

June 30, 2017

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

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**  
Docket Nos. G004/M-16-357 and G004/M-17-353

Dear Mr. Wolf:

Attached are the *Comments* of the Minnesota Department of Commerce, Division of Energy Resources (Department) in the following matter:

2015 and 2016 *Annual Gas Service Quality Reports (Report)* submitted by Great Plains Natural Gas Company, a Division of MDU Resources Group, Inc. (Great Plains or the Company).

The Reports were filed on April 27, 2016 and April 24, 2017 by:

Tamie Aberle  
Director of Regulatory Affairs  
Great Plains Natural Gas Company  
P.O. Box 176  
Fergus Falls, Minnesota 56538-0176

Based on its review of Great Plains' Report, the Department recommends that the Minnesota Public Utilities Commission (Commission) **accept** the Company's Report pending Great Plains' response in *Reply Comments*.

The Department is available to answer any questions that the Commission may have.

Sincerely,

/s/ DANIEL W. BECKETT  
Rates Analyst

DWB/lt  
Attachment



## Before the Minnesota Public Utilities Commission

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### Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket Nos. G004/M-16-357 and G004/M-17-353

#### I. 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 Minnesota Department of Commerce, Division of Energy Resources<sup>1</sup> (Department) and all Minnesota regulated natural gas utilities in Docket No. G999/CI-09-409 (09-409 Docket).<sup>2</sup> As a result, the gas utilities file annual reports on various service quality standards.

On April 26, 2016, and April 24, 2017, Great Plains Natural Gas Co. (Great Plains, GP, or the Company) filed its calendar year 2015 and 2016 *Annual Service Quality Reports*. These represent the sixth and seventh annual reports filed by Great Plains.

The Department provides its analysis of Great Plains' Reports below.

#### II. DEPARTMENT ANALYSIS

In its January 18, 2011 *Order* in the 09-409 Docket (09-409 *Order*), the Commission allowed Great Plains to delay providing certain information regarding various service quality metrics until the calendar year beginning January 1, 2011. As such, these Reports mark the fifth and sixth full calendar years for which the Company has provided data for all of the Commission's service quality reporting metrics.

Each year, the Department analyzes the information provided in the Report in the context of past reports. Overall, the Department identified no major concerns regarding Great Plains' 2015 and 2016 Reports. However, as discussed below, the Department requests that Great Plains provide a discussion in *Reply Comments* regarding the reasons for the significant increase in duration of service interruptions in 2015 and 2016, as well as a discussion and further

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<sup>1</sup> At the time the Commission opened this investigation, the Department was referred to as the Minnesota Office of Energy Security, or OES.

<sup>2</sup> Great Plains filed its 2010 Report in Docket No. G004/M-11-363, its 2011 Report in Docket No. G004/M-12-442, its 2012 Report in Docket No. G004/M-13-366, its 2013 Report in Docket No. G004/M-14-332, and its 2014 Report in Docket No. G004/M-15-390.

clarification concerning the increase in Customer Related O&M Expenses. The Department provides further detail on each reporting metric by discussing each separately below.

**A. CALL CENTER RESPONSE TIME**

Minnesota Rules, part 7826.1200<sup>3</sup> requires Minnesota’s electric utilities to answer 80 percent of calls made to the business office during regular business hours within 20 seconds. Consistent with this requirement, the Commission required the regulated gas utilities to provide in their annual service quality reports the call center response time in terms of the percentage of calls answered within 20 seconds.

As shown in Table 1 below, Great Plains was able to answer 80 percent, or more, of calls within 20 seconds, with an average of 83.17 and 82.83 percent of calls being answered within 20 seconds in 2015 and 2016, respectively.

**Table 1: Call Center Response Time**

|                   | <b>12 Mo. Avg.</b> | <b>Avg. Speed (Seconds)</b> | <b># of calls</b> |
|-------------------|--------------------|-----------------------------|-------------------|
| 2010 <sup>4</sup> | n/a                | n/a                         | n/a               |
| 2011              | 88.33%             | 35.00                       | 21,109            |
| 2012              | 89.33%             | 12.75                       | 24,571            |
| 2013              | 84.92%             | 21.25                       | 25,854            |
| 2014              | 87.50%             | 18.42                       | 30,466            |
| 2015              | 83.17%             | 12.33                       | 25,810            |
| 2016              | 82.83%             | 12.42                       | 21,924            |

**B. METER READING PERFORMANCE**

In its 09-409 *Order*, the Commission required Great Plains to report meter reading performance data in the same manner as prescribed in Minnesota Rule 7826.1400.<sup>5</sup>

As shown in Table 2 below, Great Plains reported average numbers of active meters on the system in 2015 and 2016 as 21,910 and 22,052, both larger numbers than was reported in 2014 (21,812). The vast majority of the Company’s customers were able to have their meters read by the Company over the previous two years (99.86 and 99.97 percent). Comparing these figures

<sup>3</sup> Titled *Call Center Response Time*.

<sup>4</sup> This requirement was applied beginning with the Company’s second (calendar year 2011) service quality report. Thus, not applicable (n/a) is used for 2010.

<sup>5</sup> Titled *Reporting Meter Reading Performance*.

to prior years, the average number of meters has increased, and the proportion of those read by the Company dipped in 2015 but increased in 2016. Part of this can be attributed to the Company's deployment of an Automated Meter Reading (AMR) system in its service area beginning in May 2015. As of December 2016, only four meters were without AMR. The average meter reading staffing level was reduced to three in 2016. Further, Great Plains reported no meters unread for more than six months for all of calendar years 2015 and 2016.

**Table 2: Meter Reading Performance**

|                   | <b>Avg. # of Meters</b> | <b>Percent Company Read</b> | <b>Percent Customer Read</b> | <b>Avg. # not Read in over 6 mo.</b> | <b>Staff Level</b> |
|-------------------|-------------------------|-----------------------------|------------------------------|--------------------------------------|--------------------|
| 2010 <sup>6</sup> | n/a                     | n/a                         | n/a                          | n/a                                  | n/a                |
| 2011              | 21,375                  | 99.92                       | 0.08                         | 0                                    | 7                  |
| 2012              | 21,506                  | 99.86                       | 0.09                         | 0                                    | 8                  |
| 2013              | 21,628                  | 99.91                       | 0.09                         | 0                                    | 10                 |
| 2014              | 21,812                  | 99.91                       | 0.09                         | 0                                    | 10                 |
| 2015              | 21,910                  | 99.86                       | 0.07                         | 0                                    | 6                  |
| 2016              | 22,052                  | 99.97                       | 0.00                         | 0                                    | 3                  |

**C. INVOLUNTARY SERVICE DISCONNECTIONS**

The Commission's 09-409 *Order* required the Company to provide involuntary service disconnection information as submitted under Minnesota Statutes §§ 216B.091 and 216B.096, which relate to the Cold Weather Rule (CWR).

As shown in Table 3, the Company reported 819 involuntary disconnects in 2015 and 649 in 2016, a decrease of 408 and 170 over the consecutive years. Over the last six years 6,241 involuntary disconnections have been reported by the Company, 2,871 of which have come in the months of May and June (approximately 46 percent), coinciding with the termination of the CWR in April.

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<sup>6</sup> Great Plains began reporting this metric in 2011.

**Table 3: Involuntary Service Disconnections**

|      | <b>Disconnect Notices Sent</b> | <b># of CWR Requests</b> | <b>CWR Requests Granted</b> | <b>% CWR Granted</b> | <b>Involuntary Disconnects</b> | <b>% Restored in 24 hrs.</b> |
|------|--------------------------------|--------------------------|-----------------------------|----------------------|--------------------------------|------------------------------|
| 2010 | 8,618                          | n/a                      | n/a                         | n/a                  | n/a                            | n/a                          |
| 2011 | 7,911                          | 30                       | 30                          | 100 %                | 1,293                          | 100 %                        |
| 2012 | 13,726                         | 22                       | 22                          | 100 %                | 1,093                          | 100 %                        |
| 2013 | 18,868                         | 29                       | 29                          | 100 %                | 1,160                          | 100 %                        |
| 2014 | 18,711                         | 10                       | 10                          | 100 %                | 1,227                          | 100 %                        |
| 2015 | 8,432                          | 18                       | 18                          | 100 %                | 819                            | 100 %                        |
| 2016 | 9,732                          | 12                       | 12                          | 100 %                | 649                            | 100 %                        |

**D. SERVICE EXTENSION REQUESTS**

In its 09-409 *Order*, the Commission required Great Plains to provide in its annual report service extension request information in the same manner as described in Minnesota Rule 7826.1600,<sup>7</sup> items A and B, except for information already provided in Minnesota Statutes §§ 216B.091 and 216B.096, subd. 11.<sup>8</sup> Two sets of data are presented in the report, one for new service extensions to properties previously not connected to the utility's system, and the second regarding connections of those properties previously connected to the system.

As shown in Table 4, in 2015 and 2016, the Company had 105 and 122 new residential connections and 35 and 23 new commercial connections, respectively. Based on the weighted average, it took Great Plains approximately 35 days to extend service to new residential customers in 2015 and 23 days in 2016, as well as 27 days in 2015 and 26 days in 2016 to extend service to new commercial customers. Residential new connections increased by 13 days in 2015 but decreased to a level in 2016 that was consistent with past observations at 23 days. Commercial connection times decreased both years, six days in 2015 and one day in 2016. In its Report, the Company explained that the number of days to extend service to a new address represents the time from receipt of the service line application to the date the meter was installed. As such, Great Plains' reported new service extension intervals include delays occurring that are outside the Company's control.

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<sup>7</sup> Titled *Reporting Service Extension Request Response Times*.

<sup>8</sup> Titled *Reporting*.

**Table 4: Service Extension Requests (New Customers)**

|      | Residential        |                                     | Commercial         |                                     |
|------|--------------------|-------------------------------------|--------------------|-------------------------------------|
|      | # of Installations | Weighted Avg. # of Days to Complete | # of Installations | Weighted Avg. # of Days to Complete |
| 2010 | 107                | 29                                  | 32                 | 20                                  |
| 2011 | 3,646              | 6                                   | 84                 | 11                                  |
| 2012 | 121                | 24                                  | 45                 | 25                                  |
| 2013 | 132                | 24                                  | 31                 | 18                                  |
| 2014 | 146                | 22                                  | 39                 | 33                                  |
| 2015 | 105                | 35                                  | 33                 | 27                                  |
| 2016 | 122                | 23                                  | 30                 | 26                                  |

As shown in Table 4(a) below, in 2015 and 2016, there were totals of 1,307 and 1,262 service requests from previously served residential and commercial customers. These numbers represent a decrease in the total observed in 2014 over consecutive years. Additionally, the weighted average number of days for completing the request was one.

**Table 4 (a): Service Extension Requests (Previous Customers)**

|      | Residential        |                                     | Commercial         |                                     |
|------|--------------------|-------------------------------------|--------------------|-------------------------------------|
|      | # of Installations | Weighted Avg. # of Days to Complete | # of Installations | Weighted Avg. # of Days to Complete |
| 2010 | 0                  | 0                                   | 1857               | 1                                   |
| 2011 | 354                | 7                                   | 16                 | 8                                   |
| 2012 | 1,047              | 1                                   | 679                | 1                                   |
| 2013 | 1,548              | 1                                   | 271                | 1                                   |
| 2014 | 1,569              | 1                                   | 272                | 1                                   |
| 2015 | 1,138              | 1                                   | 169                | 1                                   |
| 2016 | 1,051              | 1                                   | 211                | 1                                   |

*E. CUSTOMER DEPOSITS*

The Commission required each natural gas utility to provide in its annual service quality report data on the number of customers required to make a deposit as a provision of receiving service. In each of Great Plains’ previous reports, the Company indicated that no customers were required to make a deposit as a condition of receiving new service.

*F. CUSTOMER COMPLAINTS*

The Commission’s 09-409 *Order* required Great Plains to provide the total number of complaints received and the number of complaints resolved for each of seven complaint categories. Prior to 2013, Great Plains included in its data only calls escalated to a supervisor for resolution or forwarded to the Company by the Commission’s Consumer Affairs Office (CAO).

Regarding calls escalated to a supervisor for resolution, in 2015 and 2016, as shown below in Table 5, Great Plains reported 28 and 10, respectively. None of the complaints over the previous two years were forwarded to the Company by the CAO. Great Plains also provided data on the amount of time needed to resolve complaints. Of the complaints reported by Great Plains, 96 percent were resolved upon initial inquiry in 2015 and 100 percent in 2016.

**Table 5: Escalated Customer Complaints**

|                   | <b># of Complaints Escalated</b> | <b># From CAO to GP</b> | <b>% Resolved on Initial Inquiry</b> |
|-------------------|----------------------------------|-------------------------|--------------------------------------|
| 2010 <sup>9</sup> | n/a                              | n/a                     | n/a                                  |
| 2011              | 7                                | 1                       | 86%                                  |
| 2012              | 16                               | 0                       | 100%                                 |
| 2013              | 28                               | 1                       | 96%                                  |
| 2014              | 21                               | 2                       | 86%                                  |
| 2015              | 28                               | 0                       | 96%                                  |
| 2016              | 10                               | 0                       | 100%                                 |

Further, Table 5(a) below shows that of the 38 complaint calls that were escalated to a supervisor for resolution in 2015 and 2016, the Company resolved one by taking action the customer requested. Eight complaints were resolved through compromise with the customer, 20 (18 in 2015) complaints were resolved through demonstration that the situation was beyond

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<sup>9</sup> Great Plains began reporting this metric in 2011.

the control of the Company, and in seven instances the Company refused the customer's request. The percentages by complaint category are as follows:

**Table 5(a): Escalated Customer Complaints by Resolution Type**

|                    | <b>% Agree with Customer Action</b> | <b>% Compromise with Customer</b> | <b>% Demonstration</b> | <b>% Refuse Customer's Request</b> | <b>% Not Categorized</b> |
|--------------------|-------------------------------------|-----------------------------------|------------------------|------------------------------------|--------------------------|
| 2010 <sup>10</sup> | n/a                                 | n/a                               | n/a                    | n/a                                | n/a                      |
| 2011               | 0%                                  | 57%                               | 0%                     | 29%                                | 14%                      |
| 2012               | 13%                                 | 50%                               | 0%                     | 19%                                | 19%                      |
| 2013 <sup>11</sup> | 0%                                  | 4%                                | 4%                     | 0%                                 | 93%                      |
| 2014               | 0%                                  | 14%                               | 67%                    | 19%                                | 19%                      |
| 2015               | 4%                                  | 15%                               | 67%                    | 15%                                | 0%                       |
| 2016               | 0%                                  | 44%                               | 22%                    | 33%                                | 0%                       |

Beginning in 2014, Great Plains agreed to include all calls in the data received by the customer service center that were determined to be indicative of a concern and/or complaint rather than only the calls that were escalated to a supervisor. Great Plains' customer complaint data for 2015 and 2016 by complaint category are shown in Table 5(b):

**Table 5(b): All Customer Complaints by Resolution Type**

|      | <b># of Complaints</b> | <b>% Agree with Customer Action</b> | <b>Compromise with Customer</b> | <b>Demonstration</b> | <b>Refuse Customer's Request</b> |
|------|------------------------|-------------------------------------|---------------------------------|----------------------|----------------------------------|
| 2014 | 2,309 <sup>12</sup>    | 33%                                 | 10%                             | 52%                  | 5%                               |
| 2015 | 10,945                 | 25%                                 | 13%                             | 61%                  | 16%                              |
| 2016 | 10,056                 | 25%                                 | 7%                              | 66%                  | 24%                              |

<sup>10</sup> *Id.*

<sup>11</sup> Great Plains noted that it was unable to provide the categorization of all calls by type, resolution timeframe, or resolution type for 2013, but was making changes to be able to do so going forward. Filing in Docket No. G004/M-14-332, page 3.

<sup>12</sup> Great Plains noted that this number does not reflect all calls by type and resolution for 2014 but is provided to demonstrate the Company's continued effort towards meeting the requirements for all calls. Filing in Docket No. G004/M-15-390, page 3.



### G. GAS EMERGENCY CALLS

In its 09-409 *Order*, the Commission required Great Plains to provide information regarding the Company's emergency line response time. The Commission additionally required Great Plains to provide an explanation regarding its expectations for answer times and procedures employees currently follow for handling emergency calls. All utilities participating in the Service Quality Reporting Workgroup<sup>13</sup> agreed to provide their internal performance goal for answering gas emergency calls (x percent in x seconds).

In February of 2011, Great Plains started tracking the percentage of gas emergency calls answered within 20 seconds.<sup>14</sup> Therefore, the 2016 Report marks the sixth year that the Company has provided these data. Great Plains stated that it has an internal performance goal of at least 80 percent of calls answered within 20 seconds.<sup>15</sup> In 2015 and 2016, Great Plains was able to answer 80.66 and 81.98 percent of its emergency line calls within 20 seconds, each representing an improvement over their performance in 2014 where the Company did not meet its stated goal.

As shown in Table 6 below, Great Plains reported 1,397 total emergency calls in calendar year 2015 and 1,007 in 2016, representing a year-over-year decrease for consecutive years. The Company also reported an annual average response time of 15 seconds per call for 2015 and 12 seconds in 2016, both improvements over 2014.

**Table 6: Gas Emergency Calls**

|      | # of Gas<br>Emergency Calls | Average<br>Response Time<br>(seconds) | % of Calls Answered in 20<br>Seconds or Less |
|------|-----------------------------|---------------------------------------|--|
| 2010 | 582                         | n/a                                   | n/a  |
| 2011 | 1,683                       | 34                                    | 79.97%                                       |
| 2012 | 1,437                       | 13                                    | 83.75%                                       |
| 2013 | 1,421                       | 16                                    | 83.47%                                       |
| 2014 | 1,702                       | 19                                    | 78.89%                                       |
| 2015 | 1,397                       | 15                                    | 80.66%                                       |
| 2016 | 1,007                       | 12                                    | 81.98%                                       |

<sup>13</sup> Great Plains participated in the Service Quality Reporting Workgroup which met on June 22, 2012.

<sup>14</sup> Prior to 2011, Great Plains tracked emergency line response times as the percentage of calls answered within 30 seconds.

<sup>15</sup> Filings, page 5.

#### H. GAS EMERGENCY RESPONSE TIME

Regarding the response time to reported gas emergencies, the Company had 174 and 95 total calls to the gas emergency phone line in 2015 and 2016, a slight increase from 2014 followed by a decrease.<sup>16</sup> Over the two years, the Company was able to respond to nearly all of the calls within one hour – 99.43 percent of calls in 2015 and 94.74 percent in 2016. The average duration for these calls was 15 minutes in 2015 and 23 minutes in 2016.<sup>17</sup> The calendar year 2015 saw an improvement from the Company in terms of average response time. There were only two months, April and July, where average response times were longer than 20 minutes. However, in 2016, the Company’s performance in this area declined, as there were six months where the average response time exceeded 20 minutes. These data are shown in Table 7.

**Table 7: Gas Emergency Response Time**

|      | <b>Calls Received</b> | <b>% Calls Responded to in &lt;1 hour</b> | <b>% Calls Responded to in &gt;1 hour</b> | <b>Avg. Response Time (minutes)</b> |
|------|-----------------------|---|---|-------------------------------------|
| 2010 | 582                   | 96.22%                                    | 3.78%                                     | n/a                                 |
| 2011 | 506                   | 98.42%                                    | 1.58%                                     | 17                                  |
| 2012 | 367                   | 99.73%                                    | 0.27%                                     | 14                                  |
| 2013 | 289                   | 97.23%                                    | 2.77%                                     | 17                                  |
| 2014 | 159                   | 93.71%                                    | 6.29%                                     | 20                                  |
| 2015 | 174                   | 99.43%                                    | 0.57%                                     | 15                                  |
| 2016 | 95                    | 94.74%                                    | 5.26%                                     | 23                                  |

The Department encourages Great Plains to continue efforts to improve their monthly average gas emergency response time and the percent of emergency calls responded to in one hour or less.

#### I. MISLOCATES

The Commission’s 09-409 *Order* required Great Plains to provide data on mislocates, including the number of times a line is damaged due to a mismarked line or failure to mark a line.

<sup>16</sup> The reporting metric is the elapsed time between the time Great Plains was first notified of the emergency and the time that a qualified emergency response person arrives at the incident location and begins to make the area safe. Filing, page 3.

<sup>17</sup> According to Great Plains, the Company reports all calls coded as emergency calls including fire, gas odor, and line hits. Filing, page 4.

As shown in Table 8, Great Plains reported 14 mislocates in 2015 and 11 in 2016, both years representing an increase from 2014. Great Plains received 8,287 and 11,858 locate requests in 2015 and 2016, respectively, for total mislocate rates of 0.21 and 0.07 percent.

**Table 8: Mislocates**

|      | # of Locates | # of Mislocates | % of Mislocates | Mislocates per 1,000 Tickets |
|------|--------------|-----------------|-----------------|------------------------------|
| 2010 | 7,230        | 1               | 0.01%           | 0.14                         |
| 2011 | 7,676        | 6               | 0.12%           | 0.78                         |
| 2012 | 7,490        | 1               | 0.02%           | 0.13                         |
| 2013 | 6,867        | 14              | 0.18%           | 2.04                         |
| 2014 | 7,397        | 8               | 0.10%           | 1.08                         |
| 2015 | 8,287        | 14              | 0.21%           | 1.69                         |
| 2016 | 11,858       | 11              | 0.07%           | 0.93                         |

*J. DAMAGED GAS LINES*

The Commission's 09-409 *Order* required Great Plains to provide summary data on the number of gas lines damaged, including the number of lines damaged by the utility's employees or contractors, or any other unplanned cause.

As Shown in Table 9 below, in 2015 and 2016, Great Plains experienced 48 and 38 instances of damage to its gas lines, an increase of 10 from the 38 reported damages in 2014 but with a reversion in 2016. Of the 48 damage events in 2015, 11 (23 percent) were caused by Great Plains or the Company's contractors and the remaining 37 were caused by unplanned causes. Furthermore, in 2016, eight of the damage events (21 percent) came from the Company or its contractors. Additionally, the Company had 524 miles of line in 2015 and 522 miles in 2016, with ratios of 9.16 and 7.28 damage events per 100 miles of line, respectively. The 2015 ratio represents a spike in damage activity relative to the years 2013-2016. The miles of line on Great Plains' system have been fairly constant from report to report.

**Table 9: Damaged Gas Lines**

|                    | Utility | Unplanned Causes | Total | Miles of Line | Damage/100 Line Miles |
|--------------------|---------|------------------|-------|---------------|-----------------------|
| 2010 <sup>18</sup> | n/a     | n/a              | n/a   | n/a           | n/a                   |
| 2011               | 2       | 28               | 30    | 507           | 5.92                  |
| 2012               | 14      | 54               | 68    | 522           | 13.03                 |
| 2013               | 9       | 32               | 41    | 515           | 7.96                  |
| 2014               | 5       | 33               | 38    | 519           | 7.32                  |
| 2015               | 11      | 37               | 48    | 524           | 9.16                  |
| 2016               | 8       | 30               | 38    | 522           | 7.28                  |

Great Plains is also required to provide the same information provided to the Minnesota Office of Pipeline Safety (MNOPS) detailing the root cause of the events and the type of infrastructure involved (*i.e.*, transmission, distribution). The majority of damage incidences over the previous two years were related to the following categories:

- 2015
  - No Hand Digging/Hit While Excavating (11);
  - Locates Were Not Requested (8);
  - Marks Not Maintained by Excavator (7);
  - Not Marked (6); and
  - Mis-Marked (8)
- 2016
  - Failed to determine precise location (7);
  - No locates (6);
  - Failed to maintain clearance (6); and
  - Failed to maintain marks (5)

#### K. SERVICE INTERRUPTIONS

In its 09-409 *Order*, the Commission required Great Plains to provide summaries of all service interruptions caused by system integrity pressure issues and summary information about major incidents based on MNOPS incident reports.

Table 10 below shows that in 2015 and 2016, Great Plains reported 34 and 38 service interruptions, respectively. Of the 34 interruptions reported in 2015, 9 were caused by Great

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<sup>18</sup> Great Plains provided information regarding the total number of damage events in its 2010 *Annual Service Quality Report*, but did not classify each event by cause.

Plains, and of the 38 in 2016, 6 were the result of the Company. The remainder of interruptions over the two years were the result of other causes.

**Table 10: Service Interruptions**

|                    | <b>Outages Caused by Utility</b> | <b>Outages Unplanned Causes</b> | <b>Total Interruptions</b> | <b>Customers Affected</b> | <b>Average Duration (minutes)<sup>19</sup></b> |
|--------------------|----------------------------------|---------------------------------|----------------------------|---------------------------|--|
| 2010 <sup>20</sup> | n/a                              | n/a                             | n/a                        | n/a                       | n/a  |
| 2011               | 22                               | 3                               | 25                         | 113                       | 68   |
| 2012               | 13                               | 35                              | 48                         | 115                       | 42   |
| 2013               | 79                               | 22                              | 29                         | 221                       | 84   |
| 2014               | 3                                | 26                              | 29                         | 123                       | 330  |
| 2015               | 9                                | 25                              | 34                         | 250                       | 551  |
| 2016               | 6                                | 32                              | 38                         | 213                       | 236  |

As the data show, there was a sharp increase in average duration of outages in 2015. In particular, the month of April saw 8,640 minutes of interruption time, which the Company attributed to Other Unplanned Causes. The Department requests that Great Plains provide in its *Reply Comments* a discussion of this outlier, as well as an explanation for the increase in average duration time over the previous three years compared to the three-year period prior to 2014.

#### L. MNOPS REPORTABLE EVENTS

The 09-409 *Order* also required Great Plains to provide summaries of all major events that are immediately reportable to the MNOPS and provide contemporaneous reporting of these events to both the Commission and Department when they occur. In its 2016 filing, Great Plains stated, "There was one service interruption reportable to MNOPS in 2015."<sup>21</sup>

<sup>19</sup> 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.

<sup>20</sup> Great Plains filed 2010 service interruption data, but explained in its *Reply Comments* in Docket No. G004/M-12-442 that these data only include MNOPS reportable events and are not analogous to the data submitted in later Reports.

<sup>21</sup> Filing, page 6.

**Table 11: MNOPS Reportable Events**

|      | <b>Reportable Interruptions</b> |
|------|---------------------------------|
| 2010 | 0                               |
| 2011 | 3                               |
| 2012 | 0                               |
| 2013 | 1                               |
| 2014 | 0                               |
| 2015 | 1                               |
| 2016 | 0                               |

*M. CUSTOMER SERVICE RELATED OPERATIONS AND MAINTENANCE (O&M) EXPENSES*

In its 09-409 *Order*, the Commission also required Great Plains to report operation and maintenance (O&M) expenses related to customer service included in the Federal Energy Regulatory Commission (FERC) 901 and 903 accounts, plus payroll taxes and benefits.

As shown in Table 12 below, in 2015 and 2016, Great Plains reported total service-quality-related O&M expenses of \$650,117 and \$701,088, respectively, representing year-over-year increases from the 2014 figure of \$362,117, the increase in 2015 being approximately 79 percent. On an average basis, the Company's 2015 and 2016 O&M expenses were approximately \$54,176 and \$58,424 per month. In its 2016 filing, the Company noted the following:

Customer service related expenses increased from \$362,198 in 2014 to \$650,117 in 2015. In reviewing expenses for 2015 it was discovered that costs associated with credit and collection and customer service related expenses were not being properly allocated to Great Plains. In September 2015 an adjustment was made to account for this error reflecting a customer related expense amount of \$219,095 recorded in September 2015.<sup>22</sup>

The Department requests that Great Plains, in its reply comments, provide a complete explanation, including a supporting spreadsheet or allocation calculations, on this allocation error and how the error was corrected.

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<sup>22</sup> Filing, pp. 5-6

**Table 12: Customer Service Related O&M Expenses**

|      | O&M Total | O&M Average/Month |
|------|-----------|-------------------|
| 2010 | \$367,196 | \$30,600          |
| 2011 | \$349,451 | \$27,121          |
| 2012 | \$347,607 | \$28,967          |
| 2013 | \$364,517 | \$30,376          |
| 2014 | \$362,198 | \$30,183          |
| 2015 | \$650,117 | \$54,176          |
| 2016 | \$701,088 | \$58,424          |

### III. SUMMARY AND CONCLUSIONS

Based on its review of Great Plains' 2015 and 2016 *Annual Service Quality Reports*, the Department recommends that the Commission accept Great Plains' Reports pending the Company's response in *Reply Comments*. The Department requests that Great Plains provide a discussion in *Reply Comments* regarding the reasons for the significant increase in duration of service interruptions during in 2015 and 2016, as well as a detailed discussion concerning the reasons for the significant increase in Customer Related O&M Expenses in 2015 and 2016, including supporting calculations.

/lt

## **CERTIFICATE OF SERVICE**

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce  
Comments**

**Docket No. G004/M-16-357 and G004/M-17-353**

**Dated this 30<sup>th</sup> day of June 2017**

**/s/Sharon Ferguson**



| First Name | Last Name | Email                                | Company Name                       | Address  | Delivery Method    | View Trade Secret | Service List Name      |
|------------|-----------|--------------------------------------|------------------------------------|--|--------------------|-------------------|------------------------|
| Tamie A.   | Aberle    | tamie.aberle@mdu.com                 | Great Plains Natural Gas Co.       | 400 North Fourth Street<br>Bismarck,<br>ND<br>585014092            | Electronic Service | No                | OFF_SL_16-357_M-16-357 |
| Julia      | Anderson  | Julia.Anderson@ag.state.mn.us        | Office of the Attorney General-DOC | 1800 BRM Tower<br>445 Minnesota St<br>St. Paul,<br>MN<br>551012134 | Electronic Service | Yes               | OFF_SL_16-357_M-16-357 |
| Ian        | Dobson    | Residential.Utilities@ag.state.mn.us | Office of the Attorney General-RUD | 1400 BRM Tower<br>445 Minnesota St<br>St. Paul,<br>MN<br>551012130 | Electronic Service | Yes               | OFF_SL_16-357_M-16-357 |
| Sharon     | Ferguson  | sharon.ferguson@state.mn.us          | Department of Commerce             | 85 7th Place E Ste 280<br><br>Saint Paul,<br>MN<br>551012198       | Electronic Service | No                | OFF_SL_16-357_M-16-357 |
| Daniel P   | Wolf      | dan.wolf@state.mn.us                 | Public Utilities Commission        | 121 7th Place East<br>Suite 350<br>St. Paul,<br>MN<br>551012147    | Electronic Service | Yes               | OFF_SL_16-357_M-16-357 |

| First Name | Last Name | Email                                | Company Name                       | Address  | Delivery Method    | View Trade Secret | Service List Name      |
|------------|-----------|--------------------------------------|------------------------------------|--|--------------------|-------------------|------------------------|
| Tamie A.   | Aberle    | tamie.aberle@mdu.com                 | Great Plains Natural Gas Co.       | 400 North Fourth Street<br>Bismarck,<br>ND<br>585014092            | Electronic Service | No                | OFF_SL_17-353_M-17-353 |
| Julia      | Anderson  | Julia.Anderson@ag.state.mn.us        | Office of the Attorney General-DOC | 1800 BRM Tower<br>445 Minnesota St<br>St. Paul,<br>MN<br>551012134 | Electronic Service | Yes               | OFF_SL_17-353_M-17-353 |
| Ian        | Dobson    | Residential.Utilities@ag.state.mn.us | Office of the Attorney General-RUD | 1400 BRM Tower<br>445 Minnesota St<br>St. Paul,<br>MN<br>551012130 | Electronic Service | Yes               | OFF_SL_17-353_M-17-353 |
| Sharon     | Ferguson  | sharon.ferguson@state.mn.us          | Department of Commerce             | 85 7th Place E Ste 280<br><br>Saint Paul,<br>MN<br>551012198       | Electronic Service | No                | OFF_SL_17-353_M-17-353 |
| Daniel P   | Wolf      | dan.wolf@state.mn.us                 | Public Utilities Commission        | 121 7th Place East<br>Suite 350<br>St. Paul,<br>MN<br>551012147    | Electronic Service | Yes               | OFF_SL_17-353_M-17-353 |