

**Minnesota Public Utilities Commission**  
*Staff Briefing Papers*

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Meeting Date: **August 17, 2017** ..... \*Agenda Item # 3

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Companies: Otter Tail Power

Docket No. E017/M-16-276 and E017/M-17-256

In the Matter of Otter Tail Power Company's 2015/2016 Annual Safety, Reliability, Service Quality Report, and Proposed Annual Reliability Standards for 2017.

Issues: Should the Commission accept Otter Tail's Safety, Reliability, Service Quality Reports for 2015 and 2016?

Should the Commission set annual reliability standards at the 2013 levels for 2017?

Staff: Marc Fournier ..... 651-201-2214

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***Relevant Documents***

Commission Order Accepting Reports, Setting 2015 Reliability Standards, and Requiring Filings Docket No. E017/M-15-322 ..... August 14, 2015

Otter Tail Power Initial Filing 2015 Safety, Reliability and Service Quality Standards Report. E017/M-16-276 ..... April 1, 2016

Otter Tail Power Initial Filing 2016 Safety, Reliability and Service Quality Standards Report. E017/M-17-256 ..... March 31, 2017

Comments of the Minnesota Department of Commerce Division of Energy Resources. .... May 31, 2017

Reply Comments of Otter Tail Power. .... June 12, 2017

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The attached materials are workpapers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless noted otherwise.

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## **Statement of the Issues**

Should the Commission accept Otter Tail's Safety, Reliability, and Service Quality Reports for 2015 and 2016?

Should the Commission set annual reliability standards at the 2013 levels for 2017?

## **Background**

On April 1, 2016, Otter Tail Power filed its 2015 annual safety, reliability, and service quality reports pursuant to Minnesota Rules, Chapter 7826. On April 14, 2016, the DOC informed the Commission that it lacked adequate resources to ensure careful review and analysis of the utilities' reports and requested an extension to file comments on the reports. . The utilities were allowed to maintain, through 2016, the reliability goals set for 2015. When the utilities filed their 2016 reports in April of 2017, the DOC's workload was anticipated to return to a more normal level. As such, the DOC determined it would be able to analyze both the 2015 and 2016 reports in 2017. The Commission granted the DOC's request that the comment deadlines be extended to coincide with the comment deadlines that will be set for the utilities' 2016 reports that will be filed by April 1, 2017.

### *Reliability Report*

Minnesota Rules part 7826.0500 require Otter Tail's reliability report to include, among other requirements:

- A. the utility's SAIDI for the calendar year, by work center and for its assigned service area as a whole;
- B. the utility's SAIFI for the calendar year, by work center and for its assigned service area as a whole;
- C. the utility's CAIDI for the calendar year, by work center and for its assigned service area as a whole;
- D. an explanation of how the utility normalizes its reliability data to account for major storms; and
- E. an action plan for remedying any failure to comply with the reliability standards set forth in part 7826.0600 or an explanation as to why noncompliance was unavoidable under the circumstances.

Recognizing that not all utilities would have the complete information required by the rules available for the first year the reports were due on April 1, 2003, the rules allowed for more limited initial reporting requirements. Utilities were required to file historical data and proposed reliability standards for SAIDI, SAIFI, and CAIDI, and the Commission established performance

standards based on those initial reports.

**Reliability Definitions:**

**SAIDI** means the System Average Interruption Duration Index and measures the average customer minutes of interruptions per customer. It is derived by dividing the annual sum of customer minutes of interruption by the average number of customers served during the year.

$$\text{SAIDI} = \text{Total Customer Minutes of Sustained Outages} \div \text{Number of Customers}$$

**SAIFI** means the System Average Interruption Frequency Index and measures the average number of interruptions per customer per year. It is derived by dividing the total annual number of customer interruptions by the average number of customers served during the year.

$$\text{SAIFI} = \text{Total Number of Sustained Customer Interruptions} \div \text{Number of Customers}$$

**CAIDI** means Customer Average Interruption Duration Index and is measured by the average customer minutes of interruption per customer interruption. It approximates the average length of time required to complete service restoration.

$$\text{CAIDI} = \text{Total Customer Minutes of Sustained Outages} \div \text{Total number of Sustained Customer Interruptions} = \text{SAIDI} \div \text{SAIFI}$$

**Interruption** means an interruption of electricity service to a customer greater than five minutes in duration.

**Major Service Interruption** means an interruption of service at the feeder level or above and affecting 500 or more customers for one or more hours.

**Parties**

**DOC:** The Department recommends that the Commission accept OTP’s 2015/2016 Annual Reports. The Department also recommends that the Commission keep the Company’s reliability standards for 2017 frozen at the level of the 2013 goals until OTP demonstrates further improvement in meeting its performance goals:

**Recommended Goals for 2017**

<b>Work Center</b>	<b>SAIDI</b>	<b>SAIFI</b>	<b>CAIDI</b>
Bemidji	70.64	1.26	56.06
Crookston	69.33	1.19	58.26
Fergus Falls	66.97	1.11	60.33
Milbank	75.49	1.82	41.48
Morris	55.78	1.01	55.23
Wahpeton	57.24	1.13	50.65
<b>MN Total</b>	<b>64.95</b>	<b>1.13</b>	<b>57.48</b>

**Otter Tail:** The Department Comments recommend that the Commission accept Otter Tail’s 2015/2016 reports and set Otter Tail’s 2017 SAIFI, SAIDI and CAIDI Standards at the 2013 levels until Otter Tail demonstrates further improvement in meeting its performance standards. Otter Tail accepts this recommendation.

**Staff Recommendation**

Staff agrees with the recommendations of the DOC at page 25 of its June 30, 2017 comments and accept OTP’s Annual Reports.