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– VIA ELECTRONIC FILING –

March 6, 2018

Mr. Daniel Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

Re: **In the Matter of a Commission Investigation into Natural Gas Utilities’
Practices, Tariffs and Assignment of Cost Responsibility for Installation of
Excess Flow Valves and Other Similar Gas Safety Equipment**

Docket No. G-999/CI-18-41

Dear Mr. Wolf:

CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, hereby submits an initial filing on the above-captioned matter. Copies of this filing have also been served on those persons listed on the attached service list.

If there are any questions, please contact me at the email address below or at 612-321-5140.

Sincerely,

/s/

Lisa Randall
Regulatory Analyst
lisa.randall@centerpointenergy.com

STATE OF MINNESOTA
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION
121 Seventh Place East, Suite 350
St. Paul, MN 55101-2147

Nancy Lange	Chair
Dan Lipschultz	Commissioner
Matt Schuerger	Commissioner
Katie Sieben	Commissioner
John Tuma	Commissioner

In the Matter of a Commission Investigation into
Natural Gas Utilities' Practices, Tariffs and Assignment
of Cost Responsibility for Installation of Excess Flow
Valves and Other Similar Gas Safety Equipment

Docket No. G-999/CI-18-41

INITIAL FILING

INTRODUCTION

On February 6, 2018, the Minnesota Public Utilities Commission (the Commission) requested that all natural gas utilities make initial filings in the instant docket with comments on four topics related to excess flow valves. CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas (CenterPoint Energy or the Company), herein presents its comments on the matter.

PRESENT TARIFFS AND PRACTICES

In accordance with 49 CFR § 192.383(b), CenterPoint Energy installs excess flow valves (EFVs) on new and replacement service lines with loads of less than 1,000 standard cubic feet per hour (SCFH) whenever technically possible. The Company's Construction and Service Manual defines four situations when installation is not possible:¹

1. Prior experience indicates that contaminants in the gas stream could cause an EFV to malfunction
2. An EFV could interfere with necessary operation and maintenance activities on the service line, such as blowing liquids from the main line or service line
3. The service line is in an area where pressure drops under 10 pounds per square inch gauge (psig) during peak demand or seasonal usage periods

¹ These correspond to the four exceptions in 49 C.F.R. § 192.383(c) to customers' right to request EFVs.

4. No EFV meeting the required design standards is commercially available

The Company does not charge customers for EFVs on new or replacement service lines. Because the Company's tariff does not contain provisions specifically related to EFVs, installations on existing service lines would be governed by general provisions of Section VI of the Company's tariff:

- Item 5.07 requires customers to pay the costs of customer-requested alterations to service lines.
- Item 15.00 specifies that the work described in item 5.07 is charged on a time-and-materials basis unless it is a type of job for which standardized pricing has been assigned. (No standardized pricing has been assigned for EFV installation.)

Annually for at least the past ten years, the Company has distributed bill inserts to residential and business customers with information about the availability of EFVs. The 2017 bill insert is included as Attachment A. The Company occasionally receives customer inquiries about EFV installation on existing service lines, but has performed no such installations in the last five years.

SIMILAR GAS SAFETY EQUIPMENT

Other than EFVs, curb valves are the only devices of which the Company is aware which may be installed between main and meter to interrupt the flow of gas. A curb valve is different from an EFV in that it does not engage automatically; it requires an operator to open an access hatch and manually close the valve. In rules effective April 2017, the Pipeline and Hazardous Materials Safety Administration (PHMSA) established a requirement that any new or replaced service line with a flow rate of over 1,000 SCFH be fitted with either an EFV or a curb valve, but it did not extend this requirement to lower-flow-rate service lines such as those for single-family residences.² These service lines are still only required to have EFVs, and only required to have them when technically possible. No CenterPoint Energy customers who expressed interest in, but ultimately decided against, EFV installation have opted for curb valves as an alternative.

SOCIALIZATION OF COSTS

The Company believes its current EFV charging practices are appropriate. The costs of EFVs installed on new and replacement service lines should be socialized because their installation is required by PHMSA regulations; conversely, the costs of installing EFVs on existing service lines should not be socialized because they are not required under the regulations.³

² Pipeline Safety: Expanding the Use of Excess Flow Valves in Gas Distribution Systems to Applications Other than Single-Family Residences, 81 Fed. Reg. 199 (Oct. 14, 2016) (hereinafter Fed. Reg. Report).

³ "Although PHMSA determined that mandatory installation on all existing lines would not be cost-effective due to excavation and labor costs, some individual households might have a high willingness-to-pay for EFVs due to differences in risk aversion, rate of time preference, and other factors." Fed. Reg. Report, page 70996.

PAYMENT OPTIONS

In accordance with item 15.00 of its tariff, the Company requires payment before the initiation of customer-requested EFV installation in the amount of the estimated time and materials cost for the job. All customers, regardless of income status, are subject to this requirement.

CONCLUSION

CenterPoint Energy has provided these comments in response to the Commission's inquiry and is available for further follow-up, if requested.

Dated: March 6, 2018

Respectfully submitted,

CenterPoint Energy Resources Corp.,
d/b/a CenterPoint Energy Minnesota Gas

By: _____/s/

Lisa Randall
612-321-5140

How Excess Flow Valves Can Affect

YOU

Excess flow valves are devices that can be installed by CenterPoint Energy on your home's or business' natural gas service line (the underground line that runs from the main line to the meter). They are designed to restrict natural gas flow when it exceeds prescribed limits, such as when a service line is damaged due to excavation or other similar activity.

In this scenario, the excess flow valve activates to help prevent the buildup of gas — reducing the chance of natural gas fires and explosions, personal injury, and property damage. Excess flow valves are not able to protect against leaks beyond the meter assembly (i.e., your house piping).

With or without an excess flow valve, these damages can be avoided by following the law and calling 811 (or your local One Call Center) to mark the location of underground utilities at least 48 hours before excavation.

Federal law now requires excess flow valves to be installed on newly constructed or replaced natural gas lines, although some exceptions apply due to operating limitations. On existing service lines, it's up to the customer (that's you!) to choose to install one at his or her own expense. Cost can vary depending on how difficult the installation is, but most CenterPoint Energy customers can expect an average price of about \$800. Once installed, there is no cost to the customer to maintain.

Are you curious if your home or business has an excess flow valve? Want to learn more about having one installed? Contact CenterPoint Energy at the customer service phone number listed on your bill, or check out frequently asked questions at CenterPointEnergy.com/ExcessFlowValve.



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AFFIDAVIT OF SERVICE

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

Lisa Randall, being first duly sworn on oath, deposes and says she served the attached Initial Filing in Docket No. G-999/CI-18-41 via e-filing to all parties on the attached service list.

_____/s/_____
Lisa Randall

Subscribed and sworn to before me
this 6th day of March, 2018.

_____/s/_____
Mary Jo Schuh, Notary Public
My Commission Expires January 31, 2020

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