

January 28, 2014

-Via Electronic Filing-

Burl W. Haar Executive Secretary Minnesota Public Utilities Commission 121 7th Place East, Suite 350 St. Paul, MN 55101

RE: PETITION

REQUEST FOR VARIANCE - BILLING ERROR RULES

DOCKET NO. E,G002/M-14-____

Dear Dr. Haar:

Enclosed for filing is the Petition of Northern States Power Company, doing business as Xcel Energy, requesting approval of a variance to Minn. R. 7820.3800 and 7820.4000, and a one-time modification to the terms of the Company's Billing Error Tariff requirements contained in its Electric and Natural Gas Rate Books .

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 Amber Hedlund at <u>amber.r.hedlund@xcelenergy.com</u> or (612) 337-2268 if you have any questions regarding this filing.

Sincerely,

/s/

CHRISTOPHER B. CLARK
VICE PRESIDENT
RATES AND REGULATORY AFFAIRS

Enclosures c: Service List

STATE OF MINNESOTA BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
David Boyd	Commissioner
Nancy Lange	Commissioner
J. Dennis O'Brien	Commissioner
Betsy Wergin	Commissioner

IN THE MATTER OF THE PETITION OF NORTHERN STATES POWER COMPANY FOR APPROVAL OF A VARIANCE TO COMMISSION RULES GOVERNING BILLING ERRORS DOCKET NO. E,G002/M-14-____

PETITION

INTRODUCTION

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission this Petition for approval of a variance to the Commission's Billing Error Rules, and a one-time modification to the Company's Billing Errors Tariff requirements contained in its Electric and Natural Gas Rate Books to approve two credits for overcharges.

In this filing, we seek approval to apply a billing credit to one residential electric customer (Customer A) for a net meter billing error and to one commercial natural gas customer (Customer B) for an overcharge stemming from a switched meter with a neighboring premise. These billing errors exceed the three-year timeframe for remedies provided in our tariffs and the Commission's Rules.

I. SUMMARY OF FILING

Pursuant to Minn. R. 7829.1300, subp. 1, a one-paragraph summary is attached.

II. SERVICE ON OTHER PARTIES

Pursuant to Minn. R. 7829.1300, subp. 2 and Minn. Stat. § 216.17, subd. 3, Xcel Energy has electronically filed this document. A summary of the filing has been served on all parties on the Company's miscellaneous electric and gas service list.

III. GENERAL FILING INFORMATION

Pursuant to Minn. R. 7829.1300, subp. 3, the Company provides the following information.

A. Name, Address, and Telephone Number of Utility

Northern States Power Company doing business as: Xcel Energy 414 Nicollet Mall Minneapolis, MN 55401 (612) 330-5500

B. Name, Address, and Telephone Number of Utility Attorney

Kari L. Valley Assistant General Counsel Xcel Energy 414 Nicollet Mall, 5th Floor Minneapolis, MN 55401 (612) 215-4526

C. Date of Filing

The date of this filing is January 28, 2014. The Company requests approval of the proposed variance to Minn. R. 7820.3800 and Minn. R. 7820.4000 and one-time modification to the Billing Error Tariff provisions in its Electric and Natural Gas Rate Books to be effective immediately upon issuance of the Commission's Order granting our Petition.

D. Statute Controlling Schedule for Processing the Filing

This Petition is made pursuant to Minn. Stat. § 216B.16, subd. 1, which prescribes general timelines for rate and tariff changes, including, but not limited to, a requirement of 60-days notice prior to any rate or tariff change.

Commission Rules define this filing as a "miscellaneous tariff filing" under Minn. R.

7829.0100, subp. 11 since no determination of Xcel Energy's overall revenue requirement is necessary. Minn. R. 7829.1400, subp. 1 and 4 permit comments in response to a miscellaneous filing to be filed within 30 days and reply comments to be filed no later than 10 days thereafter.

E. Utility Employee Responsible for Filing

Christopher B. Clark Regional Vice President, Rates and Regulatory Affairs Xcel Energy 414 Nicollet Mall, 7th Floor Minneapolis, MN 55401 (612) 215-4585

IV. MISCELLANEOUS INFORMATION

Pursuant to Minn. R. 7829.0700, the Company requests that the following persons be placed on the Commission's official service list for this proceeding:

Kari L. Valley

Assistant General Counsel

Xcel Energy

414 Nicollet Mall, 5th floor

Minneapolis, MN 55401

kari.l.valley@xcelenergy.com

SaGonna Thompson

Records Analyst

Xcel Energy

414 Nicollet Mall, 7th Floor

Minneapolis, MN 55401

regulatory.records@xcelenergy.com

Any information requests in this proceeding should be submitted to Ms. Thompson at the Regulatory Records email address above.

V. DESCRIPTION AND PURPOSE OF FILING

A. Background

1. Customer A

When the home was built in 2007 two electric meters were installed. One of the meters serves the main source of heat for the home (Meter 1); the other serves the home's other electric needs (Meter 2). Meter 1 has a dual fuel load, meaning Customer A has a back-up fuel supply on hand that they can switch to, such as propane, if Xcel Energy declares a control day. In return, Customer A should be on

the lower Energy Controlled Service rate (A05) for that meter. Meter 2 should be on the standard Residential Underground service rate (A03).

The billing error occurred because Meter 1 and Meter 2 were assigned the incorrect rates. Meter 1 was put on the Residential Underground Service rate (A03), and Meter 2 was put on the Energy Controlled Service rate (A05), when the opposite assignments should have occurred.

On May 28, 2013 Customer A requested an infrared energy audit. During the audit that was performed on June 12, 2013, the auditor checked the source for the systems and it revealed that the rates had been reversed. Meter 1 was actually the Energy Controlled Service (A05) meter and Meter 2 was actually the Residential Underground Service (A03) meter. The audit documentation advised Customer A to inform the Company of the error. An order was placed on June 13, 2013 to have the rates corrected. The order was completed on June 20, 2013.

We believe that this error occurred when the meters were installed in 2007. Our billing system does not contain any installation notes or other support that identify where in the process the error occurred; therefore, the cause of the error is unknown. The company made the error during the meter installation and does not believe the customer would have been able to discern that there was an issue based on the information presented on the customer's billing statements.

Service remained in the builder's name until Customer A bought the property on October 22, 2008. We therefore propose to credit Customer A back to that date.

2. Customer B

A service order was issued on June 27, 2013 because one of the two gas meters as the property was not registering any usage. On July 1, 2013 a technician was sent out to Customer B's premise to verify that the gas meter was working correctly. Upon inspection it was determined that this gas meter was erroneously being billed to Customer B, while instead it should have been billed to a neighboring premise.

The source of the original error is unknown; however, we believe the error originally occurred upon installation in August 1989. Customer B started service at the premise on August 15, 2001; therefore, we believe Customer B did not bear any responsibility for this billing error.

We are requesting to credit the customer back to January 20, 2005; as far back as we have sufficient billing records to calculate the credit. We believe these facts support

the Commission's approval of a rule variance and a credit to Customer B of the overbilled amount for the 2005-2010 period.

B. Company Actions

Since discovering the errors, we have corrected our billing system so that all affected customers are being billed correctly going forward. We have additionally credited all affected customers consistent with our tariff and the Commission's rules as necessary.

1. Customer A

On June 20, 2013 we provided the credit to Customer A for the period within Commission rules and our tariff. We credited the principal amount with interest totaling \$916.18 to the customer's account. An additional \$3.73 interest credit was applied on October 10, 2013 due to a miscalculation, resulting in a total credit of \$919.91 for the period within Commission rules and our tariff.

Because the over-billing period for this customer exceeds the three-year timeframe identified in our Electric Rate Book and the Commission's Billing Errors Rule, a one-time variance to the Commission's Billing Error Rules, and a one-time modification to our tariff provisions is required to provide an additional credit to the affected customer.

We have calculated and provided billing credits in accordance with Minn. R. 7820.3800 and calculated interest consistent with Minn. Stat. § 325E.02(b). The table below outlines the total overcharges and corresponding interest amounts owed to Customer A.

Time Period	Principal	Interest	Total
Within Commission Rules and Tariff period: 6/17/10 through 6/12/2013	\$912.84	\$7.07	\$919.91
Exceeding Rules and Tariff period: 10/22/08 through 6/17/10	\$337.46	\$3.41	\$340.87
Total	\$1250.30	\$10.48	\$1260.78

2. Customer B

On September 3, 2013 we provided the credit to Customer B for the period within Commission rules and our tariff. We credited the principal amount with interest totaling \$2,567.87 to the customer's account.

Because the over-billing period for this customer exceeds the three-year timeframe identified in our Natural Gas Rate Book and the Commission's Billing Errors Rule, a one-time variance to the Commission's Billing Error Rules, and a one-time modification to our tariff provisions is required to provide an additional credit to the affected customer.

We have calculated and provided billing credits in accordance with Minn. R. 7820.4000 and calculated interest consistent with Minn. Stat. § 325E.02(b). The table below outlines the total overcharges and corresponding interest amounts owed to Customer B.

Time Period	Principal	Interest	Total
Within Commission Rules and Tariff period: 8/5/10 through 8/13/2013	\$2559.38	\$8.49	\$2567.87
Exceeding Rules and Tariff period: 1/20/05 through 8/5/10	\$4723.12	\$465.76	\$5188.88
Total	\$7282.50	\$474.25	\$7756.75

C. Applicable Law

Minn. Rules 7820.3800 and 7820.4000 govern errors related to electric and natural gas bills, respectively, and provide in relevant part:

When a customer has been overcharged.... as a result of incorrect reading of the meter, incorrect application of rate schedule, incorrect connection of the meter, application of an incorrect multiplier or constant or other similar reasons, the amount of the overcharge shall be refunded to the 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... If the date the error occurred can be fixed with reasonable certainty, the remedy shall be calculated on the

basis 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... [Emphasis added]

Customer A was overcharged due to an incorrect application of a rate schedule. These facts fit with Minn. R. 7820.3800, subp. 1, which provides criteria for errors warranting a remedy. Therefore, we believe these fact patterns are the type of error contemplated by Minn. R. 7820.3800.

Customer B was overcharged due to an incorrect connection of the meter. These facts fit with Minn. R. 7820.4000, subp. 1, which provides criteria for errors warranting a remedy. Therefore, we believe these fact patterns are the type of error contemplated by Minn. R. 7820.4000.

The Company's Electric and Natural Gas Tariffs contain similar provisions that permit an adjustment for overcharges up to a maximum of three years from the date of discovery of the billing error.

Given the unique facts presented here, we are seeking a variance from this rule and one-time modification to our Electric and Natural Gas Tariffs to allow for a credit for the charges billed to the customer that exceed the three-year timeframe identified in our Electric and Natural Gas Rate Books and the Commission's Billing Errors Rule.

Minn. R. 7829.3200, which provides criteria for a variance from the Commission's Rules, states:

- Subp. 1 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.

As further discussed below, we believe that the unique facts presented here meet the criteria for a one-time rule variance.

D. Variance Request

Xcel Energy respectfully requests that the Commission approve a variance to Minn. R. 7820.3800 and Minn. R. 7820.4000 and a one-time modification to the terms of our Electric and Natural Gas Billing Errors Tariffs. As outlined below, we believe the criteria for variance established under Minn. R. 7829.3200 are met here.

1. Enforcement of the Rule Would Impose an Excessive Burden

Given the amount of time at issue, enforcement of Minn. R. 7820.3800 and Minn. R. 7820.4000 would impose an excessive burden on the customers by substantially limiting the credit from the total over-billed amount. We believe that with these facts, it is fair and prudent to fully credit the customers for the overcharged amount, including interest calculated at the rate identified in the Commission's Rule.

2. Granting the Variance Does Not Adversely Affect the Public Interest

The public interest is not adversely affected by granting a variance to approve the credits to the customers' natural gas and electric service accounts. The credits serve only to make the customers whole against actual overcharges for which the customers may not have fault.

3. Variance Does Not Conflict with Standards Imposed by Law

We are not aware of any conflict with any standards imposed by law. Rather, the Commission's Rules expressly contemplate variances under circumstances such as those presented here. In addition, the Commission has in the past approved a utility's voluntary credit beyond the limits of its Rules when special circumstances exist affecting the customer.¹

Consistent with the Commission's June 21, 2010 Order in Docket No. E002/M-10-258, once a Docket Number is assigned to this Petition we will notify the affected customers of our request for a variance from the Commission's Rules and our Tariff, and provide instructions on how to participate in this proceeding.

CONCLUSION

We respectfully request the Commission to grant a variance to its Billing Errors Rule, and approve a one-time modification to our Tariffs providing the affected customers with a credit for the over-billed amount that exceeds the three-year timeframe specified in the rule and our tariffs.

8

¹ See Matter of the Petition of Northern States Power Company, a Minnesota Corporation, for a Variance to the Billing Error Rules, Docket No. E002/M-11-319, ORDER (June 8, 2011); In the Matter of Xcel Energy's Request for a Variance to the Billing Error Rules, Docket No. E001/M-11-1031, ORDER (December 14, 2011); and In the Matter of Northern States Power Company, d/b/a Xcel Energy (Xcel or the Company) Request for a Variance to the Billing Error Rules, Docket No. E002/M-12-861, ORDER (September 24, 2012).

Dated: January 28, 2014

Northern States Power Company

Respectfully submitted by:

/s/

CHRISTOPHER B. CLARK
REGIONAL VICE PRESIDENT
RATES AND REGULATORY AFFAIRS

STATE OF MINNESOTA BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
David Boyd	Commissioner
Nancy Lange	Commissioner
J. Dennis O'Brien	Commissioner
Betsy Wergin	Commissioner

IN THE MATTER OF THE PETITION OF NORTHERN STATES POWER COMPANY FOR APPROVAL OF A VARIANCE TO COMMISSION RULES GOVERNING BILLING ERRORS DOCKET NO. E,G002/M-14-____

PETITION

SUMMARY OF FILING

Please take notice that on January 28, 2014 Northern States Power Company, doing business as Xcel Energy, filed with the Minnesota Public Utilities Commission a Petition for approval of a variance to its Billing Error Rule, and a one-time modification to the Company's Billing Errors Tariff requirements.

CERTIFICATE OF SERVICE

	npson, hereby certify that I have this day served copies of the foregoing attached list of persons.
<u>XX</u>	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. E,C	G002/M-14
Dated this 28th c	lay of January 2014

/s/

SaGonna Thompson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022191	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Julia	Anderson	Julia.Anderson@ag.state.m n.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
James J.	Bertrand	james.bertrand@leonard.c om	Leonard Street & Deinard	150 South Fifth Street, Suite 2300 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Michael	Bradley	mike.bradley@lawmoss.co m	Moss & Barnett	Suite 4800 90 S 7th St Minneapolis, MN 55402-4129	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Jeffrey A.	Daugherty	jeffrey.daugherty@centerp ointenergy.com	CenterPoint Energy	800 LaSalle Ave Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
lan	Dobson	ian.dobson@ag.state.mn.u s	Office of the Attorney General-RUD	Antitrust and Utilities Division 445 Minnesota Street, BRM Tower St. Paul, MN 55101	Electronic Service 1400	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Sharon	Ferguson	sharon.ferguson@state.mn .us	Department of Commerce	85 7th Place E Ste 500 Saint Paul, MN 551012198	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Lloyd	Grooms	lgrooms@winthrop.com	Winthrop and Weinstine	Suite 3500 225 South Sixth Stree Minneapolis, MN 554024629	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Todd J.	Guerrero	todd.guerrero@kutakrock.c om	Kutak Rock LLP	Suite 1750 220 South Sixth Stree Minneapolis, MN 554021425	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Burl W.	Haar	burl.haar@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551012147	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Sandra	Hofstetter	N/A	MN Chamber of Commerce	7261 County Road H Fremont, WI 54940-9317	Paper Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Alan	Jenkins	aj@jenkinsatlaw.com	Jenkins at Law	2265 Roswell Road Suite 100 Marietta, GA 30062	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Richard	Johnson	Rick.Johnson@lawmoss.co m	Moss & Barnett	90 South 7th Street Suite #4800 Minneapolis, MN 554024129	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Mark J.	Kaufman	mkaufman@ibewlocal949.o rg	IBEW Local Union 949	12908 Nicollet Avenue South Burnsville, MN 55337	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Thomas G.	Koehler	N/A	Local Union #160, IBEW	2909 Anthony Ln Minneapolis, MN 55418-3238	Paper Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Michael	Krikava	mkrikava@briggs.com	Briggs And Morgan, P.A.	2200 IDS Center 80 S 8th St Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Douglas	Larson	dlarson@dakotaelectric.co m	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
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	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Andrew	Moratzka	apmoratzka@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
David W.	Niles	david.niles@avantenergy.c om	Minnesota Municipal Power Agency	Suite 300 200 South Sixth Stree Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Joseph V.	Plumbo		Local Union 23, I.B.E.W.	932 Payne Avenue St. Paul, MN 55130	Paper Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Richard	Savelkoul	rsavelkoul@martinsquires.c om	Martin & Squires, P.A.	332 Minnesota Street Ste W2750 St. Paul, MN 55101	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Ken	Smith	ken.smith@districtenergy.c om	District Energy St. Paul Inc.	76 W Kellogg Blvd St. Paul, MN 55102	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Ron	Spangler, Jr.	rlspangler@otpco.com	Otter Tail Power Company	215 So. Cascade St. PO Box 496 Fergus Falls, MN 565380496	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Byron E.	Starns	byron.starns@leonard.com	Leonard Street and Deinard	150 South 5th Street Suite 2300 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
James M.	Strommen	jstrommen@kennedy- graven.com	Kennedy & Graven, Chartered	470 U.S. Bank Plaza 200 South Sixth Stree Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Eric	Swanson	eswanson@winthrop.com	Winthrop Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
SaGonna	Thompson	Regulatory.Records@xcele nergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
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	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas