

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Nancy Lange
Dan Lipschultz
Matthew Schuerger
Katie J. Sieben
John A. Tuma

Chair
Commissioner
Commissioner
Commissioner
Commissioner

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

SERVICE DATE: August 16, 2017

DOCKET NO. G-004/M-16-357;
G-004/M-17-353

In the Matter of Great Plains, 2015/2016 Annual Service Quality Reports

The above-entitled matter was considered by the Commission on August 10, 2017 and the following disposition made:

Accepted Great Plains' 2015 and 2016 service quality reports.

The Commission agrees with and adopts the recommendations of the Department of Commerce, which are attached and hereby incorporated into the order. This order shall become effective immediately.

BY ORDER OF THE COMMISSION



Daniel P. Wolf
Executive Secretary

This document can be made available in alternative formats (e.g., large print or audio) by calling 651.296.0406 (voice). Persons with hearing loss or speech disabilities may call us through their preferred Telecommunications Relay Service.

June 30, 2017

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th 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

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 Resources¹ (Department) and all Minnesota regulated natural gas utilities in Docket No. G999/CI-09-409 (09-409 Docket).² 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

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

² 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 7826.1200³ 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

	12 Mo. Avg.	Avg. Speed (Seconds)	# of calls
2010 ⁴	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 7826.1400.⁵

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

³ Titled *Call Center Response Time*.

⁴ 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.

⁵ 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

	Avg. # of Meters	Percent Company Read	Percent Customer Read	Avg. # not Read in over 6 mo.	Staff Level
2010 ⁶	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.

⁶ Great Plains began reporting this metric in 2011.

Table 3: Involuntary Service Disconnections

	Disconnect Notices Sent	# of CWR Requests	CWR Requests Granted	% CWR Granted	Involuntary Disconnections	% Restored in 24 hrs.
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 7826.1600,⁷ items A and B, except for information already provided in Minnesota Statutes §§ 216B.091 and 216B.096, subd. 11.⁸ 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.

⁷ Titled *Reporting Service Extension Request Response Times*.

⁸ 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

	# of Complaints Escalated	# From CAO to GP	% Resolved on Initial Inquiry
2010 ⁹	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

⁹ 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

	% Agree with Customer Action	% Compromise with Customer	% Demonstration	% Refuse Customer's Request	% Not Categorized
2010 ¹⁰	n/a	n/a	n/a	n/a	n/a
2011	0%	57%	0%	29%	14%
2012	13%	50%	0%	19%	19%
2013 ¹¹	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

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

¹⁰ *Id.*

¹¹ 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.

¹² 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 Workgroup¹³ 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.¹⁴ 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.¹⁵ 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 Emergency Calls	Average Response Time (seconds)	% of Calls Answered in 20 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%

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

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

¹⁵ 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.¹⁶ 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 2016.¹⁷ 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

	Calls Received	% Calls Responded to in <1 hour	% Calls Responded to in >1 hour	Avg. Response Time (minutes)
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.

¹⁶ 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.

¹⁷ 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 ¹⁸	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

¹⁸ 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

	Outages Caused by Utility	Outages Unplanned Causes	Total Interruptions	Customers Affected	Average Duration (minutes)¹⁹
2010 ²⁰	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."²¹

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

²⁰ 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.

²¹ Filing, page 6.

Table 11: MNOPS Reportable Events

	Reportable Interruptions
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 2015.²²

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.

²² 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



705 West Fir Ave.
PO Box 176
Fergus Falls, MN 56538-0176
1-877-267-4764

July 11, 2017

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

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

Dear Mr. Wolf:

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

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

Sincerely,

/s/ Tamie A. Aberle

Tamie A. Aberle
Director of Regulatory Affairs

cc: Brian Meloy

STATE OF MINNESOTA
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Nancy Lange
Dan Lipschultz
Matt Schuerger
John Tuma
Katie Sieben

Chair
Vice Chair
Commissioner
Commissioner
Commissioner

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

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

Service Interruptions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CONCLUSION

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

Dated: July 11, 2017

Respectfully submitted,

By /s/ Tamie A. Aberle

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

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

Customer Service Related Expenses

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

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

Customer Service Related Expenses WORKPAPER

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

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

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

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

CERTIFICATE OF SERVICE

I, Jamie Eschbach, hereby certify that I have this day, served a true and correct copy of the following document to all persons at the addresses indicated below or on the attached list by electronic filing, electronic mail, courier, interoffice mail or by depositing the same enveloped with postage paid in the United States mail at St. Paul, Minnesota.

Minnesota Public Utilities Commission ORDER

Docket Numbers: **G-004/M-16-357;**
G-004/M-17-353

Dated this **16th** day of **August, 2017**

/s/ Jamie R Eschbach

Service List Member Information**Electronic Service Member(s)**

Last Name	First Name	Email	Company Name	Delivery Method	View Trade Secret
Aberle	Tamie A.	tamie.aberle@mdu.com	Great Plains Natural Gas Co.	Electronic Service	No
Anderson	Julia	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	Electronic Service	Yes
Dobson	Ian	Residential.Utilities@ag.state.mn.us	Office of the Attorney General-RUD	Electronic Service	Yes
Ferguson	Sharon	sharon.ferguson@state.mn.us	Department of Commerce	Electronic Service	No
Wolf	Daniel P	dan.wolf@state.mn.us	Public Utilities Commission	Electronic Service	Yes