

Staff Briefing Paper

Meeting Date	July 15, 2021	Agenda Item 9*
Company	Northern States Power d/b/a Xcel Energy	
Docket Nos.	G-002/M-20-460 In the Matter of Xcel Energy's Natural Gas Service Quality Report for 2019 G-002/M-19-305 In the Matter of Xcel Energy's Natural Gas Service Quality Report for 2018	
Issues	Should the Commission accept Xcel Energy's Natural Gas Service Quality Report for 2019?	
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Relevant Documents

Date

<i>Order</i> (19-305)	November 14, 2019
Compliance Filing (19-305)	December 6, 2019
<i>Order Setting Reporting Requirements</i> (Docket 19-305)	January 7, 2020
Xcel: Service Quality Performance Report for 2019 (20-460)	May 1, 2020
Xcel: Errata (20-460)	July 7, 2020
Department: Comments (20-460)	July 14, 2020
Xcel: Reply Comments (20-460)	September 3, 2020
Department: Response (20-460)	September 21, 2020
Department: Letter re: Excess Flow Valves (19-305)	May 10, 2021

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The attached materials are work papers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless noted otherwise.

I. Statement of the Issues

Should the Commission accept Xcel Energy's Natural Gas Service Quality Report for 2019?

II. Background

On May 1, 2020, Xcel submitted its Natural Gas Service Quality Report for Calendar-year 2019 (*Report*).

On July 7, 2020, Xcel filed Errata to its initial *Report*.

On July 14, 2020, the Department of Commerce (Department) submitted comments.

On September 3, 2020, Xcel filed reply comments.

On September 21, 2020, the Department filed a response.

III. Introduction

The Commission requires five Minnesota natural gas utilities¹ to file annual service quality reports, and Staff has prepared Briefing Papers to address each of the five 2019 submissions. Those Briefing Papers focus on the content of the reports and their sufficiency, going toward the ultimate question of whether the Commission should accept the reports.

This Briefing Paper focuses on Xcel's *Report*. Xcel's *Report* and Errata comprise approximately ten pages of discussion supported by approximately 70 pages of numerical tables.

IV. Parties' Comments

A. Xcel's *Report*

1. Roadmap

The following table provides a roadmap through the *Report* and the Department's comments. For the most part the *Report* focuses on calendar-year 2019. As part of its comments the Department has tabulated figures from, in some cases, as far back as 2010. Staff has not duplicated those tables in this Briefing Paper. In subsequent sections Staff has highlighted several metrics of particular interest to the Commission in recent years. The Department is the only party to file comments in response to the *Report*.

¹ Xcel Energy, CenterPoint Energy, MERC, Greater Minnesota Gas, and Great Plains Natural Gas.

Table 1: Location of Discussion in Xcel <i>Report</i> and Department Comments		
Quality Metrics	Location of Discussion in Filings	
	Xcel	Department
Call Center Response Time	pp. 2-3 and Attachment A; Reply pp. 2-3	pp. 5-7; Reply, p. 3.
Meter Reading Performance	pp. 3-4 and Attachment B; Reply, Corrected Attachment B and pp. 3-9	pp. 7-9; Reply, pp. 3-4
Involuntary Service Disconnections	p. 4 and Attachment C	p. 9
Service Extension Requests	pp. 4-5 and Attachment D	p. 9-10
Customer Deposits	p. 5	p. 11
Customer Complaints	pp. 5-6 and Attachment E, E1 and F	pp. 11-13
Gas Emergency Telephone Calls	p. 6 and Attachment G	pp. 13-14
Gas Emergency Response Times	pp. 6-7 and Attachments H, H1 and I	pp. 14-15
Mislocates	pp. 7-8 and Attachment J	pp. 15-16
Damaged Gas Lines	p. 8 and Attachment K	p. 16
Service Interruptions	pp. 8-9 and Attachments L and M; Errata re: Attachment L; Reply pp. 10-11	p. 16-19; Reply, p. 4
MNOPS Reportable Events	pp. 8-9 & 11 and Attachment M	pp. 19-22
Customer-Related O&M Expenses	p. 9 and Attachment N	p. 20
Gas Meter Accuracy	p. 9 and Attachment O; Reply, pp. 12-13	pp. 20-21; Reply, p. 4
Integrity Management Plan	pp. 9-10 and Attachment P	p. 21
Excess Flow Valves (EFVs)	pp. 11-13	pp. 22-23

2. MN Office of Pipeline Safety (MNOPS) Events

Xcel was not cited by MNOPS for any emergency response violations and it received 21 violation letters for locating issues from MNOPS in 2019.² Xcel reported 34 major events to MNOPS in 2019.³

3. Integrity Management Plans

In its order of January 7, 2020⁴, the Commission required Xcel to report several integrity management plan metrics: (1) leak count by facility type and threat, (2) leak count main by material, and (3) leak count by service and material. Xcel operated 9,447 miles of main and 445,525 services in 2019. Xcel reported 206 leaks in mains and 1,414 leaks in services in 2019.⁵

² Xcel *Report*, p. 11.

³ Xcel *Report*, Attachment M.

⁴ Docket 19-305.

⁵ Xcel *Report*, Attachment P.

4. Excess Flow Valves (EFV's)

In its order of November 14, 2019, the Commission ordered Xcel to file:

- b. the uniform reporting metrics for installation of excess flow valves (EFV) and manual service line shutoff valves, to be developed as follows:
By December 6, 2019, after consultation with the other gas utilities obligated to report EFV metrics, shall provide recommendations for uniform reporting of annual and overall EFV and manual shutoff valve installation on their distribution system. The recommendation could include:
 - 1. a uniform definition of the number of customers suitable for EFV;
 - 2. a uniform definition of the number of customers suitable for manual shut-off valves;
 - 3. a uniform metric to be reported as a percentage of customers with installations of both;
 - 4. metrics for the number of customers receiving installations upon request prior to a system upgrade that would require the installation of EFVs.⁶

Xcel submitted its compliance filing on December 6, 2019, and it reported the EFV and shut-off valve (SOV) data sought by the Commission on page 12 of its May 1, 2020 Report.⁷

Xcel defined the number of customers suitable for EFVs:

A customer is suitable for an EFV if they fall under the installation requirements of 49 CFR § 192.383, which is having a service operated at least 10 pounds per square inch gauge and serve a customer load not greater than 1,000 standard cubic feet per hour. However, we note that the actual number of customers (or services) with technical feasibility for an EFV installation may vary since an engineering analysis is required, on a case-by-case basis, to determine actual technical feasibility.⁸

Xcel defined the number of customers suitable for manual SOVs:

A customer is suitable for a manual shut-off valve if they do not meet the requirements of 49 CFR § 192.383.⁹

⁶ Docket 19-305.

⁷ Docket 20-460.

⁸ Compliance Filing, Docket 19-305, December 6, 2019 and *Report*, Docket 20-460, May 1, 2020, p. 11.

⁹ Compliance Filing, Docket 19-305, December 6, 2019 and *Report*, Docket 20-460, May 1, 2020, p. 12.

Note that Xcel consulted CPE, Great Plains and MERC in developing the recommended definitions and reporting format and the four utilities are consistent in their recommendations.¹⁰

Xcel reported that 385,687 customers were suitable for EFV installation and 147,180 EFVs had been installed to date. Xcel reported that 81,675 customers were suitable for SOV installation and 312 SOVs had been installed to date. No customers had requested installation of either EFVs or SOVs.¹¹ Xcel installed 3,987 EFVs and 61 SOVs in 2019 (up from 1,478 EFVs and 1 SOV in 2018).¹²

B. Department Initial Comments

In its initial comments the Department sought additional information from Xcel, specifically why ...

- there was a longer than average customer-call wait time in April, September, and October 2019,
- there have been increases in the numbers of meters that were not read for longer than 12 months in 2018 and 2019 for the Residential, Commercial, and Industrial classes,
- the number of Commercial meters not read by utility personnel for 6 to 12 months is at the highest level since 2010 (and how that will be resolved), and why
- it has taken the Company longer to resolve meter equipment malfunctions over time.

With respect to Xcel's errata filing, the Department asked Xcel to provide further information regarding:

- the causes for the longer response times in 2018 (also corrected in the 2019 Errata),
- the reasons for the significant revisions in data, and
- any changes made to ensure that reporting has better oversight.¹³

C. Xcel's Response

Xcel addressed the issues raised by the Department. Xcel stated that it had a record number of calls in April regarding Cold Weather Rule protection which expires in April. In September and October Xcel's Customer Resource System was out-of-service for four days impacting customer's ability to conduct self-service transactions over the web and leading to high call volumes for Xcel's Call Center agents.¹⁴

¹⁰ See the December 6, 2019, filings in Dockets 19-300 (CPE), 19-303 (MERC) and 19-280 (Great Plains).

¹¹ *Xcel Report*, p. 12.

¹² *Xcel Report*, Attachment P and Xcel' 2018 Report (19-305), Attachment P.

¹³ Department Comments, p. 24.

¹⁴ Xcel Reply, pp. 2-3.

With respect to the number of meters not read for 6 to 12 months Xcel discovered a recording error that substantially overstated the number of meters not read. Xcel filed a correction to its Attachment B.¹⁵

With respect to the number of meters not read within one year, Xcel stated that this figure is largely attributable to commercial and industrial customers. Of 606 instances of unread meters Xcel has resolved 375 as of August 2020. Xcel attributes the bulk of no-reads as due to customer-related issues and access to the meters. With respect to industrial customers (310 no-reads over 12 months) Xcel has identified an issue resulting in substantial over-reporting of no-reads. Xcel is working to resolve that issue.¹⁶

The Department questioned the apparent increase in gas service interruptions since 2018. In response Xcel identified an error in the figures for 2018 and 2019. Correcting those errors, Xcel states, places the number of interruptions in line with previous years.¹⁷

The Department also questioned the length of time required by Xcel to resolve meter malfunctions. Xcel noted that meter malfunctions are a lower priority than a number of other work tasks as long as the malfunction does not cause an interruption in service. Xcel notes that its workload with respect to its legacy automated meter reading system increased approximately 25 percent since 2018. Xcel also cites the work demands of the polar vortex and other cold and snow events in 2019.¹⁸

D. Department Reply

The Department concludes that Xcel has met its reporting requirements and recommends acceptance of Xcel's *Report*. However, referring to the four-day outage of Xcel's Customer Resource System, the Department recommends that the Commission require Xcel to provide additional information in its 2020 Annual Service Quality Report that discusses the Company's efforts to improve that system.

V. Staff Analysis

Staff agrees with the Department that Xcel has met the reporting requirements established by the Commission and recommends the Commission accept the *Report*. The Commission's Consumer Affairs Office (CAO) received six complaints from Xcel's customers in 2019, related to the size of bills and starting/stopping service.

¹⁵ Xcel Reply, p. 9.

¹⁶ Xcel Reply, pp. 5-8.

¹⁷ Xcel Reply, pp. 10-12.

¹⁸ Xcel Reply, pp. 12-13.

VI. Decision Options

1. Accept Xcel's *Report*.
2. Do not accept Xcel's *Report*.
2. Take other/additional action.