



August 26, 2020

VIA E-FILING

Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

Re: In the Matter of Minnesota Power, Otter Tail Power, and Xcel Energy's Compliance with Annual Safety, Reliability, and Service Quality Metrics for 2019
Docket No. E015/M-20-404
Reply Comments

Dear Mr. Seuffert:

Minnesota Power (the "Company") respectfully submits to the Minnesota Public Utilities Commission ("Commission") the following Reply Comments in the matter of the Company's Compliance with Annual Safety, Reliability, and Service Quality Metrics for 2019 ("SRSQ") in the above-referenced docket.

If you have any questions regarding this filing, please contact me at 218-723-3963 or dmoeller@allte.com.

Yours truly,



David R. Moeller
*Senior Attorney and Director of
Regulatory Compliance*

DRM:th
Attach.

**STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION**

In the Matter of Minnesota Power, Otter Tail Power and
Xcel Energy's Compliance with Annual Safety, Reliability
And Service Quality Metrics for 2019

Docket No. E015/M-20-404
**MINNESOTA POWER'S
REPLY COMMENTS**

I. INTRODUCTION

On August 12, 2020, Minnesota Power ("Company") and the Minnesota Department of Commerce, Division of Energy Resources ("Department") submitted comments in the above-referenced Annual Safety, Reliability and Service Quality ("SRSQ") Metrics Docket. The Company responded to Topic 2 posed by the Minnesota Public Utilities Commission ("Commission") as follows:

2. Should the MPUC approve MP's proposed transition from a rolling 5 year average to set reliability standards to benchmarking to the IEEE Reliability Working Group? Please discuss:

a. Time lag of IEEE bench marking data

The time lag will have one year of missing data, for example, for 2020 goals Minnesota Power would have to use 2014-2018 IEEE reliability data since the 2019 data is not published until after April 1st of the following year (2020).

b. Xcel's proposal to use a 5 year average of IEEE 2nd quartile results vs OTP and MP's proposal to use the prior year's benchmarking results, keeping standards consistent between utilities

Minnesota Power agrees with Xcel Energy to use a five-year average of IEEE second quartile results for reliability targets. The Company would prefer to be benchmarked to similar sized utilities which would place us as a medium-sized company in the eyes of IEEE (100,000-1,000,000 customers).

- c. The move from reporting reliability results for each work center to the state as a whole, and whether utilities need a variance to Minn. Rules 7826.0500 Subp. 1 A-C, and Subp. 2

Minnesota Power already reports reliability numbers as one work center which covers the entire service territory. Minnesota Power would not need a variance for Minn. Rules 7826.0500 Subp. 1 A-C, and Subp. 2; Minnesota Power only has one work center.

- d. The choice of using the IEEE working group vs EIA data for benchmarking

Minnesota Power believes the IEEE working group has similar information to other utilities since all respondents use the IEEE 1366 – Guide for Electric Power Distribution Reliability Indices for guidance on reporting. The respondents on EIA may or may not follow IEEE 1366 for collecting and reporting on reliability data.

The Department supports including the IEEE benchmarking analysis in the annual SRSQ reports, however, they do not agree with the Company's, Otter Tail's, or Xcel's proposition to transition from a rolling five-year average to set reliability standards to benchmarking to the IEEE Reliability Working Group survey for the large utility group 2nd quarterly performance. The Department recommends that the Utilities should be required to provide the IEEE benchmarking analysis in addition to the historical company-specific information.

II. RESPONSE TO COMMENTS

Minnesota Power appreciates the Department's overall recommendation to accept the Company's Annual Safety, Reliability and Service Quality Metrics Report for 2019. In addition, Minnesota Power will provide the IEEE benchmarking analysis to the Commission as soon as the 2019 data is published and available. In the 2020 SRSQ, to be submitted in April of 2021, Minnesota Power would prefer to set the SAIDI, SAIFI, and CAIDI goals that align with the 2nd quartile of the five-year average of the IEEE Distribution

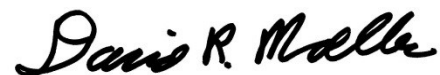
Reliability Working Group survey for Medium utility group, not the Large utility group that is referenced in Department comments and that would be more applicable to Xcel Energy. This would be a more comparable utility group comparison for Minnesota Power, given its size as determined by number of customers. While Minnesota Power agrees with the Department's assertion that there is value in continuing to provide utility-specific rolling five-year average data from an individual longitudinal performance perspective, this is more appropriately a trending data point as opposed to a proper goal-setting metric. It is the Company's view that reliability goals should be established using a comparable group analysis that is based on an industry benchmarking that uses a consistent standard. In this case, that would be the IEEE benchmarking data. To clarify, the Company proposes a five-year average of the IEEE benchmarking data, using the most recently completed benchmarking data at the time of the SRSQ filing.

III. CONCLUSION

Minnesota Power believes it has met the obligations of the filing and remains committed to providing its customers with safe, reliable and affordable electric service. The Company proposes that reliability goals should be established using a five-year average of the IEEE benchmarking data using the Medium utility group. Minnesota Power strives to provide an SRSQ filing that is comprehensive and meaningful to stakeholders. The recent addition of the filing summary was a good enhancement for distilling information reported to a more user-friendly format for general audiences.

Dated: August 26, 2020

Respectfully Submitted,

A handwritten signature in black ink that reads "David R. Moeller". The signature is written in a cursive, slightly slanted style.

David R. Moeller
*Senior Attorney and Director of
Regulatory Compliance*

STATE OF MINNESOTA)
) ss
COUNTY OF ST. LOUIS)

AFFIDAVIT OF SERVICE VIA
ELECTRONIC FILING

Tiana Heger of the City of Duluth, County of St. Louis, State of Minnesota, says that on the 26th day of August, 2020, she served Minnesota Power's Reply Comments in **Docket No. E015/M-20-404** on the Minnesota Public Utilities Commission and the Energy Resources Division of the Minnesota Department of Commerce via electronic filing. The persons on E-Docket's Official Service List for this Docket were served as requested.



Tiana Heger