

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger  
David C. Boyd  
J. Dennis O'Brien  
Phyllis A. Reha  
Betsy Wergin

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of the Annual Review of  
Northwestern Wisconsin Electric Company's  
2011 Annual Safety, Reliability, Service  
Quality Report and Proposed Annual Reliability  
Standards

ISSUE DATE: December 20, 2012

DOCKET NO. E-016/M-12-377

ORDER APPROVING REPORTS AND  
SETTING 2012 RELIABILITY  
STANDARDS

**PROCEDURAL HISTORY**

On January 12, 2012, the Commission established Northwestern Wisconsin Electric Company's (the Company's) 2011 reliability standards in Docket No. E-016/M-11-405.

On April 16, 2012, the Company filed its 2011 safety, reliability, and service quality reports as required by Minnesota Rules Chapter 7826.

On June 13, 2012, the Minnesota Department of Commerce Division of Energy Resources (the Department) filed comments recommending that the Commission accept the reports, and proposed that the Company's 2012 standards be set at 2011 levels.

On November 19, 2012, the matter came before the Commission.

**FINDINGS AND CONCLUSIONS**

All investor-owned utilities that distribute electricity to retail customers must file annual safety, reliability, and service quality reports.<sup>1</sup> The Commission, in turn, annually sets reliability performance standards for (1) the system average interruption frequency index (SAIFI), (2) the system average interruption duration index (SAIDI), and (3) the customer average interruption duration index (CAIDI) for the utility's work centers.<sup>2</sup> The reliability standards are intended to encourage utilities to maintain or improve reliability, taking into account the unique circumstances of each utility's system.

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<sup>1</sup> Minn. Stat. 216B.029; *see also* Minn. R. 7826.0400, .0500, and .1300.

<sup>2</sup> Minn. R. 7826.0600, subpt. 2.

The Commission concurs with the Company and the Department that the Company's filing meets the requirements of Minnesota Rules Chapter 7826, and the Commission will therefore approve the filing.

The Commission declines to adopt the Department's initial recommendation to set the Company's 2012 reliability goals at the 2011 level. In setting the Company's 2011 reliability goals, the Commission set standards derived from the Company's actual reliability performance over the previous five years.

At the November 19, 2012 meeting, the Department concurred that the five-year average was an acceptable basis for the Company's 2012 standards. The Commission concludes that for 2012 the five-year average better achieves the goal of providing an incentive to the Company to maintain or improve on its past performance. The Commission will therefore again employ the method it used to establish the Company's 2011 goals, and establish reliability standards based on an average of the Company's actual reliability performance over the last five years.

### **ORDER**

1. Northwestern Wisconsin Electric Company's April 16, 2012 safety, reliability, and service quality reports comply with Minn. R. Ch. 7826 and relevant Commission orders, and are therefore approved.
2. Northwestern Wisconsin Electric Company's 2012 reliability standards are:

	<b>SAIDI</b>	<b>SAIFI</b>	<b>CAIDI</b>
<b>2012 Standard</b>	152.70	1.30	117.46

3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar  
Executive Secretary



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