



414 Nicollet Mall
Minneapolis, MN 55401

July 13, 2015

—Via Electronic Filing—

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

RE: REPLY COMMENTS
ELECTRIC SERVICE QUALITY REPORT
DOCKET NO. E002/M-15-324

Dear Mr. Wolf:

Northern States Power Company, doing business as Xcel Energy, submits this Reply to the June 30, 2015 Comments of the Minnesota Department of Commerce – Division of Energy Resources in the above-referenced docket.

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 Rebecca Eilers at 612-330-5570 or rebecca.d.eilers@xcelenergy.com if you have any questions regarding this filing.

Sincerely,

/s/

BRIA SHEA
REGULATORY MANAGER

Enclosures
c: Service List

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
Nancy Lange	Commissioner
Dan Lipschultz	Commissioner
John Tuma	Commissioner
Betsy Wergin	Commissioner

IN THE MATTER OF NORTHERN STATES
POWER COMPANY'S, ANNUAL SAFETY,
RELIABILITY, AND SERVICE QUALITY
REPORT FOR 2014; AND PETITION FOR
APPROVAL OF RELIABILITY GOALS FOR
2015

DOCKET NO. E002/M-15-324

REPLY COMMENTS

INTRODUCTION

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission this Reply to the June 30, 2015 Comments of the Minnesota Department of Commerce – Division of Energy Resources on our Annual Safety, Reliability, and Service Quality Report for 2014; and Petition for Approval of Reliability Goals for 2015.

We appreciate the Department's recommendation that the Commission accept our Report, pending submission of additional information, and our proposed 2015 reliability goals for three of four work centers. We provide our Reply to the Department's request for additional information below, and we respond to the Department's recommendation regarding our 2015 reliability goals for the Southeast work center.

REPLY

A. Major Service Interruption Notices

The Department requested that we discuss process improvements to alleviate the number of major service interruption notices not sent to the Consumer Affairs Office (CAO) as a result of human errors.

In response to the Department's analysis of our feeder outage reporting, we have further examined the eleven outages we reported as meeting the definition of a reportable outage under Minnesota Rule 7826.0200, subp. 7, but where we missed sending a notice to the CAO. Of those eleven outages, nine were feeder switch outages which were coded in our data system as an event at the feeder level or above, though the feeder breaker was not actually triggered during those nine events. Per our business processes, we do not consider feeder switch outages as being “at the feeder level” because the feeder was not actually out; the feeder is still able to provide service to some customers if the feeder switch experiences an outage. Because they are not considered outages at the feeder level, we did not send an emailed notice to the CAO for those outages. However, per internal business processes we code feeder switch outages as “feeder level” in our data systems. When we extracted the data for our annual report to list interruptions at the feeder level or above affecting 500 or more customers for 60 or more minutes, we should have manually removed these nine outages as not meeting the definition of a major service interruption at the feeder level or above. The human error element was one of annual reporting accuracy and not a failure to meet the Minnesota Rule reporting requirement for major service interruptions. We will be sure to remove these types of outages in future reports.

When the report is corrected to remove these nine events where the feeder breaker was never opened, we only missed sending two required emails to the CAO. Our percentage of unreported major service interruptions is then reduced to approximately 1 percent.

We also note that the Department’s Table 3 includes the number of major service interruptions for 2013 as reported in our Petition in Docket No. E002/M-14-131, which was updated subsequently in our July 25, 2014 Reply Comments from 603 to 310. So while the number of outages decreased from 310 outages in 2013 to 233 outages in 2014 due to heavier storms in 2013 than in 2014, the decrease was not as substantial as Table 3 indicates.

B. Worst Performing Feeder in Metro East Work Center

The Department requested we discuss a recurring worst-performing feeder in the Metro East work center that last appeared on the worst-performing feeder list in 2010 and 2011.

Over the past few years, the feeder in question experienced outages primarily due to vegetation management issues in addition to issues coded as “unknown,” which means, generally, there is no solvable issue or identifiable action we can take to

improve performance. This feeder also experienced an outage in 2013 due to a parallel feeder event, which is unpredictable. We note that many variables can cause a feeder to be included on the worst-performing list which can make predicting future poor performance challenging. In fact, this particular feeder was not selected to be on the top five poor-performing list in 2012 and 2013, so it had not been targeted for specific maintenance to prevent outages. The top five poor-performing list also includes outages on storm days, and this feeder was not worst-performing in 2013 when we experienced an intense storm in the metro area. At this time, given that this feeder was not selected to be in the top five poor-performing list in 2012 and 2013, and that there is no one specific cause for outages over the past five years, we do not expect this feeder to be on the 2015 worst performer list.

C. Southeast Work Center

In this section, we address several issues relating to reliability in the Southeast work Center.

1. Staffing Level

The Department requested we discuss the “relatively low” 2014 staffing level in the Southeast work center and whether it is sufficient to assure prompt service restoration to customers experiencing outages.

As the Department notes, the staffing level for this work center has fluctuated over the past 12 years of service quality reporting. The staffing level in 2013 was the lowest, though it subsequently increased for the current reporting year. We do not believe that the staffing level will materially impact our ability to provide prompt service restoration. One reason we are comfortable with our staffing level is an initiative resulting from our Customer Average Interruption Duration Index (CAIDI) Reduction Plan to use contractors for some appointments. This practice supports our efforts of reducing CAIDI metrics, especially in the Southeast work center that has a large service territory to cover, by allowing our workforce to remain at a steady level to meet non-outage customer expectations, while current specialized crews are available to respond to outages in a more timely fashion.

In addition, we recorded relatively few customer complaints due to reliability issues in 2014 in the Southeast work center. Two customers lodged formal complaints, and 44 contacts to our call center were coded as relating to outages. Out of 118,191 customers in this work center, we believe this data supports that customers are not feeling the impact of the current staffing level in the Southeast work center.

2. *SAIDI, SAIFI and CAIDI Metrics*

The Department concurs with the Company's calculation of its proposed 2015 reliability goal levels, with the exception of the Southeast work center. For this work center, the Department proposes to maintain the 2014 System Average Interruption Duration Index (SAIDI), System Average Interruption Frequency Index (SAIFI), and CAIDI goal levels in 2015. While the Company understands that the Southeast work center has not been successful at attaining its approved metrics for the past several years, we are concerned about the lack of consistency inherent in changing the metric calculation methodology for only one work center.

We recommend that the Commission approve maintaining the five year historical average calculation methodology for all work centers rather than separating out the Southeast work center with a different calculation. To keep the 2014 metrics for the Southeast work center in 2015 will only lessen the chances of meeting the metric next year. As we discussed in our original report, the difference between meeting and not meeting the metrics in a given year has often been the result of only one or two events that push us over the metric. In the Southeast work center, missing a metric is often due to the drive time for personnel to get to the outage for assessment and repair in such a large geographic area. We believe we are providing adequate service despite missing, sometimes only narrowly, the established metrics.

We acknowledge that our proposed 2015 reliability metrics and the Department's proposal to maintain the 2014 metrics for the Southeast work center in 2015 is not a significant difference. We would accept either option the Commission believes is best, though we do believe that a consistent calculation methodology across the work centers is preferable. No matter which reliability metrics are approved by the Commission for 2015, we intend to maintain safe, reliable service for our customers across our entire service territory, and we remain committed to improving our SAIDI, SAIFI, and CAIDI performance.

3. *CAIDI Reduction Plan*

As noted in our Reply Comments in Docket No. E002/M-14-131 and in our report in the present docket, we began to implement a CAIDI reduction plan in early 2014. We appreciate the Department's understanding that this plan may take time to produce results given that the plan is designed to cascade into the future. Many of the specific improvements we can implement today may only maintain performance at this time, rather than demonstrate concrete improvement reflected in the reliability

metric results. We continue to implement processes to improve time recording, time management and training, to use contractors effectively, and to “restore before repair,” which we believe will at a minimum help maintain CAIDI performance results. In order to see more immediate, real-time CAIDI improvement, we need to introduce new technology. By 2017, we should begin installing updated control center technology, so-called “system intelligence,” that we expect will produce more immediate CAIDI improvement results.

CONCLUSION

We appreciate the Department’s review of our Report and are hopeful the additional information we provided in these Reply Comments meets the Department’s requests for further clarification and information. We respectfully request that the Commission approve our Annual Safety, Reliability, and Service Quality Report for 2014; and Petition for Approval of Reliability Goals for 2015 as originally proposed and supplemented by these Reply Comments.

Dated: July 13, 2015

Northern States Power Company

CERTIFICATE OF SERVICE

I, Jim Erickson, 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. E002/M-15-324

Dated this 13th day of July 2015

/s/

Jim Erickson

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_15-324_M-15-324
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022191	Electronic Service	No	OFF_SL_15-324_M-15-324
James J.	Bertrand	james.bertrand@leonard.com	Leonard Street & Deinard	150 South Fifth Street, Suite 2300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-324_M-15-324
Michael	Bradley	mike.bradley@lawmoss.com	Moss & Barnett	150 S. 5th Street, #1200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-324_M-15-324
Jeffrey A.	Daugherty	jeffrey.daugherty@centerpointenergy.com	CenterPoint Energy	800 LaSalle Ave Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-324_M-15-324
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_15-324_M-15-324
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_15-324_M-15-324
Michael	Hoppe	il23@mtn.org	Local Union 23, I.B.E.W.	932 Payne Avenue St. Paul, MN 55130	Electronic Service	No	OFF_SL_15-324_M-15-324
Alan	Jenkins	aj@jenkinsatlaw.com	Jenkins at Law	2265 Roswell Road Suite 100 Marietta, GA 30062	Electronic Service	No	OFF_SL_15-324_M-15-324
Richard	Johnson	Rick.Johnson@lawmoss.com	Moss & Barnett	150 S. 5th Street Suite 1200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-324_M-15-324

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Mark J.	Kaufman	mkaufman@ibewlocal949.org	IBEW Local Union 949	12908 Nicollet Avenue South Burnsville, MN 55337	Electronic Service	No	OFF_SL_15-324_M-15-324
Thomas	Koehler	TGK@IBEW160.org	Local Union #160, IBEW	2909 Anthony Ln St Anthony Village, MN 55418-3238	Electronic Service	No	OFF_SL_15-324_M-15-324
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_15-324_M-15-324
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	OFF_SL_15-324_M-15-324
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_15-324_M-15-324
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	OFF_SL_15-324_M-15-324
Andrew	Moratzka	apmoratzka@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-324_M-15-324
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_15-324_M-15-324
Richard	Savelkoul	rsavelkoul@martinsquires.com	Martin & Squires, P.A.	332 Minnesota Street Ste W2750 St. Paul, MN 55101	Electronic Service	No	OFF_SL_15-324_M-15-324
Ken	Smith	ken.smith@districtenergy.com	District Energy St. Paul Inc.	76 W Kellogg Blvd St. Paul, MN 55102	Electronic Service	No	OFF_SL_15-324_M-15-324

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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_15-324_M-15-324
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_15-324_M-15-324
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_15-324_M-15-324
Eric	Swanson	eswanson@winthrop.com	Winthrop Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_15-324_M-15-324
SaGonna	Thompson	Regulatory.Records@xcele nergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_15-324_M-15-324
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_15-324_M-15-324
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_15-324_M-15-324