



705 West Fir Avenue  
P.O. Box 176  
Fergus Falls, MN 56538-0176  
1-877-267-4764

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July 11, 2013

Dr. Burl Haar  
Executive Secretary  
Minnesota Public Utilities Commission  
121 East Seventh Place, Suite 350  
St. Paul, MN 55101

**Re: Review of 2012 Annual Service Quality Report  
Docket No. G004/M-13-366**

Dear Dr. Haar:

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 the annual report on May 1, 2013 for calendar year 2012. Great Plains respectfully submits the following Reply Comments in response to comments filed by the Minnesota Department of Commerce on June 26, 2013 in the above-referenced proceedings.

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**

Beverly Jones Heydinger	Chair
Dr. David C. Boyd	Commissioner
J. Dennis O'Brien	Commissioner
Betsy L. Wergin	Commissioner
Nancy Lange	Commissioner

In the Matter of 2012 Annual Gas	)	
Quality Report	)	Docket No. G004/M-13-366
	)	
	)	

**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 the annual report on May 1, 2013 for calendar year 2012. Great Plains respectfully submits the following Reply Comments in response to comments filed by the Minnesota Department of Commerce (Department) on June 26, 2013, in the above-referenced proceedings.

Involuntary Service Disconnections

At page 4 section C of its June 26 Comments, the Department noted that the number of past due residential accounts averaged nearly 25 percent of total residential accounts and exceeded 40 percent of total accounts in the first five months of 2012. The Department requested that Great Plains provide any observations, from the Company's perspective, that may account for the large percentage of past due accounts in the first five months of 2012.

Upon further investigation, Great Plains determined that the number of past due residential accounts reported on the Cold Weather Rule Reports was incorrect. Please see Attachment A for a revised Schedule 3 page 1 of 2. The number of past due residential accounts shown on the corrected schedule reflects the number of accounts in arrears over 30 days. It is important to note that 51 percent of those accounts are in the 31-60 day range. The revised schedule reflects, on average, 16 percent of residential accounts past due with only two months greater than 20 percent. This revised level of past due accounts is a slight improvement over 2011 levels, when an average of 18

percent of accounts were past due, and in only four months was the percentage of past due accounts above 20 percent of the total. The revised Cold Weather Rule Reports will also be resubmitted to the Commission.

#### Emergency Line Answer Times

At page 7 section G of its June 26 Comments, the Department noted the Company did not provide a description of its internal emergency line answer time performance goals in the Report. The Department requested that Great Plains provide this information, as described in the summary of reporting requirements agreed to by the workgroup.

Great Plains' internal goal is to meet or exceed 80 percent of all calls answered within 20 seconds, with a priority on gas emergency calls. The Company exceeded its internal goal by answering approximately 84 percent of emergency calls in 20 seconds or less with an average response time of 13 seconds in 2012.

#### Damaged Gas Lines

At pages 7 and 8 section I of its June 26 Comments, the Department noted that during the 2012 reporting period, Great Plains experienced 68 instances where its gas lines were damaged, an increase of 38 from the 30 incidences reported in 2011. In addition, the Department noted that the percentage of damages caused by Company employees and contractors nearly tripled from last year's report. The Department expressed concern over the increase in damage events between 2011 and 2012, the apparent trend of yearly increases in damage incidents, and the increase in damage events caused by the Company or its contractors. The Department requested that the Company explain whether it believes the number of damage incidents reported in 2012 was at a reasonable level. The Department also requested that the Company address the increase in the percentage of damage incidents attributable to Great Plains, including its plans for minimizing these damage incidents going forward.

Great Plains understands the Department's concerns over the increase in damage events that occurred on the Company's gas pipelines in 2012. A number of circumstances attributed to the increase: (1) The amount of work in and around the Company's pipelines increased in 2012. Multiple parallel projects were being performed in and around the Company's pipelines in the Public Right of Way, both by the Company and other entities, inherently increasing the exposure to damages. These projects

included several large communication installations, several road projects, and several PVC main and service replacement projects initiated by the Company. (2) Several of the damage events involved PVC pipelines. PVC plastic lines are more susceptible to damages while exposed than other pipeline material. (3) The absence of tracer wire for electronic locating in many of the Company's PVC lines.

The Company is working to prevent future damage in several ways. The Company has worked to educate the contractors working on projects that are in direct proximity to the pipeline, especially the contractors working to replace the PVC mains and services for Great Plains or other utility projects in the Right of Way. Also, a new locate technology has been deployed to determine the location for pipelines installed without tracer wire. This new technology, using an ultrasonic method, is in service this year to aid in the location of facilities and to minimize the exposure to damages.

Great Plains has been in discussions with the Minnesota Office of Pipeline Safety (MNOPS) regarding the damages that occurred in 2012 and measures that have been implemented to help mitigate damages going forward. As a prudent pipeline operator, Great Plains is dedicated to determining the cause of damages and to act on that information by putting into place methods, education, or systems to help prevent future damages.

#### Service Interruptions

At pages 8 and 9 section J of its June 26 Comments, the Department noted that Great Plains reported 48 service interruptions in 2012, an increase of 23 interruptions from 2011. The Department, while recognizing that service interruptions and line damages are often related, requested that Great Plains explain whether the service interruptions increase is tied to the increase in line damages, and if it is not, provide an alternate explanation for the increase.

The increase in service interruptions is directly attributable to the increase in damage events that occurred in 2012.

## CONCLUSION

WHEREFORE, for the foregoing reasons, Great Plains respectfully requests that the Commission consider the reply comments expressed above and accept Great Plains 2012 Annual Service Quality Report.

**Dated: July 11, 2013**

**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, 2012

Involuntary Service Disconnections - Revised

	Total	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1 Number of Residential Customer Accounts:	216,635	18,098	18,311	18,357	18,111	18,297	17,939	17,753	17,622	17,549	18,035	18,088	18,475
2 Number of Past Due Residential Customer Accounts:	35,182	2,525	2,586	3,099	2,988	3,075	3,591	3,576	3,556	3,082	2,399	2,399	2,306
3 Number of Cold Weather Protection Requests:	22	0	0	0	0	0	0	0	0	0	11	11	0
<b>Reconnection as of Cold Weather Months</b>													
4 Number of "Right to Appeal" notices mailed to customers:	0	0	0	0	0	0	0	0	0	0	0	0	0
5 <i>Intentionally Blank</i>													
6 Number of customer accounts granted reconnection <u>request</u> :	22	0	0	0	0	0	0	0	0	0	11	11	0
<b>Payment Schedule (PS)</b>													
16 Number of "Right to Appeal" notices mailed to customers													
a) Number of PS requests received	22	0	0	0	0	0	0	0	0	0	11	11	0
17 <i>Intentionally Blank</i>													
18 Number of PS negotiations mutually agreed upon:	22	0	0	0	0	0	0	0	0	0	11	11	0
19 <i>Intentionally Blank</i>													