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July 22, 2014

**VIA ELECTRONIC FILING**

Burl W. Haar  
Executive Secretary  
Minnesota Public Utilities Commission  
121 Seventh Place East, Suite 350  
St. Paul, MN 55101

Re: Minnesota Energy Resources Corporation's (MERC's) 2013 Annual Service  
Quality Report (Report)  
Docket No. G011/M-14-365  
Reply Comments

Dear Dr. Haar:

On July 2, 2014, the Department of Commerce, Division of Energy Resources filed Comments recommending that the Minnesota Public Utilities Commission (Commission) accept MERC's Annual Service Quality Report pending the provision of additional information in MERC's Reply Comments. The specific information the Department requested, to the extent available, is provided in detail in the following pages. MERC is continuing to collect some of the information necessary to respond to the Department's remaining questions and will submit responses to those requests as soon as possible. MERC apologizes for the delay in providing this information.

Thank you for your attention to this matter.

Sincerely yours,

/s/ Michael J. Ahern

Michael J. Ahern

**STATE OF MINNESOTA**  
**BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

Beverly Jones Heydinger  
David C. Boyd  
Nancy Lange  
Dan Lipschultz  
Betsy Wergin

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of the Review of  
Minnesota Energy Resources  
Corporation's (MERC's) 2013  
Annual Service Quality Report

Docket No. G011/M-14-365

**REPLY COMMENTS OF MINNESOTA ENERGY RESOURCES CORPORATION**

Minnesota Energy Resources Corporation (MERC) submits the attached Reply Comments in response to the July 2, 2014, Minnesota Department of Commerce, Division of Energy Resources (Department) Comments in this docket. In its Comments, the Department recommended that MERC provide additional information in its Reply Comments, specifically:

- A. An updated Attachment 1 reflecting 2013 data;
- B. A full reconciliation and explanation of why the complaint totals reported for 2012 and 2013, in the 13-355 docket and current docket in Attachment F, are different from the complaint totals contained in the 2013 and 2014 filings submitted by MERC pursuant to Minnesota Rule 7820.0500;
- C. A clarification regarding the number of complaints received in July 2013;
- D. An updated Attachment 6 reflecting 2013 data;
- E. A clarification regarding whether the MnOPS reportable event in 2013 caused by a system issue resulted in gas line damage; and
- F. An explanation detailing why monthly O&M expense in March 2013 were noticeably different than the monthly average.

Below, MERC discusses the additional information requested by the Department.

**A. An updated attachment 1 reflecting 2013 data.**

An updated Attachment 1: Call Center Response Time, for 2013, is attached as Attachment 1-b to these Reply Comments. MERC had inadvertently included the 2012 data in its initial filing. All information in Attachment 1 has been updated except the percentage of emergency phone calls answered within 15 seconds. MERC is working to compile this information and will file it as soon as possible.

**B. A full reconciliation and explanation of why the complaint totals reported for 2012 and 2013, in the 13-355 docket and current docket in Attachment F, are different from the complaint totals contained in the 2013 and 2014 filings submitted by MERC pursuant to Minnesota Rule 7820.0500.**

The complaint total for the 2013 filing submitted by MERC pursuant to Minnesota Rule 7820.0500 inadvertently double-counted the number of complaints received by MERC's commercial and industrial customers. The complaint total for the 2012 Rule 7820.0500 report omitted consumer complaints made directly to the Commission, the Office of the Attorney General, or the Better Business Bureau. MERC has reviewed the internal process used to compile and file these reports and has implemented steps to ensure the consistency and accuracy of the information provided in future filings. Additionally, MERC will update and re-file the 2012 and 2013 Rule 7820.0500 reports to reflect the correct complaint totals.

**C. A clarification regarding the number of complaints received in July 2013.**

MERC is in the process of resolving the discrepancy between the number of complaints received in July 2013 (215), and the number of complaints resolved (116). MERC has preliminarily determined that the 99 complaints that appear as unresolved were in fact resolved, but the resolution time is not shown on the report due to a data error with the report. MERC will continue to investigate the cause of the error and the time in which each of the 99 complaints was resolved. MERC will provide this information as soon as it is available and apologizes for the delay.

**D. An updated Attachment 6 reflecting 2013 data.**

In its initial filing, MERC provided data related to the total number of emergency calls, the average telephone answer time, and the percentage of calls that were answered within 15 seconds. The information was from 2012 and should have been updated for the 2013 filing. All other information pertaining to the response time for these calls was correct as initially filed. An updated Attachment 6: Answer Time for Gas Emergency Phone Lines, for 2013, is attached as Attachment 6-b to these Reply Comments. We have updated the total number of emergency calls (19,011, which reflects an increase from the 17,341 emergency calls received in 2012) and the average speed of answer (6.8 seconds) for 2013. We are working to compile the percentage of emergency phone calls answered within 15 seconds and will file it as soon as possible.

**E. A clarification regarding whether the MnOPS reportable event in 2013 caused by a system issue resulted in gas line damage.**

Attachment 10 to MERC's 2013 Gas Service Quality Report indicated that the MnOPS reportable event on June 19, 2013, at 311 SW 16th Avenue in Rochester, MN was caused by a system issue. This event was actually caused by a third party ("outage caused by other"). A plumbing contractor attempted to turn the water off at the curb box but inadvertently pinched off MERC's half inch inserted gas line instead. The plumbing contractor did not realize this happened and the gas leaked and followed the line into the house. All other information provided for this incident is correct. And updated version of Attachment 10 is attached to these Reply Comments as Attachment 10-b.

**F. An explanation detailing why monthly O&M expense in March 2013 were noticeably different than the monthly average.**

Entries for MERC's third-party billing and call center vendor, Vertex, were made in March 2013 to fix an under-billing error that had occurred in January and February, causing the

monthly O&M expense in March to be higher. The average of the expenses in January, February, and March are similar to the other months.

DATED this 22nd day of July, 2014.

Respectfully submitted,

DORSEY & WHITNEY LLP

/s/ Michael J. Ahern

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Attorney for Minnesota Energy  
Resources Corporation

**Attachment 1-b**

**Answer time for gas emergency phone lines**  
2013

|  | January | February | March | April | May   | June  | July  | August | September | October | November | December | AVERAGE | TOTAL  |
|--|---------|----------|-------|-------|-------|-------|-------|--------|-----------|---------|----------|----------|---------|--------|
| Total calls                                      | 1,767   | 1,475    | 1,479 | 1,350 | 1,588 | 1,816 | 1,219 | 1,187  | 1,132     | 1,714   | 1,447    | 2,837    | 1,584   | 19,011 |
| Average speed of answer % answered in 15 seconds | 7       | 7        | 6     | 7     | 6     | 7     | 7     | 7      | 6         | 6       | 8        | 8        | 7       |        |

## Answer time for gas emergency phone lines

|                          | 2013    |          |       |       |       |       |       |        |           |         |          |          | AVERAGE | TOTAL  |
|--------------------------|---------|----------|-------|-------|-------|-------|-------|--------|-----------|---------|----------|----------|---------|--------|
|                          | January | February | March | April | May   | June  | July  | August | September | October | November | December |         |        |
| Total calls              | 1,767   | 1,475    | 1,479 | 1,350 | 1,588 | 1,816 | 1,219 | 1,187  | 1,132     | 1,714   | 1,447    | 2,837    | 1584    | 19,011 |
| Average speed of answer  | 7       | 7        | 6     | 7     | 6     | 7     | 7     | 7      | 6         | 6       | 8        | 8        | 6.8     |        |
| % answered in 15 seconds |         |          |       |       |       |       |       |        |           |         |          |          |         |        |

## Tech Response Time From Time of Call to Arrival

|                                    | January    | February   | March      | April      | May        | June       | July       | August     | September  | October    | November   | December   | Total       |
|------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|
| Calls responded to in Under 1 hour | 562        | 424        | 421        | 389        | 499        | 784        | 374        | 408        | 378        | 574        | 610        | 623        | 6046        |
| Calls responded to in Over 1 hour  | 13         | 14         | 14         | 7          | 19         | 77         | 17         | 12         | 11         | 18         | 24         | 34         | 260         |
| <b>Total Calls</b>                 | <b>575</b> | <b>438</b> | <b>435</b> | <b>396</b> | <b>518</b> | <b>861</b> | <b>391</b> | <b>420</b> | <b>389</b> | <b>592</b> | <b>634</b> | <b>657</b> | <b>6306</b> |

## Calls responded to in Under 1 hour

|           | NW region | NE region | CN region | SE region | SW region | Total |
|-----------|-----------|-----------|-----------|-----------|-----------|-------|
| January   | 74        | 108       | 137       | 186       | 57        | 562   |
| February  | 56        | 86        | 97        | 138       | 47        | 424   |
| March     | 66        | 73        | 88        | 124       | 70        | 421   |
| April     | 50        | 74        | 87        | 134       | 44        | 389   |
| May       | 74        | 99        | 118       | 142       | 66        | 499   |
| June      | 235       | 92        | 230       | 174       | 53        | 784   |
| July      | 50        | 72        | 94        | 114       | 44        | 374   |
| August    | 58        | 71        | 105       | 136       | 38        | 408   |
| September | 43        | 76        | 95        | 125       | 39        | 378   |
| October   | 84        | 115       | 144       | 165       | 66        | 574   |
| November  | 78        | 97        | 181       | 189       | 65        | 610   |
| December  | 84        | 95        | 185       | 181       | 78        | 623   |
| Totals    | 952       | 1058      | 1561      | 1808      | 667       | 6046  |

| MERC<br>Emergency<br>response time in<br>minutes | Month   |
|--|---------|
| January  | 0:27:06 |
| February   | 0:26:55 |
| March  | 0:27:31 |
| April  | 0:25:50 |
| May  | 0:26:16 |
| June   | 0:43:17 |
| July   | 0:27:40 |
| August   | 0:28:20 |
| September  | 0:27:25 |
| October  | 0:26:42 |
| November   | 0:28:52 |
| December   | 0:30:50 |
| YTD Total 2013                                   | 0:28:54 |

## Calls responded to in Over 1 hour

|           | NW region | NE region | CN region | SE region | SW region | Total |
|-----------|-----------|-----------|-----------|-----------|-----------|-------|
| January   | 6         | 2         | 1         | 1         | 3         | 13    |
| February  | 4         | 2         | 2         | 2         | 4         | 14    |
| March     | 4         | 2         | 3         | 2         | 3         | 14    |
| April     | 1         | 0         | 1         | 1         | 4         | 7     |
| May       | 11        | 2         | 1         | 1         | 4         | 19    |
| June      | 25        | 2         | 43        | 3         | 4         | 77    |
| July      | 5         | 2         | 4         | 1         | 5         | 17    |
| August    | 2         | 2         | 5         | 1         | 2         | 12    |
| September | 2         | 0         | 3         | 2         | 4         | 11    |
| October   | 6         | 3         | 6         | 1         | 2         | 18    |
| November  | 6         | 4         | 6         | 1         | 7         | 24    |
| December  | 7         | 6         | 11        | 6         | 4         | 34    |
| Totals    | 79        | 27        | 86        | 22        | 46        | 260   |

MERC's emergency response time target is 30 minutes

note: Central increase in June due to odorizer malfunction  
 NW MN June increase due to odorize malfunction due to lightning strike

calls in under and over an hour and tech response time completed

completed Dave Perron for response, Kathy Thoun for emergency call info

## Emergency reponse time

| 2013                       | January | February | March   | April   | May     | June    | July    | August  | September | October | November | December | Total   |
|----------------------------|---------|----------|---------|---------|---------|---------|---------|---------|-----------|---------|----------|----------|---------|
| Total calls                | 575     | 438      | 435     | 396     | 518     | 861     | 391     | 420     | 389       | 592     | 634      | 657      | 6306    |
| # responded to in < 1 hour | 562     | 424      | 421     | 389     | 499     | 784     | 374     | 408     | 378       | 574     | 610      | 623      | 6046    |
| % responded to in < 1 hour | 97.7%   | 96.8%    | 96.8%   | 98.2%   | 96.3%   | 91.1%   | 95.7%   | 97.1%   | 97.2%     | 97.0%   | 96.2%    | 94.8%    | 95.9%   |
| # responded to in > 1 hour | 13      | 14       | 14      | 7       | 19      | 77      | 17      | 12      | 11        | 18      | 24       | 34       | 260     |
| % responded to in > 1 hour | 2.3%    | 3.3%     | 3.3%    | 1.8%    | 3.8%    | 9.8%    | 4.5%    | 2.9%    | 2.9%      | 3.1%    | 3.9%     | 5.5%     | 4.1%    |
| Average minutes to respond | 0:27:06 | 0:26:55  | 0:27:31 | 0:25:50 | 0:26:16 | 0:43:17 | 0:27:40 | 0:28:20 | 0:27:25   | 0:26:42 | 0:28:52  | 0:30:50  | 0:28:54 |

2013

| DATE       | Address                         | Outage caused by system issue | Outage caused by MERC employee or MERC contractor | outage caused by other | Number of customers affected | outage duration   | comments   |
|------------|---------------------------------|-------------------------------|---|------------------------|------------------------------|---|--|
| 4/1/2013   | 201 Industrial Rd, Sebeka       | N                             | N   | Y                      | 1                            | 1:51  | Broken customer piping   |
| 4/17/2013  | Blooming Prairie School         | N                             | N   | Y                      | 1                            | 0:53  | Small leak on customer piping  |
| 6/19/2013  | 311 SW 16th Ave, Rochester      | N                             | N   | Y                      | 16                           | 14-5:59, 1-74:41, 1-103:23  | leak at gas curb stop near gas main                                    |
| 8/3/2013   | 710 Hwy 73, Floodwood           | N                             | N   | Y                      | 0                            | 0   | 1/2" service hit (not in use)  |
| 8/5/2013   | Yankee Doodle Rd, Eagan         | N                             | Y   | N                      | 0                            | 0   | 1/4" needle valve broken off meter set while doing routine maintenance |
| 8/15/2013  | 19849 Itea Ave, Lakeville       | N                             | N   | Y                      | 2                            | 120   | Main hit by contractor digging w/o locates                             |
| 8/26/2013  | 444 3rd St NE, Blooming Prairie | N                             | N   | Y                      | 1                            | customer requested gas left off, relit by contractor after work completed | contractor broke gas line to water heater                              |
| 11/7/2013  | 8670 210th St, Lakeville        | N                             | N   | Y                      | 1                            | 120   | contractor hit accurately marked service line                          |
| 11/20/2013 | 209 8th St NE, Byron            | N                             | N   | Y                      | 1                            | 60  | accurately marked 1/2" service hit by contractor                       |

|            |                                   |   |   |   |    |      |  |
|------------|-----------------------------------|---|---|---|----|------|--|
| 11/21/2013 | Stewartville Mall                 | N | N | Y | 3  | 3:35 | Accurately marked main severed by contractor                       |
| 11/25/2013 | Central Ave & 6th St,<br>Chisholm | N | N | Y | 15 | 4:55 | Contractor changed route w/o calling for<br>relocate, severed main |

AFFIDAVIT OF SERVICE

STATE OF MINNESOTA            )  
  ) ss  
COUNTY OF HENNEPIN        )

Kristin M. Stastny hereby certifies that on the 22nd day of July, 2014, on behalf of Minnesota Energy Resources Corporation (MERC) she electronically filed a true and correct copy of MERC's Reply Comments on [www.edockets.state.mn.us](http://www.edockets.state.mn.us). Said document was also served via U.S. mail and electronic service as designated on the attached service list.

/s/ Kristin M. Stastny  
Kristin M. Stastny

Subscribed and sworn to before me  
this 22nd Day of July, 2014.

/s/ Alice Jaworski  
Notary Public, State of Minnesota

[illegible]

| First Name | Last Name | Email                                  | Company Name                              | Address   | Delivery Method    | View Trade Secret | Service List Name      |
|------------|-----------|--|---|---|--------------------|-------------------|------------------------|
| Eric       | Swanson   | eswanson@winthrop.com                  | Winthrop Weinstine                        | 225 S 6th St Ste 3500<br>Capella Tower<br>Minneapolis,<br>MN<br>554024629 | Electronic Service | No                | OFF_SL_14-365_M-14-365 |
| Gregory    | Walters   | gjwalters@minnesotaenergyresources.com | Minnesota Energy<br>Resources Corporation | 3460 Technology Dr. NW<br><br>Rochester,<br>MN<br>55901                   | Electronic Service | No                | OFF_SL_14-365_M-14-365 |