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July 5, 2013

**VIA ELECTRONIC FILING**

Dr. Burl W. Haar  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, Minnesota 55101-2147

RE: Reply Comments  
Docket No. G022/M-13-362.

Dear Dr. Haar:

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) 665-8657 and my email address is kanderson@greatermngas.com.

Sincerely,

**GREATER MINNESOTA GAS, INC.**

/s/ Kristine A. Anderson  
Corporate Attorney

Enclosure

cc: Service List

**STATE OF MINNESOTA**

**BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

Beverly Jones Heydinger	Chair
David C. Boyd	Commissioner
Nancy Lange	Commissioner
J. Dennis O'Brien	Commissioner
Betsy Wergin	Commissioner

In the Matter of Greater Minnesota  
Gas, Inc.'s Annual Gas Service  
Quality Report for the  
Calendar Year of 2012

MPUC Docket No. G022/M-13-362

**REPLY COMMENTS**

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**OVERVIEW**

Greater Minnesota Gas, Inc. ("GMG") submitted its Annual Gas Service Quality Report for the Calendar Year of 2012 ("Report") to the Minnesota Public Utilities Commission ("Commission") on May 1, 2013. Following a request for an extension of time to comment, on June 27, 2013, the Minnesota Department of Commerce, Division of Energy Resources ("Department") filed its Comments regarding the Report. The Department recommended that the Commission accept GMG's Report pending GMG's response to certain inquiries in its Reply Comments. This submission constitutes GMG's Reply to the Department's Comments.

**ISSUE SUMMARY**

In its Comments, the Department recommended acceptance of GMG's Report; however, it requested additional information with respect to three items, namely:

1. An explanation regarding the decrease in meter readings by GMG personnel;
2. An explanation regarding what the Department perceived as a significant increase in involuntary disconnects in 2012; and,
3. A discussion of how complaints are determined and classified by GMG personnel and GMG's provision of complaint data.

This Reply provides additional detail regarding each of the three issues identified by the Department. Additionally, GMG provides supplemental information for clarification purposes regarding the Department's assumption about customer deposits held by GMG.

## DISCUSSION IN REPLY

GMG appreciates the Department's recommendation that the Commission accept its Report. A close examination of the issues highlighted in the Department's Comments demonstrates that GMG provides exceptional and timely customer service to the rural Minnesota areas it serves and that it strives for attentiveness to customer needs and efficient operations. GMG respectfully requests that the Commission accept its Report.

### **1. GMG's Field Personnel Conducted Sufficient Meter Readings and Prepared to Address Additional Customer Needs.**

As reflected in the Report, there were three months (May, July, and September) during 2012 when some meters were estimated rather than actually read<sup>1</sup>. Residential natural gas usage during each of those three months was nominal; and, customer meters were read during the alternate months to insure appropriate billing. On June 1, 2012, approximately one-third of GMG's field personnel resources were dedicated to meter reading.

In 2012, GMG examined its service to customers and its company resources. GMG determined that one way to improve service to its customers was to have more of its personnel trained as emergency response gas technicians. Therefore, since residential customers' gas usage was trifling, often little more than zero, during May, July and September, GMG sent its meter readers to gas technician training in order to be better qualified to handle emergency situations. As a result of GMG's changes in that regard, the number of personnel available for emergency response capability more than doubled.

GMG's decision to estimate residential meters for some customers in three warm months enabled it to provide high customer service in multiple areas without adversely impacting the customers who were billed on the estimated meter usage. Selection of the months for residential estimation was based on load data from the Town Border Stations, historical information, and weather conditions; and, the only customers affected had greater than one year of billing history to use for predictive purposes. Each customer for whom meter estimation was done was notified on his or her monthly invoice that the billing was based on estimated information. Even through the warm period of the year, those residential meters were read every-other month to insure that customers were accurately billed. No customers complained about either the fact that their meters were estimated during those months or about the amounts that they were billed. In fact, GMG's practice in estimating some residential meters during the summer months was in keeping

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<sup>1</sup> . Although the data refers to the total number of "meters" billed, read and/or estimated, a more fitting label may be "meter readings," as each time a billing goes out for a metered customer, it is included in the total number of meters billed (e.g.—when one customer's meter is read every month, it counts as 12 meters read in the annual statistics). The Department may have misapprehended that number when it stated that GMG has 54,169 active meters on its system and that it was "able to read" 78.89 percent of "total system meters." The practical importance of that designation is to recognize that GMG did not leave meters for twenty-one percent of its actual customers wholly unread. Rather, GMG estimated the gas usage for approximately 3,800 residential customers in each of the three warm months in question.

with some of the recommendations made by customers in GMG's last rate case. Opting to estimate a limited amount of residential customer meters during nominal usage months enabled GMG to put its field personnel to work on other equally necessary tasks including restoration, field work, marking pipes in the right-of-way for snowmobile trails, responding to locate requests, undergoing emergency response training, etc., without compromising efficiency or increasing the ultimate cost to GMG customers. As such, its rationale for meter estimation during 2012 was sound, and GMG encourages acceptance of its Report.

## **2. GMG Did Not Have a Spike in Involuntary Service Disconnections During 2012.**

The Department alleged that GMG had several hundred involuntary service disconnections in the past three years, including nearly 500 in 2012. While GMG is uncertain as to how the Department reached its conclusion, GMG respectfully notes that perhaps the Department is misreading the meaning of some components in GMG's Cold Weather Rule reporting and/or has a mathematical error in its calculations.

Historically, GMG has had minimal involuntary service disconnections. In 2010, involuntary disconnection for non-payment occurred on 35 occasions. During 2011, that number decreased and only 17 involuntarily disconnections were made, as GMG tried a new approach and, rather than subjecting customers to involuntary disconnection, GMG tried working with affected customers to make payment arrangements and prevent disconnection. Unfortunately, a number of those customers failed to comply with payment arrangements. Accordingly, in 2012, GMG returned to the practice of involuntarily disconnecting service for non-payment as a last resort, and involuntary service disconnection happened 54 times. In 2010 and 2011, the number of involuntary service disconnections represented an average of less than one percent of GMG's residential customers. In 2012, the involuntary service disconnections represented an average of 1.3% of GMG's residential customer base. GMG does everything it can to work with its customers to maintain their service. Hence, GMG respectfully requests that the Department and the Commission consider its actual involuntary disconnection data, reflected in the table below:

### **Involuntary Disconnections**

2010	35
2011	17
2012	54

The weekly and monthly Cold Weather Rule reporting does not provide data that can simply be added together to identify a cumulative number of involuntary service disconnections. Rather, each report provides a snapshot of the included data for the relevant time period, some of which is likely carried over from the last reporting period. For example, during one eleven-week period, GMG's weekly reports indicate that two customers were, at that time, currently disconnected. That does not mean that two new customers were disconnected each week. Rather, as the report states, two customers were "currently disconnected." In the preceding week, the report indicated that three customers were "currently disconnected" and that there had been no reconnections that

week. During the first week of the referenced eleven week stretch, the weekly report indicated that two customers were “currently disconnected” and that one customer had been “reconnected this week.” Each of the remaining ten weekly reports in that period identified two customers currently disconnected and zero reconnections. There is no line item on the weekly report identifying *new* disconnections that week. GMG can only speculate that perhaps Department staff inadvertently used cumulative numbers from its Cold Weather Rule reports in arriving at its assertions regarding GMG’s involuntary disconnect totals. In preparing its Reply, GMG staff reviewed its historical reports to insure accuracy.

### **3. GMG Reported All Complaints in its Report Data.**

The Department was ostensibly concerned that GMG only provided complaint data for those complaints that “were escalated to a supervisor for response.” Therefore, the Department requested that GMG clarify how it classifies complaints and whether it is able to provide “complete complaint data.” However, the data that GMG provided is complete complaint data.

As explained in its Report, all calls to GMG are promptly answered by GMG’s customer service team. If a call comes in after-hours, it is routed to a live-answer professional answering service. As such, none of GMG’s customers have to navigate an automated system with a variety of prompt options. When a customer calls, it is not necessarily due to a complaint. GMG’s customer service representatives attempt to identify and meet each customer’s needs. In the vast majority of calls, the customer service representative can provide a response that answers the customer’s question or otherwise meets the customer’s needs. For example, if a customer has a question about his or her bill, the customer service representative explains the relevant billing entry and, generally, the customer is satisfied with the explanation and the customer’s needs have been met. GMG does not consider a customer inquiry to be a customer complaint and the call is logged and closed out. If, after speaking with a customer service representative, the customer requests that GMG take some type of action to address a particular situation, that is considered a customer complaint and it is automatically escalated to a supervisor with the authority to respond to the customer’s complaint. Therefore, all of the customer complaints that GMG receives are, by virtue of GMG’s customer service policy, escalated to a supervisor for proper handling; and, GMG provided complete complaint data in its Report, because all of those calls were reflected therein.

### **4. GMG Requires Customer Deposits to Reconnect Customers With a Poor Payment History.**

Although the Department did not request that GMG clarify information about its customer deposits in its Reply, the Department’s Comments indicate that it made an assumption about GMG’s customer deposits. Accordingly, in order to resolve any confusion, GMG takes this opportunity to clarify its customer deposit information. The Department is correct in its

assumption that GMG was holding three customer deposits, all newly acquired, in 2012.<sup>2</sup> GMG was not holding any other customer deposits in 2012. All three deposits were required from customers who sought reconnection and whose history with GMG demonstrated consistently poor payment and poor credit.

### **REQUEST FOR COMMISSION ACTION**

GMG's Report, as supplemented by this Reply, demonstrates its commitment to customer service and customer satisfaction. As recommended by the Department, GMG respectfully requests that the Commission accept its Annual Gas Service Quality Report for the Calendar Year of 2012.

Dated: July 5, 2013

Respectfully submitted,

/s/ Kristine A. Anderson  
Corporate Attorney  
Greater Minnesota Gas, Inc.  
202 S. Main Street  
Le Sueur, MN 56068  
Phone: 888-931-3411

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<sup>2</sup> . The Department's Comments refer to three newly acquired deposits in 2013, but GMG presumes that the Department meant 2012, since that is the scope of GMG's Report.

# CERTIFICATE OF SERVICE

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

**Greater Minnesota Gas, Inc.'s Reply Comments  
Docket No. G022/M-13-362**

filed this 5<sup>th</sup> day of July, 2013.

/s/ Kristine A. Anderson

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