

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of Xcel Energy's 2012 Annual Safety,
Reliability, and Service Quality Report, and
Proposed Annual Reliability Standards for 2013

ISSUE DATE: January 13, 2014

DOCKET NO. E-002/M-13-255

ORDER ACCEPTING REPORTS,
SETTING 2013 RELIABILITY
STANDARDS, REQUIRING FILINGS,
AND REQUIRING COLLABORATION
AND STUDY

PROCEDURAL HISTORY

On December 20, 2012, the Commission issued an order accepting Northern States Power Company's d/b/a Xcel Energy (Xcel or the Company) annual report on safety, reliability, and service quality under Minnesota Rules Chapter 7826.¹ The order also accepted the reliability standards the Company proposed for the coming year,² set additional reporting requirements, and directed the Company to consider using factors in addition to historical data in developing the reliability standards it would propose in 2013.³

On April 1, 2013, the Company filed its safety, reliability, and service quality report for 2013, including new proposed reliability standards.

On June 28, 2013, the City of Minneapolis filed comments requesting city-specific reliability data, information on the age and location of utility infrastructure serving the city, and information on the utility's plans to integrate into its system the distributed generation facilities being developed within the city.

¹ Minn. R. 7826.0400, 7826.1300, and 7826.0500.

² Minn. R. 7826.0600.

³ *In the Matter of the Annual Review of Northern States Power Company d/b/a Xcel Energy's 2011 Annual Safety, Reliability, Service Quality Report and Proposed Annual Reliability Standards*, Docket No. E-002/M-12-313, Order Approving Reports, Setting 2012 Reliability Standards, and Setting Filing Requirements (December 20, 2012).

On August 8, 2013, the Minnesota Department of Commerce (the Department) filed comments recommending accepting the annual report and adopting the reliability standards the report proposed. The Department stated that it would continue to monitor reliability throughout the year and throughout the Company's service area. The agency noted that the Company was working with the City of Minneapolis to supply the information the City had requested in its comments.

On December 12, 2013, the annual report and proposed reliability standards came before the Commission.

FINDINGS AND CONCLUSIONS

I. Factual Background

In 2001, the Legislature enacted Minn. Stat. § 216B.029, which requires the Commission to adopt standards on safety, reliability, and service quality for investor-owned electric distribution utilities.

The statute requires that reliability standards be set using three reliability metrics—the System Average Interruption Duration Index (SAIDI), the System Average Interruption Frequency Index (SAIFI), and the Customer Average Interruption Duration Index (CAIDI)—and that reliability standards “treat similarly situated distribution systems similarly” and “recognize differing characteristics of system design and hardware.”⁴

The Commission complied with the statute by adopting Minnesota Rules Chapter 7826. These rules require affected utilities to file detailed annual reports on their performance in the areas of safety, reliability, and customer service. They also set minimum safety standards and minimum customer service standards for affected utilities.

Instead of setting minimum reliability standards, however, the Commission determined that reliability standards must be utility-specific, since reasonably achievable levels of reliability vary between utilities—and even between individual, homogenous areas within utilities' service territories—based on geography, topography, population density, and other factors. Instead of setting permanent, industry-wide reliability standards, therefore, the rules require utilities to propose new reliability standards annually—using the statutory metrics of SAIDI, SAIFI, and CAIDI—and to propose these standards by “work center,” the basic administrative unit utilities use to maintain and repair their distribution systems.

II. Report Accepted

The Commission has examined the Company's annual safety, reliability, and service quality report and concurs with the Department that it is complete and meets the requirements of Minnesota Rules Chapter 7826 and prior orders issued thereunder. The Commission will accept the filing.

⁴ Minn. Stat. § 216B.029, subd. 1 (c).

III. Reliability Standards Set; Further Reporting and Study Required

The Commission concurs with the Department that the reliability standards proposed by the Company for 2013 are reasonable, appropriate, and should be adopted. The proposed standards are based on rolling averages for the past five years for each reliability index (SAIDI, SAIFI, and CAIDI) at each Company work center (Metro East, Metro West, Northwest, and Southeast). This is the methodology used to set reliability standards in the past and is clearly sound.

At the same time, however, in last year's order the Commission required the Company to consider using factors in addition to historical reliability data to develop this year's proposed reliability standards. In this year's filing the Company stated that it did consider using other factors—"means, medians, and standard deviations"—in addition to historical data, but concluded that the historical data was more useful.⁵ The Department did not disagree.

Since improving reliability performance—not just maintaining it—is one of the goals of the standard-setting process, however, it is important to continue exploring the contribution that non-historical factors might make in considering future reliability standards. The Commission will therefore direct the Company to continue considering the use of factors in addition to historical reliability data as it develops proposed reliability standards.

Finally, the Commission will require the Company to continue using the format improvements required in previous orders (detailed below), will require the Company to continue its efforts in reporting major service interruptions to the Commission's Consumer Affairs Office, and will require the Company to file any documentation it provides the City of Minneapolis in response to its comments in this case.

The Commission will so order.

ORDER

1. The Commission accepts Xcel's April 1, 2013 safety, reliability, and service quality report as complying with Minnesota Rules Chapter 7826 and relevant Commission orders.
2. The Commission accepts Xcel's 2013 proposed reliability standards, set forth below:

Work Center	SAIDI	SAIFI	CAIDI
Metro East	85.44	0.94	90.75
Metro West	97.92	0.98	100.17
Northwest	102.56	0.87	117.94
Southeast	78.16	0.71	109.97

⁵ Xcel's Reply Comments, July 31, 2013.

3. Xcel shall augment its next annual filing to include a description of the policies, procedures, and actions that it has implemented, and plans to implement, to assure reliability, including information on how it is demonstrating proactive management of the system as a whole, increased reliability, and active contingency planning.
4. Xcel shall incorporate into its next annual 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.
5. Xcel shall continue to report on the major causes of outages for major event days.
6. Xcel shall consider other factors, in addition to historical data, on which to base its reliability indices for 2013 in an effort to demonstrate its commitment toward improving reliability performance.
7. Xcel shall continue its efforts in the reporting of major service interruptions to the Commission's Consumer Affairs Office.
8. Xcel shall file any documentation provided to the city of Minneapolis related to the issues raised in this docket as an informational filing.
9. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary



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