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July 29, 2019

—Via Electronic Filing—

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

RE: REPLY COMMENTS
2018 ANNUAL SERVICE QUALITY REPORT
DOCKET NO. G002/M-19-305

Dear Mr. Wolf:

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission these Reply Comments in response to Comments submitted by the Minnesota Department of Commerce and Office of the Attorney General in the above-referenced docket.

We appreciate the Department's thorough review of our annual natural gas service quality report. In this Reply, we respond to the Department's recommendations and questions. We also respond to the OAG suggestion to report additional metrics in future service quality reports.

A. Excess Flow Valve Reporting

In Section O (page 18) of the Department's June 17, 2019 comments, the Department concludes the Company complied with the Commission's April 12, 2019 Order in Docket No. G002/M-18-316, and suggests that providing information about Excess Flow Valves (EFV) deployment in the annual natural gas service quality dockets may no longer be necessary since the Commission recently ordered an annual compliance report of EFVs and manual shutoff valves in Docket No. G999/CI-18-41 (the EFV Investigation). The Company agrees with the Department's reasoning and conclusion. The Company anticipates that its annual compliance report in the EFV Investigation will provide the "ongoing monitoring and metrics toward the deployment of Excess Flow Valves and manual service line shutoff valves" required by the April 12, 2019 Order, thereby making the compliance obligation in future natural gas service quality dockets unnecessary.

B. Gas Utility Safety Improvement Program Metrics

With regard to the OAG recommendation, the Commission's April 12, 2019 Order required the Company to provide "the utility's filing under 49 CFR 192.1007(e): integrity management plan performance measures; monitoring results; and evaluation of effectiveness in a manner to establish a baseline for ongoing reporting." In its comments (page 18) the Department concluded the Company complied with that order point, and the Company has no objection with the Department's recommendation to continue complying with this order point in the next natural gas service quality filing.

However, the OAG wants the Company to go further in its reporting based on the information CenterPoint Energy provided in its annual natural gas service quality docket. As the OAG correctly notes, however, CenterPoint's metrics trace their origin to a docket where CenterPoint requested approval of an affiliated interest agreement with Minnesota Limited,¹ and in *that docket*, "CenterPoint made numerous commitments... including working with the Minnesota Department of Commerce and the OAG to develop the [Transmission Integrity Management Program (TIMP) and Distribution Integrity Management Program (DIMP)] reporting metrics" that the OAG now requests.

In a somewhat similar line of thinking to the Department's comments on ongoing filings related to EFV deployment, the Company opposes the recommendation of the OAG to provide information regarding its TIMP and DIMP efforts. The OAG's recommendation requires the Company to provide information that is more germane to the Gas Utility Infrastructure Rider (GUIC) and will likely be similar to the metrics currently being developed in the open 2019 GUIC docket².

Like CenterPoint, the Company has committed (and in the 2016 GUIC, was ordered) to:

...develop metrics to measure the appropriateness of GUIC expenditures, to be included in future GUIC Rider filings, and provide stakeholders the opportunity for meaningful involvement. Each metric should include reconciliation to the pertinent TIMP/DIMP rules, and/or if not tied to TIMP/DIMP requirement, the Company must identify what goal, benefit, and/or requirement it addresses.³

In the 2017 GUIC, the Commission directed the Company to "continue to discuss with other parties, including the Department and the OAG, proposed performance metrics and ongoing evaluation of reporting requirements in future GUIC

¹ Docket No. G008/AI-18-517

² Docket No. G002/M-18-692

³ Docket No G002/M-15-808

proceedings.”⁴ Conversations regarding the Company’s TIMP and DIMP metrics is ongoing and is currently pending in the 2019 GUIC,⁵—in fact, the Company will be submitting reply comments in the 2019 GUIC docket the same day as these reply comments are being filed.

Ultimately, the Company and stakeholders are developing metrics similar to those CenterPoint provided in the service quality report, and that the OAG desires, but we are doing so in the GUIC docket. We continue to believe the best docket in which to have conversations regarding TIMP and DIMP metrics is the GUIC dockets, as was ordered by the Commission, and would invite the OAG to engage in that effort in the 2019 GUIC docket.

C. Commercial and Industrial Meter Reading

In this section, we respond to the Department’s request to provide discussion regarding the slight uptick in unread meters for the Commercial and Industrial rate classes and our plans to ensure compliance with Minn. R. 7820.3300.

As the Department noted, the Company has generally seen a downward trend in “No Read Returned” since 2010. The May 1, 2019 Gas Service Quality filing reported 764 records for the Commercial and Industrial classes. In examining those 764 records, we identified 112 unique meters as having no reads for more than 12 months. Of the 112 meters, 72 are commercial and 40 are industrial. We also note that of the 112 meters, 108 are electric and four are natural gas.

Commercial meters are read using our Cellnet Automated Meter Reading (AMR) service, which means that the customer’s usage data is transmitted to the Company through the Cellnet system – so no Company or other meter reading personnel generally need to read or visit those meters in order to bill the customers. However, when the Company does not receive a reading from one of these meters, we dispatch field personnel to visit the customer’s premise to gather the necessary information for billing – and, determine why a read was not received. If the meter did not automatically transmit the data because of a meter equipment problem, the field personnel submit a code in the system that triggers a work order for a metering technician to address the issue. As part of our Reply, we performed a review on a random sampling of Commercial meters with codes of “No Read Returned” or “Meter Off,” and determined that the “No Read Returned” is typically due to customer-related reasons. Customer-related reasons can include:

- *Power issues.* the customer has faulty wires that need to be repaired on their side of the meter;

⁴ Docket No. G002/M-16-891

⁵ Docket No. G002/M-18-692

- *Breakers turned off.* the customer has turned off the breaker for the meter due to the lack of need for service
- *The premise is vacant.*

In each of these instances, field personnel visit the customer's premise to evaluate the situation and update the system. In most instances, we update our systems to turn off the service until the matter is otherwise resolved with the customer. In other instances we may learn that the premise has been vacated and no longer in need of service. The majority of commercial meters that have "No Read Returned" are situations where the customer needs to perform an action. In all these situations, we will reach out and work with the customer by sending correspondence and letting them know that action needs to be taken on their part before we can turn service back on. These meters tend to be low usage and a low priority for the customer.

Of the 40 Industrial meters that returned a "No Read Returned" code, approximately 36 had valid reads and should not have been included in the count of meters not read for more than 12 months. In short, when information was pulled from our systems for purposes of our annual service quality report 36 meters were inadvertently included in the total. But in reality, these customers were billed based on their actual use in each of the 12 months included in the 2018 service quality report. We are working internally to correct this issue and better ensure accuracy in our reporting on our meter reading performance going forward.

We have electronically filed this document, and copies have been served on the parties on the attached service list. Please contact Pamela Gibbs at pamela.k.gibbs@xcelenergy.com or 612-330-2889 or me at 612-330-6935 or gail.a.baranko@xcelenergy.com if you have any questions regarding this Reply.

Sincerely,

/s/

GAIL A. BARANKO
REGULATORY MANAGER

c: Service List

CERTIFICATE OF SERVICE

I, Jim Erickson, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

xx by depositing a true and correct copy thereof, properly enveloped with postage paid in the United States mail at Minneapolis, Minnesota

xx electronic filing

DOCKET Nos. G002/M-19-305

Dated this 29th day of July 2019

/s/

Jim Erickson

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