

August 14, 2019

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

RE: **Response Comments of the Minnesota Department of Commerce, Division of Energy Resources**  
Docket No. E-002/M-19-261

Dear Mr. Wolf:

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

*2018 Annual Electric Service Quality Report (Report) submitted by Northern States Power Company, d/b/a Xcel Energy (Xcel or the Company).*

The Department filed initial Comments on June 7, 2019 requesting additional information. Xcel filed Reply Comments on June 28, 2019 by:

Gail A. Baranko  
Regulatory Manager  
Xcel Energy  
414 Nicollet Mall  
Minneapolis, Minnesota 55401

The Department recommends that the Minnesota Public Utilities Commission **accept** the Company's proposed reliability performance standards for 2019. The Department is available to answer any questions that the Commission may have.

Sincerely,

/s/ DANIEL BECKETT  
Public Utilities Rates Analyst

DB/ar  
Attachment



## Before the Minnesota Public Utilities Commission

---

### Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. E-002/M-19-261

#### I. BACKGROUND

On April 1, 2019, Northern States Power Company, d/b/a Xcel Energy (Xcel or the Company) filed its 2018 *Annual Service Quality Report* (Report) which included an updated calculation method for normalizing data for the influence of weather in the calculation of SAIDI, SAIFI, and CAIDI.<sup>1</sup> Beginning with this Report, the Company began reporting its results and future goals using the Institute of Electrical and Electronics Engineers (IEEE) 1366 storm normalization method.<sup>2</sup>

On June 7, 2019, the Minnesota Department of Commerce, Division of Energy Resources (Department) submitted its Comments in the matter and withheld a recommendation regarding Xcel's proposed reliability goals for 2019 until the Department had an opportunity to review data additionally requested.<sup>3</sup>

On June 28, 2019, Xcel filed its Reply Comments that included the requested data.

#### II. DEPARTMENT ANALYSIS

##### A. RELIABILITY PERFORMANCE

In Xcel's Report, the Company provided a table containing its 2018 reliability performance results. The Company stated that it switched to the IEEE 1366 storm normalization method for calculating 2018 performance and that moving forward it would continue using that method.<sup>4</sup> In its Comments, the Department noted that the Commission's reliability goal-setting decision

---

<sup>1</sup> The reliability indices (CAIDI – Customer Average Interruption Duration Index, SAIDI – System Average Interruption Duration Index, and SAIFI – System Average Interruption Frequency Index) used are defined under Minnesota Rules, part 7826.0200, subparts 4, 10, and 11, and are available at: <https://www.revisor.mn.gov/rules/?id=7826.0200>

<sup>2</sup> March 19, 2019 Order, Docket No. E002/M-18-239.

<sup>3</sup> Department Comments, p. 24.

<sup>4</sup> April 1, 2019 Report, p. 8.

is informed, in part, by an analysis of the Company's historical performance data.<sup>5</sup> Based on this approach, the Department requested historical performance data using the IEEE normalization method going back to 2001 to provide the Commission with comparable data upon which to establish 2020 goals, and to compare the Company's performance using both storm normalization methods to ascertain whether the method chosen impacts the resulting performance trends.

In Reply Comments, the Company provided its 2018 performance results using its old normalization method, as well as historical performance data under the IEEE method going back to 2010. Although the Department requested IEEE data back to 2001, the Company explained that it was only able to provide data going back to 2010. Regarding the historical data limitations, the Company stated the following:<sup>6</sup>

We chose 2010 as our starting point because of a change to the system we use to track outage information and the language of IEEE 1366 providing guidance on how the normalization should be performed.

In late 2004, the Company initiated a new outage management system; therefore the performance for 2001 to 2004 is not exactly comparable to the 2005 and going forward performance. The performance data from 2005 to 2018 is collected from the same system; however, IEEE 1366 contemplates using five years of data to normalize the calculation of Major Event Days (MED). In explaining how to calculate Major Event Days, IEEE 1366 gives the following guidance:

Collect values of daily SAIDI for five sequential years, ending on the last day of the last complete reporting period. If fewer than five years of historical data are available, use all available historical data until five years of historical data is available.

Performance data from 2005 to 2009 would be normalized in a different way than 2010 to 2018 because we do not have five years of data from the same system upon which to base the normalization.

---

<sup>5</sup> Department Comments, p. 11.

<sup>6</sup> June 28, 2019 Reply Comments, pp. 1-2.

The Department appreciates Xcel providing the historical IEEE performance data. The Department’s analysis of the data provided by Xcel is detailed below.

*1. IEEE performance compared with previous method*

As stated in Reply Comments, Xcel provided historically adjusted performance goals using the IEEE method dating back to 2015.<sup>7</sup> When comparing the Company’s success rate since 2015 between the old and new storm normalization methods, the Department did not observe any material difference between the two. Under its previous method, the Company achieved success in 56 percent of its goals since 2015; with its new method, the Company achieved success in 54 percent of its goals. Tables 2 and 3 below depict Xcel’s performance goals back to 2015 for both the new (IEEE) and old storm-normalization methods. Shading in the tables indicates an unmet goal.

**Table 2: Performance goals under New Method (IEEE method)**

Work Center	Metric	2015	2016	2017	2018
Metro East	SAIDI	90.55	88.83	91.96	86.05
	SAIFI	0.95	0.89	0.89	0.85
	CAIDI	95.3	100.26	103.34	101.31
Metro West	SAIDI	100.27	93.82	92.6	85.71
	SAIFI	0.98	0.91	0.89	0.84
	CAIDI	102.19	103.64	104.06	102.56
Northwest	SAIDI	96.03	89.03	87.33	87.33
	SAIFI	0.87	0.81	0.79	0.79
	CAIDI	110.00	109.72	110.81	110.81
Southeast	SAIDI	98.05	93.15	94.82	94.82
	SAIFI	0.82	0.77	0.76	0.76
	CAIDI	119.97	120.84	124.79	124.79
Success Rate		67%	50%	83%	17%

---

<sup>7</sup> *Id.*, p. 2.

**Table 3: Performance goals under Old Method**

Work Center	Metric	2015	2016	2017	2018
Metro East	SAIDI	83.51	86.13	89.13	82.69
	SAIFI	0.91	0.86	0.87	0.83
	CAIDI	92.17	100.01	102.42	99.93
Metro West	SAIDI	97.13	92.35	92.06	85.71
	SAIFI	0.96	0.89	0.89	0.83
	CAIDI	100.75	103.33	103.98	102.56
Northwest	SAIDI	94.41	92.66	95.88	89.82
	SAIFI	0.84	0.82	0.81	0.79
	CAIDI	112.00	113.15	118.45	113.45
Southeast	SAIDI	86.31	94.14	99.16	99.16
	SAIFI	0.71	0.72	0.74	0.74
	CAIDI	121.42	130.78	134.40	131.46
Success Rate		50%	58%	92%	25%

In addition to looking at the Company's success rate since 2015 regarding the two methods, the Department also compared the trends of Xcel's performance since 2010 for each of its metrics in the four work centers. The Department includes, as an attachment, an illustration of the Company's performance for SAIDI, SAIFI, and CAIDI for both its old normalization and new IEEE methods.<sup>8</sup>

The Department notes that the relevant comparison between the two methods is how the metrics have trended over time. When looking at the trends of the metrics for both normalization methods, the Department does not observe significant differences. Additionally, the trends for each of the metrics in the four work centers, apart from Metro East SAIDI and Southeast SAIFI, are in the same direction, either positive or negative, under both the IEEE and old normalization methods. Regarding the two trends that are different, it is possible that the calculation, or definition, of what constitutes a storm day, or some other variable, may differ enough to slightly alter the trend, especially if the Company's performance trend is not relatively strong (either positive or negative).

---

<sup>8</sup> Department Attachment 1.

2. 2019 Proposed Reliability Standards

In its Report, the Company proposed the following performance standards for 2019.<sup>9</sup>

		<b>Proposed Standard</b>
Metro East	SAIDI	89.78
	SAIFI	0.86
	CAIDI	103.94
Metro West	SAIDI	82.08
	SAIFI	0.82
	CAIDI	100.37
Northwest	SAIDI	85.86
	SAIFI	0.76
	CAIDI	113.01
Southeast	SAIDI	94.82
	SAIFI	0.76
	CAIDI	122.04

The Department notes that the proposed standards are a five-year average of the Company's past performance, with the exception that SAIDI and SAIFI in the Southeast work center are proposed to be set at their 2017 levels. The Company's performance has deteriorated in that work center somewhat, and, in the interest of preserving the integrity of that work center's goals, the Commission froze these goals at 2017 levels.<sup>10</sup>

The Department agrees with Xcel's proposed reliability standards for 2019.

---

<sup>9</sup> April 1, 2019 Report, p. 37.

<sup>10</sup> March 19, 2019 Order, Docket No. E002/M-18-239.

### III. CONCLUSIONS AND RECOMMENDATIONS

The Department recommends that the Commission accept Xcel's electric service quality report, and set the Company's 2019 reliability standards as follows:

		<b>Standard</b>
Metro East	SAIDI	89.78
	SAIFI	0.86
	CAIDI	103.94
Metro West	SAIDI	82.08
	SAIFI	0.82
	CAIDI	100.37
Northwest	SAIDI	85.86
	SAIFI	0.76
	CAIDI	113.01
Southeast	SAIDI	94.82
	SAIFI	0.76
	CAIDI	122.04

/ar

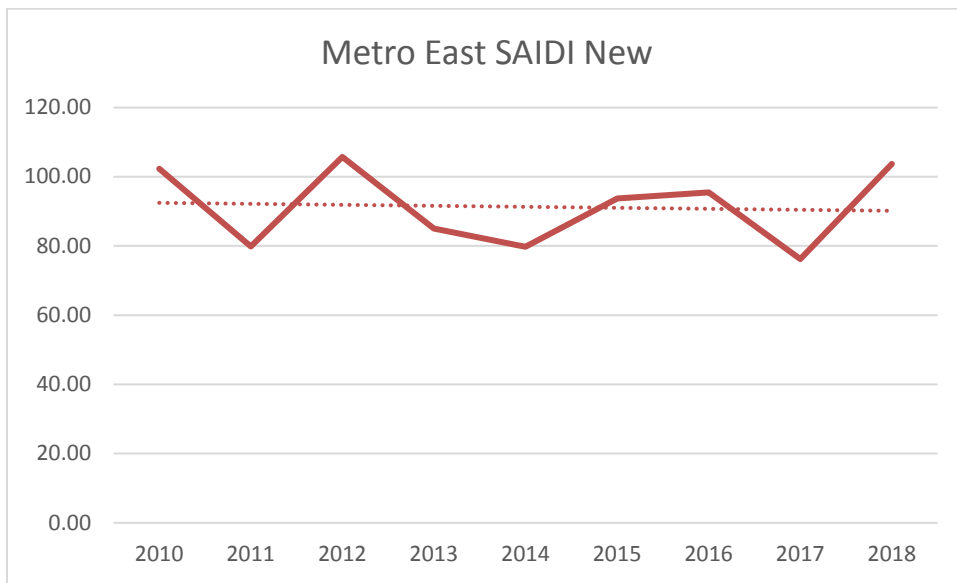
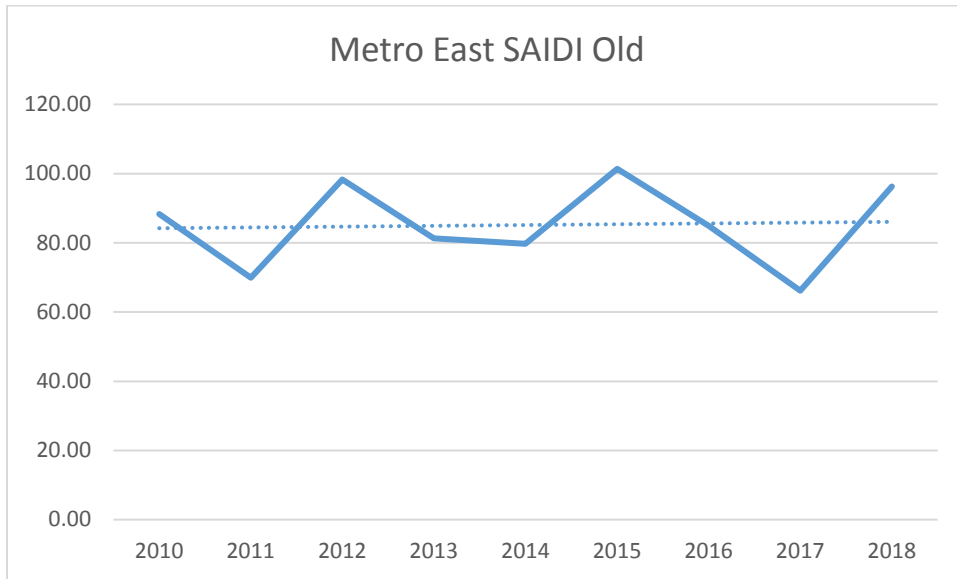
Docket No. E-002/M-19-261

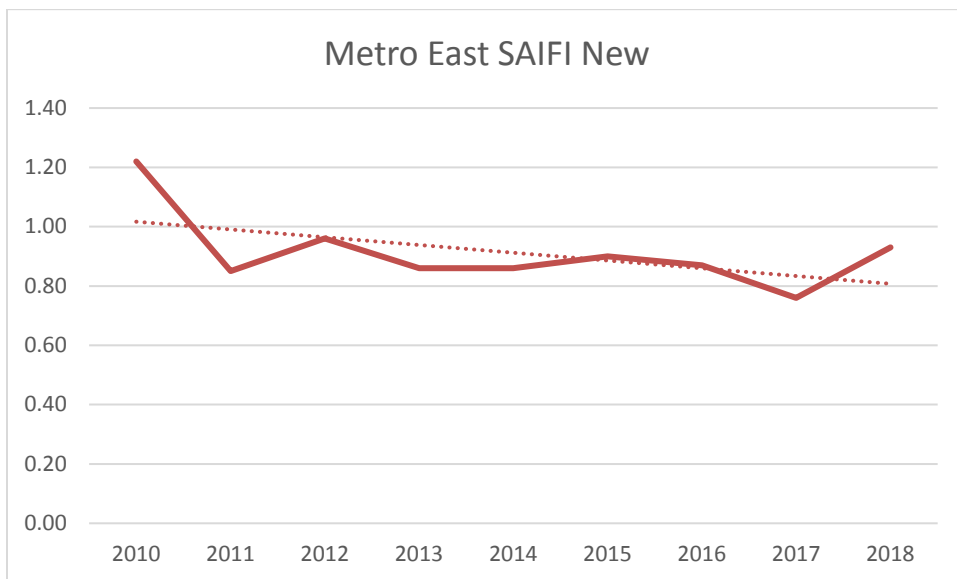
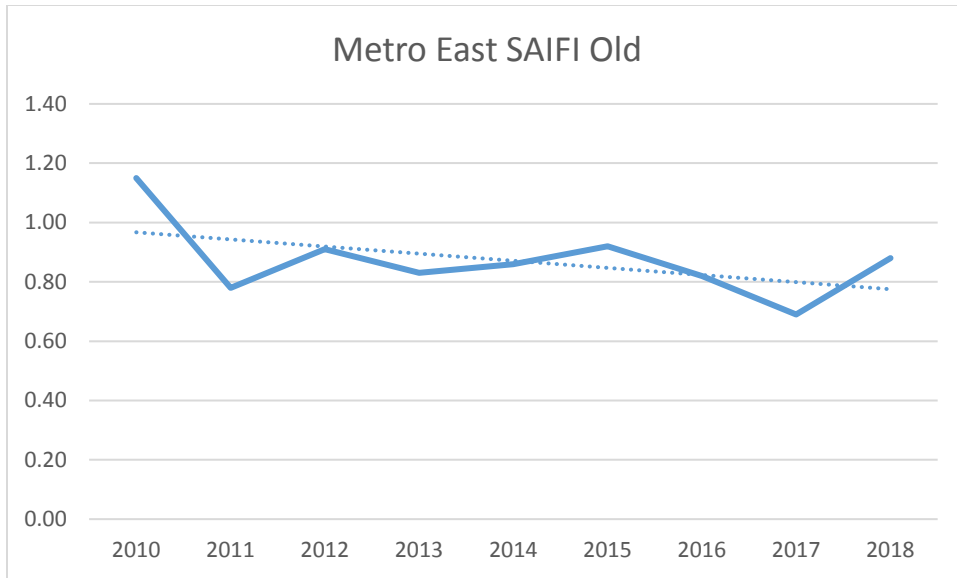
Analysts Assigned: Daniel Beckett

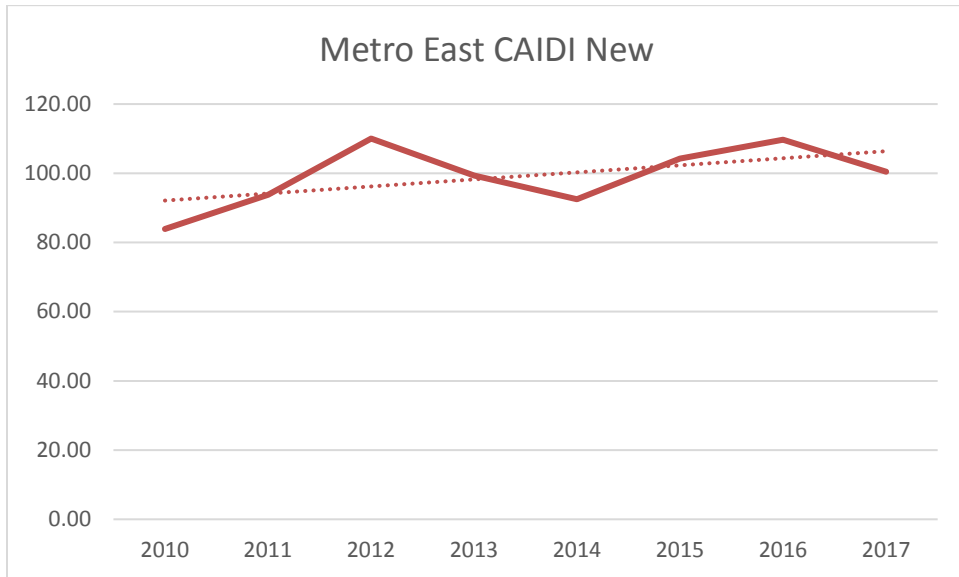
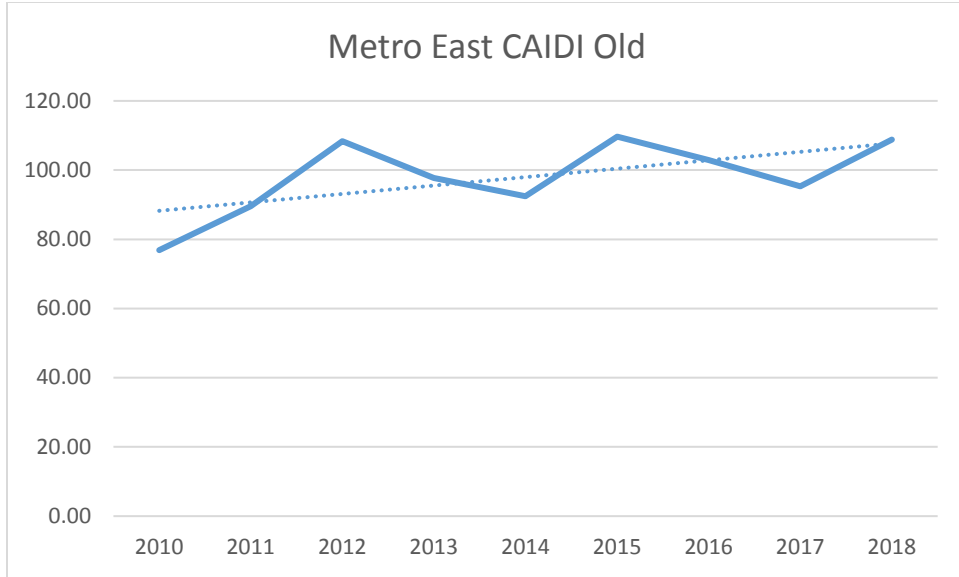
Page 7



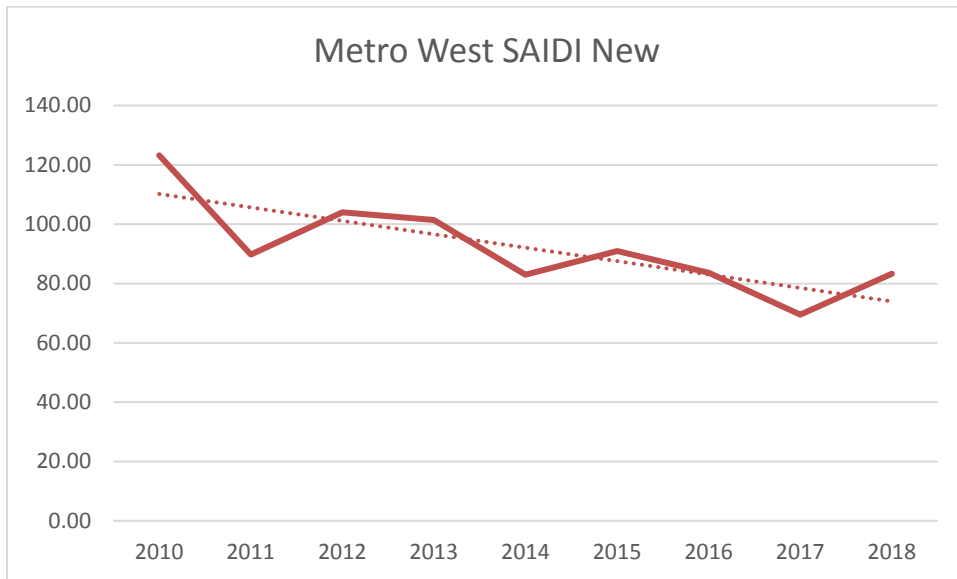
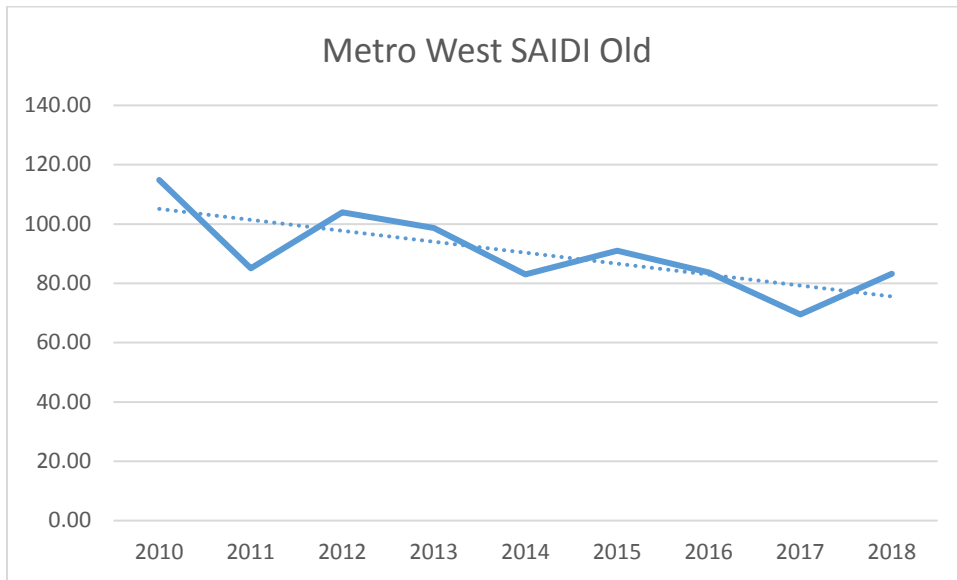
### Metro East Performance Comparison

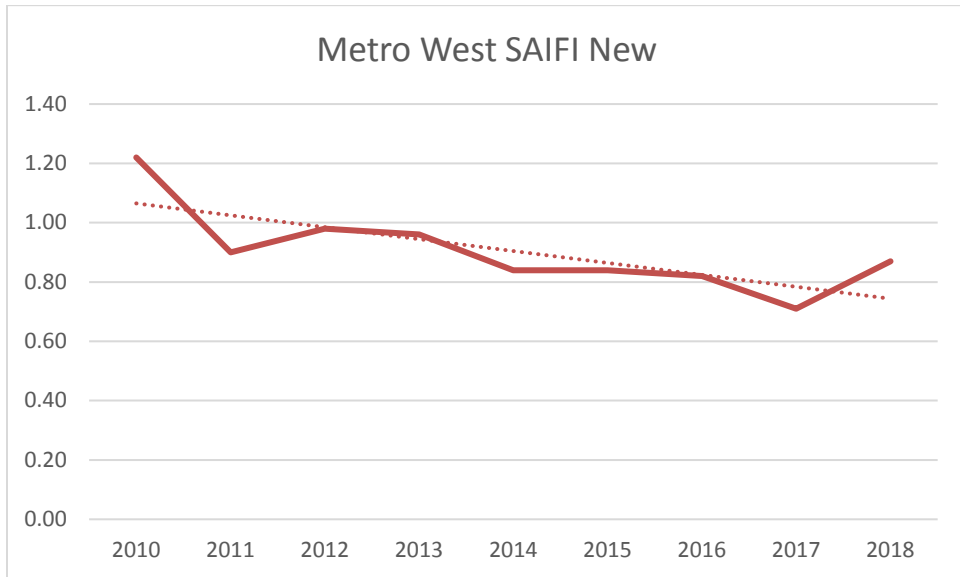
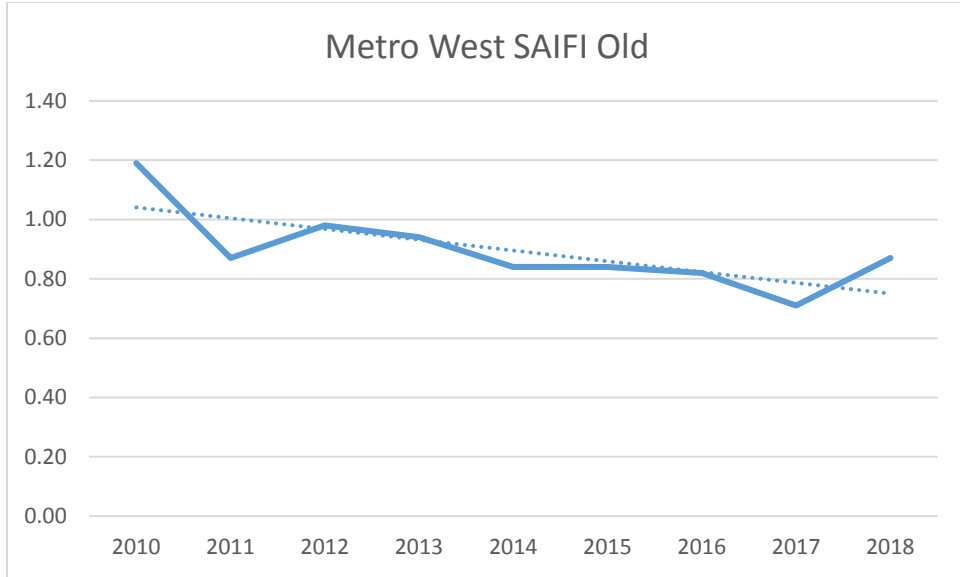


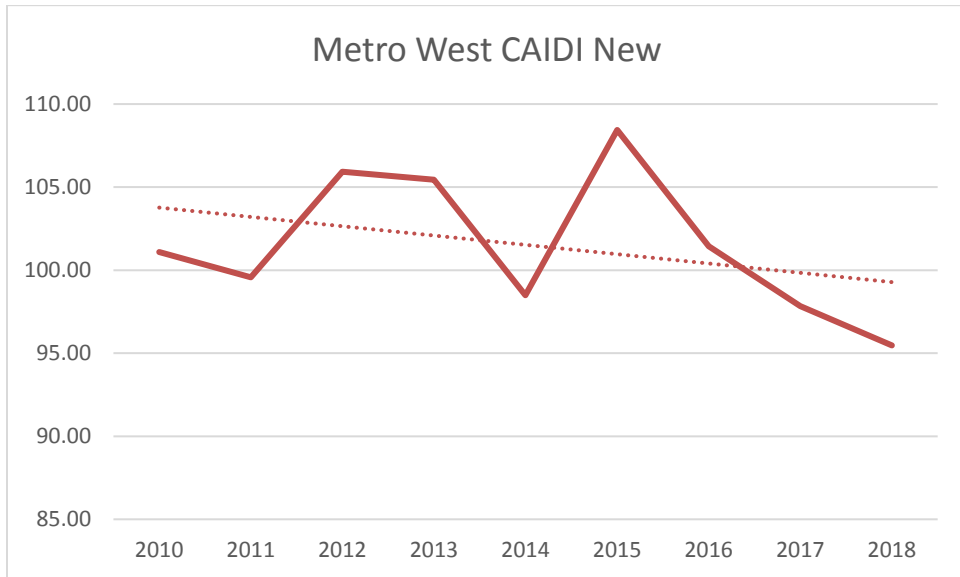
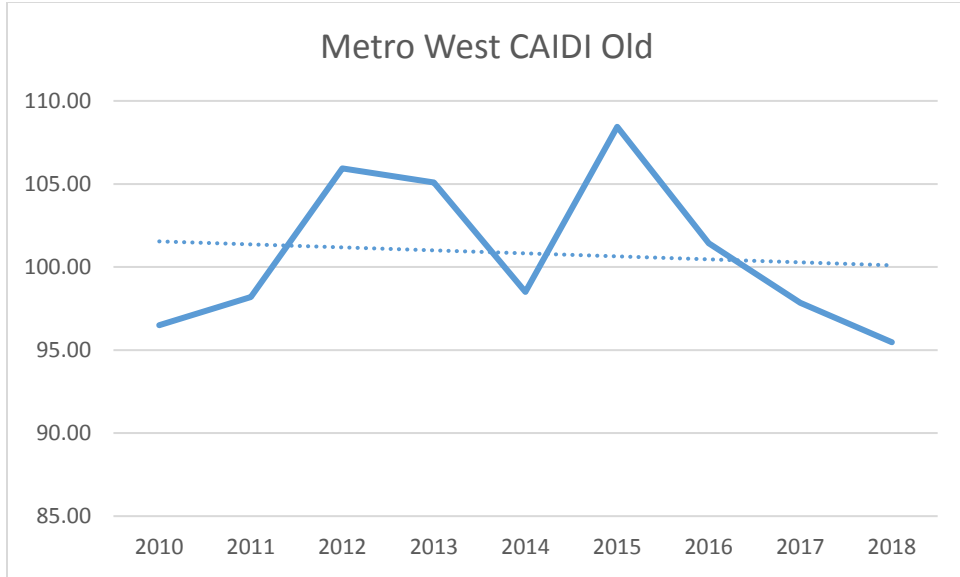




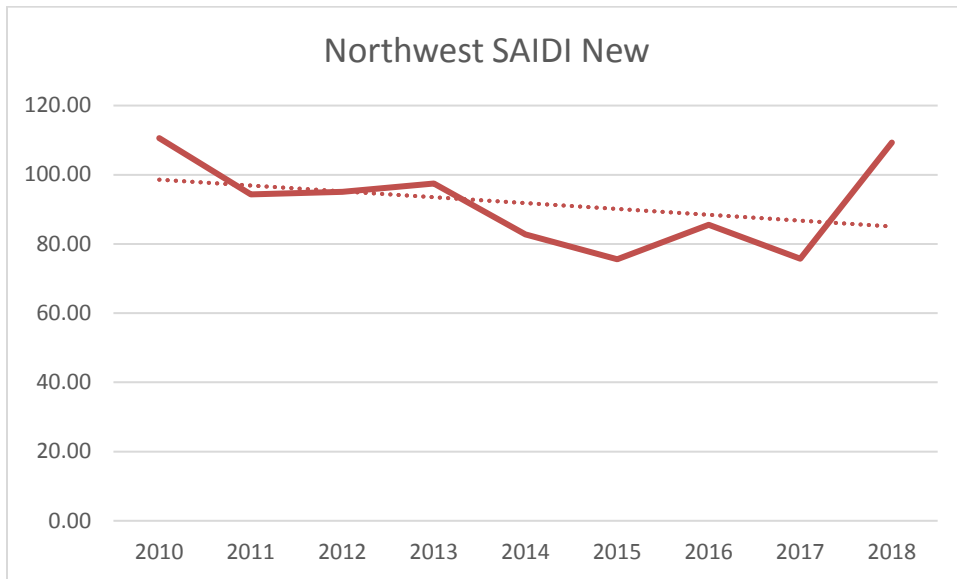
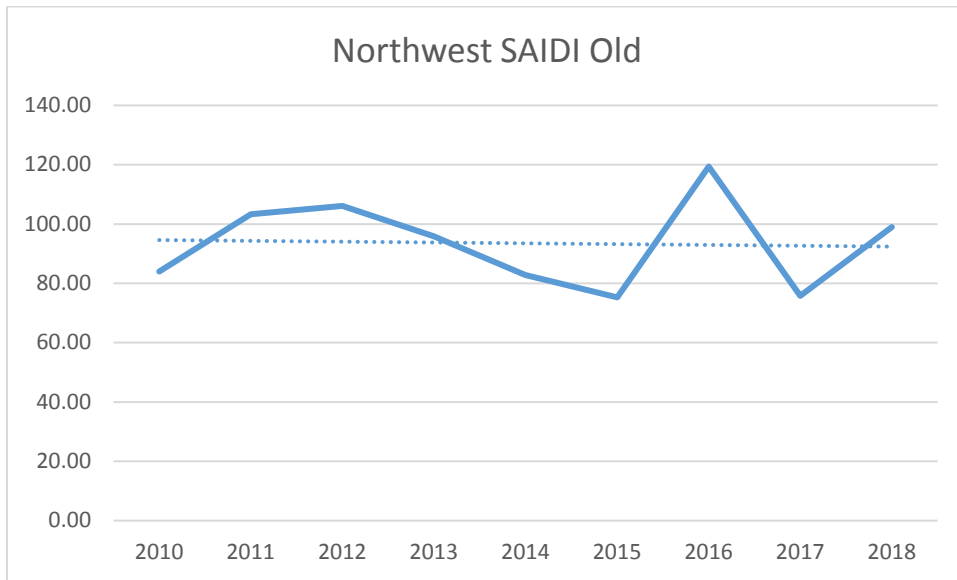
### Metro West Performance Comparison

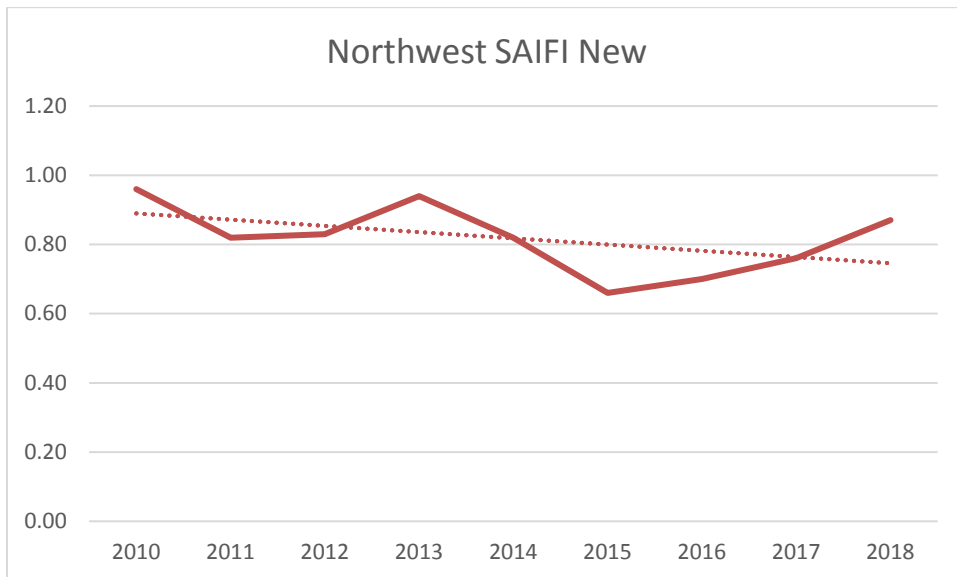
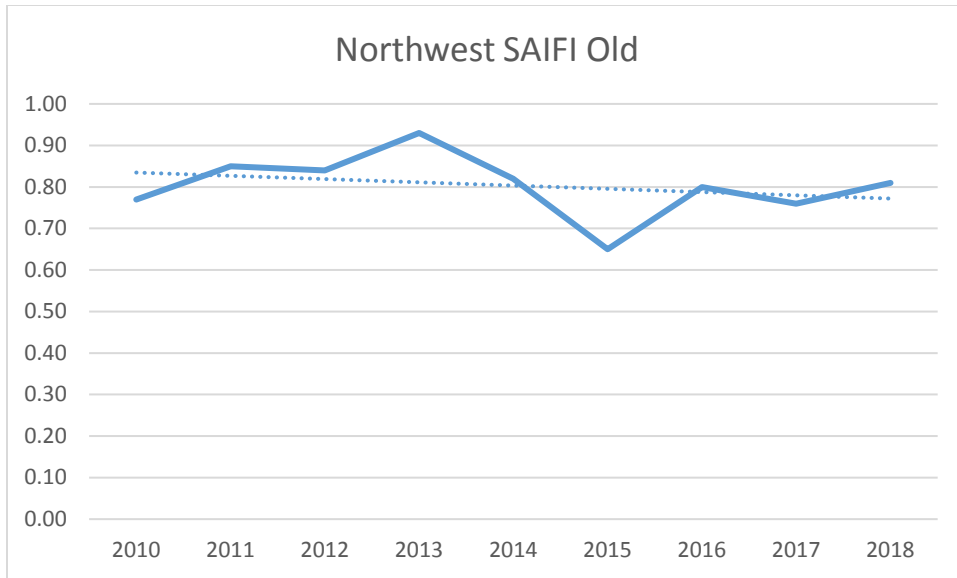




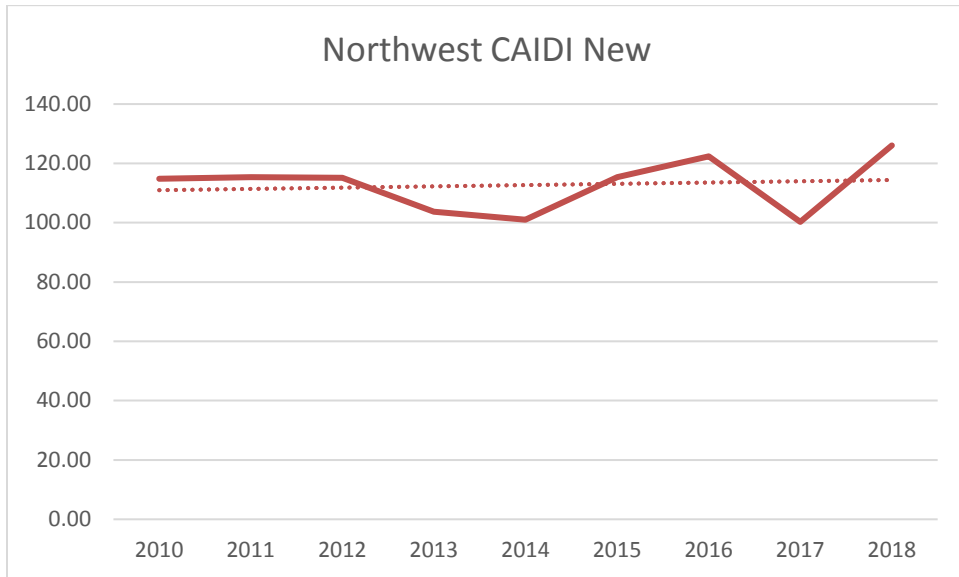
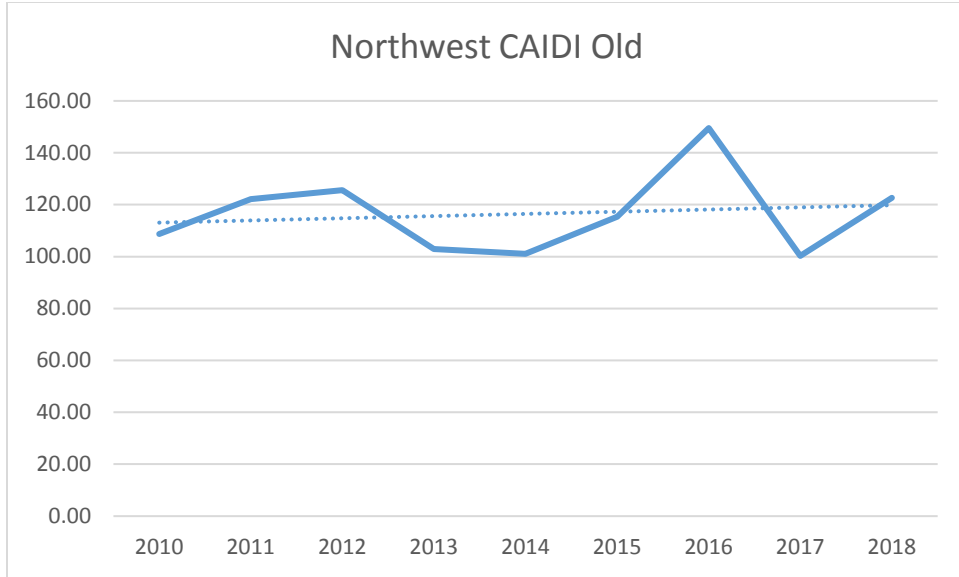


### Northwest Performance Comparison

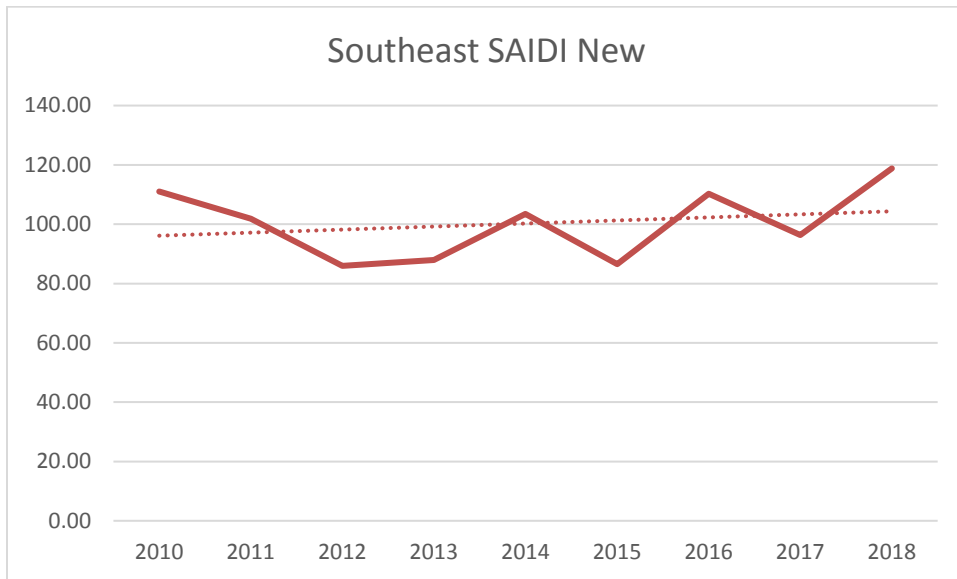
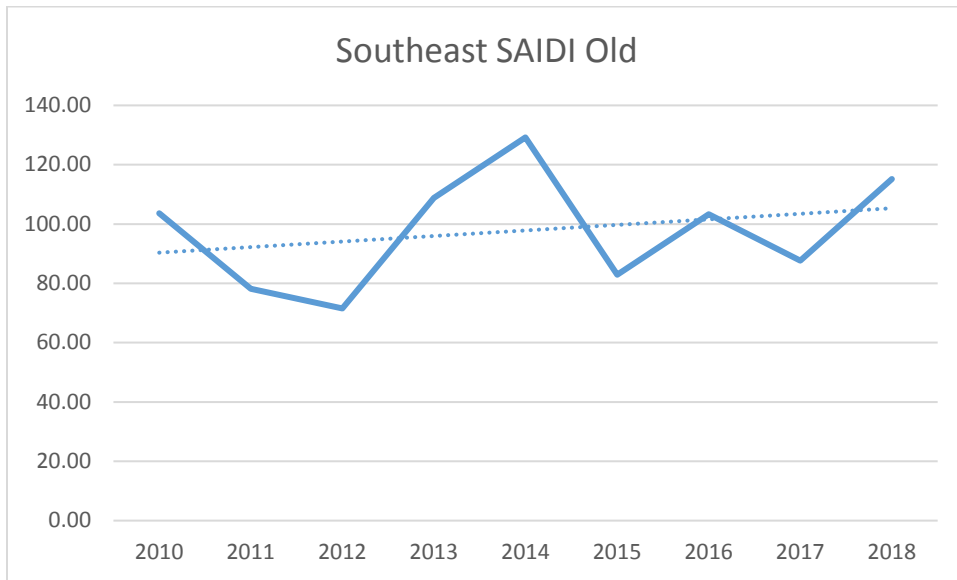


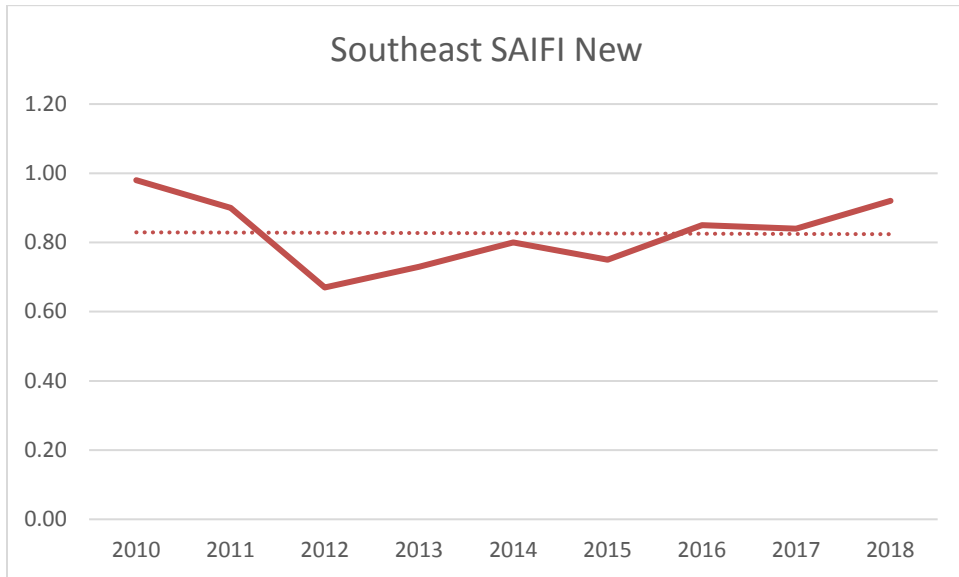
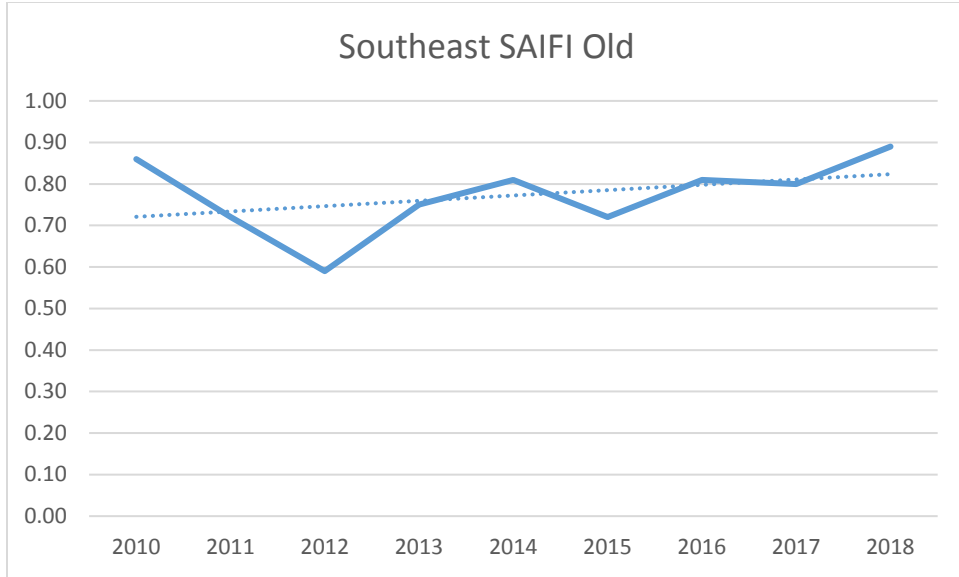


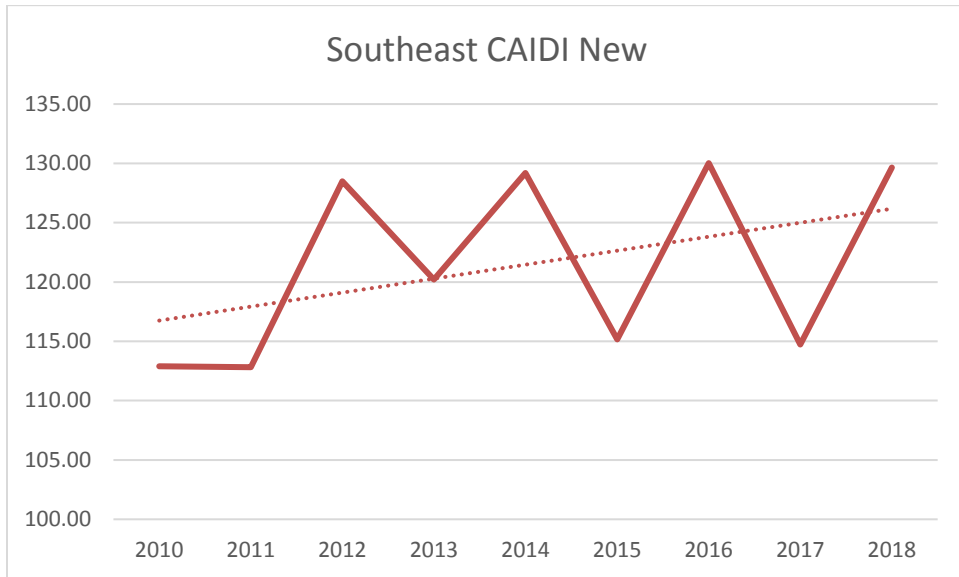
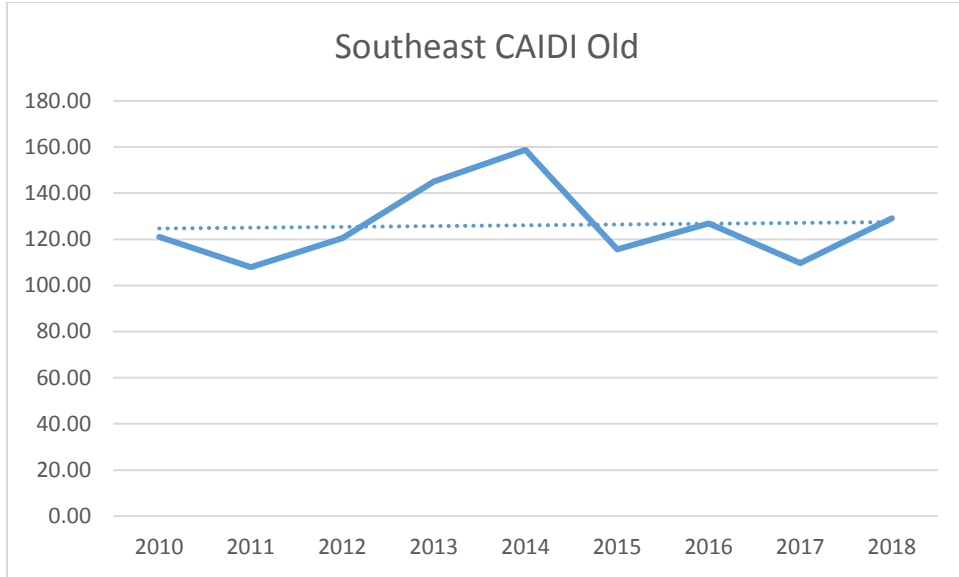




### Southeast Performance Comparison







## **CERTIFICATE OF SERVICE**

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce  
Response Comments**

**Docket No. E002/M-19-261**

Dated this **14<sup>th</sup>** day of **August 2019**

**/s/Sharon Ferguson**

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
David	Aafedt	daafedt@winthrop.com	Winthrop & Weinstine, P.A.	Suite 3500, 225 South Sixth Street  Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_19-261_M-19-261
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St  Duluth, MN 558022191	Electronic Service	No	OFF_SL_19-261_M-19-261
Alison C	Archer	aarcher@misoenergy.org	MISO	2985 Ames Crossing Rd  Eagan, MN 55121	Electronic Service	No	OFF_SL_19-261_M-19-261
Gail	Baranko	gail.baranko@xcelenergy.com	Xcel Energy	414 Nicollet Mall7th Floor  Minneapolis, MN 55401	Electronic Service	No	OFF_SL_19-261_M-19-261
James J.	Bertrand	james.bertrand@stinson.com	STINSON LLP	50 S 6th St Ste 2600  Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-261_M-19-261
James	Canaday	james.canaday@ag.state.mn.us	Office of the Attorney General-RUD	Suite 1400 445 Minnesota St. St. Paul, MN 55101	Electronic Service	No	OFF_SL_19-261_M-19-261
John	Coffman	john@johncoffman.net	AARP	871 Tuxedo Blvd.  St. Louis, MO 63119-2044	Electronic Service	No	OFF_SL_19-261_M-19-261
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_19-261_M-19-261
Riley	Conlin	riley.conlin@stoel.com	Stoel Rives LLP	33 S. 6th Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-261_M-19-261
George	Crocker	gwillc@nawo.org	North American Water Office	PO Box 174  Lake Elmo, MN 55042	Paper Service	No	OFF_SL_19-261_M-19-261

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Ron	Elwood	relwood@mnsap.org	Mid-Minnesota Legal Aid	2324 University Ave Ste 101  Saint Paul, MN 55114	Electronic Service	No	OFF_SL_19-261_M-19-261
John	Farrell	jfarrell@ilsr.org	Institute for Local Self-Reliance	1313 5th St SE #303  Minneapolis, MN 55414	Electronic Service	No	OFF_SL_19-261_M-19-261
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_19-261_M-19-261
Edward	Garvey	edward.garvey@AESLconsulting.com	AESL Consulting	32 Lawton St  Saint Paul, MN 55102-2617	Electronic Service	No	OFF_SL_19-261_M-19-261
Janet	Gonzalez	Janet.gonzalez@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 55101	Electronic Service	No	OFF_SL_19-261_M-19-261
Kimberly	Hellwig	kimberly.hellwig@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-261_M-19-261
Blaine	Hill	bhill@ci.morris.mn.us	Otter Tail Power Company	PO Box 496 215 S Cascade St Fergus Falls, MN 56538	Electronic Service	No	OFF_SL_19-261_M-19-261
Michael	Hoppe	il23@mtn.org	Local Union 23, I.B.E.W.	932 Payne Avenue  St. Paul, MN 55130	Electronic Service	No	OFF_SL_19-261_M-19-261
Alexander	Jackson	ajackson@DuluthMN.gov	Minnesota Power	30 W Superior St  Duluth, MN 55802	Electronic Service	No	OFF_SL_19-261_M-19-261
Alan	Jenkins	aj@jenkinsatlaw.com	Jenkins at Law	2265 Roswell Road Suite 100 Marietta, GA 30062	Electronic Service	No	OFF_SL_19-261_M-19-261

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Linda	Jensen	linda.s.jensen@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota Street  St. Paul, MN 551012134	Electronic Service	No	OFF_SL_19-261_M-19-261
Richard	Johnson	Rick.Johnson@lawmoss.com	Moss & Barnett	150 S. 5th Street Suite 1200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-261_M-19-261
Sarah	Johnson Phillips	sarah.phillips@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-261_M-19-261
Mark J.	Kaufman	mkaufman@ibewlocal949.org	IBEW Local Union 949	12908 Nicollet Avenue South  Burnsville, MN 55337	Electronic Service	No	OFF_SL_19-261_M-19-261
Thomas	Koehler	TGK@IBEW160.org	Local Union #160, IBEW	2909 Anthony Ln  St Anthony Village, MN 55418-3238	Electronic Service	No	OFF_SL_19-261_M-19-261
Michael	Krikava	mkrikava@briggs.com	Briggs And Morgan, P.A.	2200 IDS Center 80 S 8th St Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-261_M-19-261
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W  Farmington, MN 55024	Electronic Service	No	OFF_SL_19-261_M-19-261
Peder	Larson	plarson@larkinhoffman.com	Larkin Hoffman Daly & Lindgren, Ltd.	8300 Norman Center Drive Suite 1000 Bloomington, MN 55437	Electronic Service	No	OFF_SL_19-261_M-19-261
Annie	Levenson Falk	annielf@cubminnesota.org	Citizens Utility Board of Minnesota	332 Minnesota Street, Suite W1360  St. Paul, MN 55101	Electronic Service	No	OFF_SL_19-261_M-19-261



First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Peter	Madsen	peter.madsen@ag.state.mn.us	Office of the Attorney General-DOC	Bremer Tower, Suite 1800 445 Minnesota Street St. Paul, Minnesota 551017741	Electronic Service	No	OFF_SL_19-261_M-19-261
Kavita	Maini	kmainsi@wi.rr.com	KM Energy Consulting LLC	961 N Lost Woods Rd  Oconomowoc, WI 53066	Electronic Service	No	OFF_SL_19-261_M-19-261
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E  St. Paul, MN 55106	Electronic Service	No	OFF_SL_19-261_M-19-261
Joseph	Meyer	joseph.meyer@ag.state.mn.us	Office of the Attorney General-RUD	Bremer Tower, Suite 1400 445 Minnesota Street St Paul, MN 55101-2131	Electronic Service	No	OFF_SL_19-261_M-19-261
Stacy	Miller	stacy.miller@minneapolismn.gov	City of Minneapolis	350 S. 5th Street Room M 301 Minneapolis, MN 55415	Electronic Service	No	OFF_SL_19-261_M-19-261
Herbert	Minke	hminke@allete.com	Minnesota Power	30 W Superior St  Duluth, MN 55802	Electronic Service	No	OFF_SL_19-261_M-19-261
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St  Duluth, MN 558022093	Electronic Service	No	OFF_SL_19-261_M-19-261
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200  Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-261_M-19-261
David	Niles	david.niles@avantenergy.com	Minnesota Municipal Power Agency	220 South Sixth Street Suite 1300 Minneapolis, Minnesota 55402	Electronic Service	No	OFF_SL_19-261_M-19-261
Carol A.	Overland	overland@legalelectric.org	Legalelectric - Overland Law Office	1110 West Avenue  Red Wing, MN 55066	Electronic Service	No	OFF_SL_19-261_M-19-261

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Jeff	Oxley	jeff.oxley@state.mn.us	Office of Administrative Hearings	600 North Robert Street  St. Paul, MN 55101	Electronic Service	No	OFF_SL_19-261_M-19-261
Joseph	Pereira	josephp@cubminnesota.org	Citizen's Utility Board of Minnesota	332 Minnesota St Ste W1360  Saint Paul, MN 55101	Electronic Service	No	OFF_SL_19-261_M-19-261
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_19-261_M-19-261
Kevin	Reuther	kreuther@mncenter.org	MN Center for Environmental Advocacy	26 E Exchange St, Ste 206  St. Paul, MN 551011667	Electronic Service	No	OFF_SL_19-261_M-19-261
Richard	Savelkoul	rsavelkoul@martinsquires.com	Martin & Squires, P.A.	332 Minnesota Street Ste W2750  St. Paul, MN 55101	Electronic Service	No	OFF_SL_19-261_M-19-261
Ken	Smith	ken.smith@districtenergy.com	District Energy St. Paul Inc.	76 W Kellogg Blvd  St. Paul, MN 55102	Electronic Service	No	OFF_SL_19-261_M-19-261
Russ	Stark	Russ.Stark@ci.stpaul.mn.us	City of St. Paul	390 City Hall 15 West Kellogg Boulevard  Saint Paul, MN 55102	Electronic Service	No	OFF_SL_19-261_M-19-261
Byron E.	Starns	byron.starns@stinson.com	STINSON LLP	50 S 6th St Ste 2600  Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-261_M-19-261
James M	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	200 S 6th St Ste 470  Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-261_M-19-261

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Eric	Swanson	eswanson@winthrop.com	Winthrop & Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_19-261_M-19-261
Lynnette	Sweet	Regulatory.records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7  Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_19-261_M-19-261
Stuart	Tommerdahl	stommerdahl@otpc.com	Otter Tail Power Company	215 S Cascade St PO Box 496 Fergus Falls, MN 56537	Electronic Service	No	OFF_SL_19-261_M-19-261
Thomas	Tynes	jjazynka@energyfreedomcoalition.com	Energy Freedom Coalition of America	101 Constitution Ave NW Ste 525 East  Washington, DC 20001	Electronic Service	No	OFF_SL_19-261_M-19-261
Lisa	Veith	lisa.veith@ci.stpaul.mn.us	City of St. Paul	400 City Hall and Courthouse 15 West Kellogg Blvd. St. Paul, MN 55102	Electronic Service	No	OFF_SL_19-261_M-19-261
Joseph	Windler	jwindler@winthrop.com	Winthrop & Weinstine	225 South Sixth Street, Suite 3500  Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-261_M-19-261
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_19-261_M-19-261
Patrick	Zomer	Patrick.Zomer@lawmoss.com	Moss & Barnett a Professional Association	150 S. 5th Street, #1200  Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-261_M-19-261