



414 Nicollet Mall
Minneapolis, MN 55401

April 23, 2024

—Via Electronic Filing—

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

RE: LETTER
ANNUAL REPORT ON NATURAL GAS SERVICE QUALITY FOR 2023
DOCKET NO. G002/M-24-31

Dear Mr. Seuffert:

Northern States Power Company, doing business as Xcel Energy, provides this update on a billing error related to the gas meter module replacement program.

The Company is currently operating a Module Replacement program to address the replacement of current fixed network automated meter reading (AMR) technology in our gas meters.¹ This work is necessary because the agreement with the Company's meter reading provider (CellNet) will expire December 31, 2025, and the current technology will no longer be supported. The Company is replacing the existing gas meter communications equipment with modules that enable drive-by meter reading. In some cases, the meter needs to be wholly replaced. The new communications modules are owned by the Company, and once installed, drive-by meter reading can be performed by the Company. As a result, we are phasing out meter reading conducted by the current AMR provider. The replacement program began in February of 2023 and approximately 135,000 modules were exchanged through December of 2023.

¹ This program was discussed in Direct Testimony Joni H. Zich (Exhibit JHZ-1), In the Matter of the Application of Northern States Power Company for Authority to Increase Rates for Natural Gas Service in Minnesota, November 1, 2021, Docket No. G002/GR-21-678 & Direct Testimony Alecia E. Berger (Exhibit AEB-1), In the Matter of the Application of Northern States Power Company for Authority to Increase Rates for Natural Gas Service in Minnesota, November 1, 2023, Docket No. G002/GR-23-413.

In January 2024 a billing issue related to some of these equipment replacements was discovered. A customer called into Xcel Energy regarding a gas odor. While investigating the gas odor, the responding technician discovered misaligning equipment on the customer's gas meter. Specifically, the drive factor of the meter was one foot, but the installed index was two feet. This misalignment in drive rates causes the metering of gas consumption to double.

To investigate and quantify this situation, the Company compiled a list of all one-foot drive meters which received a two-foot index during the module exchange. In February of 2024, all premises that received the two-foot meter index were validated with site visits in the areas of Delano, Montrose, Watertown, Shakopee and St. Paul. If, at the time of the validation, a drive misalignment was found, it was corrected by installing a new one-foot drive index. All impacted customers received credit holds on their accounts while the team conducted the validation and correction process.

Leveraging the confirmed field data, the Company credited 50 percent of the billed invoice to these impacted customers. On April 16 and April 17, the Company credited \$318,754 in overcharged revenue, \$12,838 in interest, and \$4,702 in late payment fees for a total of \$336,294 to 643 customers related to these misaligned drive rates. The customer credit included any overcharge of interim rates in our current rate case as well.

To ensure this will not happen again, we have added training of field staff to look for and recognize an index of two feet, which has a specific component that looks different.

On April 17 and 19 impacted customers were sent a letter through their communication channel of choice – email or U.S. mail respectively - notifying them of the upcoming credit and explaining the billing error. We also called those who are no longer Xcel Energy customers to obtain updated mailing addresses so that the credits could be direct mailed.

We reviewed our findings, credit and communication plan, and customer letter with the Consumer Affairs Office (CAO) prior to moving forward with the billing correction plan. The Company has received two customer complaints at the Consumer Affairs Office related to this issue. We appreciate the CAO's patience as we completed a full assessment to determine the customers impacted by the billing error.

We have electronically filed this document with the Minnesota Public Utilities Commission, and copies have been served on the parties on the attached service list.

Please contact me at bridget.dockter@xcelenergy.com if you have any questions regarding this filing.

Sincerely,

/s/

BRIDGET DOCKTER
MANAGER, POLICY & OUTREACH

cc: Service List

CERTIFICATE OF SERVICE

I, Joshua DePauw, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

xx by depositing a true and correct copy thereof, properly enveloped with postage paid in the United States mail at Minneapolis, Minnesota

xx electronic filing

DOCKET No. G002/M-24-31

Dated this 23rd day of April 2024

/s/

Joshua DePauw
Regulatory Administrator

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
John	Coffman	john@johncoffman.net	AARP	871 Tuxedo Blvd. St. Louis, MO 63119-2044	Electronic Service	No	OFF_SL_24-31_M-24-31
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_24-31_M-24-31
George	Crocker	gwillc@nawo.org	North American Water Office	5093 Keats Avenue Lake Elmo, MN 55042	Electronic Service	No	OFF_SL_24-31_M-24-31
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_24-31_M-24-31
Edward	Garvey	edward.garvey@AESLconsulting.com	AESL Consulting	32 Lawton St Saint Paul, MN 55102-2617	Electronic Service	No	OFF_SL_24-31_M-24-31
Todd J.	Guerrero	todd.guerrero@kutakrock.com	Kutak Rock LLP	Suite 1750 220 South Sixth Street Minneapolis, MN 554021425	Electronic Service	No	OFF_SL_24-31_M-24-31
Annete	Henkel	mui@mutilityinvestors.org	Minnesota Utility Investors	413 Wacouta Street #230 St. Paul, MN 55101	Electronic Service	No	OFF_SL_24-31_M-24-31
Michael	Hoppe	lu23@ibew23.org	Local Union 23, I.B.E.W.	445 Etna Street Ste. 61 St. Paul, MN 55106	Electronic Service	No	OFF_SL_24-31_M-24-31
Richard	Johnson	Rick.Johnson@lawmoss.com	Moss & Barnett	150 S. 5th Street Suite 1200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_24-31_M-24-31
Sarah	Johnson Phillips	sarah.phillips@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_24-31_M-24-31

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Peder	Larson	plarson@larkinhoffman.com	Larkin Hoffman Daly & Lindgren, Ltd.	8300 Norman Center Drive Suite 1000 Bloomington, MN 55437	Electronic Service	No	OFF_SL_24-31_M-24-31
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	No	OFF_SL_24-31_M-24-31
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_24-31_M-24-31
David	Niles	david.niles@avantenergy.com	Minnesota Municipal Power Agency	220 South Sixth Street Suite 1300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_24-31_M-24-31
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_24-31_M-24-31
Christine	Schwartz	Regulatory.records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_24-31_M-24-31
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th PI E Ste 350 Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_24-31_M-24-31
James M	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	150 S 5th St Ste 700 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_24-31_M-24-31