

Minnesota Public Utilities Commission
Staff Briefing Papers

Meeting Date: **April 1, 2014***Agenda Item #4

Companies: Northern States Power Company dba. Xcel Energy

Docket No. G002/M-12-440

In the Matter of Northern States Power Company's 2011 Annual Gas Service
Quality Report

Issues: Should the Commission Accept Company's Annual Gas Service Quality
Report?

Staff: Marc Fournier651-201-2214

Relevant Documents

Commission Order Setting Reporting Requirements
G-999/CI-09-409..... August 26, 2010

Northern States Power Company dba.
Xcel Energy's Annual Service Quality Report. May 1, 2012

Comments of the Minnesota Department of Commerce
Division of Energy Resources. July 27, 2012

Reply Comments of Northern States Power Company August 8, 2012

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Statement of the Issues

Should the Commission accept the Company's Annual Service Quality Report for 2011?

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 interested parties in Docket No. G999/CI-09-409. On August 26, 2010, the Commission issued an Order Setting Reporting Requirements in Docket G-999/CI-09-409 (09-409 Order). This Order prescribed a list of indicators for which data for each calendar year are to be provided by each utility in a miscellaneous tariff filing to be made by the following May 1.

Northern States Power Company (Xcel or the Company) was allowed to report commingled gas and electric statistics for mislocates and answer times for its utility call centers. For the first year, the Company was allowed to report data covering October 1, 2010 and thereafter for mislocates, gas lines damaged, summaries of major events reportable to the Minnesota Office of Pipeline Safety (MOPS), and customer-service-related operations and maintenance expenses. For events reportable to MOPS, all utilities were ordered to notify the Commission and the DOC simultaneous with their notice to MOPS.

In addition to the requirements in the 09-409 Order, the Commission's March 6, 2012 Order (11-360 Order) in Docket No. G002/M-11-360, et. al directed all regulated Minnesota gas utilities to:

- In future annual reports, include data on average speed of answering calls, in addition to reporting on the percentage of calls answered within 20 seconds or less;
- Explain in their 2011 annual reports, whether the difference between the total percentage of meters (100%) and the percentage of meters read (by both the utility and customers) is equal to the percentage of estimated meter reads;
- Explain, beginning with their 2011 annual reports, the types of extension requests (such as requests for reconnection after disconnection for non-payment) they are including in their data on service extension request response times for both locations not previously served, as well as for locations that were not previously served;
- Explain, beginning with their 2011 annual reports, the types of deposits (such as new deposits from new and reconnecting customers and the total number of deposits currently held) included in the report number of "required customer deposits"; and
- Describe, beginning with their 2011 annual reports, the types of gas emergency calls included in their gas emergency response times, as well as the types of emergency calls included in their reports to the Minnesota Office of Pipeline Safety (MOPS). Provide an explanation of any difference between the reports provided to the Commission and to MOPS.

In the Commission's Order in the Commission's 360 docket, the Commission also specifically required Xcel to explain in its 2011 annual report how its gas-related call center complaints correspond to the complaint categories contained in Minn. Rules, part 7826.2000.

On May 1, 2012, the Company filed its calendar year 2011 Annual Service Quality Report (Report).^{1,2}

Northern States Power Company (Xcel Energy) 2011 Gas Service Annual Report

1. Call Center Response Time/Average Speed of Answer & Percentage of Calls Answered Within 20 Seconds or Less

Standard: Utilities shall include data on their average speed-of-answering calls, in addition to reporting on the percentage of calls answered within 20 seconds or less.

Xcel Energy: Xcel's call center service level is 86 percent of calls answered in 20 seconds or less. Xcel calculated this service level from data that includes natural gas and electric operations, as well as credit calls.

Xcel noted that in compliance with Order Point No. 2 of the March 6, 2012 Order, Xcel has added Line 26 to Attachment A, which provides Xcel's average speed of answer. For 2011, Xcel's average speed of answer was 20 seconds.

DOC: For 2011, the Company met the annual standard of answering 80% of call center calls in 20 seconds or less. The average for the 12 months was 86%. The monthly percentages ranged from a low of 82.4% in September to a high of 89.2% in February of 2011. Per the 11-360 Order, Xcel reported that the average speed of answer for calls offered to agents was 20 seconds.

The DOC acknowledges that Xcel has fulfilled the requirements of the 09-409 and 11-360 Orders.

1 On March 10, 2004, the Commission issued its ORDER ACCEPTING SETTLEMENT AGREEMENT, AS MODIFIED, and on September 17, 2004 issued its ORDER APPROVING SERVICE QUALITY REPORTING TARIFF AS MODIFIED, which adopted Xcel's revised service quality plan and tariff. Xcel's service quality tariff addresses several electric, gas and combined electric and gas performance measures. This tariff subjects Xcel to penalties (underperformance payments) if Xcel's performance does not meet the standards in its tariff. Xcel is the only utility that is subject to penalties for under-performance.

2 Xcel also provides annual reports pursuant to the Electric Utility Standards rule. (Minn. Rules, Ch. 7826) Because Xcel conducts many customer service functions on a consolidated basis for its electric and gas customers, many of the service quality reports Xcel files includes data that covers both its electric and gas customers.

2. Meter Reading Performance

Standard: Each utility shall report the meter reading performance data contained in Minn. Rules, part 7826.1400. The reporting metrics include a detailed report on meter-reading performance for each customer class and for each calendar month:

- The number and percentage of customer meters read by utility personnel;
- The number and percentage of customer meters self-read by customers;
- The number and percentage of customer meters estimated;
- The number and percentage of customer meters that have not been read by utility personnel for periods of 6 to 12 months and for periods longer than 12 months, and an explanation as to why they have not been read; and
- Data on monthly meter-reading staffing levels, by work center or geographical area.

Xcel Energy: Xcel noted that the meter reading information includes data for both natural gas and electric operations.

Xcel noted that the reason that the Company's reported numbers of meters read and estimated under this Rule do not add to 100 percent is because the Rule includes only the number of meters estimated for six or more consecutive months. Any meters estimated for a single month, up to a total of five months, are not included in the reported numbers.

DOC: Xcel reported that an annual average of 98.57 percent of customer meters were read by utility personnel and 0.003 percent were read by the customer in 2011. In each month, at least 98 percent of the Company's Minnesota meters were read. Per the 11-360 Order, Xcel explained that the reason the number of meters read and estimated under Minn. Rules, part 7826.1400 do not add to 100 percent is because the Rule includes only the number of meters estimated for six or more consecutive months. Any meters estimated for a single month, up to a total of five months, are not included in the reported numbers. The DOC concluded that the meter reading statistics reported would have full meaning and context only if the total number of meters were also reported. The DOC requests that Xcel provide, in all future reports, the total number of meters to be read each month by customer class.

Xcel provided the number of meters unread for 6 to 12 months and for more than 12 months for its Residential, Commercial, Industrial, and Other customer classes. "No Reading Returned" was the most common reason in all customer classes for why meters were not read. The DOC appreciates Xcel's efforts in reducing the number of meters not read for longer than 12 months. The number of meters not read for longer than 12 months decreased by 534 meters from 1,849 in 2010 to 1,315 in 2011.

Xcel provided its monthly staffing levels for its four work centers and for meter readers working in

western Minnesota, North Dakota and South Dakota. The Company averaged a total of 15 meter reading staff throughout the year.

Xcel Energy Reply: The DOC noted that Xcel’s meter reading performance would be more meaningful if the Company would also provide the total number of meters in future reports. Xcel indicated that it had no issue with this suggestion and will provide this additional data in future reports.

3. Involuntary Service Disconnection

Standard: In lieu of reporting data on involuntary service disconnections as contained in Minn. Rules, part 7826.1500, each utility shall reference the data that it submits under Minn. Stat.216B.091 and 216B.096.

Xcel Energy: Consistent with Order Point D of the August 26, 2010 Order, Xcel made reference to the involuntary service disconnection data which the Company submitted throughout 2011 in Docket No. E,G-999/PR-11-2.

DOC: The Company referenced the involuntary disconnections data that it reports under Minn. Stat. §216B.091 and §216B.096 in Docket No. E,G-999/PR-11-02. Table 2 summarizes residential customer disconnection statistics reported by Xcel in its Cold Weather Rule reports.

	Cumulative Number of Customers Receiving Disconnect Notice During the Year	Customers Seeking CWR Protection	Customers Granted CWR Protection	% Granted	Customers Disconnected Involuntarily	Customers Restored Within 24 Hours	Customers Restored by Entering Payment Plan
2010	1,218,073	173,440	173,440	100%	29,592	12,121	1,265
2011	1,282,576	188,091	188,271	100%	27,120	11,273	1,446

The DOC acknowledged that Xcel has fulfilled the requirements of the 09-409 Order.

4. Service Extension Request Response Time

Standard: Each utility shall report the service extension request response time data contained in Minn. Rules, part 7826.1600, items A and B., except that data reported under Minn. Stat.216B.091 and 216B.096, subd.11, is not required.

- 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 interval between the date service was installed and the date the premises were ready for service.

Xcel Energy: The requests for service to locations that have been previously served, but are not being served at the time of the request (as required by Minn. R. 7826.1600 subp. B), are nearly all requests from customers who have had their meter locked due to credit. This is because the Company rarely disconnects service to a natural gas customer or premise for reasons other than credit.

Reconnection times for service upgrades that require a disconnection of service – as well as reconnection times to locations where the Company disconnected due to vacancy (including vacancies due to foreclosure) – are included with Xcel’s requests for new service.

Xcel indicated that it is looking forward to the discussion and outcome of the work group for this reporting item that will assess and recommend consistent types of service extension requests that should be reported in future reports.

DOC: Xcel stated in its May 18, 2009 Comments in Docket No. G999/CI-09-409 that nearly all requests to connect service at a location previously served are from customers who have had their meter locked due to credit, as it is otherwise uncommon to disconnect service between tenants. Therefore the Company did not include all statistics from locations previously served.

Xcel reported monthly average response times for requests for new service, which also included reconnections for service upgrades and reconnections to locations disconnected due to vacancy. The Company extended service to 1,625 new residential locations in an average interval of 4 days, with extensions occurring in all 12 months of 2011. As for new commercial locations, extensions took place in all months except March. The total number of extensions was 140 with an average interval of three days.

The DOC acknowledged that Xcel has fulfilled the requirements of the 09-49 and 11-360 Orders.

5. Customer Deposits

Standard: Each utility shall report the customer deposit data contained in Minn. Rules, part 7826.1900.

Xcel Energy: During 2011, Xcel requested a total of 665 deposits as a condition of service for residential customers that had filed for bankruptcy, which is inclusive of both natural gas and

electric operations.

The Company noted that it requested these deposits upon notification from the bankruptcy court and/or customers of their bankruptcy petitions; the Company does not request them for reconnection of service. Once customers file for bankruptcy, their service begins anew, and includes a deposit amount on their first bills.

DOC: The reporting metric for customer deposits is the number of customers required to make a deposit as a condition of receiving service. Xcel reported a total of 657 such accounts for both its natural gas and electric operations in 2011.

Per the 11-360 Order, the utilities were required to explain the types of deposits included in the reported number of “required customer deposits.” Xcel stated that it requires deposits from residential customers that have filed for bankruptcy. The Company noted that it requests these deposits upon notification of the bankruptcy and are not requested for reconnection of service. Xcel further stated that once customers file for bankruptcy, their service is begun anew and the deposit amount is included in the first bill.

The DOC acknowledged that Xcel has fulfilled the requirements of the 09-409 and 11-360 Orders.

6. Customer Complaints

Standard: Each utility shall report the customer complaint data contained in Minn. Rules, part 7826.2000.

Xcel Energy: The Company provided the information required by Items A through E as Attachment D to its Annual Gas Service Quality Report. The Company noted that the information provided stems from data for both natural gas and electric operations.

The Company indicated that it is looking forward to the work group discussion and outcome regarding call center complaint resolution timeframes, and note that generally the Company resolves customer calls to its call center upon initial contact.³

DOC: Xcel reported that 627 electric and natural gas complaints were handled by the Company’s Customer Advocate Group in 2011, 127 of which were forwarded to the Consumer Affairs Office. Data provided by the Company showed that 13.2 percent of complaints handled by Xcel’s Customer Advocate Group were resolved upon inquiry. The most frequent complaint category was “inadequate service.” Xcel reported that 28.2 percent of complaints in 2011 were

3 The Commission in its March 6, 2012 Order Accepting Reports and Setting Further Requirements in Docket G-002/M-11-360 required the parties to convene a workgroup to work on improving consistency in reporting and address several issues described in the Order.

resolved by taking the action the customer requested.

Xcel also received 877,097 complaints in 2011 that were handled upon initial inquiry in the Company's Call Centers.⁴ Xcel reported that, in 2011, approximately 95 percent of these complaints were resolved by taking the action the customer requested. The complaint category with the largest volume of complaints for all customers was "billing errors" with "wrongful disconnect" and "inadequate service" of significant concern to all customers as well.

Per the 11-360 Order, Xcel provided a chart that aligned its customer complaint categories with the ones contained in Minn. Rules, part 7826.2000. The majority of Xcel's complaint categories fell within the "Billing Error" and "Inadequate Service" categories in the Rules.

The DOC acknowledged that Xcel has fulfilled the requirements of the 09-409 and 11-360 Orders.

7. Gas Emergency Calls and Response Time

Standard: Each utility shall report the data on telephone answering times to its gas emergency phone line calls.

Standard: Each utility shall report the data on the time from the initial notification of an emergency until a qualified emergency response person arrives at the incident location.

Xcel Energy: The Company's Average Speed of Answer for calls from Minnesota customers either directly to its Gas Emergency phone line, or to one of the Company's other customer service phone numbers from which customers selected a prompt to report a gas emergency. The Company noted that it has added the number of gas emergency calls received to this year's report, as well as the average answer time for these calls.

Xcel's average annual response time is 44.88 minutes, and the Company responded to 80% of the calls within an hour, and the remaining 20% in more than an hour.

DOC: The Company reported its average speed of answering emergency line calls for natural gas emergencies by month and year for all its possible sources, including the general customer service line, Builders Line, Electric Outage line, and Gas Emergency Line. Xcel also reported the same information for calls only to the Gas Emergency Line. The 2011 annual average answer time for all gas emergency calls was seven seconds for 31,232 calls, while the annual average for the gas emergency line only was eight seconds for 16,795 calls.

4 Staff notes that Xcel's definition of "complaints" may be broader than that of the other utilities and thus may not be directly comparable to the other utilities' data. Please see Attachment D1 of the Company's 2011 Service Quality Report for the Company's call/complaint classifications.

The reporting metric for emergency response time is the time from the initial notification of an emergency until a qualified emergency response person arrives at the incident location. Xcel reported emergency response times by type of job code and total calls, by calls responded to within one hour or less, and calls responded to in more than one hour. The Company also provided the average number of minutes it took to respond to an emergency.

For the 16,417 gas emergency calls received in 2011, Xcel's average response time was 44.88 minutes with 80 percent of calls responded to in less than an hour. This marks an improvement over last year when average response time was 51.77 minutes and 76 percent of calls were responded to in less than an hour.

In the 11-360 Order, all gas utilities were required to describe the types of gas emergency calls included in their gas emergency response times, as well as the types of emergency calls included in their reports to MOPS. The utilities were also required to provide an explanation of any difference between the reports provided to the Commission and those provided to MOPS. Xcel provided all of this information in Attachments F, F1, and G of its Report. The DOC was able to reconcile the information in Xcel's Report with the reports provided to MOPS.

The DOC acknowledges that Xcel has fulfilled the requirements of the 09-409 Order.

8. Mislocates

Standard: Each utility shall report the data on mislocates, including the number of times a line is damaged due to mismarked or failure to mark a line.

Xcel Energy: Xcel defines mislocates as a natural gas line that is damaged as a result of mismarking, or failure to mark a line.

DOC: The mislocate rate refers to the number of times that a gas line is damaged due to a line being mismarked or unmarked. The required reporting metric is the total number of mislocates. The Company also provided the number of locate tickets and the number of mislocates per 1,000 locate tickets. Xcel reported 46 mislocates out of a total of 151,393 locate tickets, or a rate of .30 per 1,000 locate tickets, for 2011.

Since this is the first full calendar year that data are available regarding system damages, the DOC cannot make definitive conclusions because it is unaware of underlying trends or historical patterns. This rate is similar to other LDCs.

The DOC acknowledged that Xcel has fulfilled the requirements of the 09-409 Order.

9. Gas System Damage

Standard: Each utility shall report data on the number of gas lines damaged. The damage shall

be categorized according to whether it was caused by the utility's employees or contractors, or whether it was due to any other unplanned cause.

Xcel Energy: Xcel provided its Natural Gas System Damage data in the following categories:

- Damage under the control of Xcel Energy employees and contractors; and
- Damage from all other causes.

DOC: The metric pertaining to gas system damages indicates the number of incidents caused by Company employees and contractors, or other sources. Xcel reported 335 gas system damages for 2011. Of this total, 27 incidents were due to actions of Company employees or its contractors, and 308 incidents were from all other causes. In addition, the Company reported Damage per 100 miles of main. The rate for 2011 was 0.31 incidents per 100 miles for events under the control of Xcel employees and contractors, and 3.51 incidents per 100 miles for damages caused by other sources.

Since this is the first full calendar year that data are available regarding system damages, the DOC cannot make definitive conclusions because it is unaware of underlying trends or historical patterns. The rate is similar to those of other LDCs.

The DOC acknowledged that Xcel has fulfilled the requirements of the 09-409 Order.

10. Gas Service Interruptions

Standard: Each utility shall report data on service interruptions. Each interruption shall be categorized according to whether it was caused by the utility's employees or contractors, or whether it was due to any other unplanned cause.

Xcel Energy: The metric reports the number of homes that experienced an unplanned service interruption, the number of incidents, as well as the average outage time of those interruptions.

The gas service interruption data is summarized into the following two categories of interruptions that the other companies use in their interruption reporting:

1. Outages due to Xcel employees/contractors; and
2. Outages due to other causes.

DOC: A total of 2,130 customers were affected by 280 gas-service interruptions in 2011. Xcel employees and contractors caused 31 outages affecting 841 homes, while 249 outages affecting 1,289 customers occurred due to other causes. The average duration of gas-service interruptions was 5 hours 39 minutes for outages associated with Xcel employees and contractors and 3 hours 50

minutes for the outages due to other causes.

The DOC noted two months where the average outage times were the highest. For outages due to Xcel employees and contractors, there was one incident in March that affected 760 customers for 5 hours 55 minutes. According to the Company's incident report provided in Attachment K of the Report, this incident was caused by gas construction activity for the light rail project in St. Paul. For outages due to other causes, there were ten incidents in February that affected 575 customers for an average of 6 hours 16 minutes. According to Xcel's incident reports provided in Attachment K, on February 2, the St. Paul Water Department hit a main while digging resulting in an outage to over 500 customers for 6 hours 20 minutes.

While these incidents did not occur due to failure of system integrity, these outages are of particular concern since long outages in the winter can cause harm to life and property. The DOC requested that Xcel provide in Reply Comments any information it has regarding the underlying cause(s) for the two significant events discussed above. For example, Xcel should address whether these strikes may have been a result of a mislocated or unmarked line, miscommunication, or some other human error.

The DOC acknowledges that Xcel has fulfilled the requirement of the 09-409 Order

Xcel Energy Reply:

1. February Incident

On February 2, 2011, St. Paul Regional Water damaged a 4 inch polyethylene gas main while installing a new water main valve near the intersection of Eustis Street and Franklin Avenue in St. Paul. The event occurred at 11:25 AM and impacted 597 customers. The area was made safe and restoration began at 12:40 PM, and was completed at 7:00 PM. The Company's internal incident analysis determined that the Xcel Energy locator mis-located the damaged main by approximately nine feet. Measurements on the GIS prints were accurate on the map. However, the path of the main ran at an angle to the northeast deviating from the measurement identified on the map. There were no injuries resulting from this outage.

2. March Incident

On March, 24, 2011, Xcel Energy crews were working at the intersection of Fry Street and University Avenue on a project to relocate gas facilities that were in conflict with light rail construction. A 12 inch end cap blew off the end of a 60 pound steel gas main while resetting the sealing element during a stopple operation. A temporary compression end cap was installed on the end of the main. As the tapper worked to reset the stopper, gas immediately built up on the temporary compression cap and the pressure caused the cap to blow off the main. When the main was blowing, the tapper momentarily was able to re-stop the flow of gas by resetting the stopper but the sealing element on the stopper partially rolled, causing a void around the sealing element and allowing gas to escape. The gas was turned off at 12:58 PM and was turned back on at 6:48 PM. The blowing gas was isolated using existing system valves, resulting in an outage to 51

commercial and 709 residential customers. There were no injuries resulting from this outage.

11. MOPS Summaries

Standard: Each utility shall report summaries of major events that immediately reportable to the Minnesota Office of Pipeline Safety (MOPS) according to the criteria used by MOPS to identify reportable events. Each utility shall also provide summaries of all service interruptions caused by system integrity pressure issues.

Xcel Energy: Xcel provided a description of the types of gas emergency calls that are included in the Gas Emergency Response Time Report, as well as the calls included in the Company's reports to MnOPS. There are five call types included in the Gas Emergency Response Time Report that are not included in the MnOPS reports.

The reason for the difference in the two reports is that Xcel's MnOPS report was developed through input from MnOPS and based on their preference for only including the following call types: fire, explosion, blowing gas, and indoor and outdoor odors. Xcel's Gas Emergency Response Time Report and associated call types were developed through Docket No. E/G002-CI-02-2034, and memorialized in the Commission's May 6, 2009 Order in that Docket.

DOC: The Company is required to summarize major events that require a report being made to the MOPS. These summaries include the ten items that the MOPS requires in its incident reports. They are:

- the location;
- when the incident occurred;
- how many customers were affected;
- how the company was made aware of the incident;
- the root cause of the incident;
- the actions taken to fix the problem;
- what actions were taken to contact customers;
- any public relations or media issues;
- whether the customer or the company relighted; and
- the longest any customer was without gas service during the incident.

Xcel reported 45 such major events during 2011. The Company provided internal emails and major incident summaries for all events, which included the required information listed above.

The DOC acknowledges that Xcel has fulfilled the requirements of the 09-409 Order.

12. Customer Service Related Operations and Maintenance Expenses

Standard: Each utility shall report customer-service related operations and maintenance expenses. The reports shall include only Minnesota-regulated, customer-service expenses based on the costs recorded in FERC accounts 901 and 903 plus payroll taxes and benefits.

Xcel Energy: This information includes costs recorded in FERC accounts 901 and 903, plus payroll taxes and benefits for 2011.

DOC: The reporting metric is the total of operation and maintenance (O&M) expenses related to customer service. The report included expenses for Xcel's Minnesota jurisdiction operations, as well as the total for Northern States Power Company (which includes North Dakota expenses). Xcel reported that service-related expenses in the Minnesota jurisdiction were \$5,927,900 in Federal Energy Regulatory Commission (FERC) Accounts 901 and 903, and \$391,843 for Associated Payroll Taxes and Benefits. The total, therefore, for these O&M expenses was \$6,319,743.

The DOC acknowledges that Xcel has fulfilled the requirements of the 09-409 Order.

Staff Analysis

Staff recommends that the Commission accept Xcel's filing. Staff agrees with the DOC that Xcel's filing fulfills the requirements of the Commission's 09-409 and 11-360 Orders.

Also, Staff agrees with the DOC that the total number of meters read each month by customer class is a useful element, and Xcel has agreed to provide this information in all future Annual Gas Service Quality Reports.

The Commission in its March 6, 2012 Order Accepting Reports and Setting Further Requirements in Docket G-002/M-11-360 required the parties to convene a workgroup to work on improving consistency in reporting and address several issues described in the Order. The parties met on June 22, 2012. A matrix detailing how each utility reports or calculates the metric specified in the Commission's Order was attached to the utilities' 2012 annual reports.

Finally, Staff believes that Xcel satisfied the DOC request for information it had regarding the underlying cause(s) for the two significant gas outages reported by Xcel.

Commission Options

1. Accept Xcel's 2011 Service Quality Report.
2. Do not accept Xcel's 2011 Service Quality Report.

Recommendation

Staff recommends that the Commission adopt alternative number 1.