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July 11, 2017

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

RE: Docket No. G004/M-16-357 (2015) &
G004/M-17-353 (2016)
Gas Service Quality
Reports - Reply
Comments

Dear Mr. Wolf:

Great Plains Natural Gas Co. (Great Plains) submitted its annual Gas Service Quality Reports for calendar years 2015 and 2016 On April 27, 2016 and April 24, 2017 respectively in the above referenced dockets. On June 30, 2017, the Minnesota Department of Commerce ("Department Comments") submitted comments regarding Great Plains' Reports. Great Plains respectfully submits the following Reply Comments in response to the Department comments

If you have any questions, regarding this filing, please contact me at (701) 222-7856, or Brian Meloy, at (612) 335-1451.

Sincerely,

/s/ Tamie A. Aberle

Tamie A. Aberle
Director of Regulatory Affairs

cc: Brian Meloy

STATE OF MINNESOTA
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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

In the Matter of Great Plains) Docket Nos. G004/M-16-357
Natural Gas Co.'s 2015 and 2016) and G004/M-17-353
Gas Service Quality Reports) Reply Comments of Great
) Plains Natural Gas Co.

Pursuant to the Minnesota Public Utilities Commission's ("Commission") January 18, 2011 Order Setting Reporting Requirements for service quality information in Docket No. G999/CI-09-409, Great Plains Natural Gas Co. ("Great Plains") submitted its Annual reports on April 27, 2016 for calendar year 2015 and on April 24, 2017 for calendar year 2016 in Docket Nos. G004/M-16-357 and G004/M-17-353, respectively. Great Plains respectfully submits the following Reply Comments in response to comments filed by the Minnesota Department of Commerce on June 30, 2017 ("Department Comments") in the above-referenced Dockets.

Service Interruptions

The Department Comments at page 12 noted an increase in the Company's average duration of outages in 2015, and in particular, the month of April with 8,640 minutes of interruption time. The Department requested Great Plains provide a discussion of this outlier, and an explanation for the increase in average duration time over the previous three years compared to the three-year period prior to 2014.

A review of the service interruptions outliers in 2015 shows the following contributors to the increase in average duration in minutes per outage.

- In April 2015, there was one service interruption attributed to Other Unplanned Causes due to a contractor that was installing guard rails and hit Great Plains' main and tore out locating wire. Due to the extensive damage caused by this line hit, Great Plains replaced the whole line. The one customer served off this line was in the process of remodeling their home and did not need gas service at the time. Therefore, the line was scheduled for replacement and completed approximately 6 days later.
- In June 2015 a contractor working for Great Plains hit a gas main affecting 2 customers. The line was repaired and service to one of the customers was reestablished within a 2 hour window. The absence of one of the affected customers from their home, at the time of the interruption, hindered the Company's ability to re-lite the customer's pilots after the repair to the main was completed causing the extended outage duration time of twenty-two hours.
- In August of 2015, a service line was hit on a Saturday, affecting 1 customer. Great Plains decided the current service line should be retired and a new service line installed. Locates were needed and completed and a new service line was installed upon consent of the customer to being without gas service. Gas service was reestablished in 72 hours.

By removing the three specific service interruptions noted above the average duration of outages in minutes in 2015 would be 143 minutes, or 2.4 hours.

Calendar year 2016 shows the following contributors to the increased average duration in minutes per outage.

- On October 11, 2016 an after hour's gas odor call was received. Service crew found the plastic service line had been severed in half and the

excess flow valve was snapped shut. Service tech squeezed off the line and made area safe that evening. Service crew returned the next day and repairs were completed. The paper work was not completed for another 24 hours, resulting in the reported interruption time in minutes.

- On October 26, 2016 the service tech received a call of gas odor and arrived within 15 minutes of dispatch and squeezed off the gas. The service line was broken under the driveway contributing to the duration of the service interruption in order to make the necessary repair. Service line repairs were completed in 8 hours.

By removing the two specific service interruptions noted above the remaining total interruptions average duration of outage in minutes reported in 2016 would be 156 minutes or 2.6 hours.

Great Plains also reported unique situations affecting the calendar year 2014 Service Interruptions in its June 10, 2015 Reply comments submitted in Docket No. G004/M-15-390 causing the average interruption time, as adjusted to be 151 minutes.

In summary, the increased duration in service interruptions for calendar years 2014-2016 were affected by unique circumstances as described above.

Great Plains also notes, the average duration in minutes for years 2011-2013 shown on Table 10 (page 12) of the Department Comments as restated by the Department to reflect interruption duration by outage are incorrect. Great Plains reported the total average duration of outages in minutes for 2011-2013 as 146, 222, and 308 minutes respectively¹, and not 68, 42 and 84 minutes as stated in the Department Comments. Also, the number of Outages Caused by Utility as stated in

¹ See Great Plains' Reply Comments submitted on July 12, 2012 in G004/M-12-442, Great Plains' 2012 Report submitted on May 1, 2013 in G-004/M-13-366 and Great Plains' 2013 Report submitted on April 22, 2014 in G-004/M-14-332.

Table 10 of the Department Comments should be 7 outages and not 79 outages in 2013.

	Outages Causes by Utility	Outages Unplanned Causes	Total Interruptions	Customers Affected	Average Duration (minutes) ¹⁹
2010	n/a	n/a	n/a	n/a	n/a
2011	22	3	25	113	68 146
2012	13	35	48	115	42 222
2013	79 7	22	29	221	84 308
2014	3	26	29	123	330
2015	9	25	34	250	551
2016	6	32	38	213	236

¹⁹ Previous reporting on this matter from the Department listed the average duration of outages in minutes per month, rather than per incident. The more informative metric on which to focus is the average time an outage lasts per outage. The Department notes that the historical observations have been changed to reflect interruption duration by outage.

When comparing years 2014-2016 to 2011-2013 as reported by Great Plains and removing the specific outliers noted above the current three year period, the average interruption duration is similar to the previous three year period.

On page 13 of the Department Comments the Department requested a complete explanation, including a supporting spreadsheet or allocation calculations regarding the allocation error reported on O&M expenses adjustment booked in September 2015 to correct the costs associated with credit and collection and customer service related expenses that were not being properly allocated to Great Plains and how the error was corrected.

Great Plains had not properly accounted for the costs associated with the credit and collection personnel and the customer service center for the period of 2014 through August 2015. Attachment A reflects the reallocation of these costs to the Great Plains

jurisdiction for calendar year 2015. Calendar year 2015 was corrected in September 2015 and the correct allocation was applied prospectively. O&M expenses are now being allocated to Great Plains Minnesota for the credit and collections function and the customer service center based on the correct customer factor resulting in approximately 7.5% of the total expenses allocated to Great Plains' Minnesota customers.

CONCLUSION

WHEREFORE, for the foregoing reasons, Great Plains respectfully requests that the Commission consider the reply comments expressed above and accept Great Plains' 2015 and 2016 Annual Gas Service Quality Reports.

Dated: July 11, 2017

Respectfully submitted,

By /s/ Tamie A. Aberle

Tamie A. Aberle
Director of Regulatory Affairs
Great Plains Natural Gas Co.,
a Division of MDU Resources Group
400 North Fourth Street
Bismarck, ND 58501

**Great Plains Natural Gas Co.
Gas Service Quality Annual Report
For the Calendar Year Ending December 31, 2015**

Customer Service Related Expenses

	Total	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Customer Service Related Expenses 1/	\$650,117	\$35,367	\$29,625	\$34,554	\$31,779	\$33,500	\$32,974	\$30,182	\$25,135	\$219,095	\$50,421	\$55,307	\$72,178

1/ FERC accounts 901 and 903 plus payroll taxes and benefits.

Customer Service Related Expenses WORKPAPER

	Total	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Gas O&M													
FERC Account 901	\$43,844	\$2,867	\$2,832	\$2,787	\$2,750	\$2,455	\$2,556	\$3,339	\$2,508	\$10,932	\$3,413	\$3,643	\$3,762
FERC Account 903	437,055	19,776	14,619	17,737	15,667	19,078	18,748	15,499	11,445	184,313	33,493	39,510	47,170
	<u>480,899</u>	<u>22,643</u>	<u>17,451</u>	<u>20,524</u>	<u>18,417</u>	<u>21,533</u>	<u>21,304</u>	<u>18,838</u>	<u>13,953</u>	<u>195,245</u>	<u>36,906</u>	<u>43,153</u>	<u>50,932</u>
Allocated 926 1/	169,218	12,724	12,174	14,030	13,362	11,967	11,670	11,344	11,182	23,850	13,515	12,154	21,246
Total	<u>650,117</u>	<u>35,367</u>	<u>29,625</u>	<u>34,554</u>	<u>31,779</u>	<u>33,500</u>	<u>32,974</u>	<u>30,182</u>	<u>25,135</u>	<u>219,095</u>	<u>50,421</u>	<u>55,307</u>	<u>72,178</u>

1/ Allocated on labor's % of total account.

GREAT PLAINS NATURAL GAS CO.
WORKPAPER REALLOCATION OF FERC ACCOUNTS 901 & 903 TO
GREAT PLAINS MINNESOTA JURISDICTION

FERC 901	Total		Total		GPNG MN
	YTD August	Adjustment	Sept Month	GPNG MN	Total for September
Locations requiring adjustment					
Straight time	\$99,572.16	\$7,443.69	\$12,696.69	\$949.16	\$8,392.85
Bonuses & Comm	1,324.95	99.05			99.05
Incentive Comp Accrual	2,359.84	176.41	(2,276.74)	(170.20)	6.21
Vacation & Other Non Prod.	1,564.76	116.98	63.50	4.75	121.73
Meals & Entertainment	590.68	44.16			44.16
Cellular Telephone	197.19	14.74	24.34	1.82	16.56
Seminars & Meeting Reg.	1,273.44	95.20			95.20
Other Employee Training	390.34	29.18			29.18
FERC 901	\$107,273.36	\$8,019.41	\$10,507.79	\$785.53	\$8,804.94
Direct GPNG			\$2,341.78	\$2,126.96	\$2,126.96
Total Adjustment					\$10,931.90
					GPNG MN
					Total for
					September
FERC 903	Total	GPNG MN	Total	GPNG MN	
Locations requiring adjustment	YTD August	Adjustment	Sept Month	GPNG MN	September
Straight Time	\$1,677,744.14	\$125,422.75	\$219,493.48	\$16,408.63	\$141,831.38
Overtime	26,783.46	2,002.25	6,519.60	487.38	2,489.63
Bonuses & Comm	66,684.84	4,985.14	-	-	4,985.14
Incentive Comp Accrual	40,622.65	3,036.82	(39,159.14)	(2,927.41)	109.41
Vacation & Other Non Prod.	26,589.94	1,987.78	1,099.36	82.18	2,069.96
Contract Services	53,173.40	3,975.07	15,119.68	1,130.30	5,105.37
Custodial Services & Supplies	4,659.02	348.29	608.76	45.51	393.80
Company Vehicles & Work Equipment	429.52	32.11	67.80	5.07	37.18
Commercial Air Services	2,453.31	183.40	190.93	14.27	197.67
Corporate Aircraft	3,079.50	230.21	157.07	11.74	241.95
Entertainment	-		219.41	16.40	16.40
Other Reimbursable Expense	2,625.24	196.25	1,254.65	93.79	290.04
Telephone	4,574.73	341.99	323.74	24.20	366.19
Cellular Telephone	53,005.39	3,962.51	2,985.50	223.19	4,185.70
Office Supplies	581.82	43.49	88.15	6.59	50.08
Utilities	5,148.44	384.88	583.12	43.59	428.47
Postage	5,068.91	378.94	786.63	58.81	437.75
Employee Meetings	2,364.97	176.80	243.78	18.22	195.02
Seminars & Meeting Reg.	46.34	3.46	-		3.46
Other Employee Training	1,782.79	133.28	99.00	7.40	140.68
Software Maintenance	979.03	73.19	61.60	4.61	77.80
Permits & Filing Fees	89,225.62	6,670.22	13,894.24	1,038.69	7,708.91
Computer Rental	67.65	5.06	-		5.06
FERC 901	36,614.61	2,737.19	5,473.59	409.19	3,146.38
	9,591.01	716.99	1,198.87	89.62	806.61
	\$2,113,896.33	\$158,028.07	\$231,309.82	\$17,291.97	\$175,320.04
Direct GPNG					8,993.45
Total Adjustment					\$184,313.49