additional information in *Reply Comments*. Assuming this additional information is satisfactory; the Department intends to recommend that the Commission accept the Company's Report. The Department requests that Greater Minnesota provide the following in *Reply Comments*:

- A discussion of the inconsistency in its customer counts reported in its January 2017 Cold Weather Rule Report and a declaration of the correct residential customer count for January 2017;
- A discussion or clarification of certain inconsistencies observed in the Company's weekly Cold Weather Rule Reports as noted in the body of these comments;
- A clarification of whether customer extensions in the Pelican Lake Area are included in the main extension data for 2017;
- A full discussion of which party was responsible for the mislocate incident that resulted in a service interruption and a detailed accounting of any, and all, costs and cost responsibility associated with this incident; and
- A clarification of whether the Company contacted the Department and the Commission when its MnOPS reportable event occurred and, if so, the individuals contacted.

The Department recommends, to the extent inconsistencies are found and corrected in the monthly and weekly Cold Weather Rule Reports, that the Commission require Greater Minnesota to file amended CWR reports in Docket No. E,G999/PR-17-2.

/ja

**Minnesota Department of Commerce
Division of Energy Resources
Information Request**

Docket Number: G022/M-18-314 Nonpublic Public
Requested From: Greater Minnesota Gas Date of Request: 6/22/2018
Type of Inquiry: General Response Due: 7/2/2018

Requested by: Adam Heinen
Email Address(es): adam.heinen@state.mn.us
Phone Number(s): 651-539-1825

Request Number: 1
Topic: Annual Service Quality Report
Reference(s): Page 5

Request:

Please fully describe the circumstances surrounding the 69 day extension timeframe for the commercial service request in June 2017.

If this information has already been provided in initial petition or in response to an earlier Department-DER information request, please identify the specific cite(s) or Department-DER information request number(s).

GMG RESPONSE:

GMG's customer was building a new facility. The customer signed GMG's activation form on June 7, 2017 and provided an anticipated site-ready date for the new construction of July 30, 2017. The site was not actually ready on July 30, 2017. The service was run on August 15, 2017 when the site backfill was completed and installation could be safely completed. Hence, while the elapsed time between the customer's signing of the activation form and the date the service was run was 69 days, the time lag was a direct result of the customer's new construction site not being ready for safe installation. As a practical matter, the customer did not experience any delay between the site being ready and the service being installed.

To be completed by responder

Response Date: July 2, 2018
Response by: Kristine Anderson
Email Address: kanderson@greatermngas.com
Phone Number: 507-665-8657

**Minnesota Department of Commerce
Division of Energy Resources
Information Request**

Docket Number: G022/M-18-314 Nonpublic Public
Requested From: Greater Minnesota Gas Date of Request: 6/22/2018
Type of Inquiry: General Response Due: 7/2/2018

Requested by: Adam Heinen
Email Address(es): adam.heinen@state.mn.us
Phone Number(s): 651-539-1825

Request Number: 2
Topic: Annual Service Quality Report
Reference(s): Page 8

Request:

For each response time greater than 80 minutes in the above reference, please provide a more detailed explanation of the circumstance surrounding each event and why the Company's responses were greater than 80 minutes.

If this information has already been provided in initial petition or in response to an earlier Department-DER information request, please identify the specific cite(s) or Department-DER information request number(s).

GMG'S RESPONSE:

With regard to the 83 minute response during inclement weather, the call was received on the morning of Saturday, December 30th with a complaint of no heat. The low temperature that day was -16° and the high temperature was -6°; and, it occurred during a stretch of several cold days. Travel advisories were issued that weekend due to the significant presence of black ice on the roads which created extremely slippery conditions. Additionally, snow had fallen two days prior and there were numerous accidents that day and for the following weekend days thereafter (including the day in question), because compacted snow on the roads turned to ice and that, combined with extreme cold, made the chemicals used to treat the roads virtually ineffective. Moreover, people were advised not to be outside due to the extreme cold temperatures and concerns about exposure. GMG's technician was travelling on rural roads, often snow covered and subject to blowing snow, in the extreme conditions. He exercised an abundance of caution, balancing the need for emergency response with driving in a manner that was appropriate for conditions. Ultimately, the customer had a frozen regulator which the technician replaced when he was onsite. Had the technician driven too fast for conditions, it could have resulted in an accident that would not only

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have put the technician at risk, but would have put the customer at risk for an even further delayed response.

Similarly, with respect to the 89 minute response during inclement weather, the call came at 5:40 p.m. on December 10, 2017, which was a Sunday evening after dark. Earlier that week, significant snow resulted in over 400 motor vehicle accidents from the snow and intense wind conditions. Additionally, that weekend, Minnesota was experiencing dangerous, quick bursts of snow which, when falling on untreated roads, made the road conditions extremely slippery. GMG's technician responded to the emergency as quickly as he could while remaining safe under the road conditions and still responding to the customer in as timely a manner as possible. Since GMG's territory is primarily in rural areas, severe road conditions can play a substantial role in emergency response, particularly during late and/or weekend hours when roads are not receiving significant maintenance attention. Roads are often snow and ice covered due to drifting and compaction in GMG's service territory. GMG always strives to respond to emergency situations as quickly as possible. GMG also stresses safe practices, including safe driving practices, for its technicians at all times; and, sometimes in a Minnesota winter, conditions require slower travel to be safe.

With regard to the remaining four responses over 80 minutes (86, 90, 90 and 100), as indicated in GMG's report, response times were affected due to road construction. Two of those responses (86 – Monday mid-day, and 100 – Saturday morning) occurred on Labor Day Weekend; and, one (27 – Saturday morning) occurred on Memorial Day Weekend. Consequently, not only were the technicians' travels affected by construction-related delays, they were also affected by holiday traffic, further exacerbating travel delays. The remaining response (90), occurred when an emergency call was received at 6:24 in the evening. The on-call technical responded but encountered delays due to a road project detour. As Minnesota drivers are quite familiar with, road construction projects often have increased closures, detours, lane reductions, etc. over weekends and during the evening. Further, there is virtually no way to determine the impact that construction will have in advance of many situations. Where a road construction project is lengthy and GMG can adjust for the anticipated road conditions, it does so by considering technician placement and response. Unfortunately, GMG cannot anticipate the extent of every delay occasioned by road construction and, therefore, it cannot mitigate every such risk. GMG continues to strive for rapid emergency response and evolves as it has sufficient information to do so.

To be completed by responder

Response Date: July 2, 2018
Response by: Kristine Anderson
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Information Request**

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Type of Inquiry: General Response Due: 7/2/2018

Requested by: Adam Heinen
Email Address(es): adam.heinen@state.mn.us
Phone Number(s): 651-539-1825

Request Number: 4
Topic: Annual Service Quality Report
Reference(s): Page 9

Request:

In the above reference, the Company notes that one incidence of damage was caused by another utility. Please identify this utility and explain whether this utility compensated Greater Minnesota for the damage and any expenses incurred by Greater Minnesota. Please also provide a detailed accounting of any costs incurred by the Company.

If this information has already been provided in initial petition or in response to an earlier Department-DER information request, please identify the specific cite(s) or Department-DER information request number(s).

GMG RESPONSE:

The incident in question occurred when Bevcomm was installing line to a new construction home. The telephone utility hit a 1" service line that was near a main line. When the hit occurred, someone at the scene called emergency responders. A county emergency dispatcher then contacted GMG to advise it of the line hit. At that point, the fire department was already en route to respond to the line hit. The fire department responded, kinking and taped the line and rerouted traffic. GMG responded and made repairs. During its investigation of the underlying circumstances of the incident, GMG determined that the line was not properly located. Consequently, GMG did not request compensation from Bevcomm.

To be completed by responder

Response Date: July 2, 2018
Response by: Kristine Anderson
Email Address: kanderson@greatermngas.com
Phone Number: 507-665-8657

**Minnesota Department of Commerce
Division of Energy Resources
Information Request**

Docket Number: G022/M-18-314 Nonpublic Public
Requested From: Greater Minnesota Gas Date of Request: 6/22/2018
Type of Inquiry: General Response Due: 7/2/2018

Requested by: Adam Heinen
Email Address(es): adam.heinen@state.mn.us
Phone Number(s): 651-539-1825

Request Number: 5
Topic: Annual Service Quality Report
Reference(s): Page 9

Request:

Please explain in greater detail how pressure was lost resulting in a service interruption to 28 customers.

If this information has already been provided in initial petition or in response to an earlier Department-
DER information request, please identify the specific cite(s) or Department-
DER information request number(s).

GMG RESPONSE:

GMG respectfully notes that, as indicated in its Report, the pressure drop affected 20 customers. GMG was installing new main in a particular area to accommodate a road project. GMG planned its cutover near the end of its area line in order to mitigate the risk of service interruptions in the event of any unplanned consequences. When GMG was tying over the new main and installing a tap T, it blew out and the area had a one-way feed. When that happened, the only safe resolution was to pinch the line until a new portion of the line could be run. GMG immediately began notifying its customers and, as previously reported, had every affected customer safely using gas again with eight hours,

To be completed by responder

Response Date: July 2, 2018
Response by: Kristine Anderson
Email Address: kanderson@greatermngas.com
Phone Number: 507-665-8657

**Minnesota Department of Commerce
Division of Energy Resources
Information Request**

Docket Number: G022/M-18-314 Nonpublic Public
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Type of Inquiry: General Response Due: 7/2/2018

Requested by: Adam Heinen
Email Address(es): adam.heinen@state.mn.us
Phone Number(s): 651-539-1825

Request Number: 6
Topic: Annual Service Quality Report
Reference(s): Page 9

Request:

Please fully explain whether the major reportable event discussed in the above reference is related to the loss of pressure event noted in the Gas Service Interruption section of the Company's Report. If it does not, please fully explain the circumstances surrounding this reportable event.

If this information has already been provided in initial petition or in response to an earlier Department-DER information request, please identify the specific cite(s) or Department-DER information request number(s).

GMG RESPONSE:

The situation described in Response No. 5 did not constitute a major reportable event. The major reportable event occurred during the incident described in Response No. 4 when a telephone utility was installing line to a new construction build. The telephone utility hit a 1" service line that was near a main line. When the hit occurred, someone at the scene called emergency responders. A county emergency dispatcher contacted GMG to advise it of the line hit. At that point, the fire department was already en route to respond to the line hit. The fire department responded, kinking and taping the line and rerouted traffic. GMG technicians responded and made repairs. The traffic impact triggered the major reportable event status, as GMG chose to report the incident to MNOPS based on the actions of the fire department in rerouting traffic.

To be completed by responder

Response Date: July 2, 2018
Response by: Kristine Anderson
Email Address: kanderson@greatermngas.com
Phone Number: 507-665-8657

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce
Comments**

Docket No. G022/M-18-314

Dated this 31st day of July 2018

/s/Sharon Ferguson

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_18-314_18-314
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_18-314_18-314
Ian	Dobson	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_18-314_18-314
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_18-314_18-314
Brian	Gardow	bgardow@greatermngas.com	Greater Minnesota Gas, Inc.	PO Box 68 Le Sueur, MN 56058	Electronic Service	No	OFF_SL_18-314_18-314
Nicolle	Kupser	nkupser@greatermngas.com	Greater Minnesota Gas, Inc.	202 South Main Street P.O. Box 68 Le Sueur, MN 56058	Electronic Service	No	OFF_SL_18-314_18-314
Greg	Palmer	gpalmer@greatermngas.com	Greater Minnesota Gas, Inc.	PO Box 68 202 South Main Street Le Sueur, MN 56058	Electronic Service	No	OFF_SL_18-314_18-314
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_18-314_18-314