MINNESOTA DEPARTMENT OF COMMERCE

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June 30, 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. E002/M-14-131

Dear Dr. Haar:

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

> 2013 *Annual Electric Service Quality Report* (Report) submitted by Northern States Power Company, a Minnesota Corporation (Xcel or the Company).

The petition was filed on April 1, 2014 by:

> Paul J. Lehman
> Manager, Regulatory Compliance & Filings
> Xcel Energy
> 414 Nicollet Mall
> Minneapolis, Minnesota 55401

The Department recommends that the Minnesota Public Utilities Commission (Commission) **accept Northern States Power Company's filing and set appropriate reliability goals for 2014 upon submission of additional information**. The Department is available to answer any questions that the Commission may have.

Sincerely,

/s/ ZAC RUZYCKI
Public Utilities Rate Analyst

ZR/lt
Attachment

MINNESOTA DEPARTMENT OF COMMERCE

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS OF THE MINNESOTA DEPARTMENT OF COMMERCE DIVISION OF ENERGY RESOURCES

DOCKET NO. E002/M-14-131

I. BACKGROUND

Minnesota Rules, Chapter 7826 were developed as a means for the Minnesota Public Utilities Commission (Commission) to establish safety, reliability and service quality standards for utilities "engaged in the retail distribution of electric service to the public" and to monitor their performance as measured against those standards. There are three main annual reporting requirements set forth in the rule. These are:

- the annual safety report (Minnesota Rules, part 7826.0400);
- the annual reliability report (Minnesota Rules, parts 7826.0500, subp. 1 and 7826.0600, subp. 1); and
- the annual service quality report (Minnesota Rules, part 7826.1300).

In addition to the rule requirements, the Commission's December 20, 2012 Order in Docket No. E002/M-12-313 directed Northern States Power Company, a Minnesota corporation (Xcel or the Company) to:

> 3. …include the following in its next annual safety, reliability, and service quality reports:
>
> a. a description of the policies, procedures and actions that it has implemented, and plans to implement, to assure reliability, including information demonstrating proactive management of the system as a whole, increased reliability and active contingency planning;

b. a summary table (or summary information in some other format) that allows the reader to more easily assess the overall reliability of the system and identify the main factors that affect reliability;

c. a report on the major causes of outages for major event days;

4. …consider other factors, in addition to historical data, on which to base its reliability indices for 2013 in an effort to demonstrate its commitment toward improving reliability performance; and

5. …continue its efforts in the reporting of major service interruptions to the Commission's Consumer Affairs Office.

The Minnesota Department of Commerce (Department) notes that the Commission's June 5, 2009 Order in Docket No. E999/CI-08-948 (08-948 docket) contains the following order point:

> Beginning on April 1, 2010 and annually thereafter, utilities shall file reports on past, current, and planned smart grid projects, with a description of those projects, including: total costs, cost effectiveness, improved reliability, security, system performance, and societal benefit, with their electric service quality reports.

On May 4, 2010, the Commission issued a "Notice Seeking Comments" in the 08-948 docket requesting comments on issues relating to that docket, including the annual reports filed in compliance with its June 5, 2009 Order. Therefore, the Department concluded that the 08-948 docket was the appropriate forum for comments on the utilities' annual smart grid project reports and did not address those reports in our comments relating to the utilities' 2010 Safety, Reliability, and Service Quality Reports. On March 4, 2011, the Commission issued its "Notice Clarifying Information Sought in Smart Grid Reports" in the 08-948 docket. The Commission directed rate-regulated utilities to file their smart grid reports in both their annual Safety, Reliability, and Service Quality Report and in the 08-948 docket. No request for comments has been issued to date on the 2013 smart grid reports; therefore, the Department will include a summary of Xcel's smart grid report as filed in its 2014 Annual Report.

On April 1, 2014, Xcel filed a petition (2014 Annual Report) to comply with Minnesota Rules Chapter 7826 and the Commission's January 13, 2014 Order filed in Docket No. E002/M-13-255 (January 13, 2014 Order), which set out new reliability standards, and required Xcel to:

- augment its next annual filing to include a description of the policies, procedures, and actions that it has implemented, and plans to implement, to assure reliability, including information on how it is demonstrating proactive management of the system as a whole, increased reliability, and active contingency planning;
- incorporate into the 2014 Annual Report a summary table that allows the reader to more easily assess the overall reliability of the system and identify the main factors that affect reliability;
- continue to report the major causes of outages for major event days;
- consider additional factors outside of historical data, upon which to base its reliability indices for 2013;[1]
- continue reporting major service interruptions to the Commission's Consumer Affairs Office; and
- file as an informational filing any documentation provided to the city of Minneapolis related to issues raised.

II. SUMMARY OF REPORT AND DEPARTMENT ANALYSIS

The Department reviewed Xcel's 2014 Annual Report to assess compliance with Minnesota Rules Chapter 7826 and the Commission's January 13, 2014 Order. The Department used information from past annual reports to facilitate identification of issues and trends regarding Xcel's performance.

A. ANNUAL SAFETY REPORT

The annual safety report consists of two parts:

A. a summary of all reports filed with the United States Occupational Safety and Health Administration (OSHA) and the Occupational Safety and Health Division of the Minnesota Department of Labor and Industry (OSHD) during the calendar year; and

B. a description of all incidents during the calendar year in which an injury requiring medical attention or property damage resulting in compensation occurred as a result of downed wires or other electrical system failures and all remedial action taken as a result of any injuries or property damage described.

[1] Since the Commission's January 13, 2014 Order established Xcel's 2013 goals, the Department assumes this order point refers to the Company's proposed goals for 2014.

Xcel provided a summary of 2013 data requested by the U.S. Department of Labor. This information reflects safety information on a random selection of the Company's plants and is therefore not necessarily comparable year to year.

Xcel reported no payments in compensation for injuries requiring medical attention resulting from downed wires or other electrical system failures in 2013.

Table 1 summarizes Xcel's most recent and past reports regarding property damage claims.

Table 1: Property Damage Reimbursement

	Claims	Total Amount Paid
2003	212	$255,164.74
2004	108	$105,016.97
2005	184	$202,574.46
2006	122	$111,378.90
2007	132	$203,633.50
2008	61	$210,770.02
2009	85	$163,760.17
2010	107	$147,886.24
2011	128	$356,107.39
2012	88	$135,836.53
2013	110	$184,083.70

The Department notes that, from 2003 through 2006, property damage due to overhead conductors and overhead transformers generally resulted in the most frequent and the most costly property damage claims. From 2007 through 2011, abnormal voltage replaced overhead transformers as one of the top two most frequent and costly property damage claims. In 2012, damage due to overhead conductors and overhead transformers were the two most costly property damage claims. In 2013, overhead conductors were still the most costly property damage source at roughly $63,000 or 34 percent of the total. Outages were the second most costly, at $54,000. This marks just the second time since 2003 that outages have represented one of the top two damage categories.

B. ANNUAL RELIABILITY REPORT

Minnesota Rules, part 7826.0500 requires each utility to file an annual report that includes the following information:

1. reliability performance;
2. storm-normalization method;
3. action plan for remedying any failure to comply with reliability goals;
4. bulk power supply interruptions;
5. major service interruptions;
6. circuit interruption data (identify worst-performing circuit);

7. known instances in which nominal voltages did not meet American National Standards Institute (ANSI) standards;
8. work center staffing levels; and
9. any other relevant information.

1. Reliability Performance

Xcel described the method it used to calculate reliability performance and provided a table showing its 2013 reliability performance in comparison with the goals the Commission set in Docket No. Docket No. E002/M-13-255.[2]

Table 2: Xcel's 2012 Reliability Performance Compared with Goals

		2013 Performance	2013 Goals
Metro East	SAIDI	81.28	85.44
	SAIFI	0.83	0.94
	CAIDI	**97.75**	90.75
Metro West	SAIDI	**98.71**	97.92
	SAIFI	0.94	0.98
	CAIDI	**105.0**	100.17
Northwest	SAIDI	95.90	102.56
	SAIFI	**0.93**	0.87
	CAIDI	102.86	117.94
Southeast	SAIDI	**108.8**	78.16
	SAIFI	**0.75**	0.71
	CAIDI	**145.1**	109.97

The numbers in bold indicate performance that did not meet goals. Xcel missed System Average Interruption Duration Index (SAIDI) and Customer Average Interruption Duration Index (CAIDI) goals in two of its four work centers. The Metro East work center missed only the CAIDI goal, and the Northwest work center missed only the SAIFI goal in 2013; however the Southeast work center missed every goal in 2013. The Department discusses these points further below under "Action Plan to Improve Reliability."

The Department acknowledges Xcel's fulfillment of the requirements of Minnesota Rules, part 7826.0500, subparts 1A, B, and C.

2. Storm-Normalization Method

Xcel reported that its reliability data is normalized to account for major storms by removing outages that start on a storm day. Xcel identifies "storm days" in the following manner:

[2] For ease of reference, the Department attaches to these comments Minnesota Rules, Chapter 7826. Minnesota Rules, part 7826.0200 defines SAIDI, SAIFI and CAIDI. The Department notes that SAIDI = SAIFI * CAIDI.

Using the previous five years of outage history for each region, Xcel:

- calculates the number of sustained outages per day;
- calculates the average number of sustained outages per day; and
- calculates the standard deviation of the number of sustained outages per day. Xcel thus defines a "storm day" as any day meeting or exceeding the average number of outages per day plus three standard deviations.

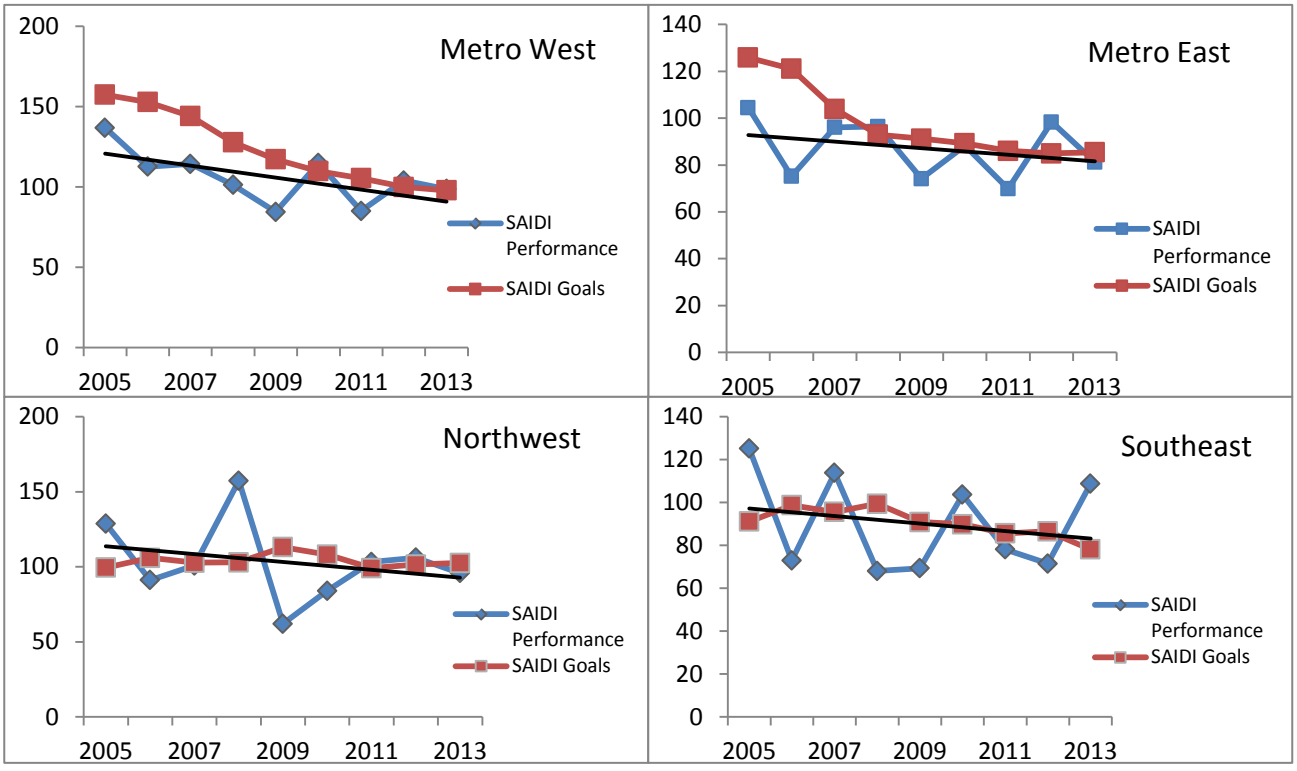
The Department acknowledges Xcel's fulfillment of the requirements of Minnesota Rules, part 7826.0500, subp. 1D.

3. *Action Plan to Improve Reliability*

While Xcel met and exceeded some of its goals for 2013, it fell short on its CAIDI goals for the Metro East, Metro West and Southeast work centers. Xcel concluded that the Company's 42 percent achievement rate (5 out of its 12 goals were achieved) is acceptable, since the Company's 2013 goals were based on five-year averages, and the Company expects to achieve target results 50 percent of the time.

At the last Commission hearing regarding the annual service quality report on December 12, 2013, the Commissioners noted they would like to better understand the customer experience, and dictated that Xcel should incorporate summaries that allow the reader to more easily assess the reliability of the system, which Xcel has done in Attachment M of the petition.

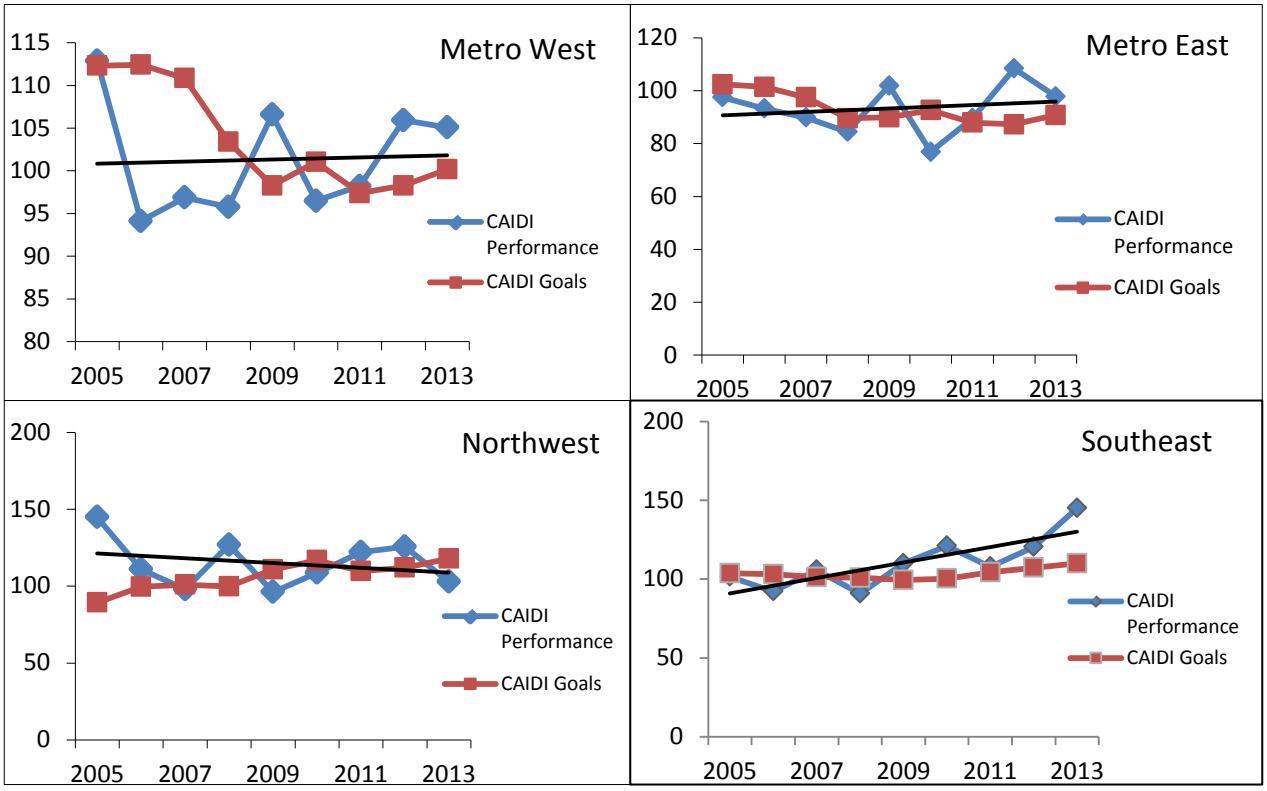
Figure 1: Xcel's Historic SAIDI Performance by Work Center



Xcel's continued difficulty in meeting its SAIDI goals is concerning; however, the Department agrees that Xcel's historical SAIDI performance is not yet indicating a worsening trend in overall service reliability. Figure 1 illustrates a comparison of the Company's historical SAIDI goals and performance in its four work centers since 2005, showing that historical average goals and performance are still steady or improving.[3] Xcel was able to meet the SAIDI goals at 2 of the four work centers, although the Metro West work center only missed the goal by 0.8 customer-minutes in 2013.

However, despite the improved SAIDI performance, the Company's historical CAIDI performance indicates that, for those customers experiencing an outage, those outages last longer, on average, than in previous years. To assist the Commission in assessing whether there is cause for concern regarding Xcel's CAIDI performance, the Department compares the Company's historical goals and performance below in Figure 2 from 2005 to 2013 with a trend line for each work center's historical performance.

Figure 2: Xcel's Historic CAIDI Performance by Work Center



[3] Note that performance figures that are lower than the goals indicate performance that exceeds the goals

Two of the four work centers experienced a relatively stable, but somewhat declining CAIDI performance over the last 8 years, while the Northwest work center achieved some improvement. Regarding the Southeast work center, the Department notes a recent trend of more dramatic declining performance in CAIDI, which has seen a 60 percent increase since 2008.

As previously noted, Xcel indicated that its 2013 performance was within the normal range and does not indicate eroding performance. However, based on the above analysis of Xcel's CAIDI results over recent years, the Department requests that the Company discuss in Reply Comments factors that could be responsible for the Company's difficulties in improving its CAIDI performance.

In addition, the Department requests that Xcel provide in Reply Comments further discussion on the factors contributing to its performance in the Southeast work center as well as any specific measures it is taking to improve performance in this work center.

4. Bulk Power Supply Interruptions

Xcel reported that there were no generation outages on the Company's system that caused an interruption of service to firm electric customers in 2013. Xcel provided a table listing interruptions caused by transmission outages. The table identifies the transmission line, date, time, duration, reasons for the interruption, comments, and remedial steps taken or planned.

The Department acknowledges Xcel's fulfillment of the requirements of Minnesota Rules, part 7826.0500, subp. 1F.

5. Major Service Interruptions

Xcel reported that, in 2013, there were 605 outages on its system that met the definition of "major service interruption." As required, the Company provided copies of the notifications sent to the Commission's Consumer Affairs Office (CAO) for these outages. Xcel stated that it continues to monitor and improve its internal processes regarding outage notification to the CAO. The following table compiles the number of outages not reported to the CAO[4] and the total number of major service interruptions reported by Xcel in recent years.

[4] In its 2005 and 2006 Annual Reports (reflecting 2004 and 2005 performance), Xcel stated that there were instances in which the CAO may have been notified of a major service interruption, however, the Company was unable to provide a copy of the notification.

Table 3: Unreported Major Service Interruptions

	Unreported Major Service Interruptions	Number of Major Service Interruptions	Percent Unreported
2004	137	235	58%
2005	55	448	12%
2006	51	196	26%
2007	23	373	6%
2008	41	288	14%
2009	6	164	4%
2010	15	351	4%
2011	4	214	2%
2012	5	252	2%
2013	2	605	<1

The Department notes that Xcel has made additional progress towards full reporting of major interruptions in 2013.

The Department requests that the Company provide in *Reply Comments*, a discussion regarding the causes for the large increase of major service interruptions in 2013.

Xcel reported that there were no major service interruptions in which ten percent or more of its Minnesota customers were without service for 24 hours or more in 2013.

6. Worst Performing Circuit

Xcel defines poor performing feeders as those with a System Average Interruption Frequency Index (SAIFI) exceeding three times the average feeder SAIFI for the Company's Minnesota system or a SAIDI exceeding four times the average feeder SAIDI. For this purpose, SAIDI and SAIFI are based on non-storm-normalized data and do not include planned outages or outages caused by public damage. Poor performing circuits are identified in September (based on data from the previous September through August time period) so that Xcel can complete construction projects before the spring storm season. Using this method, Xcel identified two to five poor performing feeders in each work center. Xcel also identified 25 feeders with the highest SAIDI (based on calendar year data, and including bulk power supply and planned outages) in each of its four work centers in compliance with the Commission's April 7, 2006 Order in Docket No. E002/M-05-551.

The Department notes that two feeders identified as worst performing in 2012, were also identified as worst performing in 2013, one in the Metro East and one in the Southeast work centers. The cause identified for the Metro East feeder was connector failure both in 2012 and in 2013. In its 2012 report, Xcel indicated that it rebuilt the overhead feeder, upgrading line capacity, and in the 2013 Report, the Company noted that it reconductored the overhead facilities and upgraded the poles. The cause for poor performance in the

feeder in the Southeast work center in 2012 was vegetation and tree trimming, and in 2013 Xcel again stated that vegetation and cable failure were the causes of poor performance. The Department requests that Xcel provide further discussion regarding both of these feeders and the likelihood of related issues occurring in the future. For the remaining feeders on the worst performing list, Xcel's 2013 Annual Report indicates that remedial actions were taken to improve these feeders' performance.

As previously noted, the Department uses historical data to identify potential areas of concerns regarding any feeders that are identified multiple times as a worst performing feeder. After reviewing ten years of historical data, the Department requests additional discussion regarding the feeders mentioned previously, but otherwise has no other concerns with any specific feeders at this time. The Department acknowledges Xcel's fulfillment of the requirements of Minnesota Rules, part 7826.0500, subp. 1H and of the Commission's April 7, 2006 Order.

7. Compliance with ANSI Voltage Standards

Xcel reported that it conducted 496 voltage investigations in 2013. After investigation, approximately 47 percent of these instances were found to be caused by a specific voltage problem. In cases where the Company finds that the voltage is not within the acceptable range,[5] actions are taken such as swapping transformers, upgrading transformers, or checking capacitor banks.

The Department acknowledges Xcel's fulfillment of the requirements of Minnesota Rules, part 7826.0500, subp. 1I.

8. Work Center Staffing Levels

Xcel reported its 2013 staffing levels by work center. Table 4 contains the Company's staffing levels for the past ten years.

[5] Xcel's acceptable voltage range is slightly more restrictive than ANSI Voltage Range B.

Table 4: Xcel's Historical Work Center Staffing Levels

	Metro East	Metro West	Northwest	Southeast	Other
2003	145	181	42	61	45
2004	138	170	39	63	44
2005	134	166	37	74	46
2006	135	187	35	63	51
2007	134	182	37	60	54
2008	136	183	37	65	57
2009	133	173	37	61	61
2010	139	189	32	64	46
2011	138	190	33	63	46
2012	134	190	34	58	44
2013	136	195	34	54	51

The Department acknowledges Xcel's fulfillment of the requirements of Minnesota Rules, part 7826.0500, subp. 1J.

C. PROPOSED RELIABILITY STANDARDS FOR 2013

Xcel proposes the following reliability goals for 2014:

Table 5: Xcel's Proposed 2014 Reliability Goals

		Proposed 2014 Goals
Metro East	SAIDI	82.41
	SAIFI	0.88
	CAIDI	93.72
Metro West	SAIDI	97.41
	SAIFI	0.95
	CAIDI	102.11
Northwest	SAIDI	90.27
	SAIFI	0.81
	CAIDI	111.7
Southeast	SAIDI	86.31
	SAIFI	0.71
	CAIDI	121.4

Xcel stated that these goals were calculated using the same methodology used to set the Company's 2013 goals. That is, the SAIDI and SAIFI goals reflect the average of 5 years of actual performance, while the CAIDI goals reflect the mathematical relationship among the indices. The Department notes general the upward trend of CAIDI goals as discussed previously, but concurs with Xcel's calculation of its proposed 2014 goals and recommends that the Commission set the Company's goals as proposed.

D. ANNUAL SERVICE QUALITY REPORT

Minnesota Rules, part 7826.1300 requires each utility to file the following information:

- Meter Reading Performance (7826.1400);
- Involuntary Disconnection (7826.1500);
- Service Extension Response Time (7826.1600);
- Call Center Response Time (7826.1700);
- Emergency Medical Accounts (7826.1800);
- Customer Deposits (7826.1900); and
- Customer Complaints (7826.2000).

1. Meter Reading Performance

The following information is required for reporting on meter reading performance by customer class:

A. the number and percentage of customer meters read by utility personnel;
B. the number and percentage of customer meters self-read by customer;
C. the number and percentage of customer meters that have not been read by utility personnel for period of 6 to 12 months and for periods of longer than 12 months, and an explanation as to why they have not been read; and
D. data on monthly meter reading staffing levels by work center or geographical area.

Xcel filed a revised version of Attachment B on June 3, 2014 which contained meter reading data excluding multiple reads as required by the Commission's April 7, 2014 Order in Docket No. G002/M-13-371.[6] Xcel reported that an annual average of 96.57 percent of customer meters were read by utility personnel and 0.0015 percent were read by the customer in 2013.

The Department notes that Xcel's monthly meter reading data varies fairly significantly, with the lowest percentage of meters read by the Company occurring in November (89.39 percent) and the highest in January (99.46 percent). While fluctuations in meter read percentages due to weather conditions may be expected, Xcel's high percentage of meter reads achieved in January 2013 does not appear to be weather related. This point is currently being addressed in Docket No. G002/M-14-367 regarding Xcel's 2013 Annual Natural Gas Service Quality Report.

Minnesota Rules, part 7826.0900, subp. 1 requires that at least 90 percent of all meters be read during the months of April through November and at least 80 percent be read during the months of December through March. In 2013, Xcel attained those requirements in all months but November (89.39 percent). The Department requests that Xcel address in Reply

[6] Xcel reports combined electric and natural gas customer meter reading data.

Comments the reasons for the failure to meet the standards outlined in Minnesota Rules, part 7826.0900, subp. 1 in November of 2013.

In its comments in Docket No. G002/M-12-440, the Department requested that Xcel provide, in all future reports, the total number of meters to be read each month by customer class.[7] According to its revised Attachment F of its 2013 Annual Report, Xcel achieved a monthly average of 96.57 percent of customer meters read in 2013.

Table 6 summarizes the number of meters not read by utility personnel for longer than 12 months according to Xcel's past annual and supplemental reports.

Table 6: Meters Not Read for Longer than 12 Months

Year	Residential	Commercial	Industrial	Other	Total
2006	3,745	1,551	402	292	5,990
2007	2,970	1,409	415	302	5,096
2008	3,604	1,776	440	263	6,083
2009	3,170	974	291	248	4,683
2010	1,149	366	263	71	1,849
2011	637	403	181	94	1,315
2012	661	450	112	89	1,312
2013	602	335	131	64	1,132

The Department notes that Xcel has continued to reduce the number of meters not read for longer than 12 months.

The Department acknowledges Xcel's fulfillment of the requirements of Minnesota Rules, part 7826.1400.

2. Involuntary Disconnections

The following information is required for reporting on involuntary disconnection of service by customer class and calendar month:

A. the number of customers who received disconnection notices;
B. the number of customers who sought cold weather rule (CWR) protection under Chapter 7820 and the number who were granted cold weather rule protection;
C. the total number of customers whose service was disconnected involuntarily and the number of these customers restored to service within 24 hours; and
D. the number of disconnected customers restored to service by entering into a payment plan.

[7] Page 3 of the Department's *Comments* filed on July 27, 2012 in Docket No. G002/M-12-440, Xcel's 2012 Gas Service Report. Xcel responded to the Department's request in the instant docket, since the Company files combined electric and gas service quality metrics when appropriate (e.g. for its meter reading statistics) and the electric service quality report is filed one month prior to the natural gas service quality report.

Table 7 summarizes residential customer disconnection statistics reported by Xcel in its annual reports.

Table 7: Residential Customer Involuntary Disconnection Information

	Customers Receiving Disconnect Notice	Customers Seeking CWR Protection	Customers Granted CWR Protection	% Granted	Customers Disconnected Involuntarily	Customers Restored within 24 Hours	Customers Restored by Entering Payment Plan
2003	516,982	19,745	19,199	97%	27,004	6,303	1,350
2004	562,455	27,128	26,736	99%	28,172	5,912	1,240
2005	459,824	42,099	40,549	96%	18,846	3,596	309
2006	603,679	21,537	20,234	94%	22,684	10,498	479
2007	895,152	16,848	15,746	93%	27,427	9,578	827
2008	1,175,953	86,092	86,092	100%	28,863	11,449	727
2009	1,186,057	140,862	140,862	100%	29,612	11,214	1,253
2010	1,218,073	173,440	173,440	100%	29,592	12,121	1,265
2011	1,282,576	188,091	188,271	100%	27,120	11,273	1,446
2012	1,207,842	279,713	279,713	100%	27,132	11,010	1,047
2013	1,217,049	126,477	126,477	100%	23,493	9,221	882

Xcel also reported information on commercial involuntary disconnections. The Department acknowledges Xcel's fulfillment of the requirements of Minnesota Rules, part 7826.1500.

3. Service Extension Requests

The following information is required for reporting on service extension request response times by customer class and calendar month:

A. the number of customers requesting service to a location not previously served by the utility and the intervals between the date service was installed and the later of the in-service date requested by the customer or the date the premises were ready for service; and
B. the number of customers requesting service to a location previously served by the utility, but not served at the time of the request, and the intervals between the date service was installed and the later of the in-service date requested by the customer or the date the premises were ready for service.

Xcel stated that 333,815 customers requested service to a location previously served in 2013 and that such requests were responded to the next business day. Xcel reported that 3,035 residential and 294 commercial customers requested service to a location not previously served by the Company in 2013. The average interval between request/readiness date and installation date was 2 days for residential and 11 days for commercial customers.

The Department looks for any trends in overall response times and inquires as needed. At this time, responses times for residential customers in 2013 appear to be relatively consistent with data from 2009 - 2012, while commercial customers have seen the average response time rise from 6 days in 2009 to 11 in 2013. The Department requests additional discussion regarding the increase in response time for commercial service extensions from 2009 – 2013 in Reply Comments. The Department acknowledges Xcel's fulfillment of the requirements of Minnesota Rules, part 7826.1600.

4. Call Center Response Time

The annual service quality report must include a detailed report on monthly call center response times, including calls to the business office and calls regarding service interruptions. Minnesota Rules, part 7826.1200 requires utilities to answer 80 percent of calls made to the business office during regular business hours and 80 percent of all outage calls within 20 seconds.

Xcel provided monthly call volume and response time information. The Company reported that, in 2013, an average of 88.3 percent of calls to the Company were answered within 20 seconds.

The Company assumes that all calls handled by its Interactive Voice Response (IVR) system are answered within 20 seconds. For calls handled by Xcel's Agents, an average of 75.3 percent were answered within 20 seconds.

The Department acknowledges that Xcel has fulfilled the requirements of Minnesota Rules, part 7826.1700 and, in 2013, complied with the standard set in Minnesota Rules, part 7826.1200.

5. Emergency Medical Accounts

Reporting on emergency medical accounts must include the number of customers who requested medical account status under Minnesota Statutes, section 216B.098, subd. 5, the number of applications granted, the number of applications denied, and the reasons for each denial.

Xcel reported that 1,562 Minnesota customers requested Emergency Medical Account Status in 2013. Approximately 47 percent of these customers were granted this status.

The Department acknowledges that Xcel has fulfilled the requirements of Minnesota Rules, part 7826.1800.

6. Customer Deposits

Reporting on customer deposits must include the number of customers who were required to make a deposit as a condition of receiving service.

Table 8 summarizes the number of accounts that Xcel has reported required deposits s.

Table 8: Customer Deposits Required

	Number of Deposits Required
2003	884
2004	704
2005	1,181
2006	587
2007	821
2008	805
2009	798
2010	657
2011	655
2012	622
2013	652

The Department acknowledges Xcel's fulfillment of the requirements of Minnesota Rules, part 7826.1900.

7. Customer Complaints

Reporting on customer complaints must include the following information by customer class and calendar month:

A. the number of complaints received;
B. the number and percentage of complaints alleging billing errors, inaccurate metering, wrongful disconnection, high bills, inadequate service, and the number involving service extension intervals, service restoration intervals, and any other identifiable subject matter involved in five percent or more of customer complaints;
C. the number and percentage of complaints resolved upon initial inquiry, within ten days, and longer than ten days;
D. the number and percentage of all complaints resolved by taking any of the following actions: (1) taking the action the customer requested; (2) taking an action the customer and the utility agree is an acceptable compromise; (3) providing the customer with information that demonstrates that the situation complained of is not reasonably within the control of the utility; or (4) refusing to take the action the customer requested; and
E. the number of complaints forwarded to the utility by the Commission's Consumer Affairs Office (CAO) for further investigation and action.

Xcel reported that 745 complaints were handled by the Company's Customer Advocate Group in 2013, 94 of which were forwarded by the CAO. Data provided by the Company

showed that 18.9 percent of complaints handled by Xcel's Customer Advocate Group were resolved upon inquiry. The most frequent complaint category was "inadequate service." Xcel reported that 38.2 percent of these complaints in 2013 were resolved by taking the action the customer requested.

Xcel also received 802,754 complaints in 2013 that were handled upon initial inquiry in the Company's Call Centers. Xcel reported that, in 2013, approximately 96 percent of these complaints were resolved by taking the action the customer requested. The complaint category with the largest volume of complaints for all customers was "billing errors." For all customers, "wrongful disconnect" and "inadequate service" were also of significant concern and "service restoration" was significant for Commercial and Industrial customers.

Xcel's report on customer complaints includes the required information. Table 9 contains a limited summary of Xcel's customer complaint history as received through the Company's Customer Advocate Group.

Table 9: Selected Summary of Customer Complaints

	Number of Complaints	Inadequate Service	Wrongful Disconnect	Billing Error	Resolved Upon Initial Inquiry	Took Action Customer Requested
2010	693	44.90%	21.90%	18.20%	17.00%	29.10%
2011	627	49.10%	17.20%	16.70%	13.20%	28.20%
2012	613	53.50%	19.70%	17.30%	18.60%	27.41%
2013	745	55.80%	15.60%	13.80%	18.90%	38.26%

The Department acknowledges Xcel's fulfillment of the requirements of Minnesota Rules, part 7826.2000.

E. COMPLIANCE WITH JANUARY 13, 2014 ORDER

3. *Xcel shall augment its next annual filing to include a description of the policies, procedures, and actions that it has implemented, and plans to implement, to assure reliability, including information on how it is demonstrating proactive management of the system as a whole, increased reliability, and active contingency planning.*

4. *Xcel shall incorporate into its next annual filing a summary table that allows the reader to more easily assess the overall reliability of the system and identify the main factors that affect reliability.*

In Attachment M, Xcel provided a summary of its 2013 reliability results.

The Reliability Management Program (RMP) analyzes the causes for historical outages, and ranks the outage causes in a multi-year time period, in a descending order by the number of service interruptions greater than five minutes in length. Xcel stated[8] that the Company's current RMP investments are maintaining appropriate levels of overhead and underground system performance. Xcel additionally notes that a longer-term view of the health of the distribution system is important, and that it its taking actions to that end.

Xcel provided a summary of its 2013 reliability performance along with multi-year trend graphs and reliability cost matrices.

5. *Report on the major causes of outages for major event days.*

Xcel provided a graph indicating the major causes of outages. The Company identified vegetation and tree contact as the primary cause of outages.[9] Additional outage causes for Xcel in 2013 included debris in line, and lighting, with unknown causes also comprising a share. Vegetation and tree contact represented about 80 percent of outages, and when combined with the three aforementioned causes, more than 90 percent of causes of outages are represented.

6. *Consider other factors, in addition to historical data, on which to base its reliability indices for 2013 in an effort to demonstrate its commitment toward improving reliability performance.*

On pages 18 and 19 of its 2013 report, Xcel provided discussion regarding alternate methodologies for calculating its proposed 2014 standards[10]. The Company stated however, that after evaluation, the results of using alternate methodologies to calculate standards would result in figures largely similar to those calculated under the current five-year rolling average methodology. Xcel concluded that it was appropriate to use the five-year rolling average to calculate standards proposed for 2014.

Attachment L provided the analysis upon which Xcel based its decision for preserving the five-year rolling average calculation. The attachment analyzed what the 2013 targets would have been if calculated using three different methodologies: a five-year median, a five-year average removing the high low values, and the Commission-approved five-year rolling average. Neither of the two alternate calculations yielded substantially different targets for 2013. In terms of goal achievement, using the five-year median to calculate the SAIDI goal in the Metro West work center would have resulted in Xcel meeting that goal, rather than failing to meet that goal as calculated using the Commission-approved methodology.

The Department agrees with Xcel's conclusions; however, an alternate goal calculation may be reasonable in instances in which a utility's performance trend is declining. The Department will continue to assess alternate calculation options if performance levels warrant further consideration.

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[8] Attachment M, page 5 of 19
[9] Attachment N, Page 1
[10] Numerical comparisons among the alternate methods were provided in Attachment L of Xcel's 2013 Report.

7. *Continue and increase efforts to improve reporting of major service interruptions to the Commission's Consumer Affairs Office.*

The Department notes that Xcel's efforts have resulted in continued improvement in the number of interruptions reported to the CAO.

8. *File as an informational filing documentation provided to the city of Minneapolis related to issues raised.*

The Department notes that Xcel filed the information required on February 13, 2014.

F. SMART GRID REPORT

Included in Xcel's 2013 Annual Report is the Company's 2013 Smart Grid Annual Report. The Company discussed broad 2013 initiatives, specifically its upgrade to its Outage Management System and its efforts to develop a comprehensive network communications strategy. Xcel also summarized and provided updates to previously initiated projects, highlighting each project's benefits and costs.

Additionally included in the report were sections regarding smart functions enabled with existing infrastructure, planned or completed system improvements, current customer access to data and how that data educates customers, and time-varying rates and demand response.

The report also discussed electric vehicle initiatives, and the extent to which smart grid technologies could be used to mitigate the impacts of electric vehicles on the Xcel system.

III. CONCLUSIONS AND RECOMMENDATIONS

The Department recommends that the Commission accept Xcel's filing in fulfillment of the requirements of Minnesota Rules, Chapter 7826, the Commission's December 20, 2012 Order in Docket No. E002/M-12-313, and the Commission's January 13, 2014 Order in Docket No. E002/M-13-255 pending submission of the following additional information:

1. a discussion regarding factors that could be responsible for the lack of improvement in CAIDI performance over the last eight years;

2. a discussion on its performance in the Southeast work center in as well as any specific measures it is taking to improve performance in this work center;

3. a discussion regarding the recurrence of similar issues for two of the worst performing feeders in 2012, and 2013 and the likelihood of this reoccurring in the future;

4. additional discussion regarding the increase in response time for commercial service extensions from 2009 – 2013;

5. a discussion regarding the causes for the large increase of major service interruptions in 2013; and

6. the reasons for the failure to meet the standards outlined in Minnesota Rules, part 7826.0900, subp. 1 in November of 2013 regarding percentage of meters read.

Finally, the Department recommends that the Commission set Xcel's reliability goals for 2014 at the levels proposed by the Company.

/lt

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. E002/M-14-131

Dated this 30th day of June 2014

/s/Sharon Ferguson

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