

March 25, 2015

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. E002/M-15-203

Dear Mr. Wolf:

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

Northern States Power Company, d/b/a Xcel Energy (Xcel or the Company) Request for a Variance to the Billing Error Rules.

The filing was submitted on March 3, 2015 by:

Bria E. Shea
Manager
Regulatory Document Content
Xcel Energy
414 Nicollet Mall
Minneapolis, MN 55401

The Department recommends **approval** and is available to respond to any questions the Minnesota Public Utilities Commission may have on this matter.

Sincerely,

/s/ LERMA LA PLANTE
Financial Analyst

LL/lt
Attachment

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS OF THE
MINNESOTA DEPARTMENT OF COMMERCE
DIVISION OF ENERGY RESOURCES

DOCKET No. E002/M-15-203

I. BACKGROUND AND SUMMARY OF FILING

On March 3, 2015, Northern States Power Company, d/b/a Xcel Energy (Xcel or the Company) filed a petition with the Minnesota Public Utilities Commission (Commission) for a variance to Minnesota Rules, part 7820.3800, the Billing Errors Rule, to allow the Company to provide credit to a residential customer for overcharges that have occurred since June 2006 and a one-time modification to the Company's Billing Error Tariff requirements contained in the Company's Electric Rate Book.

Xcel requested this rule variance and one-time tariff modification in order to gain approval to issue credit to a residential customer for overcharges that the customer paid during a period outside of the three-year limit set in Minnesota Rules and Xcel's Electric Billing Error Tariff. Xcel stated that the overcharge was due to incorrect application of rate schedule.

Xcel stated that when Customer A began residing at the premises on June 3, 2006, the residential electric meter was erroneously set on the Company's underground tariff (A03) instead of the Company's overhead tariff (A01).

Upon discovery of the error in June 2013, the Company corrected the billing system so that Customer A is being billed for the proper meter going forward. Xcel proposed to credit Customer A back to June 3, 2006, the date the customer started the service.

The Company calculated a total credit for Customer A of approximately \$331.95¹ for the total timeframe both within and exceeding the Commission Rule and Tariff periods. The Company stated that on June 26, 2014 it credited Customer A the total of \$156.01² for the amount over-paid during the 3-year period provided for in Rule and Tariff. Xcel calculated and provided billing credits in accordance with Minn. R. 7820.3800 and calculated interest consistent with Minn. Stat. 325E.02(b) as summarized in the table below.

¹ Consisting of \$324.80 of principal and \$7.15 of interest.

² Consisting of \$155.66 of principal and \$0.35 of interest.

Table 1: Credit Amounts Provided and Credit Amounts Requiring Variance

Time Period	Principal	Interest	Total
Credit Provided (06/09/2011 – 06/09/14)	\$155.66	\$0.35	\$156.01
Credit Requiring Variance (06/03/2006 – 06/08/2011)	\$169.14	\$6.80	\$175.94
Total	\$324.80	\$7.15	\$331.95

Xcel stated that, consistent with the Commission's June 21, 2010 Order in Docket E002/M-10-258, it will send a letter to affected customers informing them of the billing error issue and providing instructions on how to participate in the proceeding.

II. DEPARTMENT ANALYSIS

Minnesota Rules, part 7820.3800 states in relevant part:

Subpart 1. Errors warranting remedy.

When a customer has been overcharged or undercharged as a result of incorrect reading of the meter, **incorrect application of rate schedule, incorrect connection of the meter**, application of an incorrect multiplier or constant or other similar reasons, the amount of the overcharge shall be refunded to the customer or the amount of the undercharge may be billed to the customer as detailed in subparts 2 through 4.

Subpart 2. Remedy for overcharge.

When a utility has overcharged a customer, the utility shall calculate the difference between the amount collected for service rendered and the amount the utility should have collected for service rendered, plus interest, for the period beginning three years before the date of discovery. Interest must be calculated as prescribed by Minnesota Statutes, section 325E.02, paragraph (b).

Subpart 4. Exception if error date known.

If the date the error occurred can be fixed with reasonable certainty, the remedy shall be calculated on the bases of payments for service rendered after that date, but in no event for a period beginning more than three years before the discovery of an overcharge or one year before the discovery of an undercharge.

Xcel's Electric's Rate Book, Section No. 6, 6th Revised Sheet No. 16 states, in relevant part:

3.9 BILLING ADJUSTMENTS

Overbilled

In the event the customer was over-billed, the Company shall recalculate bills for service during the period of the error, up to a maximum of three years from the date of discovery. Adjustments of bills will be made in accordance with the rules prescribed by the Commission. Interest will be calculated as prescribed by Minn. Stat. §325E.02(b).

Xcel stated that it has provided the affected customer the credits in accordance with Minnesota Rules and its Billing Error Tariff. The Company requested approval to issue a further credit for the amount overcharged to the customer for the periods which lie outside the 3-year limit.

Minnesota Rules, part 7829.3200, subp. 1 establishes the following criteria for evaluating a variance request:

The commission shall grant a variance to its rules when it determines that the following requirements are met:

- A. enforcement of the rule would impose an excessive burden upon the applicant or others affected by the rule;
- B. granting the variance would not adversely affect the public interest; and
- C. granting the variance would not conflict with standards imposed by law.

The Department believes that the rule variance criteria can also be used to assess the reasonableness of the one-time tariff modification that Xcel has requested.

In support of Xcel's variance request, the Company stated that, given the amount of time at issue, enforcement of the rule would impose an excessive burden on its customer by substantially limiting the credit from the total over-billed amount. Further, Xcel stated that granting the variance would not adversely affect the public interest because the credit serves only to make the customer whole against actual overcharges resulting from the application of the wrong rate schedule. Lastly, Xcel stated that it is unaware of any conflict with any standards imposed by law. Xcel noted that the Commission has approved a utility's voluntary credit beyond the time period required by Minnesota Rules when special circumstances exist.

The Department concludes that the criteria for granting a variance as set forth by Minnesota Rules, part 7829.3200, subp. 1 are met for Xcel's variance request and for a one-time modification to the Company's tariff.

III. RECOMMENDATION

The Department recommends that the Commission approve Xcel's request for a variance to Minnesota Rules, part 7820.3800 and a one-time modification to its Billing Error Tariff requirements.

/lt

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

Minnesota Department of Commerce
Comments

Docket No. E002/M-15-203

Dated this 25th day of **March 2015**

/s/Sharon Ferguson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	Yes	OFF_SL_15-203_M-15-203
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022191	Electronic Service	No	OFF_SL_15-203_M-15-203
James J.	Bertrand	james.bertrand@leonard.com	Leonard Street & Deinard	150 South Fifth Street, Suite 2300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-203_M-15-203
Michael	Bradley	mike.bradley@lawmoss.com	Moss & Barnett	150 S. 5th Street, #1200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-203_M-15-203
Jeffrey A.	Daugherty	jeffrey.daugherty@centerpointenergy.com	CenterPoint Energy	800 LaSalle Ave Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-203_M-15-203
Ian	Dobson	ian.dobson@ag.state.mn.us	Office of the Attorney General-RUD	Antitrust and Utilities Division 445 Minnesota Street, BRM Tower St. Paul, MN 55101	Electronic Service	No	OFF_SL_15-203_M-15-203
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_15-203_M-15-203
Michael	Hoppe	il23@mtn.org	Local Union 23, I.B.E.W.	932 Payne Avenue St. Paul, MN 55130	Electronic Service	No	OFF_SL_15-203_M-15-203
Tiffany	Hughes	Regulatory.Records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_15-203_M-15-203
Alan	Jenkins	aj@jenkinsatlaw.com	Jenkins at Law	2265 Roswell Road Suite 100 Marietta, GA 30062	Electronic Service	No	OFF_SL_15-203_M-15-203

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Richard	Johnson	Rick.Johnson@lawmoss.com	Moss & Barnett	150 S. 5th Street Suite 1200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-203_M-15-203
Mark J.	Kaufman	mkaufman@ibewlocal949.org	IBEW Local Union 949	12908 Nicollet Avenue South Burnsville, MN 55337	Electronic Service	No	OFF_SL_15-203_M-15-203
Thomas G.	Koehler	TGK@IBEW160.org	Local Union #160, IBEW	2909 Anthony Ln St Anthony Village, MN 55418-3238	Electronic Service	No	OFF_SL_15-203_M-15-203
Michael	Krikava	mkrikava@briggs.com	Briggs And Morgan, P.A.	2200 IDS Center 80 S 8th St Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-203_M-15-203
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	OFF_SL_15-203_M-15-203
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_15-203_M-15-203
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	OFF_SL_15-203_M-15-203
Andrew	Moratzka	apmoratzka@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-203_M-15-203
David W.	Niles	david.niles@avantenergy.com	Minnesota Municipal Power Agency	Suite 300 200 South Sixth Street Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-203_M-15-203
Richard	Savelkoul	rsavelkoul@martinsquires.com	Martin & Squires, P.A.	332 Minnesota Street Ste W2750 St. Paul, MN 55101	Electronic Service	No	OFF_SL_15-203_M-15-203

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Ken	Smith	ken.smith@districtenergy.com	District Energy St. Paul Inc.	76 W Kellogg Blvd St. Paul, MN 55102	Electronic Service	No	OFF_SL_15-203_M-15-203
Ron	Spangler, Jr.	rlspangler@otpc.com	Otter Tail Power Company	215 So. Cascade St. PO Box 496 Fergus Falls, MN 565380496	Electronic Service	No	OFF_SL_15-203_M-15-203
Byron E.	Starns	byron.starns@leonard.com	Leonard Street and Deinard	150 South 5th Street Suite 2300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-203_M-15-203
James M.	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	470 U.S. Bank Plaza 200 South Sixth Street Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-203_M-15-203
Eric	Swanson	eswanson@winthrop.com	Winthrop Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_15-203_M-15-203
Kari L	Valley	kari.l.valley@xcelenergy.com	Xcel Energy Service Inc.	414 Nicollet Mall FL 5 Minneapolis, MN 55401	Electronic Service	No	OFF_SL_15-203_M-15-203
Lisa	Veith	lisa.veith@ci.stpaul.mn.us	City of St. Paul	400 City Hall and Courthouse 15 West Kellogg Blvd. St. Paul, MN 55102	Electronic Service	No	OFF_SL_15-203_M-15-203
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_15-203_M-15-203