

December 11, 2015

—Via Electronic Filing—

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

RE: PETITION

REQUEST FOR VARIANCE – BILLING ERROR RULES

DOCKET NO. E002/M-15-\_\_\_\_

Dear Mr. Wolf:

Enclosed for filing is the Petition of Northern States Power Company, doing business as Xcel Energy, requesting approval of two variances to Minn. R. 7820.3800 and a one-time modification to the terms of the Company's Billing Error Tariff requirements contained in its Electric Rate Book.

We have electronically filed this document with the Minnesota Public Utilities Commission, and copies have been served on the parties on the attached service list. Please contact Amber Hedlund at <a href="mailto:amber.r.hedlund@xcelenergy.com">amber.r.hedlund@xcelenergy.com</a> or (612) 337-2268 if you have any questions regarding this filing.

Sincerely,

/s/

Bria E. Shea Regulatory Manager

Enclosure c: Service List

# STATE OF MINNESOTA BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
Nancy Lange	Commissioner
Dan Lipschultz	Commissioner
John Tuma	Commissioner
Betsy Wergin	Commissioner

IN THE MATTER OF THE PETITION OF NORTHERN STATES POWER COMPANY FOR APPROVAL OF A VARIANCE TO COMMISSION RULES GOVERNING BILLING ERRORS DOCKET NO. E002/M-15-\_\_\_\_

**PETITION** 

#### INTRODUCTION

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission this Petition for approval of two variances to the Commission's Billing Error Rules, and a one-time modification to the Company's Billing Errors Tariff requirements contained in its Electric Rate Book to approve credits for overcharges.

In this filing we seek approval to apply a billing credit to one residential electric customer (Customer A), and one commercial electric customer (Customer B). Our requests for these customers stem from overcharges due to an incorrect application of a rate schedule. These billing errors exceed the three-year timeframe for remedies provided in our tariff and the Commission's Rules.

#### I. SUMMARY OF FILING

Pursuant to Minn. R. 7829.1300, subp. 1, a one-paragraph summary is attached.

### II. SERVICE ON OTHER PARTIES

Pursuant to Minn. R. 7829.1300, subp. 2 and Minn. Stat. § 216.17, subd. 3, Xcel Energy has electronically filed this document. A summary of the filing has been served on all parties on the Company's miscellaneous electric service list.

#### III. GENERAL FILING INFORMATION

Pursuant to Minn. R. 7829.1300, subp. 3, the Company provides the following information.

## A. Name, Address, and Telephone Number of Utility

Northern States Power Company doing business as: Xcel Energy 414 Nicollet Mall Minneapolis, MN 55401 (612) 330-5500

## B. Name, Address, and Telephone Number of Utility Attorney

Alison Archer Assistant General Counsel Xcel Energy 414 Nicollet Mall, 5<sup>th</sup> Floor Minneapolis, MN 55401 (612) 215-4662

# C. Date of Filing

The date of this filing is December 11, 2015.

# D. Statute Controlling Schedule for Processing the Filing

This Petition is made pursuant to Minn. Stat. § 216B.16, subd. 1, which prescribes general timelines for rate and tariff changes, including, but not limited to, a requirement of 60-days' notice prior to any rate or tariff change.

Commission Rules define this filing as a "miscellaneous tariff filing" under Minn. R. 7829.0100, subp. 11 since no determination of Xcel Energy's overall revenue requirement is necessary. Minn. R. 7829.1400, subp. 1 and 4 permit comments in response to a miscellaneous filing to be filed within 30 days and reply comments to be filed no later than 10 days thereafter.

## E. Utility Employee Responsible for Filing

Bria E. Shea Regulatory Manager Xcel Energy 414 Nicollet Mall, 7<sup>th</sup> Floor Minneapolis, MN 55401 (612) 330-6064

## IV. MISCELLANEOUS INFORMATION

Pursuant to Minn. R. 7829.0700, the Company requests that the following persons be placed on the Commission's official service list for this proceeding:

Alison C. Archer

Assistant General Counsel

Xcel Energy

414 Nicollet Mall, 5<sup>th</sup> floor

Minneapolis, MN 55401

Alison.c.archer@xcelenergy.com

SaGonna Thompson

Regulatory Administrator

Xcel Energy

414 Nicollet Mall, 7<sup>th</sup> Floor

Minneapolis, MN 55401

regulatory.records@xcelenergy.com

Any information requests in this proceeding should be submitted to Ms. Thompson at the email address above.

## V. DESCRIPTION AND PURPOSE OF FILING

# A. Background

#### 1. Customer A

On August 14, 2015 Customer A contacted the Company after discovering they were not receiving a credit for their Saver's Switch. Customer A initially requested a Saver's Switch on May 4, 2007, but the installation was canceled by the third party electrician because the customer's gate was locked and the electrician could not access the property. The customer later granted access to the electrician the Saver's Switch was installed on July 3, 2007.

The cause of the error was due to the Saver's Switch order being canceled in the Company's system, but still completed in the field by the third party electrician. No paperwork was provided to the Company confirming the installation; therefore, the

Company was unaware that a Saver's Switch had been installed. The error was corrected on October 9, 2015, and we are requesting to credit Customer A back to July 3, 2007, the date the Saver's Switch was installed.

## 2. Customer B

In August 2005 Customer B had a Saver's Switch discount added to their account for two Saver's Switches for 20 tons that were installed at Premise A, and nine Saver's Switches for 82 tons installed at Premise B. A work order was issued on January 8, 2010 to verify all Saver's Switches and tonnages for Premises A and B because the Company did not have the Saver's Switch serial numbers in our system for Premise A. The work order was completed in March 2010. Upon order completion the third party electrician closed the order stating the customer only had nine switches totaling 82 tons, and the additional two switches were not at the location. Therefore, the two Saver's Switches were removed from the account, along with the discount.

In July 2015 the customer called the Company to have two additional Saver's Switches installed on two new air conditioning units located at Premise A. Upon installation of the two new switches on October 2, 2015, it was discovered that the third party electrician must have been wrong in his 2010 conclusion, as the two switches that had been removed from the Company's system were actually installed and in operation at Premise A.

The error was corrected on November 16, 2015, and we are requesting to credit Customer B back to June 1, 2010. This date is the start of the Saver's Switch control season, and the first bill cycle that was affected by the removal of the Saver's Switches from the Company's system.

# B. Company Actions

Because the period over which these errors occurred exceeds the three-year timeframe identified in our Electric Rate Book and the Commission's Billing Errors Rule, a one-time variance to the Commission's Billing Error Rules, and a one-time modification to our tariff provisions is required to provide an additional credit to the affected customers.

We note that for both customers the time periods below are listed in complete years; however, the Saver's Switch control season for air conditioning units is seasonal, and only involves the June-September bill cycles each year. Therefore, only the June-September bill cycles were used to calculate the principle amounts. The interest calculation is not affected, and remains consistent with Minn. Stat. § 325E.02(b).

#### 1. Customer A

On October 15, 2015, we credited Customer A the principal amount of \$304.46, and the interest amount of \$0.44 for the period within Commission rules and our tariff. We have calculated the billing credit in accordance with Minn. R. 7820.3800, and calculated the interest consistent with Minn. Stat. § 325E.02(b). The table below outlines the total overcharges and corresponding interest amounts owed to Customer A.

Time Period	Principal	Interest	Total
Within Commission Rules			
and Tariff period:	\$304.46	\$0.44	\$304.90
9/28/12 through 9/29/15			
Exceeding Commission Rules			
and Tariff period:	\$406.51	\$8.66	\$415.17
7/3/07 through 9/27/12			
Total	\$710.97	\$9.10	\$720.07

In order to better prevent errors concerning previously canceled orders from occurring in the future, the Company has asked the third party electrician to only complete Saver's Switch orders that are active in the Company's system.

### 2. Customer B

December 1, 2015 we credited Customer B the principal amount of \$1,200.00, and the interest amount of \$1.93 for the period within Commission rules and our tariff. We have calculated the billing credit in accordance with Minn. R. 7820.3800, and calculated the interest consistent with Minn. Stat. § 325E.02(b). The table below outlines the total overcharges and corresponding interest amounts owed to Customer B.

Time Period	Principal	Interest	Total
Within Commission Rules			
and Tariff period:	\$1,200.00	\$1.93	\$1,201.93
9/1/12 through 9/1/15			
Exceeding Commission Rules			
and Tariff period:	\$1,200.00	\$8.09	\$1,208.09
6/1/10 through 8/31/12			
Total	\$ 2,400.00	\$ 10.02	\$ 2,410.02

## C. Applicable Law

Minn. R. 7820.3800 governs errors related to electric bills, and provides in relevant part:

When a customer has been overcharged.... 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... 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... If the date the error occurred can be fixed with reasonable certainty, the remedy shall be calculated on the basis 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... [Emphasis added]

Customers A and B were overcharged due to an incorrect application of a rate schedule. These facts fit with Minn. R. 7820.3800, subp. 1, which provides criteria for errors warranting a remedy. Therefore, we believe these fact patterns are the type of error contemplated by Minn. R. 7820.3800.

The Company's Electric Tariff contains a similar provision that permits an adjustment for overcharges up to a maximum of three years from the date of discovery of the billing error.

Given the unique facts presented here, we are seeking variances from this rule and one-time modification to our Electric Tariff to allow for credits of the charges billed to the customers that exceed the three-year timeframe identified in our Electric Rate Book and the Commission's Billing Error Rules.

Minn. R. 7829.3200, which provides criteria for a variance from the Commission's Rules, states:

- Subp. 1 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.

As further discussed below, we believe that the unique facts presented here meet the criteria for a one-time rule variance for each customer.

# D. Variance Request

Xcel Energy respectfully requests that the Commission approve these variances to Minn. R. 7820.3800 and a one-time modification to the terms of our Electric Billing Error Tariffs. As outlined below, we believe the criteria for variance established under Minn. R. 7829.3200 are met here.

1. Enforcement of the Rule Would Impose an Excessive Burden

Given the amount of time at issue, enforcement of Minn. R. 7820.3800 would impose an excessive burden on the customers by limiting the credit from the total over-billed amount. We believe that with these facts, it is fair and prudent to fully credit the customers for the overcharged amount, including interest calculated at the rate identified in the Commission's Rule.

2. Granting these Variances Does Not Adversely Affect the Public Interest

The public interest is not adversely affected by granting these variances to approve the credit to each customer's electric service account. The credits serve only to make the customers whole against actual overcharges resulting from the application of the wrong rate schedule.

3. Variances Do Not Conflict with Standards Imposed by Law

We are not aware of any conflict with any standards imposed by law. Rather, the Commission's Rules expressly contemplate variances under circumstances such as those presented here. In addition, the Commission has in the past approved a utility's voluntary credit beyond the limits of its Rules when special circumstances exist affecting the customer.<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> See In the Matter of Northern States Power Company d/b/a Xcel Energy's Request for a Variance to the Billing Error Rules, Docket No. E002/M-13-19, ORDER (March 12, 2013); In the Matter of Northern States Power Company, d/b/a Xcel Energy Request for a Variance to the Billing Error Rules, Docket No. E002/M-13-438, ORDER (July 12, 2013); In the Matter of Northern States Power Company, d/b/a Xcel Energy (Xcel) Request for a Variance to Billing Error Rules, Docket No. E,G002/M-14-74, ORDER (April 18, 2014) and In the Matter of Northern States Power Company,

Consistent with the Commission's June 21, 2010 Order in Docket No. E002/M-10-258, once a Docket Number is assigned to this Petition, we will notify the affected customers of our request for variances from the Commission's Rules and our Tariff, and provide instructions on how to participate in this proceeding.

## **CONCLUSION**

We respectfully request the Commission grant these variance to its Billing Errors Rule, and approve a one-time modification to our Tariff providing Customers A and B with credits for the over-billed amount that exceed the three-year timeframe specified in the rule and our tariff.

Dated: December 11, 2015

Northern States Power Company

# STATE OF MINNESOTA BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
Nancy Lange	Commissioner
Dan Lipschultz	Commissioner
John Tuma	Commissioner
Betsy Wergin	Commissioner

IN THE MATTER OF THE PETITION OF NORTHERN STATES POWER COMPANY FOR APPROVAL OF A VARIANCE TO COMMISSION RULES GOVERNING BILLING ERRORS DOCKET NO. E002/M-15-\_\_\_\_

**PETITION** 

## **SUMMARY OF FILING**

Please take notice that on December 11, 2015 Northern States Power Company, doing business as Xcel Energy, filed with the Minnesota Public Utilities Commission a Petition for approval of a variance to its Billing Error Rules, and a one-time modification to the Company's Billing Errors Tariff requirements.

## **CERTIFICATE OF SERVICE**

I, SaGonna Thompson, 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
- <u>xx</u> electronic filing

Docket No.	E002/M-15
Dated this 11 <sup>th</sup> da	ay of December 2015
/s/	
SaGonna Thomp	oson

Regulatory Administrator

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St  Duluth,  MN  558022191	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
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First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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