

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

Nancy Lange	Chair
Dan Lipschultz	Vice Chair
Matt Schuerger	Commissioner
Katie Sieben	Commissioner
John Tuma	Commissioner

In the Matter of Minnesota Power’s 2018
Safety, Reliability and Service Quality
Standards Report

DOCKET NO. E015 / M-18-250

**REPLY COMMENTS OF THE OFFICE
OF THE ATTORNEY GENERAL**

The Office of the Attorney General - Residential Utilities and Antitrust Division (“OAG”) submits these Comments in response to the July 30, 2018 filing of the Energy Cents Coalition (“ECC”). The OAG thanks ECC for bringing this important information to light, and intends to provide more complete comments after Minnesota Power (“MP”) responds to ECC’s allegations. The OAG is filing comments at this time to make clear that ECC’s allegations, if true, would constitute a violation of the law, and to communicate to MP that it must provide a full and complete response to ECC’s filing.

I. MINNESOTA LAW REQUIRES MP TO RECONNECT CUSTOMERS WHO ACCEPT A PAYMENT PLAN BASED ON THEIR ABILITY TO PAY.

ECC alleges that MP’s reconnection policies require customers to pay their entire past-due balance before MP will reconnect them. As support for these allegations, ECC points to admissions made by MP, including this statement from the 2016 rate case: “[C]ustomers who have been disconnected for non-payment are required to pay the full balance on their account plus a reconnection fee.”¹ ECC also points to an MP statement referencing a “balance in full”

¹ ECC COMMENTS at 3; *see also In the Matter of the Application of Minnesota Power for Authority to Increase Rates for Electric Utility Service in Minnesota*, Docket No. E-015/GR-16-664. ECC INFORMATION REQUEST 14 (Apr. 6, 2017) (attached as Exhibit A).

requirement: “Once the customer pays their balance in full or an agency verifies funds for the account, Minnesota Power reconnects service.”² ECC at 4. Further, in response to ECC Information Request 10, MP provided a graphic describing its disconnection process. This graphic states, “Full amount due for reconnect.”³ If true, MP’s conduct would be illegal. Minnesota Statutes section 216B.098, subdivision 3 provides:

A utility shall offer a payment agreement for the payment of arrears. Payment agreements must consider a customer's financial circumstances and any extenuating circumstances of the household. No additional service deposit may be charged as a consideration to continue service to a customer who has entered and is reasonably on time under an accepted payment agreement.

This statute clearly requires MP to offer a payment agreement to customers who are past due on their bills, including customers who have been disconnected. The statute further provides that the payment agreement consider a customer’s financial circumstance and other circumstances. A policy mandating payment in full cannot be said to take into account these statutory considerations. The statements that ECC has highlighted suggest that MP’s practices may be violating the law. MP must give a full and complete response to these allegations. In fact, the conduct that ECC alleges appears in some ways to be similar to conduct by other utilities that has led to investigations of disconnection practices in the past.⁴

II. THE VARIANCE IN MP’S DISCONNECTION DATA SUPPORTS ECC’S REQUEST FOR AN AUDIT.

ECC also identifies several instances in which MP’s disconnection reporting data appears inconsistent or unreliable. First, the amount of customers reconnected within 24 hours changed

² *In the Matter of Minnesota Power’s 2015 Annual Report Concerning Safety, Reliability, Service Quality, And Proposed Annual Reliability Standards*, Docket No. E-015/M-15-323, MINNESOTA POWER REPLY COMMENTS AT 2 (Aug. 10, 2015)

³ *In the Matter of Minnesota Power’s 2018 Safety, Reliability and Service Quality Standards Report*, Docket No. E-015/M-18-250, ECC COMMENTS, Schedule 3 (July 30, 2018).

⁴ *See, e.g., In the Matter of an Investigation into CenterPoint Energy’s Implementation of the Cold Weather Rule and Reconnect Policies*, Docket No. G-008/CI-04-2001 REPORT OF THE OFFICE OF THE ATTORNEY GENERAL (June 21, 2005), eDocket No. 2132050.

wildly for the years 2016 and 2015. ECC alleges that MP initially reported that it reconnected 11% of involuntary disconnections within 24 hours during 2016. The Company initially reported that the same figure was 29.6% during 2015. After questioning, however, the Company “corrected” these figures upwards by 460% and 247%, respectively.⁵ MP’s complete explanation of these changes was that it “review . . . [its] reporting process . . . and revised the process for improved accuracy and uniformity.”⁶ MP did not explain what had gone wrong.

ECC also noted that MP had failed to comply with both general and Cold Weather Rule reporting requirements for many months during 2017. MP’s primary response was that these failures were the result of turnover and miscommunication.⁷

These discrepancies on their own are an indication that an external audit may be appropriate regardless of whether MP is in technical compliance with the law. The facts that these numbers are changing so dramatically in so little time, the fact that MP missed its reporting requirements by months, and the fact that MP appears to have admitted that there were accuracy

⁵ *In the Matter of Minnesota Power’s 2018 Safety, Reliability and Service Quality Standards Report*, Docket No. E-015/M-18-250, ECC COMMENTS at 2, Schedule 2 (July 30, 2018).

⁶ *Id.*

⁷ *Id.* at 12.

and uniformity problems in its recordkeeping and reporting,⁸ suggest that additional oversight is appropriate.

Dated: August 15, 2018

Respectfully submitted,

LORI SWANSON
Attorney General
State of Minnesota

s/ **Ryan P. Barlow**

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⁸ See, e.g., *In the Matter of the Investigation and Audit of Northern States Power Company's d/b/a Xcel Energy's Service Quality Reporting*, Docket No. E,G-002/CI-02-2034, FRAUDWISE REPORT (Aug. 4, 2003)



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August 15, 2018

Mr. Daniel Wolf, Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, MN 55101-2147

Re: *In the Matter of Minnesota Power's 2018 Safety, Reliability and Service Quality Standards Report*
MPUC Docket No. E-015/M-18-250

Dear Mr. Wolf:

Enclosed and e-filed in the above-referenced matter please find Reply Comments of the Minnesota Office of the Attorney General – Residential Utilities and Antitrust Division.

By copy of this letter all parties have been served. An Affidavit of Service is also enclosed.

Sincerely,

s/ Ryan P. Barlow

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Enclosure

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_18-250_M-18-250
Carl	Cronin	Regulatory.records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_18-250_M-18-250
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