



AN ALLETE COMPANY

Jenna Warmuth
Senior Public Policy Advisor
218-355-3448
jwarmuth@mnpower.com

June 12, 2017

VIA ELECTRONIC FILING

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

**RE: In the Matter of Minnesota Power's 2016 & 2017 Safety,
Reliability and Service Quality Standards Reports
Docket Nos. E015/M-16-268 and E015/M-17-252**

Dear Mr. Wolf:

Minnesota Power hereby submits, via electronic filing, its Reply Comments in response to the Department of Commerce, Division of Energy Resources May 31, 2017 Initial Comments in the above-referenced dockets.

Please contact me at the number above with any questions related to this matter.

Respectfully,

A handwritten signature in black ink that reads "Jenna Warmuth". The signature is written in a cursive style with a large initial "J".

Jenna Warmuth

Attachment

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

In the Matter of Minnesota Power's 2016 & 2017
Annual Reports Concerning Safety, Reliability,
Service Quality and Proposed Annual Reliability Standards

Docket Nos. E015/M-16-268
and E015/M-17-252
Reply Comments

I. Introduction

The Department of Commerce - Division of Energy Resources (" Department") released its Initial Comments on Minnesota Power's (or, "the Company") 2016 & 2017 Safety, Reliability and Service Quality Reports ("Report") on May, 31 2017. The following Reply Comments address the Department's inquiries related to the Reports.

II. Response to Comments

The following items encompass Minnesota Power's responses to the Department's inquiry from its May 31, 2017 Initial Comments in the docket.

In its Initial Comments on the Company's reporting for Minnesota Rule 7826.0400¹, the Department stated - *"In recent years, damage due to work procedures and damage due to equipment failure account for at least half of the dollar amounts that MP paid to its customers in damage claims. Over the historic period shown, the number of claims has averaged 28 per year, and the amount paid has averaged \$40,287 per year. Although the number of claims and the amount paid were at or near the Company's lowest levels in 2016, in 2015 MP had experienced its highest paid claims in the prior 10-year period, as displayed above. The majority of the claims paid in 2015 (\$67,510, or 88.4%) were as a result of damage due to "work procedure." The Department requests that MP provide discussion in its Reply Comments regarding the nature and occurrence of "work procedure" damages and efforts that have, or are, being taken to limit work procedure claims."*

Utility Locating:

When reviewing the damage claim incidents reported in the 2015 Report, Minnesota Power found that \$56,950 of the total \$76,375.92 paid out in damage claims is related to only three incidents. A total of \$34,330 of the \$56,950 is related to locating issues associated with the buried utility infrastructure locating vendor Minnesota Power was contracting with at the time. The Company has dig-ins every year

¹ A description of all incidents during the calendar year in which an injury requiring medical attention or property damage resulting in compensation occurred as a result of downed wires or other electrical system failures and all remedial action taken as a result of any injuries or property damage described.

of unmarked or poorly marked underground facilities. Minnesota Power had several damage claims due to locating issues with the vendor which were due to improper markings; this is an issue with all underground facilities and something the Company has been working to resolve for some time. Minnesota Power attempted to work with the vendor to improve outcomes but has recently made the decision to change vendors. The Company is also concerned about the recent number of major dig-in incidents and as a result has had discussions with the new vendor about the need for accuracy when marking underground facilities and the Company expects to experience quality locating services going forward, along with better communication from the new vendor.

Low Voltage Incident:

\$22,620 of claims paid in 2015 is related to a low voltage issue created by a switching situation at the Company's Long Prairie substation. This incident was determined to be caused by human error. On August 18, 2015, an equipment failure at the Long Prairie 115 kV substation caused a complete station outage. Line switching was required to restore service to as many customers as possible. Feeders sourced from two other substations were used to transfer load off the Long Prairie substation. An undersized conductor within one of the feeders caused an overloaded condition and subsequent low voltage in Long Prairie. Line sensor voltage alarms reported the condition. Once the cause was identified, the lines were reconfigured and the problem was resolved. The identified undersized conductor is scheduled for an upgrade (re-conductor) in 2018. Until this happens, a temporary operating guide will prevent reoccurrence of the same condition. The operating guide identifies a solution created in cooperation with Great River Energy ("GRE"). GRE will transfer load from Pepin Lake substation and allow for capacity to serve Minnesota Power customers in the area in the event that the Long Prairie substation is not in service.

III. Conclusion

Minnesota Power appreciates the opportunity to address these important issues. The Company continually strives to improve its processes and procedures to ensure the highest quality service for its customers.

Dated: June 12, 2017

Respectfully submitted,



Jenna Warmuth
Senior Public Policy Advisor
218-355-3448
jwarmuth@mnpower.com

STATE OF MINNESOTA)
) ss
COUNTY OF ST. LOUIS)

AFFIDAVIT OF SERVICE VIA
ELECTRONIC FILING

Jodi Nash of the City of Duluth, County of St. Louis, State of Minnesota, says that on the 12th day of June, 2017, she served Minnesota Power's Reply Comments on the Minnesota Public Utilities Commission ("MPUC") and Minnesota Department of Commerce ("DoC") via electronic filing. Parties on Minnesota Power's SRSQ Service List were served as requested. Any paper copies were sent via U.S. Mail.



Jodi Nash

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	Yes	OFF_SL_16-268_M-16-268
Carl	Cronin	Regulatory.records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_16-268_M-16-268
Ian	Dobson	Residential.Utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_16-268_M-16-268
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_16-268_M-16-268
Lori	Hoyum	lhoyum@mnpower.com	Minnesota Power	30 West Superior Street Duluth, MN 55802	Electronic Service	No	OFF_SL_16-268_M-16-268
Allen	Krug	allen.krug@xcelenergy.com	Xcel Energy	414 Nicollet Mall-7th fl Minneapolis, MN 55401	Electronic Service	No	OFF_SL_16-268_M-16-268
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	OFF_SL_16-268_M-16-268
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	No	OFF_SL_16-268_M-16-268
Susan	Romans	sromans@allete.com	Minnesota Power	30 West Superior Street Legal Dept Duluth, MN 55802	Electronic Service	No	OFF_SL_16-268_M-16-268
Ron	Spangler, Jr.	rlspangler@otpc.com	Otter Tail Power Company	215 So. Cascade St. PO Box 496 Fergus Falls, MN 565380496	Electronic Service	No	OFF_SL_16-268_M-16-268

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	Yes	OFF_SL_17-252_M-17-252
Ian	Dobson	Residential.Utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_17-252_M-17-252
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_17-252_M-17-252
Allen	Krug	allen.krug@xcelenergy.com	Xcel Energy	414 Nicollet Mall-7th fl Minneapolis, MN 55401	Electronic Service	No	OFF_SL_17-252_M-17-252
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	OFF_SL_17-252_M-17-252
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	No	OFF_SL_17-252_M-17-252
Ron	Spangler, Jr.	rlspangler@otpc.com	Otter Tail Power Company	215 So. Cascade St. PO Box 496 Fergus Falls, MN 565380496	Electronic Service	No	OFF_SL_17-252_M-17-252
Jenna	Warmuth	jwarmuth@mnpower.com	Minnesota Power	30 W Superior St Duluth, MN 55802-2093	Electronic Service	No	OFF_SL_17-252_M-17-252
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_17-252_M-17-252

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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_16-268_M-16-268