

January 27, 2015

Daniel P. Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
350 Metro Square Building  
121 7th Place East  
St. Paul, Minnesota 55101-2147

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**  
Docket No. G002/M-14-540

Dear Mr. Wolf:

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

Compliance Filing of Northern States Power Company (Xcel or the Company) for Approval of Modifications to the Interruptible Service Tariff.

The *Compliance Filing* was filed on November 17, 2014 by:

Paul J. Lehman  
Manager, Regulatory Compliance and Filings  
Xcel Energy  
414 Nicollet Mall - 7th Floor  
Minneapolis, MN 55401

The Department recommends that the Minnesota Public Utilities Commission (Commission) **accept, with modifications**, Xcel's *Compliance Filing*. The Department recommends that the Commission require Xcel to develop proposed tariff language regarding the Company's curtailment process that is based on Xcel's internal written procedures but expressed in layman's terms. The Department recommends that the tariff language include the procedures and timing used to notify customers of the need to temporarily discontinue taking service.

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

Sincerely,

/s/ ADAM J. HEINEN  
Rates Analyst  
651-539-1825

AJH/ja  
Attachment

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS OF THE  
MINNESOTA DEPARTMENT OF COMMERCE  
DIVISION OF ENERGY RESOURCES

DOCKET No. G002/M-14-540

**I. BACKGROUND**

On June 27, 2014 Northern States Power Company, d/b/a Xcel Energy (Xcel or the Company), filed a *Petition* with the Minnesota Public Utilities Commission (Commission) requesting modification of its interruptible gas service tariff. The Company made this filing in response to unauthorized gas use by many interruptible customers during the 2013-2014 heating season. On August 4, 2014, the Minnesota Department of Commerce, Division of Energy Resources (Department) filed *Comments* responding to Xcel's *Petition*. In its *Comments*, the Department generally agreed with the Company's proposal but recommended additional clarifying language and updates to other parts of the tariff to reflect the new language proposed by the Company and as amended by the Department. The Department also recommended that Xcel detail its current policies and procedures regarding the disconnection of service for unauthorized gas consumption and submit a draft tariff that illustrates this policy. If a current policy was not in place, the Department recommended that the Commission require Xcel to examine this issue in greater detail and make a compliance filing in this docket, within 30 days of the Commission's *Order*, showing a draft of policies and procedures for the disconnection of service for unauthorized gas consumption.

In its *Reply Comments*, Xcel agreed to the tariff language and modifications recommended by the Department and indicated that the Company does not currently have procedures and policies in place to deal with unauthorized use. Xcel stated that it would provide a policy and procedure discussion in a compliance filing.

On October 17, 2014, the Commission issued its *Order* adopting and approving the Department's recommendations and requiring Xcel to make a compliance filing within 30 days stating the Company's policies and procedures regarding disconnection of service for unauthorized consumption and including a draft tariff illustrating the policy.

Xcel filed its proposed new tariff sheets on October 27, 2014 and made its compliance filing on November 17, 2014. In the compliance filing, Xcel provided proposed tariff additions that detail its operational response during critical conditions and curtailments. These proposed tariff additions include discussion detailing responses from Xcel's engineering, gas monitoring, emergency response, customer accounts, and billing departments. The Company's proposed tariff additions also include a flow chart which graphically shows the timeline of its curtailment protocols.

The Department provides its analysis of the compliance filing and proposed tariff changes below.

## II. DEPARTMENT'S ANALYSIS OF XCEL'S FILING

The Department's analysis focuses on two areas: the new tariff sheets filed by Xcel on October 27, 2014 and the proposed curtailment protocol tariff language proposed by the Company in its compliance filing.

In terms of the new tariff language approved by the Commission in its October 17, 2014 *Order*, the Department reviewed Xcel's October 27, 2014 filing, and the Company's current tariff book, and confirms that Xcel has correctly updated its tariffs to comply with the Commission's *Order*.

The Company proposed to incorporate its internal procedures document developed in response to the Commission's *Order*, including a flow chart showing the timing of each step. While the procedures appear reasonable, the Department notes that, in general, tariffs are in place to ensure that the utility's rates and practices are clear and enforceable. The tariff is an important source of information for customers for terms and conditions of service. While the Company's proposed policy for operational response during critical conditions or curtailment is an important internal document, its use of undefined terms (e.g., MissionMode, Stoner model) and the level of detail provided regarding roles of various departments within the Company falls short as an effective customer communication tool. Therefore, the Department recommends that Xcel reserve the procedures document for internal use, and provide a description of the procedures, in layman's terms, that the Company takes when faced with critical conditions and curtailment situations. The Department offers an example in Attachment A. In addition, the Department recommends that Xcel augment the procedure description in its tariff to fully explain how and when the Company contacts interruptible customers to let them know that they need to curtail gas use.

### **III. CONCLUSIONS AND RECOMMENDATIONS**

The Department recommends that the Commission require Xcel to develop proposed tariff language regarding the Company's curtailment process that is based on Xcel's internal written procedures but expressed in layman's terms. The Department recommends that the tariff language include the procedures and timing used to notify customers of the need to temporarily discontinue taking service.

/ja

Northern States Power Company, a Minnesota corporation  
Minneapolis, Minnesota 55401

**MINNESOTA GAS RATE BOOK – MPUC NO. 2  
GENERAL RULES AND REGULATIONS (Continued)**

Section No. 6 Original Sheet No. 27

**6.2 CURTAILMENT OF COMPANY'S RETAIL SUPPLY (Continued)**

Policies and Procedures-Disconnection of Service for Unauthorized Gas Consumption

Once the Company's delivery system has reached a critical condition requiring customers on Rate Codes [INSERT CODES HERE] to curtail, interrupt, or otherwise restrict (partially or totally) use of gas, the Company will notify customer [INSERT HOW AND WHEN NOTIFICATION HAPPENS].

Once the critical period begins, the Company will query customers' meter data to identify any customers failing to curtail, interrupt, or otherwise restrict usage. Should current meter data be unavailable, crews will be dispatched to check meters in order of highest to lowest estimated usage.

Company's Customer Account Representatives shall call customers initially failing to curtail to ensure customer is aware that a curtailment has been implemented and that continued use will result in customer's meter being locked. If unauthorized use continues, crews will be dispatched (if not already on site) to lock the meter.

Once system curtailment is released, crews will be dispatched to unlock meters.

More than one instance of failure to curtail within one year will result in a transfer of the customer from its current interruptible rate class to a firm rate class.

Date Filed: 11-17-14

By: David M. Sparby  
President and CEO of Northern States  
Power Company, a Minnesota corporation

Effective Date:

Docket No. G002/M-14-540

## **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. G002/M-14-560**

Dated this 27<sup>th</sup> day of January 2015

**/s/Sharon Ferguson**

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