



85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198
mn.gov/commerce/
651.539.1500 FAX 651.539.1547
An equal opportunity employer

February 26, 2014

Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: Comments of the Minnesota Department of Commerce, Division of Energy Resources
Docket No. EG002/M-14-74

Dear Dr. Haar:

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

Northern States Power Company, d/b/a Xcel Energy (Xcel or the Company) Request for a Variance to Billing Error Rules.

The filing was submitted on January 28, 2014

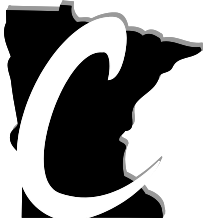
Christopher B. Clark
Vice President
Rates and Regulatory Affairs
Xcel Energy
414 Nicollet Mall
Minneapolis, MN 55401

The Department recommends that the Minnesota Public Utilities Commission approve Xcel's request for variance, and is available to answer any questions that the Commission may have in this matter.

Sincerely,

/s/ ZAC RUZYCKI
Public Utilities Rates Analyst
651-539-1856

ZR/sm
Attachment



BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS OF THE
MINNESOTA DEPARTMENT OF COMMERCE
DIVISION OF ENERGY RESOURCES

DOCKET NO. EG002/M-14-74

I. BACKGROUND AND SUMMARY OF FILING

On January 28, 2014, Northern States Power Company, doing business as Xcel Energy (Xcel or the Company) filed a petition with the Minnesota Public Utilities Commission (Commission) requesting a variance to Minnesota Rules 7820.3800 and 7820.4000. This request would allow the Company to provide a billing credit to customers involved in overcharges by the Company and a one-time modification to the terms of Xcel's Billing Error Tariff requirements in its Electric and Natural Gas Rate Books.

The Company has requested this rule variance and one-time tariff modification to gain approval for crediting billing errors to two customers involved in overcharges that exceed the three-year limit set in Minn. R. 7820.3800 subpart 2. Xcel stated that the overcharges are for the following customers:

- Customer A – residential electric customer with billing error from net meter billing;
- Customer B – commercial gas customer with billing error for a switched meter with a neighbor.

Xcel stated that after discovery of the errors in billing, the Company corrected the billing system to ensure correct billing for all customers going forward, and additionally has credited all affected customers in accordance with the Company's tariff and the Commission's rules. Xcel calculated and provided remuneration for the billing errors as required by Minn. R. 7820.3800 and 7820.4000, including interest accrued from the principal, calculated consistent with Minnesota Statutes § 325E.02(b). The credit amounts reimbursed and those requiring the requested variance are provided in the tables below.

The Company stated that consistent with the Commission's June 21, 2010 Order¹, a letter will be sent to affected customers informing them of the billing error and providing instructions for their participation in the proceedings.

I. Customer A

According to Xcel, at the time of construction in 2007, two electric meters were installed at the customer's home. In Xcel's billing system, one meter (Meter 1) was associated with the Residential Underground Service rate (A03) for the customer's general electrical needs, while the other meter (Meter 2) was associated with the Energy Controlled Service rate (A05) for the customer's dual fuel heating load. A June 12, 2013 customer-requested energy audit revealed that Meter 1 was physically connected to the customer's dual fuel heating system and Meter 2 was connected to the remaining electrical load, which meant that the rates associated with each meter should be reversed. Xcel stated that the corrections were made on June 20, 2013.

Xcel indicated that Customer A bought the property on October 22, 2008. Xcel stated that Customer A is due \$1,260.78² for the duration of the billing error both within and exceeding the timeframe of the Commission Rule and Tariff periods. On June 20, 2013, the Company credited Customer A for the period of time within Commission Rule and the Company's tariff. The Company again credited the customer with an additional \$3.73 of interest on October 10, 2013 due to a miscalculation. The total amount credited to the customer by the Company was \$919.91.³

The following table summarizes the credit amounts associated with Customer A.

Table 1: Credit Amounts Provided and Credit Amounts Requiring Variance – Customer A

Time Period	Principal	Interest	Total
<i>Within</i> Commission Rules and Tariff period: 6/17/10 through 6/12/2013	\$912.84	\$7.07	\$919.91
<i>Exceeding</i> Rules and Tariff period: 10/22/08 through 6/17/2010	\$337.46	\$3.41	\$340.87
Total	\$1,250.30	\$10.48	\$1,260.78

¹ Docket E002/M-10-258

² Consisting of \$1,250.30 of principal and \$10.48 of interest.

³ Consisting of \$912.84 of principal and \$7.07 of interest.

2. Customer B

Responding to a service order issued June 27, 2013, a technician was sent to the commercial property of Customer B to verify the operating status of the gas meter. During inspection, it was found that the gas meter was being incorrectly billed to the customer instead of the neighboring premise. The Company believes that the error occurred during the initial installation in August 1989, and has been in effect at the property since the customer began service on the premises on August 15, 2001.

Xcel requested permission to credit Customer B back to January 20, 2005, as this represents the farthest date back that the Company has sufficient billing records to calculate the credit.

The Company stated that Customer B is due \$7,756.75⁴ in credit from the billing error spanning the period of time both within and outside of the Commission Rule and the Company's tariff. On September 3, 2013, the Company provided credit to the customer for the period of time within Commission Rule and the Company's tariff in the total of \$2,567.87.⁵

The following table summarizes the credit amounts associated with Customer B.

Table 2: Credit Amounts Provided and Credit Amounts Requiring Variance – Customer B

Time Period	Principal	Interest	Total
<i>Within</i> Commission Rules and Tariff period: 8/5/10 through 8/13/2013	\$2,559.38	\$8.49	\$2,567.87
<i>Exceeding</i> Rules and Tariff period: 1/20/05 through 8/5/2010	\$4,723.12	\$465.76	\$5,188.88
Total	\$7,282.50	\$474.25	\$7,756.75

II. DEPARTMENT ANALYSIS

Minnesota Rules 7820.3800 and 7820.4000 state in relevant part:

Subpart 1. Errors warranting remedy.

When a customer has been overcharged or undercharged as a result of incorrect reading of the meter, incorrect application of rate schedule, incorrect connection of the meter, application of an incorrect multiplier or constant or other similar reasons, the

⁴ Consisting of \$7,282.50 of principal and \$474.25 of interest.

⁵ Consisting of \$2,559.38 of principal and \$8.49 of interest.

amount of the overcharge shall be refunded to the customer or the amount of the undercharge may be billed to the customer as detailed in subparts 2 through 4.

Subp. 2. Remedy for overcharge.

When a utility has overcharged a customer, the utility shall calculate the difference between the amount collected for service rendered and the amount the utility should have collected for service rendered, plus interest, for the period beginning three years before the date of discovery. Interest must be calculated as prescribed by Minnesota Statutes, section [325E.02](#), paragraph (b). If the recalculated bills indicate that more than \$1 is due an existing customer or \$2 is due a person no longer a customer of the utility, the full amount of the calculated difference between the amount paid and the recalculated amount shall be refunded to the customer. The refund to an existing customer may be in cash or credit on a bill. Credits shall be shown separately and identified. If a refund is due a person no longer a customer of the utility, the utility shall mail to the customer's last known address either the refund or a notice that the customer has three months in which to request a refund from the utility.

Subp. 3. Remedy for undercharge.

When a utility has undercharged a customer, the utility shall calculate the difference between the amount collected for service rendered and the amount the utility should have collected for service rendered, for the period beginning one year before the date of discovery. If the recalculated bills indicate that the amount due the utility exceeds \$10, the utility may bill the customer for the amount due. But a utility must not bill for any undercharge incurred after the date of a customer inquiry or complaint if the utility failed to begin investigating the matter within a reasonable time and the inquiry or complaint ultimately resulted in the discovery of the undercharge. The first billing rendered shall be separated from the regular bill and the charges explained in detail.

Subp. 4. Exception if error date known.

If the date the error occurred can be fixed with reasonable certainty, the remedy shall be calculated on the basis of payments for service rendered after that date, but in no event for a period beginning more than three years before the discovery of an overcharge or one year before the discovery of an undercharge.

Xcel's Minnesota Electric Rate Book – MPUC No. 2, Section No. 6, 6th Revised Sheet No. 16 sets out in relevant part:⁶

3.9 Billing Adjustments

Overbilled

In the event the customer was over-billed, the Company shall recalculate bills for service during the period of the error, up to a maximum of three years from the date of discovery. Adjustments of bills will be made in accordance with the rules prescribed by the Commission. Interest will be calculated as prescribed by Minn. Stat. §325E.02(b).

The Company makes note that the customers have been credited the amount allowable within Commission Rule and Xcel's Billing Error Tariff. With this request, the Company seeks approval to issue further funding to the customers outside the three year limit set out in Minn. R. 7820.3800.

Minnesota Administrative Rules 7829.3200, subpart 1 set out the following criteria for evaluating variance requests:

Subpart 1. When granted. The commission shall grant a variance to its rules when it determines that the following requirements are met:

- A. enforcement of the rule would impose an excessive burden upon the applicant or others affected by the rule;
- B. granting the variance would not adversely affect the public interest; and
- C. granting the variance would not conflict with standards imposed by law.

The Department believes that the rule variance criteria can be used to assess the appropriateness of the one-time tariff modification requested by the Company.

In this case, enforcement of the rule would significantly reduce the amount of credit due back to the consumers, and would impose an excessive financial burden by withholding the total amount of credit due back to the consumers from the period outside of the three-year limit in Minn. R. 7820.3800. The Department concurs with the judgment of Xcel that it is fair and prudent to fully credit the customers for the overcharged amount, including interest calculated in accordance with Minnesota Statutes § 325E.02(b).

The Department concludes that granting this variance would not adversely affect the public interest, and would serve to fully reimburse the customers for overcharges deemed by the Company not to have been the fault of the customers. The Department also concludes that

⁶ Nearly identical language is found in the Company's Natural Gas Rate Book.

granting this variance would not conflict with standards imposed by law. Additionally, and as the Company noted, the Commission has in the past approved a utility's voluntary credit beyond the limits of the Commission's Rules when special circumstances exist affecting customers.⁷

III. RECOMMENDATION

The Department recommends that the Commission approve Xcel's request for a variance to Minnesota Rules, part 7820.3800 and 7820.4000, and a one-time modification to its Billing Error Tariff requirements.

/sm

⁷ See *In the Matter of the Petition of Northern States Power Company, a Minnesota Corporation, for a Variance to the Billing Error Rules*, Docket No. E002/M-11-319, ORDER (June 8, 2011); *In the Matter of Xcel Energy's Request for a Variance to the Billing Error Rules*, Docket No. E001/M-11-1031, ORDER (December 14, 2011); and *In the Matter of Northern States Power Company, d/b/a Xcel Energy (Xcel or the Company) Request for a Variance to the Billing Error Rules*, Docket No. E002/M-12-861, ORDER (September 24, 2012).

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
Comments**

Docket No. E,G002/M-14-74

Dated this **26th** day of **February 2014**

/s/Sharon Ferguson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022191	Electronic Service	No	OFF_SL_14-74_M-14-74
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_14-74_M-14-74
James J.	Bertrand	james.bertrand@leonard.com	Leonard Street & Deinard	150 South Fifth Street, Suite 2300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_14-74_M-14-74
Michael	Bradley	mike.bradley@lawmoss.com	Moss & Barnett	Suite 4800 90 S 7th St Minneapolis, MN 55402-4129	Electronic Service	No	OFF_SL_14-74_M-14-74
Jeffrey A.	Daugherty	jeffrey.daugherty@centerpointenergy.com	CenterPoint Energy	800 LaSalle Ave Minneapolis, MN 55402	Electronic Service	No	OFF_SL_14-74_M-14-74
Ian	Dobson	ian.dobson@ag.state.mn.us	Office of the Attorney General-RUD	Antitrust and Utilities Division 445 Minnesota Street, BRM Tower St. Paul, MN 55101	Electronic Service	No	OFF_SL_14-74_M-14-74
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_14-74_M-14-74
Lloyd	Grooms	lgrooms@winthrop.com	Winthrop and Weinstine	Suite 3500 225 South Sixth Street Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_14-74_M-14-74
Todd J.	Guerrero	todd.guerrero@kutakrock.com	Kutak Rock LLP	Suite 1750 220 South Sixth Street Minneapolis, MN 554021425	Electronic Service	No	OFF_SL_14-74_M-14-74
Burl W.	Haar	burl.haar@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_14-74_M-14-74

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Sandra	Hofstetter	N/A	MN Chamber of Commerce	7261 County Road H Fremont, WI 54940-9317	Paper Service	No	OFF_SL_14-74_M-14-74
Alan	Jenkins	aj@jenkinsatlaw.com	Jenkins at Law	2265 Roswell Road Suite 100 Marietta, GA 30062	Electronic Service	No	OFF_SL_14-74_M-14-74
Richard	Johnson	Rick.Johnson@lawmoss.com	Moss & Barnett	90 South 7th Street Suite #4800 Minneapolis, MN 554024129	Electronic Service	No	OFF_SL_14-74_M-14-74
Mark J.	Kaufman	mkaufman@ibewlocal949.org	IBEW Local Union 949	12908 Nicollet Avenue South Burnsville, MN 55337	Electronic Service	No	OFF_SL_14-74_M-14-74
Thomas G.	Koehler	N/A	Local Union #160, IBEW	2909 Anthony Ln Minneapolis, MN 55418-3238	Paper Service	No	OFF_SL_14-74_M-14-74
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_14-74_M-14-74
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	OFF_SL_14-74_M-14-74
John	Lindell	agorud.ecf@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_14-74_M-14-74
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	OFF_SL_14-74_M-14-74
Andrew	Moratzka	apmoratzka@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_14-74_M-14-74

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
David W.	Niles	david.niles@avantenergy.com	Minnesota Municipal Power Agency	Suite 300 200 South Sixth Street Minneapolis, MN 55402	Electronic Service	No	OFF_SL_14-74_M-14-74
Joseph V.	Plumbo		Local Union 23, I.B.E.W.	932 Payne Avenue St. Paul, MN 55130	Paper Service	No	OFF_SL_14-74_M-14-74
Richard	Savelkoul	rsavelkoul@martinsquires.com	Martin & Squires, P.A.	332 Minnesota Street Ste W2750 St. Paul, MN 55101	Electronic Service	No	OFF_SL_14-74_M-14-74
Ken	Smith	ken.smith@districtenergy.com	District Energy St. Paul Inc.	76 W Kellogg Blvd St. Paul, MN 55102	Electronic Service	No	OFF_SL_14-74_M-14-74
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_14-74_M-14-74
Byron E.	Starns	byron.starns@leonard.com	Leonard Street and Deinard	150 South 5th Street Suite 2300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_14-74_M-14-74
James M.	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	470 U.S. Bank Plaza 200 South Sixth Street Minneapolis, MN 55402	Electronic Service	No	OFF_SL_14-74_M-14-74
Eric	Swanson	eswanson@winthrop.com	Winthrop Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_14-74_M-14-74
SaGonna	Thompson	Regulatory.Records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_14-74_M-14-74
Kari L	Valley	kari.l.valley@xcelenergy.com	Xcel Energy Service Inc.	414 Nicollet Mall FL 5 Minneapolis, MN 55401	Electronic Service	No	OFF_SL_14-74_M-14-74

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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_14-74_M-14-74