

July 1, 2014

Burl W. Haar  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
Saint Paul, Minnesota 55101-2147

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**  
Docket No. G001/M-14-374

Dear Dr. Haar:

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

2013 *Annual Service Quality Report* (Report) submitted by Interstate Power and Light Company, an Alliant Energy Company (Interstate or Company).

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

Paula N. Johnson  
Senior Attorney--Regulatory  
Interstate Power and Light Company  
200 First Street SE  
Cedar Rapids, Iowa 52406-0351

Based on its review of Interstate's 2013 *Annual Service Quality Report*, the Department recommends that the Commission accept the Company's Report.

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

Sincerely,

/s/ ANGELA BYRNE  
Financial Analyst  
651-539-1820

AB/lt  
Attachment



## BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

### COMMENTS OF THE MINNESOTA DEPARTMENT OF COMMERCE DIVISION OF ENERGY RESOURCES

DOCKET No. G001/M-14-374

#### 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.

Interstate Power and Light Company, an Alliant Company, (Interstate or the Company) was allowed to report commingled gas and electric statistics for answer times from its utility call centers, meter reads, and mislocates. For the first year, the Company also was allowed to report only as much data as possible from 2010 for service extension request response time. For events reportable to the Minnesota Office of Pipeline Safety (MOPS), all utilities were ordered to notify the Commission and the Minnesota Department of Commerce (Department) contemporaneously with their notice to the MOPS.

In addition to the requirements in the 09-409 *Order*, the Commission's March 6, 2012 *Order* (11-361 *Order*) in Docket No. G001/M-11-361, *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, 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 11-361 *Order*, the Commission also specifically directed Interstate to:

- Beginning in its 2011 annual report, provide the number of miles of pipe it operates in Minnesota;
- Beginning in its 2011 annual report, provide the number of locate requests; and
- Beginning in its 2011 annual report, report all gas service interruptions on its system (not only those service interruptions immediately reportable to the Minnesota Office of Pipeline Safety).

Further, the 11-361 *Order* directed the Minnesota natural gas utilities subject to the 09-409 *Order* to convene a workgroup to address improving consistency in reporting and to address certain other reporting issues. The workgroup<sup>1</sup> met on June 22, 2012 and developed more uniform reporting. Reporting changes as a result of the workgroup consensus are noted in the analysis below, and are referred to as done in compliance with the Commission’s 11-361 *Order*.

On May 1, 2014, Interstate filed its calendar year 2013 *Annual Service Quality Report* (Report) to comply with the 09-409 *Order* and the 11-361 *Order*. The Department provides its summary and analysis of Interstate’s Report below.

## II. THE DEPARTMENT’S ANALYSIS

In the 09-409 *Order*, the Commission requested that each Minnesota regulated utility provide information on various service quality related reporting metrics. The Department notes that for some metrics, Interstate did not have full calendar year 2010 data. 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 11-361 *Order*, the Commission requested additional information from all of

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<sup>1</sup> Participating parties included Xcel Energy, CenterPoint Energy, Minnesota Energy Resources Corporation, Great Plains Natural Gas Company, Interstate Power and Light, and the Department.

the utilities to increase the clarity and usability of the previously ordered service quality metrics. The Department addresses each of these reporting metrics below.

*A. CALL CENTER RESPONSE TIME*

Interstate reported the percentage of calls answered within 20 seconds in both tabular and graphical detail. As the 09-409 *Order* permitted, Interstate reported this metric on a combined gas and electric basis. For 2013, the Company reported that it met its internal annual goal of answering 80 percent of call center calls in 20 seconds or less. The average over 12 months was 82.9 percent, while the monthly percentages ranged from a low of 74.3 percent in May to a high of 88.0 percent in February 2013. Per the 11-361 *Order*, Interstate reported that its average speed of answer was 17.0 seconds.

In 2013, Interstate met the requirement to answer, on an annual basis, at least 80 percent of calls within 20 seconds. As for the low percentage achieved in May, the Company stated that nearly 25 percent of call volume for the entire month occurred within a two-day timeframe (May 2<sup>nd</sup> and 3<sup>rd</sup>), during a late-season snow storm that resulted in up to 10 inches of snow in some parts of Interstate's service territory. Based on a review of call center response data since 2010, Interstate has consistently met the 80 percent requirement.

The Department acknowledges that Interstate has fulfilled the requirements of the 09-409 and 11-361 *Orders*.

*B. METER READING PERFORMANCE*

Interstate reported the following metrics for combined gas and electric meter-reading performance on pages 2 and 3 of Appendix A in its Report:

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

Interstate reported that an annual average of 89.1 percent of customer meters were read by utility personnel and 0.02 percent were read by the customer in 2013. Interstate read at least 90 percent of all meters during the months of April through November and at least 80

percent of all meters during the months of December through March except in the months of February through May 2013. Interstate provided a detailed discussion regarding the various weather and staffing challenges the Company faced during this period in 2013. This discussion also included several actions that Interstate implemented during the year to prevent this level of underperformance in the future. The Department appreciates this information and will monitor Interstate's meter reading statistics in the future to identify any potential declining trends in performance.

Per the 11-361 *Order*, Interstate explained that the difference between the total percentage of meters read (by Interstate and customers) and 100 percent is equal to the percentage of estimated meter reads.

Interstate provided the number of meters unread for 6 to 12 months and for more than 12 months for its Residential, Commercial, Industrial, and Rural customer classes. Table 1 summarizes the number of meters not read by utility personnel for longer than 12 months according to Interstate's current and past annual reports.

**Table 1: Meters Not Read for Longer than 12 Months**

	Residential	Commercial	Industrial	Rural	Total
2010	0	0	0	0	0
2011	18	0	0	0	18
2012	0	0	0	0	0
2013	1	0	0	0	1

Interstate provided its monthly staffing levels, which remained at 11 meter reading staff throughout the year.

The Department acknowledges that Interstate has fulfilled the requirements of the 09-409 and 11-361 *Orders*.

**C. INVOLUNTARY SERVICE DISCONNECTIONS**

The Company referenced the involuntary disconnections data that it reported under Minn. Stat. §216B.091 and §216B.096 in Docket No. E,G999/PR-13-02. Interstate also included a summary of its monthly Cold Weather Rule reports on pages four through six of Appendix A in its Report. Table 2 summarizes customer disconnection statistics reported by the Company in its Cold Weather Rule reports.<sup>2</sup>

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<sup>2</sup> Docket Nos. E,G999/PR-10-02; E,G999/PR-11-02; E,G999/PR-12-02; and E,G999/PR-13-02.

**Table 2: Involuntary Disconnection Information**

	Customers Receiving Disconnect Notice	Customers Seeking CWR Protection*	Customers Granted CWR Protection*	% Granted	Customers Disconnected Involuntarily	Customers Restored within 24 Hours	Customers Restored by Entering Payment Plan
2010	37,997	1,976	1,976	100%	509	96	11
2011	42,347	3,772	3,772	100%	490	63	19
2012	39,200	5,328	5,328	100%	511	91	0
2013	39,421	4,307	4,307	100%	273	51	2

\* Residential customers only

The Department acknowledges that Interstate has fulfilled the requirements of the 09-409 and 11-361 *Orders*.

#### **D. SERVICE EXTENSION REQUESTS**

In its 09-409 *Order*, the Commission required that each utility provide in its annual report information on service extension requests in the same manner as detailed in Minnesota Rule 7826.1600, items A and B, except for information already provided in Minnesota Statute sections 216B.091 and 216B.096, subd. 11. The Company provided, as an attachment to its Report, the service extension request data per Minnesota Rules. Interstate further explained that it received requests for gas service at new locations during the months June through November in 2013.

For locations previously served, Interstate stated that it excluded reconnects for credit/nonpayment issues. The Company also stated that it does not track response time by account; however requests are typically handled the next business day. For locations not previously served, the average response time to commercial requests was 1.6 days, while the average response time to residential requests was 2.8 days.

The Department acknowledges that Interstate has fulfilled the requirements of the 09-409 and 11-361 *Orders*.

#### **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. Interstate reported a total of 402 such accounts for both its natural gas and electric operations in 2013.

Per the 11-361 *Order*, the utilities were required to explain the types of deposits included in the reported number of "required customer deposits." Interstate stated that its data included deposits for new and reconnecting Minnesota customers. The Company also reported that as of December 31, 2013 it held 889 deposits for a total of \$203,130.

The Department acknowledges that Interstate has fulfilled the requirements of the 09-409 and 11-361 *Orders*.

*F. CUSTOMER COMPLAINTS*

Interstate reported the following metrics for combined gas and electric customer complaints on pages 11 through 19 of Appendix A in its Report:

- 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:
  - (1) taking the action the customer requested;
  - (2) taking an action the customer and the utility agree is an acceptable compromise;
  - (3) providing the customer with information that demonstrates that the situation complained of is not reasonably within the control of the utility; or
  - (4) 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.

Interstate reported that it received 280 electric and natural gas complaints in 2013, two of which were forwarded by the Consumer Affairs Office. Data provided by the Company showed that 23.6 percent of complaints were resolved upon initial inquiry. The most frequent complaint category was "Property Damage." Interstate reported that 53.9 percent of complaints were resolved by taking the action the customer requested. These statistics represent an improvement in total complaints reported, and a slight decline in complaints resolved by taking action the customer requested (54 percent) compared to 2012 (56 percent) and 2011 (59 percent).

The Department acknowledges that Interstate has fulfilled the requirements of the 09-409 and 11-361 *Orders*.

*G. EMERGENCY LINE RESPONSE TIME*

Interstate reported its average speed of answering all emergency calls, for natural gas and electric, by month as required in the 09-409 *Order*. The Company also reported the same information for calls to its direct emergency phone line. In 2013, Interstate fielded a total of 1,594 emergency phone calls during the year with 386 calls to the Company's direct emergency line. The average response time for all emergency calls was approximately 17.9 seconds, and the average response time for the direct emergency line was 12.5 seconds.

Response time to all emergency calls improved from approximately 28 seconds last year, but the response time to direct emergency calls declined slightly from an average of 8.4 seconds last year.

The Department acknowledges that Interstate has fulfilled the requirements of the 09-409 and 11-361 *Orders*.

*H. MISLOCATES*

The 09-409 *Order* required Minnesota gas utilities to provide data on mislocates, including the number of times a line is damaged due to a mismarked line or failure to mark a line. Interstate reported four instances of gas line damage in 2013, one due to mismarked and three due to unmarked lines out of 13,298 gas and electric locate requests, or a rate of .30 per 1,000 requests. This rate is consistent with past incident levels.

The Department acknowledges that Interstate has fulfilled the requirements of the 09-409 and 11-361 *Orders*.

*I. DAMAGED GAS LINES*

The 09-409 *Order* required Minnesota gas utilities to provide data on damaged gas lines, including the number of lines damaged by Company employees or contractors, the total number of other damage events, and the number of events that were unplanned in nature.

Interstate reported eleven incidents of gas system damage in 2013, none of which were caused by Interstate employees or contractors working on the Company's behalf. This calculates to a rate of 4.62 incidents per 100 miles of main.<sup>3</sup> The months during which the most damage incidents occurred were August and September, with three incidents occurring each month.

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<sup>3</sup> Per the 11-361 *Order*, Interstate reported that, as of December 31, 2013, it operated 238 miles of main and 10,363 service lines.



The Department acknowledges that Interstate has fulfilled the requirements of the 09-409 and 11-361 *Orders*.

*J. SERVICE INTERRUPTIONS*

The 09-409 *Order* required that Minnesota regulated gas utilities collect data regarding service interruptions, separating the data into categories based on whether the event was caused by Company employees or Company contractors, or some other unplanned caused. Interstate reported that there were no service interruptions during the reporting period that were the result of system integrity issues. Interstate further reported that of the eleven damage instances discussed in Sub-Section I above, ten resulted in gas outages to at least one customer, and none of the events met the MOPS reporting criteria. Any instances reported to the MOPS are discussed in greater detail in Sub-Section K of these *Comments*.

The Department acknowledges that Interstate has fulfilled the requirements of the 09-409 and 11-361 *Orders*.

*K. MOPS SUMMARIES*

The Company is required to summarize major events that require a report being made to the MOPS. These summaries include the ten items that the MOPS 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.

Interstate reported that no major events were reportable to the MOPS during 2013.

The Department acknowledges that Interstate has fulfilled the requirements of the 09-409 and 11-361 *Orders*.

*L. EMERGENCY RESPONSE TIME*

The 09-409 *Order* required that Minnesota regulated gas utilities collect and provide data regarding gas emergency response times including a percentage breakdown of the number of calls responded to in less than an hour and the percent of calls responded to in more than an hour. In addition, the Commission required Interstate to report the average number of minutes it takes to respond to an emergency on a monthly basis. The Company provided this information in the body of its report.

The Company stated that it was able to respond to 100 percent of its 264 emergency calls in less than one hour. In terms of average response time, Interstate was able, on a monthly basis, to respond to emergency calls in 25.8 minutes or less. On an annual basis, the Company's average response time was 19.4 minutes.

In the 11-361 *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 the MOPS. The utilities were also required to provide an explanation of any difference between the reports provided to the Commission and to the MOPS. Interstate provided types of calls classified as emergencies and stated that any call that is coded as an emergency will be included in the statistical reports submitted both to the Commission and the MOPS. Interstate also provided complete and non-redacted copies of its MOPS Emergency Response Reporting Forms for calendar year 2013.

The Department acknowledges that Interstate has fulfilled the requirements of the 09-409 and 11-361 *Orders*.

*M. OPERATIONS AND MAINTENANCE (O&M) EXPENSES*

Along with the service quality data referenced above, the Commission also required Minnesota gas utilities to report operation and maintenance (O&M) expenses related to customer service in the Federal Energy Regulatory Commission (FERC) 901 and 903 accounts. In 2013, Interstate reported total service quality related O&M expenses of \$106,592, which translates into approximately \$8,883 of O&M expenses per month. Interstate also noted that these O&M expense figures include payroll taxes and benefits.

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

*N. PENDING DOCKETS FOR THE SALE OF INTERSTATE ASSETS*

The Department notes that Interstate has two pending dockets regarding the sale of its assets in Minnesota. The first docket requests the Commission's approval regarding the sale of Interstate's Minnesota gas distribution system and assets, and transfer of service

rights and obligations in Minnesota to Minnesota Energy Resources Corporation (MERC).<sup>4</sup> The second docket requests approval of the sale of Interstate's Minnesota electric distribution system and assets, and transfer of service rights and obligations in Minnesota, to Southern Minnesota Energy Cooperative (SMEC), an association of twelve electric cooperatives created for the purposes of purchasing and operating Interstate's Minnesota electric operations.<sup>5</sup>

Should both of these purchase agreements be approved by the Commission, Interstate's electric and natural gas operations in Minnesota would cease in the near future. The Department requests that in Reply Comments, the Company provide a discussion regarding the currently-anticipated timeline of each of these purchase agreements, when Interstate anticipates it would no longer serve Minnesota retail electric and gas customers, and for what time period the Company anticipates it would file its final gas service quality report.

### III. THE DEPARTMENT'S RECOMMENDATIONS

The Department recommends that the Commission accept the Company's filing in fulfillment of the Commission's *Order Setting Reporting Requirements* issued August 26, 2010 in Docket No. G999/CI-09-409, and the Commission's *Order Accepting Reports and Setting Further Requirements* issued March 6, 2012 in Docket No. G001/M-11-361.

The Department requests that in Reply Comments, the Company provide a discussion regarding the currently-anticipated timeline of each of these purchase agreements, when Interstate anticipates it would no longer serve Minnesota retail electric and gas customers, and for what time period the Company anticipates it would file its final gas service quality report.

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<sup>4</sup> Docket No. G001,G011/PA-14-107.

<sup>5</sup> Docket No. E115,E140,E105,E139,E124,E145,E001,E132,E114,E6521,E142,E135/PA-14-322.