



85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198
mn.gov/commerce/
651.539.1500 FAX 651.539.1547
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February 20, 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. E,G002/CI-14-56

Dear Dr. Haar:

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

Review of Northern States Power Company's, doing business as Xcel Energy (Xcel or the Company), Response to the Commission Investigation Regarding Customer Notice of Planned Service Interruptions.

The *Response* was filed on February 6, 2014 by:

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

As discussed in greater detail in the attached *Comments*, the **Department recommends that the Commission require Xcel to file status updates on its process improvements every 60 days, concluding with a final report when new practices and procedures are fully in place and training of current employees has been completed.**

Sincerely,

/s/ MICHAEL N. ZAJICEK
Rates Analyst

MNZ/sm
Attachment



BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS OF THE
MINNESOTA DEPARTMENT OF COMMERCE
DIVISION OF ENERGY RESOURCES

DOCKET No. E,G002/CI-14-56

I. INTRODUCTION

On December 18, 2013 the Minnesota Public Utilities Commission (Commission) received a call expressing strong concern with the notification methods and timeliness of a planned electrical outage of an apartment building at 5610 Laurel Avenue (Laurel Estates) in Golden Valley, Minnesota, by Northern States Power Company d/b/a Xcel Energy (Xcel or the Company). This concern was examined by the Commission's Consumer Affairs Staff and Xcel was contacted. It was subsequently determined that a docket should be opened to investigate Xcel's compliance with the Commission's planned outage requirements and its related tariff. The Minnesota Rule 7826.0800 states:

7826.0800 Customer Notice of Planned Service Interruptions.

Utilities shall give customers the most effective actual notice possible of any planned service interruption expected to last longer than 20 minutes. For any planned interruption expected to exceed four hours, the utility shall provide, if feasible, mailed notice one week in advance and notice by telephone or door-to-door household visits 12 to 72 hours before the interruption. Planned service interruptions must be scheduled at times to minimize the inconvenience to customers. When planned service interruptions exceeding four hours are canceled, utilities shall notify, if feasible, the customers who received notice that services would be interrupted.

On January 24, 2014 the Commission filed a *Notice Requiring Information from Xcel Energy and Opportunity to Comment* (Notice).

This Notice requested Xcel to provide:

1. a detailed timeline of actions taken by Xcel;
2. a detailed description of Xcel's internal operating, administrative, and communications policies on planned outages;
3. a description of actions taken by Xcel since the December 18, 2013 outage with respect to modifying and improving its internal processes, procedures, training, and communications on planned outages; and
4. a description of additional actions Xcel plans to undertake in this area, including specific steps and timelines.

On February 6, 2014 Xcel filed a response to the Commission's Notice.

II. XCEL'S RESPONSE

Xcel provided a general response as well as answers to the Commission's specific questions. Xcel stated that on December 18 and 19, 2013 the Company implemented a planned outage to the Laurel Estates apartment complex. Each unit of Laurel Estates is metered separately, and thus each resident is considered a customer of Xcel. In Xcel's February 6, 2014 response filing the Company stated that, in reviewing their actions leading up to the planned outage, notice was provided to the building manager, but not to each individual customer as required by Minn. Rule 7826.0800 and the Company's Tariff.

A discussion of Xcel's response to each of the Commission's questions is provided below.

A. DETAILED TIMELINE OF ACTIONS TAKEN BY XCEL

The outage was planned for the Laurel Estates to replace a faulty piece of equipment that had caused two outages at Laurel Estates in the past 12 months. Xcel's initial design work indicated that no outage would be necessary to replace the equipment, but upon beginning field work it was determined that on-site specifics required an outage to complete the project.

On December 13, 2013, Xcel contacted the management of the Laurel Estates building to determine a reasonable time to schedule the outage; eventually December 18, 2013 was determined to be an acceptable date. However on December 18, 2013, the construction crew had concerns with the project, and thus power was restored to customers after a 30-minute outage. Xcel then developed a work around to address the issues with the project, and scheduled another outage with the property manager of the Laurel Estates building for December 19, 2013, during which work was completed in approximately 1.5 hours. These outages affected all 68 units at the Laurel Estates apartment complex.

In response to the Commission's questions Xcel noted that there have been four sustained and three momentary outages in the past three years at Laurel Estates, none of which were planned outages. Further Xcel stated that they did not have any records of customers from Laurel Estates that have contacted the Company to inform them that they have medically-necessary equipment. Xcel received a call on December 19, 2013, expressing concern that the outage was so close to the holidays, and another call on December 19, 2013, from a resident asking how long the outage would last.

B. XCEL'S INTERNAL OPERATING, ADMINISTRATIVE, AND COMMUNICATIONS POLICIES ON PLANNED OUTAGES

Xcel stated that they recognize that the Company has not developed specific internal policies or written procedures for compliance with the Rule and Tariff requirements for planned outage communications, nor has the Company developed a formal training on these requirements. Despite the lack of formal policies Xcel stated that their general policy is to minimize service interruptions to customers, restore service interruptions quickly, and to communicate information about service interruptions to customers. Xcel stated that they have previously used automated phone calls, letters, door hangers, personal phone calls, press releases, and have worked with local officials to inform the public of outages.

According to Xcel the Company's Design or Construction personnel make the initial determination that an outage is necessary for the safe completion of a particular project, who then requests an outage from the Area Engineer and Switching Authority. Further Xcel stated that the Design, Scheduling, and Account Management groups are responsible for initiating communications with customers for these planned outages, but field crews may also speak with customers when they arrive at the work site.

Xcel noted that they take weather into account when planning outages, and allow employees to use their judgment when determining if an outage needs to be rescheduled due to weather creating unsafe working conditions. Finally Xcel noted that they do not collect demographic information from customers except when customers call specifically to provide data about an issue. Xcel stated that they do, however, review the list of affected customers prior to an outage to determine if there are any customers with special situations that have been recorded so that extra steps can be taken to prepare them for the outage.

C. ACTIONS TAKEN BY XCEL

Upon being contacted by the Commission on December 18, 2013, Xcel sent a company-wide email which communicated the minimum customer notice obligations under the Company's Tariff and Minnesota Rules. Xcel has since begun analyzing its current practices and procedures regarding planned outages, with the end goal being to standardize procedures and develop formal policies and employee training regarding customer notice of planned outages. Xcel stated that the Company plans to retain a third-party consultant to assist in the review.

D. ADDITIONAL ACTIONS PLANNED BY XCEL

Xcel stated that initial reviews have identified deficiencies in policies, systems, and in training. Thus the Company plans, over the next 60 days, to develop internal policies to guide employees and ensure they have the tools needed to comply with the notice requirements in Xcel's Tariff and Minnesota Rules. Xcel expects these policies will address:

- Scheduling of outages so that reasonable prior notice of planned outages can be provided to customers;
- Guidance with respect to acceptable weather conditions for when a planned outage may be taken;
- Specific requirements with respect to type of notice
- Specific requirements with respect to who must receive notice and which type of notice must be used.
- Specific guidance with respect to notice to multi-unit buildings;
- Specific guidance with respect to affected customers with known unique circumstances.

Further Xcel stated that the Company plans to review information systems to ensure that employees have access to necessary customer information allowing for the appropriate types of customer notification to occur. Xcel expects this systems review will be completed within 90 days.

Finally Xcel stated that it will develop and provide training and ongoing refresher training to existing and new employees regarding notice of planned outages. Xcel expects this to occur after the development of new policies is complete, and thus plans to complete the development of the new training curriculum and have existing employees complete their initial training within 120 days.

Xcel intends to formally engage a third-party consultant to assist in this process once the scoping of the project is complete.

III. DEPARTMENT RECOMMENDATIONS

The Department recognizes Xcel's efforts to rework the Company's policies so that future violations of Xcel's Tariff and of Minnesota Rule 7826.0800 do not occur. Since Xcel appears to be making the changes necessary to ensure that the Company complies with its Tariff and Minnesota Rules, the Department recommends that the Commission require Xcel to file updates every 60 days on the status of the corrective measures being taken, including the input and Xcel's response to the third-party consultant, concluding with a final report when new practices and procedures are fully in place and training of current employees has been completed.

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/CI-14-56

Dated this 20th day of February 2014

/s/Sharon Ferguson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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_14-56_Official
Tom	Burt	tburt@goldenvalleymn.gov	City of Golden Valley	Golden Valley City Hall 7800 Golden Valley Rd Golden Valley, MN 55427	Electronic Service	No	OFF_SL_14-56_Official
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_14-56_Official
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_14-56_Official
Jerry	Irsfeld	jerryirsfeld@gmail.com	Mature Voices Minnesota	2550 University Ave W Ste 350 South St Paul, MN 55114	Paper Service	No	OFF_SL_14-56_Official
Nancy	Lehrman	nl@lehrmanflom.com	Lehrman, Flom & Co., P.L.L.P.	600 Highway 169 South, Suite 820 Minneapolis, MN 55426	Electronic Service	No	OFF_SL_14-56_Official
Brad	Lehrman	blehrman@sofferlaw.com	Soffer Charbonnet Law Group	7300 France Ave #210 Edina, MN 55435	Electronic Service	No	OFF_SL_14-56_Official
Sharon	Lehrman, MPH, RDN, LD	sharonlehrman@yahoo.com	Minnesota Academy of Nutrition and Dietetics (MAND)	Nutrition, Health, and Wellness St. Louis Park, MN 55416	Electronic Service	No	OFF_SL_14-56_Official
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_14-56_Official
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	OFF_SL_14-56_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Amy	McDonough	N/A	AARP	30 E 7th Street, Suite 1200 St. Paul, MN 55101	Paper Service	No	OFF_SL_14-56_Official
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_14-56_Official
SaGonna	Thompson	Regulatory.Records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_14-56_Official
Gary	Van Winkle	gvanwinkle@mylegalaid.org	Mid-Minnesota Legal Aid	430 1st Ave N Ste 300 Minneapolis, MN 55401-1780	Paper Service	No	OFF_SL_14-56_Official
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_14-56_Official
Peggy	Whitner	bademailpeggy.whitner@ci.minneapolis.mn.us	City of Minneapolis Attorney's Office	333 South 7th Street, Suite 300 Minneapolis, Minnesota 55402	Paper Service	No	OFF_SL_14-56_Official