

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger
David C. Boyd
Nancy Lange
J. Dennis O'Brien
Betsy Wergin

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of a Complaint by the Suburban
Rate Authority Against Northern States Power
Company d/b/a Xcel Energy Under Minnesota
Statutes section 216B.17

ISSUE DATE: June 10, 2013

DOCKET NO. E,G-002/C-12-1369

ORDER REQUIRING ANSWER TO
COMPLAINT AND ESTABLISHING
PROCEDURES

PROCEDURAL HISTORY

On December 27, 2012, the Suburban Rate Authority (SRA)¹ filed a complaint against Xcel Energy (Xcel) under Minnesota Statutes section 216B.17. The complaint alleges that Xcel has a policy of submitting claims for damage to Xcel equipment allegedly caused by city vehicles or other city-related causes using Xcel's energy billing format. The SRA claims that this practice is misleading and requests that the Commission order Xcel to stop using its Commission-approved billing format to collect potentially disputed damage claims.

The Commission sought comments on (1) whether the Commission has jurisdiction over the subject matter of the complaint, (2) whether it is in the public interest to investigate the allegations, and (3) what procedures the Commission should use if it investigates the complaint.

Between January 28 and February 22, 2013, the Commission received comments from the Department of Commerce, Xcel, the SRA, and several municipalities.

On May 16, 2013, the matter came before the Commission.

FINDINGS AND CONCLUSIONS

Under Commission rules, a respondent does not have to answer a complaint until the Commission finds that it has jurisdiction over the matter and that there are reasonable grounds to investigate.² If the Commission makes those two findings, it serves the complaint on the respondent, requires an

¹ The Suburban Rate Authority is a joint powers association whose membership includes 27 Twin Cities suburban municipalities.

² Minn. R. pt. 7829.1800, subp. 2.

answer, and handles the case under the procedures of Minnesota Rules parts 7829.1800 and .1900. The threshold issues are therefore whether the Commission has jurisdiction over Xcel and the conduct alleged and, if so, whether those allegations merit investigation.

I. Jurisdiction

The Commission finds that it has jurisdiction over Xcel and the conduct alleged in the SRA's complaint.

Minnesota Statutes section 216B.09 authorizes the Commission to "ascertain and fix just and reasonable . . . practices to be observed and followed by any or all public utilities with respect to the service to be furnished."³ Further, section 216B.17 requires the Commission to investigate complaints that any "practice, act, or omission" relating to a public utility's "transmission, delivery, or furnishing" of electricity is "unreasonable."⁴

Here, the challenged conduct relates to Xcel's "transmission, delivery, or furnishing" of electricity. This alleged conduct falls within the Commission's jurisdiction.

II. Reasonable Grounds to Investigate

The Commission finds that there are reasonable grounds to investigate the complaint.

The SRA claims that Xcel notifies customers of damage claims using its Commission-approved billing format, lending an air of finality to what may in fact be a disputable claim. Documents attached to the complaint show that the notices include the terms "bill," "date due," and "late payment charge" and that at least one municipal customer who received a notice from Xcel paid the claim under the mistaken belief that it was a bill.

The Commission concurs with the Department that the conduct alleged by the SRA is potentially misleading and should be investigated. Because the Commission has jurisdiction and there are reasonable grounds to investigate, the Commission will serve the complaint on Xcel and require an answer.

III. Procedures

Under Commission rules, a respondent must answer a complaint within 20 days of being served with the complaint and order.⁵ However, the Commission concurs with the Department that granting more time may allow the parties to resolve the dispute without the need for Xcel to file a formal answer. The Commission will therefore lengthen this time period as permitted under Minnesota Rules part 7829.3100 and establish the following procedural framework:

First, the Commission will order Xcel to work with the SRA, interested municipalities, the Department, and the Commission's Consumer Affairs Office to explore potential changes to its notice of claim for damages with the goal of achieving a resolution that balances the interests of the parties.

³ Minn. Stat. § 216B.09, subd. 1.

⁴ Minn. Stat. § 216B.17, subd. 1.

⁵ Minn. R. pt. 7829.1800, subp. 2.

If the parties are able to resolve the dispute, they shall submit their agreement for the Commission's approval within 45 days of the date of this Order. If the parties are unable to resolve the dispute, Xcel shall file its answer within the same time period. The answer must include either a justification for Xcel's use of the Commission-approved billing format or a proposal for a new method of noticing damage claims. Interested parties will then have 20 days to file comments on the answer and another 20 days to file reply comments.

Finally, because Xcel's collection practices may affect customers other than municipalities, Xcel should clarify in its filing whether it uses the same method to notify all customers of damage claims and, if so, whether it intends to alter its method of giving notice to other customer classes.

ORDER

1. Xcel shall work with the SRA, interested municipalities, the Department, and the Commission's Consumer Affairs Office to explore potential changes to its notice of claim for damages with the goal of achieving a resolution that balances the interests of the parties.
2. If the parties are able to resolve the dispute, they shall submit their agreement for the Commission's approval within 45 days of the date of this Order.
3. If the parties are not able to resolve the dispute, Xcel shall file an answer to the attached complaint within the same time period. The answer must include either a justification for using the Commission-approved billing format for damage claims or a proposal for a new method of noticing these claims.
4. Within 20 days of the filing of the answer, the SRA and any other interested parties shall file comments. Reply comments shall be filed within 20 days of the end of the initial comment period.
5. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary



This document can be made available in alternative formats (i.e., large print or audio) by calling 651.296.0406 (voice). Persons with hearing loss or speech disabilities may call us through Minnesota Relay at 1.800.627.3529 or by dialing 711.

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
Phyllis Reha	Vice Chair
David C. Boyd	Commissioner
J. Dennis O'Brien	Commissioner
Betsy Wergin	Commissioner

IN THE MATTER OF NORTHERN
STATES POWER COMPANY'S
PRACTICE OF USING A STANDARD
BILLING FORMAT FOR NON-ENERGY
DAMAGE CLAIMS

PUC DOCKET NO. _____

COMPLAINT OF THE
SUBURBAN RATE AUTHORITY

For its complaint under Minnesota Statutes, Section 216B.17, the Suburban Rate Authority, a Minnesota joint powers organization ("SRA"), states as follows:

1. The SRA consists of 27 Twin Cities suburban municipalities, many of which are served by Northern States Power ("NSP") for electricity. (member list attached as Exhibit A).
2. NSP is an investor-owned utility regulated by the Minnesota Public Utilities Commission, which regulation includes NSP billing practices pursuant to Minnesota Statutes, Sections 216B.05, 216B.09 and other statutes and rules promulgated pursuant to chapter 216B.
3. On information and belief, NSP has a policy of submitting claims for damage to NSP equipment allegedly caused by city vehicles or other city-related causes, using NSP's energy billing format. (Examples attached as Exhibit B).
4. NSP's claims against the SRA cities identified in Exhibit B are brought in its billing format and therefore include language noting "Bill" "Charges," a "Date Due," and an explanation regarding the due date "to avoid assessment of a late payment charge." (Id.)

5. Because these bills use the tariff-approved, contract energy billing format, they also include the Commission-required glossary of terms explaining the meaning of the bill, which contains no explanation of or reference to a damages claims in tort, unrelated to the delivery of energy service. The glossary includes an explanation of “Late Payment Charge,” which provides that the bill must be paid by the “due date” and if not paid, “Xcel Energy will assess a late payment charge on unpaid amounts two working days after the due date. In Minnesota, the late payment charge is 1.5 percent monthly, 18 percent annually, or \$1.00 whichever is greater.” (Ex. B-1)

6. In one such NSP damage claim against the City of Roseville involving alleged pad mount transformer damage by a city vehicle, prior to adjudication of the claim NSP sent a “Reminder Notice” informing the City that its “account is 30 days past due” and that the \$4,486.82 (amount of the claim) “remains unpaid.” (Exhibit C). This Reminder Notice informed the City that the “failure to make the payment in full will result in further credit action.” (Id.)

7. Damage claims such as these are non-contract, disputed tort claims brought against the city and are subject to evaluation by the City’s insurance carrier, The League of Minnesota Cities Insurance Trust, and all defenses available to a party responding to a claim of alleged damages. (See Exhibit D, League of Cities Insurance Evaluation).

8. On information and belief, NSP’s use of these bills is not isolated or a one-time occurrence but rather an NSP policy, which it has refused to modify despite requests by the SRA.

9. This billing format is misleading to its recipients because it recites due dates, late payment penalties and “further credit action” associated with unpaid contract obligations or previously adjudged or approved obligations to NSP.

10. The misleading nature of these bills has caused at least one city to pay an NSP claim of \$3,546.37 under the mistaken belief that it was a bill or other adjudged obligation, only to discover its mistake and defenses to the claim after paying the “bill.” (Exhibit E).

11. The SRA has requested NSP to utilize a “Notice of Claim” process used by at least one other utility, CenturyLink, in pursuing claims against cities for damages to utility facilities, as provided in Minnesota Statutes, Section 466.05. (Exhibit F). This CenturyLink Notice of Claim identifies the claimed damage and sets forth the allegations to the city, to which the city must respond by admission, denial of claim or compromise in the course of dispute resolution.

12. NSP has informed the SRA that NSP will continue to use the same format for damage claims for the reasons set forth in its correspondence defending its claims format. (Exhibit G).

13. Now therefore, the SRA seeks redress from the Commission as follows:

A. declaring the NSP format for non-energy damages claims to be misleading to municipal customers;

B. ordering NSP to cease and desist use of the “bill” format for damages claims; and

C. ordering NSP to use a Notice of Claim process similar to the example attached hereto as Exhibit E or other claim format that does not suggest a contract or previously adjudged obligation.

D. directing the Department of Commerce, Division of Energy Resources, to participate in the process of NSP’s establishment and wording of a Notice of Claim format without misleading language.

E. for such other relief as the Commission deems just and equitable.

Dated: December 21, 2012

Respectfully submitted,

KENNEDY & GRAVEN, CHARTERED

By:



James M. Strommen, #152614

Melissa J. Manderscheid, #386873

470 U.S. Bank Plaza

200 South Sixth Street

Minneapolis, MN 55402

(612) 337-9300

ATTORNEYS FOR THE

SUBURBAN RATE AUTHORITY

SUBURBAN RATE AUTHORITY MEMBER CITIES

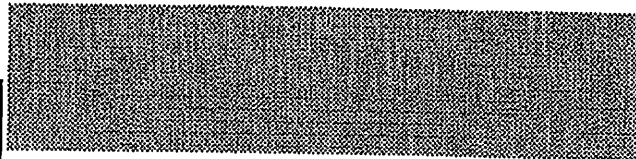
2012

Bloomington	Maplewood
Brooklyn Park	Minnetonka
Chanhassen	Mound
Circle Pines	Orono
Deephaven	Plymouth
Eden Prairie	Robbinsdale
Edina	Roseville
Fridley	Shakopee
Golden Valley	Shoreview
Hastings	Spring Lake Park
Hopkins	Spring Park
Lauderdale	Wayzata
Maple Grove	Woodbury
Maple Plain	

EXHIBIT A

Questions: Call
 Please Call: (800) 481-4700
 Hearing Impaired: (800) 895-4949
 Fax: (800) 311-0050

or write to us at:
 Northern States Power Company
 PO BOX 8
 EAU CLAIRE WI 54702-0008



Billing Summary

Previous Balance	\$0.00
No Payment Through 06/03	\$0.00
Balance As Of 06/03	\$0.00
Current Other Charges 06/03	\$3,546.37
Total	\$3,546.37

Current Charges

Other Charges

Invoice No. 374538600
 Bill Period - 06/02/2011 to 06/02/2011

11412500
 4760 MAPLE CHASE
 DEEPHAVEN MN 55331-8795
 DmgRepairEUG Labor
 DmgRepairEUG Mat
 DmgRepairEUG Equip

\$1,010.56
 \$2,373.66
 \$162.15
\$3,546.37

Total Amount

Other Charges

CONTRACT 824646 4760 MAPLE CHASE, DEEPHAVEN MN
 REPAIR ELECTRIC PADMOUNT TRANSFORMER DAMAGED ON 1/26/11
 WORK ORDER 11412500

PLEASE CALL THE CLAIMS DEPARTMENT AT 612-215-4516, IF YOU
 HAVE ANY QUESTIONS REGARDING THIS INVOICE.

044468 1/1

CITY OF DEEPHAVEN D11412500
20225 COTTAGEWOOD RD
DEEPHAVEN MN 55331-6700

Next Scheduled Meter Reading Date	Date Due	Please Pay
	07/03/2011	\$3,546.37

See back of bill for more information.

Account #: 51-0112277-0

Page 1 of 1

Statement Date: 06/03/11

Please see the back of this bill for more information regarding the late payment charge. Pay on or before the date due to avoid assessment of a late payment charge.
 Statement # 284283663 6

EXHIBIT B



Northern States Power Company

Please Return This Portion With Your Payment.

Your Account Number	Date Due	Please Pay	Amount Enclosed
51-0114272-9	07/06/2011	\$4,467.03 Thank You!	

AT 01 055729 98995B219 A**3DGT



CITY OF PLYMOUTH D11317275
3400 PLYMOUTH BLVD
PLYMOUTH MN 55447-1448



P.O. BOX 9477
MPLS, MN 55484-9477

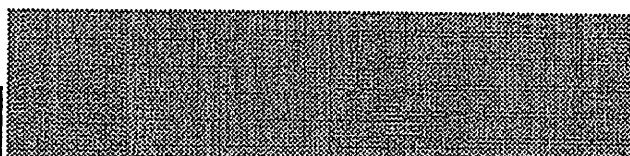
5107061140114272940000044670300000446703

Detach and Retain This Portion For Your Records

Questions: Call

Please Call: (800) 481-4700
Hearing Impaired: (800) 895-4949
Fax: (800) 311-0050

or write to us at:
Northern States Power Company
PO BOX 8
EAU CLAIRE WI 54702-0008



Billing Summary

Previous Balance	\$0.00
No Payment Through 06/06	\$0.00
Balance As Of 06/06	\$0.00
Current Other Charges 06/06	\$4,467.03
Total	\$4,467.03

Current Charges

Other Charges

Invoice No. 374727687
Bill Period 06/03/2011 to 06/03/2011
11317275
CAMPUS DR AND XENIUM LN
PLYMOUTH MN
DmgRepairEC Labor
DmgRepairEC Mat
DmgRepairEC Equip

\$2,248.31
\$1,846.02
\$372.70
\$4,467.03

Total Amount

Other Charges

CONTRACT 824749 CAMPUS DR & XENIUM LN, PHYMOUTH MN
REPAIR ELECTRIC LOAD BREAK CENTER BOX DAMAGED ON 12/16/10
WORK ORDER 11317275

PLEASE CALL THE CLAIMS DEPARTMENT AT 612-215-4516, IF YOU
HAVE ANY QUESTIONS REGARDING THIS INVOICE.

055729 1/1



CITY OF PLYMOUTH D11317275
3400 PLYMOUTH BLVD
PLYMOUTH MN 55447-1448

Next Scheduled Meter Reading Date	Date Due	Please Pay
	07/06/2011	\$4,467.03

See back of bill for more information.

Account #: 51-0114272-9

Page 1 of 1

Statement Date: 06/06/11

Please see the back of this bill for more information regarding the late payment charge. Pay on or before the date due to avoid assessment of a late payment charge.

Statement # 284456978



Northern States Power Company
Please Return This Portion With Your Payment.

51-0053707-5	05/13/2011	\$3,859.48	Thank You!
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AV 01 032089 720988120 A**6DGT
 CITY OF ROSEVILLE D11318384
 STREETS DIVISION
 2660 CIVIC CENTER DR
 ROSEVILLE MN 55113-1815

P.O. BOX 9477
 MPLS, MN 55484-9477

RECEIVED APR 19 2011

5105131140053707540000036594800000365948

Questions: Call
 Please Call: (800) 481-4700
 Hearing Impaired: (800) 895-4949
 Fax: (800) 311-0050

Detach and Retain This Portion For Your Records
 or write to us at:
 Northern States Power Company
 PO BOX 8
 EAU CLAIRE WI 54702-0008

Billing Summary

Previous Balance	\$0.00
No Payment Through 04/13	\$0.00
Balance As Of 04/13	\$0.00
Current Other Charges 04/13	\$3,859.48
Total	\$3,859.48

Current Charges

Other Charges	
Invoice No. 367572418	
Bill Period 04/12/2011 to 04/12/2011	
11318384	
HIGHPOINTE CURVE & OWASSO HILLS DR	
ROSEVILLE MN	
DmgRepairEC Labor	\$2,634.88
DmgRepairEC Mat	\$142.39
DmgRepairEC Equip	\$347.82
DmgRepairEC Misc	\$734.40
Total Amount	\$3,859.48

Other Charges
 CONTRACT#819770 HIGHPOINTE CURVE & OWASSO HILLS DR ROSEVILLE
 REPAIR ELECTRIC SECONDARY PEDESTAL DAMAGED ON 12/28/2010
 WO#11318394
 FOR QUESTIONS PLEASE CALL THE CLAIMS DEPT AT 612-215-4516
 REGARDING THIS INVOICE.

CITY OF ROSEVILLE D11318384
 2660 CIVIC CENTER DR
 ROSEVILLE MN 55113-1815

Next Scheduled Meter Reading Date	Amount Due
05/13/2011	\$3,859.48

See back of bill for more information.

Account #: 51-0053707-5

Page 1 of 1

Statement Date: 04/13/11

Please see the back of this bill for more information regarding the late payment charge. Pay on or before the date due to avoid assessment of a late payment charge.

Statement # 278317573

05/13/2011 11:00 AM

Conservation Improvement Programs (Minnesota)

Minnesota law requires Xcel Energy to invest in programs that help customers save energy.

Demand Charge

The greatest 15 min. avg. kW demand in billing period recovers the fixed costs associated with the system capacity necessary to produce and deliver electricity and is adjusted seasonally.

Energy Charge

Usage charge per kWh to recover the variable costs of producing energy.

Environmental Improvement Rider (Minnesota)/Environmental Cost Recovery (South Dakota)

Minnesota and South Dakota law allows Xcel Energy to recover the costs of significant environmental improvements at three of Xcel Energy's fossil fuel power plants.

Fuel Cost Charge/Fuel Clause Adjustment

Usage charge per kWh to recover the costs of fuel needed to run Xcel Energy's generating plants, as well as the cost of purchasing electricity from other suppliers.

kWh

A kilowatt-hour (kWh) is a unit of electrical usage. One kWh equals 1,000 watts of electricity used for one hour. This lights a 100-watt light bulb for 10 hours.

Mercury Cost Recovery (Minnesota)

Minnesota law allows Xcel Energy to recover costs related to reducing Mercury emissions at two of Xcel Energy's fossil fuel power plants.

Renewable Development Fund (Minnesota)

Minnesota law requires Xcel Energy to allocate money to support development of renewable energy projects research and development of renewable energy technologies.

Renewable Energy Standard (Minnesota)

Minnesota law allows Xcel Energy to recover the costs of new renewable generation.

Resource Adjustment (Minnesota)

This includes costs related to: Conservation Improvement Programs, Mercury Cost Recovery, Renewable Development Fund, Renewable Energy Standard, State Energy Policy, Transmission Cost Recovery

State Energy Policy (Minnesota)

Minnesota law allows Xcel Energy to recover costs related to various energy policies approved by the Legislature.

Transmission Cost Recovery (Minnesota and South Dakota)

Minnesota and South Dakota law allows Xcel Energy to recover costs associated with new investments in the electric transmission system necessary to deliver electric energy to customers.

Windsource® (Minnesota)

Windsource® is an optional program where you choose how much wind energy you would like to support. You can choose a fixed number of Windsource® blocks (100 kWh each) or choose a 100% Windsource® option.

Avoid Estimated Bills

Xcel Energy tries to read meters each month. If no reading is taken, Xcel Energy estimates your month's bill based on past use. If this occurs, you can contact Xcel Energy with an actual meter reading.

Basic Service Charge

Monthly charge for certain fixed costs (metering, billing, maintenance, etc.).

City Fees

A fee some cities require Xcel Energy to collect that is paid directly to the city.

Electronic Check Conversion

If paying by check, you are authorizing Xcel Energy to convert your check to a one-time electronic payment on the day we receive your check. No additional fees will be applied. Your paper check will be destroyed. Contact us at 800-895-4999 to opt out.

Environmental Information

Fuels used to generate electricity have different costs, reliability and air emissions. For more information, contact Xcel Energy at 800-895-4999 or online at www.xcelenergy.com. You can also contact the

Minnesota Department of Commerce at www.commerce.state.mn.us or the Minnesota Pollution Control Agency at www.pca.state.mn.us/programs/electricity.html

Governing Regulatory Agencies

State public utilities commissions regulate this utility and are available for mediation.

Minnesota PUC: 121 7th Place E., Suite 330, St. Paul, MN 55101-2147 - www.puc.state.mn.us

North Dakota PSC: 600 E. Blvd., Bismarck, ND 58505 www.psc.state.nd.us

South Dakota PUC: 500 E. Capitol Ave., Pierre, SD 57501-5070 - 800-332-1782 www.puc.sd.gov

Late Payment Charge

Please pay your bill by the due date. Xcel Energy will assess a late payment charge on unpaid amounts two working days after the due date. In Minnesota, the late payment charge is 1.5% monthly, 18% annually, or \$1, whichever is greater. Xcel Energy will not assess a late payment charge if the unpaid amount is less than \$10.

Payment Responsibility

Check the name on the front of your bill. If the name is not that of a person or business who has payment responsibility, call Xcel Energy at 800-895-4999.

Standard Payment Options: (No Fee Applies)

- **Auto Pay** - Automatically pay your bill directly from your bank account.
- **Online View and Pay** - View and pay your bills online.
- **Pay By Mail** - Return the enclosed envelope and attached bill stub with your payment. Apply proper postage.
- **Pay By Phone** - Make your payment by phone from your checking or savings account by calling 800-895-4999.

Other Payment Options (Third-Party Fees may apply. Xcel Energy does not collect nor benefit from these fees.)

- **Credit/Debit Card Payment** - Make your payment using your credit or debit card either online or by calling 800-656-8439.
- **Pay Stations** - Pay your bill in-person at a location near you.



Northern States Power Company d/b/a Xcel Energy
 P.O. Box 9477
 Mpls., MN 55484-9477
 1-800-895-4999

00200-1-1

05/16/2011

Account Number: 51-0053697-2

**Reminder Notice
 And Statement of Customer Rights and Information**

RECEIVED MAY 22 2011

Dear City Of Roseville D11314271:

Did you know that your account is 30 days past due? Our records indicate that \$4,486.82 remains unpaid. If you recently mailed your payment, thank you. Please disregard this letter. If you haven't yet paid this balance, send the full payment immediately.

Please keep in mind that failure to make the payment in full will result in further credit action.

To ensure proper payment, please:

- Send the remittance stub below.
- Send your check made out to Xcel Energy.
- Write your account number on your check.

If you have questions concerning your account, please contact us immediately at the appropriate phone number below:

For accounts billed for damages to Xcel Energy property, please call:
 612-215-4516 for damages in MN, ND, SD, WI or MI.
 303-294-2828 for damages in CO, TX, or NM.

For all other types of bills, please call 1-888-777-3626.
 We appreciate your prompt attention to this matter and we look forward to providing you with service in the future.

Sincerely,

Xcel Energy

RETAIN UPPER PORTION WHEN MAILING PAYMENT

THIS NOTICE MAY NOT REFLECT RECENT PAYMENTS

REMINDER NOTICE

ES POSIBLE QUE EL PRESENTE AVISO NO REFLEJE LOS ÚLTIMOS PAGOS

Your Account Number	Due Date	Please Pay	Amount Enclosed
51-0053697-2	May. 13, 2011	\$4,486.82 Thank You!	

Please Return This Portion With
 Your Payment To:

AT 01 005381 88841B 20 A**9DGT



CITY OF ROSEVILLE D11314271
 STREETS DIVISION
 2660 CIVIC CENTER DR
 ROSEVILLE MN 55113-1815



XCEL ENERGY
 P O BOX 9477
 MPLS, MN 55484-9477

EXHIBIT C

5105131170053697270000044868200000448682



CONNECTING & INNOVATING
SINCE 1913

May 24, 2011

Xcel Energy Claims/Collections Dept.
825 Rice Street, 2nd Floor
St. Paul, MN 55117

RE: LMCIT FILE NO.: 11075224
TRUST MEMBER: City of Roseville
INVOICE NO.: 367572424
D/OCCURRENCE: 12/17/10

Dear Claims Department:

The League of Minnesota Cities Insurance Trust (LMCIT) provides coverage to our trust member, the city of Roseville. I've conducted my investigation into liability and have failed to find any negligence on behalf of the city of Roseville for the damage to your property located at 2858 Pascal Street in Roseville, MN.

On or about December 17, 2010, damage occurred to a transformer owned and operated by Xcel Energy located in the city's Right of Way. If any damage occurs to property within the city's Right of Way during snow removal operations, the property owner bears the risk for that damage because the Right of Way exists for uses such as snow removal and street maintenance.

Additionally, the utility box was not marked or visible due to the heavy snow fall. Xcel Energy is responsible for marking their utilities to make them visible for snow plow operators. Had the box been marked, this may have prevented the damage. We feel the operator of the city loader used reasonable care while removing snow from the city street into the boulevard area.

It is unfortunate that during routine snow removal Xcel Energy's property sustained damage. However, at this time, based on the information above, we must respectfully deny your claim. If you have any questions regarding this correspondence, my direct dial is 651-215-4060.

Sincerely,

Phillip S. Trebatoski
Claims Adjuster

c: Brenda Davitt, City of Roseville
Matt Hanley, LMCIT

EXHIBIT D

LEAGUE OF MINNESOTA CITIES
INSURANCE TRUST

145 UNIVERSITY AVE. WEST PHONE: (651) 281-1200 FAX: (651) 281-1298
ST. PAUL, MN 55103-2044 TOLL FREE: (800) 925-1122 WEB: WWW.LMC.ORG

Michelle,

I not sure who to contact at Xcel regarding this matter so I thought I would send it to you and you could forward it to the appropriate party.

Back on January 26, 2011, when we were using our loader to push snow further back into the boulevard to allow for more snow storage, we inadvertently hit a transformer at 4760 Maple Chase in Deephaven that was buried in snow. Xcel was notified about the damaged transformer and repaired the transformer later that day.

The transformer was buried under several feet of snow and was not properly marked so our public work employee operating the loader had no idea that there was a transformer at this location when he was pushing the snow back into the boulevard. For this reason, I had no idea at the time whether we would be billed for the damage to the transformer. As I was reviewing our street lighting costs last month for our 2012 Budget, I happened to notice one bill in the amount of \$3,546.37 that seemed much higher than our usual monthly street lighting bills. Once I pulled the bill, I could see that it was not for street lighting but that we had actually received and paid the bill for the damage to the transformer. I have attached a copy of the bill for your review.

I submitted this as an insurance claim under our liability coverage and coverage was denied due to the fact that our insurance carrier could not find the City at fault. As our claims adjuster pointed out, a position to which I happen to strongly agree, this transformer was covered in snow and was unmarked thereby making the accident unavoidable. I have also attached a copy of this letter from our insurance carrier.

I would like to have a discussion with someone at Xcel Energy about the damage to the transformer, whether the City is truly responsible for the damage, and how to ensure this doesn't happen in the future to other unmarked transformers in Deephaven.

Thank you,

Dana Young
Administrator
City of Deephaven

EXHIBIT E



CenturyLink™

CMR CLAIMS DEPARTMENT
P.O. BOX 60770
OKLAHOMA CITY, OK 73148-0770
1-866-887-4066

*******NOTICE OF CLAIM*******

Date: 07-24-2012

JUL 30 2012

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

To: CITY OF GOLDEN VALLEY
CITY MANAGER
7800 GOLDEN VALLEY RD.
GOLDEN VALLEY, MN 55427

CERTIFIED MAIL# 9171 9690 0935 0012 9023 37

RE: Damage to Century Link Property

Century Link Claim Num: 528911
Damage/Discovery Date: 07-19-2012
Damage Location: NOBLE & GOLDEN VALLEY RD, GOLDEN VALLEY, MN
Damage County: HENNEPIN
Damage Amount: UNDETERMINED

Dear Sir/Madam:

Please be advised that Century Link Facilities sustained damage as a result of the negligent acts or omissions by employees or agents of CITY OF GOLDEN VALLEY .

Investigation has revealed that on or about 07-19-2012 employees or agents of CITY OF GOLDEN VALLEY, CITY OF GOLDEN VALLEY DAMAGED A 900 PAIR BURIED CENTURY LINK CABLE DURING HIGHWAY/STREET EXCAVATION in the area of NOBLE & GOLDEN VALLEY RD, GOLDEN VALLEY, MN.

This letter is the written presentment of Century Link's claim pursuant to Minnesota Statute 466.05 .

REQUEST FOR GOVERNMENTAL NOTICE FORM

If your Governmental Entity requires the completion of its own form to complete proper notice, please forward a copy to the address listed above. Every good faith effort has been made to identify the proper office and address to perfect our notice. Please forward to your attorney, if misdirected, to contact us. Matters herein stated are alleged on information and belief this pleader believes to be true. If there is insurance to cover this matter, kindly advise as to the name of the insurance company, its address and the claim number assigned. If you have any questions, or need additional information, please contact me at 1-800-321-4158 ext-8232.

Sincerely,
Holly Finley

CMR Claims DEPT

NOTARY

Commission Expires

11/28/14

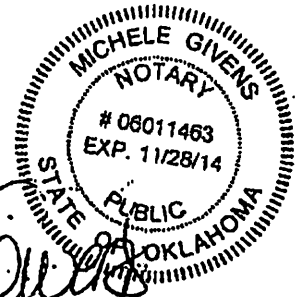


EXHIBIT F



Kari L. Valley
Assistant General Counsel

414 Nicollet Mall, 5th Floor
Minneapolis, Minnesota 55401
Phone: 612-215-4526
Fax: 612-215-4544

December 20, 2012

James M. Strommen
Kennedy & Graven
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402

RE: SYSTEM DAMAGES BILLING FORMAT

Dear Jim:

Thank you for your correspondence dated October 19, 2012 regarding Xcel Energy invoices for damages to Company equipment.

We appreciate the concern of SRA. However, as explained in our October 3, 2012 correspondence (attached) and in conversations between SRA and the Company, we have used our customer billing system to generate invoices for claims for damages for more than ten years – with no complaints or reports of confusion with our regular utility bills. In addition, the billing format complies with statutory requirements regarding notice of claim to municipalities, Minn. Stat. § 466.05.

When preparing bills for damages, we provide as much information as possible to inform the recipient of the nature of the incident and resultant damage. Our invoices for claims for damages outline the date of the incident, the damages incurred, and separately identify the portion of damages related to materials, equipment and labor. In addition, the invoices direct the recipient to our claims department if there are any questions regarding the invoice.

In contrast, a bill for electric or gas service informs the customer of their electric or gas use, and specifies the related charges on the bill, such as customer charge, city requested facilities surcharge, resource adjustment and other energy charges, as well as meter data. Our claims for damages do not contain any data related to energy charges.

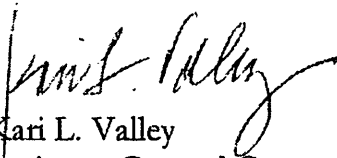
EXHIBIT G

James M. Strommen
Kennedy & Graven
December 20, 2012
Page 2

As explained in our prior letter, to further minimize or avoid any possible confusion regarding invoices to local governments for damages incurred, our Community Relations Managers will also notify cities that such an invoice will be forthcoming. Although our Community Relations Managers are always an available resource to city leaders, we believe this enhancement to our process will provide city leaders an increased opportunity to discuss and understand any claims, should they arise.

Please contact me at (612) 215-4526 if you have any additional questions regarding the billing and communication of system damages information to our local government customers.

Very truly yours,



Kari L. Valley
Assistant General Counsel

KLK/JAG
Enclosure



Kari L. Valley
Assistant General Counsel

414 Nicollet Mall, 5th Floor
Minneapolis, Minnesota 55401
Phone: 612-215-4526
Fax: 612-215-4544

October 3, 2012

James M. Strommen
Kennedy & Graven
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402

RE: SYSTEM DAMAGES BILLING FORMAT

Dear Jim:

Thank you for your correspondence dated August 7, 2012 regarding the format of Xcel Energy invoices for damages to Company equipment.

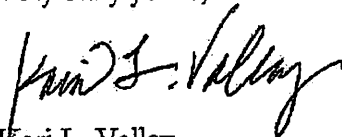
We appreciate the cities' concerns that you conveyed. But, we note that we have used our customer billing system to generate invoices for claims for damages for more than ten years – and with no complaints or reports of confusion with our regular utility bills, as claimed in your letter. The examples attached to your correspondence demonstrate that the charges on the bill are clearly laid-out as to the costs related to labor, materials and equipment. The section below specifies the exact equipment that was damaged, and for which the invoice is being issued.

In an effort to minimize or avoid any future confusion regarding invoices to local governments for damages incurred, we commit to modify our process to have our Community Relations Managers notify cities that such an invoice will be forthcoming. We believe this change will provide city leaders an increased opportunity to discuss and understand any claims, should they arise.

You additionally raised concerns regarding a damages claim paid by the City of Deephaven. This matter is currently under review by our claims department. The City of Deephaven may direct any inquiry regarding this matter to Assistant General Counsel Kerry Koep at (612) 215-4583 or Kathy Doughty, Manager of our Claims Department, at 612-630-4550.

Please contact me at (612) 215-4526 if you have any questions regarding the billing and communication of system damages information to our local government customers.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kari L. Valley". The signature is written in a cursive, flowing style.

Kari L. Valley

KLV/JAG
Enclosure