

June 6, 2014

Burl W. Haar
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. G002/M-14-367

Dear Dr. Haar:

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

2013 Annual Natural Gas Service Quality Report submitted by Northern States Power Company, a Minnesota Corporation (Xcel or the Company).

The *2013 Annual Natural Gas Service Quality Report* (Report) was filed on May 1, 2014 by:

Paul Lehman
Manager, Regulatory Compliance & Filings
414 Nicollet Mall – 7th Floor
Minneapolis, Minnesota 55401
612-330-7529

Based on its review of Xcel's 2013 Report, the Department recommends that the Commission accept the Company's Report pending submission of further information in *Reply Comments*.

The Department is available to answer any questions that the Commission may have in this matter.

Sincerely,

/s/ ZAC RUZYCKI
Public Utilities Rates Analyst

ZR/lt
Attachment

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS OF THE
MINNESOTA DEPARTMENT OF COMMERCE
DIVISION OF ENERGY RESOURCES

DOCKET No. G002/M-14-367

I. BACKGROUND

On April 16, 2009, the Minnesota Public Utilities Commission (Commission) opened an investigation into natural gas service-quality standards in Docket No. G999/CI-09-409. In its August 26, 2010 Order (09-409 *Order*), the Commission established uniform reporting requirements for all regulated Minnesota gas utilities. The 09-409 *Order* prescribed a list of indicators for which data for each calendar year are to be provided by each utility in a miscellaneous tariff filing to be made by the following May 1.

Northern States Power Company, a Minnesota corporation (Xcel or the Company) was allowed to report commingled gas and electric statistics for mislocates and for answer times from its utility call centers. The Company was allowed to report a partial year of data covering October 1, 2010 and thereafter for mislocates, gas lines damaged, summaries of major events reportable to the Minnesota Office of Pipeline Safety (MnOPS), and customer-service-related operations and maintenance expenses. For events reportable to MnOPS, all utilities were ordered to notify the Commission and the Minnesota Department of Commerce (Department) simultaneously with their notice to MnOPS.

In addition to the requirements in the 09-409 *Order*, the Commission's March 6, 2012 Order (11-360 *Order*) in Docket No. G002/M-11-360 *et. al*, directed all regulated Minnesota gas utilities to, in future annual reports:

- Include data on average speed-of-answering calls, in addition to reporting on the percentage of calls answered within 20 seconds or less;
- Explain, in their 2011 annual reports, whether the difference between the total percentage of meters (100%) and the percentage of meters read (by both the utility and customers) is equal to the percentage of estimated meter reads;

- Explain, beginning with their 2011 annual reports, the types of extension requests (such as requests for reconnection after disconnection for non-payment) they are including in their data on service extension request response times for both locations not previously served, as well as for locations that were previously served;
- Explain, beginning with their 2011 annual reports, the types of deposits (such as new deposits from new and reconnecting customers and the total number of deposits currently held) included in the reported number of “required customer deposits”; and
- Describe, beginning with their 2011 annual reports, the types of gas emergency calls included in their gas emergency response times, as well as the types of emergency calls included in their reports to the Minnesota Office of Pipeline Safety (MOPS). Provide an explanation of any difference between the reports provided to the Commission and to MOPS.

In the 11-360 *Order*, the Commission also specifically required Xcel to, beginning in its 2011 report, explain how its gas-related call center complaints correspond with the complaint categories contained in Minn. Rules, part 7826.2000.

Further, the Commission’s November 30, 2010 *Order* in Docket No. E,G002/M-09-224 and G002/CI-08-871 included the following order point:

Direct Xcel to file the following information with its annual electric service quality reports filed pursuant to Minn. Rules, Part 7826.0500 and its annual gas service quality reports established in Docket No. G999/CI-09-409 starting in 2013:

- Volume of Investigate and Remediate field orders;
- Volume of Investigate and Refer field orders;
- Volume of Remediate upon Referral field orders;
- Average Response Time for each of the above categories by month and year;
- Minimum days, maximum days, and standard deviations for each category; and
- Volume of excluded field orders.

The Commission’s April 7, 2014 *Order* in Docket No. E,G002/M-13-371 required Xcel to provide complete and accurate meter reading data with multiple reads excluded in future reports.

On May 1, 2014, Xcel filed its 2013 *Natural Gas Service Quality Performance Report* (Report). The Department provides its summary and analysis of Xcel’s Report below.

II. THE DEPARTMENT'S ANALYSIS

In the 09-409 *Order*, the Commission requested each Minnesota regulated utility to provide data on various service-quality-related metrics. The 09-409 *Order* acknowledged that the Company would not have data for all months of 2010 for all metrics and directed that the Company report as much information as possible in these cases. In the 11-360 *Order*, the Commission requested additional information from all of the utilities to increase the clarity and usability of the previously ordered service quality metrics. The Department addresses each of these metrics below. Due to a limited number of data points available for these metrics, it is difficult for the Department to identify, characterize, and draw definitive conclusions from the data presented by Xcel to date.

A. CALL CENTER RESPONSE TIME

Xcel reported the percentage of calls to call centers answered within 20 seconds in Attachment A of its Report, as required by the 09-409 *Order*. As the 09-409 *Order* permitted, the information reflects both natural gas and electric customer calls placed to the call centers. For 2013, the Company met the annual standard¹ of answering 80 percent of call center calls in 20 seconds or less. The 12-month average for 2013 was 89.0 percent, a slight decrease from the 89.4 percent in 2012. The monthly percentages ranged from a low of 81.2 percent in July to a high of 95.7 percent in September 2013. Per the 11-360 *Order*, Xcel reported that the average speed of answer for calls offered to agents in 2013 was 26 seconds, an increase of 7 seconds from 2012.

The Department acknowledges that Xcel has fulfilled the requirements of the 09-409 and 11-360 *Orders*.

B. METER-READING PERFORMANCE

Xcel reported the following metrics for meter-reading performance in Attachment B of its Report, and included complete and accurate meter reading data as required by the Commission's April 7, 2014 *Order* in Docket No. E,G002/M-13-371:²

- A. the number and percentage of customer meters read by Company 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 Company personnel for periods of six to 12 months and for periods of longer than 12 months, and an explanation as to why they have not been read; and

¹ The call center response time standard located in Minnesota Rules, part 7826.1200 applies to electric utilities only.

² Xcel's meter reading performance reporting includes both electric and natural gas meters.

D. data on Company monthly meter-reading staffing levels, by work center or geographical area.

Xcel filed a revised version of Attachment B on June 3, 2013 which included meter reading data excluding multiple reads as required by the Commission's April 7, 2014 *Order* in Docket No. E,G002/M-13-371. Xcel reported that an annual average of 96.57 percent of customer meters were read by utility personnel and 0.0015 percent were read by the customer in 2013.

The Department notes that Xcel's monthly meter reading data varies fairly significantly, with the lowest percentage of meters read by the Company occurring in November (89.39 percent) and the highest in January (99.46 percent). While fluctuations in meter read percentages due to weather conditions may be expected, Xcel's high percentage of meter reads achieved in January 2013 does not appear to be weather related. The Department requests that Xcel address in *Reply Comments* the reasons for the monthly meter reading percentage variances.

Xcel provided the number of meters unread in 2013 for 6 to 12 months and for more than 12 months for its Residential, Commercial, Industrial, and Other customer classes. "No Reading Returned" was the most common reason across all customer classes for failure of meters to be read. Table 1 summarizes the number of meters not read by utility personnel for more than 12 months according to Xcel's current and past annual reports.

Table 1: Meters Not Read for Longer than 12 Months

Year	Residential	Commercial	Industrial	Other	Total
2010	1,149	366	263	71	1,849
2011	637	403	181	94	1,315
2012	661	450	112	89	1,312
2013	602	335	131	64	1,132

The Department appreciates Xcel's continued efforts in reducing the number of meters not read for longer than 12 months.

Xcel provided its monthly staffing levels for its four work centers and for meter readers working in western Minnesota, North Dakota and South Dakota. The Company averaged a total of 20 meter reading staff throughout 2013, an increase from the 14 recorded in 2012.

The Department acknowledges that Xcel has fulfilled the requirements of the 09-409, 11-360, and 13-371 *Orders*, and requests that Xcel provide a discussion in *Reply Comments* regarding the variance in the percent of meters read by the company in 2013.

C. INVOLUNTARY DISCONNECTIONS

The Company referenced the involuntary disconnections data that it reports under Minn. Stat. § 216B.091 and § 216B.096 in Docket No. E,G999/PR-13-02. Table 2 summarizes residential customer disconnection statistics reported by Xcel in its Cold Weather Rule reports.³

Table 2: Residential Customer Involuntary Disconnect Information

Year	Customers Receiving Disconnect Notice	Customers Seeking CWR Protection	Customers Granted CWR Protection	% Granted	Customers Disconnected Involuntarily	Customers Restored within 24 Hours
2010	1,218,073	173,440	173,440	100%	29,592	12,121
2011	1,282,576	188,091	188,271	100%	27,120	11,273
2012	1,207,842	121,393	121,393	100%	27,132	21,780
2013	1,217,049	126,477	126,477	100%	23,493	20,142

The Department acknowledges that Xcel has fulfilled the requirements of the 09-409 *Order*.

D. SERVICE EXTENSION REQUEST RESPONSE TIMES

Xcel stated in its May 18, 2009 *Comments* in Docket No. G999/CI-09-409 that nearly all requests to connect natural gas service at a location previously served are from customers who have had their meter locked due to nonpayment issues, as it is otherwise uncommon to disconnect service between tenants. Therefore the Company included all reconnection statistics, including service upgrades involving disconnection and reconnections to a formerly vacant address, in its reporting of requests for new service.

Xcel reported that the Company extended service to 1,582 new residential locations in 2013, with an average completion time of 0.8 days. The total number of extensions to commercial locations was 130 with an average completion time of 0.7 days. Xcel's 2013 residential and commercial service extension performance was a significant improvement over the 3 and 3.2 days, respectively, achieved in 2012.

The Department acknowledges that Xcel has fulfilled the requirements of the 09-49 and 11-360 *Orders*, and commends Xcel on the reduction in the average days to complete service extensions.

E. CUSTOMER DEPOSITS

The reporting metric for customer deposits is the number of customers required to make a deposit as a condition of receiving service. Xcel reported a total of 652 such accounts for both its natural gas and electric operations in 2013.

³ Docket Nos. E,G999/PR-10-02, E,G999/PR-11-02, E,G999/PR-12-02, and E,G999/PR-13-02.

Table 3: Customer Deposits

Year	Deposits	% Change
2010	657	n/a
2011	665	1.22%
2012	622	-6.47%
2013	652	4.82%

Per the 11-360 *Order*, the utilities were required to explain the types of deposits included in the reported number of “required customer deposits.” Xcel stated that it requires deposits from residential customers that have filed for bankruptcy. The Company noted that it requests these deposits upon notification of the bankruptcy and not as a condition for reconnection of service. Xcel further stated that once customers file for bankruptcy, their service is begun anew and the deposit amount is included in the first bill.

The Department acknowledges that Xcel has fulfilled the requirements of the 09-409 and 11-360 *Orders*.

F. DETAILED INFORMATION ABOUT CUSTOMER COMPLAINTS

The metrics addressing customer complaints include:

- 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:
 - a. taking the action the customer requested;
 - b. taking an action the customer and the utility agree is an acceptable compromise;
 - c. providing the customer with information that demonstrates that the situation complained of is not reasonably within the control of the utility; or
 - d. 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.

In 2013, Xcel reported that 745 electric and natural gas complaints were handled by the Company's Customer Advocate Group, 94 of which were forwarded by the Consumer Affairs Office. Data provided by the Company showed that 18.9 percent of complaints handled by Xcel's Customer Advocate Group were resolved upon inquiry. The most frequent complaint category was "inadequate service." Xcel reported that 38.3 percent of complaints in 2013 were resolved by taking the action the customer requested, an increase of over 11 percent from 2012.

Xcel also received 802,754 complaints in 2013 that were handled upon initial inquiry in the Company's call centers. Xcel reported that approximately 96 percent of these complaints were resolved by taking the action the customer requested. The complaint category with the largest volume of complaints for all customers was "billing errors" with "wrongful disconnect" and "inadequate service" additionally of significant concern to customers.

Per the 11-360 *Order*, Xcel provided a chart that aligned its customer complaint categories with the ones contained in Minn. Rules, part 7826.2000. The majority of Xcel's complaint categories fell within the "Billing Error" and "Inadequate Service" categories in the Rules.

The Department acknowledges that Xcel has fulfilled the requirements of the 09-409 and 11-360 *Orders*.

G. EMERGENCY CALLS SPEED OF ANSWER

The Company reported its average speed of answering emergency line calls for natural gas emergencies by month and year for all its possible sources, including the general customer service line, Builders Line, Electric Outage line, and Gas Emergency Line. Xcel also reported the same information for calls directed exclusively to the dedicated Gas Emergency Line. The 2013 annual average answer time for all gas emergency calls was 17 seconds for 27,669 calls; the average for the dedicated gas emergency line only was 10 seconds for 14,431 calls.

The Department acknowledges that Xcel has fulfilled the requirements of the 09-409 *Order*.

H. EMERGENCY GAS RESPONSE TIMES

The Company also reports the response time associated with emergencies requiring a physical presence at the site of the emergency. This metric is the length of time from the initial notification of an emergency to the point that qualified emergency response personnel arrived at the location of the incident. Xcel reported emergency response times by job code and total calls, by calls responded to within one hour or less, and calls responded to in more than one hour. Xcel also provided the average number of minutes necessary for response to an emergency.

In 2013, there were 13,801 emergency calls to which a response was required, with an average response time of 41.7 minutes, and 83 percent of calls were responded to within one hour.

In the 11-360 *Order*, all gas utilities were required to describe the types of gas emergency calls included in their gas emergency response times, as well as the types of emergency calls included in their reports to MnOPS. The utilities were also required to provide an explanation of any difference between the reports provided to the Commission and those provided to MnOPS. Xcel has included the MnOPS Emergency Response Reporting Forms for 2012 in its Report. In 2013 there were 10,987 calls that were reportable to MnOPS of the 13,801 total calls that required a response.

The Department acknowledges that Xcel has fulfilled the requirements of the 09-409 and the 11-360 *Orders*.

I. MISLOCATE RATE

The mislocate rate refers to the number of times that a gas line is damaged due to a line being mismarked or unmarked. The required reporting metric is the total number of mislocates. The Company also provided the number of locate tickets and the number of mislocates per 1,000 locate tickets. For 2013, Xcel reported 57 mislocates out of a total of 155,531 locate tickets, a rate of 0.37 mislocates per 1,000 tickets. This is a minor increase over the data from 2012, where Xcel reported 54 mislocates out of a total of 160,832 locate tickets, or a rate of 0.34 per 1,000 locate tickets.

The Department acknowledges that Xcel has fulfilled the requirements of the 09-409 *Order*.

J. GAS SYSTEM DAMAGES

The metric concerning gas system damage indicates the number of incidents caused by Company employees and contractors, or other sources. In 2013, Xcel reported 340 total gas system damages, of which 87 were due to Xcel employees or its contractors, and 253 were due to other causes. In 2012, there were 335 gas system damages of which 81 incidents were due to actions of Company employees or its contractors, and 254 incidents were from all other causes.

The Company reported a rate of 0.97 damage incidents caused by Xcel or contractors per 100 miles of main and 2.83 damage incidents from other causes per 100 miles of main in 2013. This is comparable with the rate of 0.91 damage incidents caused by Xcel employees and contractors per 100 miles of main and 2.85 incidents per 100 miles from other causes in 2012. The total rate for 2013 was 3.80 incidents per 100 miles, an increase of 0.05 incidents per 100 miles from 2012.

The Department acknowledges that Xcel has fulfilled the requirements of the 09-409 *Order*.

K. NATURAL GAS SERVICE INTERRUPTIONS

The reporting metrics for natural gas service interruptions are the number of firm customers that experience an unplanned service interruption and the average duration of the unplanned service disruptions. Unplanned service interruptions are those due to Xcel employees and contractors, or other unplanned causes. 2013 marks the third year that the Company had data available for the entire calendar year.

A total of 621 customers were affected by 264 gas-service interruptions in 2013. 26 outages were caused by Xcel employees and contractors, affecting 45 homes, while 238 outages affecting 576 homes occurred due to other causes. The average duration of gas-service interruptions was 1 hour 43 minutes for outages associated with Xcel employees and contractors and 2 hours for the outages due to other causes. In 2012, there were 473 homes affected through 279 incidents. The proportion of those incidents caused by Xcel increased by 1 from 25 to 26, and the number of incidents from other causes decreased from 254 to 238. More homes were affected in 2013 through fewer incidents than in 2012. Interruption statistics for 2012 and 2013 reflect an improvement over 2011, which saw 280 incidents affect over 2000 homes.

The Department notes that in 2013 there were 2 major incidents that affected more than 60 customers. Additionally, service interruptions were most prevalent in June, July, and August, with the winter months not experiencing significant service interruptions, likely due to the prevalence of construction activities in the summer months.

The Department acknowledges that Xcel has fulfilled the requirements of the 09-409 *Order*.

L. MnOPS SUMMARIES

The Company is required to summarize major events that require a report being made to the MnOPS. These summaries include the ten items that the MnOPS requires in its incident reports. They are:

- the location;
- when the incident occurred;
- how many customers were affected;
- how the company was made aware of the incident;
- the root cause of the incident;
- the actions taken to fix the problem;
- what actions were taken to contact customers;
- any public relations or media issues;
- whether the customer or the company relighted; and
- the longest any customer was without gas service during the incident.

Xcel reported 28 such major events during 2012. The Company provided a table of data concerning major incidents, which includes all ten items required by MOPS.

The Department acknowledges that Xcel has fulfilled the requirements of the 09-409 Order.

M. CUSTOMER-SERVICE-RELATED EXPENSES

The customer-service-related expenses reporting metric is the total operation and maintenance (O&M) expenses incurred related to customer service. The report included expenses for operations in Xcel's Minnesota jurisdiction, as well as the total for Northern States Power Company (which includes North Dakota expenses). Table 4 below summarizes Xcel's reported customer-service expenses for its Minnesota jurisdiction.

Table 4: Xcel Customer-Service Expenses: Minnesota Jurisdiction

	2010	2011	2012	2013
FERC 901 and 903	\$5,612,215	\$5,927,900	\$5,896,206	\$5,799,728
Associated Payroll Taxes & Benefits	\$396,149	\$391,843	\$436,123	\$431,478
Total	\$6,008,364	\$6,319,743	\$6,332,329	\$6,231,206

The Department acknowledges that Xcel has fulfilled the requirements of the 09-409 Order.

N. COMMISSION ORDER IN THE MATTER OF AN INVESTIGATION INTO XCEL'S INACCURATE GAS METERS, RECALCULATION OF BILLS, AND RELATED ISSUES (DOCKET G002/CI-08-871)

As indicated above, Xcel is required to provide certain data regarding meter repair field orders, which has traditionally been provided for both electric and gas in the annual Electric Service Quality Dockets; 2013 marks the second year that Xcel provided Meter Malfunction data in the Natural Gas Service Quality Docket. In 2012 there were 2,891 orders for gas meter equipment malfunctions taking an average of 2.97 days to resolve, along with 365 exclusions for meter access issues. In 2013, there were 3,286 orders taking an average of 3.07 days to resolve, with 608 meter access exclusions.

III. THE DEPARTMENT'S RECOMMENDATIONS

Based on its review of Xcel's 2013 *Annual Natural Gas Service Quality Report*, the Department recommends that the Commission accept the Company's Report as revised by the Company's June 3, 2014 submittal.

In addition, the Department requests that the Company provide a discussion regarding the variation in the monthly percentages of meters read by the Company in 2013.

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