



85 7TH PLACE EAST, SUITE 500
SAINT PAUL, MINNESOTA 55101-2198
MN.GOV/COMMERCE
651.539.1500 FAX: 651.539.1547
AN EQUAL OPPORTUNITY EMPLOYER

July 8, 2014

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

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. E017/M-14-279

Dear Dr. Haar:

Attached are the comments of the Minnesota Department of Commerce, Division of Energy Resources (Department) in the following matter:

Otter Tail Power Company's 2013 Annual Safety, Reliability and Service Quality Report and Proposed SAIFI, SAIDI and CAIDI Reliability Standards for 2014.

The petition was filed on April 1, 2014 by:

Jessica Fyhrie
State Regulatory Compliance Specialist
Otter Tail Power Company
215 South Cascade Street
PO Box 496
Fergus Falls, Minnesota 56538-0496

The Department recommends that the Commission **accept** OTP's report and set OTP's 2014 SAIFI, SAIDI and CAIDI goals at the 2013 levels until the Company demonstrates improvement in meeting its performance goals.

Sincerely,

/s/ MICHAEL N. ZAJICEK
Rates Analyst

MNZ/ja
Attachment

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

**COMMENTS OF THE
MINNESOTA DEPARTMENT OF COMMERCE
DIVISION OF ENERGY RESOURCES**

DOCKET No. E017/M-14-279

I. BACKGROUND

Minnesota Rules, Chapter 7826 (effective January 28, 2003) were developed as a means for the Minnesota Public Utilities Commission (Commission) to establish safety, reliability, and service quality standards for utilities “engaged in the retail distribution of electric service to the public” and to monitor their performance as measured against those standards. There are three main annual reporting requirements set forth in the rule. These are:

- (1) the annual safety report (Minnesota Rules, part 7826.0400),
- (2) the annual reliability report (Minnesota Rules, parts 7826.0500, subp. 1 and 7826.0600, subp. 1), and
- (3) the annual service quality report (Minnesota Rules, part 7826.1300).

In addition to the rule requirements, the Commission’s January 13, 2014 Order in Docket No. E017/M-13-253 directed Otter Tail Power Company (OTP or the Company) to:

1. Include in its next filing a description of the policies, procedures and actions the Company has implemented, and plans to implement, to ensure reliability, including information demonstrating proactive management of the system as a whole, increased reliability and active contingency planning.
2. Include in its next filing 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.

3. Include in its next filing a report on the major causes of outages for major event days.

On April 1, 2014, OTP filed a petition (2014 Annual Report) to comply with the Commission's January 13, 2014 Order and the requirements of Minnesota Rules Chapter 7826.

The Department notes that the Commission's June 5, 2009 Order in Docket No. E999/CI-08-948 (08-948 Docket) contains the following order point:

Beginning on April 1, 2010 and annually thereafter, utilities shall file reports on past, current, and planned smart grid projects, with a description of those projects, including: total costs, cost effectiveness, improved reliability, security, system performance, and societal benefit, with their electric service quality reports.

On May 4, 2010, the Commission issued a "Notice Seeking Comments" in the 08-948 Docket requesting comments on issues relating to that docket, including the annual reports filed in compliance with its June 5, 2009 Order. Therefore, the Department concluded that the 08-948 Docket was the appropriate forum for comments on the utilities' annual smart grid project reports and did not address those reports in our comments relating to the utilities' 2010 Safety, Reliability, and Service Quality Reports. On March 4, 2011, the Commission issued its "Notice Clarifying Information Sought in Smart Grid Reports" in the 08-948 Docket. The Commission directed rate-regulated utilities to file their smart grid reports in both their annual Safety, Reliability, and Service Quality Report and in the 08-948 Docket. No request for comments has been issued to date on the 2013 smart grid reports; therefore, the Department will include a summary OTP's smart grid report as filed in its 2014 Annual Report.

II. SUMMARY OF REPORT AND DEPARTMENT ANALYSIS

The Department reviewed OTP's 2014 Annual Report to assess compliance with Minnesota Rules, Chapter 7826 and the Commission's January 13, 2014 Order. The Department used information from past annual reports to facilitate identification of issues and trends regarding OTP's performance.

A. ANNUAL SAFETY REPORT

The annual safety report consists of two parts:

- A. a summary of all reports filed with the United States Occupational Safety and Health Administration (OSHA) and the Occupational Safety and Health Division

of the Minnesota Department of Labor and Industry (OSHD) during the calendar year; and

- B. a description of all incidents during the calendar year in which an injury requiring medical attention or property damage resulting in compensation occurred as a result of downed wires or other electrical system failures and all remedial action taken as a result of any injuries or property damage described.

OTP provided a table summarizing the reports it filed with OSHA and the Minnesota Department of Labor and Industry during 2013.

In each report since the inception of Minnesota Rules, Chapter 7826 reporting requirements, OTP has reported that no incidents in which an injury requiring medical attention occurred. The following table summarizes OTP's most recent and past reports regarding property damage claims.

Table 1: Property Damage Claims

	Claims	Cause	Total Amount Paid
2004	3	failed/damaged cable	information not provided
2005	1	failed insulator	information not provided
2006	4	faulty cable	information not provided
2007	1	low clearance	\$1,203.63
2008	3	equipment failure (2) pole fire/tree (1)	\$6,560.59
2009	4	truck pulled line down (2) underground cable failure overhead wire failure	\$7,058.34
2010	1	Farm implement pulled overhead service down	\$220.00
2011	0	N/A	N/A
2012	0	N/A	N/A
2013	1	Downed Power Lines	\$632.97

The Department acknowledges OTP's fulfillment of the requirements of Minnesota Rules, part 7826.0400.

B. ANNUAL RELIABILITY REPORT

Minnesota Rules, part 7826.0500 requires each utility to file an annual report that includes the following information:

1. reliability performance,
2. storm-normalization method,

3. action plan for remedying any failure to comply with the reliability standards,
4. bulk power supply interruptions,
5. major service interruptions,
6. circuit interruption data (identify worst performing circuit),
7. known instances in which nominal electric service voltages did not meet American National Standards Institute (ANSI) standards,
8. work center staffing levels, and
9. any other relevant information.

1. *Reliability Performance*

OTP's assigned service territory consists of six work centers. The following table shows the Company's 2013 reliability performance compared with the goals set by the Commission in Docket No. E017/M-13-253.¹

Table 2: OTP's 2013 Reliability Performance Compared with Goals

Work Center		2013 Performance	2013 Goals
Bemidji	SAIDI	90.57	70.64
	SAIFI	1.11	1.26
	CAIDI	81.43	56.06
Crookston	SAIDI	37.60	69.33
	SAIFI	0.58	1.19
	CAIDI	65.24	58.26
Fergus Falls	SAIDI	108.98	66.97
	SAIFI	1.29	1.11
	CAIDI	84.29	60.33
Milbank	SAIDI	127.03	75.49
	SAIFI	0.74	1.82
	CAIDI	170.94	41.48
Morris	SAIDI	117.51	55.78
	SAIFI	1.44	1.01
	CAIDI	81.33	55.23
Wahpeton	SAIDI	45.24	57.24
	SAIFI	1.28	1.13
	CAIDI	35.88	50.65
All MN Customers	SAIDI	93.51	64.95
	SAIFI	1.16	1.13
	CAIDI	80.86	57.48

¹ For ease of reference, the Department attaches to these comments Minnesota Rules chapter 7826. Minnesota Rules, part 7826.0200 defines SAIDI, SAIFI and CAIDI. The Department notes that SAIDI = SAIFI * CAIDI.

The shaded cells in Table 2 indicate reliability goals that were not met in 2013. See Section II.B.3 below for a discussion of OTP's 2013 reliability performance.

The Department acknowledges OTP's fulfillment of the requirements of Minnesota Rules, part 7826.0500, subp. 1A, B, and C.

2. *Storm-Normalization Method*

OTP calculated its 2013 SAIDI, SAIFI, and CAIDI indices using the IEEE 2.5 beta method for storm normalization. OTP reported that under the IEEE 2.5 beta method, no storms met the criteria to be excluded as a major event day.

The Department acknowledges OTP's fulfillment of the requirements of Minnesota Rules, part 7826.0500, subp. 1D.

3. *Action Plan to Improve Reliability*

OTP provided detailed information regarding its failure to meet the two-thirds of its 2013 reliability goals. The Company missed goals in all six work centers, or customer service centers (CSCs), three of which were hit with severe or extreme weather conditions. Specifically, OTP's Fergus Falls CSC, Milbank CSC, and Morris CSC were all hit by several bands of bad weather June 20-22 that brought 70 mph winds, two-inch diameter hail, and six inches of rain. Some transformers failed for various reasons including lightning strikes. In one instance, an underground feeder failed. Overall, OTP stated that the Company's failure to meet its goals was due to events outside of its control. As to feeder issues, the Company discussed the operational changes made or are being considered, to address them.²

4. *Bulk Power Supply Interruptions*

OTP reported that it did not have any sustained interruptions to a Minnesota bulk power supply facility for the 2013 calendar year.

The Department acknowledges OTP's fulfillment of the requirements of Minnesota Rules, part 7826.0500, subp. 1F.

5. *Major Service Interruptions*

OTP provided copies of each report it filed under Minnesota Rules, part 7826.0700. The Company reported nine major service interruptions in 2013, of which the longest interruption lasted approximately 6 hours and was caused by a substation equipment failure

² 2014 Annual Report, pages 13 - 17

on November 27, 2013. Other causes for major service interruptions included equipment failure, animal contact, and storm damage.

The Department acknowledges OTP's fulfillment of the requirements of Minnesota Rules, part 7826.0500, subp. 1G.

6. *Worst Performing Circuit*

OTP identified the worst performing feeder in each work center, including its SAIDI, SAIFI and CAIDI, the major causes of each feeder's outages, and the remedial measures planned or taken by the Company. The Department notes that, according to OTP's annual reports over the years, there is no apparent trend in terms of outage causes or continuing poor performance for any particular feeder. The Department uses historical data to identify potential areas of concerns regarding any feeders that appear multiple times as a worst performing feeder. After reviewing ten years of historical data, the Department concludes that there is no concern with any specific feeder at this time.

The Department acknowledges OTP's fulfillment of the requirements of Minnesota Rules, part 7826.0500, subp. 1H.

7. *Compliance with ANSI Voltage Standards*

OTP provided a table listing the feeders and number of known occurrences where the voltage fell outside the ANSI voltage range B in 2013. OTP noted that all of the feeders with numerous occurrences were feeders serving a single large customer with a very large load (mostly pipelines). The Department observes no significant trend regarding this metric.

The Department acknowledges OTP's fulfillment of the requirements of Minnesota Rules, part 7826.0500, subp. 1I.

8. *Work Center Staffing Levels*

OTP provided information on staffing levels by work center as of December 31, 2013. The following table summarizes total staffing levels over the past ten years.

Table 3: OTP Work Center Staffing Levels

	Field	Office	Total
2004	116	41	157
2005	111	34	145
2006	112	34	146
2007	110	37	147
2008	113	39	152
2009	110	38	148
2010	109	35	144
2011	103	32	135
2012	107	33	140
2013	109	33	142

OTP reported that eight “delivery maintenance” field staff (not included in Table 3) work in substations and can be dispatched to do switching and other work during trouble.

The Department acknowledges OTP’s fulfillment of the requirements of Minnesota Rules, part 7826.0500, subp. 1J.

9. Other Information

This section of OTP’s 2014 Annual Report provided updates on continuing developments from the Company’s use of the Interruption Monitoring System (IMS). Specifically OTP reported that:

- In 2013, the Company realized nearly 100% compliance with interruption cause identification data entry into the system;
- its IMS was improved to allow employees to view interruption activity on a graphical map of the entire OTP service territory and to receive alarms to improve service response time;
- its IMS continues to provide optimized and focused deployment of vegetation management resources to specific areas that are identified by the outage data collected within the IMS; and
- it continues to explore ways to assess reliability performance, including using the Customers Experiencing Multiple Interruptions (CEMI_n) index where n = 5 interruptions.

The Department appreciates OTP’s efforts and additional information and acknowledges OTP’s fulfillment of the requirements of Minnesota Rules, part 7826.0500, subp. 1K.

C. *PROPOSED RELIABILITY STANDARDS FOR 2014*

OTP proposed the following reliability goals for 2014:

Table 4: OTP's Proposed 2013 Goals

Work Center	SAIDI	SAIFI	CAIDI
All MN Customers	72.89	1.17	62.41
Bemidji	74.40	1.19	62.48
Crookston	68.84	1.14	60.35
Fergus Falls	76.49	1.19	64.04
Milbank	88.78	1.65	53.83
Morris	70.54	1.12	62.91
Wahpeton	56.71	1.34	42.17

OTP stated that it based its proposed goals on a 5-year (2009 – 2013) average for SAIDI and SAIFI, with CAIDI calculated from those averages.

In the past, the Commission has typically set reliability goals at the 5-year average. Given the extent to which OTP missed its reliability goals since 2010, the Department took a closer look at whether an alternative goal-setting approach would be reasonable. Table 5 below shows how many of its eighteen annual goals³ OTP has met since 2006.

Table 5: OTP's Reliability Goals⁴

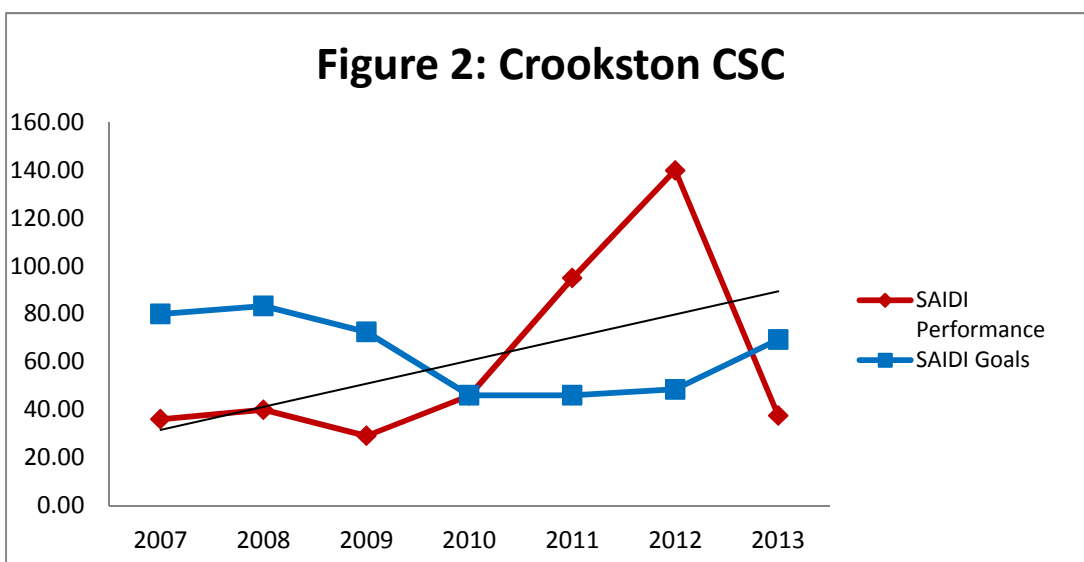
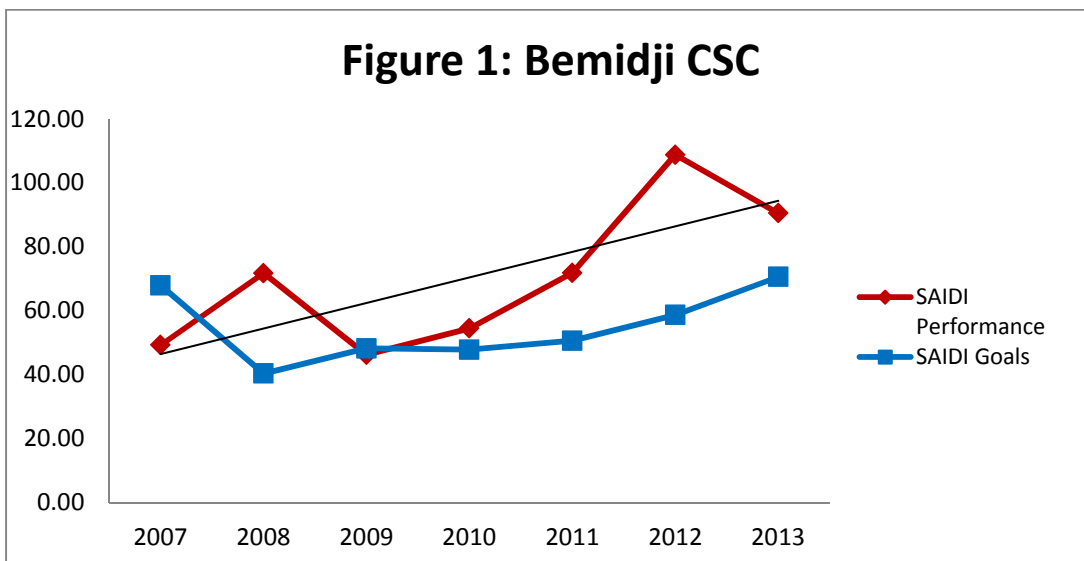
		2006	2007	2008	2009	2010	2011	2012	2013
Bemidji	SAIDI	70.00	68.00	40.42	48.25	47.85	50.65	58.74	70.64
	SAIFI	1.25	1.25	0.76	0.90	1.08	1.11	1.16	1.26
	CAIDI	56.00	54.00	53.18	53.61	44.31	45.74	50.64	56.06
Crookston	SAIDI	80.00	80.00	83.38	72.55	46.15	46.12	48.58	69.33
	SAIFI	1.55	1.55	1.71	1.48	1.08	1.05	0.93	1.19
	CAIDI	52.00	52.00	48.76	49.02	44.31	43.87	52.24	58.26
Fergus Falls	SAIDI	80.00	78.00	78.48	74.00	58.03	64.63	69.16	66.97
	SAIFI	1.35	1.35	1.40	1.27	1.09	1.15	1.17	1.11
	CAIDI	59.30	58.00	56.06	58.27	53.00	56.21	59.11	60.33
Milbank	SAIDI	115.00	66.10	66.64	74.00	80.00	47.97	59.24	75.49
	SAIFI	2.10	1.55	1.43	1.30	3.00	1.35	1.57	1.82
	CAIDI	55.00	42.65	46.60	56.92	26.67	35.57	37.73	41.48
Morris	SAIDI	90.00	80.00	74.82	67.05	46.62	47.84	55.71	55.78
	SAIFI	1.55	1.55	1.48	1.34	1.10	1.13	1.12	1.01
	CAIDI	58.00	52.00	50.55	50.04	42.47	42.26	49.74	55.23
Wahpeton	SAIDI	90.00	66.10	66.64	74.00	28.91	44.92	57.00	57.24
	SAIFI	1.55	1.25	1.43	1.30	0.43	0.84	1.15	1.13
	CAIDI	58.00	52.88	46.60	56.92	67.07	53.42	49.57	50.65

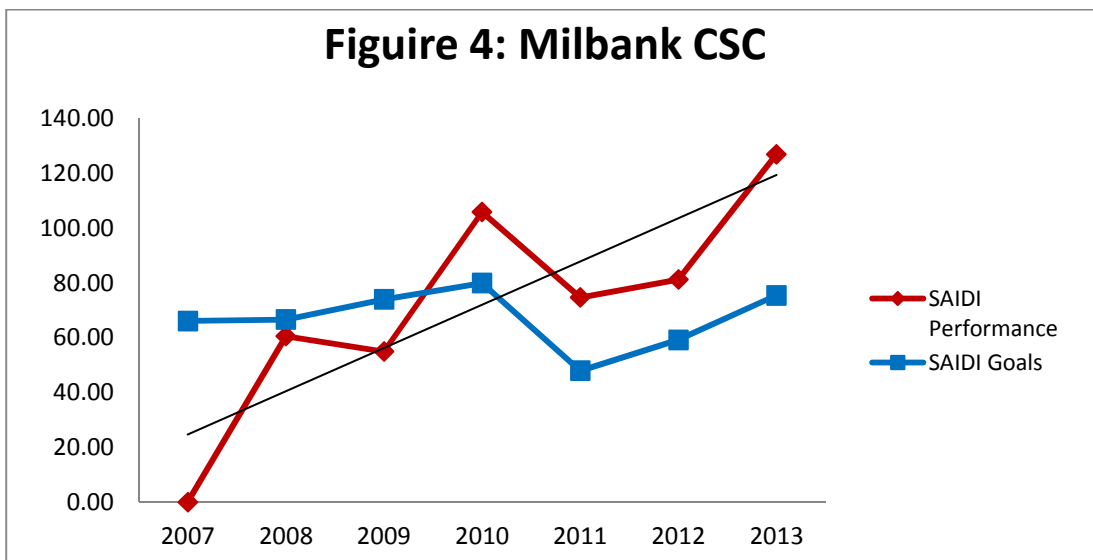
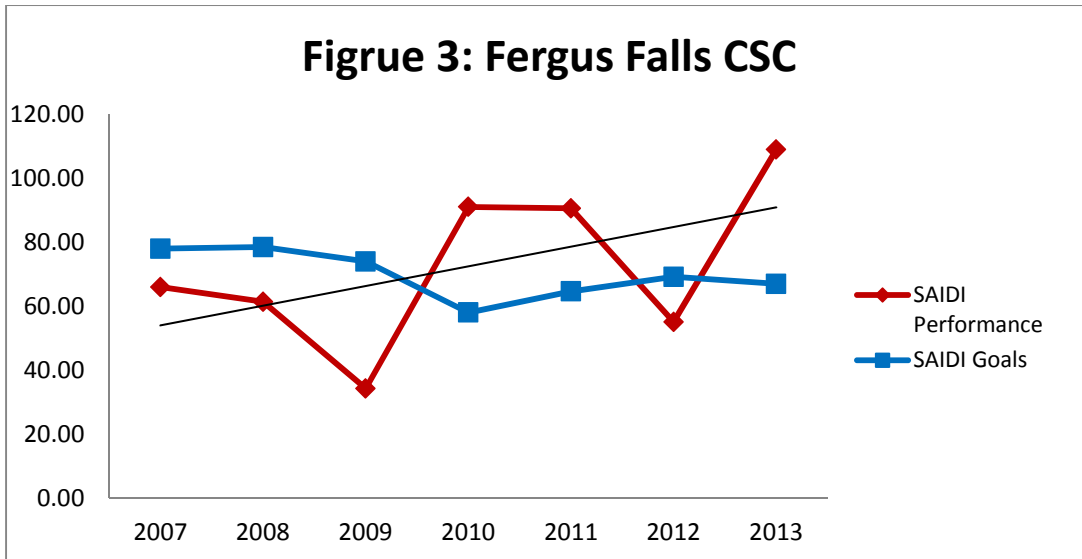
³ The eighteen goals are SAIDI, SAIFI, and CAIDI for all six of the Company's CSCs.

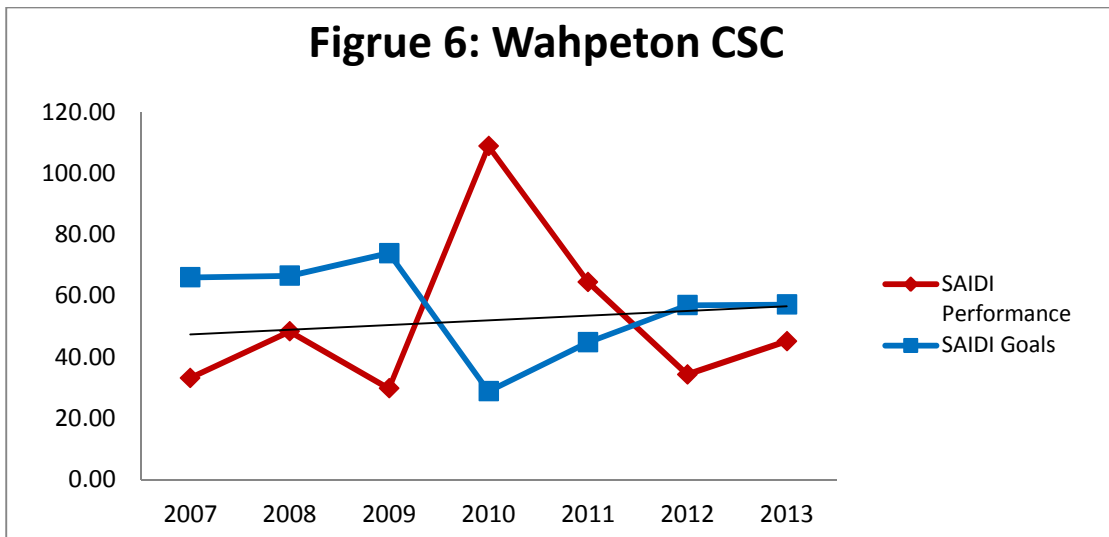
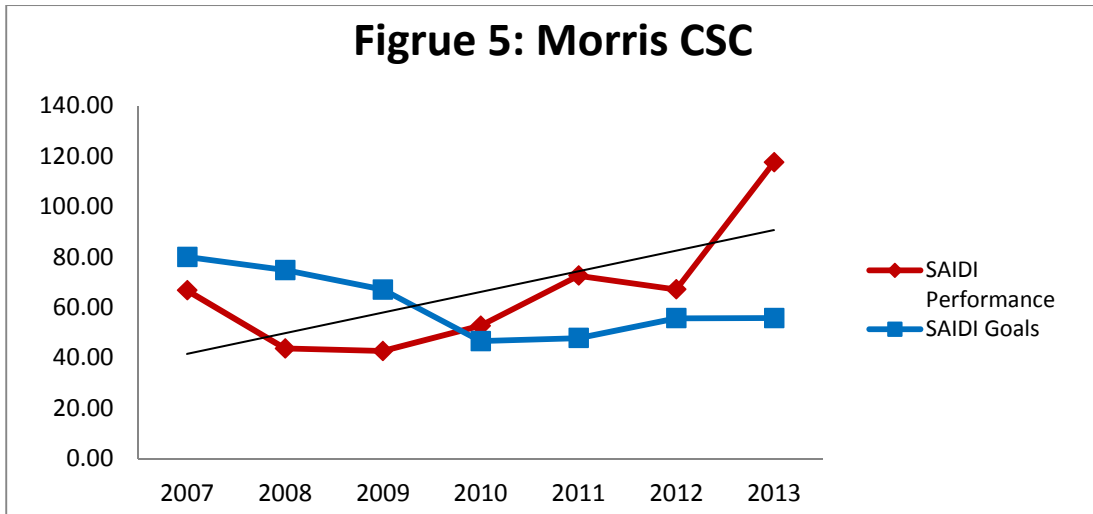
⁴ Shading indicates unmet goal.

The above table illustrates a couple of important points. First, OTP did not have trouble meeting the majority of its goals until 2010. As a result, most of the Company's goals were generally trending downward (becoming harder to achieve) until 2010. While the Company was more successful in meeting its goals in 2012 over the previous two years, that limited success was not maintained in 2013. As noted above, OTP indicated that its failure to achieve its 2013 reliability goals was primarily due to weather and other issues out of its control.

The following figures highlight OTP's SAIDI performance trends for the six CSCs from 2007-2013, including a black trend line to indicate performance patterns overtime. It should be noted that all CSCs other than Wahpeton show trends of worsening performance, while Wahpeton's trend is relatively stagnant.







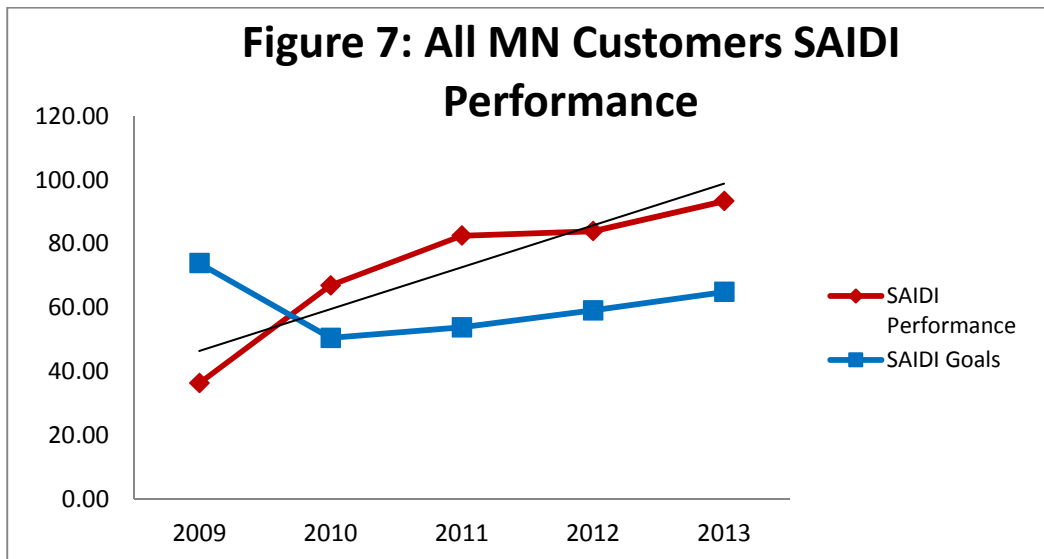
While Minnesota Rules, part 7826.0600 requires reliability performance standards to be set by work center, and does not require establishing an overall goal for a utility's entire Minnesota service territory, OTP has provided overall metrics in its annual reports. As an additional check on OTP's reliability performance trend, the Department examined the extent to which the Company met its overall goals for its Minnesota service area in the past 5 years. This information is shown in Table 6.

Table 6: OTP's MN Service Area Goals vs Performance⁵

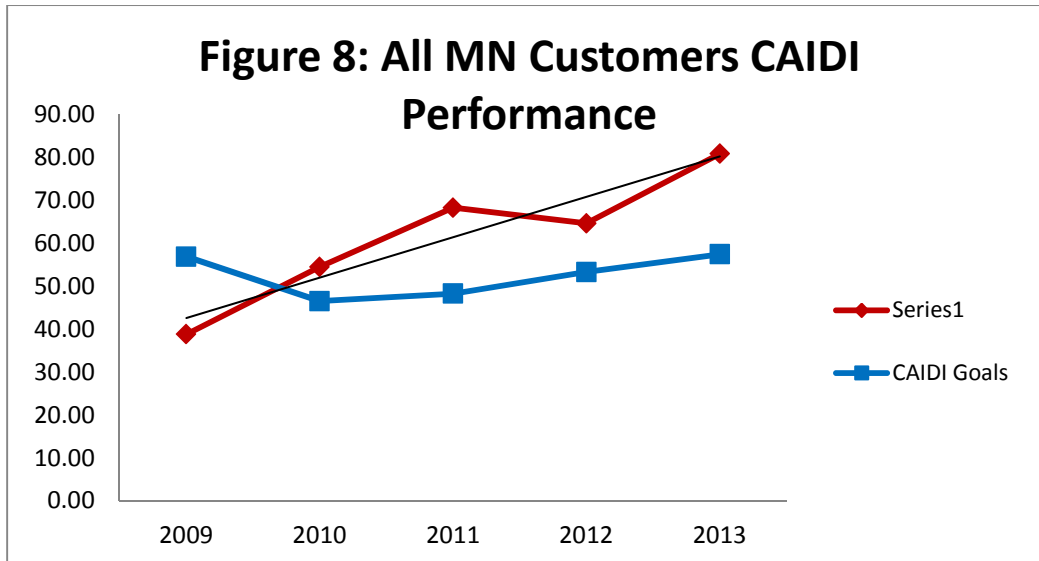
	2009	2010	2011	2012	2013
Goal SAIDI	74.00	50.54	53.84	59.21	64.95
Goal SAIFI	1.30	1.09	1.11	1.11	1.13
Goal CAIDI	56.92	46.55	48.3	53.34	57.48
Actual SAIDI	36.35	67.02	82.66	84.05	93.51
Actual SAIFI	0.94	1.23	1.21	1.30	1.16
Actual CAIDI	38.85	54.51	68.30	64.67	80.86

As can be seen in Table 6, OTP has failed all of its goals for its Minnesota service area as a whole from 2010 through 2013.

Further, performance has been worsening over the past 5 years for both SAIDI and CAIDI across OTP's Minnesota system as a whole. Figure 7 below shows the worsening trend for OTP's SAIDI performance while Figure 8 shows a similar trend for OTP's CAIDI performance.



⁵ Goals highlighted in grey indicate that OTP did not meet its performance goal.



Finally, the Department compared the Company's 2013 performance with its 2013 goals and 2014 proposed goals in OTP's six CSCs.

Table 7: OTP-Proposed Goal Comparison

Work Center	SAIDI	SAIFI	CAIDI
Bemidji			
2013 Goal	70.64	1.26	56.06
2013 Performance	90.57	1.11	81.43
2014 Proposed Goal	74.40	1.19	62.48
Crookston			
2013 Goal	69.33	1.19	58.26
2013 Performance	37.60	0.58	65.24
2014 Proposed Goal	68.84	1.14	60.35
Fergus Falls			
2013 Goal	66.97	1.11	60.33
2013 Performance	108.98	1.29	84.29
2014 Proposed Goal	76.49	1.19	64.04
Milbank			
2013 Goal	75.49	1.82	41.48
2013 Performance	127.03	0.74	170.94
2014 Proposed Goal	88.78	1.65	53.83
Morris			
2013 Goal	55.78	1.01	55.23
2013 Performance	117.51	1.44	81.33
2014 Proposed Goal	70.54	1.12	62.91
Wahpeton			
2013 Goal	57.24	1.13	57.48
2013 Performance	45.78	1.28	38.88
2014 Proposed Goal	56.71	1.34	42.17

As noted above, OPT's proposed goals for SAIDI, SAIFI, and CAIDI are based on 5-year average performance levels. While OPT's proposed 2014 goals are generally higher (easier to achieve) than 2013 goals, the proposed goals would still exert pressure on the Company to perform better, in general, than it did in 2013. However due to OPT's declining performance trend over the last several years, OPT's goals have been set each year at levels that have been easier to achieve, all else equal, and thus the ability of goals set at the 5-year average to put pressure on the Company to improve performance has diminished. The Commission's January 13, 2-14 Order in Docket No. E017/M-13-253 states:

Since improving reliability performance – not just maintaining it – is one of the goals of the standard-setting process, the Commission will continue to require reports on the Company's reliability initiatives in its next annual filing, as well as reports on the causes of outages on major event days.

Therefore, the Department recommends that the Company's goals be frozen at the 2013 levels until performance improves.

D. ANNUAL SERVICE QUALITY REPORT

Minnesota Rules, part 7826.1300 requires each utility to file the following information:

1. Meter Reading Performance (7826.1400),
2. Involuntary Disconnection (7826.1500),
3. Service Extension Response Time (7826.1600),
4. Call Center Response Time (7826.1700),
5. Emergency Medical Accounts (7826.1800),
6. Customer Deposits (7826.1900), and
7. Customer Complaints (7826.2000).

1. Meter Reading Performance

The following information is required for reporting on meter reading performance by customer class:

- A. the number and percentage of customer meters read by utility personnel;
- B. the number and percentage of customer meters self-read by customers;
- C. the number and percentage of customer meters that have not been read by utility personnel for periods of 6 to 12 months and for periods of longer than 12 months, and an explanation as to why they have not been read; and
- D. data on monthly meter reading staffing levels by work center or geographical area.

OTP provided detailed meter reading information, including information on its monthly meter reading staffing levels. Table 8 summarizes OTP's meter reading statistics.

Table 8: OTP Meter-Reading Performance

	Percent Read by OTP	Percent Read by Customer	Percent Not Read
2005	92.2%	2.8%	5.0%
2006	92.9%	2.5%	4.6%
2007	93.4%	2.8%	3.9%
2008	93.8%	2.7%	3.5%
2009	94.1%	2.4%	3.5%
2010 ⁶	94.4%	2.6%	3.0%
2011 ⁷	95.1%	2.6%	2.3%
2012	95.9%	2.1%	2.0%
2013	95.8%	1.9%	2.3%

The Department notes that OTP has continually improved its meter-reading performance. Minnesota Rules, part 7826.0900, subp. 1 requires that at least 90 percent of all meters during the months of April through November and at least 80 percent of all meters during the months of December through March are read monthly. The Company's information reflects that it read at least 95 percent of all meters each month during 2013.

According to OTP, two meters were not read for 6-12 months, but there were no meters that were not read for a time period of greater than 12 months during 2013.

The Company reported that it maintained an average of approximately 68 service representatives available for meter-reading during 2013. OTP also uses third parties to read meters in select cities within the Company's service territory.

The Department acknowledges OTP's fulfillment of the requirements of Minnesota Rules, part 7826.1400.

2. *Involuntary Disconnections*

The following information is required for reporting on involuntary disconnection of service by customer class and calendar month:

⁶ Percentages in 2010 and 2011 were originally reported erroneously with estimated meter reads classified as company-read meters. In its August 6, 2012 Reply Comments in Docket No. E017/M-12-325, the Company corrected its meter reading data by categorizing estimated meter reads (meters that were not actually read by the Company or the customer) separately. For comparability, this updated data is reflected for 2010 and 2011 in the table above.

⁷ *Id.*

- A. the number of customers who received disconnection notices,
- B. the number of customers who sought cold weather rule protection under Chapter 7820 and the number who were granted cold weather rule protection,
- C. the total number of customers whose service was disconnected involuntarily and the number of these customers restored to service within 24 hours, and
- D. the number of disconnected customers restored to service by entering into a payment plan.

OTP reported that 44,999 disconnection notices were sent to residential, small commercial and large commercial customers in 2013. The following table summarizes residential customer disconnection statistics reported by OTP in its annual reports.

Table 9: Residential Customer Involuntary Disconnection Information

	Received Disconnect Notice	Sought CWR Protection	Granted CWR Protection	% Granted	Disconnected Involuntarily	Restored within 24 Hours	Restored by Entering Payment Plan
2004	31,043	302	260	86%	679	201	22
2005	33,274	302	260	86%	1,008	351	22
2006	37,980	388	291	75%	873	295	54
2007	39,022	671	573	85%	1,293	416	61
2008	41,764	1,062	970	91%	973	289	28
2009	36,976	1,139	1,139	100%	1,069	432	40
2010	38,119	1,837	1,837	100%	1,122	428	44
2011	38,723	2,118	2,118	100%	1,168	506	38
2012	39,912	2,139	2,137	99.9%	745	558	29
2013	39,913	1,788	1,776	99.3%	745	644	23

The Department acknowledges OTP's fulfillment of the requirements of Minnesota Rules, part 7826.1500.

3. *Service Extension Requests*

The following information is required for reporting on service extension request response times by customer class and calendar month:

- A. the number of customers requesting service to a location not previously served by the utility and the intervals between the date service was installed and the later of the in-service date requested by the customer or the date the premises were ready for service; and
- B. the number of customers requesting service to a location previously served by the utility, but not served at the time of the request, and the intervals between

the date service was installed and the later of the in-service date requested by the customer or the date the premises were ready for service.

OTP reported the number of service extension requests received each month by customer class. In 2013, 333 customers requested service to a location not previously served. All of these customers were connected on time. As for locations previously served, OTP reported that 2,192 of these requests were made; all but fourteen of these requests were connected by the date requested. The Department looks for any significant increases in overall response times and inquires as needed. At this time, response times for 2013 appear to be relatively consistent with 2012.

The Department acknowledges that OTP has fulfilled the requirements of Minnesota Rules, part 7826.1600.

4. Call Center Response Time

The annual service quality report must include a detailed report on monthly call center response times, including calls to the business office and calls regarding service interruptions. Further, Minnesota Rules, part 7826.1200 requires that 80 percent of calls be answered within 20 seconds.

OTP provided monthly data regarding the number of incoming calls and those calls that were answered and abandoned. The Company's data indicates that an annual average of 81.47 percent of calls were answered within 20 seconds in 2013. Therefore, the Department concludes that OTP is in compliance with Minnesota Rules, part 7826.1200.

5. Emergency Medical Accounts

The reporting on emergency medical accounts must include the number of customers who requested emergency medical account status under Minnesota Statutes, section 216B.098, subd. 5, the number of applications granted, the number of applications denied, and the reasons for each denial.

OTP reported that 22 new Minnesota customers requested emergency medical account status in 2013, all of whom were granted that status.

The Department acknowledges OTP's fulfillment of the requirements of Minnesota Rules, part 7826.1800.

6. Customer Deposits

The reporting on customer deposits must include the number of customers who were required to make a deposit as a condition of receiving service.

Table 10 summarizes the number of customer deposits required over the past nine years. The number of customers served by OTP is provided for context.⁸

Table 10: Customer Deposits Required

	Number of Deposits Required	Total Customers Served
2004	315	57,585
2005	417	58,516
2006	395	58,841
2007	509	59,171
2008	700	59,364
2009	869	59,421
2010	635	59,425
2011	807	59,486
2012	847	59,615
2013	895	59,849

The Department notes that the previous upward trend appears to be stabilizing in recent years. The Department acknowledges OTP's fulfillment of the requirements of Minnesota Rules, part 7826.1900.

7. Customer Complaints

The reporting on customer complaints must include the following information by customer class and calendar month:

- A. the number of complaints received;
- B. the number and percentage of complaints alleging billing errors, inaccurate metering, wrongful disconnection, high bills, inadequate service, and the number involving service extension intervals, service restoration intervals, and any other identifiable subject matter involved in five percent or more of customer complaints;
- C. the number and percentage of complaints resolved upon initial inquiry, within ten days, and longer than ten days;
- D. the number and percentage of all complaints resolved by taking any of the following actions: (1) taking the action the customer requested; (2) taking an action the customer and the utility agree is an acceptable compromise; (3) providing the customer with information that demonstrates that the situation

⁸ Source: Otter Tail's "Minnesota Electric Utility Annual Report." Annual reports are filed by Minnesota utilities on July 1 of each year.

complained of is not reasonably within the control of the utility; or (4) refusing to take the action the customer requested; and

- E. the number of complaints forwarded to the utility by the Commission’s Consumer Affairs Office for further investigation and action.

OTP’s report on customer complaints includes the required information. Table 11 contains a limited summary of OTP’s customer complaint history.

Table 11: OTP Customer Complaint Selected Summary

	Number of Complaints	High Bills	Billing Error	Service Restoration	Resolved Upon Initial Inquiry	Took Action Customer Requested
2005	286	49%	7%	2%	41%	66%
2006	175	39%	7%	2%	54%	49%
2007	220	27%	29%	5%	66%	46%
2008	325	52%	18%	2%	60%	34%
2009	185	29%	14%	5%	78%	36%
2010	91	26%	11%	11%	78%	25%
2011	110	19%	9%	10%	73%	30%
2012	61	7%	11%	7%	72%	32%
2013	133	9%	17%	5%	92%	21%

The Department notes that the increase in the service restoration complaint category percentage in 2010 and 2011 coincides with the weather challenges reported by OTP. Despite OTP’s statement that harsh weather was responsible for the majority of its outages in 2013 there was not an increase in Service Restoration complaints.

The Department acknowledges OTP’s fulfillment of the requirements of Minnesota Rules, part 7826.2000.

E. COMPLIANCE WITH JANUARY 13, 2014 ORDER

1. *Include in its next filing a description of the policies, procedures, and actions the Company has implemented, and plans to implement, to ensure reliability, including information demonstrating proactive management of the system as a whole, increased reliability, and active contingency planning.*

OTP provided a summary of the Company’s management’s view of reliability including how reliability performance is integrated into Key Performance Indicators. OTP provided a list and description of weekly and monthly internal reports used to monitor system reliability and guide capital budget decisions. The Company also summarized its inspection and testing protocols and listed several other policies, procedures, and committees used to evaluate reliability and safety concerns.

2. *Include in its next filing a summary table that allows the reader to more easily assess the overall reliability of the system and to identify main factors that affect reliability.*

OTP provided several graphs showing various aspects of reliability and customer service performance.

3. *Include in its next filing a report on the major causes of outages for major event days.*

Zero days met the criteria to be considered a major event day during 2013.⁹

F. SMART GRID REPORT

OTP stated that the Company has made investments in “Smart Grid” technologies in several areas and for many years. OTP discussed each Smart Grid-type application currently in use. These applications are as follows:

1. **Peak-Shaving Technologies** – A radio control system enables OTP to reduce controllable load during periods of high demand. OTP has an average of 40,839 meters installed associated with demand response tariffs and has demonstrated over 130 MW of control during the coldest days in the winter. OTP accredited through MISO 90 MW of demand response capacity for January and 18 MW of demand response capacity for the 2013 summer season.
2. **Energy Storage System** – Under-floor heating, brick storage furnaces, and brick room heaters are used to store thermal energy allowing buildings to remain comfortable during long periods of load control.
3. **Time-Varying Rates** – Several tariffs charge customers based on when electricity is used and/or controlled.
4. **Electricity Meters** – Approximately 0.30 percent of OTP’s meters are capable of time of day meter readings, or of providing interval data, and/or can be read remotely. In 2014, OTP will conduct a pilot of 10 Advanced Metering Infrastructure (AMI) meters.
5. **Protective Relaying** – OTP’s system includes protective relay devices that can provide fault location data; OTP is participating in the North American SynchroPhasor initiative by installing special relays and related communications in Thirteen substations by the end of 2014.

⁹ 2013 Annual Report, page 8.

6. Interruption Monitoring System (IMS) – OTP’s IMS allows web-based analysis and application tools regarding voltage alarm notifications and graphical outage status updates. As of 2012, all service representatives receive interruption alarms when feeders they are responsible for experience an outage. OTP has begun investigating NextGen IMS solutions for the 2017-2020 timeframe.
7. Mobile Data Pilot Project – While in the field, Customer Service Representatives have access to maps of OTP’s electrical system, customer information, interruption and load management information and other useful information. In 2014, OTP will run a pilot of a mobile app on iPad mini devices to attempt to reduce vehicle drive time, optimize routing, eliminate paper processes, and more. The Company notes it has had issues with present mobile solutions for field personnel including lack of network connectivity, speed of connection, and the need for training and support.
8. Power Profiler – This is a fee-based on-line program enabling interval metering customers to obtain detailed reports on their energy usage to aid them in managing energy and demand profiles.
9. Bill Analyzer – Customers can input home profile data and analyze their energy use and billing through OTP’s website. The Bill Analyzer Project is part of OTP’s Conservation Improvement Program (CIP). In 2013 Bill Analyzer saved an average of 715 kWh per year per participant, or approximately 4 percent of a customer’s annual energy use.
10. OPOWER Energy Reporting – OPOWER’s patented Home Energy Reporting System is a software platform that combines energy usage data with customer demographic, housing, and geographic information (GIS) data to develop specific, targeted recommendations that educate and motivate consumers to reduce their energy consumption. This is also a CIP project.
11. Fleet Tracking – This is a three-year pilot program where a sample group of fleet vehicles have been equipped with a device to provide real time geospatial information on Company vehicles. This technology is intended to optimize responses to service interruptions, enhance safety, and reduce operation and maintenance expenses.
12. Geographic Information System (GIS) – The GIS will ultimately provide a single, interactive map for asset information. The goal of the GIS is to enhance communication with employees and customers, leverage existing data systems to track and manage the Company’s assets more efficiently, and provide geospatial information of the Company’s assets along with related attributes and detail.

III. RECOMMENDATIONS

Despite OTP's negative reliability performance trends and continuing difficulties in meeting its reliability goals, the Department recommends that the Commission accept OTP's 2013 Annual Report.

However, the Department also recommends that the Commission freeze the Company's reliability standards for 2014 at the level of the 2013 goals until OTP demonstrates improvement in meeting its performance goals:

Table 12: Recommended Goals for 2014

Work Center	SAIDI	SAIFI	CAIDI
Bemidji	70.64	1.26	56.06
Crookston	69.33	1.19	58.26
Fergus Falls	66.97	1.11	60.33
Milbank	75.49	1.82	41.48
Morris	55.78	1.01	55.23
Wahpeton	57.24	1.13	50.65
All MN Customers	64.95	1.13	57.48

/ja

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
Comments**

Docket No. E017/M-14-279

Dated this 8th day of July 2014

/s/Sharon Ferguson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022191	Electronic Service	No	OFF_SL_14-279_M-14-279
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	Yes	OFF_SL_14-279_M-14-279
Michael	Bradley	mike.bradley@lawmoss.com	Moss & Barnett	Suite 4800 90 S 7th St Minneapolis, MN 55402-4129	Electronic Service	No	OFF_SL_14-279_M-14-279
Gary	Chesnut	gchesnut@agp.com	AG Processing Inc. a cooperative	12700 West Dodge Road PO Box 2047 Omaha, NE 681032047	Electronic Service	No	OFF_SL_14-279_M-14-279
James C.	Erickson	jericksonkbc@gmail.com	Kelly Bay Consulting	17 Quechee St Superior, WI 54880-4421	Electronic Service	No	OFF_SL_14-279_M-14-279
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_14-279_M-14-279
Jessica	Fyhrie	jfyhrie@otpc.com	Otter Tail Power Company	PO Box 496 Fergus Falls, MN 56538-0496	Electronic Service	No	OFF_SL_14-279_M-14-279
Bruce	Gerhardson	bgerhardson@otpc.com	Otter Tail Power Company	PO Box 496 215 S Cascade St Fergus Falls, MN 565380496	Electronic Service	No	OFF_SL_14-279_M-14-279
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_14-279_M-14-279
Shane	Henriksen	shane.henriksen@enbridge.com	Enbridge Energy Company, Inc.	1409 Hammond Ave FL 2 Superior, WI 54880	Electronic Service	No	OFF_SL_14-279_M-14-279
James D.	Larson	james.larson@avantenergy.com	Avant Energy Services	220 S 6th St Ste 1300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_14-279_M-14-279

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	OFF_SL_14-279_M-14-279
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_14-279_M-14-279
Kavita	Maini	kmaini@wi.rr.com	KM Energy Consulting LLC	961 N Lost Woods Rd Oconomowoc, WI 53066	Electronic Service	No	OFF_SL_14-279_M-14-279
Andrew	Moratzka	apmoratzka@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_14-279_M-14-279
Debra	Opatz	dopatz@otpc.com	Otter Tail Power Company	215 South Cascade Street Fergus Falls, MN 56537	Electronic Service	No	OFF_SL_14-279_M-14-279
David G.	Prazak	dprazak@otpc.com	Otter Tail Power Company	P.O. Box 496 215 South Cascade Street Fergus Falls, MN 565380496	Electronic Service	No	OFF_SL_14-279_M-14-279
Larry L.	Schedin	Larry@LLSResources.com	LLS Resources, LLC	12 S 6th St Ste 1137 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_14-279_M-14-279
Stuart	Tommerdahl	stommerdahl@otpc.com	Otter Tail Power Company	215 S Cascade St PO Box 496 Fergus Falls, MN 56537	Electronic Service	No	OFF_SL_14-279_M-14-279