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July 5, 2017

**VIA ELECTRONIC FILING**

Mr. Daniel P. Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
Saint Paul, MN 55101-2147

Re: **Reply Comments**  
**Annual Gas Service Quality Reports for 2015 and 2016**  
**Docket Nos. G022/M-16-383 and G022/M-17-336**

Dear Mr. Wolf:

Attached hereto, please find a copy of Greater Minnesota Gas, Inc.'s combined Reply Comments for filing in the above-referenced dockets. Since the Department combined its Comments, GMG followed suit in its Reply Comments.

All individuals identified on the attached service lists have been electronically served with the same.

Thank you for your assistance. Please do not hesitate to contact me should you have any questions or concerns or if you require additional information. My direct dial number is (507) 665-8657 and my email address is kanderson@greatermngas.com.

Sincerely,

**GREATER MINNESOTA GAS, INC.**

/s/

Kristine A. Anderson

Enclosure

cc: Service List

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# CERTIFICATE OF SERVICE

I, Kristine Anderson, hereby certify that I have this day served a true and correct copy of the following document to all persons at the addresses indicated on the attached list by electronic filing, electronic mail, or by depositing the same enveloped with postage paid in the United States Mail at Le Sueur, Minnesota:

**Greater Minnesota Gas, Inc.'s Reply Comments  
Docket Nos. G022/M-16-383 and G022/M-17-336**

filed this 5<sup>th</sup> day of July, 2017.

/s/ Kristine A. Anderson  
Kristine A. Anderson, Esq.  
Corporate Attorney  
Greater Minnesota Gas, Inc.

**STATE OF MINNESOTA**

**BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

Nancy Lange  
Dan Lipschultz  
Matt Schuerger  
Katie Sieben  
John Tuma

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

MPUC Docket Nos. G022/M-16-383  
and G022/M-17-336

In the Matter of Greater Minnesota  
Gas, Inc.’s Annual Gas Service  
Quality Report for the  
Calendar Years of 2015 and 2016

**REPLY COMMENTS**

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**OVERVIEW**

Greater Minnesota Gas, Inc. (“GMG”) respectfully requests that its Annual Gas Service Quality Reports for the Calendar Years of 2015 and 2016 be approved. GMG filed its reports on May 2, 2016 and May 1, 2017, respectively. The Minnesota Department of Commerce, Division of Energy Resources (“Department”) filed its Comments in Response to GMG’s Reports on June 22, 2017. This submission constitutes GMG’s Reply to the Department’s Comments.

**ISSUE SUMMARY**

In its Comments, the Department acknowledged that GMG provides strong customer service and that it complied with its reporting requirements to demonstrate that. In the interest of developing the record further and exploring a few isolated situations, the Department requested additional information regarding some particular reporting statistics. GMG appreciates the opportunity to respond to the Department’s Comments and concerns and discusses them herein. GMG’s Reply Comments address the following areas:

- Involuntary service disconnections
- Service extension times in the spring
- Two credits issued to customers in 2015
- Two extended emergency response times
- Mislocates resulting in damage

## DISCUSSION IN REPLY

GMG appreciates the Department's discussion and the concerns set forth in its Comments. GMG is also appreciative of the Department's recognition of the improvements in GMG's service quality reporting and the fact that GMG has provided additional detail to explain situations where it can. GMG believes that the explanations and information provided below will continue to provide assurance that its customer service performance is exemplary.

### **1. The Decrease in Involuntary Service Disconnections is Likely the Result of GMG's Continued Efforts to Minimize Delinquent Accounts.**

As the Department noted in its Comments, GMG increased its effort to address delinquent accounts beginning in 2014. Throughout 2014 and 2015, GMG consistently followed through with enforcement of involuntary service disconnections for delinquent accounts where it previously had not done so. GMG has remained consistent with applying its program to reduce delinquent accounts. GMG submits that its customers who previously had habitual delinquency issues have modified their behavior in response to learning that they will, indeed, face involuntary service disconnection if they do not make satisfactory payments and/or payment arrangements. Similarly, since GMG continues to utilize its program for reducing delinquent accounts, GMG's newer customers are conditioned to avoid delinquency. Hence, the number of involuntary service disconnections has decreased because there are fewer severely delinquent accounts.

### **2. Longer Service Extension Times in the Spring are the Result of Timing in Relation to the Construction Season.**

The Department questioned why service extension times were longer in March and April than they were later in the year. Generally, in order for construction to occur before the ground is thawed, a customer would be responsible for any frost charges that would be incurred, as special construction methods must be employed. While customers who request service extensions early in the year are given the option to have early construction, most opt to forego the frost charges and wait until the construction season begins after the spring thaw. Hence, service extensions often take longer to complete when the requests are made during the heating season and/or early in the year. GMG notes that it strives to begin service extensions as soon as time permits and crews begin construction.

### **3. GMG Uniformly Applies the Rates Dictated by its Tariff to its Customers and Ratepayers are Not Subsidizing Customer Credits.**

In its Comments, the Department intimated that GMG's decision to provide account credits to two customers might be considered unreasonably preferential to those customers or be discriminatory to other customers. It also suggested that the credits might jeopardize ratepayers following a future rate case. The Department requested that GMG address its concerns.

GMG recognizes that it must fairly and even-handedly apply its tariff, and it does so. As explained in its 2015 Report, the two credits that were given were extended to customers in the spirit of good faith and customer satisfaction. Although each of the two complaints stemmed from customers' concerns about costs passed on to them, neither credit was extended as a means to waive the extra footage and/or permit costs. In both cases, GMG felt that its representatives could have performed better and, had that been done, the customers' expectations would have been different.

With respect to the customer that was charged for extra footage, the initial estimate of the line was 360 feet, which included 110 feet of extra footage charges. The customer was charged, and paid, the entirety of what had been quoted for extra footage. Many factors can occur during construction that result in changes to the line. Ultimately, the service line for that customer was 408 feet long. Hence, there was an additional 48 extra feet that were not quoted. GMG notes that, although many utility companies automatically charge winter construction fees after October 1<sup>st</sup> of the year, GMG only charges them if there are actually conditions resulting in extra charges. GMG's tariff Section VI, 4.4 addressing winter construction specifically provides that winter construction charges will be individually determined. Upon review of the situation, GMG determined that its representative could have done a more careful job of measuring the line and identifying potential changes to it. Similarly, GMG determined that its representative could have, and should have, been clearer about how and when frost charges could be incurred. Because GMG determined that the billed amount that exceeded its original estimate was likely the result of its own representative's communication, GMG opted to credit the customer. The customer was not given preferential treatment, as GMG places its customer satisfaction above all else and accepts responsibility for its own mistakes. The total credit provided to the customer was \$750.98.

With respect to the customer that was credited after being dissatisfied with a permit fee being passed on, the service line installation necessitated obtaining a township permit that was not initially identified. Ergo, it had not been incorporated in the customer's initial quote. The customer questioned being charged for the permit after the fact. GMG left the charge for the permit on the customer's account. GMG did agree to credit the customer's account with a general credit in the amount of \$35 to offset the cost of the permit, as GMG's personnel had not initially advised the customer of the permit fee.

GMG respectfully submits that, while the need to extend credits in both cases was unfortunate, the total amount of the credits was negligible and will not impact any future rate case. The occasional need to extend customer credits is a normal cost of doing business and is a practice that is almost certainly engaged in by every other utility, as well. GMG utilized both circumstances as learning opportunities for its staff and best practices improvements were made for communicating with new customers regarding possible unforeseen costs. The minimal number of complaints historically, and the elimination of similar situations in 2016, demonstrates that the two situations in question were anomalies. GMG fairly and reasonably applies the provisions of its tariff to all customers.

#### **4. GMG's Emergency Responses Were Reasonable and GMG Ensures that it has Sufficient Emergency Response Personnel.**

The Department requested additional information regarding two emergency response situations in its Comments. With respect to the incident in which the technician responded in 94 minutes after responding to another call, GMG provides the following additional information. The geographic area in question was in an area where GMG and another utility both provide natural gas service. On the date in question, GMG received ten calls from the same general area regarding the smell of gas. Ultimately, they were the result of an odorant problem. GMG had multiple technicians responding to multiple calls that day. It was an unforeseen circumstance and is not representative of GMG's emergency response times which are consistently good.

With respect to the incident in which the technician responded in 88 minutes, the call came in at 10:02 p.m. and the technician was onsite by 11:30 p.m. The caller stated that there was a smell of gas on the road near her house that she noticed when driving. The technician responded as soon as he safely could, as he was driving on rural roads during the winter on an extremely cold night. The low temperature created intermittent icy conditions and the wind caused blowing and drifting snow. The technician balanced the report of gas smelled outside away from the home with the need to arrive at the scene safely and employed his best practices to respond.

GMG submits that the average response times empirically demonstrate that it has a sufficient number of geographically diverse emergency response personnel. GMG considers the location of technicians as one factor in its hiring decisions and ensures that it has sufficient technicians to respond to all areas of its territory in less than an hour given normal conditions. Even challenging conditions have not resulted in many extended response times; and, GMG respectfully submits that the negligible number of extended response times are understandable under the circumstances and represent isolated incidents. GMG remains committed to safety as demonstrated by the totality of the circumstances.

#### **5. GMG Appropriately Remediate Mislocating Issues to Prevent Future Damage.**

In its Comments, the Department requested that GMG explain how it responded to mislocating issues that caused two damage incidents in order to prevent similar situations in the future. One of the situations occurred when GMG's locating contractor incorrectly cleared a ticket. GMG met with the contractor reviewed all of its procedures and discussed GMG's expectations, and closely monitored the contractor's compliance. Additionally, the locator that had been assigned by the contractor no longer locates for GMG. Similarly, GMG met with its technician who incorrectly located a line that ultimately resulted in damage to review the incident, review proper locating procedures, and ensure that future locating was done correctly. Although that employee no longer works for the company, GMG continues its best practices education of its technicians. GMG regularly discusses procedure and safety issues, including proper locating methods, to maintain its superior level of performance. GMG respectfully submits that its mislocate rate, which is substantially lower than the industry standard, demonstrates that its locating program and training is generally successful. GMG strives to have zero mislocates each year.

## CONCLUSION

GMG is dedicated to the provision of excellent customer service and it is always striving for improvement. GMG's customers in each of its service areas are extremely appreciative of GMG's efforts to bring natural gas to their communities and they believe that GMG provides excellent service. GMG's customer service record is exemplary and GMG prides itself on providing personal customer service to every individual that contacts it—whether customer or not. While no utility or other business can ever provide absolutely perfect service, GMG continues to try. Since the issues discussed herein are isolated and not reflective of GMG's overall performance, GMG respectfully requests that the Commission approve its 2015 and 2016 Annual Service Quality Reports.

Dated: July 5, 2017

Respectfully submitted,

/s/  
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