

NOTICE OF COMMENT PERIOD

Issued: June 15, 2020

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

PUC Docket Number(s): G-999/CI-18-41

Comment Period: Initial comment period closes July 15, 2020 at 4:30pm

Reply comment period closes July 27, 2020 at 4:30pm

Comments received after the close of the comment period may or may not be considered by the Commission.

Issue: Status of the natural gas utilities' customer meeting plans for potential installation of EFV's or manual service line shutoff valves and related safety matters.

Topic(s) Open for Comment:

- Should the Commission accept the compliance reports in the March 31, 2020 filings?
- Are the utility outreach actions sufficient and adequate?
- Have the utilities sufficiently addressed safety concerns?
- Are there other issues or concerns related to this matter?

Background

On January 29, 2018, the Commission issued its ORDER APPROVING TARIFF CHANGES AND OPENING INVESTIGATION (January 29, 2018 Order),¹ to gather information related to EFVs regarding: 1) tariffs and customer notification practices; 2) any similar gas safety requirements on the jurisdictional zone of line customers may request of the utility; 3) the appropriate shares of installation costs split between the customer and other rate payers; and 4) payment options for customers, and particularly those of low-income.

¹ *In the Matter of the Petition of Great Plains Natural Gas Co. for Approval of Proposed Revisions to its Natural Gas Tariff to Comply with Federal Pipeline Safety Regulations 49 CFR Part 192.383, Docket No. G-004/M-17-625, and 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.*

On August 20, 2018, the Commission issued its ORDER FINDING THAT EXCESS FLOW VALVES COMPLY WITH FEDERAL REGULATIONS AND TAKING OTHER ACTIONS (August 20, 2018 Order), in this docket, finding that EFVs comply with federal regulations and requiring compliance filings. In this order, a number of issues were addressed including the following: 1) the utilities shall modify their EFV customer notices to clarify that once an EFV is installed, there is no cost to the customer to maintain it; 2) upon an EFV being installed upon a customer's request, the customer shall pay only for the costs of excavation and surface restoration related to the installation of the EFV; 3) within 120 days of this filing, each gas utility shall report the status of EFV and curb shut off valve installations; and 4) within 120 days, each utility shall report a plan for identifying and contacting key decision-makers of institutional customers about their right to have EFVs or curb valves installed.

On July 31, 2019 the Commission issued its ORDER ACCEPTING COMPLIANCE FILINGS, REQUIRING MERC TO SUBMIT ADDITIONAL INFORMATION, REQUIRING ANNUAL COMPLIANCE REPORTING, AND TAKING OTHER ACTION (July 31, 2019 Order). In this order, the Commission accepted the gas utilities compliance filings, required MERC to submit additional information, required all of the gas utilities to submit annual compliance reports, and directed that a planning meeting be held with the Minnesota Office of Pipeline Safety. The Commission also stated that:

To ensure continued progress by all of the natural gas utilities as to completion of the requirements discussed herein, the Commission will require each of the natural gas utilities to submit an annual compliance report listing its progress toward full compliance with Ordering Paragraphs 7a-c of the Commission's August 20 [2018] Order.

7. As part of the reports described above, each gas distribution utility that does not already have EFVs and manual service line shutoff valves on the entirety of its system shall establish a plan to identify and hold face-to-face meetings with the decision-makers of the following customers:

a. Within 120 days of this order, each gas utility must identify and provide a compliance filing that, at a minimum, identifies all the following customers within its service territory that do not already have EFVs (and are eligible under the Federal standards) or manual shutoff valves and are not within an area the utility plans to upgrade by 2025:

- K-12 public districts with school buildings in the utility's service territory;
- K-12 non-public schools with school buildings in the utility's service territory;
- Public and private universities and colleges;
- Hospitals; and
- Multi-unit residential and nursing facilities.

b. Within 120 days of this order, each gas distribution utility is required to establish and file a plan to have face-to-face meetings with the decision-maker of the customers identified above, eligible under the federal standard for EFVs, regarding the purpose of EFV and manual service line shutoff valves, along with the utility's installation policy, and estimated costs. After receipt of this compliance filing, the Commission's Executive Secretary will establish a schedule for comments and Commission approval.

c. The utility may propose in this compliance filing another method for limiting the visits to non-public schools, universities and colleges, and multi-unit residential and nursing facilities based on a size metric. The gas utility may propose as part of the plan a recovery mechanism for the additional requirements of this order which may include deferring costs to a regulatory account to be addressed in its next rate case or through its Gas Utility Infrastructure Cost Rider (GUIC) or another appropriate rider.

Further, CenterPoint and MERC recommended that the Commission hold a planning meeting to discuss the opportunities and limitation of EFVs and curb valves before requiring further communication with customers. CenterPoint stated that it does not agree with the need to hold face-to-face meetings with decision makers of specific customers since most of the customers do not meet federal standards for EFVs when service lines are replaced. MERC asserted that such outreach to customers for whom installation is not technically feasible would unnecessarily increase costs and potentially create confusion and uncertainty.

The Commission notes that the Department has already addressed CenterPoint's concern, as Ordering Paragraph 7b by its terms only applies to service lines "found to be eligible" under the federal standards. However, the Commission agrees that further education of the public regarding these and other important safety features is advisable.

The Commission will therefore convene a planning meeting to discuss EFVs, curb valves, and related safety matters with the Minnesota Office of Pipeline Safety (MnOPS) to find ways to partner and coordinate on educating the public regarding expanding the use of these and other important safety devices on the gas distribution network. The convening of this planning meeting is in no way meant to allow for a delay in the utilities obligations to discuss EFVs and curb valves with the identified customers or any of the other obligations found in the Commission's August 20, 2018 Order.

On March 31, 2020, the gas utilities submitted compliance filings with the Commission providing updates on the progress of customer contact and outreach efforts. The

emergence of COVID-19 has slowed down or suspended these efforts due to social distancing requirements.

On June 2, 2020, the Commission held the required planning meeting with the Minnesota Office of Pipeline Safety and Commission-regulated natural gas utilities.

Filing Requirements: Utilities, telecommunications carriers, official parties, and state agencies are required to file documents using the Commission’s electronic filing system (eFiling). All parties, participants and interested persons are encouraged to use eFiling: mn.gov/puc, select *eFiling*, and follow the prompts.

Submit Public Comments:

Online: Visit mn.gov/puc, select Comment and follow the prompts

Email: consumer.puc@state.mn.us

U.S. Mail: Consumer Affairs Office
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul MN 55101

Full Case Record: See all documents filed in this docket via the Commission’s website at mn.gov/puc, select *Search eDockets*, enter the year (18) and the docket number (41), select *Search*.

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Questions about this docket or Commission process and procedure? Contact Commission staff, Jason Bonnett, at jason.bonnett@state.mn.us or 651-201-2235; or Andrew Larson at andrew.m.larson@state.mn.us or 651-201-2259.

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