

STATE OF MINNESOTA
BEFORE THE PUBLIC UTILITIES COMMISSION

Dan Lipschultz	Vice Chair
Matt Schuerger	Commissioner
Katie Sieben	Commissioner
John Tuma	Commissioner

In the Matter of the Distribution System
Planning for Xcel Energy

MPUC DOCKET NO. E002/CI-18-251

**INITIAL COMMENTS OF THE
SUBURBAN RATE AUTHORITY**

INTRODUCTION

These are the Initial Comments of the Suburban Rate Authority (SRA) to the Commission's Comment Topics in its November 19, 2018 Notice of Comment. The SRA appreciates the opportunity for stakeholder input on Xcel Energy's Integrated Distribution Plan ("IDP"). The SRA also appreciates Xcel Energy's efforts in preparing an informative IDP.

SRA cities have a unique interest in the future of Xcel's distribution system, especially as technology including distributed energy resources (DER) and non-wire alternatives (NWA) are increasingly incorporated into the distribution system. SRA cities are Xcel customers, interested in electricity service to their residents and businesses and regulators of Xcel's facilities in the right-of-way (ROW) and other parts of the city. The distribution system advances and structures described by Xcel in the IDP introduce additional ROW and zoning challenges for cities to the extent new structures and facility locations are introduced or increased. Accordingly, cities in the Twin Cities Metropolitan area in particular have a keen interest the IDP and the distribution system sought by Xcel, as guided by the Commission.

COMMENTS ON COMMISSION'S TOPICS

1. Should the Commission accept or reject Xcel Energy's Integrated Distribution Plan?

The SRA found the IDP comprehensive with respect to the Commission-required issues and well-presented for SRA purposes. While other stakeholders may seek more information to make the IDP complete, the SRA has no reason to object to the IDP. With the follow-up stakeholder process, which the SRA believes is a necessary component of this process, the IDP can be augmented where necessary. The SRA recommends acceptance.

2. Does the IDP achieve the planning objectives outlined in the filing requirements approved in the Commission's August 30, 2018 Order in this docket?

The Department is the author of the Commission-adopted requirements for the IDP in the August 30, 2018 order. The requirements are detailed as is the 244-page IDP report, in the SRA's view. The SRA sees no glaring omissions. The Department may see the need for development in requested financial data and "Baseline Distribution System" data, however.

3. What, if any, adjustments should be made to future filing requirements?

This issue may be more appropriately addressed in the Performance Metrics Docket E-002/CI-17-401, but it does relate to a section of the IDP outlining grid modernization initiatives.¹ The issue is Commission evaluation/reevaluation of Xcel service standards as Xcel receives approval for and installs new, distribution system enhancing technology.

That is, in the IDP Xcel discusses its "development work" in future system enhancements such as Advanced Metering Infrastructure (AMI), Field Area Network (FAN), and Fault Location, Isolation and Service Restoration (FLISR) among other technologies.² These promise

¹ See IDP Grid Modernization, pp. 113-149.

² *Id.* at 148-49.

benefits that Xcel describes in specific cost saving and improved customer service terms.³ Some of these areas are of particular interest to SRA cities, e.g., “Outage management efficiency”, “Reduced outage duration”, “Customer Minutes Out” to name some of them.⁴

Another Xcel-performance related docket deals with the Service Quality Tariff. This was originally established in Docket No. E, G-002/CI-02-2034, and has parented subsequent dockets such as E,G-002/M-12-383. In the Service Quality Tariff, Xcel is held to performance standards in identified areas on which it reports annually on or about May 1 of each year. The performance categories include customer complaints, telephone response time and electric service reliability measures and unexcused outages, among others.

The IDP predicts that the capital and O&M costs for AMI, FAN and FLISR implementation “is between \$632 and \$822 million.”⁵ These are significant costs and requests for approval to come before the Commission over the next decade. A review of Xcel’s performance under the Service Quality Tariff standards since 2013, as reported each May 1, reflects consistent achievement of the standards established. Measures such as average electricity outage duration, numbers of customer complaints over specific periods or telephone response times have appeared to meet and exceed, sometimes easily, the baseline requirement.

Since 2013, these standards appear to have remained static as has the margin by which Xcel exceeds them, at least in several categories. These comments are general statements and normally would beg more specificity for evaluation. The SRA’s point here, however, is not to pull in whether Xcel has improved sufficiently in its performance but rather to suggest a reevaluation of Xcel service standards or levels in light of the promising new technologies when approved and implemented. It is a proper component of the determination of whether a new

³ *Id.* at 149.

⁴ *Id.*

⁵ *Id.* at 148.

technology or enhancement is of benefit to customers. If FLISR improvements are warranted as an approved investment to the network, there should be a tangible improvement to the reduction in duration reduction. If such an outage reduction exists, standards in the Service Quality Tariff can be raised. This allows the customer to experience the improved system it is paying for.

One example may help illustrate the point. The Service Quality Tariff sets a baseline standard for average duration of unexcused electrical outages per customer over the period of a year at 133.23 minutes as measured by the System Average Interruption Duration Index (SAIDI).⁶ Similarly, there is a baseline standard for outage frequency per customer of 1.21 unexcused outage events as measured by the System Average Interruption Frequency Index (SAIFI).⁷ An “Interruption” is defined in the Tariff and does not include any outage less than five minutes.⁸ A scheduled financial disincentive is included in the Tariff and must be paid by Xcel for “Under Performance.”⁹

Xcel has met these respective baselines by comfortable margins since 2013. The SAIDI measure was 91.12 minutes in 2013 and 73.80 minutes in 2017.¹⁰ The SAIFI measure was .86 outage “Interruption” events in 2013 and .72 in 2017. The SRA expects that Xcel would agree that it strives for no outage events of any duration. These Tariff disincentives, however, have been in place for well over a decade. They have undoubtedly helped to raise the standard of service by Xcel. This is exactly what Xcel seeks to do again with AMI, FLISR, FAN and other measures. Xcel does not yet have Momentary Average Interruption Frequency Index (MAIFI) measures in place to identify brief unexcused outages that can be costly to municipal and

⁶ Tariff, Gen. Rules at §1.9 E. 3.

⁷ *Id.* at §1.9 E. 4.

⁸ *Id.* at §1.9 A. 12.

⁹ *Id.* at §1.9 B.

¹⁰ *See* Xcel Annual Reports.

business customers. Further, a point may have been reached even now where the above standards are so easily met that they cease to have their originally intended effect.

The SRA's point is that with the IDP evaluation process and other related dockets in Grid Modernization, it is appropriate to consider whether standards should be adjusted to reflect the technology and new performance categories established with new standards or other reviews added to move toward the common goal of utility service excellent in reliability and cost effectiveness.

Respectfully submitted,

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