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- VIA ELECTRONIC FILING -

April 6, 2018

Mr. Daniel Wolf Executive Secretary Minnesota Public Utilities Commission 121 7<sup>th</sup> Place East, Suite 350 St. Paul, MN 55101

## Re: 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 Equipment

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

Dear Mr. Wolf:

CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, hereby submits Initial Comments in the above-captioned matter. Copies of this filing have also been served on those persons listed on the attached service list.

If there are any questions, please contact me at the email address below or at 612-321-5140.

Sincerely,

/s/

Lisa Randall Regulatory Analyst lisa.randall@centerpointenergy.com

# STATE OF MINNESOTA BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION 121 Seventh Place East, Suite 350

St. Paul, MN 55101-2147

Nancy Lange	Chair
Dan Lipschultz	Commissioner
Matt Schuerger	Commissioner
Katie Sieben	Commissioner
John Tuma	Commissioner

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 Equipment

**INITIAL COMMENTS** 

### INTRODUCTION

On February 6, 2018, the Minnesota Public Utilities Commission (the Commission) requested that all natural gas utilities make initial filings in the instant docket with comments on four topics related to excess flow valves (EFVs). CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas (CenterPoint Energy or the Company), did so on March 6, 2018. Having reviewed other utilities' initial filings, the Company herein presents its initial comments on the matter.

### SOCIALIZATION OF COSTS

All utilities took the view that the costs of customer-requested EFVs should be borne by the customers requesting them, not covered by other ratepayers (i.e., "socialized").

The Company agrees, and suggests that this principle be applied to all of the costs of EFV installation. In the docket which gave rise to this one, the Commission ordered Great Plains Natural Gas to socialize the cost of the EFV itself.<sup>1</sup> Because the equipment cost of an EFV is a small fraction of the total cost of EFV installation on an existing service line – for Great Plains, about \$30 out of an estimated average of \$650 – socializing this cost will not materially reduce the cost burden on a requesting customer; however, if CenterPoint Energy Minnesota Gas were required to socialize the cost of the EFV, the Company would incur additional costs to design, build, test and implement a revised automated work order process in order to remove the EFV material cost from the customer's bill.

<sup>&</sup>lt;sup>1</sup> Order Approving Tariff Changes and Opening Investigation, Docket No. G-004/M-17-625, January 29, 2018.

#### LOW-INCOME CUSTOMERS

Some utilities reported that they offer payment plans which could apply to EFV installation. These utilities should be able to continue making their payment plans available, but utilities whose tariffs currently call for customer-requested work to be paid in advance (including CenterPoint Energy Minnesota Gas) should not be required to establish different policies for customers requesting EFVs.

#### ALTERNATIVES TO EXCESS FLOW VALVES

Some utilities noted that both EFVs and curb (or manual) valves shut off gas to leaking service lines. Beyond this similarity, though, the two serve different purposes, and in its 2016 rulemaking, the Pipeline and Hazardous Materials Safety Administration (PHMSA) stated that it "is not allowing manual valve installation for loads below 1,000 SCFH, even when future anticipated loads may exceed that threshold."<sup>2</sup> The Company believes that it would not be appropriate to suggest manual valves instead of EFVs to residential customers whose service lines cannot support EFVs.

#### CONCLUSION

CenterPoint Energy has provided these Initial Comments in light of the docket developed to date and is available for further follow-up, if requested.

Dated: April 6, 2018

Respectfully submitted,

CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas

By:<u>/s/</u>

Lisa Randall 612-321-5140

<sup>&</sup>lt;sup>2</sup> Pipeline Safety: Expanding the Use of Excess Flow Valves in Gas Distribution Systems to Applications Other than Single-Family Residences, 81 Fed. Reg. 199 (Oct. 14, 2016), at 70995.

#### **AFFIDAVIT OF SERVICE**

STATE OF MINNESOTA ) ) ss. COUNTY OF HENNEPIN )

Lisa Randall, being first duly sworn on oath, deposes and says she served the attached Initial Filing in Docket No. G-999/CI-18-41 via e-filing to all parties on the attached service list.

\_\_\_\_/s/

Lisa Randall

Subscribed and sworn to before me this 6th day of April, 2018.

/s/

Mary Jo Schuh, Notary Public My Commission Expires January 31, 2020 Print Close

#### Service List Member Information

#### Electronic Service Member(s)

Last Name	First Name	Email	Company Name	Delivery Method	View Trade Secret
Aberle	Tamie A.	tamie.aberle@mdu.com	Great Plains Natural Gas Co.	Electronic Service	No
Anderson	Kristine	kanderson@greatermngas.com	Greater Minnesota Gas, Inc.	Electronic Service	No
Barlow	Ryan	Ryan.Barlow@ag.state.mn.us	Office of the Attorney General-RUD	Electronic Service	No
Blomseth	David	davidb@communitycoops.com	Community Co-ops of Lake Park	Electronic Service	No
Commerce Attorneys	Generic Notice	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	Electronic Service	Yes
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Wenninger	Teresa	teresa.wenninger@ufcmn.com	United Farmers Cooperative	Electronic Service	No
Wolf	Daniel P	dan.wolf@state.mn.us	Public Utilities Commission	Electronic Service	Yes

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