



505 NICOLLET MALL
MINNEAPOLIS, MN 55402

October 20, 2020

VIA ELECTRONIC FILING

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

RE: *In the Matter of the Formal Complaint and Petition for Relief by Greater Minnesota Gas, Inc. Against CenterPoint Energy Resources Corp d/b/a CenterPoint Energy Minnesota Gas*
Docket No. _____

Dear Mr. Seuffert:

CenterPoint Energy Resources Corp d/b/a CenterPoint Energy Minnesota Gas (“CenterPoint Energy” or “Company”) respectfully submits this letter response to the Formal Complaint and Petition for Relief (“Complaint”) filed by Greater Minnesota Gas, Inc. (“GMG”) on October 16, 2020, in order to provide further information to assist the Minnesota Public Utilities Commission (“Commission”) in its consideration of this matter.

In its Complaint, GMG correctly asserts that natural gas utilities in Minnesota do not operate in exclusive service territories, and that competition between natural gas utilities serves important policy objectives. Moreover, the Commission, in its Order in Docket No. G-999/CI-17-499 (“Competition Docket”), stated that some duplication of facilities may be necessary to provide adequate and reliable service at reasonable rates.¹ The Commission’s Order in that docket continues the case-by-case treatment of competitive disputes and provides a framework for analyzing duplication of facilities where utilities are competing for an established customer.

GMG asserts that CenterPoint Energy has violated state statute and Commission Order in three separate instances. This response will discuss each of these separate instances and apply the Commission’s framework from the Competition Docket where appropriate to demonstrate that there is no “unnecessary” duplication of facilities in these instances.

¹ *In the Matter of a Commission Investigation into Parameters for Competition Among Natural Gas Utilities Involving Duplication of Facilities and Use of Promotional Incentives and Other Payments*, Docket No. G-999/CI-17-499, Order, pg. 7.

TriFecta Truck Stop

As acknowledged in GMG's complaint, the TriFecta Truck Stop is a new construction project and currently unserved by any natural gas utility. Though it is true that GMG has facilities near the area where TriFecta is located, and GMG describes various conversations between GMG and the truck stop, in its complaint GMG states that the truck stop has not filled out an application for gas service with GMG. GMG has not built any facilities to serve the truck stop, and the truck stop is not an existing customer of GMG.

The Commission's Order in the Competition Docket provides as follows:

A Commission-regulated utility is prohibited from extending natural gas service to any customer who is already being served by another Commission-regulated utility through its existing facilities unless (1) the utility with the existing infrastructure does not seek to serve the customer, or (2) the utility seeking to extend service can demonstrate that it would not be duplicating the existing facilities of the other utility or that its duplication of the existing facilities is necessary to serve the customer or further the public interest.²

Since the truck stop is not a customer "already being served" by GMG, the Commission's prohibition does not apply in this case. CenterPoint followed its tariff regarding the economic feasibility of extending service to this customer and has finished construction of gas mains to serve the site. CenterPoint Energy has not extended any incentives of any kind to the customer and is offering standard gas service according to its tariff. Accordingly, no duplication of facilities, and no violation of the Commission's Order has occurred.

3625 Hoffman Road

GMG's Complaint alleges that CenterPoint Energy is planning to extend service to the property at 3625 Hoffman Road in Mankato. While referring to the site as an existing customer, GMG acknowledges that the property has been sold and will be transitioned from a residential home to a memory care center, and that this would involve new construction and installation of a new gas service.

Presumably new facilities will need to be installed to serve the new care center, but CenterPoint Energy notes that the case is not ripe for Commission decision. Neither CenterPoint Energy nor GMG (as stated in the GMG complaint) has received an application for gas service from this customer. CenterPoint Energy has not received any information regarding connected load, and it has not performed any analysis regarding whether it could serve this customer. CenterPoint Energy has not begun construction of any facilities to serve this customer. Since there has been no construction of any facilities, there is no basis for GMG's complaint in this instance.

Web Construction and 192nd Lane

GMG alleges that CenterPoint Energy is in the process of finishing construction on gas mains and services along 192nd Lane to provide natural gas service to two shop buildings owned by Web Construction, and to a residence owned by Jerry Williams, Web Construction's owner. GMG states

² *Id.*

that it provides natural gas service to these accounts, and to two other residential accounts along 192nd Lane.

CenterPoint Energy also has existing facilities located along 192nd Lane and we were in the process of installing gas main to serve these buildings, but we ceased construction upon the filing of GMG's complaint.

Importantly, CenterPoint Energy is extending its facilities at the request of Web Construction and Jerry Williams to serve a new facility on 192nd Lane being built by Web Construction that is currently unserved by any utility. CenterPoint Energy notes that GMG would also need to extend its facilities in order to serve this new account. Mr. Williams contacted CenterPoint Energy regarding providing natural gas service to this new account due to his longstanding relationship with the Company on other projects in the area. It is the strong preference of Mr. Williams that CenterPoint Energy also provide service to his other existing properties along the same street.

According to the Commission's Order in the Competition Docket, a natural gas utility may duplicate facilities to serve an existing customer of another natural gas utility if "its duplication of the existing facilities is necessary to serve the customer or further the public interest." In this case, CenterPoint Energy is further extending facilities necessary to serve a new building, and also the existing buildings associated with the customer, at the customer's request. Extending service to these accounts owned by Mr. Williams meets the economic feasibility test in CenterPoint Energy's tariff. As with the Trifecta Truck Stop, CenterPoint Energy has offered no promotional incentives of any kind, other than its ability to provide lower gas service rates via its tariff.

Although CenterPoint Energy was responding to a customer's request for service and no duplication of facilities would result from the installation of facilities to serve the new Web Construction shop, in light of Commission resources, and to prevent the time and expense of litigating and investigating this Complaint, CenterPoint Energy will cease the installation of facilities to the existing buildings located along 192nd Lane that are currently being served by GMG. While the analysis in the cases of the Trifecta Truck Stop and 3625 Hoffman Road accounts is straightforward as described above, the Company acknowledges that the facts for the 192nd Lane accounts present a more complicated and nuanced scenario focusing on public interest and customer choice. Therefore, CenterPoint Energy will halt construction to the accounts served by GMG on 192nd Lane and we request GMG to withdraw its Complaint and the Commission to dismiss these proceedings without taking further action.

Respectfully submitted,

/s/

Steven C. Clay
Senior Counsel

cc: Attached Service List

**STATE OF MINNESOTA
BEFORE THE PUBLIC UTILITIES COMMISSION**

Formal Complaint and Petition for Relief)
By Greater Minnesota Gas, Inc. Against)
CenterPoint Energy Resources Corp d/b/a)
CenterPoint Energy Minnesota Gas for)
Violations of Minn. Stat. § 216B.01 and)
Commission Policy)

MPUC Docket No. _____

**CERTIFICATE OF
ELECTRONIC SERVICE**

Melodee Carlson Chang, on behalf of CenterPoint Energy Minnesota Gas, certifies she electronically served the attached letter response to the Formal Complaint and Petition for Relief filed by Greater Minnesota Gas, Inc. on all parties on the attached service list in Docket No. [unassigned], on October 20, 2020.

Dated: October 20, 2020

/s/ Melodee Carlson Chang

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Service List Member Information

Electronic Service Member(s)

Last Name	First Name	Email	Company Name	Delivery Method	View Trade Secret
Anderson	Kristine	kanderson@greatermngas.com	Greater Minnesota Gas, Inc. & Greater MN Transmission, LLC	Electronic Service	No
Bjorklund	Brenda A.	brenda.bjorklund@centerpointenergy.com	CenterPoint Energy	Electronic Service	No
Carlson Chang	Melodee	melodee.carlsonchang@centerpointenergy.com	CenterPoint Energy	Electronic Service	No
Chilson	Cody	cchilson@greatermngas.com	Greater Minnesota Gas, Inc. & Greater MN Transmission, LLC	Electronic Service	No
Clay	Steven	Steven.Clay@CenterPointEnergy.com	CenterPoint Energy Minnesota Gas	Electronic Service	No
Commerce Attorneys	Generic Notice	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	Electronic Service	No
Ferguson	Sharon	sharon.ferguson@state.mn.us	Department of Commerce	Electronic Service	No
Gardow	Brian	bgardow@greatermngas.com	Greater Minnesota Gas, Inc. & Greater MN Transmission, LLC	Electronic Service	No
Kupser	Nicolle	nkupser@greatermngas.com	Greater Minnesota Gas, Inc. & Greater MN Transmission, LLC	Electronic Service	No
Lee	Amber	Amber.Lee@centerpointenergy.com	CenterPoint Energy	Electronic Service	No
Palmer	Greg	gpalmer@greatermngas.com	Greater Minnesota Gas, Inc. & Greater MN Transmission, LLC	Electronic Service	No
Residential Utilities Division	Generic Notice	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	Electronic Service	No
Seuffert	Will	Will.Seuffert@state.mn.us	Public Utilities Commission	Electronic Service	No

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