

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

David C. Boyd	Chair
J. Dennis O'Brien	Commissioner
Thomas Pugh	Commissioner
Phyllis A. Reha	Commissioner
Betsy Wergin	Commissioner

In the Matter of a Commission Investigation  
Into Gas Utility Service Quality Standards

ISSUE DATE: August 26, 2010

DOCKET NO. G-999/CI-09-409

ORDER SETTING REPORTING  
REQUIREMENTS

**PROCEDURAL HISTORY**

On April 16, 2009, the Commission opened an investigation into gas utility service quality standards and requested comments on the Office of Energy Security's (OES) February 12, 2009, recommendations<sup>1</sup> that the Commission establish gas service quality requirements for all natural gas utilities.

Between May 18 and June 9, 2009, the Commission received comments from Xcel Energy, Inc. (Xcel), CenterPoint Energy (CenterPoint), Minnesota Energy Resources Corporation (MERC), Great Plains Natural Gas Company, Interstate Power and Light Company (IPL), and the OES.

On March 2, 2010, the Commission issued a notice requesting comments on issues raised in this docket and certain gas service quality dockets.

Between March 25 and April 8, 2010, the Commission received comments from MERC, CenterPoint, IPL, and the OES.

On May 20, 2010, the Commission issued an Order requesting that the OES facilitate further development of the issues to clarify areas of agreement and disagreement among the parties.

On May 28, 2010, the OES submitted additional comments.

Between June 7 and June 29, 2010, the Commission received additional comments from CenterPoint, IPL, and Xcel.

On August 5, 2010, the Commission met to consider the matter.

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<sup>1</sup> The OES submitted its comments as part of Docket Nos. G-007, 011/M-07-1642 and G-008/M-07-1641, which address the 2007 quarterly service quality reports of CenterPoint Energy and Minnesota Energy Resources Corporation.

## FINDINGS AND CONCLUSIONS

### **I. Background**

Minnesota's gas utilities report varied information on service quality,<sup>2</sup> but have not been required to uniformly report such information in annual reports. As a result, the OES's review of gas utility service quality reports is conducted without the advantage of baseline data or simultaneous review (reports are filed annually or quarterly depending on the utility).

The OES therefore began assessing the need for uniform gas quality service standards and reporting as part of its evaluation of CenterPoint's and MERC's 2007 quarterly service quality reports. On April 21, 2008, the OES issued a meeting notice inviting utilities and interested stakeholders to discuss setting gas service quality standards and reporting requirements and to discuss whether to model them after the existing electric utility standards contained in Minn. Rules, Chapter 7826. The OES held meetings on April 30, and May 15, 2008.

Based on its discussion with the parties, the OES's February 12, 2009, comments identified areas of general agreement among the parties on reporting requirements and included a recommendation that the Commission require gas utilities to begin filing annual reports on May 1 of each year, based on data from the previous calendar year.

Specifically, the OES recommended the following:

- Call Center Answer Times – gas utilities will report the information contained in Minn. Rules, part 7826.1200, subparts 1 and 2.
- Meter Reading – gas utilities will report the information contained in Minn. Rules, part 7826.1400.
- Involuntary Disconnections – gas utilities will report information required under Minn. Stat. §§ 216B.091 and 216B.096, subpart 11, in lieu of the information required under Minn. Rules, part 7826.1500.
- Service Extension Request Times – gas utilities will report the information contained in Minn. Rules, part 7826.1600.
- Customer Deposits – gas utilities will report the information contained in Minn. Rules, part 7826.1900.
- Customer Complaints – gas utilities will report the information contained in Minn. Rules, part 7826.2000.

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<sup>2</sup> Xcel and IPL include data from gas operations in their annual electric service quality reports; CenterPoint and MERC file quarterly gas service quality reports.

- Gas Emergency Response Times – develop the issue of reporting response times to gas emergencies (the OES later supported the requirement that gas utilities report their average emergency response times).

Based on subsequent discussions with the parties, the OES supported adding the following reporting requirements to the list above:

- Gas Emergency Answer Times – gas utilities will report answer times to gas emergency line calls.
- Mislocates – gas utilities will report the number of times a gas line is damaged as a result of mismarked or unmarked lines.
- Gas System Damage – gas utilities will report the total number of gas lines damaged consistent with how they report this information to the Minnesota Office of Pipeline Safety. The damage should be categorized according to whether it was caused by the utility’s employees or contractors, or whether it was due to any other unplanned cause.
- Gas Service Interruptions – gas utilities will report service interruption data on: interruptions due to the utility’s employees or contractors, interruptions due to any other unplanned causes, major incidents that are reportable to the Minnesota Office of Pipeline Safety, interruptions due to system integrity pressure issues; and gas utilities shall notify the Commission and the OES of major reportable incidents.
- Customer Service Related Operations and Maintenance Expenses – gas utilities will report these expenses.

The OES recommended applying reporting requirements to CenterPoint, IPL, MERC, and Xcel. The OES stated that the remaining two utilities, Greater Minnesota Gas, and Great Plains Natural Gas Company, objected to the requirements, arguing that as small utilities, the costs for complying with the requirements would exceed ratepayer benefit. Both smaller utilities agreed to provide the Commission with a report on service quality standards and accompanying costs by August 31, 2010.

## **II. Reporting Requirements**

Prior to the Commission’s meeting on this matter, the parties had reached agreement on most of the reporting requirements recommended and supported by the OES. The Commission concurs in the resolutions reached on those requirements and will memorialize them in the ordering paragraphs of this order without addressing them here.

Two remaining requirements - reporting of customer complaint data and reporting of answer times to service interruptions calls – were identified by the OES in its May 28, 2010, comments as items on which there remained some measure of disagreement among the parties.

On the first issue, MERC had expressed concern with the reporting requirement regarding customer complaints but had reached agreement with the OES on this item by the time of the Commission meeting.

On the second issue, the OES had recommended that gas utilities be required to report call center answer times to both service interruption calls and calls to their business offices; the OES stated that this would ensure that utilities were tracking all types of calls. The utilities argued that it is unnecessary to require a separate reporting category for outage calls because gas service interruptions occur rarely compared to electric service interruptions and therefore the utilities do not separately track gas outage calls. The utilities do, however, track calls to their gas emergency lines and offered to report answer times for these types of calls instead. At the Commission meeting on the matter, the OES agreed with the utilities on the requirement to report answer times to gas emergency calls.

### **III. Commission Action**

The Commission appreciates the thorough and helpful analysis, as well as the recommendations, offered by the OES in this case. The Commission concurs with the OES on the importance of establishing uniform reporting requirements for gas utilities and in modeling them after the electric utility standards contained in Minnesota Rules, Chapter 7826.

The baseline data provided by each utility will enable the Commission to monitor the quality of service of each utility's distribution system over time and across its service area. This will facilitate the Commission's ability to identify concerns that threaten the quality of service provided to ratepayers. These requirements also alert the Commission to customer service and consumer protection issues and give the Commission the tools necessary to monitor, protect, and maintain service quality.

The Commission therefore finds that establishing such reporting requirements is in the public interest and finds that the resolutions reached on the requirements by the parties are reasonable and appropriate. The Commission also finds that it is reasonable to allow the smaller utilities, Great Plains Natural Gas and Greater Minnesota Gas, the opportunity to submit proposals on gas service quality reporting that address the relevant factors, including cost factors, affecting their reporting capabilities.

The Commission hereby sets forth the reporting requirements as described in the ordering paragraphs below. The reports should be treated as miscellaneous tariff filings, and each utility filing made each year should receive a new docket number. CenterPoint's and MERC's annual reports will replace their quarterly filings, and as a result, they are no longer required to file third and fourth quarter 2010 service quality reports. The Commission will, however, direct MERC and CenterPoint to continue using their 2010 service quality docket numbers for their first annual reports.<sup>3</sup>

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<sup>3</sup> CenterPoint should use Docket No. G-008/M-10-378, and MERC should use Docket No. G-007, 011/M-10-374.

## ORDER

1. Great Plains and Greater Minnesota Gas shall submit proposals for natural gas service quality reporting by August 31, 2010.
2. Xcel, IPL, CenterPoint, and MERC shall file annual service quality reports beginning May 1, 2011. Each report shall be based on data from the previous calendar year. The first reporting period begins January 1, 2010, except as otherwise specified below. Each annual report shall be filed according to the following requirements:
  - A. Each utility shall report call center response times in terms of the percentage of calls answered within 20 seconds. IPL and Xcel may include both gas and electric utility call center answer times in their reports. CenterPoint's first report shall include as much data from 2010 as possible.
  - B. Each utility shall report the meter reading performance data contained in Minn. Rules, part 7826.1400. CenterPoint's and MERC's first reports shall contain as much data from 2010 as possible. MERC's reports shall include data both with and without farm tap account information.
  - C. MERC shall also provide in its first report, or in its next rate case, whichever is filed first, a status report on the implementation of telemetering for its Small Volume, Large Volume, and Super Large Volume customers, as well as the status of automated meter reading, if applicable, for its other customers.
  - D. In lieu of reporting data on involuntary service disconnections as contained in Minn. Rules, part 7826.1500, each utility shall reference the data that it submits under Minn. Stat. §§ 216B.091 and 216B.096.
  - E. Each utility shall report the service extension request response time data contained in Minn. Rules, part 7826.1600, items A and B, except that data reported under Minn. Stat. 216B.091 and 216B.096, subd. 11, is not required. Each utility's first report shall contain as much data from 2010 as possible.
  - F. Each utility shall report the customer deposit data contained in Minn. Rules, part 7826.1900. MERC's and CenterPoint's first reports shall contain as much data from 2010 as possible.
  - G. Each utility shall report the customer complaint data contained in Minn. Rules, part 7826.2000. MERC's first report should contain as much data from 2010 as possible.
  - H. Each utility shall report data on telephone answer times to its gas emergency phone line calls. MERC's first report shall contain data for the period beginning April 1, 2010.

- I. Each utility shall report data on mislocates, including the number of times a line is damaged due to a mismarked line or failure to mark a line. IPL and Xcel may include both gas and electric utility data in their reports. Xcel's first report shall contain data for the period beginning October 1, 2010.
- J. Each utility shall report data on the number of gas lines damaged. The damage shall be categorized according to whether it was caused by the utility's employees or contractors, or whether it was due to any other unplanned cause. MERC's and CenterPoint's first reports shall contain as much data from 2010 as possible. Xcel's first report shall contain data for the period beginning October 1, 2010.
- K. Each utility shall report data on service interruptions. Each interruption shall be categorized according to whether it was caused by the utility's employees or contractors, or whether it was due to any other unplanned cause. MERC's, CenterPoint's, and Xcel's first reports shall contain as much data from 2010 as possible.
- L. Each utility shall report summaries of major events that are immediately reportable to the Minnesota Office of Pipeline Safety (MOPS) according to the criteria used by MOPS to identify reportable events. Each utility shall also provide summaries of all service interruptions caused by system integrity pressure issues. Each summary shall include the following ten items:
- the location;
  - when the incident occurred;
  - how many customers were affected;
  - how the company was made aware of the incident;
  - the root cause of the incident;
  - the actions taken to fix the problem;
  - what actions were taken to contact customers;
  - any public relations or media issues;
  - whether the customer or the company relighted; and
  - the longest any customer was without gas service during the incident.

MERC's and CenterPoint's first reports shall contain as much data from 2010 as possible. Xcel's first report shall contain data for the period beginning October 1, 2010.

- M. Each utility shall provide the Commission and the OES with notification of reportable events as they are defined by MOPS, contemporaneous with the utility's notification of the event to MOPS. The notice should be sent to the Commission's Consumer Affairs Office at [consumer.puc@state.mn.us](mailto:consumer.puc@state.mn.us) and shall describe the location and cause of the event, the number of customers affected, the expected duration of the event, and the utility's best estimate of when service will be restored. This requirement is effective for MERC and CenterPoint beginning as

soon as possible in 2010; for Xcel, on October 1, 2010; and for IPL, on the date of this Order.

- N. Each utility shall report data on gas emergency response times and include the percentage of emergencies responded to within one hour and within more than one hour. CenterPoint, IPL, and MERC shall also report the average number of minutes it takes to respond to an emergency. CenterPoint's and MERC's first reports shall contain as much data from 2010 as possible.
  - O. Each utility shall report customer-service related operations and maintenance expenses. The reports shall include only Minnesota-regulated, customer-service expenses and shall be based on the costs each utility records in its FERC accounts 901 and 903, plus payroll taxes and benefits. Xcel's first report shall contain data for the period beginning October 1, 2010.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar  
Executive Secretary



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