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Minneapolis, MN 55401

December 9, 2014

—Via Electronic Filing—

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

RE: SUPPLEMENTAL INFORMATION – STATUS UPDATE
PLANNED OUTAGE CUSTOMER NOTICE
DOCKET NO. E,G002/CI-14-56

Dear Dr. Haar:

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission this status update on the actions we are taking to ensure we meet our obligation to provide timely notice to each impacted customer in advance of taking a planned outage.

We note that we have fully implemented the 60-90-120 action plan and engagement of a third-party to review our processes and practices that we set out in our initial response in this proceeding. We have now implemented the enhanced processes and procedures for customer notification of planned outages that we developed, and have completed training of all employees involved in the process. Therefore, while we will continue to refine and mature our processes and training, consistent with the Department's recommendation in their February 20, 2014 Comments, we do not intend to submit further status updates unless requested to do so by the Commission.

STATUS UPDATE

A. Background

On February 6, 2014 the Company submitted its response to the Commission's January 24, 2014 NOTICE REQUIRING INFORMATION regarding our compliance with the Rules and Tariff provisions regarding customer notification of planned outages, and the steps we took with regard to the December 2013 planned outages to Laurel Estates at 5610 Laurel Avenue, Golden Valley, Minnesota.

Our response provided the information the Commission requested, observed that we had not met the Rule and Tariff obligations, and apologized for the inconvenience caused to our customers. We additionally conveyed the immediate actions we had taken to ensure that all employees with planned outage customer responsibilities are aware of their need to comply with the notice requirements, and outlined the 60-90-120 day actions we would be taking to further ensure we meet our obligation to provide timely notice to each customer in advance of taking a planned outage, that included:

- Development of internal policies and guidance to our employees;
- Review of the information systems involved in executing planned outages; and
- Bringing all of this together and training our existing employees, so that they have the tools they need to comply with the notice requirements of our Tariffs and the Rules.

The Department submitted comments on February 20, 2014 recommending that the Commission require the Company file status updates on its process improvements every 60 days, concluding with a final report when new practices and procedures are fully in place and training of current employees is complete. Although the Commission has not yet taken further action in this Docket, we have submitted status updates approximately every 60 days, beginning April 9, 2014 to inform parties of the actions we have taken to improve our processes. We submit this fifth and final status update to discuss the further progress and actions we have taken toward the plan we outlined in our initial response, which completes the implementation of our new practices and procedures, and signals the completion of our training of involved employees.

B. Summary of Previous Progress

We conducted meetings with all employees involved in carrying out planned outage customer notice processes where we reviewed and discussed the planned outage customer notice provisions of our tariff and Rule requirements. In addition, we:

- 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 our 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 our Planned Outage Customer Notice policies and procedures:

Development of our updated policies and procedures that we implemented in spring 2014 required that we:

- Identify and review the various processes that surround planned outage scheduling;
- Review existing customer communication forms, including our 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 we will also use to assess and adjust our training and written reference/job aid materials on an ongoing basis.

C. Current Status Update

In the most recent 60-day period, our efforts have focused on our work with GEM to complete the third-party review of our updated processes, procedures, and training. GEM was onsite at our 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 our notification processes to those of other utilities to gauge where we are in comparison to the industry.

In summary, GEM found that our practices meet, and in some cases, exceed industry practices. GEM also recommended we take certain actions to refine and mature our processes and practices. We outline in Part 1 below, GEM's recommendations resulting from their review of our processes and procedures. Part 2 below outlines the results of the industry comparison GEM performed.

1. Process and Procedure Review

GEM reviewed the processes supporting the work we do on the electrical system that is expected to result in a planned customer interruption. GEM then further reviewed our outage scheduling and customer notification processes to determine how our processes, procedures, and tools mitigate the challenges involved in Identifying, Notifying, and Updating affected customers to meet our compliance requirements and our overall objective of excellent customer service. Based on this review, GEM developed a number of process, training, and technology recommendations, which we outline below:

General/Process Automation

- Develop and use a Customer Notification Worksheet/job aid to ensure that the same customers that were initially notified of a planned outage can be reliably identified later in the process if the planned outage is postponed or canceled.
- Validate and firmly establish the most accurate and reliable method for generating the list of customers expected to be impacted by a planned outage.
- Define a "Notifier" role that is responsible for issuing customer notifications for jobs that do not have a design component, and therefore do not have an assigned Designer. The Notifier is not a separate position, but rather a set of responsibilities.
- Perform the self-audit process (which was initially intended to be an annual process) on a quarterly basis for the remainder of 2014 and for 2015 to provide more immediate metrics on process performance and a baseline against which to measure future performance.

Off-Hours/ Outside of Normal Business Hours Notifications

- Clarify and train employees on the steps and internal handoffs that must occur to ensure reasonable customer notification if a change such as postponement or cancellation of a planned outage occurs outside of normal business hours.
- Include a cancellation contact and an off-hours cancellation contact in all switching requests and all service orders that cause customer outages, so that cancellation notices will be issued under all conditions that require them.

Customer Communications

- The processes that confirm that all required notifications were performed before beginning the planned outage should also confirm that the automated telephone contact to each medical/life support customer was successful (i.e., was either answered or a message was left), and attempt manual calls to any who were not successfully contacted.
- Currently, automated telephone notifications use only the home telephone number. Investigate the feasibility of using the business telephone number if the home telephone number is not populated, or updating empty home telephone numbers with business telephone numbers where available.
- Note the premises associated with disconnected numbers that are detected on call campaigns of any type and either add, if possible, a bill “Onsert” (printed notice on the customer bill) or use some other type of customer communication asking those customers to update their telephone numbers.
- Revise the door hanger to remove the preprinted sentence “a day later than indicated” and provide a space to include an explicit alternate date and a checkbox to indicate that no alternate date is set, as appropriate.

Operational

- Consider tiered criteria for extreme temperatures. Review of industry practice suggests that tiered criteria, in which outage durations are limited in certain temperature ranges and canceled only at the extremes, can meet customer welfare objectives while minimizing the inconvenience of unnecessary cancellations.
- Implement and train employees on an enhanced business rule to cover situations where a planned outage is significantly delayed or expected to last significantly longer than originally scheduled because of the potential impact on customers with special medical needs.

We note that we are continuing to review these recommendations and develop our action plan. We are, however, incorporating the training materials GEM developed into our required ongoing training for those employees that are directly involved with planned outages.

2. *Industry Best Practices*

The Company requested that GEM review industry best practices for planned outage customer notification as part of its third-party review of our processes. In summary, GEM conducted telephone interviews with eight US electric utilities ranging in size from 240,000 to 4.9 million electric customers using a predefined list of questions to learn about their practices for planned outage customer notification. Utilities from the West, Midwest, and Mid-Atlantic regions of the country were interviewed, including three other Xcel Energy operating companies. Several of the eight electric utilities were selected because they have high customer

satisfaction rankings in J.D. Power industry surveys, even if they may differ from NSPM in customer count or geographical location. GEM assured each participant of anonymity within the survey results.

In summary, GEM found that we now meet, and in some cases exceed, most industry best practices for planned outage customer notification for the majority of planned outage scenarios, particularly those that go through a full design phase. GEM recommended that we continue our ongoing training for all participants in the planned outage process, and use the results of the self-audit to identify any process or performance deficiencies and drive process improvement. We summarize the survey results below:

Tariff Notice Requirements. The Minnesota administrative rule and corresponding electric service tariff requirements for notification of planned interruptions are the most explicit and rigorous of all the requirements that GEM found during the industry best practices review. In particular, the one-week notice requirement for longer outages is the longest advance notice time requirement among all survey participants (typical requirements or internal objectives are 2-5 days). 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.

Communication Approaches. Most electric utilities surveyed currently use a combination of automated telephone calls, letters or postcards, and door hangers or in-person customer field contact. NSPM is aligned with these typical industry practices by using letters, automated telephone calls, and occasionally door hangers (with or without attempting to speak to the customer in person) for notification. 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. Most electric utilities surveyed have guidelines that limit the duration of planned outages or cancel them outright if the forecast temperature exceeds specific low and/or high thresholds. The guidelines vary depending on the geography of the service area and the utility's operating practices, but in general appear to be constructed to balance customer comfort and convenience with the necessity of completing planned work in a timely manner. 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.

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.

Quality Assurance. Most survey participants reported that their organization does not have a defined process to confirm that notifications were issued or effectively reached the customers. 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. Three survey participants described formal training programs for the roles involved in outage notification. Several others stated that some training is provided for the technologies used to identify customers or to initiate notifications but no formal training is offered for the customer notification process itself. Others rely solely on on-the-job 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. Individual medical customers are not explicitly considered when any of the electric utilities surveyed plan an outage. GEM found that our 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 we have enhanced our responsiveness to individual customers with special medical needs by including a special telephone number for the Xcel Energy Personal Account Representative (PAR) group, whose members are specially trained in the unique needs of these customers, in our 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. Most survey participants stated that all customers would be directly contacted. 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

² We note 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.

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.

In conclusion, we have followed through on the 60-90-120 day action plan and our commitment to engage a third-party consultant to review our related processes that we laid out in our initial response in this proceeding. We have fully implemented our new processes and procedures, and trained involved employees, and therefore do not intend to submit further status updates unless requested to do so by the Commission. We note, however, we will continue our efforts to further refine and mature our processes using GEM's recommendations and the results of our ongoing self-audits.

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 Jody Londo at (612) 330-5601 or jody.l.londo@xcelenergy.com or me at (612) 215-4593 or christopher.b.clark@xcelenergy.com if you have any questions regarding this filing.

Sincerely,

/s/

CHRISTOPHER B. CLARK
REGIONAL VICE PRESIDENT
RATES AND REGULATORY AFFAIRS

Enclosures
c: Service List

CERTIFICATE OF SERVICE

I, Tiffany R. Hughes, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

xx by depositing a true and correct copy thereof, properly enveloped with postage paid in the United States mail at Minneapolis, Minnesota;

xx by email; or

xx by electronic filing.

MPUC Docket No.: E,G000/CI-14-056

CUSTOMER NOTICE OF PLANNED SERVICE INTERRUPTIONS

Dated this 9th day of December 2014.

/s/

Tiffany R. Hughes
Records Analyst

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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Tom	Burt	tburt@goldenvalleymn.gov	City of Golden Valley	Golden Valley City Hall 7800 Golden Valley Rd Golden Valley, MN 55427	Electronic Service	No	OFF_SL_14-56_Official
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_14-56_Official
Burl W.	Haar	burl.haar@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_14-56_Official
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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	Yes	OFF_SL_14-56_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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Gary	Van Winkle	gvanwinkle@mylegalaid.org	Mid-Minnesota Legal Aid	430 1st Ave N Ste 300 Minneapolis, MN 55401-1780	Paper Service	No	OFF_SL_14-56_Official
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	OFF_SL_14-56_Official