

November 2, 2015

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

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**  
Docket No. E002/M-15-881

Dear Mr. Wolf:

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

Northern States Power Company, d/b/a Xcel Energy (Xcel or the Company) Request for a Variance to the Billing Error Rules.

The filing was submitted on October 1, 2015 by:

Bria E. Shea  
Regulatory Manager  
Xcel Energy  
414 Nicollet Mall  
Minneapolis, MN 55401

The Department recommends approval and is available to respond to any questions the Minnesota Public Utilities Commission may have on this matter.

Sincerely,

/s/ LERMA LA PLANTE  
Financial Analyst

LL/lt  
Attachment

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS OF THE  
MINNESOTA DEPARTMENT OF COMMERCE  
DIVISION OF ENERGY RESOURCES

DOCKET No. E002/M-15-881

**I. BACKGROUND AND SUMMARY OF FILING**

On October 1, 2015, Northern States Power Company, d/b/a Xcel Energy (Xcel or the Company) filed a petition with the Minnesota Public Utilities Commission (Commission) for a variance to Minnesota Rules, part 7820.3800 and 7820.400, the Billing Errors Rule, and to the Billing Error Tariff requirements contained in the Company's Electric Rate Book, to allow the Company to provide credit to three residential electric customers for overcharges due to the following circumstances:

Customer A: Resident of a duplex since September 30, 1998 was being billed for both units. Wiring error was estimated to have originated in April 1999. Xcel proposed to provide a credit back to the point at which there are sufficient billing records (February 2, 2005).

Customer B: Resident of a 4-plex in which 2 residents were over-billed and 2 residents were under-billed due to meters set incorrectly at time of installation. One of the over-billed residents was provided a refund back to time of move-in (November 25, 2013). Customer B requested a refund back to their move-in date (January 26, 2005).

Customer C: Resident for whom a random meter switch was done on May 26, 2005. The meter number associated with the account in Xcel's billing system was inadvertently switched with another meter number located in another city. Customer C was overcharged since May 26, 2005 while the other customer was undercharged.

Xcel requested this rule variance and one-time tariff modification in order to gain approval to issue credit to these three residential electric customers for overcharges that the customers paid during a period outside of the three-year limit set in Minnesota Rules and Xcel's Electric Billing Error Tariff.

Xcel stated that the overcharges were due to three separate incorrect meter connections. Since discovering these errors, the Company corrected the meter connections. It has credited the customers for the applicable periods provided under the Company's tariff and the Commission's Rules. Xcel calculated and provided billing credits in accordance with Minn. R. 7820.3800 and calculated interest consistent with Minn. Sta. 325E.02(b) as summarized in the tables below.

Xcel stated that, consistent with the Commission's June 21, 2010 Order in Docket E002/M- 10-258, it will send a letter to affected customers informing them of the billing error issue and providing instructions on how to participate in the proceeding.

On October 2, 2015, Xcel filed a correction to the dates corresponding to Customer B's billing error. The corrected dates are used in these comments.

#### 1. Customer A

The Company calculated a total credit for Customer A of approximately \$7,280.56<sup>1</sup> for the total timeframe both within and exceeding the Commission Rule and Tariff periods. The Company stated that on April 22, 2015 it credited Customer A a total of \$2,881.55<sup>2</sup> for the amount over-paid during the 3-year period provided for in Rule and Tariff. Xcel calculated and provided billing credits in accordance with Minn. R. 7820.3800 and calculated interest consistent with Minn. Stat. 325E.02(b).

The following table summarizes the credit amounts associated with Customer A.

**Table 1: Credit Amounts Provided and Credit Amounts Requiring Variance**

Time Period	Principal	Interest	Total
Credit Provided (04/01/2012 - 04/02/2015)	\$2,875.80	\$5.75	\$2,881.55
Credit Requiring Variance (02/02/2005 - 03/31/2012)	\$4,142.07	\$256.94	\$4,399.01
Total	\$7,017.87	\$262.69	\$7,280.56

#### 2. Customer B

The Company calculated a total credit for Customer B of approximately \$3,001.55<sup>3</sup> for the total timeframe both within and exceeding the Commission Rule and Tariff periods. The Company stated that on February 16, 2015 it credited Customer B the total of \$554.70<sup>4</sup> for the amount over-paid during the 3-year period provided for in Rule and Tariff. Xcel calculated and provided billing credits in accordance with Minn. R. 7820.3800 and calculated interest consistent with Minn. Stat. 325E.02(b).

<sup>1</sup> Consisting of \$7,017.87 of principal and \$262.69 of interest.

<sup>2</sup> Consisting of \$2,875.80 of principal and \$5.75 of interest.

<sup>3</sup> Consisting of \$2,970.59 of principal and \$30.96 of interest.

<sup>4</sup> Consisting of \$553.65 of principal and \$1.05 of interest.

The following table summarizes the credit amounts associated with Customer B.

**Table 2: Credit Amounts Provided and Credit Amounts Requiring Variance**

Time Period	Principal	Interest	Total
Credit Provided (01/26/2012 - 01/26/2015)	\$553.65	\$1.05	\$554.70
Credit Requiring Variance (01/26/2005 - 01/25/2012)	\$2,416.94	\$29.91	\$2,446.85
Total	\$2,970.59	\$30.96	\$3,001.55

### 3. Customer C

The Company calculated a total credit for Customer C of approximately \$20,449.17<sup>5</sup> for the total timeframe both within and exceeding the Commission Rule and Tariff periods. The Company stated that on September 11, 2015 it credited Customer C the total of \$6,651.04<sup>6</sup> for the amount over-paid during the 3-year period provided for in Rule and Tariff. Xcel calculated and provided billing credits in accordance with Minn. R. 7820.3800 and calculated interest consistent with Minn. Stat. 325E.02(b) as summarized in the table below.

The following table summarizes the credit amounts associated with Customer C.

**Table 3: Credit Amounts Provided and Credit Amounts Requiring Variance**

Time Period	Principal	Interest	Total
Credit Provided (04/14/2012 - 04/14/2015)	\$6,633.75	\$17.29	\$6,651.04
Credit Requiring Variance (05/26/2005 - 04/13/2012)	\$13,107.70	\$690.43	\$13,798.13
Total	\$19,741.45	\$707.72	\$20,449.17

## II. DEPARTMENT ANALYSIS

Minnesota Rules, part 7820.3800 states in relevant part:

Subpart 1. Errors warranting remedy.

When a customer has been overcharged or undercharged as a result of incorrect reading of the meter, **incorrect application of rate schedule, incorrect connection of the meter**, application of

<sup>5</sup> Consisting of \$19,741.45 of principal and \$707.72 of interest.

<sup>6</sup> Due to differing cities and associated fees, an error was made in the initial calculations resulting in a slightly larger credit being provided to the customer. The customer received \$6,723.75 in principal for the billing adjustment and \$43.11 in interest for the three-year period which is \$115.82 more than it should have been. The Company did not request the additional \$115.82 be returned.

an incorrect multiplier or constant or other similar reasons, the amount of the overcharge shall be refunded to the customer or the amount of the undercharge may be billed to the customer as detailed in subparts 2 through 4.

**Subpart 2. Remedy for overcharge.**

When a utility has overcharged a customer, the utility shall calculate the difference between the amount collected for service rendered and the amount the utility should have collected for service rendered, plus interest, for the period beginning three years before the date of discovery. Interest must be calculated as prescribed by Minnesota Statutes, section 325E.02, paragraph (b).

**Subpart 4. Exception if error date known.**

If the date the error occurred can be fixed with reasonable certainty, the remedy shall be calculated on the bases of payments for service rendered after that date, but in no event for a period beginning more than three years before the discovery of an overcharge or one year before the discovery of an undercharge.

Xcel's Rate Book, Section No. 6, 6th Revised Sheet No. 16 states, in relevant part:

**3.9 BILLING**

**ADJUSTMENTS Overbilled**

In the event the customer was over-billed, the Company shall recalculate bills for service during the period of the error, up to a maximum of three years from the date of discovery. Adjustments of bills will be made in accordance with the rules prescribed by the Commission. Interest will be calculated as prescribed by Minn. Stat. §325E.02(b).

Xcel stated that it has provided the affected customer the credits in accordance with Minnesota Rules and its Billing Error Tariff. The Company requested approval to issue a further credit for the amount overcharged to the customer for the periods which lie outside the 3-year limit.

Minnesota Rules, part 7829.3200, subp. 1 establishes the following criteria for evaluating a variance request:

The commission shall grant a variance to its rules when it determines that the following requirements are met:

- A. enforcement of the rule would impose an excessive burden upon the applicant or others affected by the rule;
- B. granting the variance would not adversely affect the public interest; and
- C. granting the variance would not conflict with standards imposed by law.

The Department believes that the rule variance criteria can also be used to assess the reasonableness of the one-time tariff modification that Xcel has requested.

In support of Xcel's variance request, the Company stated that, given the amount of time at issue, enforcement of the rule would impose an excessive burden on each of the three customers by substantially limiting the credit from the total over-billed amount. Further, Xcel stated that granting the variance would not adversely affect the public interest because the credit serves only to make the customer whole against actual overcharges resulting from the application of the wrong rate schedule. Lastly, Xcel stated that it is unaware of any conflict with any standards imposed by law. Xcel noted that the Commission has approved a utility's voluntary credit beyond the time period required by Minnesota Rules when special circumstances exist.

The Department concludes that the criteria for granting a variance as set forth by Minnesota Rules, part 7829.3200, subp. 1 are met for Xcel's variance request and for a one-time modification to the Company's tariff.

### **III. RECOMMENDATION**

The Department recommends that the Commission approve Xcel's request for a variance to Minnesota Rules, part 7820.3800 and a one-time modification to its Billing Error Tariff requirements for the purposes of providing the proposed refunds to Customers A, B, and C.

/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-15-881**

**Dated this 2<sup>nd</sup> day of November 2015**

**/s/Sharon Ferguson**

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