

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 Interstate Power & Light Company's 2011 Annual Safety, Reliability, Service Quality Report and Proposed Annual Reliability Standards

ISSUE DATE: December 20, 2012

DOCKET NO. E-001/M-12-320

ORDER APPROVING REPORTS,
SETTING 2012 RELIABILITY
STANDARDS, AND SETTING FILING
REQUIREMENTS

PROCEDURAL HISTORY

On January 12, 2012, the Commission established Interstate Power & Light Company's (the Company's) 2011 reliability standards in Docket No. E-001/M-11-277. The Commission also established additional reporting requirements for the Company's next annual filing.

On April 2, 2012, the Company filed its 2011 safety, reliability, and service quality reports as required by Minnesota Rules Chapter 7826, and proposed 2012 reliability standards.

On July 2, 2012, the Minnesota Department of Commerce Division of Energy Resources (the Department) filed comments recommending that the Commission accept the reports, and set the Company's 2012 standards to the same level that the Commission approved in 2008, 2009, 2010, and 2011. The Department also requested that the Company file reply comments with additional information concerning the Company's proactive measures to improve reliability.

On July 13, 2012, the Company responded to the Department's request in reply comments, identifying specific reliability-improving measures. The Company agreed with the Department's recommended 2012 reliability performance standards.

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.¹ 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 each of the utility's work centers.² The reliability standards are intended to encourage utilities to maintain or improve reliability, taking into account the unique circumstances of each utility's system.

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

The Commission will adopt the Department's recommendation to set the Company's 2012 reliability goals at the level established for 2008, 2009, 2010, and 2011. The Commission concludes that for 2012 this method best achieves the goal of providing an incentive to the Company to maintain or improve on its past performance.

The Commission will also require that the Company's next annual safety, reliability, and service quality filings include the additional information detailed in the ordering paragraphs below.

ORDER

1. Interstate Power & Light Company's April 2, 2012 safety, reliability, and service quality reports comply with Minn. R. Ch. 7826 and relevant Commission orders, and are therefore approved.
2. Interstate Power & Light's 2012 reliability standards are:

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

3. The Company shall include the following in its next annual safety, reliability, and service quality reports:
 - a. a description of the policies, procedures, and actions that it has implemented, and plans to implement, to assure reliability, including information demonstrating proactive management of the system as a whole, increased reliability, and active contingency planning.

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

² Minn. R. 7826.0600, subpt. 2.

- b. a status update on the recloser and fuse coordination at affected substations to ensure proper fuse sizes have been installed to coordinate with substation protection equipment operation.
 - c. a report on the five-year construction plan based on the most recent reliability indices and circuit performance information. This report should evaluate where construction dollars will have the greatest impact on reliability and include the cost and benefit to customers.
 - d. a report on the Company's review of the Life Extension guidelines with field engineering and construction crews. The review should ensure wildlife protection is installed on all projects and lightning protection is installed as designed by the engineer.
 - e. 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.
 - f. a report on the major causes of outages for major event days.
4. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary



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