

Minnesota Public Utilities Commission

Staff Briefing Papers

Meeting Date: **April 1, 2014***Agenda Item #8

Companies: Great Plains Natural Gas Company

Docket No. G004/M-12-442

In the Matter of Great Plains Natural Gas Company's 2011 Annual Gas Service
Quality Report

Issues: Should the Commission Accept Great Plains Natural Gas Company's Annual
Gas Service Quality Report?

Staff: Marc Fournier651-201-2214

Relevant Documents

Commission Order Setting Reporting Requirements
G-999/CI-09-409..... August 26, 2010

Commission Order Setting Reporting Requirements
(Great Plains Gas Company and Greater Minnesota Gas)
G-999/CI-09-409..... January 18, 2011

Great Plains Natural Gas Company's
Annual Service Quality Report..... May 1, 2012

Comments of the Minnesota Department of Commerce
Division of Energy Resources. June 29, 2012

Reply Comments of Great Plains Company. July 17, 2012

Minnesota Department of Commerce Letter. September 10, 2012

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Statement of the Issues

Should the Commission accept Great Plains Natural Gas Company's Annual Gas Service Quality Report for 2011?

Background

On April 16, 2009, the Minnesota Public Utilities Commission (Commission) opened an investigation into natural gas service quality standards and requested comments from the Interested parties in Docket No. G999/CI-09-409. During the August 5, 2010 Commission Meeting, Great Plains Natural Gas Company (Great Plains or Company) argued that, due to its size relative to Minnesota's larger regulated gas utilities, certain reporting requirements should be modified. The Commission's subsequent August 26, 2010 Order required Great Plains to submit proposals for natural gas service quality reporting by August 31, 2010.

The Commission took up Great Plain's proposal in which it requested alternative reporting requirements for two areas: call center response times and customer complaint reporting. The Commission met to consider GMG's proposal on December 21, 2010. The Commission issued its Order Setting Reporting Requirements on January 18, 2011. In this Order, the Commission determined that Greater Minnesota Gas must provide service quality information in generally the same manner as other Minnesota gas utilities. Additionally, the Commission required Great Plains to report the percentage of calls answered within 20 seconds. Also, the Commission required Great Plains to consult with other gas utilities on how to implement the complaint reporting requirement to avoid extending call center response times, and submit a proposal on the complaint reporting requirement within 60 days of the Commission's January 18, 2011 Order.

On April 25, 2011, Great Plains filed its calendar year 2010 Annual Service Quality Report. On March 6, 2012, the Commission issued an Order Accepting Reports and Setting Further Requirements in Docket No. G004/M-11-363.

On May 1, 2012, the Company filed its calendar year 2011 Annual Gas Service Quality Report (Report).

Great Plain Natural Gas Company (Great Plains) 2011 Gas Service Annual Report

1. Call Center Response Time/Average Speed of Answer & Percentage of Calls Answered Within 20 Seconds or Less

Standard: Each utility is required to report call center response time in terms of the percentage of calls answered within 20 seconds.

Great Plains: The reporting metrics are the total number of utility calls answered by Great Plains' representatives, the percent of calls answered within 20 seconds, and the average speed of answer.

This reporting requirement became effective for Great Plains January 1, 2011.

The percent of calls answered within 20 seconds or less was above 80% each month in 2011, with an annual average of 88%. In 2011 there were a total of 26,109 non-emergency calls answered. The average speed of answer for all calls was 33 seconds. The average speed of answer data includes all calls, including gas emergency telephone calls.

DOC: Great Plains also included information regarding the average speed that calls were answered and the number of calls received during 2011. In terms of the number of calls, Great Plains reported a total of 26,109 calls in 2011, and, on a monthly basis, the DOC did not observe any significant variations in call volume. The Company reported an average response time, on an annual basis, of 33 seconds. It is important to note that these data also include gas emergency calls, which are discussed separately below. It is unclear what, if any, impact the inclusion of these calls may have had on Great Plains' call center response data.

Since this is the first year that the Company has reported these data, the DOC is unable to determine whether the reported data is indicative of standard performance for Great Plains. The DOC will continue to monitor these data in future annual service quality reports and will make any necessary recommendations or conclusions when sufficient data are available.

2. Meter Reading Performance

Standard: Each utility shall report the meter reading performance data contained in Minn. Rules, part 7826.1400. The reporting metrics include a detailed report on meter-reading performance for each customer class and for each calendar month:

- The number and percentage of customer meters read by utility personnel;
- The number and percentage of customer meters self-read by customers;
- The number and percentage of customer meters estimated;
- The number and percentage of customer meters that have not been read by utility personnel for periods of 6 to 12 months and for periods longer than 12 months, and an explanation as to why they have not been read; and
- Data on monthly meter-reading staffing levels, by work center or geographical area.

Great Plains: This reporting requirement became effective for Great Plains January 1, 2011.

There were a total of 256,494 meter reads in 2011, of which 99.92% were read by utility personnel, with the remainder self-read by customers and eight estimated reads. Great Plains did not have any meters that went unread for more than 6 months. The average meter-reading staffing level for 2011 was seven people.

DOC: While reviewing the Company's meter reading data, the DOC did observe data regarding

staffing levels that require some clarification. Specifically, Great Plains reports an average of 5 meter reading employees for its North District and only 2 for its South District. The number of customers served by Great Plains for each district are fairly equal; therefore, the DOC recommends that the Company fully explain, in its Reply Comments, why the number of meter reading employees are different between the North and South districts.

Since this is the first year that the Company has reported these data, the DOC is unable to determine whether the reported data is indicative of standard performance for Great Plains. The DOC will continue to monitor these data in future annual service quality reports and will make any necessary recommendations or conclusions when sufficient data are available.

Great Plains: Great Plains uses two contract meter reading companies; one in the North District and a different one in the South District. The contracted companies are paid a flat rate per meter read and are expected to read 100% of the meters requested by Great Plains to be read, varying by day, cycle, and route. The staffing levels are determined by each contracted company.

3. Involuntary Service Disconnection

Standard: In lieu of reporting data on involuntary service disconnections as contained in Minn. Rules, part 7826.1500, each utility shall reference the data that it submits under Minn. Stat.216B.091 and 216B.096.

Great Plains: In 2011, Great Plains sent 7,911 disconnection notices and there were 1,293 customers whose services were disconnected for non-payment.

DOC: The majority of these disconnections occurred during the spring and summer months, which is expected given Minnesota's Cold Weather Rule (CWR) that is in place between October 15 and April 15. While reviewing the monthly CWR Reports, the DOC noticed that the number of past due residential accounts appear relatively high on a month-to-month basis. Specifically, approximately 8,000 residential accounts were past due each month compared to roughly 18,000 total residential customers. This proportion appears large; as such, the DOC recommends that Great Plains fully explain, in its Reply Comments, whether the amount of past due residential accounts in 2011 are representative of general operating conditions and what steps the Company is taking to decrease the number of past due residential accounts.

Great Plains Reply: Great Plains determined that the number of past due residential accounts reported on the Cold Weather Rule was incorrect. The corrected 2011 Cold Weather Rule Reports are attached to the Company's reply comments as Attachment A. The number of past due residential accounts on the corrected Reports represents the number of accounts in arrears over 30 days. The Company indicated that a Cold Weather Rule Report will be resubmitted to the Commission.

4. Service Extension Request Response Time

Standard: Each utility shall report the service extension request response time data contained in Minn. Rules, part 7826.1600, items A and B., except that data reported under Minn. Stat. §§216B.091 and 216B.096, subd.11, is not required.

a) The number of customers requesting service to a location not previously served by the utility and the intervals between the date service was installed and the later of the in-service date requested by the customer or the date the premises were ready for service; and

b) The number of customers requesting service to a location previously served by the utility, but not served at the time of the request, and the interval between the date service was installed and the date the premises were ready for service.

Great Plains: This reporting Requirement became effective for Great Plains January 1, 2011.

Great Plains had 139 new service extension requests and 1,857 renewed service extension requests in 2011. The average days to complete reported for new service extensions represents the time from receipt of the service line application to the date the meter was installed. The time between requested meter install date and date meter was installed is not available. Great Plains is investigating a means to collect the information necessary to determine this information.

Renewed service extension information includes locations previously disconnected for non-payment.

DOC: The Company provided two sets of data in its Report, the first dealt with service extensions to new meters, and the second dealt with service extensions to existing meters. In terms of the first group of data, Great Plains had a total of 107 residential new service extension requests and 32 commercial new service extension requests. On average, it took Great Plains 29 days to extend service to these residential customers and 23 days to extend service to these commercial customers. Great Plains explained that the number of days represents the time from receipt of the service line application to the date the meter was installed. The Company further stated that the time between a requested meter install date and the date the meter was installed is currently unavailable, but Great Plains is investigating means to collect this information. In its review of other utility service extension request data, the DOC has observed that the length of time to extend new service may appear long because the requested service date may occur before the structure is ready to receive natural gas service. This appears to be the case for Great Plains; therefore the DOC requests that Great Plains clarify, in its Reply Comments, whether delays caused by factors outside of the Company's control are incorporated into the reported average time needed for new service extension requests.

In terms of the second set of data, the Company had a total of 1,857 service extension requests to existing meters. The average number of days to complete these requests was one day. The Company explained in its Report that these data include locations that had been disconnected for non-payment; as such, these requests do not represent only "new" customers. Finally, Great Plains

stated that these data are not available at a customer-class level. The DOC notes that Great Plains is required to report service extension request data by customer class. Therefore, the DOC recommends that the Commission require the Company to provide service extension request data by customer class in future service quality report filings. Since this is the first year that the Company has reported these data, the DOC is unable to determine whether the reported data is indicative of standard performance for Great Plains. The DOC will continue to monitor these data in future annual service quality reports and will make any necessary recommendations or conclusions when sufficient data are available.

Great Plains Reply: Great Plains confirms that delays caused by factors outside of the Company's control are incorporated into the average time needed for new service extension requests in the Company's May 1st report. Specifically, Great Plains reported that the average time needed for new service extensions is greatly impacted by customer delays. The majority of the delays are related to the time between when customers initially request an extension of service to when the customer is ultimately ready for service. As noted by the DOC, Great Plains stated that the data for service extension requests to existing meters was not available at a customer class level. The DOC noted that Great Plains is required to report service extension request data by customer class and therefore recommended that the Commission require the Company to provide service extension request data by customer class in future service quality report filings.

Great Plains did not record the information necessary to report service extension requests to existing meters on a class basis in 2011, but will do so in 2012 for reporting in 2013.

5. Customer Deposits

Standard: Each utility shall report the customer deposit data contained in Minn. Rules, part 7826.1900.

Great Plains did not require a deposit as a condition of receiving new service in 2011.

DOC: The Company did not require a deposit as a condition of service for any customers during 2011.

6. Customer Complaints

Standard: Each utility shall report the customer complaint data contained in Minn. Rules, part 7826.2000.

Great Plains: This reporting requirement became effective for Great Plains January 1, 2011.

Great Plains records customer complaints that are escalated to a supervisor for response. There were seven complaints recorded in 2011, with one of those complaints submitted through the

Commission's Consumer Affairs Office.

DOC: Great Plains reported 7 during calendar year 2011. This is a very small number of complaints and the DOC commends the Company for the low number of complaints. However, the DOC is somewhat concerned by the small number since other Minnesota gas utilities generally report significantly greater numbers of complaints. Great Plains stated in its filing that it only reported complaints that were escalated to a supervisor for response, which may account for the small number of complaints reported in 2011. Given this, the DOC requests that Great Plains clarify and explain, in its Reply Comments, how it determines and classifies complaints and whether the information provided represents all complaints reported to the Company during 2011.

In addition, Great Plains included a sub-category of complaints labeled "Inadequate Service." This is a vague description; therefore, the DOC recommends that the Company fully explain, in its Reply Comments, what kind of complaints would be classified as "Inadequate Service."

The Company also provided data on the amount of time needed to resolve complaints and whether they were forwarded from another party, such as the Commission's Consumer Affairs Office (CAO). Great Plains reported that one complaint during 2011 was received from the CAO. Of the 7 complaints reported by Great Plains, 6 of the complaints were resolved immediately while the other complaint was resolved within 10 days. The DOC commends Great Plains for its efforts resolving complaints and hopes that it can meet, or exceed, this performance in the future.

Since this is the first year that the Company has reported these data, the DOC is unable to determine whether the reported data is indicative of standard performance for Great Plains. The DOC will continue to monitor these data in future annual service quality reports and will make any necessary recommendations or conclusions when sufficient data are available.

Great Plains Reply: Great Plains defines complaints as an issue or question that is not resolved by a frontline employee (customer service representative, collection representative, or service technician). Issues which cannot be resolved to a customer's satisfaction by frontline employees are given to the supervisor. It is at this level of interaction with the customer that Great Plains considers the call to be a complaint. Great Plains' practice is designed to filter out general customer questions and inquiries that can be resolved in short order to the customer's satisfaction from concerns that cannot be resolved to the customer's satisfaction. While Great Plains is willing to expand its definition of a complaint to include broader customer questions and inquiries not escalated to a supervisor, if directed by the Commission, Great Plains does not believe such information would meaningfully and accurately contribute to the Commission's evaluation of service quality. However, Great Plains will explore the feasibility of adding an electronic tracking system to capture all complaints.

Great Plains includes in the sub-category of "Inadequate Service", general complaints where the customer has expressed that he/she is dissatisfied with the level of customer service received from any Great Plains employee. This category is used by Great Plains as a "catch-all" for all complaints that do not align with other complaint categories.

7. Gas Emergency Calls and Response Time

Standard: Each utility shall report the data on telephone answering times to its gas emergency phone line calls.

Great Plains: In 2011, the percent of emergency calls responded to in less than one hour was 98% which was an improvement from the 96% rate in 2010. There were 506 total calls answered in 2011, a 13% decrease from 2010. The average response time in 2011 was 17 minutes.

DOC: For 2011, Great Plains reported 506 total gas emergencies, which is a decrease of 76 over the 582 emergencies reported in 2011. In terms of response time, the Company was able to respond to all but 8, or 1.6 percent, in less than one hour. This represents an improvement of 14 over the 22 emergencies that took more than an hour for response in 2010. The DOC acknowledges the improvement in response time between 2010 and 2011 and encourages the Company to continue improving its response time in the future.

In terms of monthly data, the DOC did not observe any months, or specific incidences, with unusually long response times. The DOC notes that May and June had average response times greater than 20 minutes. These months are not noticeably different than the average annual response time of 17 minutes, but the DOC encourages Great Plains to get all monthly average response times below 20 minutes.

8. Mislocates

Standard: Each utility shall report the data on mislocates, including the number of times a line is damaged due to mismarked or failure to mark a line.

Great Plains: Mislocates increased from one in 2010 to 6 in 2011. There were a total of 7,676 locate tickets in 2011, a 6.2% increase over 2010.

DOC: Great Plains reported a total of 6 mislocates in 2011 out of a total of 7,676 locate tickets. Of the 6 mislocate events, 1 was related to an unmarked line and 5 were related to mis-marked lines. The number of mislocates in 2011 is an increase of 5 over the 1 mislocate that was reported by the Company in 2010. Although there was an increase in the number of mislocates between 2010 and 2011, the numbers are relatively small. The DOC will continue to monitor this metric in future annual service reports and provide additional commentary if needed.

9. Gas System Damage

Standard: Each utility shall report data on the number of gas lines damaged. The damage shall be categorized according to whether it was caused by the utility's employees or contractors, or whether it was due to any other unplanned cause.

Great Plains: Gas system damages increased from 16 in 2010 to 30 in 2011. Of the 30 damages in 2011, only two were under the control of Great Plains' employees and contractors.

DOC: In 2011, Great Plains experienced 30 instances where its gas lines were damaged, which is an increase of 14 over the 16 incidences reported in 2010. Of the 30 damage events, only 2 were caused by Great Plains or its contractors and 28 were caused by other events. The Company also provided detailed MnOPS reporting documents detailing why the events happened and what type of pipes were involved (i.e., transmission, distribution). In terms of pipeline type, damage on the Great Plains system was restricted to its distribution network during 2011. The majority of damage incidences (22) were related to two categories: inadequate or incorrect one-call marking (18) or failure to support and protect facility (10). The marking and locating reason is self-explanatory; however, the DOC is unclear what "failure to support and protect facility" means. As such, the DOC requests that Great Plains provide, in its Reply Comments, a definition of "failure to support and protect facility." The increase in damage events between 2010 and 2011 is somewhat concerning; however, given the lack of historical data on this topic, it is still unclear if 30 events are atypical for Great Plains' system. The DOC will continue to monitor this metric in future service quality reports and recommends that the Company seek to minimize the number of damage events in the future.

Great Plains Reply: The category "failure to support and protect facility" originates from Common Ground Alliance Damage Information Reporting Tool (DIRT) and is defined as "facility failed due to lack of support in accordance with generally accepted engineering practices or instructions provided by the facility operator." Great Plains further defines this category as cases in which an excavator does not take due care in digging or working around the facilities after the facilities are exposed.

10. Gas Service Interruptions

Standard: Each utility shall report data on service interruptions. Each interruption shall be categorized according to whether it was caused by the utility's employees or contractors, or whether it was due to any other unplanned cause.

Great Plains: Great Plains has a total of 25 gas service interruptions in 2011 affecting a total of 113 customers. Three of these gas service interruptions were reportable to the Minnesota Office of Pipeline Safety (MOPS). Previously, Great Plains only reported gas service interruptions that were immediately reportable to MOPS.

DOC: For 2011, Great Plains reported 25 service interruptions, of which 22 were caused by Great Plains or its contractors and 3 were caused by other unplanned causes. In its previous report, Great Plains noted that no interruptions occurred in 2010. Great Plains stated in its Report that it previously only reported gas service interruptions that were immediately reportable to MOPS. Based on this increase in outages, the DOC requests that the Company fully explain, in its Reply Comments, what circumstances led to the increase in outages between 2010 and 2011 and whether

the data reported in 2010 is analogous to what was reported for 2011.

The DOC also reviewed the monthly data provided by Great Plains. The DOC did not observe any significant mass outages in the monthly data, but did, however, observe three months where the average duration of an outage was in excess of 200 minutes (i.e., 3 hours and 20 minutes). The DOC requests that Great Plains fully explain, in its Reply Comments, what events contributed to each of these long outages. Further, while reviewing the monthly average duration for the whole system, the DOC observed that the calculation is simply the addition of average outage time for residential and commercial. This calculation appears to be made in error; therefore, the DOC requests that the Company provide an updated average in its Reply Comments.

Great Plains Reply: The number of service interruptions reported in 2011 is not analogous to the number reported in 2010 as Great Plains previously only reported gas service interruptions that were reportable to MOPs, whereas in 2011, Great Plains reported all service interruptions at the direction of the Commission. Of the 25 service interruptions reported in 2011, only three were reportable to MOPS.

In July, Great Plains had two service interruptions where the outage duration was in excess of 200 minutes. In both instances, the service technician responded and shut off the gas within 10 minutes. The duration of the outages was prolonged due to the service technician having to wait to and go back later to gain access in order to relight the services affected. There was service interruption in August with a duration in excess of 200 minutes that should not have been included, as the line that fed a vacant premise and no customer was actually affected. There was one service interruption in September with a duration in excess of 200 minutes. In this instance, the service technician responded to a gas odor call and made the site safe by shutting off the gas within 20 minutes. The crew followed later in the day when available upon completion of previously scheduled projects to repair the line and restore service to the customer.

While reviewing the monthly average duration for the system as a whole, the DOC observed that the calculation appeared to be made in error and requested that Great Plains provide an updated total system average calculation.

Great Plains agrees with the DOC's observation that the total system average duration calculation reported by Great Plains is incorrect.

11. Emergency Response Time

Standard: Each utility shall report data on gas emergency response times and include the percentage of emergencies responded to within one hour and within more than one hour. CenterPoint, IPL, and MERC shall also report the average number of minutes it takes to respond to an emergency.

Great Plains: The average percent of calls answered within 20 seconds or less increased from 73.71% in 2010 to 79.97% in 2011. The average speed of answer also improved from 27 seconds in 2010 to 15 seconds in 2011. There were a total of 1,683 calls coming into the system as

emergency calls answered in 2011.

DOC: On an annual basis, Great Plains was able to answer 79.97 percent of its emergency line calls within 20 seconds, which is slightly below the prescribed 80 percent in 20 seconds standard for electric utilities. Great Plains was able to meet the reporting standard in 6 of the 12 months during 2011. In the months where Great Plains was unable to meet the reporting standard, it reported the following performance levels: April (79.10 percent), May (76.11 percent), June (76.14 percent), July (77.39 percent), September (69.33 percent), and November (79.89 percent). Based on the information in this Report, it would appear that Great Plains had the most difficulty meeting the reporting requirements during the summer and shoulder months. Although heating load is not significant during these months, the DOC is concerned that the Company has missed these metrics since the majority of general construction work occurs during the non-heating season months; as such, the threat of gas emergencies may increase. The DOC requests that Great Plains fully explain, in its Reply Comments, what steps it is taking to meet the prescribed emergency line reporting requirements on a going-forward basis. In addition, the DOC requests that Great Plains fully explain, in its Reply Comments, what circumstances led to the poor reporting performance in September 2011.

In terms of average speed of answer, Great Plains reported an annual average of 15 seconds per call. On a monthly basis, the Company did not report a month with average response times in excess of 20 seconds. The DOC is encouraged by this performance and hopes that the Company can maintain, or improve, its performance in future service quality reports. In terms of emergency calls, the Company reported 1,683 in calendar year 2011. Since this is the first year that these data has been provided, the DOC will continue to monitor this metric in future reports for any patterns or changes.

Great Plains Reply: The six months in which Great Plains did not meet the reporting standard, was impacted by the number of abandoned calls. Abandoned calls are part of the service level calculation and count as a call that is not answered within the service level even if the customer abandons before 20 seconds. For emergencies, abandoned calls are usually not the result of long hold times, but a result of the customer either choosing the wrong menu option or deciding their call is not an emergency and hanging up before a customer service representative has a chance to answer. During the week of September 12, 2011, Great Plains experienced a high abandoned call rate due to peak call volumes associated with the fall season and customers trying to get service through the emergency line instead of waiting for answer on the regular customer service line. Learning from this experience, Great Plains has prepared to more adequately handle “peak” volumes through training and the addition of an additional employee dedicated to answering Great Plains’ calls. While not directly affecting emergency call response times, Great Plains is in the process of implementing a self-service interactive voice response function (IVR) function that will allow customers to perform basic account functions such as obtaining their account balance, payment due date, date of last payment and in some cases schedule a payment plan. The IVR system will provide immediate service to customers selecting this option, which is expected to reduce the number of dropped calls on the emergency line by freeing up resources to handle other service related calls. Customers will still have the option to retrieve this basic account information

from a customer service representative and bypass the IVR system if they are more comfortable doing so.

12. Customer Service Related Operations and Maintenance Expenses

Standard: Each utility shall report customer-service related operations and maintenance expenses. The reports shall include only Minnesota-regulated, customer-service expenses based on the costs recorded in FERC accounts 901 and 903 plus payroll taxes and benefits.

Great Plains: Customer service related expenses decreased from \$367,196 in 2010 to \$349,451 in 2011. 2010 customer service related expenses included a one-time severance package payout of \$38,033 in January.

DOC: In 2011, Great Plains reported total service quality related O&M expenses of \$349,451, which represents a decrease of \$17,745 over the \$367,196 reported in 2010. On an average basis, the Company's 2011 expenses translates into approximately \$29,121 of O&M expenses per month. The DOC did not observe any significant shifts in costs between months and notes that the change in expenses between 2010 and 2011 is not large. As such, the DOC does not have additional comments on this topic at this time, but will continue to monitor this metric in future service quality reports.

Staff Analysis

The Company has addressed all of the issues raised in the DOC's comments. These include Meter Reading Performance, Involuntary Service Disconnections, Service Extension Response Times, Customer Complaints, Damaged Gas Lines, Gas Service Interruptions, and Emergency Response Times. As such, the DOC removed its conditional recommendation regarding the Company's report and now recommends that the Commission accept Great Plain's report. However, the DOC recommends that the Commission require Great Plains to begin reporting complaints in a manner that accounts for applicable calls to its customer service line.

Commission Options

1. Accept Great Plain's 2011 Gas Service Quality Report.
2. Do not accept Great Plain's 2011 Gas Service Quality Report.

Recommendation

Staff recommends that the Commission adopt alternative number 1.