

Staff Briefing Papers

Meeting Date February 18, 2021 Agenda Item 4*

Company All Commission Rate Regulated Natural Gas Utilities

Docket No. **G-999/CI-18-41**

In the Matter of a Commission Investigation into Natural Gas Utilities' Practices, Tariffs and Assignment of Cost Responsibility for Installation of Excess Flow Valves and Other Similar Gas Safety

Issues Should the Commission accept the March 31, 2020 compliance filings of the natural gas utilities as complying with the Commission's July 31, 2019 Order?

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Relevant Documents

Date

PUC - Order Approving Tariff Changes And Opening Investigation	January 29, 2018
PUC - Order Finding That Excess Flow Valves Comply With Federal Regulations And Taking Other Actions	August 20, 2018
PUC - Order Accepting Compliance Filings, Requiring MERC To Submit Additional Information, Requiring Annual Compliance Reporting, And Taking Other Action	July 31, 2019

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The attached materials are work papers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless noted otherwise.

 **Relevant Documents**

	Date
Xcel Energy – Compliance Filing	March 30, 2020
CenterPoint Energy – Compliance Filing	March 31, 2020
Great Plains Natural Gas Company – Compliance Filing	March 31, 2020
Greater Minnesota Gas – Compliance Filing	March 31, 2020
Minnesota Energy Resources Corporation – Compliance Filing	March 31, 2020
PUC - Notice of Comment Period	June 15, 2020
Department of Commerce, Division of Energy Resources – Comments	July 16, 2020
Greater Minnesota Gas – Reply Comments	July 27, 2020
Minnesota Energy Resources Corporation – Reply Comments	July 27, 2020
Great Plains Natural Gas Company – Reply Comments	July 27, 2020
Xcel Energy – Reply Comments	July 27, 2020
CenterPoint Energy – Reply Comments	August 3, 2020
Department of Commerce, Division of Energy Resources – Response to Reply Comments	September 1, 2020

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I. Statement of the Issues

Should the Commission accept the March 31, 2020 compliance filings of the natural gas utilities as complying with the Commission's July 31, 2019 Order?

II. Background

Excess Flow Valves (EFVs) are safety devices installed on natural gas distribution pipelines. EFVs can reduce the risk of explosions in distribution pipelines by automatically stopping excessive, unplanned gas flows.

In 2006, Congress passed the Pipeline Inspection, Protection, Enforcement, and Safety Act (2006 Act), which required the Department of Transportation to promulgate minimum standards for integrity management programs for distribution pipelines. The 2006 Act mandated that those minimum standards require the installation of EFVs on all newly installed or replaced service lines serving single family homes.

In January 2012, Congress enacted the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 (2011 Act). The 2011 Act mandated that the Pipeline and Hazardous Materials Safety Administration (PHMSA) require installation of EFVs on new and replaced natural gas lines beyond single-family homes if economically, technically, and operationally feasible. In October 2016, PHMSA again amended 49 C.F.R. § 192.383 to require that natural gas utilities install an EFV on an existing service line if a customer requests one, and left it up to the "operator's ratesetter" to determine how the costs of installation should be allocated. PHMSA also required natural gas utilities to notify customers of their right to request an EFV, including specific requirements for the notice. Lastly, PHMSA expanded the requirement to install EFVs to include new or replaced lines serving multifamily homes and small commercial customers.

On August 2, 2017 a natural gas explosion occurred at Minnehaha Academy in Minneapolis. Master Mechanical (MMI), a contractor for CenterPoint Energy, was in the process of relocating the gas meters from inside to outside the building. There were two fatalities and nine others were injured as a result of the blast. The surrounding structure of the school was destroyed. This incident added attention to the issue of EFV availability for existing customers.

A. January 29, 2018 Order

On January 29, 2018, the Commission issued its *Order Approving Tariff Changes and Opening Investigation* (January 29, 2018 Order)¹ whereby the Commission opened an investigation to determine the appropriate charge and tariff language for each natural gas utility under the Commission's jurisdiction. Specific information that the Commission is interested in are:

¹ In the Matter of the Petition of Great Plains Natural Gas Co. for Approval of Proposed Revisions to its Natural Gas Tariff to Comply with Federal Pipeline Safety Regulations 49 C.F.R. § 192.383, Docket No. G-004/M-17-625, and this docket.

- Each natural gas utility's present tariffs and customer-notification practices as they relate to the installation of EFVs for new, refurbished, and existing customer lines;
- Any similar gas-safety requirements that customers may request on the utility system between the main and the meter outlet into the customer's property;
- The appropriate amount of installation costs that should be socialized among ratepayers or paid by a specific customer in light of recent changes to federal pipeline safety regulations; and
- Payment options for requesting customers along with how to appropriately address requests for EFV installations from low-income customers.

B. August 20, 2018 Order

On August 20, 2018, the Commission issued its *Order Finding that Excess Flow Valves Comply with Federal Regulations and Taking Other Actions* (2018 Order), in this docket. The 2018 Order required the following of CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas (CenterPoint Energy), Greater Minnesota Gas, Inc. (GMG), Great Plains Natural Gas Co., a Division of Montana-Dakota Utilities Co., (Great Plains), Minnesota Energy Resources Corporation (MERC), and Northern States Power Company d/b/a Xcel Energy (Xcel Energy), (numbered by relevant Ordering Paragraph (OP)):

2. The utilities shall modify their EFV customer notices to clarify that once an EFV is installed, there is no cost to the customer to maintain it.
5. Within 120 days of this Order, the regulated natural gas utilities shall report the status of EFV installation, per customer class, throughout their service territories, recognizing that this might not be the entire service territory. The report shall include an estimate of the percentage of the utility's service territory that has EFVs installed, and the utility's plan and timeline for completing the installation of EFVs for the remainder of the utility's service territory.
6. Within 120 days of this Order, regulated natural gas utilities shall report the status of curb valve or manual shut-off valve installation, per customer class, throughout their service territories, recognizing that this might not be the entire service territory. The report shall include an estimate of the percentage of the utility's service territory that has curb valves or manual shut-off valves installed and the utility's plan and timeline for completing the installation for the remainder of the utility's service territory.
7. As part of the reports described above, each gas distribution utility that does not already have EFVs and manual service line shutoff valves on the entirety of its system shall establish a plan to identify and hold face-to-face meetings with the decision-makers of the following customers:
 - a. Within 120 days of this order, each gas utility must identify and provide a compliance filing that, at a minimum, identifies all the following customers within its

service territory that do not already have EFVs (and are eligible under the Federal standards) or manual shutoff valves and are not within an area the utility plans to upgrade by 2025:

- K-12 public districts with school buildings in the utility’s service territory;
- K-12 non-public schools with school buildings in the utility’s service territory;
- Public and private universities and colleges;
- Hospitals; and
- Multi-unit residential and nursing facilities.

b. Within 120 days of this order, each gas distribution utility is required to establish and file a plan to have face-to-face meetings with the decision- maker of the customers EFV and manual service line shutoff valves, along with the utility’s installation policy, and estimated costs. After receipt of this compliance filing, the Commission’s Executive identified above, eligible under the federal standard for EFVs, regarding the purpose of Secretary will establish a schedule for comments and Commission approval.

c. The utility may propose in this compliance filing another method for limiting the visits to non-public schools, universities and colleges, and multi-unit residential and nursing facilities based on a size metric. The gas utility may propose as part of the plan a recovery mechanism for the additional requirements of this order which may include deferring costs to a regulatory account to be addressed in its next rate case or through its GUIC [Gas Utility Infrastructure Cost Rider] or another appropriate rider.

9. Each gas utility shall submit a compliance filing within ten days of this order containing its EFV tariff and customer notice as authorized by the Commission.

C. July 31, 2019 Order

On July 31, 2019, the Commission issued its *Order Accepting Compliance Filings, Requiring MERC to Submit Additional Information, Requiring Annual Compliance Reporting, and Taking Other Action* (2019 Order). The 2019 Order required the following of Xcel Energy, MERC, CPE, GMG, and Great Plains (numbered by relevant Ordering Paragraph (OP)):

- 2 As MERC has not yet fully complied with Ordering Paragraph 7a and 7b of the Commission’s August 20, 2018 Order, MERC shall submit a compliance filing containing the required information by August 1, 2019.
4. CenterPoint Energy, GMG, Great Plains, MERC, and Xcel shall submit an annual compliance report no later than March 31st each year through the 2025 reporting period, listing its progress toward complying with Ordering Paragraphs 7a-c of the August 20, 2018 Order.

D. June 2, 2020 Commission Planning Meeting

In its July 31, 2019 Order, the Commission stated that it would “convene a planning meeting to discuss EFVs, curb valves, and related safety matters with MNOPS to find ways to partner and

coordinate on educating the public regarding expanding the use of these and other important safety devices on the gas distribution network.”

On June 2, 2020, the Commission held its planning meeting with the Minnesota Office of Pipeline Safety (MNOPS). The discussion with MNOPS regarding EFVs included a review of the number of excess flow valves installed per year, state-wide and by utility, since 2010 and safety-related education and outreach activities of the regulated utilities related to excess flow valves and other safety devices. There was also a brief discussion of whether there is any potential for more efficient, technologically smarter, or less expensive alternatives to excess flow valves.

E. Subsequent Compliance Filings and Comments

All five Commission rate-regulated natural gas utilities complied with OP 4 of the 2019 Order on March 30, 2020 (Xcel Energy), March 31, 2020 (CenterPoint Energy, GMG, Great Plains, and MERC).

On June 15, 2020 the Commission issued a Notice of Comment Period for this docket. Comments were requested on the following topics:

- Should the Commission accept the compliance reports in the March 31, 2020 filings?
- Are the utility outreach actions sufficient and adequate?
- Have the utilities sufficiently addressed safety concerns?
- Are there other issues or concerns related to this matter?

On July 16, 2020, the Minnesota Department of Commerce, Division of Energy Resources (Department) submitted comments.

On July 27, 2020, Xcel Energy, MERC, GMG, and Great Plains submitted their respective reply comments. On August 3, 2020, CPE submitted its reply comments.

On September 1, 2020, the Department submitted its response comments to the gas utilities’ reply comments.

III. Utilities’ Compliance Reports

As discussed above, OP 4 of the 2019 Order required CPE, GMG, Great Plains, MERC, and Xcel Energy to submit an annual compliance report no later than March 31st each year through the 2025 reporting period, listing its progress toward complying with Ordering Paragraphs 7a-c of the August 20, 2018 Order. The individual compliance reports are discussed below.

A. Xcel Energy

1. Compliance Report

Xcel Energy provides service to approximately 1,900 locations that did not already have an EFV or manual shut-off valve installed and were a type of customer listed in Ordering Paragraph 7a.

Table 1 below shows these customers, broken down by location type and customer relationship.

Table 1: Types of Customers currently without EFV or Manual Shut-off valves

Location Type	Managed Accounts	BSC-Managed	Non-Managed	Total
Child Day Care Services	0	53	37	90
Colleges, Universities, and Professional Schools	65	1	2	68
Junior Colleges	6	0	0	6
Elementary and Secondary Schools	121	63	20	204
Continuing Care Retirement Communities and Assisted Living Facilities for the Elderly	13	46	15	74
Skilled Nursing Care Facilities	7	32	12	51
General Medical and Surgical Hospitals	12	0	1	13
Lessors of Real Estate (Multi-Unit Residential)	80	1,037	254	1,371
Totals	304	1,232 ²	341 ³	1,877

Xcel Energy's communication plan consists of a mixture of efforts depending on the type of customer and the existing relationship between Xcel Energy and the customer. Xcel Energy stated that it started discussions regarding EFVs with customers in face-to-face meetings in the fall of 2019. In total, Xcel Energy's current face-to-face meeting list includes about 190 customers. As of the date of its compliance filing, Xcel Energy had met with 117 of these customers. Of these customers, 36 have expressed an interest in learning more about these safety valves. All contacts are projected to be completed by telephone by the end of June 2020, a slight delay due to COVID-19 meeting restrictions.

For its BSC-managed and non-managed customers, Xcel Energy communicated information about EFVs and manual service shut-off valves via letter. The letter provided detailed information about each customer's right to request an EFV or manual service shut-off valve, the process for making a request, and other relevant information. In addition, Xcel Energy created a call script for its call center representatives, which provided additional information related to EFVs and manual shut-off valves in case customers called for additional information.

² Department corrected amount. The Department identified a calculation error in Xcel's compliance filing

³ Department corrected amount. The Department identified a calculation error in Xcel's compliance filing.

Xcel Energy noted that its letter campaign was completed in August 2019. In total, Xcel Energy sent letters to about 1,700 customers. Xcel Energy stated it had received approximately ten calls from customers who received letters asking further questions about valve installations. To date, none of these customers have expressed an interest in pursuing the installation of an EFV or curb valve.

Xcel Energy reported that the cost of this outreach, namely printing and postage, was less than \$2,000. Xcel Energy noted that it does not expect to incur any significant costs to finish the communication plan, nor does it expect to request cost recovery of these costs.

2. Department Comments

The Department reviewed Xcel Energy's compliance filing and found that Xcel Energy appropriately identified the customers within its service territory that do not already have EFVs (and are eligible under the Federal standards) or manual shutoff valves. The Department noted that the number of customers that do not already have EFVs (and are eligible under the Federal standards) or manual shutoff valves in Xcel Energy's March 30, 2020 compliance report remained the same as the one provided in Xcel Energy's previous December 18, 2018 compliance report. However, the totals for BSC-Managed and Non-Managed appear to continue to be incorrect. The Department recommended that Xcel Energy verify in reply comments the totals for the BSC-Managed and Non-Managed and provide corrections as needed.⁴

The Department also analyzed Xcel Energy's communication plan and found Xcel to be making progress in the implementation of it plan, despite the current pandemic.

The Department concluded that Xcel Energy complied with OP 4, which refers to the March 31, 2020 submission deadline, off the 2019 Order, and as a result, recommended that the Commission approve Xcel Energy's March 30, 2020 compliance report.

3. Xcel Energy Reply Comments

In its Reply Comments, Xcel Energy updated its customer outreach count by premise, and not by customer since some larger customers, such as school districts with various locations, may have multiple premises and would be counted more than once in this table. The table below includes the final count of premises in Xcel Energy's communication plan. In its Reply Comments, Xcel Energy noted that in June of 2019 it revised the premise counts after completing an additional review of its customers, per its commitment to do so in its March 28, 2019 Reply Comments. Xcel Energy noted that in its March 30, 2020 Compliance Filing, the Company inadvertently used the prior version of the table, filed in Xcel Energy's December 18, 2018 compliance filing in this docket. Xcel Energy apologized for any confusion this may have caused. The revised table is shown below.

⁴ Department Comments at 7.

Table 2: Revised Customers currently without EFV or Manual Shut-off valves

Location Type	Managed Accounts	BSC-Managed	Non-Managed	Total
Child Day Care Services	0	64	199	263
Colleges, Universities, and Professional Schools	65	1	2	68
Junior Colleges	6	0	0	6
Elementary and Secondary Schools	148	49	82	279
Continuing Care Retirement Communities and Assisted Living Facilities for the Elderly	13	46	15	74
Skilled Nursing Care Facilities	7	28	10	45
General Medical and Surgical Hospitals	12	0	1	13
Lessors of Real Estate (Multi-Unit Residential)	76	970	303	1,349
Totals	327	1,158	612	2,097

4. Department Response Comments

The Department concluded that Xcel Energy complied with OP 4 of the 2019 Order. As a result, the Department recommends approval of Xcel Energy's March 30, 2020 compliance report.

The Department concluded that Xcel Energy's outreach actions are sufficient and adequate per its ongoing annual compliance with OP 7.b of the 2018 Order, as required by OP 4 of the 2019 Order.

B. MERC

1. Compliance Report

MERC stated that it currently provides gas service to 3,938 EFV eligible and 635 Emergency Shut-off eligible service lines (a customer may have more than one service line). The table below shows a breakdown of these customers.

Table 3: Service Lines Without EFVs or Emergency Service Line Shut-off Valve Installed

Category	EFV Eligible	Emergency Service Line Shut-Off Valve Eligible
K-12 public districts with school buildings in the utility's service territory	245	348
K-12 non-public schools with school buildings in the utility's service territory	43	18
Public and private universities and colleges	58	6
Hospitals	46	57
Multi-unit residential and nursing facilities	3,546	206
Total	3,938	635

MERC notes that other engineering considerations will need to be evaluated before each customer qualifies for installation of an EFV. In particular, system pressure, load diversity, service line pressure, and other operational considerations specific to each customer will need to be evaluated to determine technical feasibility.

Following the Commission's July 31, 2019 Order, MERC selected EN Engineering, a third-party contractor, to assist with customer outreach efforts. The outreach plan began in early 2020. Through March 6, 2020, EN Engineering made 84 customer contacts representing 160 service lines potentially eligible for installation of an EFV under the federal standards. Of those contacted, 18 customers requested and scheduled a face-to-face meeting and those meetings have taken place to provide customers with additional information. Based on MERC's initial customer outreach, approximately 8 customers have indicated an interest in possibly having an EFV installed on their natural gas service line. Of those, 5 customers have executed a letter of intent and 3 have indicated an interest in obtaining additional information from MERC regarding the exact location of the work to be performed and outage timelines to complete the work.

MERC noted that its outreach effort was put on hold once institutions were shut down in response to COVID-19. Based on preliminary customer outreach efforts, MERC does intend to complete outreach to 20 percent of the identified customers by the end of 2020, subject to the developing circumstances surrounding COVID-19 and the need to prioritize continued safe and reliable natural gas service to customers across Minnesota.

MERC estimates the cost of face-to-face meetings at \$443,520, and additional customer-specific engineering analysis visits required to verify eligibility for EFV installation at \$63,450, for a total of \$506,970. MERC proposes to recover outreach expenses in its Gas Utility Infrastructure Cost (GUIC) rider, a general rate case, or possibly a request for permission for deferred accounting to establish a regulatory asset.

2. Department Comments

The Department reviewed MERC's identification of customers who do not already have an EFV or manual shut-off valve, in compliance with OP 7a of the 2018 Order, and concluded that MERC complied with OP 7a.

The Department concluded that, despite the pandemic, MERC is making satisfactory progress in its communication plan at the extremely high total cost estimate of \$506,790.⁵

The Department concluded that MERC complied with OP 4 of the 2019 Order, and as a result, recommended that the Commission approve MERC's March 31, 2020 compliance report.

3. MERC Reply Comments

In Reply Comments, MERC noted that it prioritizes the need to provide safe and reliable natural gas service to customers across Minnesota. While still subject to the developing circumstances surrounding COVID-19, MERC re-evaluated its customer outreach efforts and made the following adjustments:

- In July 2020, MERC's third-party contractor, EN Engineering, resumed customer outreach efforts.
- Customer outreach efforts are following the same steps described in MERC's March 31, 2020 compliance filing except that meetings with customers are being conducted over the telephone rather than in-person. This change is being undertaken in light of the ongoing COVID-19 pandemic to ensure the safety of both the customers and EN Engineering.¹
- Even with the temporary suspension of customer outreach efforts from April 2020 through July 2020, MERC continues to expect to complete outreach to 20 percent of the identified customers by the end of 2020.

In response to the Department's concern regarding the cost of its customer outreach, MERC responded that comparing its cost estimate for customer outreach to Xcel Energy's is not an apples-to-apples comparison. MERC noted that it does not have the resources internally [in Minnesota] to conduct the customer outreach, which is why MERC contracted with the third-party contractor, EN Engineering, to perform the work. In contrast, Xcel Energy has internal resources available to undertake these outreach efforts, so its incremental costs include only printing, mailing, and postage. Additionally, MERC's cost estimate includes the cost of the engineering analysis, which is to be performed by a third-party contractor, whereas Xcel Energy's cost estimate was for a communication plan only.

MERC reiterated that its service territory is widely dispersed which contributes to the cost estimate via travel costs attributable to face-to-face meetings. Given the adjustment to its outreach efforts of replacing face-to-face meetings with telephone meetings, MERC expects the costs for the customer outreach efforts to be reduced from the \$506,970 total cost estimate.

⁵ Department Comments at 13.

An exact cost reduction is not known at this time and will depend on whether and when MERC can safely resume in person face-to-face meetings with customers. MERC stated it will provide a further update in its March 31, 2021 compliance report. In addition, MERC noted it is receiving cost recovery of the EFV outreach via GUIC Rider surcharges,⁶ and estimated forecast costs will be trued-up to actuals during the GUIC true-up filing, ensuring no over-recovery of costs occurs.

4. Department Response Comments

The Department appreciates MERC's clarification regarding its cost estimates, still noting the high costs of MERC's program. The Department concluded that MERC complied with OP 4 of the 2019 Order. As a result, the Department recommends approval of MERC's March 31, 2020 compliance reports.

The Department concludes that MERC's outreach actions are sufficient and adequate per its ongoing annual compliance with OP 7.b of the 2018 Order, as required by OP 4 of the 2019 Order.

5. Staff Comment

Staff notes the cost of MERC's communication plan was discussed in MERC's Gas Utility Infrastructure Cost (GUIC) rider (Docket No. 19-282) where the Commission approved a revised annual recovery amount.⁷ The prudence of MERC's cost for its communication plan will continue to be addressed in MERC's GUIC rider so approval of MERC's compliance report in this docket does not foreclose future discussion.

C. CenterPoint Energy

1. Compliance Report

CPE noted that it has begun its outreach efforts to customers. CPE first prepared email and mail communications for the customers. These communications provide some information about excess flow valves and curb valves and request that the customer reply in order to set up a meeting time. CPE plans to start by reaching out to each of these customers by email, and then, if the customer does not respond, another email, then a letter, followed by two phone calls.

The first email was sent to 31 decision makers representing 259 accounts. Customer replies from 6 decision makers representing 45 accounts were received. A follow-up meeting is

⁶ *In the Matter of the Petition of Minnesota Energy Resources Corporation for Approval of 2020 Gas Utility Infrastructure Costs Rider Revenue Requirement and Revised Surcharge Factor*, Docket No. G-011/M-19-282, ORDER AUTHORIZING RIDER RECOVERY AND SETTING REPORTING REQUIREMENTS at 9-10, 12 (June 18, 2020).

⁷ *Id.* at 12.

scheduled with 6 decision makers representing 45 accounts. There are 731 accounts that have not yet received their first email communication. So far, one customer has requested an engineering analysis to determine if an EFV may be feasible for them.

No outreach cost information was provided.

2. Department Comments

In response to CPE's March 31, 2020 Compliance Filing, the Department noted that CPE did not update its identification of EFV-eligible customers, the Department recommended that CPE complete the record in accordance with OP 7.a of the 2018 Order.

The Department concluded that CPE is making progress with the implementation of its communication plan, despite the current pandemic. However, CPE did not update the cost of its communication plan. To complete the record, the Department recommended that CPE provide in reply comments an update to its estimated costs of face-to-face meetings.

The Department expected to recommend approval of CPE's March 31, 2020 compliance report, after CPE provides an update to its December 18, 2018 compliance report and March 28, 2019 reply comments as it relates to:

- Ordering Paragraph 7.a,
- Ordering Paragraph 7.b (estimated costs of its communication plan), and
- where the costs can be found in CPE's concurrent rate case.

3. CenterPoint Energy Reply Comments

In response to the Department's comments, CPE updated the number of customers with and without either EFVs or curb valves installed, by customer group, as shown below.

Table 4: Service Lines with EFV or Curb Valve Installations for Specific Customer Groups

Customer Group	Total EFVs Installed	Total Curb Valves Installed
K-12 Schools	46	89
Universities & Colleges	21	17
Hospitals	11	10
Multi-Unit Residential	113	161
Nursing Homes	6	9
Daycares	22	7
Total	219	293

Table 5: Service Lines without EFVs or Curb Valves for Specific Customer Groups

Customer Group	Meets Federal Standard for EFV when Replaced	Does Not Meet Federal Standard for EFV when Replaced ⁴
K-12 Schools	92	798
Universities & Colleges	66	201
Hospitals	58	159
Multi-Unit Residential	387	2289
Nursing Homes	31	186
Daycares	191	99
Total	825	3,732

In addition, CPE revised its cost estimate for EFV communication efforts to \$168,000, of which \$100,000 is for third party contractors. At the time of its general rate case (Docket 19-524) filing, CPE had no EFV expenses.

4. Department Response Comments

In response to CPE's reply comments, the Department concluded that CPE complied with OP 4 of the 2019 Order. As a result, the Department recommends approval of CPE's March 31, 2020 compliance report as completed by its August 3, 2020 reply comments.

The Department concludes that CPE's outreach actions are sufficient and adequate per its ongoing annual compliance with OP 7.b of the 2018 Order, as required by OP 4 of the 2019 Order.

D. Great Plains

1. Compliance Report

Great Plains sent a letter to the 331 customers identified in its December 18, 2018 compliance filing containing information on EFV and installation costs. Follow up letters were provided to those customers identified as not receiving the initial letter on July 23, 2019 and August 21, 2019. Great Plains received 64 calls from customers in response to the mailings sent out in 2019. Three customers came into Great Plains' office for face-to-face meetings during 2019. At the time of the compliance report none of the customers identified in the Commission's July 31 Order have requested an EFV be installed.

Great Plains stated it will continue to review ongoing projects and how those projects may match up with interest by identified customers in moving forward with the installation of an EFV, curb valve or manual shut off valve. Great Plains will also continue to provide customers with information regarding Great Plains' planning and replacement projects to inform customers of their options that may help reduce customers' costs associated with installation.

Great Plains noted that it continues to post information regarding EFVs on its website. Great Plains will also continue to inform customers through an annual bill insert. Great Plains stated the insert previously approved by the Commission will again be included in customers' bills in June 2020.

No outreach cost information was provided.

2. Department Comments

In response to Great Plains' March 31, 2020 Compliance Filing, the Department identified missing information pertaining to the number of EFV-eligible customers, the Department recommended that Great Plains complete the record in reply comments by providing an update to its December 18, 2018 compliance report as it relates to Ordering Paragraph 7.a of the 2018 Order.

The Department noted that Great Plains has made progress with the implementation of its communication plan, despite the current pandemic. However, the Department pointed out that Great Plains did not update the cost of its communication plan. To complete the record, the Department recommended that Great Plains provide in reply comments an update to its estimated costs of face-to-face meetings.

The Department noted that it expected to recommend approval of Great Plains' March 31, 2020 compliance report, after Great Plains provide in reply comments an update to its December 18, 2018 compliance report and March 28, 2019 reply comments as it relates to:

- Ordering Paragraph 7.a,
- Ordering Paragraph 7.b (estimated costs of its communication plan), and
- Ordering Paragraph 7.c of the 2018 Order.

3. Great Plains' Reply Comments

Great Plains provided updated customer counts and stated that outreach costs are minimal.

Table 6: Service Lines without EFVs or Curb Valves for Specific Customer Groups

Category	EFV & Curb Eligible	Emergency Service Line Shut-Off Valve Eligible
K-12 public and non-public schools	35	35
Public and private universities and colleges	10	10
Hospitals	29	29
Multi-unit residential and nursing facilities	256	256
Total	330	330

Also, Great Plains continued to request that the Commission consider any incremental costs due to the additional requirements that may be identified as the plan continues to be executed to be recoverable through Great Plains' GUIC as an option mentioned in the 2018 Order OP 7 c.

4. Department Response Comments

The Department concluded that Great Plains complied with OP 4 of the 2019 Order. As a result, the Department recommends approval of Great Plains' compliance report as completed by its July 27, 2020 reply comments.

The Department concluded that Great Plains' outreach actions are sufficient and adequate per its ongoing annual compliance with OP 7.b of the 2018 Order, as required by OP 4 of the 2019 Order.

E. Greater Minnesota Gas

1. Compliance Report

GMG submitted a one-page letter stating the following:

In lieu of filing a separate report, this letter serves as Greater Minnesota Gas, Inc.'s annual compliance report in the above-referenced docket to report its progress toward complying with Ordering Paragraphs 7a-c of the Commission's August 20, 2018 Order herein.

The relevant portions of the August 20, 2018 Order required GMG to identify the entities within the scope of the Order and meet with the identified customers to discuss EFVs and shut-off valves, GMG's installation policy, and estimated costs. GMG has completed the requisite discussions with each identified customer. As of the submission of this compliance report, none of the identified customers requested installation.

2. Department Comments

The Department noted that GMG did not update or indicate that there was no change to its February 11, 2019 compliance report which identified K-12 schools, universities and colleges, hospitals, and multi-unit residential and nursing facilities customers within its service territory that do not already have EFVs (and are eligible under the Federal standards) or manual shutoff valves.

Therefore, the Department recommended that GMG complete the record in reply comments by providing an update to its February 11, 2019 compliance report as it relates to OP 7.a of the 2018 Order.

The Department noted that GMG complied as follows with OP 7.b of the 2018 Order requiring the utility to establish and file a plan to have face-to-face meetings with the decision-maker of the customers identified above, eligible under the Federal standard for EFVs, regarding the

purpose of EFV and manual service line shutoff valves, along with the utility's installation policy, and estimated costs.

The Department concluded that GMG completed the implementation of its communication plan. However, GMG did not update the cost of its communication plan. To complete the record, the Department recommended that GMG provide in reply comments an update to its face-to-face meetings estimated costs.⁸

Additionally, the Department noted that GMG did not address Ordering Paragraph 7.c of the 2018 Order allowing the utility to propose to surcharge its customers for costs of the additional requirements of the 2018 Order. Thus, the Department assumes that GMG has determined that it will not surcharge its customers.

As a result, the Department stated that it expected to recommend approval of GMG's March 31, 2020 compliance report, after GMG provide in reply comments an update to its February 11, 2019 compliance report and March 28, 2019 reply comments as it relates to:

- Ordering Paragraph 7.a, and
- Ordering Paragraph 7.b (estimated costs of its communication plan) of the 2018 Order.

3. Greater Minnesota Gas Reply Comments

In Reply Comments, GMG stated that no changes to the customer list were necessary. Also, GMG does not expect the estimated \$500 cost of its communication plan to be recovered since the amount is not an extraordinary amount or outside of its normal business operations.

4. Department Response Comments

The Department concluded that GMG complied with OP 4 of the 2019 Order. As a result, the Department recommends approval of GMG's March 31, 2020 compliance report as completed by its July 27, 2020 reply comments.

The Department concluded that the GMG's outreach actions are sufficient and adequate per its ongoing annual compliance with OP 7.b of the 2018 Order, as required by OP 4 of the 2019 Order.

IV. Decision Options

1. Accept the Compliance Reports in the gas utilities March 30 and March 31, 2020 filings.

⁸ In its March 28, 2019 reply comments, GMG stated that it "anticipates that its costs related to that communication will be approximately \$500."