COMMERCE DEPARTMENT

October 14, 2024

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

RE: Minnesota Department of Commerce, Division of Energy Resources – Response Comments to Xcel Energy's Reply Comments and 2023 Reliability Update for Its Annual Service Quality and Reliability Reports Docket No. E002/M-24-27

Dear Mr. Seuffert:

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

Northern States Power d/b/a Xcel Energy (Xcel or the Company) 2024 Annual Service Reliability and Service Quality Annual Report (Report, SRSQ).

Xcel filed the Petition on June 14, 2024, Reply Comments on June 24, 2024, and Supplemental Comments on September 26, 2024.

The Department recommends the Commission accept:

- the Safety component of Xcel Energy's 2023 SRSQ.
- the Service Quality aspect of Xcel Energy's 2023 Report,
- the Service Reliability component of that same filing,
- the Equity analysis the Company provided, and:
- Xcel's proposal to use targeted outreach to lower disconnection rates in high percentage People of Color neighborhoods.

The Department also recommends the Commission:

- order Xcel to modify its webpage such that its Service Quality Reliability Metrics Summary is one click away from the home page.
- accept the information the Company submitted regarding the IEEE 2023 Reliability Benchmarking analysis.
- adopt Xcel's proposed 2024 reliability goals.

85 7th Place East - Suite 280 - Saint Paul, MN 55101 | P: 651-539-1500 | F: 651-539-1547 mn.gov/commerce An equal opportunity employer Mr. Will Seuffert October 15, 2024 Page 2

The Department is available to answer any questions the Commission may have.

Sincerely,

/s/ Peter Wyckoff, Ph.D. Deputy Commissioner, Division of Energy Resources

JK/ar Attachment

COMMERCE DEPARTMENT Before the Minnesota Public Utilities Commission

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

Docket No. E002/M-24-27

I. INTRODUCTION

The Minnesota Department of Commerce, Energy Division (Department) appreciates the opportunity to provide Response Comments regarding Northern States Power, d/b/a Xcel Energy's (Xcel, the Company) Annual Compliance with Annual Safety, Reliability, and Service Quality Metrics for 2023.

In our initial comments in this docket submitted June 14, 2024, the Department recommended the Commission accept:

- the Safety component of Xcel Energy's 2023 SRSQ.
- the Service Quality aspect of Xcel Energy's 2023 Report and,
- the Service Reliability component of that same filing.

The Department also asked Xcel to provide additional information regarding the following topics in its reply comments:

- Provide an estimate of the costs and benefits of upgrading its current website platform such that it would allow for a "direct submit" option for the Medically Necessary Equipment and Emergency Certification Form (or commit to providing that information in its 2024 Report).
- Whether the Company has complied with the Commission's requirement that its summary of key customer-service quality and reliability metrics is on the Company's home page or one click away.
- Additional information on the increases in reported and unreported Major Service Interruptions in 2023 and any efforts the Company could take to improve those results.
- A discussion of how Xcel could determine whether the higher level of disconnections in high percent People of Color (POC) neighborhoods is due to the differential application of disconnection policies or to a difference in non-payment rates.

Xcel submitted its reply comments on June 24, 2024. The Company addressing each of the topics identified by the Department in turn.

The Department reviews and discusses the Company's response to these topics in these Response Comments.

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Xcel also filed Supplemental Comments which included information provided by the Institute of Electrical and Electronics Engineers' (IEEE) reliability-focused benchmarking efforts for 2023 and the Company's 2023 reliability results in a filing made on September 26, 2024.

The Department's review of that information is also included in these comments.¹

II. ANALYSIS

The Department's analysis of the Company's service quality in Xcel Energy's reply comments follows the bullet points contained in the previous section.

A. SERVICE RELIABILITY AND SERVICE QUALITY REVIEW

1. Provide an estimate of the costs and benefits to develop a "direct submit" option for the Medically Necessary Equipment and Emergency Certification Form (or commit to providing that information in its 2024 Report).

Xcel noted that:

The Company is developing an option for customers to access, complete, and directly submit the medical certification form on our Xcel Energy website, automatically delivering it to our Personal Accounts team.²

The Company also stated a member of the Personal Accounts team once in possession of the medical certification form will then be able to work with the applicant to complete the form if needed and then send the form to the applicant's designated medical provider.

Xcel estimated the cost of those changes to the process to be around \$50,000 in total.

The Department appreciates the Company's efforts to resolve this issue and has no additional comments on this topic.

¹ The Department also notes that it provided: 1) additional comments regarding Reliability/Equity on August 27th, 2024; 2) a letter requesting a supplemental comment period regarding the Reliability/Equity aspect of the Report on September 12, 2024, and; 3) supplemental comments regarding Reliability/Equity on September 23, 2024. The Department also provided comments in two accompanying dockets that are related to the disconnection issue discussed at length in this docket, Docket Nos. E, G002/CI-02-2034 and E,G002/M-12-383 on June 28th, 2024, as well as a letter on September 16th, 2024. ² Xcel Reply Comments at 10.

2. Compliance with the Commission's requirement that its summary of key customer-service quality and reliability metrics is on the Company's home page or one click away.

Xcel noted in its Reply Comments that its Service Quality Reliability Metrics Summary is two clicks from the Company's main webpage currently.³ The Company is willing to move that document such that it is one-click away from the main page if the Commission prefers.

The Department recommends the Commission direct Xcel to modify its webpage such that it is consistent with the Commission's Order.

3. Information on the increases in reported and unreported Major Service Interruptions in 2023 and any efforts the Company can take to improve those results.

Xcel attributed the increases in Major Service Interruptions to bad weather in 2022 and 2023 and provided some indirect support from the National Oceanic and Atmospheric Administration in its Reply Comments.⁴ The information the Company provided does support its contention that the increases in Major Service Interruptions was at least partially driven by weather.

As to Xcel's efforts to improve those results, the Company noted its investments in its distribution system including the feeder level fault location, isolation, and service restoration (FLISR) project and the advanced metering infrastructure (AMI) project once completed will improve information provided to the Outage Management System (OMS) and should lead to more efficient remediation efforts.

Table 1 (following page) provides the annual number of Major Service Interruptions Xcel has reported in its SRSQ for 2012 through 2023. Reviewing the information in Table 1, for eight out of the twelve years (67%), the number of MSIs reported was between 200 and 300. In 2017, the number reported was below 200 (154). For two of the remaining three years the number of Major Service Interruptions was just over 300 (2016 and 2023). In the lone remaining year, the number reported was 605.

The Department concludes from this distribution that the number of Major Service Interruptions the Company reported in 2023 was elevated, but not an outlier. The Department will continue to monitor this situation.

The Department also notes that the installation of significant amount of new technology on the Company's distribution system could result in a higher number of Major Service Interruptions being reported due to improve data collection. The Department appreciates the information the Company provided and has no additional comments on this topic.

³ Xcel Reply Comments at 12.

⁴ Xcel Supplemental Comments at 12-13.

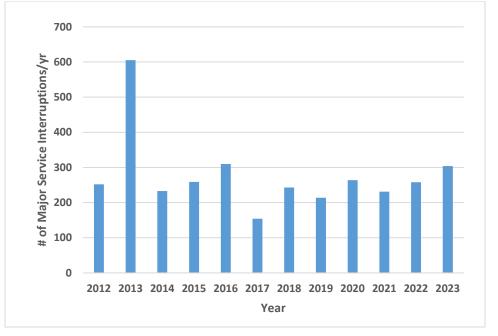


Table 1 – Number of Major Service Interruptions Reported by Year, 2012-2023

4. A discussion of how Xcel could determine whether the higher level of disconnections in high percent POC neighborhoods is due to the differential application of disconnection policies or to a difference in non-payment rates.

The Company referenced its efforts to use targeted outreach to lower disconnection rates in high percentage People of Color neighborhoods as well as a pilot program focused on keeping customers on the payment plan, they select.

The involuntary disconnection issue was discussed by several parties in comments, reply comments and supplemental comments regarding reliability/equity filed between August 27th and September 23rd in this docket.⁵ Those same parties, as well as Xcel, have provided the Commission with a significant number of recommendations on this topic that the Commission will review as part of its decision-making process in this docket.⁶

The Department has no recommendation or additional comments on this topic. The Department does note that it provided the Commission a complete list of its recommendations regarding the Reliability/Equity issue in its Supplemental Comments filed September 23, 2024.

⁵ Those parties included CUB, Energy Cents Coalition, Fresh Energy, and Grid Equity Commenters at a minimum.

⁶ Xcel Reliability/Equity Reply Comments filed August 27, 2024, at p. 41-43.

B. INSTITUTE FOR ELECTRICAL AND ELECTRONIC ENGINEERS BENCHMARKING RESULTS FOR 2023

On September 26, 2024, Xcel made a supplemental filing in compliance with the Commission's Order Point 4 in its December 5, 2023, Order in Docket No. E002/M-23-73. The Commission required the Company to submit a supplemental filing 30 days after the Institute for Electrical and Electronic Engineers (IEEE) publishes its 2023 reliability benchmarking results.

The submission of the 2023 IEEE Reliability Benchmarking information allows the Commission to compare Xcel's actual 2023 performance against the IEEE information.

Xcel noted in that the September 26th filing that it met fifteen of the sixteen its Commission-approved 2023 reliability goals. The only reliability goal the Company failed to meet was System Average Interruption Frequency Index (SAIFI) for Xcel's Metro East work center.⁷

The Company did meet all three reliability goals for the following areas:

- Minnesota service territory on a territory wide basis;
- Metro West work center;
- Northwest work center; and,
- Southeast work center.

Xcel also noted in the filing that the 2023 SAIFI results for the Metro East work center were only slightly above the 2023 IEEE goal and that Metro East work center had met its SAIFI goal for each of the past five years.

It is unfortunate that Xcel missed one if its 2023 reliability goals. At the same time, the Department recognizes that Xcel's electric distribution system is a complex, extended system and that there are variables, predominantly weather over which the Company has no control.⁸ The Department will continue to monitor this issue but has no further recommendations at this time.

In addition, Xcel requested the Commission approve its proposed 2024 reliability goals. Those goals are identical to the reliability goals the Commission approved in 2023.

The Department recommends the Commission accept the information the Company submitted regarding the IEEE 2023 Reliability Benchmarking analysis and that the Commission adopt Xcel's proposed 2024 reliability goals.

⁷ Xcel Supplemental Comments at 2.

⁸ Ibid at 2.

III. RECOMMENDATIONS

The Department recommends the Commission accept Xcel's:

- 2023 Safety, Reliability and Service Quality report;
- the Equity analysis the Company provided; and:
- Xcel's proposal to use targeted outreach to lower disconnection rates in high percentage People of Color neighborhoods.

The Department also recommends the Commission:

- order Xcel to modify its webpage such that its Service Quality Reliability Metrics Summary is one click away from the home page.
- accept the information the Company submitted regarding the IEEE 2023 Reliability Benchmarking analysis.
- adopt Xcel's proposed 2024 reliability goals.

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 Supplemental Comments

Docket No. E002/M-24-27

Dated this 14th day of October 2024

/s/Sharon Ferguson

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