

MINNESOTA
CHAMBER *of*
COMMERCE

August 22, 2013

VIA E-FILING

Dr. Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
350 Metro Square Building
121 Seventh Place East
St. Paul, MN 55101-2147

Re: In the Matter of Interstate Power and Light Company 2012 Annual Safety, Reliability,
and Service Quality Report and Proposed SAIFI, SAIDI and CAIDI Indices for 2013
Docket No. E001/M-13-249

Dear Dr. Haar:

Enclosed for filing please find comments by the Minnesota Chamber of Commerce in the above-referenced docket.

Sincerely,

/e/ Benjamin L. Gerber
Benjamin L. Gerber
Manager, Energy Policy

Enclosures

cc: Service List

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

In the Matter of Interstate Power and Light Company
2012 Annual Safety, Reliability, and Service
Quality Report and Proposed SAIFI, SAIDI
and CAIDI Indices for 2013

Docket No. E001/M-13-249

COMMENT

I. Introduction

We appreciate the opportunity to submit our comments in the above referenced docket. The Minnesota Chamber of Commerce (“Chamber”) represents over 2,300 business locations throughout the state of Minnesota, with a diverse range of energy usage levels. Interstate Power and Light (“IPL”) provides electric utility service to many of our members in their service territory.

As the voice of Minnesota businesses on statewide policy issues, the Chamber’s main goal is to make Minnesota’s business environment competitive relative to other states and nations. Energy is a critical component to a successful business environment. Therefore, a focal point of the Chamber’s work is ensuring Minnesota has a competitively priced, reliable, and environmentally sound energy supply.

The reliability of the electric generation and transmission grid is of utmost importance to commercial and industrial customers.¹ Therefore, the Chamber is concerned when we hear from customers as well as the Department of Commerce that “IPL’s performance has generally remained steady or worsened since 2003, indicating that the action steps described [to address reliability issues and reporting] may have had limited, or insufficient, impact on overall

¹ See *U.S. economy and electricity demand growth are linked, but relationship is changing*, ENERGY INFO. ADMIN. (March 22, 2013), <http://www.eia.gov/todayinenergy/detail.cfm?id=10491>.

reliability performance.”²

II. The Chamber believes IPL must do more to further reporting of the MAIFI index across its system.

MAIFI is a reliability indicator that measures as a percentage the total number of momentary interruptions (less than 5 minutes in duration) per customer. MAIFI is an essential measure for commercial and industrial customers, especially as electric energy continues to play an ever greater role in commerce.³ A 2004 study completed by the Ernest Orlando Lawrence Berkeley National Laboratory, following the August 2003 blackout, states:

“Losses to businesses are not in direct proportion to the duration of a reliability event. The relevant factor is the length of business or production downtime caused by an outage of any length. A partial loss of voltage or voltage sag can cause the same amount of downtime as a complete one hour loss of power, if, for example, machines need to be rebooted or production needs to be restarted.”⁴

While this 2003 study failed to settle on a definitive cost estimate of annual power interruption, the study acknowledges costs could range anywhere from \$23 billion to \$135 billion with the likely figure somewhere close to \$79 billion.⁵ As a result, this study recommended “[c]onsistent definition and tracking of the frequency, duration, timing, and number and type of customers affected by reliability events, including power-quality events by customer class.”⁶

While the Chamber recognizes that IPL continues to make progress regarding tracking MAIFI across its system, we believe the company must do more.⁷ The Chamber understands

²See *In the Matter of Interstate Power and Light Company’s 2012 Annual Safety, Reliability, and Service Quality Report and Proposed SAIFI, SAIDI and CAIDI Indices for 2013*, Docket No. E-001/M-13-249, COMMENTS OF THE MINN. DEP’T. OF COMMERCE 6 (July 31, 2013).

³See *supra* note 1.

⁴Kristina Hamachi LaCommare & Joseph H. Eto, *Understanding the Cost of Power Interruptions to U.S. Electricity Consumers*, ERNEST ORLANDO LAWRENCE BERKELY NAT’L LABORATORY, 7 (September 2004), <http://certs.lbl.gov/pdf/55718.pdf>

⁵See *id.* at 42.

⁶See *id.* at 43.

⁷See *In the Matter of Interstate Power and Light Company’s 2012 Annual Safety, Reliability, and Service Quality Report and Proposed SAIFI, SAIDI and CAIDI Indices for 2013*, Docket No. E-001/M-13-249, IPL FILING 17 (April 1, 2013).

that manually collecting MAIFI information by substation is cumbersome; therefore, the Commission should require IPL to acquire an expanded distribution SCADA system with real time access to recloser operations.⁸ IPL's current method, a manual download approach applied on a case-by-case basis when a reliability issue arises, does not respond adequately to the needs of commercial and industrial customers.⁹

The Chamber points to the success Otter Tail Power ("OTP")—a rural investor owned utility with a large agribusiness base—has had in tracking and reporting MAIFI to its employees as a key performance indicator.¹⁰ The company reports its progress on key performance reliability indicators including SAIFI, CAIDI, and MAIFI to employees on a monthly basis.¹¹ The Chamber believes that IPL can learn from the success of OTP and cost-effectively implement a strategy to report MAIFI and begin to address reliability issues on its system.¹²

III. Conclusion

The Chamber looks forward to working with IPL to resolve this issue. The Chamber believes we can work with IPL to ensure the company cost-effectively obtains the technology to track the frequency, duration, timing, number, and types of customers affected by reliability events. Once IPL obtains this data, the Chamber will work with the company and other stakeholders to ensure it invests in the proper technology to combat MAIFI issues where practicable. A similar strategy worked well between the Chamber and Otter Tail Power. The Chamber has every reason to believe we will achieve the same success with IPL.¹³

⁸ *See id.*

⁹ *See id.*

¹⁰ *See In the Matter of Otter Tail Power Company 2011 Annual Safety, Reliability and Service Quality Report and Proposed SAIFI, SAIDI and CAIDI Reliability Standards for 2012*, Docket No. E-001/M-12-325, INITIAL FILING 3 (April 2, 2012).

¹¹ *See id.*

¹² *See id.*

¹³ *See id.*

DATED: August 22, 2013

Respectfully submitted,

/e/ Benjamin L. Gerber

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