

September 25, 2023

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

RE: Minnesota Department of Commerce, Division of Energy Resources – Letter Recommending Approval of Xcel Energy’s 2022 Annual Service Quality and Reliability Reports
Docket No. E002/M-23-73

Dear Mr. Seuffert:

The Minnesota Department of Commerce, Division of Energy Resources (Department) filed comments and reply comments in the instant docket on June 16, and June 30, 2023. In its comments, the Department requested further information from Northern States Power *d/b/a* Xcel Energy (Xcel or the Company) regarding the following topics in its reply comments:

- An explanation of how the percentages of meters not read for six to twelve months and the meters not read for more than twelve months for the other customer class increased 29% for the former and decreased 35% for the latter in 2022.
- Information regarding the decline in efficiency for service extension requests in 2022.
- A discussion as to why the number of formal complaints increased in 2022, while the number of complaints received in the Company’s call center declined over that same period.
- Information regarding the decline in the number of electronic customer interactions for 2021 and 2022.
- Additional context regarding the significant improvement in small commercial customer satisfaction in the JD Power survey results over the past three years.
- Additional context regarding the significant decline in residential customer satisfaction in the JD Power survey results over the past three years.
- A discussion of the apparent lack of improvement in its reliability indices System Average Interruption Frequency Index (SAIFI), System Average Interruption Duration Index (SAIDI) and Customer Average Interruption Duration Index (CAIDI).
- A discussion of how the creation of more accurate outage start and completion times will likely lead to a decline in the Company’s reliability metrics for the three feeders it identified as having been equipped with Fault Location Isolation and Service Restoration (FLISR).
- Explain the dispersion of the estimated restoration times that don’t fall within the -90 to 0 and +1 to +90-minute ranges for 2022.

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Xcel submitted its reply comments on June 30, 2023, addressing each of the topics prompted by the Department in turn.

The Department reviews Xcel's reply comments and the Institute of Electrical and Electronics Engineers (IEEE) reliability standard 2022 benchmarking results filed on August 16, 2021, in these supplemental comments.

After completing those reviews, the Department recommends the Commission approve:

- the Safety component of Xcel Energy's 2022 Service Reliability and Service Quality (SQSR) filing.
- the Service Quality aspect of Xcel Energy's 2022 SRSQ filing and,
- the Service Reliability component of that same filing.

The Department also recommends the Commission accept the information the Company submitted regarding the IEEE 2022 Reliability Benchmarking analysis and adopt Xcel's proposed 2023 reliability goals.

The Department is available to answer any questions the Commission may have.

Sincerely,

/s/ JOHN KUNDERT
Public Utilities Financial Analyst

JK/ar
Attachment



Before the Minnesota Public Utilities Commission

Supplemental Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. E002/M-23-73

I. INTRODUCTION

The Minnesota Department of Commerce, Energy Division (Department) appreciates the opportunity to provide supplemental comments regarding Northern States Power, d/b/a Xcel Energy's (Xcel, the Company) Annual Compliance with Annual Safety, Reliability, and Service Quality Metrics for 2022.

In our initial comments in this docket submitted June 16, 2023, the Department recommended the Commission accept the Company's 2022 Safety Report and requested the Company provide information on the following topics in its reply comments:

- An explanation of how the percentages of meters not read for six to twelve months and the meters not read for more than twelve months for the other customer class increased 29% for the former and decreased 35% for the latter in 2022.
- Information regarding the decline in efficiency for service extension requests in 2022.
- A discussion as to why the number of formal complaints increased in 2022, while the number of complaints received in the Company's call center declined over that same period.
- Information regarding the decline in the number of electronic customer interactions for 2021 and 2022.
- Additional context regarding the significant improvement in small commercial customer satisfaction in the JD Power survey results over the past three years.
- Additional context regarding the significant decline in residential customer satisfaction in the JD Power survey results over the past three years.
- A discussion of the apparent lack of improvement in its reliability indices System Average Interruption Frequency Index (SAIFI), System Average Interruption Duration Index (SAIDI) and Customer Average Interruption Duration Index (CAIDI) over the past 10 years.
- A discussion of how the creation of more accurate outage start and completion times will likely lead to a decline in the Company's reliability metrics for the three feeders it identified as having been equipped with Fault Location Isolation and Service Restoration (FLISR).
- Explain the dispersion of the estimated restoration times that don't fall within the -90 to 0 and +1 to +90-minute ranges for 2022.

On June 30, 2023, the Company submitted its reply comments. Xcel provided additional information related to the nine items listed above.

In addition, on August 16, 2023, Xcel Energy filed a Compliance Filing providing the Institute of Electrical and Electronics Engineers (IEEE) reliability standard 2022 benchmarking results for comparison against the Company's actual 2022 performance relative to Xcel's 2022 Commission approved reliability goals.

The Department's review of that information is included in these comments.

II. ANALYSIS

The Department's analysis of the Company's service quality in Xcel Energy reply comments follows the bullet points contained in the previous section.

A. SERVICE RELIABILITY AND SERVICE QUALITY REVIEW

1. Meter Outages for Six to Twelve Months and More than Twelve Months

The Department asked the Company to explain the drivers for the increase in the number of meters not read for six to twelve months and the meters not read for more than twelve months for the "Other" customer class which increased 29 percent for the former and decreased 35 percent for the latter in 2022.

In its reply comments, the Company provided additional information as the Department requested. Xcel noted its staff read a larger number of meters included in the "not read for more than twelve months" category in 2022 but were not able to keep the number of meters not read for six to twelve months stable.

The Department reviewed the additional information provided and now understands why the Company would want to focus its efforts on the "meters not read for more than twelve months" category as it is likely the amount of unrecovered revenue associated with each of those customers would be larger than for the "meters not read for six to twelve months" category on a per customer basis.

The Department appreciates the Company's efforts to resolve this issue and has no additional comments on this topic.

2. Service Extension Requests

The Department noted the Company's response times in 2022 were significantly higher for both residential and commercial customers. Thus, the Department requested Xcel respond to this result.

Xcel did provide a response which noted supply chain constraints and broadly addressed the Department's concerns. This is a metric the Department will continue to monitor. The Department has no additional comments on this topic.

3. Formal Complaints

The Department asked the Company to discuss why the number of formal complaints increased in 2022, while the number of complaints received overall declined.

Xcel indicated the end of moratoriums on disconnections, and the resumption of credit and collection activities after a long hiatus due to the COVID-19 pandemic and higher natural gas prices were potential drivers for the number of increased formal complaints.

As part of the Department's review in another docket, we noted the significant increase in Total Residential Arrearages between 2019 and 2022. The amount of Total Residential Arrearages at the end of the 2019 heating season was \$44.9 million, which increased to \$88.5 million at the end of the 2022 heating season. That difference reflects a 97 percent increase in Total Residential Arrearages over that three-year period. This represents a significant increase.

When Xcel re-initiated its credit and collection function in 2022, the amount of arrearages per customer may have been much higher. It is likely that this result became a driver for the increase in formal complaints.

The Department has no additional comments on this topic.

4. Electronic Customer Interactions

The Department noted a decline in this metric in 2021 and 2022 relative to 2020 and asked Xcel to provide some additional context. The Company provided that additional context, most notably that it had minimized its email option as a response to interacting with customers.

The Department has no additional comments on this topic.

5. Small Commercial Customer Satisfaction

The Department noted an apparent improvement in Xcel's customer satisfaction for this customer class and requested additional information. Xcel provided additional information and suggested that the reason the Company's relative scores increased may have been due to lower customer satisfaction scores for its peer utilities. The Company noted the suspected reason is that peer utilities may have been impacted more by economic conditions.

The Department has no additional comments on this topic.

6. Residential Customer Satisfaction

Similarly, the Department noted an apparent decline in Xcel's customer satisfaction for this customer class. The Company explained this decline was driven largely by increased monthly bills since 2020 and recent inflation. Xcel also noted 32 percent of its residential customers indicated their financial status had declined in the past year with only 14 percent indicating they were better off.

The Department has no additional comments on this topic.

7. Stagnant Reliability Indices

The Department noted Xcel's primary reliability indices, System Average Interruption Frequency Index (SAIFI) and System Average Interruption Duration Index (SAIDI) had remained constant during the past 10 years and asked for some additional information on this topic.

Xcel provided additional context in its reply comments and noted that relative to its industry peers, its reliability indices have remained between the first and second quartile as calculated for benchmarking purposes by the Institute for Electric and Electronic Engineers (IEEE).

The Department has no additional comments on this topic.

8. Explanation of Interaction Between More Accurate Outage Information and Reliability Metrics

The Department requested additional information on this topic which the Company provided in its reply comments. Xcel explained how improved data collection resulting from more accurate outage information may affect different reliability metrics. The upshot of that discussion was that certain metrics may improve, while others decline. The Company also provided an example calculation that was informative.

The Department has no additional comments on this topic.

9. Estimated Restoration Time Explanation

The Department was interested in understanding the dispersion and frequency of Estimated Restoration Times (ERT) that were longer than 90 minutes. Xcel provided some additional context in its reply comments.

The Department has no additional comments on this topic.

This completes the Department's review of Xcel's responses for additional information regarding the Service Reliability and Service Quality component of its SRSQ filing.

B. INSTITUTE FOR ELECTRICAL AND ELECTRONIC ENGINEERS BENCHMARKING RESULTS FOR 2022

On August 16, 2023, Xcel made a supplemental filing in compliance with the Commission's Order Point 9 in its March 2, 2022, Order in Docket No. E002/M-22-162. The Commission required the Company to submit a supplemental filing 30 days after the Institute for Electrical and Electronic Engineers (IEEE) publishes its 2022 reliability benchmarking results.

The submission of the 2022 IEEE Reliability Benchmarking information allows the Commission to compare Xcel's actual 2022 performance against the IEEE information. Xcel noted in that the August 16th filing that it had met the various Commission-approved 2022 reliability goals for its:

- Minnesota service territory on a territory wide basis;
- Metro East work center;
- Metro West work center;
- Northwest work center; and,
- Southeast work center.

In addition, Xcel requested the Commission approve its proposed 2023 reliability goals. Those goals are identical to the reliability goals the Commission approved in 2022.

The Department recommends the Commission accept the information the Company submitted regarding the IEEE 2022 Reliability Benchmarking analysis and that the Commission adopt Xcel's proposed 2023 reliability goals.

III. RECOMMENDATIONS

The Department recommends the Commission accept Xcel's 2022 Safety, Reliability and Service Quality report.

The Department also recommends the Commission accept the information the Company submitted regarding the IEEE 2022 Reliability Benchmarking analysis and that the Commission adopt Xcel's proposed 2023 reliability goals.

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce
Letter**

Docket No. E002/M-23-73

Dated this **25th** day of **September 2023**

/s/Sharon Ferguson

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