

## Staff Briefing Papers

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|--------------|---|-----------------|
| Meeting Date | October 24, 2019  | Agenda Item *12 |
| Company      | Greater Minnesota Gas, Inc.   |                 |
| Docket No.   | <b>G-022/M-19-304</b><br><b>In the Matter of Greater Minnesota Gas' Natural Gas Service Quality Report for 2018</b> |                 |
| Issues       | Should the Commission accept Greater Minnesota Gas' (GMG's) Natural Gas Service Quality Report?                     |                 |
| Staff        | Kevin O'Grady   | 651-201-2218    |

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### Relevant Documents

### Date

|   |                   |
|---|-------------------|
| <i>Order Accepting Report, Requiring Compliance Filing, and Setting Additional Reporting Requirements (Docket 18-314)</i> | April 12, 2019    |
| GMG: Service Quality Report for 2018  | May 1, 2019       |
| OAG: Comments   | June 17, 2019     |
| DOC: Comments   | June 17, 2019     |
| GMG: Reply Comments   | June 25, 2019     |
| DOC: Reply Comments   | September 9, 2019 |

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The attached materials are work papers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless noted otherwise.

## I. Statement of the Issues

Should the Commission accept Greater Minnesota Gas' (GMG's) Natural Gas Service Quality Report?

## II. Background

**On May 1, 2019**, GMG submitted its 2018 Natural Gas Service Quality Report (*Report*) pursuant to several Commission orders, and including information that is responsive to the most recent Commission order.<sup>1</sup>

**On June 17, 2019**, the Office of the Attorney General – Residential Utilities and Antitrust Division (OAG) filed comments.

**On June 17, 2019**, the Department of Commerce (DOC) filed comments.

**On June 25, 2019**, GMG filed reply comments.

**On September 9, 2019**, DOC filed reply comments.

## III. Introduction

The Commission requires five Minnesota natural gas utilities<sup>2</sup> to file annual service quality reports, and Staff has prepared a separate Briefing Paper to address each of the five 2018 submissions, individually. Those Briefing Papers focus on the content of the reports and their sufficiency, going toward the ultimate question as to whether the Commission should accept the reports.

Staff has also prepared a sixth Briefing Paper addressing an issue raised by OAG regarding future reporting. OAG submitted a single set of comments in all five individual dockets, those comments recommending that, in the future, the utilities file substantially more information regarding transmission and distribution system integrity.<sup>3</sup> OAG also recommends that the reporting format be standardized across the utilities. OAG did not make any recommendation as to whether the five individual reports should be accepted or not.

This Briefing Paper focuses on GMG's *Report*. GMG's *Report* comprises approximately ten pages of discussion supported by approximately 80 pages of numerical tables. In its comments DOC has summarized much of GMG's *Report* in a tabular form that includes historical information for most metrics. Staff has not duplicated those tables in this Briefing Paper.

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<sup>1</sup> Most recently, the Order in Docket 18-314 (April 12, 2019).

<sup>2</sup> Xcel Energy, CenterPoint Energy, Minnesota Energy Resources Corporation, Greater Minnesota Gas, and Great Plains Natural Gas.

<sup>3</sup> OAG believes CenterPoint Energy's reporting of system integrity information is a good model for the other utilities.

Note that the Commission has recently opened an investigation to explore the possibility of improving the reporting of involuntary disconnection data by utilities.<sup>4</sup> The results of that investigation may affect future service quality report filing requirements.

## A. GMG's Report

### 1. Quality Metrics

GMG reported on a number of quality metrics, most of which it has addressed in previous annual reports:

| <b>Table 1: Location of Discussion in GMG Report and DOC Comments</b> |   |                            |
|---|---|----------------------------|
| <b>Quality Metrics</b>  | <b>Location of Discussion in Record</b> |                            |
|   | <b>GMG</b>                              | <b>DOC</b>                 |
| <b>Call Center Response Time</b>                                      | p. 2                                    | pp. 2-3                    |
| <b>Meter Reading Performance</b>                                      | p. 3                                    | pp. 4-5                    |
| <b>Involuntary Service Disconnections</b>                             | p. 3 and Attachment A                   | pp. 5-6,<br>(Reply, p. 6)  |
| <b>Service Extension Requests</b>                                     | pp. 3-5 and Attachment B                | pp. 6-10,<br>(Reply, p. 2) |
| <b>Customer Deposits</b>  | p. 5                                    | p. 10                      |
| <b>Customer Complaints</b>  | pp. 6-7                                 | pp. 11-12                  |
| <b>Gas Emergency Calls &amp; Responses</b>                            | p. 7-8                                  | pp. 12-13                  |
| <b>Mislocates</b>   | p. 8                                    | pp. 13-14                  |
| <b>Damaged Gas Lines</b>  | pp. 8-9                                 | pp. 14-16                  |
| <b>Service Interruptions</b>  | p. 9                                    | pp. 14-16                  |
| <b>MNOPS Reportable Events</b>  | p. 9                                    | p. 16                      |
| <b>Customer-Related O&amp;M Expenses</b>                              | p. 9                                    | pp. 16-17                  |
| <b>Additional Requirements: Integrity System Plans</b>                | (Reply, pp. 2-3 and Attachment B)       | (Reply, p. 2)              |
| <b>Additional Requirements: MNOPS Violation Remediation</b>           | (Reply, p. 3)                           | (Reply, p. 2)              |
| <b>Additional Requirements: MNOPS Violation Letters</b>               | (Reply, p. 3)                           | (Reply, p. 2)              |
| <b>Additional Requirements: Excess Flow Valves (EFVs)</b>             | (Reply, p. 3 and Attachment B)          | (Reply, p. 2)              |

<sup>4</sup> Docket No. E,G-999/CI-19-563. *In the Matter of a Commission Investigation to Explore Possible Improvements for Reporting Involuntary Customer Service Disconnection Data.*

## 2. Additional Requirements

In its Reply Comments, GMG provided information on four additional areas as required by the Commission in its order issued upon review of its 2017 service quality report. The Commission stated that GMG must file:

- a. the utility's filing under 49 CFR 192.1007 (e): integrity management plan performance measures; monitoring results; and evaluation of effectiveness in a manner to establish a baseline for ongoing reporting.
- b. a summary of any 2018 emergency response violations cited by MNOPS [Minnesota Office of Pipeline Safety] along with a description of the violation and remediation in each circumstance.
- c. the number of violation letters received by the utility from MNOPS during the year in question.
- d. a discussion of how to provide ongoing monitoring and metrics towards the deployment of Excess Flow Valves and manual service line shutoff valves pursuant to the Commission's order in Docket No. G-999/CI-18-41.<sup>5</sup>

With respect to integrity management plan reporting (requirement "a," above), GMG attached the reports that it had submitted to the US Department of Transportation pursuant to 49 CFR 192.1007(e).<sup>6</sup>

With respect to requirements "b" and "c," above, GMG stated that, in 2018, it had not been cited for any emergency response violations by MNOPS and that it had not received any violation letters.<sup>7</sup>

With respect to Excess Flow Valves (EFVs – requirement "d," above) GMG reported that it had installed 539 EFVs in 2018 and it estimated that it had installed a total of 4,436 EFVs by year end. With respect to Shut-Off Valves (SOVs) GMG reported that it had installed 9 SOVs in 2018 and it estimated that it had installed a total of 26 SOVs by year end.<sup>8</sup> GMG stated that:

While GMG appreciates the opportunity to discuss how to provide ongoing monitoring and metrics toward the deployment of excess flow valves and manual shutoff valves pursuant to the Commission's Order in Docket No. G999/CI-18-41, GMG notes that its affected customer numbers are negligible as compared to those of other utilities; and, as such, GMG believes that those utilities are better suited to develop workable and meaningful monitoring metrics related to the issue for the Commission's purposes.<sup>9</sup>

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<sup>5</sup> Order in Docket 18-314, April 12, 2019.

<sup>6</sup> GMG Reply Comments, Attachment B.

<sup>7</sup> GMG Reply Comments, p. 3.

<sup>8</sup> GMG Reply Comments, Attachment B, third page.

<sup>9</sup> GMG Reply Comments, p. 3.

## B. DOC Comments

DOC initially withheld its recommendation subject to the provision of additional information by GMG. DOC sought:

- Clarification of the identical data provided in the October and November 2018 Cold Weather Rule Reports and, if one of the monthly CWR Reports was reported in error, the Company should refile the corrected corresponding report in Docket No. E,G999/PR-18-2; and
- Clarification of whether the long extension time for an interruptible customer in July was the result of a construction delay on the part of the customer. If not, please provide a detailed discussion of why this delay occurred.<sup>10</sup>

## C. OAG Comments

OAG made no recommendation as to whether the Commission should accept the *Report*.

## D. GMG's Reply to DOC

GMG acknowledged a clerical error in its reporting of the Cold Weather Rule report for November 2018. GMG stated that the October report had been filed correctly. GMG filed the corrected report for November 2018 as Attachment A to its Reply.

In response to DOC's concern regarding the time it took (35 days) to extend service in July to an interruptible customer, GMG explained that:

The customer in question placed an early order for a service line for a grain drying facility, knowing that it would not require gas service to be available until October. GMG and the customer agreed that GMG would install the service line at some point during the summer as a function of construction scheduling such that the line would be installed when a crew was going to be in the same general area in order to maximize efficiency. The customer was quite pleased with the timing of the installation, as it was ultimately much earlier than the customer anticipated or needed the installation to be complete.<sup>11</sup>

## E. DOC Response to GMG

Upon review of GMG's Reply DOC recommended the Commission accept GMG's *Report*.

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<sup>10</sup> DOC Comments, p. 17.

<sup>11</sup> GMG Reply Comments, p. 2.

#### IV. Staff Analysis

Staff believes that GMG has met the Commission's reporting requirements and recommends the Commission accept GMG's *Report*.

GMG provided a corrected Cold Weather Rule report for November 2018. DOC recommended that GMG also file that document in Docket 18-2. GMG submitted that filing on June 25, 2019 as requested.

GMG addressed the Commission's four additional reporting requirements for 2018 (regarding system integrity planning, MNOPS violations, EFVs and SOVs) in its Reply Comments. However, the Commission was silent as to whether GMG must report that information in subsequent years (although it did make reference to "ongoing reporting" and "ongoing monitoring").<sup>12</sup> Although DOC was silent in this docket regarding those four requirements, it had offered recommendations in three other service quality report dockets<sup>13</sup> to, in 2019, to (1) require GMG to report the 49 CFR 192.1007(e) information and (2) to drop the requirement for EFV reporting in this docket given that the five utilities are required to submit reports regarding EFVs and SOVs in the EFV docket (18-41). In those other dockets DOC offered the following modifications to the ordering language of its initial order:<sup>14</sup>

- a. based on the utility's filing under 49 CFR 192.1007 (e) and the baseline information provided on May 1, 2019, an update of: integrity management plan performance measures; monitoring results; and evaluation of effectiveness ~~in a manner to establish a baseline for ongoing reporting.~~
- b. a summary of any [2019] emergency response violations cited by MNOPS along with a description of the violation and remediation in each circumstance.
- c. the number of violation letters received by the utility from MNOPS during the year in question.
- d. ~~a discussion of how to provide ongoing monitoring and metrics towards the deployment of Excess Flow Valves and manual service line shutoff valves pursuant to the Commission's order in Docket No. G-999/CI 18-41.~~

The Commission may wish to adopt this language here if it does so in the other service quality report dockets.

#### V. Decision Options

1. Accept GMG's *Report*.
2. Accept GMG's *Report* and modify the future reporting requirements as recommended by DOC to require GMG to file ...

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<sup>12</sup> Order in Docket 18-314, April 12, 2019.

<sup>13</sup> Dockets 19-300 (CenterPoint), 19-303 (MERC) and 19-305 (Xcel).

<sup>14</sup> Docket 18-314, April 12, 2019.

- a. based on the utility's filing under 49 CFR 192.1007 (e) and the baseline information provided on May 1, 2019, an update of: integrity management plan performance measures; monitoring results; and evaluation of effectiveness ~~in a manner to establish a baseline for ongoing reporting.~~
  - b. a summary of any [2019] emergency response violations cited by MNOPS along with a description of the violation and remediation in each circumstance.
  - c. the number of violation letters received by the utility from MNOPS during the year in question.
  - ~~d. a discussion of how to provide ongoing monitoring and metrics towards the deployment of Excess Flow Valves and manual service line shutoff valves pursuant to the Commission's order in Docket No. G-999/CI-18-41.~~
3. Accept GMG's *Report* and maintain the reporting requirements established in the 2017 service quality report:
- a. the utility's filing under 49 CFR 192.1007 (e): integrity management plan performance measures; monitoring results; and evaluation of effectiveness in a manner to establish a baseline for ongoing reporting.
  - b. a summary of any [2019] emergency response violations cited by MNOPS along with a description of the violation and remediation in each circumstance.
  - c. the number of violation letters received by the utility from MNOPS during the year in question.
  - d. a discussion of how to provide ongoing monitoring and metrics towards the deployment of Excess Flow Valves and manual service line shutoff valves pursuant to the Commission's order in Docket No. G-999/CI-18-41