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June 24, 2022

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Will Seuffert Executive Secretary Minnesota Public Utilities Commission 121 7th Place East, Suite 350 St. Paul, MN 55101

RE: REPLY COMMENTS 2021 ANNUAL SERVICE QUALITY REPORT DOCKET NO. E002/M-22-162

Dear Mr. Seuffert:

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission these Reply Comments in response to the June 2, 2022 Department of Commerce Comments submitted in the abovereferenced docket regarding our Annual Report on safety, reliability, and service quality and our proposed reliability standards for 2022.

We have electronically filed this document with the Commission, and copies have been served on the parties on the attached service list. Please contact me at 612-337-2096 or <u>bridget.dockter@xcelenergy.com</u>, or Pamela Gibbs at <u>pamela.k.gibbs@xcelenergy.com</u> or 612-330-2889 if you have any questions regarding this filing.

Sincerely,

/s/

BRIDGET N. DOCKTER Regulatory Manager

Enclosures c: Service List

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### STATE OF MINNESOTA BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Katie J. Sieben Joe Sullivan Valerie Means Matthew Schuerger John Tuma Chair Vice Chair Commissioner Commissioner

IN THE MATTER OF NORTHERN STATES POWER COMPANY'S ANNUAL REPORT ON SAFETY, RELIABILITY, AND SERVICE QUALITY FOR 2021; AND PETITION FOR APPROVAL OF ELECTRIC RELIABILITY STANDARDS FOR 2022 DOCKET NO. E002/M-22-162

#### **REPLY COMMENTS**

#### **INTRODUCTION**

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission these Reply Comments in response to the June 2, 2022 Comments in the above-referenced docket regarding our 2021 Annual Report on Safety, Reliability, and Service Quality (2021 Annual Report) and our proposed reliability standards for 2022.

We appreciate the Department of Commerce's (Department) thorough review and recommendation that the Commission accept our 2021 Annual Report. In Comments, the Department also recommended the Company provide:

- A comparison of the JD Power survey results for 2020 and 2021;
- An explanation of the 2021 commercial class results for service installation times as compared to 2020;
- Additional information regarding the requirement in Order Point 10 of Commission's March 2, 2022 Order in Docket No. E002/21-237 in the Company's 2021 Electric general rate case;
- A discussion of the drivers for the apparent decrease in the number of website visits, MyAccount/mobile application installations, and email interactions between 2020 and 2021; and

• The process for receiving reliability information in an electronic format as identified in Commission's December 2, 2021 Order in Docket No. E002/M-21-237

### **REPLY COMMENTS**

### A. Response to Department Recommendations

In their Comments, the Department recommends approval of our 2021 Annual Report. The Department also requests the Company provide additional information in these Reply Comments on various topics. We address each of these requests below.

### 1. Comparison of JD Power Survey Results for 2020 and 2021

While reviewing and preparing this Reply, we discovered an error in the Customer Contact index score that we provided in the 2021 Annual Report. A corrected Table 9 from the Company's Annual Report has been inserted below and the corrected number for the Residential Customer Contact metric has been inserted in red font.

2021 Residential	Index Score	Peer Percentile Rank		
		IPROTECTED DATA BEGINS		
Overall Customer Satisfaction Index	755			
	[PROTECTED			
	DATA BEGINS			
Power Quality & Reliability				
Price				
Billing & Payment				
Corporate Citizenship				
Communications				
Customer Contact				

## TABLE 9: 2021 J.D. POWER RESIDENTIALELECTRIC SATISFACTION FOR NSP

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The Department requested the Company provide additional discussion regarding why our customer satisfaction levels are not increasing in any of the seven metrics. The J.D. Power Residential Electric Customer Satisfaction study is a national benchmark study where indexes are calculated on a 1,000-point scale. Table 1 illustrates the

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comparison of 2020 versus 2021. While the scores vary slightly from year to year, a statistically significant increase or decrease requires a year over year variation of more than 20 points. The indexes are based on the approximate 1,100 respondents obtained during 2021. Significant gains in customer satisfaction requires changing overall customer perceptions for the 41 attributes J.D. Power uses in their scoring. Those attributes include: customer communications during an outage; ease of understanding and fairness of pricing; ease and variety of options to pay bills; taking action to care for the environment; helping customers understand how to reduce energy use; communicating safety around electricity; and ease of using our call center and website for customer service. J.D. Power data scientists use proprietary regression modeling to refine this weighting annually to maintain a current picture of what drives customer satisfaction with utilities.

All topics are part of the model J.D. Power utilizes to create the indexes. Often times, customers are not aware of the Company's efforts in the topic categories, and, as a result, may underrate the Company. The Company remains committed to continually improving customer service and addressing the concerns raised in the J.D. Power study results.

Residential	2020 Index Score	2021 Index Score
Overall Customer Satisfaction Index	763	755
	[PROTECTED DATA BEGINS	[PROTECTED DATA BEGINS
Power Quality & Reliability		
Price		
Billing & Payment		
Corporate Citizenship		
Communications		
Customer Service		
	PROTECTED DATA ENDS]	PROTECTED DATA ENDS]

Table:1

Small/Medium Business	2020 Index Score	2021 Index Score
Overall Customer Satisfaction Index	804	797
	[PROTECTED DATA BEGINS	[PROTECTED DATA BEGINS
Power Quality & Reliability		
Price		
Billing & Payment		
Corporate Citizenship		
Communications		
Customer Service		
	PROTECTED DATA ENDS]	PROTECTED DATA ENDS]

The Department requested the Company provide additional discussion regarding the Company's results in the Small Commercial Satisfaction results. Similar to the Residential study, the J.D. Power Business Electric Customer Satisfaction study is also a national benchmark study where indexes are calculated on a 1,000-point scale. The study is smaller in scope and has a smaller participation rate compared to the residential study due to the relative number of business customers available to survey. The Company's 2021 results are based on 285 respondents, and a statistically significant change requires an upward/downward change of more than 40 index points. Results indicate that the Company remains in line with the industry averages because none of the factor index scores meaningfully differ from the industry average (i.e., there are no statistically significant changes that would clearly indicate a positive improvement or negative decline).

# 2. Explain the 2021 commercial class results for service installation times as compared to 2020

Several factors impacted the increased turn-around time for commercial service extensions in 2021 as outlined below:

• **Permitting** – Some cities require additional information when applying for permits, which is not always easily available. Cities are requiring all utilities (such as cable, water, sewer) to be mapped on the permit application. This requires additional information to be collected even before Xcel Energy can apply for the service extension permit. This typically impacts only commercial

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requests as residential service extension requests are overall much smaller and simpler in scope than commercial service extensions.

- **Customer Delays** It is not uncommon to have a delayed extension due to the customer not being ready. There are multiple reasons why the customer is not ready such as, but not limited to: site readiness, meter inspections completed, or incorrect labeling on the meter sockets. When the customer is not ready, this can require the Company to make multiple trips to the site. If work needs to be rescheduled, it affects multiple departments in order to coordinate new timing and requesting new locates. Rescheduling also creates delays for other customers and is not always possible within the customer's new time frame.
- **Supply Chain Issues** During 2021, both the Company and some of our commercial customers encountered longer delays due to required material and equipment lead-times lengthened by suppliers. For example, during 2021, the Company experienced a significant increase in lead-times for certain types of transformers, increasing to over one year from the point of order to the point of delivery. This type of supply chain issue typically impacts only commercial requests as residential service extension requests require a simpler equipment installation, being service wire and associated connectors.
- **Design Resource Issues** During 2021, we experienced unusually high turnover in our Distribution designer resources, causing longer lead-times to get some of our commercial service extension designs completed. Again, this would have a much greater impact on commercial service extensions as residential service requests are simpler and typically do not require much design support.

### 3. Additional information regarding the requirement in Order Point 10 of Commission's March 2, 2022 Order in Docket No. E002/21-237 regarding information provided in the Company's 2021 Electric general rate case.

The Company is currently in the process of gathering the required capital expenditures and operations & maintenance (O&M) expense information to fulfill this Order point. Once the information has been gathered, it will be analyzed and provided as part of the Rebuttal Testimony on November 8, 2022 in the Company's MN Electric Rate Case, Docket No. E002/M-21-630.

# 4. A discussion of the drivers for the apparent decrease in the number of website visits, MyAccount/mobile application installations, and email interactions between 2020 and 2021

In our 2021 Annual Report, we noted a "one-time" system glitch where we lost some website tracking capabilities. This glitch has since been corrected and additional processes and internal reporting has been established to identify sudden changes in any channel.

In 2021, the number of overall customer contacts with Xcel Energy decreased as a result of the pandemic related moratorium on credit activities within the state. Additionally, the Company has been assessing overall customer experience and observed that customer satisfaction tends to be higher with phone call transactions, as compared to email transactions. The Company's Voice of the Customer Transaction Survey (VOC) is the most direct measure of customer satisfaction with the services provided by the Customer Care organization. Since the start of the pandemic, monthly customer satisfaction for email transactions measured by our VOC has been an average of 7.1 percent below our phone transactions (agent and IVR handled). As such, the reductions in email transactions are not surprising to us.

Additionally, we have created a process to consistently automate more and more of our incoming tenant changes. This was at first a partially manual process but has been improved to realize over a 55 percent success rate, with the intent for full automation in the coming years. The 55 percent that are currently fully automated are completed the same day the customer submits a request and as a result, have decreased the actual email or calls to our customer care call center. This is important to note because with the more manual process, we have seen that many customers will call or email if they do not see anything by day three. This new automated process has made strides to clear that channel for our customers.

We note we are in the second year of reporting Website (XE.com) visits and My Account and Mobile App users pursuant to the Commission's December 2020 Order in the Annual Service Quality reports. While reviewing and preparing this Reply, we discovered a discrepancy in the manner the data has been collected the past two years. A thorough review of the last two year's data has been reviewed and revised numbers can be found below. As noted in this chart, our numbers have actually increased from 2020 to 2021. We are currently working to implement consistent processes for better accuracy of data collection.

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As Submitted	2020 Results	2021 Results
Website Visits	12,681,427	11,098,531
My Account + Mobile App	19,432,738	14,626,276
Revised	2020 Results	2021 Results
Website Visits	12,673,590	14,351,582
My Account + Mobile App	15,910,472	17,818,268

### 5. The process for receiving reliability information in an electronic format as identified in Commission's December 2, 2021 Order in Docket No. E002/M-21-237

Attachment L to the 2021 Annual Report provides customer class information along with the reliability data by feeder. Attachment L contains information that the Company believes could be manipulated to reveal the location and size of facilities serving our customers. The public disclosure or use of this information creates a risk because those who want to disrupt the electrical grid for political or other reasons may learn which facilities to target to create the greatest disruption. For this reason, pursuant to Minn. Stat. § 13.37, subd. 2, we have excised this data from the public version of our filing. Organizations wishing to obtain a copy of non-public data, are required to complete a Non-Disclosure Agreement with the Company. Parties may reach out to the regulatory contact noted in the filing for assistance.

Finally, the Department suggested the Commission consider initiating a work group to review and simplify the different reporting requirements included in the 14 plus Commission Orders that cover the information included in the Company's Reliability and Service Quality Reports. The Company supports this recommendation and believes a work group to discuss the simplification, condensing, and/or sunsetting of reporting requirements of older and duplicative order points would be beneficial.

### CONCLUSION

Xcel Energy is committed to providing our customers with safe, reliable, and quality customer service. We appreciate the thoughtful review of our 2021 Annual Report by the Department and request the Commission accept our 2021 Annual Report on electric safety, reliability, and service quality as detailed in our April 1, 2022 filing.

Dated: June 24, 2022 Northern States Power Company

### **CERTIFICATE OF SERVICE**

I, Christine Schwartz, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

- <u>xx</u> by depositing a true and correct copy thereof, properly enveloped with postage paid in the United States mail at Minneapolis, Minnesota
- $\underline{xx}$  electronic filing

### Docket No. E002/M-22-162

Dated this 24th day of June 2022

/s/

Christine Schwartz Regulatory Administrator

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