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May 20, 2014

Burl W. Haar  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, Minnesota 55101-2147

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**  
Docket No. G004/M-14-332

Attached are the *Comments* of the Minnesota Department of Commerce, Division of Energy Resources (Department) in the following matter:

*2013 Annual Gas Service Quality Report* (Report) submitted by Great Plains Natural Gas Company, a Division of MDU Resources Group, Inc. (Great Plains or the Company).

The Report was filed on April 22, 2014 by:

Tamie Aberle  
Director of Regulatory Affairs  
Great Plains Natural Gas Company  
PO 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 to various inquiries in *Reply Comments*.

The Department is available to answer any questions that the Commission may have.

Sincerely,

/s/ ZAC RUZYCKI  
Public Utilities Rate Analyst  
651-539-1856

ZR/sm  
Attachment



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## BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

### COMMENTS OF THE MINNESOTA DEPARTMENT OF COMMERCE DIVISION OF ENERGY RESOURCES

DOCKET NO. G004/M-14-332

#### 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 Resources<sup>1</sup> (Department) and all Minnesota regulated natural gas utilities in Docket No. G999/CI-09-409 (09-409 Docket). Various rounds of comments and discussion occurred in the 09-409 Docket and the issues came before the Commission on August 5, 2010. During the August 5, 2010 Commission Meeting, Great Plains Natural Gas Company (Great Plains or Company) argued that, given its size relative to larger Minnesota gas utilities, the Company's reporting requirements should be modified from those required of other gas utilities.

In an August 31, 2010 *Compliance Filing*, Great Plains provided additional information attempting to support its position that its size required different reporting requirements.

In its January 18, 2011 *Order—Setting Reporting Requirements* in the 09-409 Docket (09-409 *Order*), the Commission determined that Great Plains' size was not a barrier to complying with the reporting requirements and required that Great Plains provide service quality information in generally the same manner as other Minnesota gas utilities.

On May 2, 2011, Great Plains filed its calendar year 2010 *Annual Service Quality Report* in Docket No. G004/M-11-363.

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

The Company filed its calendar year 2011 *Annual Service Quality Report* in Docket No. G004/M-12-442 on May 1, 2012, and its 2012 *Annual Service Quality Report* on May 1, 2013.

The Department notes that Ordering Point 11 of the Commission's *Order* in Docket No. G004/M-11-363, et. al. states:

The parties shall convene a workgroup to work on improving consistency in reporting and to address the issues described herein.

At the Commission meeting held February 2, 2012 regarding Docket No. G002/M-11-360 *et. al.*, a workgroup was proposed consisting of the gas utilities and the Department to work on improving consistency in annual reporting. The focus of the workgroup would be to identify methods to increase uniformity in reporting among the gas utilities to make the annual comparisons of data for each utility easier, and facilitate both assessment of the reports, and the setting of any future reporting requirements. In its March 6, 2012 Order, the Commission directed the parties to convene this workgroup to address a list of specified issues.

The Department and representatives from all regulated Minnesota gas utilities, except for Greater Minnesota Gas, met on Friday, June 22, 2012 at the Department's location. As a result of this meeting, a matrix detailing how each utility reports on or calculates the metrics was formulated and was included with the Company's 2012 Report. The Natural Gas Service Quality Reporting Workgroup matrix included the reporting criteria based upon the Commission's March 6, 2012 Order, and additionally details the information and methodology each utility participating in the workgroup uses to collect and report information in service quality reporting. Some changes were proposed in the matrix to reported statistics, effective with the 2013 Service Quality Report, and will be considered in the Department's analysis.

On April 22, 2014, the Company filed its calendar year 2013 *Annual Service Quality Report* (Report). This is the fourth annual Report filed by Great Plains.

The Department provides its analysis of Great Plains' Report below.

## **II. THE DEPARTMENT'S ANALYSIS**

In its 09-409 *Order*, the Commission allowed Great Plains to delay providing certain information regarding various service quality metrics until January 1, 2011. As such, this Report marks the third full calendar year for which the Company has provided data for all of the Commission's service quality reporting metrics, allowing a limited multi-year comparison. The Department discusses each reporting requirement separately below.

*A. CALL CENTER RESPONSE TIME*

The Commission required Great Plains to provide in its annual service quality report call center response time in terms of the percentage of calls answered within 20 seconds. This requirement was applied beginning with the Company's second (calendar year 2011) service quality report. Minnesota Rules, part 7826.1200 requires Minnesota's electric utilities to answer 80 percent of calls made to the business office during regular business hours within 20 seconds.

In its Report, Great Plains provided the required information on a monthly basis for 2013. Great Plains was able to answer 80%, or more, of calls within 20 seconds in all 12 months, with an average of 85% of calls being answered within 20 seconds. The percentage of calls answered in less than 20 seconds was 4% lower in 2013 than in 2012 and 3% lower than 2011. The Department concludes that Great Plains has met the level of service set by Minnesota Rules, part 7826.1200.

In its March 6, 2012 *Order—Accepting Reports and Setting Further Reporting Requirements*, the Commission required all natural gas utilities to report average speed-of-answering calls. The Company provided average speed at which phone calls were answered for each month of 2013, with the average speed of answer at 21 seconds. Average speed of answer in 2012 was 13 seconds, and in 2011 was 35 seconds. This metric was not reported in the 2010 Report. Average speed-of-answer increased by 8 seconds from 2012 to 2013, yet remains below the level from 2011. The Department recognizes the limited nature of the data and the inability to establish trends with only 3 annual data points, but encourages continued improvement and will monitor this metric in future reports.

*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. The Company provided, as an attachment to its Report, the meter reading performance data per Minnesota Rules. As the 2013 Report is only the third report that meter reading performance data is provided, the scope of the analysis is limited.

The Company reported an average number of active meters on the system as 21,628 in 2013, an increase of 122 from the number reported in 2012. The vast majority of the Company's customers were able to have their meters read by Great Plains (99.91%). Comparing these figures to previous years, the average number of meters has increased, and the proportion of those read by the Company has stayed around 99.9%. There is little change in the data from 2011 to 2013 both in terms of average number of meters, and meters read by the Company; thus the Department concludes that the Company's performance in this area is adequate.

Meter reading staffing levels increased from 8 in 2012 to 10 in 2013, and the Company has not employed automatic meter reading in its service area. Great Plains reported no meters unread for more than six months for all of calendar year 2013. The Department will continue to monitor these metrics.

*C. INVOLUNTARY SERVICE DISCONNECTIONS*

The Commission's 09-409 *Order* requires 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. The Company reported 1,160 involuntary disconnects in 2013, an increase of 67 from the number involuntary disconnects reported in 2012 (1,093).

The emerging trend from the past three years indicate that the majority of the involuntary disconnections occur in the late spring and early summer months from May to June, coinciding with the termination of the Cold Weather Rule in April. Over the last three years 3,546 involuntary disconnections have been reported by the Company, 1,559 of which have come in the months of May and June (44 percent). The Department will continue to monitor this metric.

The Company's data show that the number of past due residential accounts averaged 16 percent of total residential accounts in 2013, and exceeded 20 percent in three individual months. These figures are consistent with those from 2012, in which the Company provided corrected data in *Reply Comments* that showed an average of 16 percent of total residential accounts in arrears, exceeding 20 percent in two individual months. The Department will continue to monitor the proportion of past due accounts to total residential accounts.

*D. SERVICE EXTENSION REQUESTS*

In its 09-409 Order, the Commission required that each utility provide in its annual report, service extension request information in the same manner as described in Minnesota Rule 7826.1600, items A and B, except for information already provided in Minnesota Statutes §§ 216B.091 and 216B.096, subd. 11. The Company provided, as an attachment to its Report, the service extension request data per Minnesota Rules. The Department notes that this is the third annual service quality Report where Great Plains has provided this information.

Two sets of data are presented in the report, one for new service extensions to properties previously not connected to the Great Plains network, and the second regarding connections of those properties previously connected to the Great Plains network. In 2013, the Company had 132 new residential connections averaging 11 connections per month, and 31 new commercial connections with an average of 2.5 connections per month. On average,<sup>2</sup> it took Great Plains 15 days to extend service to new residential customers and 11 days to extend service to new commercial customers. Both residential and commercial new connections show an improvement from 2012 in terms of the average time to extend service to new connections. 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. Nevertheless, the Department commends Great Plains on its decrease in new service extension intervals from 2012 to 2013.

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<sup>2</sup> weighted average

The second set of data represent the service extensions to previously served customers of Great Plains. In 2013 there were 1,819 service extension requests to previously served customers, with 1,548 being residential and 271 being commercial. The average number of days to complete these requests was one day for both residential and commercial requests. These totals represent an increase in number of existing extension requests from the 1,726 reported in 2012 and identical interval times (1 day in both years).

The Department has noted no definitive changes or trends in the available service extension data, especially given the limited data currently available. The Department will continue to monitor these data in future annual service quality reports and will make any necessary recommendations or conclusions when sufficient data are available.

#### *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. This is the third service quality report that Great Plains has provided this information. In each of the three 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* requires Minnesota natural gas utilities to provide customer complaint data in the same manner as prescribed in Minnesota Rule 7826.2000. The Company previously including only calls escalated to a supervisor for resolution or forwarded to the Company by the Commission's Consumer Affairs Office (CAO). Through participation in the 2013 workgroup, Great Plains agreed to include, starting with its 2013 report, all calls received in the customer service center determined to be indicative of a complaint (which is expected to be the majority of all calls). Great Plains confirmed this commitment in its 2012 Report, saying:

Starting in 2013, Great Plains is tracking and labeling all calls that an agent determines to be a concern/and or [*sic*] complaint, summarized by call type and will include the results in the 2013 Gas Service Quality Report.

However, Great Plains indicated in its 2013 Report that it is not yet able to provide total customer complaint data by complaint category, but expects to provide the required data for reporting year 2014.

Great Plains reported 28 complaints that were escalated to a supervisor for resolution or were forwarded to the Company by the Office of the Attorney General during calendar year 2012, 12 more than the 16 complaints reported for 2012. The Company also provided data on the amount of time needed to resolve complaints and whether they were forwarded from another party, such

as the Commission's Consumer Affairs Office (CAO). Great Plains reported 1 complaint received from the CAO in 2013. Most (27 of 28) of the complaints reported by Great Plains were resolved upon initial inquiry, with one complaint resolved within 10 days.

Great Plains indicated that one complaint was resolved through compromise with the customer and one through demonstration that the situation was beyond the control of the Company. The Company failed to assign the remaining 26 of the 28 complaints to a resolution type. The Department requests that the Company explain in *Reply Comments* why the data for the limited number of complaints tracked did not consistently include resolution type, including whether resolution type will be tracked and reported for the expanded reporting planned for 2014.

#### *G. GAS EMERGENCY CALLS*

In its 09-409 *Order*, the Commission required Great Plains to provide information regarding its emergency line response time. The Commission additionally required Great Plains to provide an explanation regarding the Company's expectations for answer times and procedures employees currently follow for handling emergency calls. All utilities participating in the Service Quality Reporting Workgroup 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.<sup>3</sup> Therefore, the 2013 Report marks the third year that the Company has provided these data. The Company stated in its July 11, 2013, *Reply Comments* in Docket No. G004/M-13-366 that it has an internal goal of 80 percent of calls answered within 20 seconds.

In 2013, Great Plains was able to answer 83.47 percent of its emergency line calls within 20 seconds, which exceeded the prescribed 80 percent in 20 seconds standard for electric utilities and was almost identical to the 83.75 percent level reported for 2012. Great Plains was able to answer at least 80 percent of gas emergency calls within 20 seconds in 10 of the 12 months of 2013, an improvement over the 9 months in which this goal was met in 2012. In the months where Great Plains was unable to meet the goal, it reported the following performance levels: June 75.95 percent, and October 72.50 percent.

The Company reported an annual average speed of answer of 16 seconds per call for 2013, an increase of 3 seconds per call over the 13 second average in 2012. On a monthly basis, the Company has not reported a month with average answer times in excess of 20 seconds in either 2012 or 2011. In 2013, Great Plains had two months, October and December, in which both months averaged well over 20 seconds (36 and 28 seconds, respectively). The 36 seconds in October was almost double that of any other month in 2011, 2012, and 2013. The Department requests that Great Plains address the factors impacting its speed-of-answer performance in October and December of 2013.

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<sup>3</sup> Prior to 2011, Great Plains tracked emergency line response times as the percentage of calls answered within 30 seconds.

The Company reported 1,421 total emergency calls in calendar year 2013, a decrease from the 1,437 reported in 2012. Since this is the third year that these data has been provided, the Department will continue to monitor this metric in future reports for any patterns or changes.

#### *H. GAS EMERGENCY RESPONSE*

Regarding the response times to reported gas emergencies, the Company had 289 total calls to the gas emergency phone line in 2013, a decrease from the 367 calls in 2012, and further from the 506 calls in 2011. Of the 289 calls, Great Plains was able to respond to 281 (97.23 percent) within one hour, and averaged 17 minutes in 2013. These figures represent an increase over the 14-minute average response time in 2012 and a slight decrease in the number of calls responded to within one hour, down from the 99.73 percent in 2012.

The Company did not have any months or specific instances entailing unusually long response times, and only two months where the response time exceeded 20 minutes (July and October). The Department encourages Great Plains to continue improving 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*, requires Minnesota natural gas utilities 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. In its January 18, 2011 Order in Docket 09-409, the Commission required that Great Plains provide data on mislocates in the Company's annual service quality reports.

Great Plains reported 14 mislocates in 2013, an increase over the 1 mislocate in 2012, and the 6 in 2011. Great Plains received 6,867 locate requests in 2013 for a total mislocate rate of 0.18 percent. Mislocate rates for 2011 and 2012 were 0.12 percent and 0.02 percent, respectively. The mislocates in 2013 were comprised of 12 non-marked lines and 2 mis-marked lines. The Department notes that even with a lower number of total locates, the number of mislocates is significantly higher than in previous years. The Department will continue to monitor this metric for trends as additional years of data are provided.

#### *J. DAMAGED GAS LINES*

The Commission's 09-409 *Order* requires Minnesota regulated natural gas utilities to provide data on damaged gas lines, including the number of lines damaged by company employees or contractors, the total number of other damage events, and the number of events that were unplanned in nature. The Commission's January 18, 2011 Order in Docket 09-409 requires Great Plains to provide data on damaged gas lines in a manner similar to that provided by other utilities. The Department notes that this is the third service quality report in which Great Plains has provided data as prescribed by the Commission. 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.



In 2013, Great Plains experienced 41 instances of damage to its gas lines, a decrease of 27 from the 68 reported damages in 2012, and an increase of 11 over the 30 reported damages in 2011. Of the 41 damage events, 9 (22 percent) were caused by Great Plains or its contractors and the remaining 32 were caused by other events. As noted below, Great Plains' mislocates contributed to 14 of the 41 damage events.

The Company also provided detailed Minnesota Office of Pipeline Safety (MNOPS) reporting documents detailing the root cause of the events and the type of infrastructure involved (i.e., transmission, distribution). Damage on the Great Plains system was restricted to its distribution network during 2013. The majority of damage incidences were related to two categories: No Hand Digging / Hit While Excavating (12) or Not Marked (12), both of which were attributable to mislocates as the root cause. Other categories included Damage Done by Non Power Equipment (Hand Digging Damage), and inadequate excavation notice. Additionally, the Company had 515 miles of line in 2013, for a ratio of 7.96 damage events per 100 miles of line. The 2013 ratio represents a decrease from the 2012 damage ratio of 13.03, and a slight increase from the rate of 5.92 in 2011. The miles of line on Great Plains' system have been fairly constant from report to report.

#### *K. SERVICE INTERRUPTIONS*

In its 09-409 *Order*, the Commission required that Minnesota regulated natural gas utilities collect data regarding service interruptions. The utilities are required to separate these data into categories based on whether the event was caused by utility employees, utility contractors, or some other unplanned causes. In its January 18, 2011 Order in Docket 09-409, the Commission required Great Plains to provide detailed information regarding service interruptions on the Company's system.

Table 1 below shows that in 2013, Great Plains reported 29 service interruptions. There were 25 service interruptions reported in 2011,<sup>4</sup> and 48 in 2012. Of the 29 interruptions reported in 2013, 7 were caused by Great Plains, with the remainder caused by other parties. In 2011, 22 interruptions were caused by Great Plains workers or contractors, with the remainder caused by other sources, and in 2012, 13 of the 48 interruptions were attributable to Great Plains.

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<sup>4</sup> Great Plains filed 2010 service interruption data, but explains in its *Reply Comments* in Docket No. G004/M-12-442 that this data only includes MNOPS reportable events and is not analogous to the data submitted in later Reports.

**Table 1 - Service Interruptions**

	<b>Outages Caused by Great Plains</b>	<b>Outages Caused by Others</b>	<b>Total Interruptions</b>	<b>Customers Affected</b>	<b>Average Duration (minutes)</b>
2011	22	3	25	113	142
2012	13	35	48	115	167
2013	7	22	29	221	203

The Department notes that in 2013, while there were 19 fewer interruptions than in 2012, there were more customers affected by those outages (203 in 2013 as compared to 167 in 2012). In *Reply Comments* to the 2012 Report, the Company stated that service interruptions were directly attributable to damage events, which from the information provided in the 2013 Report, included a higher number of damages caused by Company mislocates than in prior reports. The Department requests that Great Plains provide a discussion in *Reply Comments* regarding the increase in mislocates in 2013 and what impact that increase had on the amount of customers affected by outages.

**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 Minnesota Office of Pipeline Safety (MNOPS) and provide contemporaneous reporting of these events to both the Commission and Department when they occur. Great Plains provided this information in at attachment to its Report.

The Company began providing this information starting with its calendar year 2010 *Annual Service Quality Report*, and reported 0 reportable events in 2010, 3 reportable events in 2011, 0 reportable events in 2012, and 1 reportable event in 2013. The Department commends Great Plains on its continued low levels of MNOPS reportable events and will continue to monitor this metric in future reports.

**M. CUSTOMER SERVICE RELATED OPERATIONS AND MAINENANCE (O&M) EXPENSES**

In its 09-409 *Order*, the Commission also required Great Plains to report operation and maintenance expenses related to customer service included in the Federal Energy Regulatory Commission (FERC) 901 and 903 accounts. The Company provided these data in an attachment to its Report. In 2013, Great Plains reported total service quality related O&M expenses of \$364,517, representing an increase of \$16,910 from the 2012 figure of \$347,607. On an average basis, the Company's 2013 O&M expenses were approximately \$30,376 per month. The Department did not observe any significant shifts in costs between months and notes that the change in monthly expenses between 2010 and 2013 is small. As such, the Department does not have additional comments on this topic at this time, and will continue to monitor this metric in future service quality reports.

### **III. SUMMARY AND CONCLUSIONS**

Based on its review of Great Plains' 2013 *Annual Service Quality Report*, the Department recommends that the Commission accept the Company's Report pending Great Plains' response to various inquiries in *Reply Comments*. The Department requests that the Company provide the following in its *Reply Comments*:

- an explanation regarding the lack of complaint resolution data in 2013, including whether resolution type will be tracked and reported for the expanded reporting planned for 2014;
- an explanation regarding the factors impacting its speed-of-answer performance in October and December 2013;
- a discussion of the increase in mislocates in 2013 and the impact that increase had on the number of customers affected by outages.

/sm