

**STATE OF MINNESOTA
PUBLIC UTILITIES COMMISSION**

Katie Sieben	Chair
Hwikwon Ham	Commissioner
Valerie Means	Commissioner
Joseph Sullivan	Commissioner
John Tuma	Commissioner

In the Matter of an Investigation and Audit of
Service Quality Reporting – Fraudwise Report

Docket No. E,G-002/CI-02-2034

In the Matter of the Petition of Northern States
Power Company d/b/a Xcel Energy for Approval
of Amendments to its Natural Gas and Electric
Service Quality Tariffs Originally Established in
Docket No. E,G-002/CI-02-2034

Docket No. E,G-002/M-12-383

Initial Comments of the Joint Commenters

The Citizens Utility Board of Minnesota and the Energy CENTS Coalition (together, the “Joint Commenters”) submit these comments in response to the Minnesota Public Utilities Commission’s (the “Commission”) Notice of Comment issued in the above-referenced dockets on May 10, 2024.

I. Introduction

Minnesota law requires utilities to provide safe, adequate, efficient, and reasonable service.¹ In recognition of this overarching mandate, Minn. Stats. §§ 216B.09 and 216B.029 provide the Commission with authority to fix just and reasonable standards for safety, reliability, and service quality. The standards adopted by the Commission are located in Minnesota Rules Chapter 7826 and apply to all regulated utilities.

Among the metrics tracked and reported by utilities is the number of complaints received from customers. Minnesota Rules 7820.0500 and 7826.2000 require utilities to file annual reports on how many complaints are received from each customer class, the content of those complaints, and whether and how those complaints were resolved. Northern States Power Company d/b/a Xcel Energy’s (“Xcel” or the “Company”) Quality of Service Tariff further requires the utility to annually submit a comparison between the Company’s performance and Commission-approved standards.² If the Commission’s Consumer Affairs Office receives more than 0.2059 customer complaints per 1,000 customers, the Company will be fined a \$1 million underperformance penalty.³

¹ Minn. Stat. § 216B.04.

² Northern States Power Minnesota Electric Rate Book, Section 6, Sheet 7.6.

³ *Id.* at Section 6, Sheets 7.5 and 7.7; *In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy for Approval of Amendments to its Natural Gas and Electric Service-Quality Tariffs Originally Established in Docket No. E,G-002/CI-02-2034*, Docket No. E,G-002/M-12-383, Order Approving Amendments to Service-Quality Tariff at 3, 6 (Aug. 12, 2013).

On April 1, 2024, Xcel filed its Annual Service Quality Report detailing the number of customer complaints received in 2023.⁴ Xcel received 1,223 total complaints from customers throughout the year, with 1,180 originating from the residential rate class.⁵ Of the total complaints, 759 were forwarded to the utility by the Commission's Consumer Affairs Office for further investigation and action.⁶ Residential customers accounted for 732 of the referred complaints, with the rest coming from the commercial and industrial classes.⁷ The majority of complaints received related to billing errors, inadequate service, or wrongful disconnection.⁸

The Company subsequently filed a Quality-of-Service Plan ("QSP") report on May 1, 2024, that compared utility performance on customer complaints—and other metrics—against Commission standards.⁹ Based on Xcel's customer count for 2023, the Company needed to receive 380 or fewer complaints in order to avoid paying an underperformance penalty.¹⁰ Because the Consumer Affairs Office received 759 complaints—nearly double the allowable threshold—Xcel has been assessed a \$1 million penalty.¹¹

Xcel's QSP tariff requires that underperformance payments be disbursed in a specified manner. Customer bill credits account for 50 percent of the payment amount, while the remaining 50 percent is allocated to the "maintenance and repair of the Company's natural gas and electric distribution system."¹² Xcel has committed to providing customer credits totaling \$500,000 within allowable timeframes, but has proposed modifying how the remainder of funds are disbursed.¹³ Specifically, the Company has requested approval to utilize its distribution underperformance payment to waive customer reconnection fees. As detailed further below, CUB and ECC are supportive of Xcel's request to offset reconnection costs.

II. Analysis

Xcel's proposal to offer reconnection fee waivers comes at a time when customers are struggling with the high costs of utility service. As recently detailed in Docket No. E-002/M-24-27, the Joint Commenters are extremely concerned about a rising trend in disconnections and are engaged in conversations with the Company about how to move forward with utility policies and practices that

⁴ *In the Matter of Northern States Power Company d/b/a Xcel Energy's 2023 Annual Safety, Reliability, and Service Quality Report*, Docket No. E-002/M-24-27, Xcel 2023 Annual Report and Petition (Apr. 1, 2024) (hereinafter "Xcel 2023 Service Quality Report").

⁵ Xcel 2023 Service Quality Report, Att. G-1 at 2.

⁶ *Id.*, Att. G-1 at 5.

⁷ *Id.*

⁸ *Id.*, Att. G-1 at 3.

⁹ *In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy for Approval of Amendments to its Natural Gas and Electric Service-Quality Tariffs Originally Established in Docket No. E,G-002/CI-02-2034*, Docket No. E,G-002/M-12-383, Xcel 2023 Annual Report (May 1, 2024) (hereinafter "Xcel 2023 QSP Report").

¹⁰ *Id.* at 1.

¹¹ *Id.* at 4.

¹² *Id.* (quoting Northern States Power Minnesota Electric Rate Book, Section 6, Sheet 7.7).

¹³ *Id.* at 4-5.

are more protective of residential customers.¹⁴ The rise in complaints throughout 2023 coincides with these escalating disconnection rates, with many customers expressing frustrations about unaffordable payment plans and AMI-facilitated terminations of service.¹⁵ Offering fee waivers would address one of the reasons for customer complaints and help households overcome barriers to reconnection by allowing service to be restored in a more affordable manner.

So far in 2024, Xcel's average reconnection fee has been approximately \$18 per disconnected household.¹⁶ Some customers, however, are paying significantly more than average to restore service. When the Commission initially approved the Company's use of remote metering capabilities, it set different reconnection fees based on whether advanced metering infrastructure ("AMI") was deployed at the residence. Beginning on April 1, 2023, customers with standard AMI meters were charged \$13.50 to reconnect service, while customers without AMI were required to pay \$50.¹⁷ Manual reconnection fees are set to further increase to \$95 at the start of 2025.¹⁸

These costs, when combined with high down payment amounts, represent a hurdle that customers must face when seeking service restoration. As proposed, Xcel's use of the underperformance payment to buy down reconnection costs over the next nine to twelve months would ease the burdens of thousands of Minnesota households.¹⁹ The Joint Commenters are supportive of this approach and urge the Company to pair these funds with additional improvements to disconnection and payment agreement practices.

¹⁴ *In the Matter of Northern States Power Company d/b/a Xcel Energy's 2023 Annual Safety, Reliability, and Service Quality Report*, Docket No. E-002/M-24-27, Reply Comments of the Joint Commenters (Jun. 24, 2024).

¹⁵ Xcel 2023 QSP Report at 4-5.

¹⁶ *In the Matter of Recent Utility Cold Weather Rule Data*, Docket No. E,G999/CI-24-2, Xcel May 2024 Residential Customer Status Report at Tab 5 (Jun. 18, 2024).

¹⁷ *In the Matter of a Petition by Northern States Power Company Requesting Approval of Changes to its Tariff for an Indefinite Variance to Commission Rules Regarding Disconnection of Service*, Docket No. E-002/M-22-233, Order Approving Petition as Modified and Requiring Filings at 11 (Mar. 22, 2023).

¹⁸ *Id.*

¹⁹ See Docket No. E,G999/CI-24-2, Xcel May 2024 Residential Customer Status Report at Tab 1 (Jun. 18, 2024) (showing that more than 8,000 customers went through the reconnection process in May alone).

Sincerely,

June 28, 2024

/s/ Annie Levenson-Falk

Annie Levenson-Falk
Executive Director
Citizens Utility Board of Minnesota
651-300-4701, ext. 1
annielf@cubminnesota.org

/s/ George Shardlow

George Shardlow
Executive Director
Energy CENTS Coalition
george@energycents.org

/s/ Olivia Carroll

Olivia Carroll
Regulatory Advocate
Citizens Utility Board of Minnesota
651-300-4701, ext. 5
oliviac@cubminnesota.org

/s/ Brandon Crawford

Brandon Crawford
Regulatory Advocate
Citizens Utility Board of Minnesota
651-300-4701, ext. 7
brandonc@cubminnesota.org

cc: Service List