

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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Chair
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In the Matter of Interstate Power and Light Company's 2012 Annual Safety, Reliability, and Service Quality Report, and Proposed Annual Reliability Standards for 2013

ISSUE DATE: January 13, 2014

DOCKET NO. E-001/M-13-249

ORDER ACCEPTING REPORTS,
SETTING 2013 RELIABILITY
STANDARDS, AND REQUIRING
FILINGS

PROCEDURAL HISTORY

On December 20, 2012, the Commission issued an order accepting Interstate Power and Light Company's (IPL or the Company) annual report on safety, reliability, and service quality under Minnesota Rules Chapter 7826.¹ The order also set reliability standards for the coming year² and set additional reporting requirements.³

On April 1, 2013, the Company filed its safety, reliability, and service quality report for 2013, including new proposed reliability standards.

On July 31, 2013, the Minnesota Department of Commerce (the Department) filed comments recommending accepting the annual report and setting the same reliability standards as those set for the previous year. The Department pointed out that two items required by rule were missing from the annual report and requested clarification on several issues related to the five-year construction plan included in the report.

¹ Minn. R. 7826.0400, 7826.1300, and 7826.0500.

² Minn. R. 7826.0600.

³ *In the Matter of the Annual Review of Interstate Power and Light Company's 2011 Annual Safety, Reliability, Service Quality Report and Proposed Annual Reliability Standards*, Docket No. E-001/M-12-320, Order Approving Reports, Setting 2012 Reliability Standards, and Setting Filing Requirements (December 20, 2012).

On August 22, 2013, the Minnesota Chamber of Commerce filed comments recommending that the Company acquire additional technology and expertise for tracking and addressing momentary power interruptions, which can disrupt the operations of commercial and industrial customers. The Chamber offered to work with the Company, stating that it had worked with Otter Tail Power on the issue and that that experience might prove helpful.

On September 20, 2013, the Company filed reply comments. The Company provided the information the Department sought on its five-year construction plan, supplied the two missing items required by rule, and concurred with the Department on reliability goals for the coming year. The Company also described a new program it was launching to track and address momentary power interruptions; stated that its system differed from Otter Tail's in ways that made Otter Tail's approach inapplicable; and welcomed the Chamber's input as the Company brought its new tracking mechanisms on line.

On December 12, 2013, the annual report and proposed reliability standards came before the Commission.

FINDINGS AND CONCLUSIONS

I. Factual Background

In 2001, the Legislature enacted Minn. Stat. § 216B.029, which requires the Commission to adopt standards on safety, reliability, and service quality for investor-owned electric distribution utilities.

The statute requires that reliability standards be set using three reliability metrics—the System Average Interruption Duration Index (SAIDI), the System Average Interruption Frequency Index (SAIFI), and the Customer Average Interruption Duration Index (CAIDI)—and that reliability standards “treat similarly situated distribution systems similarly” and “recognize differing characteristics of system design and hardware.”⁴

The Commission complied with the statute by adopting Minnesota Rules Chapter 7826. These rules require affected utilities to file detailed annual reports on their performance in the areas of safety, reliability, and customer service. They also set minimum safety standards and minimum customer service standards for affected utilities.

Instead of setting minimum reliability standards, however, the Commission determined that reliability standards must be utility-specific, since reasonably achievable levels of reliability vary between utilities—and even between individual, homogenous areas within utilities' service territories—based on geography, topography, population density, and other factors. Instead of setting permanent, industry-wide reliability standards, therefore, the rules require utilities to propose new reliability standards annually—using the statutory metrics of SAIDI, SAIFI, and CAIDI—and to propose these standards by “work center,” the basic administrative unit utilities use to maintain and repair their distribution systems.

⁴ Minn. Stat. § 216B.029, subd. 1 (c).

II. Report Accepted

The Commission has examined the Company’s annual safety, reliability, and service quality report and concurs with the Department that it is complete and meets the requirements of Minnesota Rules Chapter 7826 and prior orders issued thereunder. The Commission will accept the filing.

III. Reliability Standards Set; Further Reporting Required

The Commission concurs with the Department that the reliability standards set in the last annual filing are reasonable, appropriate, and should be retained.

Those standards have not been changed since 2008. While it is common in these annual proceedings to adjust reliability standards to reflect the utility’s more recent reliability performance, the Commission agrees with the Department that making that adjustment in this case would work at cross-purposes with a clear need to improve reliability. The Company concurs and expresses confidence in reliability initiatives recently undertaken—a five-year construction plan and ongoing life extension projects.

Since improving reliability performance—not just maintaining it—is one of the goals of the standard-setting process, the Commission will continue to require reports on the Company’s reliability initiatives in its next annual filing. The Commission will also require the Company to continue using the format improvements required in previous orders (detailed below), and to provide all items required by rule.

The Commission will so order.

ORDER

1. The Commission accepts Interstate Power and Light Company’s April 1, 2013 safety, reliability, and service quality report as complying with Minnesota Rules Chapter 7826 and relevant Commission orders.
2. The Commission accepts the Company’s 2013 proposed reliability standards, set forth below:

Work Center	SAIDI	SAIFI	CAIDI
Winnebago	59.81	0.90	66.17
Albert Lea	80.30	1.02	78.44

3. The Company shall augment its next annual filing to include a description of the policies, procedures, and actions that it has implemented, and plans to implement, to assure reliability, including information on how it is demonstrating proactive management of the system as a whole, increased reliability, and active contingency planning.

4. The Company shall incorporate into its next annual filing a summary table that allows the reader to more easily assess the overall reliability of the system and identify the main factors that affect reliability.
5. The Company shall include in its next annual filing a report on its review of its life extension guidelines with its field engineering and construction crews. The review should ensure that wildlife protection is installed in all projects and that lightning protection is installed as designed by the project engineer.
6. The Company shall include in its next annual filing the reports required under Minn. R. 7826.0500, subp. 1G and the performance data for its worst-performing circuits, as required under Minn. R. 7826.0500, subp. 1H.
7. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary



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