

Minnesota Public Utilities Commission

Staff Briefing Papers

Meeting Date: **June 19, 2015***Agenda Item #6

Company: Northern States Power d/b/a Xcel Energy

Docket No. E,G-002/CI-14-56

In the Matter of a Commission Inquiry into Northern States Power Company
d/b/a Xcel Energy Compliance with Minnesota Rules, Part 7826.0800,
Customer Notice of Planned Service Interruptions, and its Related Tariffs

Issues: What action should the Commission take in this investigation?

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Relevant Documents

Xcel's Initial Filing in Response to the Commission's Notice February 6, 2014

Comments of the Minnesota Department of Commerce
Division of Energy Resources. February 20, 2014

Supplemental Information Xcel Energy April 9, 2014

Status Update Xcel Energy. June 9, 2014

Status Update Xcel Energy. August 8, 2014

Supplemental Information Status Update Xcel Energy. October 9, 2014

Supplemental Information Status Update Xcel Energy. December 9, 2014

Reply Comments of the Minnesota Department of Commerce
Division of Energy Resources. February 23, 2015

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

What action should the Commission take in this investigation?

Background

The Commission was contacted by a family member of a resident at an apartment building at 5610 Laurel Avenue in Golden Valley, Minnesota, who expressed strong concern with the method and timeliness of Xcel Energy's notice of a planned outage for December 18, 2013. The Commission's Consumer Affairs Staff followed up initially with the caller and with Xcel Energy on December 18, and continued to investigate Xcel Energy's actions. It was subsequently determined that a docket should be opened to investigate Xcel Energy's compliance with the Commission's planned outage requirements and its related tariffs. The Commission's rule states:

7826.0800 CUSTOMER NOTICE OF PLANNED SERVICE INTERRUPTIONS.

Utilities shall give customers the most effective actual notice possible of any planned service interruption expected to last longer than 20 minutes. For any planned interruption expected to exceed four hours, the utility shall provide, if feasible, mailed notice one week in advance and notice by telephone or door-to-door household visits 12 to 72 hours before the interruption. Planned service interruptions must be scheduled at times to minimize the inconvenience to customers. When planned service interruptions exceeding four hours are canceled, utilities shall notify, if feasible, the customers who received notice that service would be interrupted.

Section 6.4 of Xcel Energy's Minnesota electric tariffs incorporates this rule essentially verbatim.

On January 24, 2014, the Commission issued a Notice Requiring Information Xcel Energy and Opportunity to Comment.

Party Comments

Xcel: The events at Laurel Estates demonstrate that the Company did not comply with its notice obligations under Minnesota Rules and the Company's Tariff. After gaining a better understanding of this event, Xcel recognized the need to make improvements. The Company implemented its 60-90-120 day action plan and engaged a third party to review the Company's processes and practices that it initially proposed in this proceeding.

During this time, the Company conducted meetings with all employees involved in carrying out planned outage customer notice processes where Xcel reviewed and discussed the planned outage customer notice provisions of the Company's tariff and Rule requirements. In addition, it:

- Identified and reviewed processes and information systems surrounding planned outage scheduling;

- Reviewed/updated existing customer communication forms;
- Developed specific procedures to execute system and personal/individual customer notifications;
- Drafted the Planned Outage Customer Notice policies and procedures;
- Developed training materials for employees in roles directly responsible for customer notice, and roles that are related, but not directly responsible for customer notice as part of the process;
- Completed the training for the approximately 130 employees in its Twin Cities Metro, Southeast, Northwest, Fargo and Sioux Falls regions that have primary responsibility to inform customers of planned outages;
- Completed the overview/awareness version of the training for employees in roles that are related, but are not directly responsible for customer notification as part of the process; and
- Engaged with Global Enterprise Managers LLC (GEM) to perform a further review of the Planned Outage Customer Notice policies and procedures:

Development of updated policies and procedures that were implemented in spring 2014 required that Xcel:

- Identify and review the various processes that surround planned outage scheduling;
- Review existing customer communication forms, including written customer communication materials and call scripts, and either update them or develop new communication materials;
- Assess the information system implications associated with the data elements needed to provide proper notice to customers;
- Develop specific procedures for responsible individuals to execute system and personal customer notice, as appropriate;
 - Clarify the responsibilities of all employees involved in the Planned Outage process, from the Regional Operations Vice President to field employees;
 - Define “customer” as it relates to planned outage communication expectations;
 - Detail the process for a planned outage that is expected to take less than 20

minutes; 20 minutes to 4 hours; more than 4 hours; and a cancellation and reschedule of a planned outage;

- Outline the outbound letter and outbound call campaigns for the various expected outage lengths;
- Specify the process for door-to-door/in-person door hangers for outages lasting less than 20 minutes;
- Define the weather conditions that call for cancellation of a planned outage event;
- Detail the steps to take when the expected duration of an outage or a postponement/cancellation/schedule change is necessary for planned outages; and
- Include an internal self-audit of the proper application of the policies and procedures that the Company will also use to assess and adjust its training and written reference/job aid materials on an ongoing basis.

In the final 60-day period, Xcel's efforts focused on the work with GEM to complete the third-party review of the Company's updated processes, procedures, and training. GEM was onsite at the Company's offices August 18 – 22 and September 8 – 10, 2014, during which time they conducted interviews and cross-functional working sessions with individuals and roles involved in Planned Outage processes. GEM also compared Xcel's notification processes to those of other utilities to gauge where Xcel is in comparison to the industry.

GEM found that Xcel's practices meet, and in some cases, exceed industry practices. GEM also recommended the Company take certain actions to refine and mature Xcel's processes and practices. The Company outlined in its December 9, 2014 Supplemental Information and Status update, GEM's recommendations resulting from their review of the Company's processes and procedures. Also, the December 9, 2014 Report outlines the results of the industry comparison GEM performed.

DOC: In initial comments, the DOC recognized Xcel's efforts to rework the Company's policies so that future violations of Xcel's Tariff and of Minnesota Rule 7826.0800 do not occur. Since Xcel appears to be making the changes necessary to ensure that the Company complies with its Tariff and Minnesota Rules, the DOC recommended that the Commission require Xcel to file updates every 60 days on the status of the corrective measures being taken, including the input and Xcel's response to the third-party consultant, concluding with a final report when new practices and procedures are fully in place and training of current employees has been completed.

In reply comments, the DOC reviewed each of the Company's updates, including the final report, and concluded that they are satisfactory. As such, the DOC concludes that no further action by the Company is necessary at this time unless requested by the Commission.

Staff Analysis

Staff agrees with the DOC that the Company has satisfactorily completed its 60-90-120 action plan, the enhanced processes and procedures for customer notifications of planned outages have been developed, and employees trained. As such from this perspective, Staff believes that the Commission should be satisfied with the results of this proceeding.

In addition to the items above, a third party, Global Enterprise Managers LLC (GEM) found that Xcel as a result of its new practices and procedures now meet, and in some cases exceed most industry best practices for planned outage customer notification for a majority of planned outage scenarios. Specifically, a summary of the results is provided below:

Tariff Notice Requirements - GEM found that the Company meets or exceeds industry best practices by providing two levels of notification for longer outages, attempting to notify all customers directly, and providing notification of rescheduling or cancellation of planned outages.

Communications Approaches - GEM found that the Company meets or exceeds industry best practices by providing two levels of notification for longer outages, attempting to notify all customers directly, and providing notification of rescheduling or cancellation of planned outages.¹

Extreme Weather Criteria - GEM found that the Company meets industry best practices by having a documented business rule for cancelling planned outages to ensure customer welfare if the temperature is predicted to be above or below specific limits.

Quality Assurance - GEM found that the Company's initiative to perform a regular self-audit of its customer notification performance exceeds the practice among all the electric utilities surveyed – and when fully implemented, it should be considered a best practice in the industry.

Process Participant Training - GEM found that the Company's development and delivery of a specific training curriculum focusing on notifications for planned interruptions exceeds most other electric utilities' practices and matches the best practices observed in the survey.

Medical and Other Special Needs - GEM found that Xcel's practices for certifying and identifying customers with special medical needs are similar to those used by the other electric utilities that were surveyed; and, that the Company has enhanced its responsiveness to individual customers with special medical needs by including a special telephone number for the Xcel Energy

¹ At this time there is no large-scale, regular use of email, text messages, or social media messaging for planned outage notification among the survey participants, although some are expecting to take advantage of at least email and text messages as early as 2015. Although some customers may prefer to receive notifications through these alternative channels, changes in the Company's Rule and Tariff requirements would be necessary for these communication methods to meet its Minnesota compliance requirements.

Personal Account Representative (PAR) group, whose members are specially trained in the unique needs of these customers, in Xcel's updated notification letters and telephone scripts.² GEM also found that neither the Company nor any of the electric utilities surveyed explicitly account for individuals' age or economic characteristics when planning outages or performing notifications, nor does the Company gather and maintain this type of information from its customers.

Supplemental Notification Plan - Only one of the electric utilities surveyed has a supplemental notification plan that contacts an additional party designated by the customer if an interruption of service is anticipated. The Company does not have such a program for planned outage notifications. All notifications are provided to the premise address and the home telephone number associated with the account.

Multi-Unit Residence Notifications - By clarifying the requirement to notify all NSPM electric customers directly in all cases as well as the building manager in the case of multi-unit buildings and by training process participants on this requirement, GEM found that the Company has adopted the best practice in this area in addition to ensuring compliance with its tariff.

The above information provides further evidence of significant progress made by Xcel as a result of this proceeding. At this time, Staff sees no further information that could be gathered to improve Xcel's practices and procedures regarding planned outages. Time will be the best judge of the effectiveness of these new practices, procedures, and training.

Commission Options

- I. What action should the Commission take in this investigation?
 - A. Take no further action, conclude the Company has taken appropriate action to remedy previous deficiencies regarding planned outage notifications, and close the docket.
 - B. Require a status report on January 4, 2016. If no comments are filed raising concerns or objections within 60 days of the report, the docket shall be closed.

Recommendation

Staff recommends that the Commission adopt alternative numbers I.A.

² Xcel noted that if contacted by a customer with certified medical needs, the PAR group is authorized to cancel a planned outage if deemed necessary for medical purposes. Additionally, nursing homes or hospitals may be consulted during the scheduling process to the extent that these facilities are known to Designers or Account Managers. This is similar to the practices of most other survey participants.