

May 31, 2017

Daniel P. Wolf
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 Nos. E015/M-16-268 and E015/M-17-252

Dear Mr. Wolf:

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

Minnesota Power's 2016 and 2017 Safety, Reliability and Service Quality Standards Reports.

The 2016 report was filed on March 31, 2016 by:

Lori Hoyum
Policy Manager
Minnesota Power
30 West Superior Street
Duluth, Minnesota 55802-2093

The 2017 report was filed on March 31, 2017 by:

Jenna Warmuth
Senior Public Policy Advisor
Minnesota Power
30 West Superior Street
Duluth, Minnesota 55802-2093

The Department recommends that the Commission **accept Minnesota Power's filing and set appropriate reliability goals for 2017, pending the submission of additional information.** The Department is available to answer any questions that the Commission may have on this matter.

Sincerely,

/s/ DANIEL W. BECKETT
Rates Analyst

DWB/lt
Attachment

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS OF THE
MINNESOTA DEPARTMENT OF COMMERCE
DIVISION OF ENERGY RESOURCES

DOCKET Nos. E015/M-16-268 and E015/M-17-252

I. INTRODUCTION

Minnesota Rules, Chapter 7826 (effective January 28, 2003) 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:

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

On March 31, 2016, Minnesota Power (MP or the Company) filed a petition (2016 Annual Report) to comply with the Commission’s December 22, 2015 Order and the requirements of Minnesota Rules, Chapter 7826. On March 31, 2017, MP filed a petition (2017 Annual Report) to comply with the requirements of Minnesota Rules, Chapter 7826.

II. SUMMARY OF REPORT AND DEPARTMENT ANALYSIS

The Minnesota Department of Commerce, Division of Energy Resources (Department) reviewed MP’s 2016 and 2017 Annual Reports to assess compliance with Minnesota Rules, Chapter 7826 and the Commission’s December 22, 2015 Order. Information from past annual reports was used to facilitate the identification of issues and trends regarding MP’s performance.

A. ANNUAL SAFETY REPORT

The Annual Safety Report consists of two parts:

1. 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
2. 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.

The following tables are a compilation of MP's summaries of the reports the Company filed with OSHA and OSHD for the previous 10 years.

Table 1: Number of Cases

	Number of Deaths	Number of Cases with Days Away from Work	Number of Cases with Job Transfer or Restriction	Other Recordable Cases
2007	0	14	5	19
2008	0	16	6	14
2009	0	5	8	17
2010	1	6	8	19
2011	0	3	10	14
2012	0	4	10	8
2013	0	4	3	17
2014	0	3	8	10
2015	0	5	4	8
2016	0	8	5	15

According to press reports, the fatality in 2010 was due to electrocution. The OSHA investigation found no hazards at the location that may have contributed to the death. No citations were issued to MP in the matter.

Table 2: Number of Days

	Days of Job Transfer or Restriction	Days Away from Work
2007	758	122
2008	778	374
2009	215	56
2010	641	139
2011	353	43
2012	598	105
2013	218	29
2014	267	26
2015	115	26
2016	171	107

Table 3: Injury & Illness Types

	Injuries	Skin Disorders	Respiratory Conditions	Poisonings	All Other Illnesses
2007	37	0	0	0	1
2008	31	2	1	0	2
2009	27	3	0	0	0
2010	32	1	1	0	0
2011	26	1	0	0	0
2012	22	0	0	0	0
2013	23	1	0	0	0
2014	21	0	0	0	0
2015	17	0	0	0	0
2016	28	0	0	0	0

MP stated that there were no incidents in 2015 or 2016 in which injuries requiring medical attention occurred because of downed wires or other electrical system failures.

The following table summarizes MP's current and past reporting on incidents in which property damage resulting in compensation occurred as a result of downed wires or other electrical system failures.

Table 4: Property Damage Claims

	Number of Claims	Amount Paid
2007	30	\$29,824.88
2008	45	\$45,526.73
2009	35	\$46,626.53
2010	22	\$50,634.22
2011	28	\$26,883.41
2012	17	\$12,796.63
2013	35	\$71,796.27
2014	23	\$26,939.32
2015	29	\$76,375.92
2016	16	\$15,466.26

In recent years, damage due to work procedures and damage due to equipment failure account for at least half of the dollar amounts that MP paid to its customers in damage claims. Over the historic period shown, the number of claims has averaged 28 per year, and the amount paid has averaged \$40,287 per year. Although the number of claims and the amount paid were at or near the Company's lowest levels in 2016, in 2015 MP had experienced its highest paid claims in the prior 10-year period, as displayed above. The majority of the claims paid in 2015 (\$67,510, or 88.4%) were as a result of damage due to "work procedure." The Department requests that MP provide discussion in its Reply Comments regarding the nature and occurrence of "work procedure" damages and efforts that have, or are, being taken to limit work procedure claims.

The Department acknowledges MP's fulfillment of Minnesota Rules, part 7826.0400.

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 interruption,
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

MP considers its entire service area as a single work center. In Docket No. E015/M-15-323, the Commission set the Company’s reliability goals for 2015 as follows:¹

- SAIDI (average number of minutes a customer was without power) = 97.13
- SAIFI (average number of times a customer was without power) = 1.01
- CAIDI (average minutes per outage for customers who lose power) = 96.17

MP reported the following reliability performance for 2015:

2015	Actual Performance	Performance Goals	Results
SAIDI	101.82	97.13	Did not meet goal
SAIFI	1.17	1.01	Did not meet goal
CAIDI	87.03	96.17	Met Goal

As part of the Extension Request by the Department on April 14, 2016 the Department requested that the 2015 reliability goals set in the Commission’s December 22, 2015 Order be maintained through 2016. MP reported the following reliability performance for 2016:

2016	Actual Performance	Performance Goals	Results
SAIDI	122.69	97.13	Did not meet goal
SAIFI	1.29	1.01	Did not meet goal
CAIDI	95.11	96.17	Met Goal

¹ 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 also notes that the three indices are related: SAIDI / SAIFI = CAIDI

The Department acknowledges MP's fulfillment of the requirements of Minnesota Rules, part 7826.0500, subp. 1A, B, and C. The Department notes that MP did not meet its goals for SAIDI and SAIFI and met the goal established for CAIDI in both 2015 and 2016. Further discussion of MP's 2015 and 2016 reliability performance is provided in section II.B.3 below.

2. *Storm-Normalization Method*

MP stated that the IEEE 2.5 beta method was used to exclude major events from calculations of reliability indices in 2015 and 2016. This method allows the Company to better reveal trends in their normal operation that would otherwise be obscured by the large statistical effect of Major Event Days (MEDs). The Company noted that, using this method, two major events were excluded from the data used to calculate SAIDI, SAIFI, and CAIDI in 2015 and three weather related major events were excluded in 2016.

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

3. *Action Plan to Improve Reliability*

MP met the reliability standard established for CAIDI in 2015 and 2016. However, the Company did not meet the goals for SAIDI and SAIFI in 2015 and 2016.

2015 - The Company identified the massive storm event that hit the Brainerd Lakes / Nisswa area in July 2015 as the primary reason for not meeting the SAIDI and SAIFI goals. Although most of the damage from that event was excluded under the beta method calculation noted above, the residual storm damage because of weakened trees continued to impact service reliability in the weeks following the major storm event. MP stated that as it has no control over these external factors, and has a tree-trimming program in place currently, no further action plan to improve reliability is required.

2016 - The Company again identified severe storms in Northern Minnesota as the primary reason for not meeting the SAIDI and SAIFI goals for 2016, along with unusual spurts of vehicle accidents. On July 21, 2016, a severe storm hit the Duluth area, where wind gusts in downtown Duluth were clocked in excess of 100 mph. The storm affected a large portion of MP's service area. Downtown Duluth also experienced several outages due to the failure of the last Paper Insulated Lead Cable (PILC). The Company notes that most of the lead cable has now been removed, the result of a six-year project that began in 2013.

The Company identified the following key areas it is focusing on to improve restoration efforts in 2017:

- Improving and increasing the frequency of maintenance activities related to distribution switches used in restoration efforts
- Continuing the strategic placement of automated switches over the next several years; and
- Continued training efforts for operations staff related to improving restoration

4. *Bulk Power Supply Interruptions*

MP reported that there were nine events in 2015 and five events in 2016 resulting in an interruption of a bulk power supply facility. MP's descriptions of the outages include the corrective actions taken to minimize outages and restore service.

5. *Major Service Interruptions*

MP stated that there were 33 Distribution System Status Outage Notification reports in 2015 and 105 reports in 2016 filed under Minnesota Rules, part 7826.0700. The Company provided copies of the reports for each year and a summary table in 2015.

2015 – 33 Reports - Seven of the reports were filed on July 12, 2015, the day the Brainerd Lakes area was hit with severe weather. The longest outage lasted 4,798 minutes (3 days, 8 hours). Two others reported on the same day were over 24 hours as well. Power was restored within one to three hours in the majority of the remaining interruptions.

2016 – 105 Reports – As briefly discussed above, Duluth and the surrounding areas were hit with severe storms on July 21, 2016. Nearly one third of the reports (32 of the 105) were filed on that day alone. The longest outage lasted 7,455 minutes (5 days, 4 hours), affecting 3,405 customers in the Duluth area. Nine other reports filed in Duluth that day also indicated lengthy outages of 2 – 4 days as the crews worked to restore power. MP mentioned use of the Midwest Mutual Assistance Group, which provides cooperation between utilities to provide labor and vehicles to a utility profoundly affected by outages – that is, unlikely to restore power to all of their customers within 4 to 7 days. During the July storm, other utilities, including Otter Tail Power (OTP) and Xcel Energy (Xcel) were dealing with their own storm cleanups, so MP requested mutual aid from as far away as Missouri. With OTP and Xcel unable to provide crews immediately after the storm damage (Xcel did provide crews after day 3), power restoration was delayed. Excluding the July 21st reports, power was restored within one to three hours in the majority of the remaining interruptions. Overall, 73 of the 105 reports related to outages caused by weather events.

The Department acknowledges MP's fulfillment of the requirements of Minnesota rules, part 7826.0500, subp. 1G.

6. *Worst Performing Circuit*

Rather than identifying just one circuit, MP identified its four worst performing feeders – two urban and two rural. For each feeder, the Company detailed the causes of the poor performance and the actions planned or completed to improve the performance of these circuits. The Department uses historical data to identify potential areas of concerns regarding any feeders that appear multiple times as a worst performing feeder. After reviewing ten years of historical data, the Department notes that the Colbyville 240 feeder has been identified in both 2015 and 2016, and three times in the past 10 years. The outages have resulted from a combination of weather and tree-related events, as well as equipment failures. Overall, the Department concludes that there is no concern with any specific feeder at this time.

The Department acknowledges MP's fulfillment of the requirements of Minnesota rules, part 7826.0500, subp. 1H.

7. *Compliance with ANSI Voltage Standards*

MP reported twenty-one instances in 2015 and twenty instances in 2016 in which nominal electric service voltages did not meet the standards of ANSI Voltage Range B. This is significantly higher than historical numbers going back to 2007, which from 2007 to 2014 there were on average 3.6 instances annually. MP stated, in both the 2015 and 2016 Reports:

[The Company] continued to experience large turnover in its service dispatch department in 2015 (2016). The Company's process for recording and tracking ANSI voltage violations has improved but MP is still working on the best solution to record and store this data. The current method is to record violations in a separate field on the trouble orders within the Outage Management System. That being said, there is an existing process employees complete on paper that captures the voltage recordings that are on the MP side of the meter, which would possibly rule out some of the reported incidents in 2015 (2016) as being customer-related non-reportable events.

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

8. *Work Center Staffing Levels*

MP reported that there were 104 and 100 full-time equivalent field employee positions in 2015 and 2016, respectively, responsible for responding to trouble and for the operation and maintenance of distribution lines. The Company noted that they are currently budgeted for 104 positions, and anticipate hiring 3-9 more due to retirements and current openings in 2017. The number of employee positions reported by MP in the past has ranged from 104 to 108.

The Department acknowledges MP's fulfillment of the requirements of Minnesota Rules, part 7825.0500, subp. 1J.

9. *Other Information*

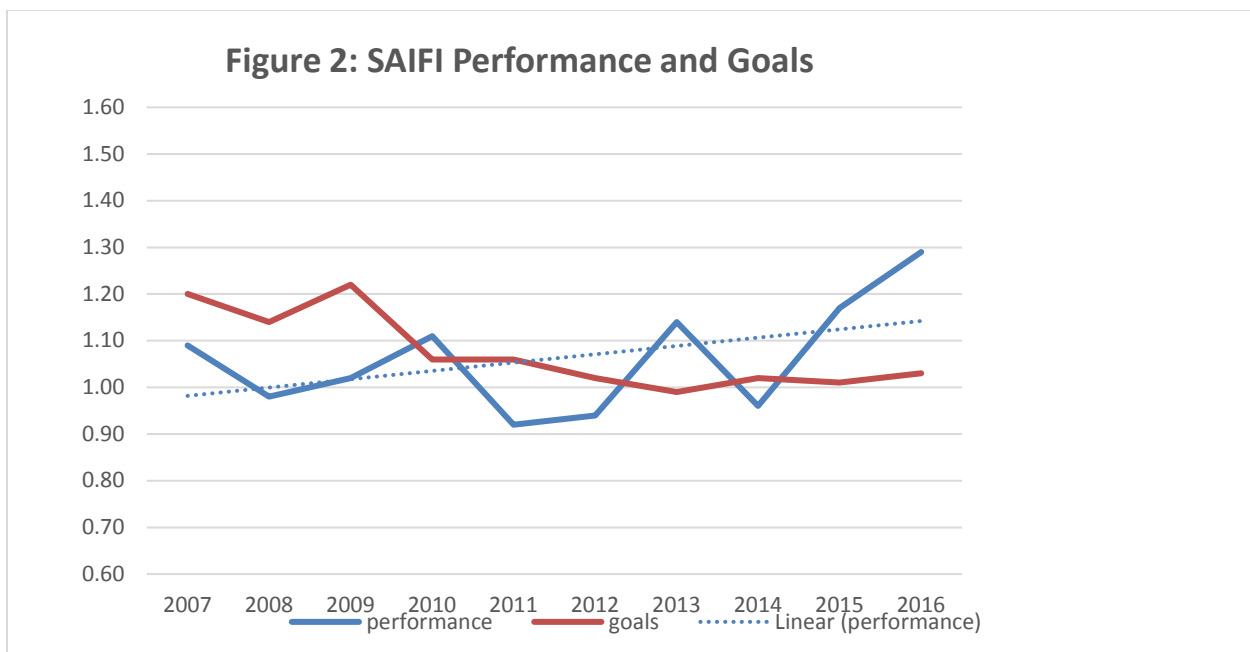
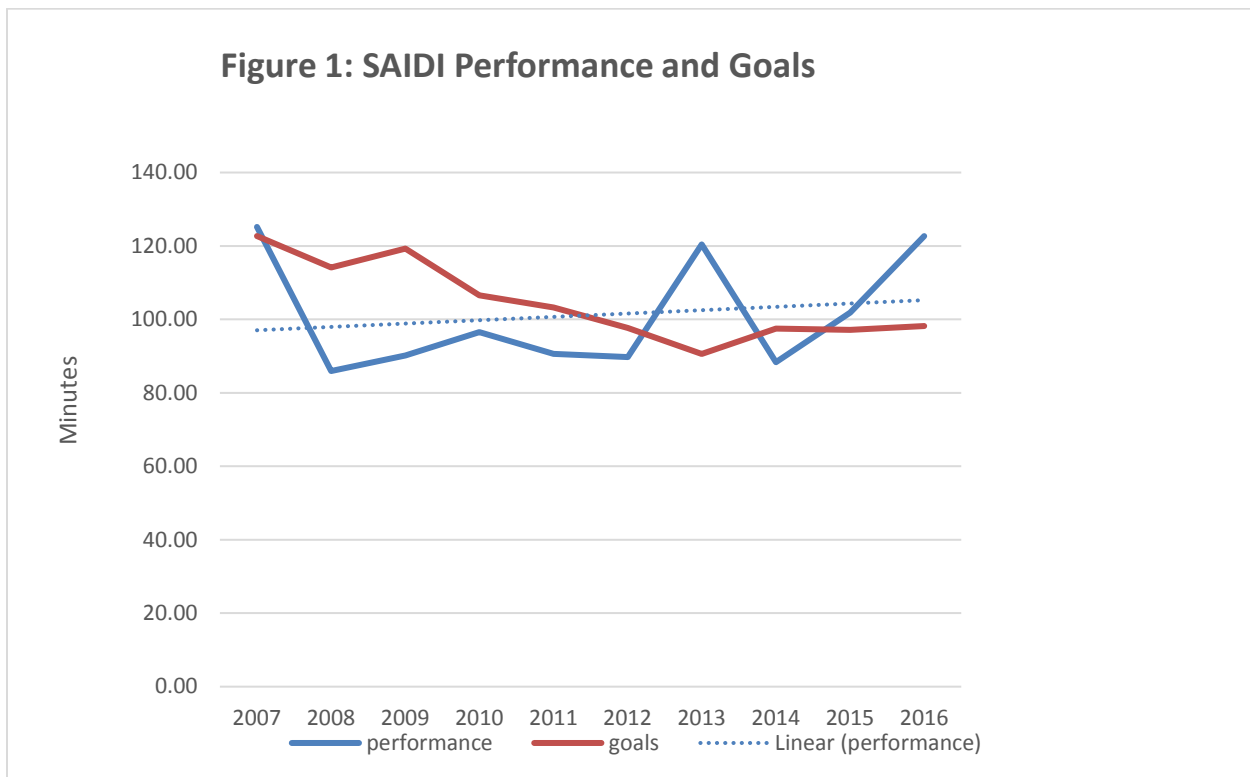
MP noted that it had no additional information to report at this time.

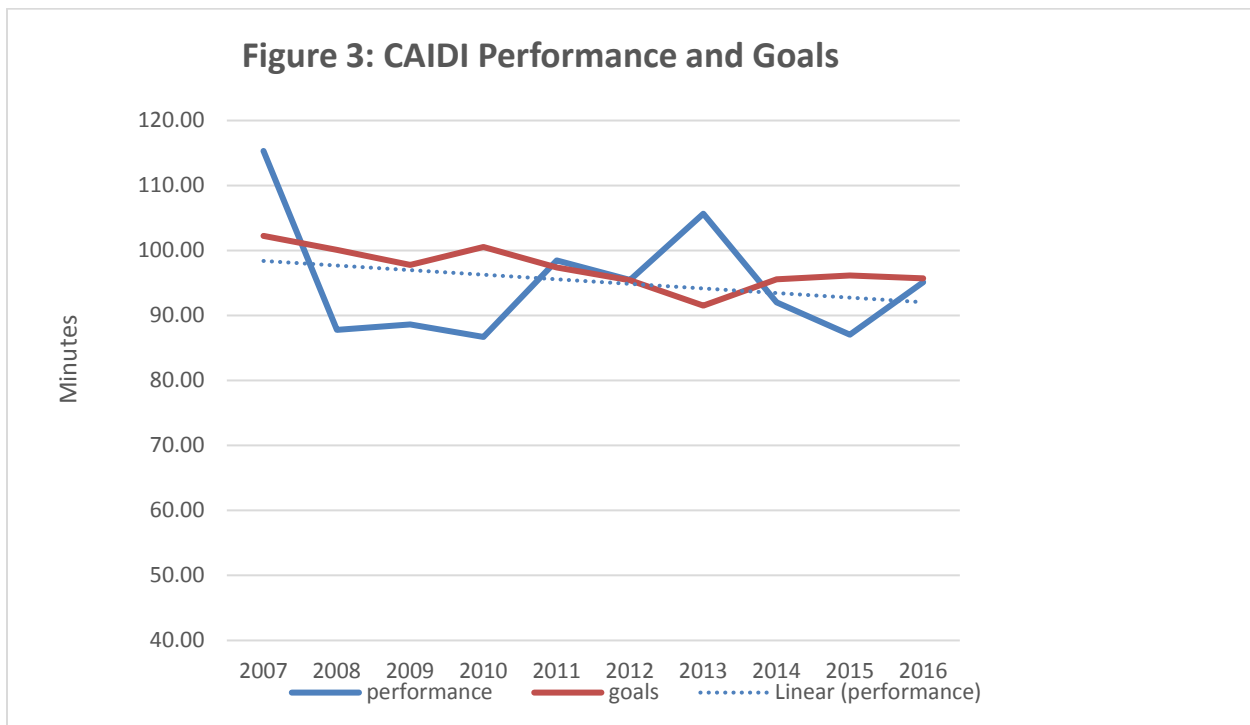
C. *PROPOSED RELIABILITY STANDARDS FOR 2017*

MP proposed the following reliability goals for 2017:

- SAIDI = 104.61
- SAIFI = 1.10
- CAIDI = 95.1

These goals reflect an average of MP's previous five years of actual performance. As a result of MP exceeding the SAIDI and SAIFI standards in 2015 and 2016, The Department notes that these proposed goals are slightly higher (*i.e.* easier to achieve). As can be seen in Figures 1, 2, and 3 below, the Company's performance has begun trending upward over the past ten years for SAIDI and SAIFI. The Department notes that, while the Company has performed well over the previous ten years, recent performance suggests the Company is heading in an undesirable direction in terms of setting and reaching its goals. If a negative trend continues to be seen in the Company's 2018 Compliance Filing, freezing goals at a past level should be considered. At present, the Department does not see a need to depart from the Commission's past practice of setting goals based on 5-year averages, and therefore recommends that the Commission approve MP's proposed 2017 goals.





D. ANNUAL SERVICE QUALITY REPORT

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

1. Meter Reading Performance (7826.1400),
2. Involuntary Disconnection (7826.1500),
3. Service Extension Response Time (7826.1600),
4. Call Center Response Time (7826.1700),
5. Emergency Medical Accounts (7826.1800),
6. Customer Deposits (7826.1900), and
7. Customer Complaints (7826.2000).

1. Meter Reading Performance

The following information is required for reporting on monthly 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 customers;
- C. the number and percentage of customer meters that have not been read by utility personnel for periods of 6 to 12 months and for periods of longer than 12 months;
- D. data on monthly meter reading staffing levels, by work center or geographical area.

MP reported that, on an annual average, approximately 97.25 percent and 101.6 percent of its meters were read monthly for 2015 and 2016, respectively, almost all of which are read by the Company. Minnesota Rules, part 7826.0900, subp. 1 requires that at least 90 percent of all meters are read monthly from April through November and that at least 80 percent of all meters are read monthly from December through March. MP's information reflects that this standard has been met.

MP reported maintaining an average of 7.17 full-time equivalent monthly meter reading staff in 2015 and 7.5 in 2016.

The following table summarizes the number of service points not read in one year or more according to MP's past ten annual reports.

Table 5: Meters Not Read

	Company Read		Customer Read	
	12 months	+12 months	12 months	+12 months
2007	2	33	0	2
2008	1	8	0	0
2009	1	32	0	1
2010	0	0	0	1
2011	0	3	1	3
2012	7	3	1	3
2013	2	14	0	1
2014	4	8	0	0
2015	2	5	0	0
2016	6	12	1	0

In 2015 and 2016, MP was relatively successful in ensuring that each meter was read at least once.

The Department acknowledges MP's fulfillment of the requirements of Minnesota Rules, part 7826.1400 and the Company's achievement of the standard set in Minnesota Rules, part 7826.0900, subp. 1.

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 of customers 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.

The following table summarizes residential customer disconnection statistics reported by MP in its annual reports.

Table 6: Residential Customer Involuntary Disconnection Information

	Received Disconnect Notice	Sought CWR Protection	% Granted	Disconnected Involuntarily	Restored within 24 Hours	Restored by Entering Payment Plan
2007	29,223	920	94%	3,038	1,501	171
2008	33,889	1,746	100%	3,293	1,774	204
2009	33,129	1,429	100%	3,229	1,723	311
2010	35,526	1,698	100%	2,853	1,481	297
2011	37,647	3,465	99%	3,009	1,804	331
2012	37,837	3,227	99.8%	3,518	1,828	569
2013	40,451	2,617	99.8%	3,171	1,122	576
2014	35,796	2,852	100%	3,257	799	443
2015	22,537	2,173	100%	520	154	56
2016	12,191	2,916	100%	1,933	213	634

Residential Customers receiving a Disconnect Notice declined 27 percent in 2015 from 2014, and then further declined in 2016 by 46 percent to only 12,191. In 2015, there was an 83.5 percent reduction in Residential Customers Involuntarily Disconnected, from 3,257 in 2014 to 520 in 2015. MP noted that their Credit and Collections activity was temporarily curtailed in May and June of 2015 as the Company implemented an upgrade to their Customer Information System in May 2015. As such, no disconnect warnings were sent and no disconnects were completed during those two months. In 2016, the number of customers disconnected involuntarily increased again, but still well below the average of 3,171 for the eight years between 2007 and 2014.

MP also reported information on commercial and industrial (C & I) involuntary disconnections. Similar to the Residential numbers displayed above, there were precipitous drops in C & I customers receiving Disconnection Notices and the number of C & I customers disconnected involuntarily. The Department acknowledges MP'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 times² 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

² MP measures service extension request response times as the interval between the date service was installed and the requested service date, even in cases where the requested service date cannot be met due to a delay caused by the customer.

- 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.

Table 7: New Service Extension Requests: Combined Residential, Commercial, and Industrial

	Total Number of Installations	Request Date Met	% Request Date Met
2010	712	484	68.0%
2011	603	420	69.7%
2012	653	476	72.9%
2013	794	614	77.3%
2014	857	618	72.1%
2015	1,800	1,070	59.4%
2016	1,476	835	56.6%

For 2015, MP reported that 1,800 customers requested service to a location not previously served, a 110 percent increase in requests from 2014. New installations declined in 2016, but remained well above the average of 724 for the 5-year period between 2010 and 2014. Approximately 59 and 57 percent for 2015 and 2016, respectively, were connected by the date requested. For those that were not, the most common reason was “customer site not ready,” “incorrect date,” followed by “workload” and “weather”.

Table 8: Previously Served Customer Service Extension Requests: Combined Residential, Commercial, and Industrial

	Total Number of Installations	Request Date Met	% Request Date Met
2010	2,329	2,057	88.3%
2011	2,453	2,198	89.6%
2012	2,526	2,389	94.6%
2013	2,305	2,097	91.0%
2014	2,375	2,216	93.3%
2015	1,671	1,396	83.5%
2016	2,652	2,463	92.9%

For locations that previously had service, MP reported a 30 percent decrease in total number of installations in 2015, as well as a 10 percent decline in extending service on the specified request date. However, in 2016, both the number of installations and percentage completed on the date requested increased to numbers and rates more in line with historical observations.

The Department acknowledges that MP provided the information required by 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.

2015 - MP reported that 155,495 calls were made during business hours (7:00 a.m. to 5:30 p.m.) to the Company's Interactive Voice Response (IVR) unit.³ The Company reported that, on an annual average, 80 percent of all calls received during business hours were answered within 20 seconds. The Company did note that they "identified a fault with its reporting tool in early 2016 which resulted from a phone upgrade done in 2015." Overall, the actual results would have improved, but as the 80% target response time was still met, they elected not to recalculate the results for 2015.

2016 - MP reported that 10,581 calls were received after business hours. MP's report does not distinguish between calls to the business office and calls regarding service interruptions, because although the Company can determine the number of calls by call category (e.g. service interruption), MP is unable to track response time by contact type. Combining all calls, made before and after business hours, shows that an annual average of 80 percent of all calls made to MP in 2015 were answered within 20 seconds. The Department concludes that MP complied with the call response time standard set forth in Minnesota Rules, part 7826.1200 in 2015.

The Department acknowledges that MP has fulfilled the requirements of Minnesota Rules, part 7826.1700.

5. *Emergency Medical Accounts*

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

MP reported that 50 and 144 customers in 2015 and 2016, respectively, requested emergency medical account status. All requests were granted.

³ All calls to Minnesota Power are routed through its IVR unit.

The Department acknowledges MP's fulfillment of the requirements of Minnesota Rules, part 7826.1800.

6. *Customer Deposits*

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

MP reported that it refunded all deposits in 2014. MP stated that collection of deposits will be reconsidered in the future. No deposits were required in 2015 or 2016. The number of deposits required by MP over the past eleven years are shown in Table 9 below.

Table 9: MP's Required Deposits

Year	Residential	Commercial	Total
2006	153	1	154
2007	5	0	5
2008	74	1	75
2009	161	21	182
2010	190	24	214
2011	222	10	232
2012	315	1	316
2013	326	11	337
2014	-	-	-
2015	-	-	-
2016	-	-	-

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

7. *Customer Complaints*

The 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 for further investigation and action.

MP reported monthly information showing that a total of 28 commercial and 540 residential customer complaints were received in 2015. The most frequent category of complaint was “high bill complaint,” which amounted to 73.95 percent of all complaints. MP reported that 87.4 percent of the residential complaints were resolved upon initial inquiry. The Company also reported that 51 percent of resolved complaints were done so by explaining that the situation complained of was not reasonably within the control of Minnesota Power. Table 10 below shows the historical number of complaints received by the Company for the last ten years.

Table 10: Summary Complaint Totals

Year	Commercial	Residential	Industrial	Total
2007	118	1,257	0	1,375
2008	96	1,582	0	1,678
2009	137	1,534	0	1,671
2010	141	1,585	0	1,726
2011	76	1,178	0	1,254
2012	81	780	0	861
2013	63	663	0	726
2014	64	1,045	0	1,109
2015	27	540	0	567
2016	46	388	0	434

The Department notes that in 2016 MP achieved their lowest number of complaints in the previous ten years.

However, the number of complaints forwarded to the Company by the Commission’s Consumer Affairs Office in 2016 was more than double the previous years’ average of 10 complaints. Table 11 shows the number of complaints forwarded to the Company by the Commission’s Consumer Affairs Office over the past ten years.

Table 11: Complaints Forwarded by the CAO

Year	# of Complaints
2007	8
2008	10
2009	4
2010	15
2011	10
2012	9
2013	11
2014	13
2015	13
2016	22

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

III. CONCLUSION AND RECOMMENDATION

The Department recommends that the Commission accept Minnesota Power's filing in fulfillment of the requirements of Minnesota Rules, Chapter 7826 and the Commission's December 12, 2014 Order, pending the submission of a discussion regarding the nature and occurrence of "work procedure" damages and efforts that have, or are, being taken to limit work procedure claims.

Additionally, the Department recommends that the Commission set the Company's reliability standards for 2017 as proposed by the Company:

- SAIDI = 104.61
- SAIFI = 1.10
- CAIDI = 95.10

/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. E015/M-16-268 and E015/M-17-252

Dated this 31st day of May 2017

/s/Sharon Ferguson

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_16-268_M-16-268
Ian	Dobson	Residential.Utilities@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_16-268_M-16-268
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_16-268_M-16-268
Lori	Hoyum	lhoyum@mnpower.com	Minnesota Power	30 West Superior Street Duluth, MN 55802	Electronic Service	No	OFF_SL_16-268_M-16-268
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	OFF_SL_16-268_M-16-268
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	No	OFF_SL_16-268_M-16-268
Susan	Romans	sromans@allete.com	Minnesota Power	30 West Superior Street Legal Dept Duluth, MN 55802	Electronic Service	No	OFF_SL_16-268_M-16-268
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_16-268_M-16-268
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_16-268_M-16-268

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Ian	Dobson	Residential.Utilities@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_17-252_M-17-252
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_17-252_M-17-252
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Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	OFF_SL_17-252_M-17-252
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	No	OFF_SL_17-252_M-17-252
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_17-252_M-17-252
Jenna	Warmuth	jwarmuth@mnpower.com	Minnesota Power	30 W Superior St Duluth, MN 55802-2093	Electronic Service	No	OFF_SL_17-252_M-17-252
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_17-252_M-17-252