

July 1, 2015

Daniel P. Wolf
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-15-322

Dear Mr. Wolf:

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

Otter Tail Power Company's 2014 Annual Safety, Reliability and Service Quality Report and Proposed SAIFI, SAIDI and CAIDI Reliability Standards for 2015.

The petition was filed on April 1, 2015 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** Otter Tail Power's (OTP) report and set OTP's 2015 SAIFI, SAIDI and CAIDI goals at the 2013 levels until the Company demonstrates further improvement in meeting its performance goals.

Sincerely,

/s/ MICHAEL N. ZAJICEK
Rates Analyst

MNZ/lt
Attachment

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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

DOCKET No. E017/M-15-322

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 December 12, 2014 Order in Docket No. E017/M-14-279 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, 2015, OTP filed a petition (2015 Annual Report) to comply with the Commission's December 12, 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.

In its December 31, 2015 *Order Closing Docket*, the Commission stated,

While [the annual smart grid reports and stakeholder workshops] have served their informational purpose well, the Commission believes that the time has come to close this docket and to consider, in a more focused way, how the Commission can most effectively facilitate the development of an integrated, dynamic grid.

As a result, the regulated utilities are no longer required to file smart grid reports in their annual service quality reports.

In its December 12, 2014 Order¹, the Commission froze OTP's SAIFI, SAIDI, and CAIDI goals at the 2013 levels until the Company improves its reliability performance.

II. SUMMARY OF REPORT AND DEPARTMENT ANALYSIS

The Department reviewed OTP's 2015 Annual Report to assess compliance with Minnesota Rules, Chapter 7826 and the Commission's December 12, 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

¹ Docket No. E017/M-14-279.

- 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.

The following tables are a compilation of OTP's summaries of the reports the Company filed with OSHA and OSHD for the previous 9 years.

Table 1: Number of Cases

	Number of Deaths	Number of Cases with Days Away from Work	Number of Cases with Job Transfer or Restriction	Other Recordable Cases
2006	0	3	0	22
2007	0	6	0	17
2008	0	0	2	12
2009	0	2	0	15
2010	0	4	0	23
2011	0	3	1	15
2012	0	1	7	11
2013	0	3	4	6
2014	0	2	2	16

Table 2: Number of Days

	Days of Job Transfer or Restriction	Days Away from Work
2006	0	12
2007	0	83
2008	25	0
2009	0	14
2010	0	98
2011	6	39
2012	6	39
2013	147	15
2014	48	14

Table 3: Injury & Illness Types

	Injuries	Skin Disorders	Respiratory Conditions	Poisonings	All Other Illnesses
2006	24	0	0	0	0
2007	21	0	0	0	0
2008	14	0	0	0	0
2009	16	0	0	0	1
2010	20	0	0	2	1
2011	18	1	0	0	0
2012	19	0	0	0	0
2013	13	0	0	0	0
2014	20	0	0	0	0

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 due to system failure.

The following table summarizes OTP's most recent and past reports regarding property damage claims that occurred as a result of downed wires or other electrical system failures.

Table 4: 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
2014	5	Bad Connection, wrong voltage, bad cable, power surge (2)	\$9,383.44

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 2014 reliability performance compared with the goals set by the Commission in Docket No. E017/M-13-253.²

Table 5: OTP's 2014 Reliability Performance Compared with Goals

Work Center		2014 Performance	2014 Goals
Bemidji	SAIDI	31.89	70.64
	SAIFI	0.46	1.26
	CAIDI	68.75	56.06
Crookston	SAIDI	131.53	69.33
	SAIFI	1.54	1.19
	CAIDI	85.36	58.26
Fergus Falls	SAIDI	72.75	66.97
	SAIFI	1.10	1.11
	CAIDI	66.05	60.33
Milbank	SAIDI	6.25	75.49
	SAIFI	0.05	1.82
	CAIDI	137.04	41.48
Morris	SAIDI	32.10	55.78
	SAIFI	0.75	1.01
	CAIDI	42.70	55.23
Wahpeton	SAIDI	110.7	57.24
	SAIFI	2.3	1.13
	CAIDI	48.23	50.65
All MN Customers	SAIDI	63.93	64.95
	SAIFI	0.96	1.13
	CAIDI	66.37	57.48

The shaded cells in Table 5 indicate reliability goals that were not met in 2014. See Section II.B.3 below for a discussion of OTP's 2014 reliability performance.

² 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 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 2014 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 half of its 2014 reliability goals. The Company missed goals in five of six work centers, or customer service centers (CSCs), two of which were hit with severe or extreme weather conditions. Specifically, OTP's Crookston CSC and Bemidji CSC were hit by severe storms on July 21, 2014 with winds that clocked up to 100 mph. Otherwise the Company experienced outages due to damage to poles due to accidents and lightning, the failure of a dead end shoe causing a short circuit, and equipment not owned by OTP. Overall, OTP stated that more of its goals were met than the previous year, and had the June 21, 2014 storm met the criteria for exclusion they would have met more. Overall the Company indicated that failure to meet its goals was due to circumstances outside of its control. As to feeder issues, the Company discussed the operational changes made or being considered, to address them.³

4. *Bulk Power Supply Interruptions*

OTP reported that it did not have any sustained interruptions to a Minnesota bulk power supply facility for the 2014 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 2014, of which the longest interruption lasted approximately 8 hours and 20 minutes due to storms. Other causes for major service interruptions included equipment failure, animal contact, vandalism, and storm damage.

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

³ 2015 Annual Report, pages 9 - 12

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, 2014. The following table summarizes total staffing levels over the past ten years.

Table 6: OTP Work Center Staffing Levels

	Field	Office	Total
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
2014	107	33	140

OTP reported that nine "delivery maintenance" field staff (not included in Table 6) 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 2015 Annual Report provided updates on continuing developments from the Company's use of the Interruption Monitoring System (IMS). Specifically OTP reported that:

- In 2014, the Company set up system to alert all service personnel on all interruptions to improve response service times;
- Voltage alarm setup, for all electrical technicians, was completed in 2014, with the intent to proactively identify voltage regulator issues;
- 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;
- it needs to replace its IMS by 2020; 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 2015

OTP proposed the following reliability goals for 2015:

Table 7: OTP's Proposed 2015 Goals

Work Center	SAIDI	SAIFI	CAIDI
All MN Customers	78.41	1.17	67.02
Bemidji	71.53	0.95	75.29
Crookston	90.00	1.29	69.77
Fergus Falls	84.19	1.27	66.29
Milbank	79.03	1.50	52.69
Morris	68.42	1.08	63.35
Wahpeton	72.88	1.75	41.65

OTP stated that it based its proposed goals on a 5-year (2010 - 2014) 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. However, in the case off OTP's 2014 Annual Report the Commission's December 12, 2014 Order froze OTP's SAIFI, SAIDI, and CAIDI goals at the 2013 levels until the Company improves its reliability performance. Thus the Department reviewed whether the Company's 2014 reliability performance improved to the extent that moving back to the 5-year average goalsetting method would be appropriate. Table 8 below shows how many of its eighteen annual goals⁴ OTP has met since 2007.

Table 8: OTP's Reliability Goals⁵

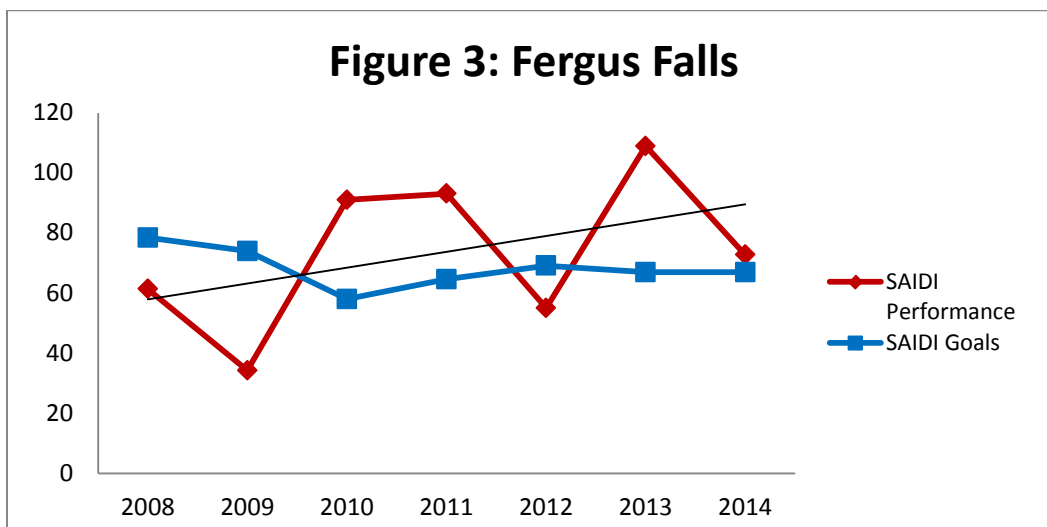
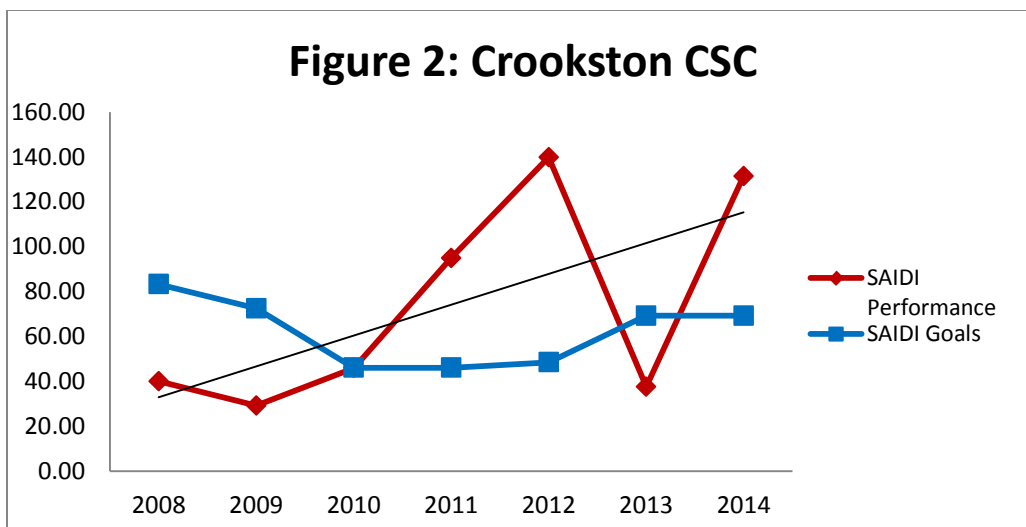
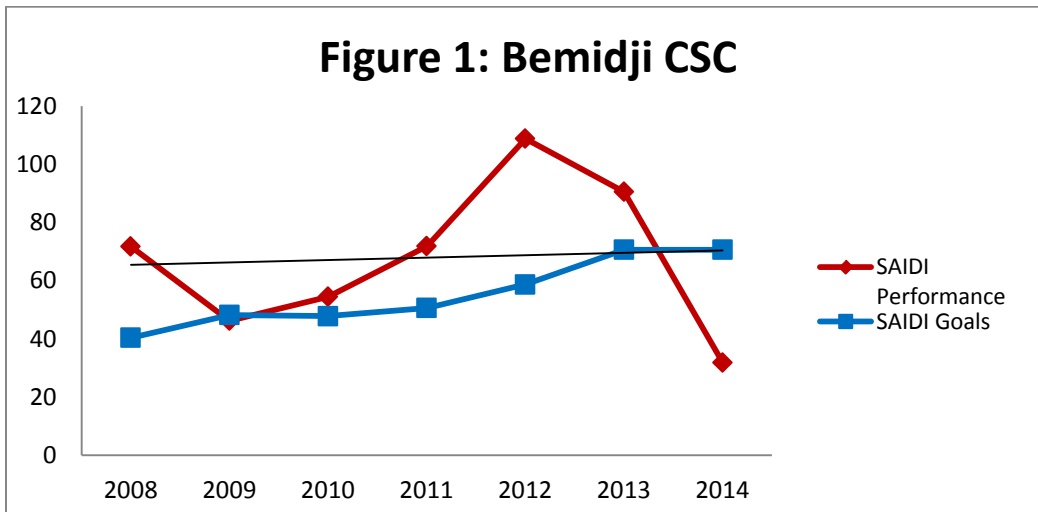
		2007	2008	2009	2010	2011	2012	2013	2014
Bemidji	SAIDI	68.00	40.42	48.25	47.85	50.65	58.74	70.64	70.64
	SAIFI	1.25	0.76	0.90	1.08	1.11	1.16	1.26	1.26
	CAIDI	54.00	53.18	53.61	44.31	45.74	50.64	56.06	56.06
Crookston	SAIDI	80.00	83.38	72.55	46.15	46.12	48.58	69.33	69.33
	SAIFI	1.55	1.71	1.48	1.08	1.05	0.93	1.19	1.19
	CAIDI	52.00	48.76	49.02	44.31	43.87	52.24	58.26	58.26
Fergus Falls	SAIDI	78.00	78.48	74.00	58.03	64.63	69.16	66.97	66.97
	SAIFI	1.35	1.40	1.27	1.09	1.15	1.17	1.11	1.11
	CAIDI	58.00	56.06	58.27	53.00	56.21	59.11	60.33	60.33
Milbank	SAIDI	66.10	66.64	74.00	80.00	47.97	59.24	75.49	75.49
	SAIFI	1.55	1.43	1.30	3.00	1.35	1.57	1.82	1.82
	CAIDI	42.65	46.60	56.92	26.67	35.57	37.73	41.48	41.48
Morris	SAIDI	80.00	74.82	67.05	46.62	47.84	55.71	55.78	55.78
	SAIFI	1.55	1.48	1.34	1.10	1.13	1.12	1.01	1.01
	CAIDI	52.00	50.55	50.04	42.47	42.26	49.74	55.23	55.23
Wahpeton	SAIDI	66.10	66.64	74.00	28.91	44.92	57.00	57.24	57.24
	SAIFI	1.25	1.43	1.30	0.43	0.84	1.15	1.13	1.13
	CAIDI	52.88	46.60	56.92	67.07	53.42	49.57	50.65	50.65

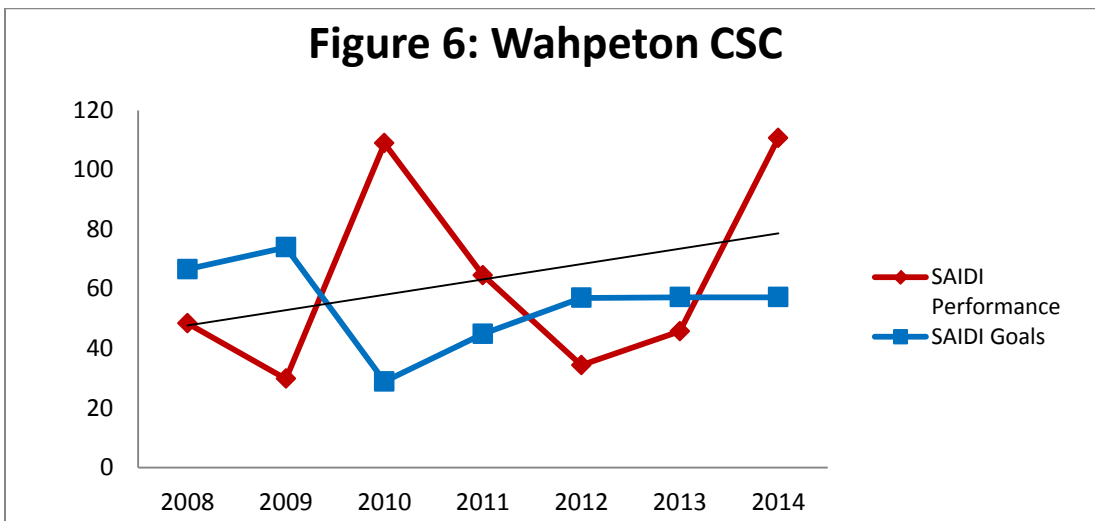
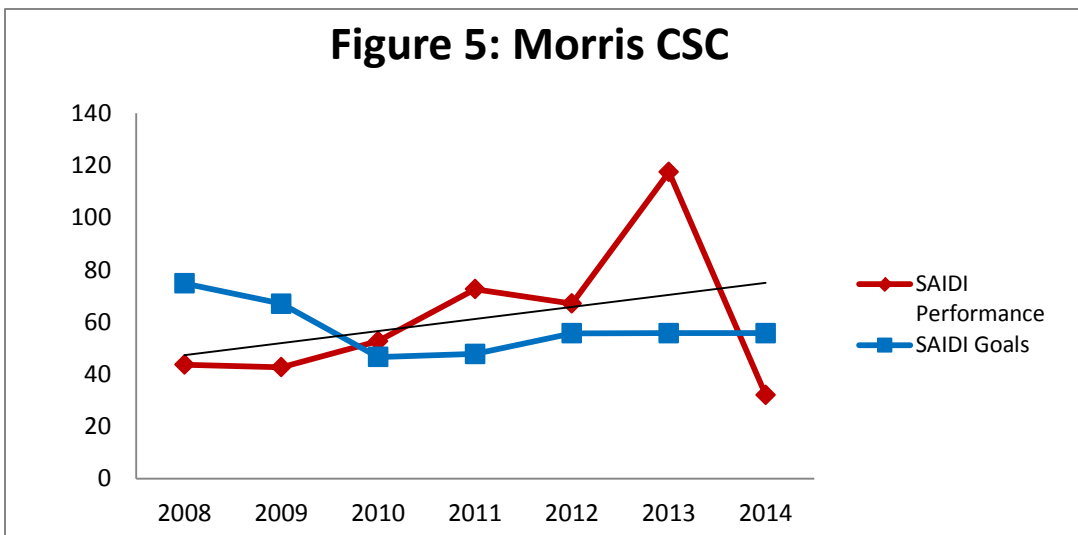
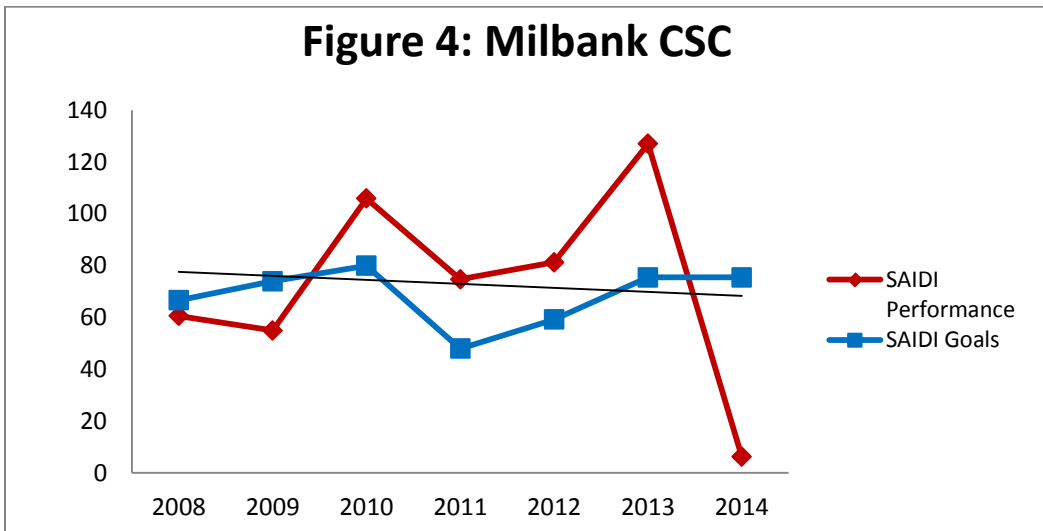
As the above table illustrates, OTP did not have trouble meeting the majority of its goals until 2010. As a result, most of the Company's goals were generally trending downward (becoming harder to achieve) until 2010. While the Company was more successful in meeting its goals in 2012 over the previous two years, that limited success was not maintained in 2013. In 2014 OTP accomplished 50 percent of its CSC goals, an improvement over 2013. The Company has consistently reported over the years, that its failure to achieve its 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 2008-2014, including a black trend line to indicate performance patterns overtime. It should be noted that all CSCs other than Millbank show trends of worsening performance, while Millbank's trend is toward a slight improvement.

⁴ The eighteen goals are SAIDI, SAIFI, and CAIDI for all six of the Company's CSCs.

⁵ Shading indicates unmet goal.





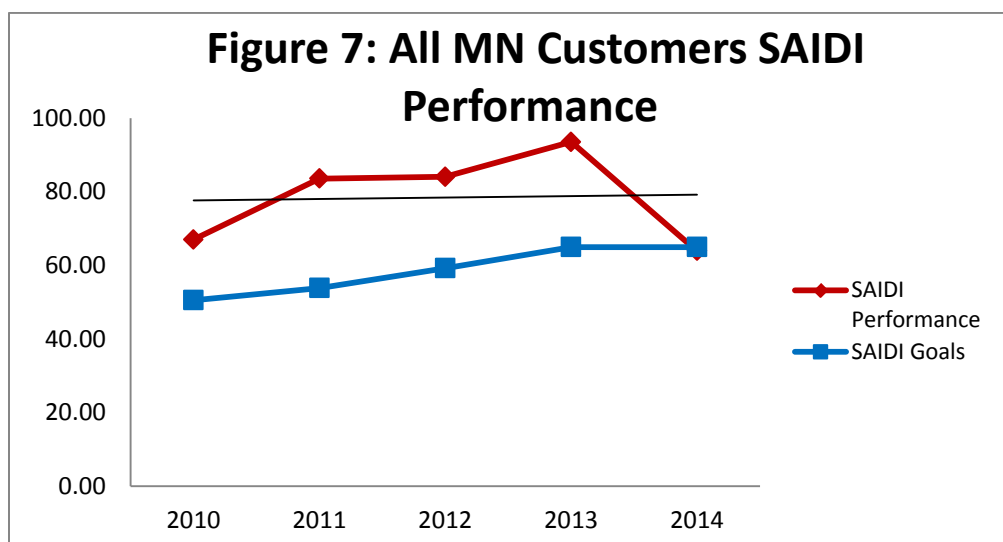
While Minnesota Rules, part 7826.0600 requires reliability performance standards to be set by work center, and does not require establishing an overall goal for a utility's entire Minnesota service territory, OTP has provided overall metrics in its annual reports. As an additional check on OTP's reliability 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 9.

Table 9: OTP's MN Service Area Goals vs Performance⁶

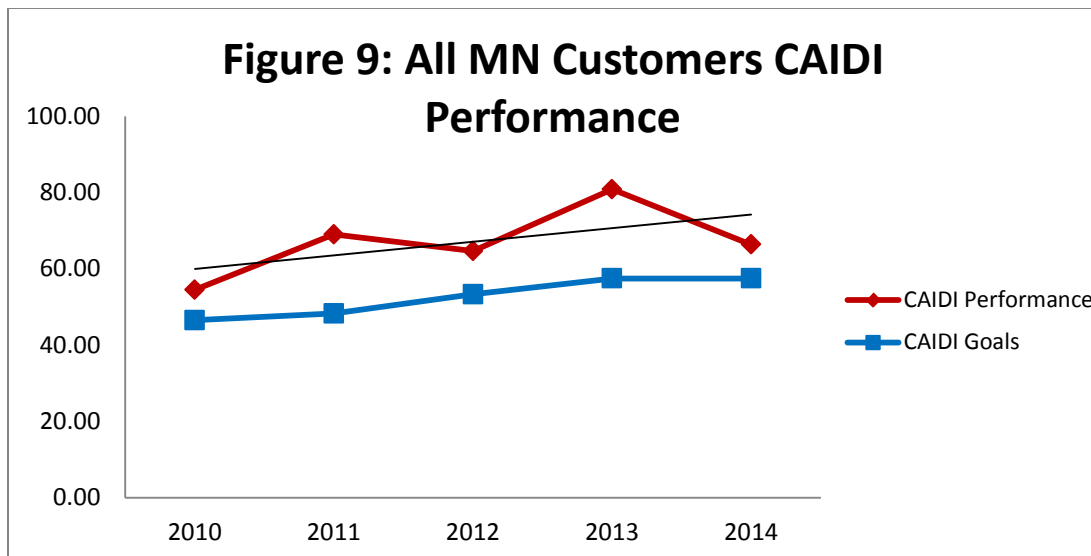
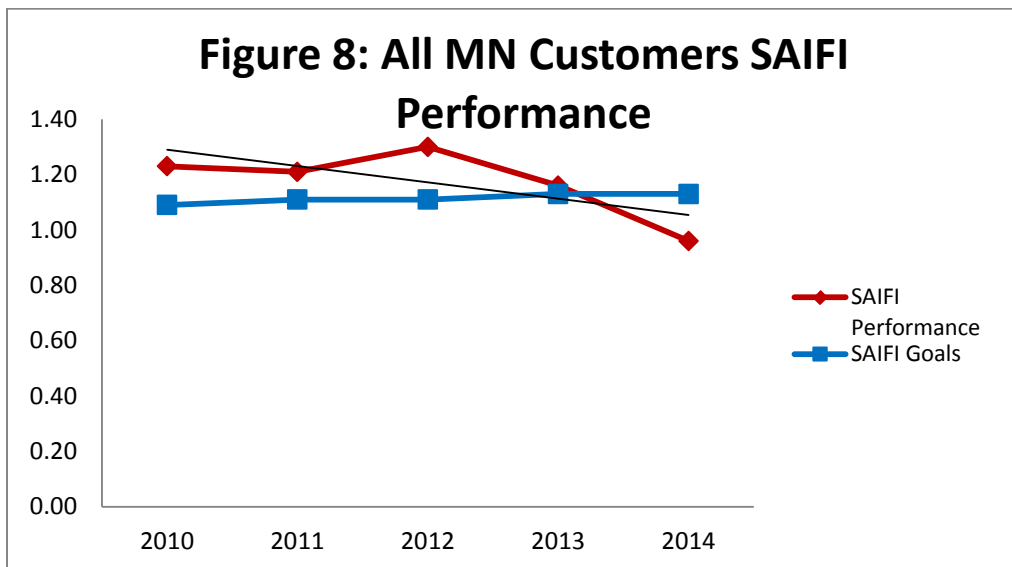
	2010	2011	2012	2013	2014
Goal SAIDI	50.54	53.84	59.21	64.95	64.95
Goal SAIFI	1.09	1.11	1.11	1.13	1.13
Goal CAIDI	46.55	48.3	53.34	57.48	57.48
Actual SAIDI	67.02	82.66	84.05	93.51	63.93
Actual SAIFI	1.23	1.21	1.30	1.16	0.96
Actual CAIDI	54.51	68.30	64.67	80.86	66.37

As can be seen in Table 9, after failing to achieve any of its goals for the Minnesota service area from 2011 through 2013 OTP succeeded in achieving its SAIDI and SAIFI goals in 2014.

This improvement has resulted in a flattening of the trend line in for SAIDI performance and an improvement in the SAIFI trend line, showing the beginnings of a potential downward trend across OTP's Minnesota system as a whole. Figure 7 below shows OTP's flattened SAIDI trend line, while Figure 8 shows the downward trend for OTP's SAIFI performance. Figure 9, however, shows that OTP's CAIDI Performance still shows a worsening trend over the past 5 years despite improvement in 2014 over 2013.



⁶ Goals highlighted in grey indicate that OTP did not meet its performance goal.



Finally, the Department compared the Company's 2014 performance with its 2014 goals and 2015 proposed goals in OTP's six CSCs.

Table 10: OTP-Proposed Goal Comparison

Work Center	SAIDI	SAIFI	CAIDI
Bemidji			
2014 Goal	70.64	1.26	56.06
2014 Performance	31.89	0.46	68.75
2015 Proposed Goal	71.53	0.95	75.29
Crookston			
2014 Goal	69.33	1.19	58.26
2014 Performance	131.53	1.54	85.36
2015 Proposed Goal	90.00	1.29	69.77
Fergus Falls			
2014 Goal	66.97	1.11	60.33
2014 Performance	72.75	1.10	66.05
2015 Proposed Goal	84.19	1.27	66.29
Milbank			
2014 Goal	75.49	1.82	41.48
2014 Performance	6.25	0.05	137.04
2015 Proposed Goal	79.03	1.50	52.69
Morris			
2014 Goal	55.78	1.01	55.23
2014 Performance	32.10	0.75	42.70
2015 Proposed Goal	68.42	1.08	63.35
Wahpeton			
2014 Goal	57.24	1.13	57.48
2014 Performance	110.70	2.30	48.23
2015 Proposed Goal	72.88	1.75	41.65

Table 11 below is a reproduction of Table 8 above with OTP's proposed goals added.

Table 11: OTP's Reliability Goals⁷

		2007	2008	2009	2010	2011	2012	2013	2014	Proposed 2015
Bemidji	SAIDI	68.00	40.42	48.25	47.85	50.65	58.74	70.64	70.64	71.53
	SAIFI	1.25	0.76	0.90	1.08	1.11	1.16	1.26	1.26	0.95
	CAIDI	54.00	53.18	53.61	44.31	45.74	50.64	56.06	56.06	75.29
Crookston	SAIDI	80.00	83.38	72.55	46.15	46.12	48.58	69.33	69.33	90.00
	SAIFI	1.55	1.71	1.48	1.08	1.05	0.93	1.19	1.19	1.29
	CAIDI	52.00	48.76	49.02	44.31	43.87	52.24	58.26	58.26	69.77
Fergus Falls	SAIDI	78.00	78.48	74.00	58.03	64.63	69.16	66.97	66.97	84.19
	SAIFI	1.35	1.40	1.27	1.09	1.15	1.17	1.11	1.11	1.27
	CAIDI	58.00	56.06	58.27	53.00	56.21	59.11	60.33	60.33	66.29
Milbank	SAIDI	66.10	66.64	74.00	80.00	47.97	59.24	75.49	75.49	79.03
	SAIFI	1.55	1.43	1.30	3.00	1.35	1.57	1.82	1.82	1.50
	CAIDI	42.65	46.60	56.92	26.67	35.57	37.73	41.48	41.48	52.69
Morris	SAIDI	80.00	74.82	67.05	46.62	47.84	55.71	55.78	55.78	68.42
	SAIFI	1.55	1.48	1.34	1.10	1.13	1.12	1.01	1.01	1.08
	CAIDI	52.00	50.55	50.04	42.47	42.26	49.74	55.23	55.23	63.35
Wahpeton	SAIDI	66.10	66.64	74.00	28.91	44.92	57.00	57.24	57.24	72.88
	SAIFI	1.25	1.43	1.30	0.43	0.84	1.15	1.13	1.13	1.75
	CAIDI	52.88	46.60	56.92	67.07	53.42	49.57	50.65	50.65	41.65

As noted above, OTP's proposed goals for SAIDI, SAIFI, and CAIDI are based on 5-year average performance levels. OTP's proposed 2015 goals are generally higher (easier to achieve) than 2014 goals and the proposed goals would only exert pressure on the Company to perform better than they did in 2014 for 7 of the 18 goals. Due to OTP's declining performance trend over the last several years, OTP'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.

For these reasons in the December 12, 2014 Order⁸ the Commission froze OTP's SAIFI, SAIDI, and CAIDI goals at the 2013 levels until the Company improved its reliability performance. While OTP achieved more of its goals in 2014 than in 2013 it still only achieved half of them. Meanwhile as stated above the majority of the Company's proposed goals would not pressure OTP to perform better in 2015 than they did in recent years, with a few exceptions. Further, one year of slight improvement does not definitively reverse the worsening performance trend the Company has exhibited over the last 5 years.

⁷ Shading indicates unmet goal.

⁸ Docket No. E017/M-14-279

Therefore, the Department recommends that the Company's goals remain 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 11 summarizes OTP's meter reading statistics.

Table 11: 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 ⁹	94.4%	2.6%	3.0%
2011 ¹⁰	95.1%	2.6%	2.3%
2012	95.9%	2.1%	2.0%
2013	95.8%	1.9%	2.3%
2014	95.9%	1.8%	2.4%

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 94 percent of all meters each month during 2014.

According to OTP, three 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 2014.

The Company reported that it maintained an average of approximately 69 service representatives available for meter-reading during 2014. 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:

- 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

⁹ 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.

¹⁰ *Id.*

- D. the number of disconnected customers restored to service by entering into a payment plan.

OTP reported that 50,039 disconnection notices were sent to residential, small commercial and large commercial customers in 2014. The following table summarizes residential customer disconnection statistics reported by OTP in its annual reports.

Table 12: 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
2014	44,894	1,430	1,424	99.6%	794	619	104

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 2014, 352 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 2,166 of these requests were made; all but seven of these requests were connected by the date requested. The Department looks for any significant trends in overall service

request response times. At this time, response times for 2014 appear to be relatively consistent with past years.

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 83.38 percent of calls were answered within 20 seconds in 2014. 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 17 new Minnesota customers requested emergency medical account status in 2014, 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 13 summarizes the number of customer deposits required over the past nine years. The number of customers served by OTP is provided for context.¹¹

¹¹ Source: Otter Tail's "Minnesota Electric Utility Annual Report" filed pursuant to Minnesota Rules Chapter 7610. Annual reports are filed by Minnesota utilities on July 1 of each year.

Table 13: Customer Deposits Required

	Number of Deposits Required	Total Customers Served¹²
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
2014	783	61,169 ¹³

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

¹² Total customers served data obtained from the United States Energy Information Administration

¹³ The total customers served for 2014 was taken from the Minnesota Jurisdictional 2014 Report rather than the United States Energy Information Administration as the data was not yet available at the time for filing.

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 14 contains a limited summary of OTP’s customer complaint history.

Table 14: 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%
2014	98	12%	11%	4%	83%	31%

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 2014 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 2014.¹⁴

III. RECOMMENDATIONS

The Department recommends that the Commission accept OTP's 2014 Annual Report.

However, the Department also recommends that the Commission keep the Company's reliability standards for 2015 frozen at the level of the 2013 goals until OTP demonstrates further improvement in meeting its performance goals:

Table 15: Recommended Goals for 2015

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

/lt

¹⁴ 2013 Annual Report, page 8.

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-15-322

Dated this 1st day of July 2015

/s/Sharon Ferguson

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