

November 5, 2020

Mr. Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 280
St. Paul, Minnesota 55101-2147

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. G022, G008/C-20-795

Dear Mr. Seuffert:

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

Formal Complaint and Petition for Relief by Greater Minnesota Gas, Inc. Against
CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas.

The Petition was filed on October 19, 2020 by:

Kristine Anderson
Corporate Attorney
Greater Minnesota Gas, Inc.
1900 Cardinal Lane
P.O. Box 798
Faribault, Minnesota 55021

As discussed in the attached Comments, the Department responds to the questions included in the Minnesota Public Utilities Commission's (Commission's) *Notice of Comment Period* issued October 23, 2020, and recommends that the Commission investigate the complaint. The Department is available to answer any questions that the Commission may have.

Sincerely,

/s/ JOHN KUNDERT
Financial Analyst

JK/ar
Attachment



Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. G022, G008/C-20-795

I. PROCEDURAL HISTORY

On October 19, 2020, Greater Minnesota Gas, Inc. (GMG) submitted to the Minnesota Public Utilities Commission (Commission) a formal complaint (Complaint) against CenterPoint Energy Minnesota Gas (CenterPoint). The Complaint alleges that CenterPoint plans to extend natural gas service to several premises that are currently receiving natural gas service from GMG and one new commercial premise (TriFecta Truck Stop). GMG alleges that CenterPoint's actions are inconsistent with the provisions of Minn. Stat. § 216B.01 and the Commission Order in Docket No G999/CI-17-499 (17-499 Order) regarding unnecessary duplication of facilities to serve another utility's existing customers.¹ GMG also posits that it has the exclusive right to provide natural gas service to all the premises that it is currently serving.

On October 20, 2020 CenterPoint filed a letter responding to GMG's Complaint. CenterPoint concluded that current Minnesota Statutes and the Commission's 17-499 Order allows CenterPoint to serve the new commercial premise (TriFecta Truck Stop). CenterPoint indicated that a decision on which utility should serve 3625 Hoffman Road is not yet ripe, since neither utility has received an application for service and no facilities to serve the customer have been constructed. Finally, CenterPoint indicated that it will cease construction associated with extending service to existing buildings along 192nd Lane that are currently being served by GMG (buildings owned by Web Construction and a residence). CenterPoint asked that GMG withdraw its Complaint.

On October 23, 2020, the Commission issued a *Notice of Comment Period*. The Notice provided for an initial comment period that closed on November 6, 2020 as well as a Reply Comment period that closes November 16, 2020.

II. NOTICE OF COMMENT PERIOD

The Commission listed five questions in its Notice.

A. DOES THE COMMISSION HAVE JURISDICTION OVER THE SUBJECT MATTER OF THIS COMPLAINT?

The Department believes that the Commission has jurisdiction over the subject matter of this complaint given the language of Minn. Stat. §216B.01. The Commission has addressed situations in

¹ ORDER ADOPTING STANDARDS GOVERNING COMPETITION AMONG NATURAL GAS UTILITIES issued September 19, 2018 in Docket No. G999/CI-17-499.

which natural gas utilities competed to serve certain customers in several past proceedings. Both GMG and CenterPoint agree that the Commission has jurisdiction.

B. IS IT IN THE PUBLIC INTEREST FOR THE COMMISSION TO INVESTIGATE THESE ALLEGATIONS?

It is in the public interest to investigate and determine how service should be provided to avoid unnecessary duplication of facilities. The Commission delineated an approach for determining the public interest in its 17-499 Order at page 11:

- Determining whether a utility is duplicating the facilities of another will be based on the nature, size and physical proximity of the new facilities relative to the other utility's existing infrastructure, as well as the extent to which the existing facilities need to be expanded to serve the customer.
- To establish that its duplication of existing facilities is necessary, a utility must show that (a) customer cannot obtain the natural gas service they need from the utility with the existing facilities; or (b) such duplication furthers the public interest based on (i) the needs of the customers who would be served by the utility extending service; (ii) the incremental capital expenditures associated with duplicating the existing facilities compared to any incremental capital expenditures needed to expand the existing facilities to serve the customers in question; (iii) any safety concerns associated with constructing and operating duplicative facilities; and (v) any other factors showing that the duplication would advance the public interest in adequate, reliable and economical access to natural gas service.

C. IF THE COMMISSION CHOOSES TO INVESTIGATE THE COMPLAINT, WHAT PROCEDURES SHOULD BE USED TO DO SO?

The Commission's investigation should proceed using the informal review process, unless contested material facts arise. The investigation should follow the framework set forth in the Commission's 17-499 Order. The Department expects that record development would include a comparison of the costs and benefits of serving the identified customers by each of the competing utilities. These cost-benefit analyses should consider the effects of either scenario on the following stakeholders:

- The competed-for customer,
- The shareholders of the customer's preferred utility,
- The shareholders of the non-preferred utility,
- The ratepayers of the preferred utility, and
- The ratepayers of the non-preferred utility.

D. DO THE PRINCIPLES SET FORTH IN THE COMMISSION'S SEPTEMBER 19, 2018 ORDER, IN DOCKET NO. G-999/CI-17-499, REGARDING THE UNNECESSARY DUPLICATION OF NATURAL GAS FACILITIES APPLY? IF SO, HAVE THE PRINCIPLES SET FORTH UNDER ORDERING PARAGRAPH 2 BEEN MET?

The Department concludes that the Commission's principles set forth in Ordering Paragraph 2 of the aforementioned Order do apply. However, the principles regarding the duplication of natural gas facilities have not yet been met.

From a company perspective, GMG is seeking to serve any and all existing and new customers in the area. There appear to be questions regarding the location of CenterPoint's existing facilities in the area as well as the extent of the duplication of facilities that would result if one or the other utility were to serve the identified new and existing customers. In addition, there are remaining questions about the cost and benefits related to extending the necessary facilities to the customers themselves and the resulting cost impact on the respective utility's ratepayers.

E. ARE THERE ANY OTHER ISSUES OR CONCERNS RELATED TO THIS MATTER?

None that the Department has identified as of this writing.

III. DEPARTMENT RECOMMENDATIONS

The Department concludes that the Commission has jurisdiction of the Complaint, and recommends that the Commission investigate. The investigation should be guided by the framework provided by the Commission's 17-499 Order.

/ar

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, G008/C-20-795

Dated this **5th** day of **November 2020**

/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. & Greater MN Transmission, LLC	1900 Cardinal Lane PO Box 798 Faribault, MN 55021	Electronic Service	No	OFF_SL_20-795_C-20-795
Brenda A.	Bjorklund	brenda.bjorklund@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	No	OFF_SL_20-795_C-20-795
Cody	Chilson	cchilson@greatermngas.com	Greater Minnesota Gas, Inc. & Greater MN Transmission, LLC	1900 Cardinal Ln PO Box 798 Faribault, MN 55021	Electronic Service	No	OFF_SL_20-795_C-20-795
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_20-795_C-20-795
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_20-795_C-20-795
Brian	Gardow	bgardow@greatermngas.com	Greater Minnesota Gas, Inc. & Greater MN Transmission, LLC	1900 Cardinal Ln PO Box 798 Faribault, MN 55021	Electronic Service	No	OFF_SL_20-795_C-20-795
Nicolle	Kupser	nkupser@greatermngas.com	Greater Minnesota Gas, Inc. & Greater MN Transmission, LLC	1900 Cardinal Ln PO Box 798 Faribault, MN 55021	Electronic Service	No	OFF_SL_20-795_C-20-795
Amber	Lee	Amber.Lee@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	No	OFF_SL_20-795_C-20-795
Greg	Palmer	gpalmer@greatermngas.com	Greater Minnesota Gas, Inc. & Greater MN Transmission, LLC	1900 Cardinal Ln PO Box 798 Faribault, MN 55021	Electronic Service	No	OFF_SL_20-795_C-20-795
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_20-795_C-20-795

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th Pl E Ste 350 Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_20-795_C-20-795