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February 1, 2021

VIA ELECTRONIC FILING

Mr. Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: Formal Complaint and Petition for Relief by Greater Minnesota Gas, Inc. Against
CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas
Docket No. G022, G008/C-20-795

Dear Mr. Seuffert:

Attached hereto, please find Greater Minnesota Gas, Inc.'s Reply to Supplemental Comments for filing in the above-referenced docket.

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

Thank you for your assistance. Please do not hesitate to contact me should you have any questions or concerns or if you require additional information. My direct dial number is (507) 209-2110 and my email address is kanderson@greatermngas.com.

Sincerely,

GREATER MINNESOTA GAS, INC.

s/
Kristine A. Anderson
Corporate Attorney

cc: Service List

STATE OF MINNESOTA

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Katie Sieben
Valerie Means
Matt Schuerger
Joseph Sullivan
John Tuma

Chair
Commissioner
Commissioner
Commissioner
Commissioner

MPUC Docket No.
G022, G008/C-20-795

**In the Matter of Greater Minnesota
Gas, Inc.’s Formal Complaint Against
CenterPoint Energy Resources Corp. d/b/a
CenterPoint Energy Minnesota Gas**

**REPLY TO
SUPPLEMENTAL COMMENTS**

OVERVIEW

Greater Minnesota Gas, Inc. (“GMG”) submitted a Formal Complaint against CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas (CenterPoint) related to duplication of facilities to serve existing GMG customers in the above-referenced docket on October 19, 2020. CenterPoint submitted a responsive letter on October 21, 2020. On October 23, 2020, the Commission issued a Notice of Comment Period; and, Comments were filed by CenterPoint, the Minnesota Department of Commerce, Division of Energy Resources (“Department”), and GMG. Reply Comments were filed by the Department on November 12, 2020; and, by CenterPoint and GMG on November 16, 2020. On January 20, 2021, the Department filed Supplemental Comments; and, CenterPoint filed a Reply thereto on February 1, 2021. This submission constitutes GMG’s Reply to the Department’s Supplemental Comments and to CenterPoint’s Reply thereto.

DISCUSSION IN REPLY

GMG recognizes the importance of competition in the natural gas industry and GMG welcomes it, being entirely comfortable competing head-to-head with CenterPoint and other providers on a price and customer service basis. The best interests of all rate payers, however, are only served when competition is fairly engaged in. The scope of this complaint examination essentially contemplates two fundamental issues: first, whether competition is fair when one utility deviates from its tariffed main extension requirements in competitive areas and passes the ultimate cost of those main extensions to all of its ratepayers; and, second, whether substantial construction changes and/or major remodels and additions to existing customer buildings constitute a basis for a competitive utility to take away that customer, thus essentially forcing at least partial economic obsolescence of the originally serving utility’s facilities. CenterPoint’s actions in the areas at issue here run afoul of the principles of fair competition in both respects.

At the outset, GMG respectfully notes that a great deal of the Commission's Supplemental Comments is predicated on CenterPoint's trade secret information. Since GMG is not included with those entitled to review that trade secret information, GMG's ability to respond directly to the Department's analysis is hampered. Ergo, GMG has done its best to respond based on publicly available information and information that customers provided to GMG. However, without seeing the confidential information referenced in both CenterPoint's assorted responses and, in particular, upon which the Department relied, GMG cannot accurately analyze whether CenterPoint deviated from its tariffed main extension requirements in any of these cases where competition exists.

GMG believes that there is some confusion regarding CenterPoint's existing facilities and plans, as the narrative set forth by both CenterPoint and by the Department (to the extent that GMG can view it, sans trade secret information) is inconsistent with empirical evidence. If CenterPoint did indeed have main and distribution facilities in the areas at issue, then it would neither need to install facilities nor solicit contributions to the construction costs from the customers in question.

Web Construction/Jerry Williams Services on 192nd Lane

With regard to the Web Construction/Williams properties on 192nd Lane, the Department's Supplemental Comments and its underlying analysis are primarily based on the notion that CenterPoint has existing distribution main capable of serving the properties. CenterPoint ostensibly maintains that it already has distribution main on 192nd Lane and that it serves customers there. CenterPoint's explanation does not make sense, as it is inconsistent with CenterPoint's request for locating and the photos of its planned construction. Photos taken, which are some of those that were attached to GMG's initial complaint and are also attached hereto as Exhibit A for easy reference, show that CenterPoint had pipe strung out for installation in accordance with its locate requests. If, in fact, CenterPoint actually had distribution main there, it presumably would not be installing pipe again. Hence, CenterPoint's contention that it has distribution main in the area in question conflicts with the actual evidence of its planned construction. Arguably, CenterPoint might be or have been serving customers in the area off of farm taps. However, suggesting that service via farm taps is analogous to distribution is disingenuous, because farm taps can only serve a single customer and do not provide distribution to an entire area. Such a distortion creates confusion at best and constitutes intentional misrepresentation at worst; but, either way, CenterPoint needs to be clear about how it has been serving customers in the area if, in fact, it has.

For illustrative purposes, GMG submits the map and diagram attached hereto as Exhibit B. As evident from that map, GMG has existing distribution and service facilities shown on the map in red with green dots depicting existing service locations. The proposed new Williams garage (referred to as a shop and more recently referred to as a garage when the customer recently contacted GMG) is also identified on the map and it lies squarely on GMG's existing distribution line. The yellow line in the diagram shows CenterPoint's planned construction based on the locate requests that it submitted that gave rise to GMG's Complaint with regard to this area. If, in fact, CenterPoint already had facilities on 192nd, it would not have needed to plan construction for the areas in yellow, which it clearly did based on its locate requests and the attached

photographs. An examination of the empirical evidence leads to a reasonable conclusion that CenterPoint does not, in fact, have existing distribution facilities on 192nd Lane.

GMG respectfully submits that further investigation and consideration of GMG's Complaint is warranted; and, GMG specifically requests that CenterPoint be required to produce – for review by the Commission, the Department, and GMG - a map and associated details that identify the facilities (including specific type) and customers that it claims to have on 192nd along with the cost of constructing those facilities and the revenue from the mains that it extended there. Absent complete provision of the same, the Department and the Commission cannot completely assess CenterPoint's practices, thereby risking rewarding anticompetitive practices whereby CenterPoint is allowed to install facilities to parallel GMG, incorporate its investment into its rate base, and thereby require all CenterPoint customers to subsidize the builds.

Customer Premises at 3625 Hoffman Road

Similar to its analysis regarding 192nd Lane, the Department's analysis and conclusion set forth in its Supplemental Comments regarding the Hoffman Road property appear to be based in large part on CenterPoint's suggestion that it already has existing facilities to serve the property. Also similar is the fact that empirical evidence suggests that CenterPoint does not, in fact, have existing distribution facilities. GMG recently submitted a locate request for construction planning purposes in the area of 3625 Hoffman Road. Exhibit C is the CenterPoint information that was returned in response to the locate request. The facilities map that CenterPoint submitted shows that it does not, in fact, have distribution facilities running past that location; thus, it would need to construct facilities to serve that customer. Once again, CenterPoint's apparent position is confusing if not misleading.

The Department also suggested that, because the line to the property was cut and capped for construction purposes, that means that the customer is no longer a served customer. However, that misapprehends both common practice and the facts here. The current owner of the property at 3625 Hoffman Road has been a customer of GMG since the time that it purchased the property, which property has been served by GMG for many years. The owner of the property has been paying GMG for the natural gas service to the property since acquiring it. While it is true that the owner indicated that it intended to demolish the existing structure and build a new one, neither the ownership nor the location of the property is changing. It is quite common that, during a period of demolition followed by construction or during a period of significant remodeling and construction, an existing gas line is cut and capped for safety purposes during the construction process. It also quite common that, during the period of construction, the contractor becomes a temporary customer for the site, as it is responsible for temporary heating costs. Following construction completion, the service reverts back to the property owner. However, the property owner remains consistent during such a period. Hence, the property does not become unserved nor does the customer become a new customer. The existing customer should be treated as such for purposes of this analysis.

It is important the the Commission clarify the existing ambiguity regarding whether significant changes to the structures on an existing owner's land make that customer a "new customer" or

whether it remains an “existing customer who is already being served” for purposes of competition. If the construction of new structure or major remodeling on an existing owner’s land give rise to a basis for a different utility to provide service, as CenterPoint and the Department seem to opine in the instant docket, then that same standard should be applied to all competitive utilities. That is exactly the situation that gave rise to the MERC and Xcel dispute that ultimately resulted in the competition investigation and which the Commission seemed to be wary of and trying to discourage in its analysis in Docket No. G-999/CI-17-499. GMG was complying with what it believed to be the determination and spirit of the Commission’s Order therein when it declined to provide service to some commercial and industrial customers that underwent additions and/or major remodels, despite their requests to be served by GMG, because those customers had previously been served by CenterPoint. If the change in the character of the structure on the Hoffman Road owner’s property can form the basis for CenterPoint to take that customer away from GMG, then a change in character of the structure on any owner’s property reasonably forms the basis for any existing customer to be taken by another utility. GMG respectfully suggests that the Commission’s decision herein will clarify that ambiguity and requests that it does so.

Trifecta Truck Stop

As indicated above, since GMG has not been permitted to see the trade secret information that CenterPoint provided to the Department, GMG cannot adequately and fully respond to the Department’s analysis. However, the information that GMG can glean is inconsistent with what the contractor, Web Construction, told GMG. GMG was informed that it was awarded the project due to its location and ability to provide quick service. Nonetheless, the customer and contractor delayed signing the service documents. Eventually, Jerry Williams of Web Construction told GMG that the truck stop would be utilizing CenterPoint for service because CenterPoint gave him and the truck stop a really good deal. At one point, the word “free” was used. The murky situation surrounding this situation raises suspicion regard CenterPoint’s conduct in this case. Given the totality of the circumstances in that CenterPoint appears to be manipulating information about its existing facilities in a way that misrepresents the actual situation in the other two areas in question, one must wonder whether there has also been some misrepresentation with respect to the truck stop service.

CIACs and Economic Feasibility Analyses

Further, it appears from the Department’s Supplemental Comments that CenterPoint maintains that a Contribution in Aid of Construction (CIAC) was required for at least some of the projects at issue; however, that is inconsistent with what those customers told GMG. Thus, it would be appropriate to require CenterPoint to provide the actual quotes and agreements regarding the customers in question to document what was actually promised to customers and when it was promised. It is imperative to determine whether CenterPoint’s requirements for CIACs, and the amounts therefore, pre-dated GMG’s Complaint.

Settlement Avenue

GMG recognizes that CenterPoint may continue to be reluctant to divulge information that would allow for a complete and candid review of the circumstances regarding all three areas raised in GMG's Complaint. Therefore, GMG offers the following: GMG is willing to dismiss its Complaint if a corporate officer of CenterPoint signs and submits a sworn affidavit confirming, with respect to each project,

- that a CIAC was calculated and submitted to the respective customers in accordance with CenterPoint's main extension requirements prior to the time that GMG filed its Complaint;
- that all costs of construction including allocation of corporate overhead, special construction costs, boring, and other costs were incorporated into the project cost upon which the CIAC was predicated to determine whether main extension requirements were met;
- that no other marketing commitments of any kind or form were made, offered, or formed part of the basis for CenterPoint's construction analysis for each project; and,
- that each project met CenterPoint's tariffed main extension requirements standing alone based on its construction costs, required CIAC, and anticipated revenue without being incorporated into the general ratebase for later recovery via ratepayer subsidization.

REQUEST FOR COMMISSION ACTION

The totality of the circumstances demonstrates that the information about CenterPoint's existing facilities, upon which the Department's analysis substantially rests, has been presented in a less-than-accurate manner. Additionally, CenterPoint's suggestion that it required CIACs is not consistent with representations made by the customers in questions. Hence, further investigation and consideration is required. Therefore, GMG respectfully requests that the Commission continue an investigation into this matter using an informal process to fully develop the record. GMG continues to believe that such an investigation will result in a determination that CenterPoint has engaged in conduct that violates requisite competitive practice requirements set forth for regulated natural gas utilities.

Dated: February 1, 2021

Respectfully submitted,
/s/
Kristine A. Anderson
Corporate Attorney
Greater Minnesota Gas, Inc.
1900 Cardinal Lane, P.O. Box 798
Faribault, MN 55021
Phone: 888-931-3411

EXHIBIT A
Photos showing CenterPoint's pipe on 192nd Lane Strung Out for Construction







EXHIBIT B

Map of Facilities on 192nd Lane (GMG's Existing and CenterPoint's Planned)

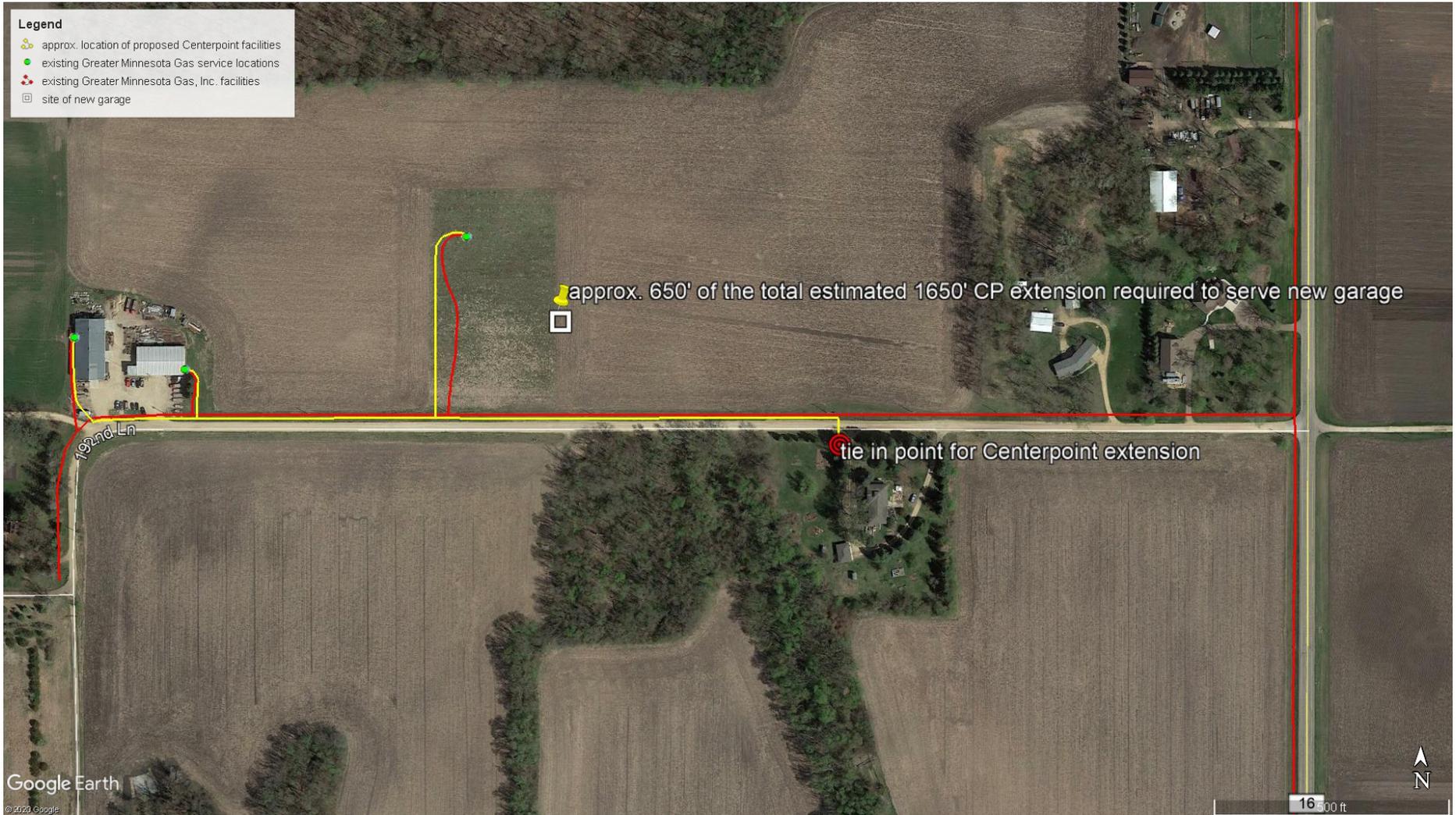


EXHIBIT C
CenterPoint's Map of Facilities in Hoffman Road Area

General Map Legend

Pressure Class

Color	Class	Normal Pressure Range
	1	7" W.C.
	2	8-10 PSIG
	5	20-25 PSIG
	6	50-55 PSIG
	7	70-76 PSIG
	8	70-95 PSIG
	A	125 PSIG OR LESS
	C	175 PSIG OR LESS
	E	215 PSIG OR LESS
	F	250 PSIG OR LESS
	K	400 PSIG OR LESS
	L	450 PSIG OR LESS
	M	500 PSIG OR LESS
	N	550 PSIG OR LESS
	O	600 PSIG OR LESS
	P	650 PSIG OR LESS
	PROPOSED NEW MAIN (DESIGNED)	
	PROPOSED ABANDONED MAIN	
	ABANDONED MAIN	

Pipe Material

Code	Description
ST	STEEL
WR	WROT STEEL
CI	CAST IRON
PE	PLASTIC
TR	PLASTIC
AA	PLASTIC
PVC	POLYVINYL CHLORIDE

Symbology

	CASING
	CLOSE VALVE
	CLOSE ROADWAY VALVE
	OPEN ROADWAY VALVE
	OPEN VALVE
	OVERPRESSURE DEVICE
	REGULATING STATION
	TOWN BORDER STATION
	VAULT

Symbology Color Code

	ACTIVE
	DESIGNED
	ABANDONED

Pressure Change Area



Abbreviation List

Code	Description
AL	ALLEY LINE
BC	BACK OF CURB
BL	BUILDING LINE
BT	BACK OF BLACKTOP
CB	CATCH BASIN
CL	CENTER LINE
CP	CABLE PEDESTAL
DB	DITCH BOTTOM
DT	DRAIN TILE
DW	DRIVE WAY
EBL	EAST BOUND LANE
EP	ELECTRIC PEDESTAL
ER	EDGE OF ROAD
ES	EASEMENT LINE
ET	ELECTRIC TRANSFORMER
FC	FRONT OF CURB
FL	FENCE LINE
GC	GARAGE CORNER
GL	GARAGE LINE
HC	HOUSE CORNER
HD	HYDRANT
HL	HOUSE LINE
ILW	EDGE OF SIDE WALK CLOSEST TO ROAD ROW
LL	LOT LINE
LP	LIGHT POLE
MH	MANHOLE
MP	METER POST
NBL	NORTH BOUND LANE
PC	PROPERTY CORNER
PI	PROPERTY IRON
PL	POLE LINE
PO	POLE
PP	POWER POLE
RD	RADIUS POINT
RI	RISERS
RR	CENTER OF RR TRACKS
RW	RIGHT OF WAY
SBL	SOUTH BOUND LANE
SD	STORM DRAIN
SN	STREET SIGN
SS	STORM SEWER
SW	SIDEWALK
TP	TELEPHONE PEDESTAL
UP	UTILITY PEDESTAL
WA	WALL
WBL	WEST BOUND LANE
WL	WATER LINE
WS	WATER STOP

CERTIFICATE OF SERVICE

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

**Greater Minnesota Gas, Inc.'s Reply to Supplemental Comments
Docket No. G022, G008/C-20-795**

filed this 1st day of February, 2021.

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

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Kristine	Anderson	kanderson@greatermngas.com	Greater Minnesota Gas, Inc. & Greater MN Transmission, LLC	1900 Cardinal Lane PO Box 798 Faribault, MN 55021	Electronic Service	No	OFF_SL_20-795_Official
Brenda A.	Bjorklund	brenda.bjorklund@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	No	OFF_SL_20-795_Official
Melodee	Carlson Chang	melodee.carlsonchang@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	No	OFF_SL_20-795_Official
Cody	Chilson	cchilson@greatermngas.com	Greater Minnesota Gas, Inc. & Greater MN Transmission, LLC	1900 Cardinal Ln PO Box 798 Faribault, MN 55021	Electronic Service	No	OFF_SL_20-795_Official
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_20-795_Official
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_20-795_Official
Brian	Gardow	bgardow@greatermngas.com	Greater Minnesota Gas, Inc. & Greater MN Transmission, LLC	1900 Cardinal Ln PO Box 798 Faribault, MN 55021	Electronic Service	No	OFF_SL_20-795_Official
Nicolle	Kupser	nkupser@greatermngas.com	Greater Minnesota Gas, Inc. & Greater MN Transmission, LLC	1900 Cardinal Ln PO Box 798 Faribault, MN 55021	Electronic Service	No	OFF_SL_20-795_Official
Amber	Lee	Amber.Lee@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	No	OFF_SL_20-795_Official
Greg	Palmer	gpalmer@greatermngas.com	Greater Minnesota Gas, Inc. & Greater MN Transmission, LLC	1900 Cardinal Ln PO Box 798 Faribault, MN 55021	Electronic Service	No	OFF_SL_20-795_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_20-795_Official
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th Pl E Ste 350 Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_20-795_Official