

May 24, 2016

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. E,G002/M-16-358

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 Approval of Miscellaneous Tariff Modifications.

The petition was filed on April 27, 2016 by:

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

The Department recommends approval as discussed herein. The Department is available to answer any questions the Minnesota Public Utilities Commission may have on this matter.

Sincerely,

/s/ BEN KAMARA
Public Utilities Financial Analyst

BK/lt
Attachment

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS OF THE
MINNESOTA DEPARTMENT OF COMMERCE
DIVISION OF ENERGY RESOURCES

DOCKET NO. E,G002/M-16-358

I. SUMMARY OF PROPOSAL

On April 27, 2016, Northern States Power Company d/b/a Xcel Energy (Xcel, Xcel Energy, or the Company) filed a petition requesting Minnesota Public Utilities Commission (Commission) approval of miscellaneous tariff modifications (Petition). Specifically, Xcel proposed to revise the text of the Company's Bill Backer and Disconnection Notice, add a Disconnection Notice Backer, and cancel the Quick Pay payment option. Xcel noted that the proposed changes to the Disconnection Notice are intended to increase clarity of the Company's communication and are in compliance with Minnesota Rule 7820.2400. The Company also indicated that due to some barriers experienced in the introduction of Quick Pay payment option that the Commission approved on February 27, 2015 in Docket No. E,G002/M-15-43, Xcel decided to cancel the Quick Pay payment option, and explore other options for customer payment channels.

II. DEPARTMENT ANALYSIS

The Department reviewed the Company's proposed revisions to its Bill Backer and Disconnection Notice, Disconnection Notice Backer and the cancellation of the Quick Pay payment option. The Department concludes that all the miscellaneous tariff modifications appear to be reasonable. The Department discusses each proposed change below.

A. QUICK PAY CANCELLATION

On February 27, 2015, the Commission approved Xcel's proposal for two new customer agreements,¹ one of which governs the terms and conditions associated with Quick Pay. The Company stated that it is no longer developing or planning to offer Quick Pay so it is seeking to cancel the Quick Pay customer agreement. Xcel indicated that the agreement was never distributed nor put into use with a customer.

The Company indicated that it encountered some hurdles in its implementation of the Quick Pay payment option. Xcel stated that their goal was to provide a free online payment option in addition to the eBill payment options they currently provide. However, the Company discovered that VISA regulations for merchants require a fee to be charged to all forms of payment accepted within the same payment channel (e.g., on-line bill payment). Since Xcel imposes a \$3.45 fee for each credit or debit card transaction, this regulation will trigger fees to be assessed on the Quick Pay payment option. Since the purpose of Quick Pay was to provide a free online payment option, there is no longer a benefit to Quick Pay. Xcel indicated that it would not offer free credit/debit card processing because that would likely increase the number of credit card payments and would result in credit/debit card transaction costs being recovered by all customers rather than only those customers choosing to pay through credit/debit cards.²

Therefore, the Company requested that the Quick Pay tariff language be removed from both the electric and gas tariff books. Xcel proposed that it will continue to explore other options in customer payment channels. The Department appreciates Xcel's due diligence in finding other payment gateways.

B. DISCONNECTION NOTICE

In its Petition, the Company requested approval to revise its Disconnection Notice. Xcel indicated that the revisions to the Disconnection Notice are minor and intended to increase the clarity of the Company's communication. Here are the proposed revisions:

¹ In the Matter of Northern States Power Company's Petition for Approval of Two Customer Agreements, Amendments to Two Existing Customer Agreements, and Bill Backer Amendments, Docket No. E,G002/M-15-43 (January 13, 2015).

² Petition at page 4, footnote 3.

DISCONNECTION NOTICE

And Statement of Customer Rights and Information

Dear

Your natural gas and/or electricity will be disconnected if we do not receive payment ~~of \$000.00 by 00/00/0000~~ or if you do not take immediate steps to remedy your past due balance. ~~If your service is disconnected for nonpayment, you will have to pay a reconnection charge, and you may have to pay a deposit and additional shut off charges. You can avoid disconnection by taking one of the following steps:~~

You can avoid disconnection by taking one of the following steps:

*Paying your past due amount \$000.00 by 00/00/0000. Note that this amount DOES NOT include your current month's bill.

*Making payment arrangements with us by 00/00/0000.

Please contact us immediately at 1-800-895-4999 ~~if you feel you have received this in error, if payment has already been made, to make the required payment or to set payment arrangements or if you believe there~~

If your service is an error, disconnected for nonpayment you will have to pay a reconnection charge. Reconnection orders are typically completed the FOLLOWING BUSINESS DAY after your reconnection order has been placed. Additional charges, such as a deposit, may also be assessed to your account.

We look forward to working with you to resolve this situation.
Sincerely,
Xcel Energy

In addition, Xcel proposed to add a backer to the Disconnection Notice to provide information regarding telephone numbers, the Company's addresses, regulatory agencies, and payment options. The Department concludes that the proposed revisions to the language in the Disconnection Notice, and the addition of a Disconnection Notice backer, appear reasonable and recommends that the Commission approve the revisions.

C. STANDARD BILLING FORM BACKER

Xcel additionally proposed revisions to its Bill Backer. Specifically, Xcel proposed to change the hours of the "Call Before You Dig" hotline service from 8am – 5pm to 24 hours, 7 days a week; to change "Fuels Clause Adjustment" to "Fuel Cost Charge" to match the line item on customers' bills, and to remove the references to the aforementioned Quick Pay payment option.

IMPORTANT PHONE NUMBERS			IMPORTANT ADDRESSES	
Electric Emergencies:	1-800-895-1999	24 hours, 7 days a week	General Inquiries*	Payments
Natural Gas Emergencies:	1-800-895-2999	24 hours, 7 days a week	Xcel Energy	Xcel Energy
Residential Customer Service:*	1-800-895-4999	24 hours, 7 days a week	PO Box 8	PO Box 9477
Business Solutions Center:*	1-800-481-4700	8am – 5pm, Mon – Fri	Eau Claire, WI 54702-0008	Minneapolis, MN 55484-9477
TTD/TTY	1-800-895-4949	24 hours, 7 days a week	xcelenergy.com	Please include stub for faster processing.
Call Before You Dig	811	8am – 5pm, Mon – Fri 24 hours, 7 days a week		
			*Register any inquiry or complaint at the above.	
Fuel Clause Adjustment	Cost Charge		Minnesota law allows Xcel Energy to recover costs associated with new investments in the electric transmission system necessary to deliver electric energy to customers.	
Charge per kWh to recover the costs of fuel needed to run Xcel Energy's generating plants, as well as the cost of purchasing energy from other suppliers.			WindsorSource®	
kWh			WindsorSource® is an optional program where you choose how much wind energy you would like to support. You can choose a fixed number of WindsorSource® blocks (100 kWh each) or choose a 100% WindsorSource® option.	
One kilowatt-hour (kWh) is a unit of electrical usage. One kWh equals 1,000 watts of electricity used for one hour. This is enough electricity to light a 100-watt light bulb for 10 hours.				

The Department concludes that the proposed changes to the Bill Backer are reasonable, and recommends that the Commission approve the revisions proposed by the Company.

III. CONCLUSION

The Department has reviewed the proposed cancellation of Quick Pay payment option, revisions to the text of the Company's Bill Backer and Disconnection Notice and the addition of the Disconnection Notice Backer. The Department recommends that the Commission:

- 1.) Approve the cancellation of the Quick Pay payment option and removal of the related customer agreement and all references to the Quick Pay option from the Company's electric and gas tariff books;
- 2.) Approve the proposed revisions to the Company's Disconnection Notice and the new Disconnection Notice Backer;
- 3.) Approve the Company's revisions to Xcel's Customer Bill Backer; and
- 4.) Require that the Company submit a compliance filing reflecting the Commission's Order within 10 days of issuance of the Order.

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