

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Katie J. Sieben
Dan Lipschultz
Valerie Means
Matthew Schuerger
John A. Tuma

Chair
Commissioner
Commissioner
Commissioner
Commissioner

Kristine A. Anderson
Corporate Attorney
Greater Minnesota Gas, Inc.
202 South Main Street, P.O. Box 68
Le Sueur, MN 56058

SERVICE DATE: November 14, 2019

DOCKET NO. G-022/M-19-304

In the Matter of Greater Minnesota Gas' Natural Gas Service Quality Report for 2018

The above-entitled matter was considered by the Commission on October 24, 2019, and the following disposition made:

- 1. Accepted GMG's Report and modified the future reporting requirements recommended by the Department to require GMG to file, based on the utility's filing under 49 CFR 192.1007 (e) and the baseline information provided on May 1, 2019, an update of: integrity management plan performance measures; monitoring results; and evaluation of effectiveness.**

The Commission agrees with and adopts the recommendations of the Department of Commerce, which are attached and hereby incorporated into the order. This order shall become effective immediately.

BY ORDER OF THE COMMISSION

Daniel P. Wolf
Executive Secretary



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June 17, 2019

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. G022/M-19-304

Dear Mr. Wolf:

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

2018 Annual Gas Service Quality Report (Report) submitted by Greater Minnesota Gas, Inc. (Greater Minnesota or the Company).

The 2018 *Annual Gas Service Quality Report* was filed on May 1, 2019 by:

Kristine A. Anderson
Corporate Attorney
Greater Minnesota Gas, Inc.
202 South Main Street, P.O. Box 68
Le Sueur, Minnesota 56058

Based on its review of Greater Minnesota's 2018 *Annual Gas Service Quality Report*, the Department withholds final recommendation pending the provision of additional information in Reply Comments.

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

Sincerely,

/s/ ADAM J. HEINEN
Public Utilities Rates Analyst

AJH/ja
Attachment



Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. G022/M-19-304

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 (Department) and all Minnesota regulated 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 Agenda Meeting, Greater Minnesota Gas, Inc. (Greater Minnesota, GMG, or the Company) argued that, due to its size relative to Minnesota's larger regulated gas utilities, certain reporting requirements should be modified. In its January 18, 2011 *Order—Setting Reporting Requirements* (09-409 Order), the Commission determined that Greater Minnesota must provide service quality information in generally the same manner as other Minnesota gas utilities, except as modified by the Commission's 09-409 Order.

On April 25, 2011, Greater Minnesota filed its calendar year 2010 *Annual Service Quality Report*. In its March 6, 2012 *Order—Accepting Reports and Setting Reporting Requirements* (March 6 Order) in Docket No. G022/M-11-356 *et al.*, the Commission supplemented the reporting requirements set out in its 09-409 Order and directed the Minnesota natural gas utilities to convene a workgroup to improve reporting consistency and address other issues. The workgroup met on June 22, 2012 and developed more uniform reporting requirements; GMG did not attend the workgroup meeting.

Subsequently, the Company has filed the following annual service quality reports:

2012	May 1, 2013
2013	November 13, 2014
2014	May 7, 2015
2015	May 2, 2016 ¹
2016	May 1, 2017
2017	May 1, 2018
2018	May 1, 2019

The Department reviewed the Company's 2018 Annual Service Quality Report (Report) for compliance with Commission Orders and to identify potential issues. The Department provides its analysis below.

II. THE DEPARTMENT'S ANALYSIS

Per the Commission's 09-409 Order, Greater Minnesota was not required to track information for certain reporting requirements until January 1, 2011, which means that this report marks the eighth time that Greater Minnesota has provided information for the following reporting requirements: Telephone Response Time, Meter Reading Performance, Service Extension Request Time,² Customer Deposits, Customer Complaints, Gas Emergency Information, Minnesota Office of Pipeline Safety (MnOPS) damage reports, Service Interruptions, Gas Emergency Response Time, and Customer Service Expenditures related to FERC Accounts 901 and 903. The 2018 Report contains the ninth year of data for the remaining metrics: Service Disconnections and System Damage.

The Department discusses, separately, each reporting requirement below.

A. CALL CENTER RESPONSE TIME

The Commission required each utility to provide, in its annual service quality report, call center response time in terms of the percentage of calls answered within 20 seconds. The Department notes that Minnesota Rules, part 7826.1200 requires Minnesota's electric utilities to answer, on an annual average, 80 percent of calls made to the business office during regular business hours within 20 seconds.

¹The Commission's 09-409 Order requires the gas utilities to file its annual report by May 1, however May 1, 2016 was a Sunday and the Company filed its 2015 annual service quality report on May 2, 2016; as such, Greater Minnesota complied with the 09-409 Order.

² In its April 8, 2016 Order in Docket No. G022/M-15-1090, the Commission approved revised Service Extension Request Time reporting requirements beginning with the 2016 annual service quality report.

For Greater Minnesota, the Commission's 09-409 Order requires the following regarding telephone response time:

GMG shall track and report the total number of phone calls received during each annual reporting period and report on the number of times the phone rings before calls are answered. GMG shall begin tracking this data on January 1, 2011 and begin including data for this requirement in its second annual report.

The Company explained in its filing that all calls are answered live within three rings; however, if the Company does not answer within three rings, the call is automatically forwarded to an after-hours answering service. The Company's historical call volumes are summarized in Table 1 below.

Table 1: Call Volume Data (2011-2018)

Year	Number of Calls Received	Percentage Change in Calls
2011	5,887	n/a
2012	9,107	54.70%
2013	12,876	41.39%
2014	13,399	4.06%
2015	11,308	(15.61)%
2016	10,812	(4.39)%
2017	10,705	(0.99)%
2018	10,981	2.58%

In its Report, Greater Minnesota noted that the incoming call rate is comparable to the number of calls received over the last several years. Greater Minnesota explained that the calls received include existing customers with questions regarding their service and prospective customers inquiring about potential service options or scheduling service installation. The Company also explained that these call volumes reflect all calls made to the general business line, which may include calls regarding Greater Minnesota Transmission (a pipeline affiliate), Greater Minnesota Synergy (utility holding company), or other general business inquiries that may not be related to Greater Minnesota operations.

Based on the Company's information, the Department concludes that Greater Minnesota likely answered calls promptly.

B. METER READING PERFORMANCE

In its 09-409 Order, the Commission required GMG to report meter reading performance data in the same manner as prescribed in Minnesota Rule 7826.1400. The Company provided, in its Report, the meter reading performance data per Minnesota Rules.

The Company's meter reading data over the eight years that it has collected these data are summarized in Table 2 below.

Table 2: Meter Reading Data (2011-2018)

Year	Total Meters Billed	Company Read	% Company Read	Self-Read	% Self-Read	Estimated	% Estimated
2011	48,174	47,403	98.40%	145	0.30%	626	1.3%
2012	54,169	42,733	79.00%	60	0.10%	11,376	21.0%
2013	62,868	56,623	90.00%	336	0.50%	5,909	9.5%
2014	66,284	64,357	97.00%	372	0.50%	1,555	2.5%
2015	80,580	79,570	98.75%	135	0.17%	1,010	1.25%
2016	84,371	83,784	99.30%	133	0.16%	458	0.54%
2017	92,456	92,297	99.83%	23	0.03%	136	0.15%
2018	99,567	99,561	99.99%	0	0.00%	6	<0.001%

As noted in Table 2, the Company provided estimated meter reads for all of the meters not read by the Company in 2018. The Company stated that these estimated meters were the result of unforeseen and uncontrollable circumstance where automated meter reading (AMR) equipment did not pick up the meter read in one month. The Company indicated that it notified customers if their bill was estimated and the estimated meters were subsequently read to insure accurate billing. Greater Minnesota reported no unread meters for more than six months in calendar year 2018.

As noted by the Company, the only instances of estimated meter reads were the result of issues with Greater Minnesota's AMR equipment. Greater Minnesota began deployment of AMR devices in late 2014 and the Company explained in its 2017 Annual Service Quality Report that it essentially completed deployment of AMR in 2017. Based on the data in Table 2 above, it is clear that deployment of AMR has been a success and has dramatically reduced estimated

meter reads, customer-read meters, and unread meters. The Department commends Greater Minnesota on the success of the Company's AMR device deployment.

C. INVOLUNTARY SERVICE DISCONNECTION

The Commission's 09-409 Order requires Greater Minnesota to provide involuntary service disconnection data in the same manner that it reports these data under Minnesota Statutes §§ 216B.091 and 216B.096 in Docket No. E,G999/PR-14-02, which relate to the Cold Weather Rule (CWR). Table 3 shows GMG's number of disconnections over the past nine years as reported in its service quality dockets.

Table 3: Involuntary Disconnections (2010-2018)³

2010	35
2011	17
2012	54
2013	63
2014	125
2015	122
2016	69
2017	39
2018	43

Involuntary disconnections increased (10 percent) between 2017 and 2018 but remained near levels experience in 2017, which was the lowest number reported since 2011.

As noted above, the involuntary disconnection data are taken from the monthly CWR filings. The Department observed significant inconsistencies and issues (*e.g.*, data issues, late filings) with Greater Minnesota's CWR data in the 2014 annual service quality report; as such, the Department requested that the Company improve its reporting of this metric going forward. In light of these previous concerns, the Department reviewed the Company's monthly and weekly CWR filings.⁴ The Department reviewed the CWR data filed in calendar year 2018 and compared it to the information provided by Greater Minnesota in the annual service quality

³ As noted in its July 22, 2015 *Comments* in the 2014 service quality report, the Department stated that older data may not be comparable given the data concerns identified in that docket. These comparability issues still exist, so caution should be used when comparing older involuntary disconnection information with the post-2014 data.

⁴ 2018 Cold Weather Rule filings can be found in Docket No. E,G999/PR-18-2.

reports.⁵ The Department was able to reconcile the information contained in the service quality reports and the monthly CWR reports.

However, while reviewing these data, the Department did observe that the October and November 2018 CWR Reports, as filed, are identical, which suggests that one of these CWR Reports were filed in error. The Department requests that Greater Minnesota address this issue in its *Reply Comments* and, if one of the monthly CWR Reports was reported in error, the Company should refile the corresponding corrected CWR Report.

The Department also reviewed the monthly CWR reports for 2018 to determine whether they were filed in a timely manner. The Department notes that Greater Minnesota generally filed its CWR reports in a timely manner.⁶

Based on its review, the Department concludes that Greater Minnesota's involuntary disconnection data in these Reports appear acceptable subject to the Company's review of its October and November 2018 CWR Reports.

D. SERVICE EXTENSION REQUEST RESPONSE TIME

The reporting method for service extension request response time has been a topic of great discussion in past Greater Minnesota annual service quality reports. Based on the 09-409 Order, Greater Minnesota is required to report service extension request response time data contained in Minn. Rules, part 7826.1600, items A and B, except for service connections related to Minn. Stat. §§ 216B.091 and 216B.096, subd. 11 (involuntary service disconnections). Minnesota Rules, part 7826.1600, items A and B requires the following:

- A. the number of customers requesting service to a location not previously served by the utility and the intervals between the date service was installed and the later of the in-service date requested by the customer or the date the premises were ready for service; and
- B. the number of customers requesting service to a location previously served by the utility, but not served at the time of the request, and the intervals between the date service was installed and the later of the in-service date requested by the customer or the date the premises were ready for service.

⁵ Report, Attachment A.

⁶ The Company's June 2018 CWR Report was filed on August 30, 2018.

In the 2013 annual report, the Department raised concerns regarding the Company's service extension data. Specifically, the Department noted that Greater Minnesota did not provide a breakdown of service extension times between existing and new areas as prescribed by Minnesota Rules and Commission Order, and the Department requested that the Company provide these data.⁷ The Company subsequently provided information regarding customer additions along new main installations and additions for customers on existing main that did not previously have natural gas service. In its 2014 annual report, Greater Minnesota stated that it added approximately 550 new meters in 2014, but did not provide a breakdown by new main installations and extensions off existing mains as it had in the 2013 annual service quality proceeding, nor did the Company provide an exact number of total meter additions.

In both the 2013 and 2014 service quality report proceedings, Greater Minnesota expressed concern that the service extension reporting requirement may not be the best means of determining whether service is being extended to customers in a timely manner. In its August 31, 2015 Order in Docket No. G022/M-14-964, the Commission allowed Greater Minnesota to propose a new metric for service extension response time and required that the Company file a proposal within 120 days of the date of the Order. On December 31, 2015, Greater Minnesota filed its proposal in Docket No. G022/M-15-1090. Greater Minnesota and the Department exchanged written comments regarding the Company's proposal and the Commission ultimately approved a new service extension reporting requirement in the April 6 Order. The April 6 Order required the Company to begin reporting its new service extension data beginning with the 2016 annual service quality report. As such, this Report marks the third time that the Company has provided data per the revised service extension reporting requirement.

Per the April 6 Order in Docket No. G022/M-15-1090, Greater Minnesota is required to provide information on extensions to new service areas, the addition of new customers on existing mains, and a discussion on requests for changes in service to areas already served by the Company (*e.g.*, transfer of ownership of property). In addition to the service extension data, the Commission also required that Greater Minnesota provide copies of advertisements to potential new customers, the date that deposits were first taken for a new service area, and an explanation of why customers along existing mains were denied service. The Department reviewed the service extension data provided by Greater Minnesota and it appears to conform to the requirements ordered by the Commission.

The Company extended service to two new geographic areas in 2018: Detroit Lakes Area⁸ and Dodge Center. The service extension data for these geographic areas are summarized in Table 4 below.

⁷ See Greater Minnesota 2014 Annual Service Quality Report, Docket No. G022/M-15-434, page 5.

⁸ Greater Minnesota also extended service into the Detroit Lakes Area during 2017. It is likely that this new main extension project in 2018 is in a different part of the Detroit Lakes Area.

Table 4: New Main Extension Projects 2018

Area Served	Estimated Number of Residential Customers	Actual Number of Residential Customers Served	Estimated Number of Firm Commercial Customers	Actual Number of Firm Commercial Customers Served	Estimated Number of Interruptible Commercial Customers	Actual Number of Interruptible Commercial Customers Served
Detroit Lakes Area	235	279	0	0	0	0
Dodge Center	8	35 ⁹	22	22	4	4
Total	243	314	22	22	4	4

Table 5: New Main Extension Projects (2016-2018)

Year	Estimated Number of Residential Customers	Actual Number of Residential Customers Served	Estimated Number of Firm Commercial Customers	Actual Number of Firm Commercial Customers Served	Estimated Number of Interruptible Commercial Customers	Actual Number of Interruptible Commercial Customers Served
2016	404	374	27	28	3	3
2017	281	278	1	1	0	0
2018	243	314	22	22	4	4

The Company's customer growth in 2018 was above expectations and greater than calendar year 2017 by 61 customers. Higher residential customer additions in both the Detroit Lakes and Dodge Center areas drove the above-forecasted customer growth in 2018. Overall, the difference between estimated customer additions and actual customer additions are not significant; as such, the Department does not have additional comment on this topic.

Greater Minnesota also provided monthly data for on-main customer additions, which are areas where the Company already extended service. Simply put, these customers had access to Greater Minnesota service but had not previously requested service. The Department provides a summary of annual service extensions for these customers below.

⁹ Greater Minnesota explained that an adjacent residential area requested service and was included in the project.

Table 6: On-Main Customers Added (2016-2018)

Year	Residential Service Requests	Average Number of Days to Install	Firm Commercial Service Requests	Average Number of Days to Install	Interruptible Commercial Service Requests	Average Number of Days to Install	Denied Service Requests
2016	276	27	7	23	2	26	0
2017	178	30	24	13	1	8	0
2018	327	27	0	0	1	35	0

In 2018, the Company added 328 on-main customers and extended service to all customers who requested service. This is an increase of 125 on-main customers added relative to 2017. In general, across customer classes, the average length of time required to extend service was similar to extension times in calendar year 2017. On a monthly basis, the service extension times for the Residential rate class were longer (*e.g.*, approximately 50 days) in April and May.

The length of time required for these extensions appear long but may be related to the requests being made early in the construction season. In addition, the Department notes that it took 35 days for the Company to extend service to an interruptible customer in July. This is a relatively long period, but it is significantly shorter than extension times for certain commercial or interruptible customers in recent years. In recent years, these longer extension times have been the result of the end-use customer requesting service and then there being a delay before the site is ready for service. It is possible that this was the case with this interruptible customer, but the Department requests that Greater Minnesota clarify the circumstances surrounding the extension time for this customer in Reply Comments.

Overall, the on-main service extension data for 2018 appear acceptable; however, this is the third year that data were provided in this format, so it is premature to provide any substantive conclusions at this time. The Department looks forward to reviewing these data in future reports.

Greater Minnesota also represented that there were no issues or delays related to the transfer of service between customers (*e.g.*, new ownership of a house). The Company stated that it does not lock or stop service for an ownership transfer unless there is a foreclosure at a previously served location. Given the lack of customer complaints, as discussed in Section II.D below, the Department concludes that the Company has reasonably dealt with service requests in 2018.

As noted above, the Commission's Order in Docket No. G022/M-15-1090 also required Greater Minnesota to provide copies of all advertisements and solicitations provided to potential new customers in a new geographical area, date at which deposits were first accepted for a new geographic area, and an explanation of the reasons why customers were denied service when requested. Attachment B to the Company's 2018 Report include GMG's advertisements and solicitations for new customers.

As shown on page 5 of its Report, Greater Minnesota did not deny service to any customer requesting service during 2018. On page 4 of GMG's Report, the Company also provided the dates at which the main installations were complete, service installations were complete, and when the first activation fee were received for each expansion project. The first activation fee was typically received approximately eight months before the project was installed. The Department concludes that the Company complied with the Commission's Order in Docket No. G022/M-15-1090 concerning service extension reporting requirements.

E. CUSTOMER DEPOSITS

The 2018 Report marks the eighth time that the Company has provided data regarding customer deposits.

Table 8: Customer Deposits (2010-2018)¹⁰

Year	Number of New Deposits	Average Residential Customer Count*
2011	0	3,622
2012	3	4,075
2013	6	4,432
2014	13	4,918
2015	10	5,396
2016	4	6,289
2017	5	6,893
2018	2	7,434

*Source: Annual Gas Jurisdictional Reports filed each May 1.

The number of customer deposits increased steadily over the first four years but has decreased in recent years and remains well below the highest number (13) in 2014. The Company noted in its Report that it currently holds 22 total customer deposits because Greater Minnesota has not received 12 consecutive months of payment from these customers.

¹⁰ The Department notes that in past service quality reports it observed minor inconsistencies between the Annual Jurisdictional Report and Regional Energy Information System (REIS) data. The Department will review the annual REIS data when it is filed to determine if the customer count data is consistent between the two regulatory filings.

F. CUSTOMER COMPLAINTS

The Commission's 09-409 Order specified GMG's customer complaint reporting requirements, as follows:

In addition to tracking and reporting on customer complaints received from the Commission's CAO, GMG shall begin tracking and reporting on the total number of customer complaints received and the number of complaints resolved for each of the following categories: billing errors; inaccurate metering; wrongful disconnection; high bills; inadequate service; service extension intervals and service restoration intervals. This requirement becomes effective for GMG for the calendar year beginning on January 1, 2011. GMG shall begin including data for this requirement in its second annual report.

In its Report, GMG stated that when a customer calls, it is not necessarily a complaint and the Company's customer service representatives attempt to identify and answer the caller's question or concern immediately. The Company classifies a call as a complaint only if the customer service representative escalates the matter to a supervisor either because the customer service representative is unable to satisfy the customer's concerns or the customer is requesting that GMG take some type of action.

Greater Minnesota's reported total number of complaints, on an annual basis, is summarized in Table 8 below.

Table 8: Annual Total Complaints (2011-2018)

Year	Complaints
2011	10
2012	6
2013	3
2014	4
2015	4
2016	1
2017	4
2018	1

The Company noted in its Report that the Commission's CAO and the Office of the Attorney General (OAG) forwarded no complaints in 2018. The Company provided a breakdown of customer complaints by type. In 2018, Greater Minnesota classified its only complaint as a Post-Construction Property Restoration issue. Greater Minnesota provided additional information

regarding how this complaint was resolved; specifically, the Company stated that the customer was not satisfied with Greater Minnesota's initial restoration efforts and communicated its expectations to the Company. Greater Minnesota had a restoration team perform work with the customer present, and the customer was satisfied with the Company's renewed response. After reviewing the Company's explanations, the Department concludes that Greater Minnesota's complaint responses were adequate.

G. GAS EMERGENCY CALLS AND RESPONSE TIME

In its 09-409 Order, the Commission required Greater Minnesota to track and report the total number of gas emergency calls received during each annual reporting period. The 2018 Report marks the eighth time these data were collected and reported. Greater Minnesota stated that, since the Company does not have a dedicated emergency line, emergency calls are manually tallied and the amount of time it takes to answer each call cannot be tracked. Greater Minnesota's emergency call and response time metrics are reported in Table 9 below.

Table 9: Gas Emergency Calls and Response Time (2011-2018)

Year	Number of Emergency Calls	Call to Dispatch (0-10 minutes)	Call to Dispatch (more than 10 minutes)	Average Dispatch Time (minutes)	Dispatch to Arrival (less than 60 minutes)	Dispatch to Arrival (greater than 60 minutes)	Average Dispatch to Arrival (minutes)
2011	126	122	4	n/a	113	13	n/a
2012	100	95	5	3	81	19	44
2013	88	75	13	6	75	13	16
2014	110	107	3	3	102	8	36
2015	123	120	3	7	116	7	33
2016	219	214	5	5	208	11	30
2017	220	220	0	3	204	16	30
2018	248	246	2	3	237	11	29

The Company also provided additional information regarding the instances in which the call response time interval between dispatch and arrival were greater than 60 minutes.¹¹ The Department reviewed these explanations and concludes that the response times were generally reasonable. Of the 11 dispatches that took greater than 60 minutes for response, nine were the result of travel delays for traffic, road conditions, or road construction. The Company analyzed these incidences in greater detail and noted that delays ranged from 1 to 22 minutes. After its analysis, the Company concluded in each instance that the delays were outside the control of the technician.

Greater Minnesota also analyzed the other two delayed responses. One incident involved improper responses provided by an answering service operator. The Company stated that this operator was terminated from the Company's account and training was given to all remaining Greater Minnesota operators. The other delayed response involved a leak that was identified by a trained HVAC technician employed by a customer. The HVAC technician diagnosed the issue and communicated it to Greater Minnesota's technician, which required the Company to get a part not normally stocked on the technician's vehicle. The customer was aware of the delay and was not concerned.

Based on the information provided by Greater Minnesota, the Department concludes that the Company responded to emergencies in a timely manner. Although the Company had several incidences with lengthy response times, it appears that Greater Minnesota responded adequately. The Department expects the Company to maintain its emergency response goals and continually work to improve its emergency response where possible going forward.

H. MISLOCATES

The Commission's 09-409 Order requires Greater Minnesota 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. Greater Minnesota's mislocate data are summarized in Table 10 below.

¹¹ In previous annual service quality reports, the Company also provided information regarding calls that took longer than 10 minutes between call to dispatch.

Table 10: Mislocates (2011-2018)

Year	Mislocates	Number of Locate Requests
2011	5	n/a
2012	6	5,807
2013	0	6,853
2014	0	7,445
2015	1	8,033
2016	4	9,632
2017	4	8,895
2018	5	9,312

As noted above, the number of mislocates increased by one in 2018 relative to 2016 and 2017. In previous Annual Service Quality Report, Greater Minnesota noted continued issues with its locating contractor and during 2017 this contractor was responsible for the majority of its mislocates. In response to these actions, Greater Minnesota ended its relationship with the locating contractor and has moved all locating in-house. As such, all mislocates in 2018 were the result of Greater Minnesota employees. Although the number of mislocates increased in 2018, the Department notes that the number of locate requests were greater in 2018 relative to 2017 and does not believe additional action is necessary at this time. The Department will continue to monitor this metric in future annual service quality reports.

I. GAS SYSTEM DAMAGE (DAMAGED GAS LINES) AND GAS SERVICE INTERRUPTIONS

The Commission's 09-409 Order requires Greater Minnesota to provide data on damaged gas lines by providing copies of the Company's reports submitted to MnOPS. Table 11 summarizes GMG's gas system damage events.

Table 11: Gas System Damage (2010-2018)

Year	Damage caused by GMG	Damage caused by Others	Total Damage Events
2010 ¹²	N/A	N/A	5
2011	2	6	8
2012	3	4	7
2013	0	9	9
2014	0	9	9
2015	0	7	7
2016	0	9	9 ¹³
2017	4	8	12
2018	5	18	23

All 23 events in 2018 were the result of unplanned outages not related to utility operations. Of the 23 events, five involved the Company related mislocates discussed in Section II.F above. Greater Minnesota clarified that each of these five events resulted in line hits during excavation of one form or another. Of the other 18 incidents, two were the result of gopher chews, three were the result of a contractor or owner digging without a locate request, 12 resulted from contractors failing to work properly around properly marked lines, and one incident was the result of a boulder striking a meter during a landscaping project. The Company further stated that all excavation events that caused leaks were appropriately reported to MnOPS.

Greater Minnesota also stated that there were 28 gas service interruptions in 2018, the same number as reported in 2017. Twenty-three of these interruptions involved the service line hits and meter strikes noted above. Of the remaining five interruptions, two were the result of excess flow valves tripping, two resulted from meters that locked up, and one resulted from a bad regulator.

The Department is somewhat troubled by the significant increase in the number of damage events relative to previous years. While the Department acknowledges that GMG's system is growing, based on the information provided by Greater Minnesota, it appears that the increase in damage events was driven by contractors or owners failing to work properly around marked lines. The Department analyzed additional information to determine whether damage events, on a per capita basis, have changed as a result of the Company's growth in recent years.

¹² Greater Minnesota did not provide a breakdown of damage by responsible party. The Department recommended in its September 27, 2011 Comments in Docket No. G022/M-11-356 that the Company provide a detailed breakdown in future reports.

¹³ The Company noted in its 2016 Report that only eight of the nine events resulted in a natural gas leak. The one event that did not cause a leak involved a kinked service line which was repaired in the interest of safety.

Table 12: Damage per 100 Miles of Main (2010-2018)

Year	Miles of Main	Total Damage Events	Damage per 100 Miles of Main
2010 ¹⁴	N/A	5	N/A
2011	506	8	1.58
2012	551	7	1.27
2013	700	9	1.29
2014	706	9	1.27
2015	763	7	0.92
2016	810	9	1.11
2017	836	12	1.44
2018	871	23	2.64

Based on the information in Table 12 above, damage events have increased in recent years even with the growth in miles of main on the Greater Minnesota system. The Department is concerned by the increase in damage per 100 miles of main on an annual basis since 2015. The Department acknowledges that certain events are outside the control of Greater Minnesota, but the Department requests that the Company take steps going forward to decrease damage events on its system. To the extent possible, the Department also requests that Greater Minnesota work with contractors and owners to educate parties on the proper way to excavate near marked utility service.

J. MAJOR EVENT REPORTING AND NOTIFICATION OF REPORTABLE EVENTS

The 09-409 Order also required Greater Minnesota to provide summaries of all major events that are immediately reportable to MnOPS and provide contemporaneous reporting of these events to both the Commission and the Department when they occur. The Company had no MnOPS reportable events during 2018. The Department will continue to monitor this metric in future reports.

K. CUSTOMER-SERVICE-RELATED OPERATIONS AND MAINTENANCE EXPENSES

The Commission requires each gas utility to provide data regarding customer-service-related operations and maintenance expenses recorded in FERC Accounts 901 and 903. The Company's annual costs are summarized in Table 13.

¹⁴ Greater Minnesota was not required to provide its miles of pipe until its 2011 annual service quality report per the Commission's March 6, 2012 Order in Docket No. G022/M-11-356.

Table 13: Customer Service Expenses

Year	Expenses (\$)
2011	\$87,646
2012	\$84,349
2013	\$85,034
2014	\$105,579
2015	\$99,101
2016	\$116,380
2017	\$106,407
2018	\$117,847

The amount of customer service expenses appear reasonable for 2018 given current growth and operations. The Department will continue to monitor this metric in future service quality reports.

III. SUMMARY AND CONCLUSIONS

Based on its review of Greater Minnesota's 2018 Annual Service Quality Report, the Department withholds final recommendation subject to the provision of additional information in Reply Comments. Assuming this additional information is satisfactory; the Department intends to recommend that the Commission accept the Company's Report.

The Department requests that Greater Minnesota provide the following in Reply Comments:

- Clarification of the identical data provided in the October and November 2018 Cold Weather Rule Reports and, if one of the monthly CWR Reports was reported in error, the Company should refile the corrected corresponding report in Docket No. E,G999/PR-18-2; and
- Clarification of whether the long extension time for an interruptible customer in July was the result of a construction delay on the part of the customer. If not, please provide a detailed discussion of why this delay occurred.

/ja

September 9, 2019

Mr. Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
Saint Paul, Minnesota 55101-2147

RE: **Letter from the Minnesota Department of Commerce, Division of Energy Resources regarding Greater Minnesota Gas' 2018 Annual Service Quality Report**
Docket No. G022/M-19-304

Dear Mr. Wolf:

The Minnesota Department of Commerce, Division of Energy Resources (Department) provides the following *Letter* regarding Greater Minnesota Gas' (Greater Minnesota or the Company) *2018 Annual Service Quality Report* (Report) filed with the Minnesota Public Utilities Commission (Commission) on May 1, 2019. In its June 17, 2019 *Comments*, the Department withheld final recommendation pending the provision of additional information in *Reply Comments*. In particular, the Department requested that the Company provide:

- Clarification of the identical data provided in the October and November 2018 Cold Weather Rule (CWR) Reports and, if one of the monthly CWR Reports was reported in error, the Company should refile the corrected corresponding report in Docket No. E,G999/PR-18-2; and
- Clarification of whether the long service extension time for an interruptible customer in July was the result of a construction delay on the part of the customer. If not, please provide a detailed discussion of why this delay occurred.

Greater Minnesota responded to the Department's request for additional discussion and provided clarifying information in *Reply Comments* filed on June 25, 2019. The Company also responded to comments filed by the Office of the Attorney General (OAG) on June 17, 2019. Greater Minnesota also supplemented the record with additional information regarding topics pursuant to the Commission's Order in Docket No. G022/M-18-314.

In terms of the identical data provided in the October and November 2018 CWR Reports, Greater Minnesota stated that its November 2018 CWR report contained an inadvertent error. The Company stated that it reviewed the November 2018 report, along with historical data, and confirmed that the October 2018 report is accurate but the November 2018 CWR report is incorrect. Greater Minnesota submitted a corrected November 2018 CWR report as Attachment A to its *Reply Comments* and submitted the corrected report in Docket No. E,G999/PR-18-2. The Department reviewed these data and confirms that it has been updated. The Department does not have additional discussion on this matter.

The Company also provided additional discussion and clarification regarding the long service extension time for an interruptible customer in July 2018 that the Department noted in its *Comments*. Greater Minnesota clarified that the customer in question placed an early order for a service line for a grain drying facility. The Company stated that the customer did not require gas service until October 2018; as such, the customer and Greater Minnesota agreed that the Company would install the service line at some point during the summer when the Company's service crew was in the area. Greater Minnesota stated that the customer was satisfied with the time required to extend service. Based on the explanation provided by the Company, the Department concludes that the length of time to extend service was reasonable, and the Department does not have additional comment on this matter.

The Commission issued its *Order* in Greater Minnesota's 2017 Annual Service Quality Report on April 12, 2019.¹ In this *Order*, the Commission required Greater Minnesota to provide in the 2018 Report various information regarding its integrity management plan, various emergency response information provided to the Minnesota Office of Pipeline Safety (MnOPS), and a discussion of its deployment of Excess Flow Valves (EFV) pursuant to the Commission's *Order* in Docket No. G999/CI-18-41. In its *Reply Comments*, Greater Minnesota explained that the order was issued at the same time it was preparing its 2018 Report; therefore, the Company provided the required information in its *Reply Comments*. Greater Minnesota provided its integrity management plan performance information filed under 49 CFR 192.1007(e) in Attachment B to its *Reply Comments*. The Company explained that it initially reported 23 damage incidences in its Pipeline and Hazardous Materials Safety Administration (PHMSA) report, but filed an amendment reducing the number of incidences to 21 because two incidences were related to rodent damage.² Greater Minnesota also noted that it did not have emergency response violations cited by MnOPS or violation letters during 2018.

In terms of EFV monitoring and deployment metrics, the Company stated that it appreciated the opportunity to discuss this topic, but it noted that its affected customer numbers are negligible compared to other utilities. Greater Minnesota believes that those larger utilities are better suited to developing meaningful EFV metrics. Greater Minnesota noted that it currently has EFVs installed on approximately half of its services. The Department appreciates Greater Minnesota's discussion regarding EFVs and does not offer additional comment regarding the Company's position. Based on Greater Minnesota's discussion, the Department assumes that the Company will accept any metrics proposed by the larger gas utilities.

¹ Docket No. G022/M-18-314.

² The Department notes that Greater Minnesota discussed these incidences of rodent damage in its initial Report in this docket.

Mr. Daniel P. Wolf
September 9, 2019
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Based on the Department's analysis of the 2018 Report and the Company's *Reply Comments*, the Department recommends that the Commission accept Greater Minnesota's 2018 Report.

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

Sincerely,

/s/ ADAM J. HEINEN
Rates Analyst

AJH/ja

CERTIFICATE OF SERVICE

I, Robin Benson, hereby certify that I have this day, served a true and correct copy of the following document to all persons at the addresses indicated below or on the attached list by electronic filing, electronic mail, courier, interoffice mail or by depositing the same enveloped with postage paid in the United States mail at St. Paul, Minnesota.

Minnesota Public Utilities Commission ORDER

Docket Numbers: **G-022/M-19-304**

Dated this **14th** day of **November, 2019**

/s/ Robin Benson

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_19-304_M-19-304
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_19-304_M-19-304
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_19-304_M-19-304
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_19-304_M-19-304
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_19-304_M-19-304
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_19-304_M-19-304
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_19-304_M-19-304
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_19-304_M-19-304