COMMERCE DEPARTMENT

August 9, 2019

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

RE: Response Comments of the Minnesota Department of Commerce, Division of Energy Resources
Docket No. E,G999/CI-19-160

Dear Mr. Wolf:

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

Minnesota Public Utilities Commission (Commission) Inquiry into the Impacts of Severe Weather in January and February 2019 on Utility Operations and Service.

On July 9, 2019, the Commission issued a *Notice of Comment Period* requesting comments from parties on the utilities' submittals and related issues and topics. Based on its review of the various utility reply comments, the Department offers the attached Response Comments. The Department makes various recommendations that are memorialized in the body of these Response Comments.

The Department is available to respond to any questions the Commission may have on this matter.

Sincerely,

/s/ ADAM J. HEINEN
Public Utilities Rates Analyst

AJH/ar
Attachment

COMMERCE DEPARTMENT

Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce
Division of Energy Resources

Docket No. E,G999/CI-19-160

I. BACKGROUND AND INTRODUCTION

The Minnesota Department of Commerce (Department) refers to the background section in our May 20, 2019 Comments in this proceeding for detailed background regarding this proceeding.

On July 9, 2019, the Minnesota Public Utilities Commission (Commission) issued a third *Notice of Comment Period* (*Third Notice*) for additional discussion of the severe weather event. As part of the *Third Notice*, the Commission specifically referenced the following topics as open for discussion:

- Potential tariff changes related to curtailment and failure to curtail issues.
- Potential tariff changes related to interruptible natural gas service.
- Electric utility curtailment and MISO penalties, if any.
- Xcel Energy's planning for severe weather by its Electric and Gas Utilities.
- Utility communication with interruptible customers regarding curtailments.
- Utility communication with the general public during severe weather events.
- Generation forecasting for wind resources in extreme temperatures.
- Any other issue addressed by the utilities in response to the Department's May 20, 2019 comments and request for additional information in reply comments.
- Are there other issues or concerns related to this matter?

The Department provides its analysis and recommendations below.

II. DEPARTMENT ANALYSIS

In its Comments, the Department requested that Xcel Electric, Xcel Gas, and Great Plains provide specific information and data and requested that all utilities provide additional information on certain issues. The Department responds to these requests separately below. The Department also addresses the various areas of the Commission's *Third Notice* separately below. The Department's Response Comments are organized as follows:

A. Xcel Electric Response;
B. Xcel Gas Response;
C. Great Plains Response;
D. Natural Gas Utility Interruptible Rates;
E. Natural Gas Utility Interruptible Tariffs;
F. Electric Issues;
G. Interstate Pipeline Issues;
H. Communication to the Public.

A. XCEL ELECTRIC RESPONSE

In its Comments, the Department requested that Xcel Electric provide additional information regarding its natural gas fired generation plants. In particular, the Department requested the following:

- A discussion of whether Xcel Electric has a pressure guarantee for the generators that were impacted by issues with the compressor station on Northern Natural Gas's (NNG's) system;
- A discussion of whether Xcel Electric had to purchase replacement power as a result of the forced outages resulting from the NNG compression station issue; and
- A discussion of whether Xcel Electric has a contract with NNG regarding the generators impacted by the compressor station issue and whether this contract has provisions that would address forced outages due to loss of a compressor station or other interstate pipeline equipment.

The Department's Comments briefly discussed the potential electric impacts of the issues NNG's system caused by the Farmington Compressor Station.[1]

Xcel Electric provided the following information in its reply comments:[2]

> To be clear, the compressor station issue did not result in any forced outages of generation on the Xcel Energy system, nor did it necessitate the operation of certain units be modified.
>
> We decided to implement a short-term ramp down of these [Blackdog, Highbridge, and Riverside combined cycle] generating units as a proactive measure, with our customers' safety and best interests top of mind. In addition to helping to preserve overall natural gas system pressures to the metro area, our actions

[1] Department Comments, Page 8.
[2] Xcel Reply Comments, Pages 3-6.

> avoided the potential for a multi-hour restart of the plants if gas pressures to the plants would have dropped below the minimums. Instead, we were able to return the plants to maximum load very quickly once the compressor station returned to service.[3]

The Department appreciates Xcel Electric's clarification that the deration of it electric generation was a voluntary measure as part of the overall response to NNG's issues and not a required action. Further, the Department appreciates the correction that the deration was approximately 420 MW over a period of three hours and not a reduction of over 1,000 MW over a period of approximately 10 hours as indicated in the Department's Comments.

Regarding a discussion of whether Xcel Electric had to purchase replacement power because of the forced outages, Xcel Electric stated, "our decision to back down the three generating units to minimum load did not result in the purchase of any replacement power." The Department appreciates Xcel Electric's information regarding replacement power. However, the Department notes that when the units were derated, Xcel Electric's ratepayers potentially lost revenues from sales into the MISO energy markets regardless of whether Xcel Electric had sufficient generation to cover its load.[4] Therefore, the voluntary deration was not a "cost-free" action.

Overall, while the Department did not undertake a formal cost-benefit analysis, it appears that the action taken by Xcel Electric to support the natural gas system—derating the combined cycle units—was reasonable.

B. XCEL GAS RESPONSE

During the cold weather event, Xcel Gas experienced reliability issues in two communities and requested that its customers conserve natural gas. The Department reviewed the information surrounding these reliability concerns and noted in its Comments that Xcel Gas has not fully explained why these events occurred.[5] Thus, the Department requested that Xcel Gas provide the following in reply comments:

- A detailed discussion, including direct statements regarding the utility's planning assumptions and data, regarding the utility's general curtailment called during the cold weather event and a detailed explanation of why this curtailment occurred. As part of this discussion, please update any relevant information from the February 28, 2019 Commission *Planning Meeting* regarding Xcel Gas' deliverability issues; and

[3] Xcel Reply Comments, Page 4.
[4] To clarify the potential magnitude, 420 MW times 3 hours times a hypothetical locational marginal price of $100 per MWh equals $126,000.
[5] Department Comments, Page 22.

- A detailed discussion, and hour-by-hour timeline, that clearly shows why Xcel Gas made its system-wide conservation request. As part of this discussion, Xcel Gas should detail, at a minimum, the assumptions between its distribution planning and design-day analysis that differed and an explanation of why these assumptions differed.

In its reply comments, Xcel Gas provided a detailed discussion of natural gas system planning and its various distribution and supply planning assumption in reply comments. Xcel Gas also provided information regarding its general appeal for customer to conserve natural gas during the cold weather event.[6]

Xcel Gas explained that planning for adequate supply to end use consumers involves two primary components: supply planning and distribution modeling. Xcel Gas noted that supply planning involves the transmission system, which transports large qualities of gas from production areas to local distribution companies (LDCs), such as Xcel Gas, for ultimate delivery to communities. The annual demand entitlement filing determines the amount of capacity needed for the upcoming year, based in part on Xcel Gas' estimates of the amount of total capacity that is needed to serve firm customers for the entire Xcel Gas system. In particular, supply planning focuses on the amount of natural gas transportation capacity needed to ensure the capability to deliver sufficient gas to the Xcel Gas service territory throughout a 24-hour period. Xcel Gas' planning objective for the demand entitlement, and supply planning, is based on the expected amount of capacity and resources needed to deliver sufficient natural gas at a temperature of-26F for an average 24-hour gas day, which is the coldest average temperature experienced on the Xcel Gas system.

While supply planning deals with the whole Xcel Gas system, distribution modeling focuses on needs at the local level. Xcel Gas' distribution modeling focuses on the delivery of gas on the LDC side, beginning with the transfer point between the interstate natural gas system and the LDC system, called a gate station or town border station (TBS) and the points of delivery to end use customers. Xcel Gas used the analogy that distribution modeling is akin to local highway, roads, and neighborhood streets.[7] Xcel Gas explained that it continuously monitors flow rates and pressures at various points in its system and that it has 551 points that can be monitored via Supervisory Control and Data Acquisition (SCADA). These various monitoring points are necessary because distribution modeling involves ensuring adequate peak hour volumes to end use customers, not average total system consumption. Xcel Gas explained that its distribution planning model accounts for factors such as regulators, pipe diameters, lengths of pipe, and configuration of the pipeline system when determining how much natural gas capacity is needed in a particular area.

Similar to supply planning, distribution modeling includes weather assumptions. For the Princeton and Hugo areas, Xcel Gas noted that its engineering models assumed -25F for planning

[6] Xcel Reply Comments, Pages 9-14.
[7] Xcel Reply Comments, Page 9.

purposes. Xcel Gas noted that it has since updated its models to reflect lower temperatures, and it is now using a "one in thirty" approach to specify the coldest possible temperature. Xcel Gas noted that it has no record of any customer outages during prior cold weather events due to low system pressure, but it has updated the temperature input for certain geographic portions of its service area, including Princeton and Hugo.[8]

Related to this topic, Xcel Gas provided additional context regarding its general request for customers to curtail natural gas use on the afternoon of January 30, 2019. Xcel Gas explained that this request was the result of concerns that the coldest temperatures were expected to occur during the early morning hours of January 31 and the appeal was out of an abundance of caution for public safety. Xcel Gas continues to conclude that this action was the correct decision given the circumstances at the time.

The Department appreciates Xcel Gas' additional information and clarification on its supply planning and distribution modeling and its general curtailment request. Based on the information, the Department concludes that Xcel Gas' general curtailment request was appropriate and reasonable. Given its distribution modeling assumption of -25F for certain parts of its system, Xcel Gas' decision to curtail was appropriate since temperatures on the morning of January 31 were expected to be significantly lower than -25F. Although that particular decision was appropriate, it does not justify Xcel Gas' previous temperature input of -25F in the engineering model for distribution modeling.

Xcel Gas' weather assumption of -25F for the Princeton and Hugo areas was unreasonable on several levels. First, during a June 5, 2019 meeting with the Department, Xcel Gas stated that it used -25F or -35F, dependent upon the location on the Xcel Gas system. The weather assumption of -25F is warmer than the supply planning assumption of -26F on average for the entire gas day, which on its own is problematic. Further, the average Minnesotan would not consider -25F or -26F as the lowest possible temperature for those communities.

Xcel Gas stated that the Princeton area was first placed into service in 2000 and the Hugo area was first placed into service in 1999. Xcel Gas also noted that temperatures at St. Cloud Airport (Princeton area) reached -36F in January 2009 and temperatures were likely -26F at Forest Lake (Hugo area) in January 2009 and January 2011.[9] This information shows that Xcel Gas' distribution modeling was incorrect in these areas and Xcel Gas had multiple opportunities to correct these issues.

Moreover, the Department reviewed historical data for the Princeton area, and it appears that Xcel Gas' planning assumptions for this area were inherently flawed from the beginning.[10] The historical data at the St. Cloud weather station shows that low temperatures have reached -40F

[8] Xcel Reply Comments, Page 13.
[9] Xcel Gas Reply Comments, Page 8.
[10] As noted by Xcel Gas, the availability of data for the Hugo area is difficult; as such, the Department focused on the Princeton area.

within the last 30 years, including January 19, 1994 and February 2, 1996.[11] Clearly, Xcel Gas erred in its original planning for the Princeton area given the cold weather events in 1994 and 1996.

Given the concerns with Xcel Gas' distribution modeling, and its statement that it subsequently updated its assumption, the Department requested further clarification, which Xcel Gas provided in response to informal discovery.[12] In this response, Xcel Gas noted that its new distribution planning model is split into ten weather zones with unique weather assumptions. Xcel Gas stated that it determines the distribution system minimum temperature by calculating numerous probabilities to determine the likelihood that a temperature could be reached once within 30 years. This method allowed Xcel Gas to arrive at the following, updated, minimum temperatures.

Table R-1: Xcel Gas Natural Gas Distribution Model – 2019 Weather Zone Planning Temperatures

Ashland	Brainerd	Eau Claire	Fargo	Faribault	Grand Forks	La Crosse	St. Cloud	St. Paul	Western
-37	-48	-37	-35	-37	-40	-35	-40	-32	-34

Thus, Xcel's new planning method assumes a planning temperature of -40F in the St. Cloud area, for example, based on the likelihood of the area reaching -40F once in 30 years.[13]

Based on Xcel Gas' clarification of its updated distribution modeling assumptions, the Department is confident that Xcel Gas has corrected the problems that led to the reliability issues and curtailment request during the cold weather event. As noted in its Comments, Xcel Gas re-calculated its distribution modeling based on updated weather assumptions and identified other areas that required reinforcement and is in the process of making these upgrades.14 The Department reviewed the revised distribution modeling temperatures and concludes that they appear acceptable at this time. In its Reply Comments, Xcel Gas committed to providing updates on these projects;[15] the Department appreciates this offer and looks forward to reviewing this information when it is available.

The Department notes that the reinforcement projects listed on pages 8-9 of Xcel's Comments in this proceeding should not be eligible for cost recovery through a rider, since the system in these areas was not adequately planned for when they were first served, as discussed above.

[11] https://web.stcloudstate.edu/raweisman/climate/janrec.html and https://web.stcloudstate.edu/raweisman/climate/febrec.html.
[12] Department Attachment R-1.
[13] Xcel Gas clarified that the 30-year planning year approach implies that the event occurred within the last 30 years; however, the approach is actually a probabilistic analysis and the underlying data can go back up to 70 years.
[14] Xcel Gas Comments, Pages 8-9.
[15] Xcel Gas Reply Comments, Page 19.

C. GREAT PLAINS RESPONSE

As discussed in our Comments, the Department issued discovery requesting that each utility provide daily sales data, by customer type, for the months of January and February, to attempt to estimate natural gas use by customer type on a peak day. However, Great Plains does not track daily data on a customer type basis. This lack of data prevented the Department from analyzing overall reliability on the Great Plains system during the cold weather event.[16] The Department noted that since Great Plains conducts a design-day analysis, which estimates firm usage, Great Plains should be able to estimate daily firm usage and recommended that Great Plains provide daily firm usage estimate in reply comments.

Great Plains provided estimated daily firm and total sales data in its reply comments.[17] The Department reviewed these data and compared the information to the proposed capacity figures presented in Great Plains' demand entitlement petition for the 2018-2019 heating season.[18] Based on the daily sales data provided by Great Plains in its reply comments, it appears that Great Plains procured sufficient capacity to ensure peak day reliability, which is supported by the fact that Great Plains did not experience reliability issues during the cold weather event.

D. NATURAL GAS UTILITY INTERRUPTIBLE RATES

In its Comments, the Department expressed concern regarding unauthorized use by interruptible customers during the cold weather event. As part of its analysis, the Department noted that interruptible customers are charged lower rates in exchange for being able to be interrupted during peak periods. The Department noted that theoretically, the interruptible discount represents, in part or full, the avoided cost realized by the utility through decreased investment because the customer will not receive service when interrupted.

For example, the gas utility may be able to install smaller equipment or less plant in an area because a customer agrees to interruptible service and thus is charged less for non-gas costs. Similarly, interruptible customers are not assessed the full demand portion of the Purchased Gas Adjustment (PGA). Since these costs relate to procurement of peak day capacity, it is expected that interruptible customers will be curtailed and not use this capacity.[19]

Given the importance of avoided costs when determining interruptible rates, the Department recommended that all natural gas utilities provide a detailed discussion in reply comments of how the utility determines avoided costs for interruptible customers, on both a distribution and commodity basis, and the amount of avoided costs included in the utility's distribution and PGA

[16] Department Comments, Page 20.
[17] Great Plains Reply Comments, Page 2.
[18] Docket No. G004/M-18-454, October 31, 2018 Informational Update Filing.
[19] Department Comments, Page 9.

rates.[20] The natural gas utilities each responded to this request, and the Department summarizes them separately below.

1. Xcel Gas

Xcel Gas responded that its interruptible distribution rate discounts are not directly based on costs avoided through curtailment. Rather, when determining interruptible rates, the embedded cost of service, the competitive market, and firm rates are all considered. Xcel Gas noted that the interruptible class is not allocated certain peaking related costs and that it sets the revenue requirement apportionment by comparing the allocation of embedded costs in the class cost of service study (CCOSS) to revenues under the market prices of typical competitive alternative fuels. Xcel Gas stated that it believes interruptible prices need to be set to reflect a reasonable discount from firm prices. Xcel Gas further noted that its interruptible distribution rates are set such that they are not subsidized by other rate classes and these rates recover more than the class' share of the allocated embedded cost of service. As to gas costs, Xcel Gas explained that its commodity rate for interruptible customers is set at the average monthly forecasted cost of gas in the monthly PGA and any interruptible capacity or overrun purchases are directly assigned to the interruptible classes in the annual true up.[21]

2. CenterPoint

CenterPoint argued that interruptible customers have not been given a break in rates and that in recent rate cases these customers have been allocated "demand-assigned" costs using an average daily use allocator. CenterPoint further stated that it believes that it would be inappropriate to reflect unauthorized use in cost apportionment, as it would penalize interruptible customers who conform to tariff requirements and would require forecasting unauthorized usage in rate proceedings.

In terms of avoided costs, CenterPoint explained that interruptible customers receive lower distribution rates because CenterPoint can avoid certain costs of installing larger equipment. In the context of setting rates, CenterPoint stated that it addresses the issues, not of avoided costs specifically, but of the demand related distribution costs within the CCOSS. CenterPoint further explained that it uses a design-day approach to acquire upstream capacity and to design its distribution facilities. As such, CenterPoint asserts that firm customers create the need to acquire capacity and amount of investment needed to serve and design the CenterPoint system. CenterPoint concluded that its interruptible customers are appropriately charged and that directly charging customers who use unauthorized gas is superior to including an estimate of unauthorized gas use in the determination of interruptible rates.[22]

[20] Department Comments, Page 23.
[21] Xcel Reply Comments, Page 14.
[22] CenterPoint Reply Comments, Pages 2-4.

3. MERC

MERC stated that the rate differential for interruptible service as compared to firm service is intended to recognize the risk of a customer being called on to curtail their natural gas usage if necessary. MERC further stated that it believes applying financial penalties to the specific non-compliant customers is the most effective method to ensure compliance; MERC also acknowledged the importance of interruptible rates that reflect the appropriate value of this service.[23]

MERC noted that effective July 1, 2019, the Commission approved a significant overhaul of its interruptible rates and tariffs and that MERC has taken significant steps to narrow the differential between firm and interruptible rates to acknowledge a decreased risk of interruptible as a result of the Rochester expansion.[24] MERC included a table summarizing these rate changes.[25]

In terms of system planning, MERC stated that it plans its distribution system and interstate capacity based on firm customer needs. MERC further explained that while interruptible rates are based on cost causation, MERC generally has not considered avoided costs in setting firm and interruptible rates.[26] MERC did note that over several rate cases it has defined distribution mains and transmission mains as the facilities that interruptible load can use; therefore these considerations are included in the creation of MERC's CCOSS.[27] As to PGA recovery, MERC explained that all customers, including interruptible, are charged the cost of gas and interruptible customers are also assigned a portion of demand costs related to certain service. However, MERC does not secure firm pipeline capacity for its interruptible customers.[28]

4. Great Plains

Great Plains explained that its interruptible rates stem from the CCOSS and that the primarily difference in the allocation of distribution costs to the interruptible class relative firm classes is that the demand component of distribution mains is assigned based on a 100 percent load factor basis rather than peak day usage. Great Plains stated that the specific values attributable to the difference between firm and interruptible service is not identifiable because of the rate design process. In terms of gas costs, Great Plains stated that it does not contract for pipeline capacity for interruptible customers, but it does allocate certain demand costs to interruptible customers based on a load factor allocation.[29]

[23] MERC Reply Comments, Pages 2-4.
[24] Docket No. G011/M-15-895.
[25] MERC Reply Comments, Table 1, Page 4.
[26] MERC Reply Comments, Page 12.
[27] MERC Reply Comments, Page 13.
[28] MERC Reply Comments, Pages 12-13.
[29] Great Plains Reply Comments, Pages 2-3.

5. Greater Minnesota

Greater Minnesota explained that the difference in rates between interruptible and firm service is primarily because of a lower cost of gas and demand components. Greater Minnesota further noted that its rates are based on an overall rate design process and its rates are the result of a settlement; thus, the specific rate components directly associated with avoided costs are not readily identifiable.

Greater Minnesota also stated that its interruptible rates are not directly based on avoided costs; instead, Greater Minnesota considers other factors such as embedded service costs, firm rates, and market considerations when setting rates. In terms of gas costs, Greater Minnesota stated that interruptible customers are charged the forecasted cost of gas from the monthly PGA, and Greater Minnesota does not purchase capacity for interruptible customers.[30]

6. Department Analysis

The Department appreciates the responses and discussions regarding avoided costs. Based on the information provided by the utilities, avoided costs are not explicitly included in the determination of interruptible distribution rates.

As noted above, MERC and CenterPoint stated that the most appropriate method to deal with unauthorized use is to directly assess interruptible customer that do not curtail.[31] This issue was raised in the 2013-2014 annual automatic adjustment (AAA) Filing, Docket No. G999/AA-14-580 (2014 AAA) and the Department provided the following observation:

> If an interruptible customer does not comply with a called curtailment event, it is either for economic or non-economic reasons. While the economic incentive should be addressed through curtailment penalties, the non-economic reasons can be vast and diverse, and more difficult to address directly. But, ultimately, if a customer is taking unauthorized gas for noneconomic reasons, it is more than likely that customer should be taking firm rather than interruptible service.[32]

The Commission attempted to address the economic reasons for non-compliance during the 2013-2014 heating season by requiring the natural gas utilities, except CenterPoint, to increase the penalties for unauthorized gas usage. CenterPoint's penalty was not changed because, at the time, it appeared sufficient to prevent unauthorized use by interruptible customers.[33] The data

[30] Greater Minnesota Reply Comments, Page 2.
[31] MERC Reply Comments, Page 3, and CenterPoint Reply Comments, Page 4.
[32] Department AAA Report, Docket No. G999/AA-14-580.
[33] June 24, 2015 Department Response Comments, Docket No. G999/AA-14-580, Pages 14-15.

from the 2013-2014 gas year and the cold weather event are not entirely comparable[34] but suggest improved compliance by most utilities.

In addition, MERC provided detailed analysis of why individual customers did not curtail and, in the case of MERC, it appears that the majority of unauthorized use was for noneconomic reasons.[35] The Department discusses noneconomic reasons for non-compliance, and potential solutions, in Section II.F below.

Since 2019 is the first major curtailment event after the increase in curtailment penalties, the Department does not believe an increase in the penalty amount is needed for those utilities that changed their tariff after the 2013-2014 heating season. However, absent CenterPoint providing evidence showing that its unauthorized use was based on uneconomic reasons, the Department recommends that the Commission require CenterPoint to increase its curtailment penalty. CenterPoint stated the following regarding its curtailment penalties:

> The total unauthorized gas use during the January 28-31, 2019 period was a small percentage (approximately one percent) of total throughput over that time period. Penalties were assessed at $19 per Dekatherm for that unauthorized gas; market priced purchases were closer to $4-$5 per Dekatherm so the customers that did not immediately curtail usage were required to pay almost four times the cost of the natural gas used. The penalty revenue has been credited to firm customers via the Purchased Gas Adjustment ("PGA").[36]

CenterPoint's curtailment penalty of $19 per Dekatherm was lower than the $20 per Dekatherm charges that the Commission determined were too low for other utilities after the 2013-2014 heating season. As shown in Table R-2 below, CenterPoint's level of unauthorized use during the cold weather event was nearly identical to total unauthorized use during the 2013-2014 gas year.

Table R-2: CenterPoint Unauthorized Use

Event	Unauthorized Use (Dekatherms)
2013-2014 Gas Year	69,660[37]
2019 Cold Weather Event	65,884[38]

These data suggest, at a minimum, that CenterPoint's unauthorized use compliance has not improved since the 2013-2014 heating season, or it has deteriorated. If the unauthorized use was the result of economic buy through by interruptible customers, it shows that CenterPoint's

[34] The Department notes that the information in the 2014 AAA is for an entire gas year (July through June) while the information in this docket is for a single event that lasted less than a week.
[35] MERC Reply Comments, **Trade Secret** Attachment A.
[36] CenterPoint Reply Comments, Page 2.
[37] May 5, 2015 Department Report, Docket No. G999/AA-14-580, Page 61.
[38] Department Comments, Page 7.

penalty tariff was insufficient and needs to be changed. The Department recommends that the Commission require CenterPoint to increase its penalty for unauthorized gas usage to $5 per therm, which is the same penalty level charged by other gas utilities. If the Commission decides to increase penalty charges for other utilities, the Department recommends that the Commission set CenterPoint's penalty at the same level as the other utilities.

E. Natural Gas Utility Interruptible tariffs

In its Comments, the Department provided extensive discussion regarding unauthorized use by interruptible natural gas customers. The Department concluded that changes to the interruptible tariffs may be needed to minimize unauthorized use and ensure that interruptible customers fulfill their requirements as set forth in the utility tariffs. The Department requested that the natural gas utilities provide, in reply comments, proposed tariff language to reduce unauthorized use and proposed tariff language that addresses the requirements for interruptible service.[39] The Department summarizes the utility responses individually below.

1. Xcel Gas

Xcel Gas stated that is believes its interruptible customers intend to curtail service when required, and, if Xcel Gas becomes aware that a customer has no intention to curtail, it will work with the customer to move to a firm rate as allowed by the current interruptible tariff. As to the Department's suggestion to move non-compliant customers to firm service, Xcel Gas responded that it understands the goal to reduce unauthorized use; however, Xcel Gas noted that the circumstances of non-compliance vary based on the situation. Xcel Gas stated that it believes its current tariff language regarding possible removal of a non-compliant customer, and a significant $5 per them penalty for unauthorized use, is a reasonable deterrent.

Xcel Gas also noted that moving a customer from interruptible to firm service has potential long-term implications. In particular, such a move may require Xcel Gas to make improvements to its distribution system or require Xcel Gas to procure additional pipeline capacity.[40] However, if individual interruptible customers are "repeat offenders" in failing to interrupt more than once when called on to do so, such improvements may be necessary to avoid negative effects on the rest of the Xcel Gas system.

Xcel Gas also responded to the Department's request that the utilities provide proposed tariff language, including the utility's obligation to verify customer claims of back-up equipment or ability to curtail gas service. Xcel Gas stated that its current interruptible contract and tariff language includes customer obligation to provide and maintain suitable back-up or the ability to cease consumption and failure to curtail is a breach in the terms of interruptible service. Xcel Gas proposed a minor addition to its tariff noting that customers receiving interruptible service

[39] Department Comments, Pages 8-11.
[40] Xcel Gas Reply Comments, Page 16.

without adequate back-up or the ability to cease consumption may be moved to a firm rate class.[41]

Xcel Gas also responded to the Department's request that interruptible tariffs require customers to maintain three current contacts, and it is the utility's responsibility to update these contacts once per year. Xcel Gas noted that this provision is not part of its current tariff, but it is a part of its current internal process. Xcel Gas proposed a potential update to its tariff that would memorialize its current internal process.[42]

The Department appreciates Xcel Gas' discussion regarding tariff changes and reviewed the proposed tariff changes. The Department provides additional discussion regarding tariff changes below, but it concludes that Xcel Gas' proposed tariff changes appear reasonable and help to further clarify and formalize the terms of interruptible service.

2. CenterPoint

CenterPoint explained that its current Dual Fuel Gas Service Contract already includes language that addresses the concerns raised by the Department in its Comments. CenterPoint also expressed concern regarding some of the Department's recommendations on potential tariff changes.

First, CenterPoint opposes the suggestion that it be required to verify customer back-up system functionality since it is not an expert in these matters. Further, it would require additional costs and resources, and there are reliability issues associated with verifying equipment. The Company did not explain how much greater such reliability issues would be compared to if there was no such requirement.

Second, CenterPoint expressed concern regarding definitive language about removal from interruptible service due to non-compliance. CenterPoint argued that each instance of non-compliance would need to be analyzed on its own merits and that some instances of unauthorized use may not be true non-compliance because of equipment or communication issues. CenterPoint noted that it may be able to assign an interruptible customer to a firm class for billing purposes, but that does not necessarily mean that CenterPoint's distribution system or demand contracts can assure firm service for these customers.

Third, CenterPoint opposed the Department's suggestion that three contacts be listed for each interruptible customer. CenterPoint agreed that more than one customer contact is appropriate, but there are instances when a customer does not have three representatives responsible for operations. CenterPoint concluded that a blanket requirement may prevent some customers from signing up for interruptible service.

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[41] Xcel Gas Reply Comments, Page 17.
[42] *Id.*

CenterPoint concluded its response on this topic by providing a discussion and list of the various informational meetings and seminars it has planned for interruptible customers. CenterPoint reiterated that it has concerns with the Department's proposed tariff language; it agrees that there are steps that can be taken to enhance the curtailment process, but asserts that education and discussion with customers will be sufficient to address reliability issues, and no tariffs revisions are needed.[43]

The Department responds to CenterPoint's arguments below.

3. MERC

MERC provided extensive discussion regarding its interruptible tariffs and potential changes to these tariffs. As noted above, MERC stated that it implemented, effective July 1, 2019, changes to its interruptible tariffs that decreased the differentials between interruptible and firm rates and these changes clarified interruptible customer obligations during a curtailment.[44] MERC noted that some of these recent tariff changes responded to the Department's concerns regarding the strength of tariff language regarding interruptible customers' obligation to curtail when called upon and that MERC has the ability to remove these customers from interruptible service for non-compliance.

MERC did not agree that a tariff provision providing for the automatic removal of customers who fails to curtail more than once would achieve increased tariff compliance. MERC argued that before moving an interruptible customer to firm service, MERC must analyze its system and determine whether it can move this customer without system upgrades or contribution-in-aid-of-construction from the interruptible customer.[45]

MERC explained that the Commission recently approved amended tariff language clearly articulating service expectations for interruptible customer regarding backup equipment and curtailment. MERC noted that it does not independently evaluate customer backup equipment and does not mandate that this equipment be available if the customer commits to curtail usage within one hour. MERC agreed that additional communication with interruptible customers regarding their obligations under the tariff would ensure understanding of the tariff; however, MERC noted that it does not have the ability to independently verify the operational status of a customer's backup equipment. MERC also stated that placing this obligation on the utility for continually monitoring backup equipment would be unreasonable and impractical.[46] MERC provided proposed tariff language regarding interruptible customers and customer responsibility for backup equipment.[47]

[43] CenterPoint Reply Comments, Pages 4-5.
[44] MERC Reply Comments, Page 2.
[45] MERC Reply Comments, Pages 6-8.
[46] MERC Reply Comments, Pages 8-9.
[47] MERC Reply Comments, Attachment B.

MERC also responded to the Department's request for tariff language regarding updated contact information for interruptible customers. MERC noted that it already has a policy to request three separate contracts for all new customers; however, it also noted that certain transport customers only listed a marketer as a contact and grain-drying customers may not have three contacts available. MERC explained that it makes its best effort to request updated information each fall, but it is the customer's sole responsibility, as a condition of interruptible service, to notify the Company of any changes.[48] MERC provided proposed tariff language regarding interruptible customer contact information.[49]

MERC also identified another area of its tariff that requires updated tariff language. MERC explained that during the cold weather event, many customer continued to burn gas to heat buildings or avoid damage due to backup system issues or lack of backup equipment on a limited basis after the curtailment was called. MERC further explained that its current tariff defines daily firm nominations, which interruptible customers are eligible to buy, as quantities first-through-the-meter on each gas day, which begins at 9am. MERC noted, however, that curtailments do not necessarily begin at 9am and, by the time the curtailment was called (for example at 5pm), the customer may have already used their daily nominations for the day. Despite advanced planning by these customers, they were unable to use purchased firm capacity or were subject to unauthorized use penalties. In an effort to correct this issue, MERC proposed updated tariff language to establish an intraday nomination process in the event that a curtailment is called midday.[50] Under its proposal, the interruptible customer would receive a pro-rated amount of its purchased firm nominations based on when the curtailment is scheduled to begin.[51]

The Department reviewed MERC's discussion on this topic and its proposed tariff language and concludes that MERC's proposed changes to its interruptible tariff language appear reasonable and clarify the expectations of interruptible service.

4. Great Plains

Great Plains stated that it does not believe tariff changes are warranted at this time. Great Plains referenced its limited amount of non-compliance by interruptible customers and its belief that its current tariff provides sufficient direction regarding unauthorized use. In particular, Great Plains noted that its annual communication with interruptible customers includes a reminder that their service is subject to interruptible and that it is the customer's responsibility to interrupt or maintain an alternate fuel source.

[48] MERC Reply Comments, Pages 9-10.
[49] MERC Reply Comments, Attachment B.
[50] MERC Reply Comments, Attachment B.
[51] MERC Reply Comments, Page 10.

Great Plains also opposed the Department's request that utilities be responsible for updating interruptible customer contact information on an annual basis. Great Plains stated that it already does this as part of its annual communication and that interruptible customers must complete a form with at least four contact names.[52]

5. Greater Minnesota

Greater Minnesota explained that it agrees with other utilities that global tariff changes are not warranted at this time to address unauthorized use. Greater Minnesota noted that its current tariff provides direction regarding areas such as interruptible customer qualification, requirements, and penalties for unauthorized use. Greater Minnesota also stated that its lack of unauthorized use provides evidence that tariff changes are not necessary.

Greater Minnesota also opposed the Department's request that utilities be responsible for updating interruptible customer contact information on an annual basis. Greater Minnesota stated that it regularly communications with its interruptible customers. Greater Minnesota believes that updated contact information is a shared responsibility between Greater Minnesota and customers and placing this requirement in the tariff would place the onus exclusively on the utility.[53]

6. DEPARTMENT ANALYSIS

The Department reviewed the tariff language discussion from the natural gas utilities and provides the following discussion and analysis.

First, on the topic of interruptible customer contacts, the Department believes the concerns raised by some of the utilities are overstated. As noted in its Comments, incorrect contact information was one of the reasons noted by the utilities for unauthorized use during the cold weather events. The Department continues to believe that three contacts for interruptible customers is a reasonable number and minimizes the risk that the utility is unable to contact an interruptible customer in the event of a curtailment.

However, the Department acknowledges that there are instances (e.g., grain dryer, small businesses) where three contacts may not be feasible; in that instance, the Department believes it is acceptable to include tariff language that allows less than three contacts, if the customer provides an addendum acknowledging it has less than three contacts and it accepts the risk this entails. Given that grain dryers typically use natural gas service during non-peak periods, such customers are unlikely to have material effects on the utilities' systems.

[52] Great Plains Reply Comments, Pages 3-6.
[53] Greater Minnesota Reply Comments, Pages 2-3.

The Department reviewed the interruptible policy information provided by the utilities and observed that the natural gas utilities already maintain open communication with interruptible utilities and routinely request that these customers provide contact information as part of their acknowledgement that they receive interruptible service. Since the utilities already collect this information, the Department believes memorializing this process in the tariff is not unreasonable and will serve to formalize the obligation of interruptible service to both the customer and the utility. The Department proposes the following tariff language for inclusion in the interruptible schedules for natural gas utilities:

> Customers must maintain three (3) current contacts to receive notice of curtailment. If the customer does not have three qualified contacts, the customer shall provide an annual attestation to the Company that it is unable to have three qualified contacts and the customer understands they are obligated to curtail service when requested. The Company will make an annual request that customers confirm that contact information is current.

Second, regarding the requirement that utilities verify back-up equipment, the Department offers the following clarification. Based on its review of the utility responses, the Department believes that the utilities misinterpreted the Department's request. The Department's request was not meant as a requirement that the utility test the equipment to verify its operational status. The Department believes that such testing is the responsibility of the customer. Rather, what the Department meant was more of an annual attestation that interruptible customers have fully functioning back-up equipment and/or the ability to curtail natural gas use when requested. The Department believes regular accounting on the number of interruptible customers with back-up equipment is reasonable and prudent.

Although the interruptible tariffs require all customers, regardless of back-up equipment, to curtail use, if the utilities know which customers have back-up equipment, and where those customers are on the system, it should improve the utility's ability to model the distribution system and create reliability contingencies. The Department proposes the following tariff language for inclusion in the interruptible schedules for natural gas utilities:

> On an annual basis, the customer shall provide an annual attestation to the Company that it has fully functioning back-up equipment and/or the ability to curtail natural gas use when requested. The operational and functionality of the back-up equipment is the sole responsibility of the interruptible customer. Failure to maintain this equipment or failure to curtail represents a breach of the terms of interruptible service and may result in termination of the agreement.

Third, on the issue of transferring non-compliant interruptible customers to firm service, as noted above the Department previously raised this issue in the 2014 AAA and many of the utility responses and concerns in this docket mirror what was discussed in the 2014 AAA. Although the Department understands the reluctance on the part of the utilities to remove non-compliant interruptible customers automatically, the Department believes the utilities should address this issue, such as identifying the number of times an interruptible customer will be allowed to fail to interrupt natural gas use before they are essentially receiving firm service.

If interruptible customers face no real threat of moving to firm service, they have little incentive to curtail natural gas use when requested, apart from the unauthorized use penalty. The penalty does not address the fact that firm customers are paying for the majority of costs of the system for the rest of the year. Thus, for repeat offenders who fail to interrupt service more than once, the utility can increase the financial penalty for unauthorized use by requiring these customers to pay for system upgrades and then move them to firm service. The utility has an obligation to firm ratepayers to ensure that interruptible customers are truly interruptible. If an interruptible customer habitually fails to curtail, they are a de facto firm customer and, in the Department's opinion, should pay firm rates.

The Department does, however, agree with the utilities that the circumstances surrounding non-compliance may differ and should be analyzed to determine the cause of a customer's failure to curtail. Nonetheless, for an interruptible customer that continues to fail to interrupt when requested to do so, it should be clear that the customer is unable to comply with the terms of the tariff.

Thus, when a utility observes a customer that fails to curtail twice, or when a single non-compliant event is significant, the Department recommends that the Commission require the utility to fully analyze the circumstances around the non-compliance by the interruptible customer. As part of this analysis, the Commission should require the utility to provide an estimate of the costs and requirements to move this customer to firm service. The Department also recommends that the Commission require the utility to file its non-compliance analyses with the Commission on May 1 of each calendar year. This approach will allow the Commission and interested parties to review unauthorized use during the last heating season and assess whether the utility is appropriately administering its interruptible tariff. This date is also early enough that the utility may be able to make necessary system improvements to allow movement of a customer to firm service prior to the next heating season.

F. ELECTRIC ISSUES

In its Comments, the Department analyzed electric utility performance during the cold weather event, including forecasting performance.[54] The Department also requested that all utilities provide, in reply comments, a detailed discussion of communication with interruptible

[54] Department Comments, Pages 11-14.

customers regarding curtailments.[55] In its Third Notice, the Commission included electric utility curtailment and MISO penalties and generation forecasting for wind resources in extreme temperatures as topics open for discussion. Otter Tail and Xcel Electric provided information on these topics in their reply comments.

Otter Tail did not provide information regarding wind resources; however, Otter Tail did provide an explanation of its communication with interruptible customers. Otter Tail stated that when a load reduction is necessary, it directly contacts large load customer to request load reduction. Further, if requested by MISO, Otter Tail contacts radio and television stations to request that the public consume less electricity.[56]

In its reply comments, Xcel Electric provided additional information regarding its wind generation forecasting during the cold weather event. Xcel Electric stated that its meteorologists predicted the significant decrease in wind generation during the evening of January 29, 2019; however, they forecasted this drop-off approximately 12 hours later than it occurred. In response, Xcel Electric stated that it worked with its wind generators to clarify cut-off temperatures at each facility, and Xcel Electric believes it is better equipped going-forward to predict loss of wind generator during cold weather.[57] Xcel Electric did not provide discussion regarding communication with interruptible customers.

The Department appreciates the additional information on this topic and does not have additional comment at this time.

G. INTERSTATE PIPELINE ISSUES

As discussed at the February 28, 2019 Planning Meeting, and in the Department's Comments, NNG experienced an issue with its Farmington Compressor Station on January 30, 2019. NNG addressed this issue within a few hours and it did not impact utility operations, apart from the ramp down of certain Xcel Electric generating units, but it helped underline the risks and stresses placed on the natural gas and electric systems during extreme weather events. In its Comments, the Department requested that each utility identify any pipeline issues it experienced during the cold weather event. The Commission also mentioned this topic in its Third Notice.

The utilities responded that no other interstate pipeline issues impacted operations during the cold weather event. The Department appreciates this clarification and does not have further comment on this matter at this time.

[55] Department Comments, Page 23.
[56] Otter Tail Reply Comments, Page 1.
[57] Xcel Reply Comments, Page 6.

H. COMMUNICATION TO THE PUBLIC

In its Second Notice, the Commission requested that all utilities provide details on how the Commission could help convey messages to the public during a future cold weather event. In its Comments, the Department noted that each utility, except Xcel Gas and Electric, provided discussion or recommendations on this topic. The Department recommended that Xcel address this issue in its reply comments.

The Department preliminarily concluded that utilities are generally the most appropriate contact and source of information during a severe weather event. However, the Department also noted that it is necessary for utilities to maintain communication with state agencies and there are statewide instances where communication and engagement from the Commission, and other state agencies, to the public seems appropriate.[58] The Department recommended that each utility provide, in reply comments, additional discussion on this topic and examples about relevant situations where announcements from the Commission are necessary. The Commission also included this topic as an area open for comment in its Third Notice.

Xcel Gas and Electric noted in reply comments that they responded to the Commission's Second Notice regarding the Commission's role in communicating with the public. In a provided quote, Xcel Gas and Electric stated that they were committed to keeping the Commission updated during severe events, as they have in the past.[59] The Department appreciates this clarification and notes that Xcel Gas and Electric provided additional discussion on this topic in reply comments.

The Department reviewed utility responses in reply comments on this topic; the responses were generally similar. The utilities agreed with the Department's preliminary conclusion that utilities are the most appropriate customer contact. The utilities also concluded that open communication with state agencies is necessary during severe weather in the event that these agencies are contacted by the public or the media. This open communication is necessary so that state agencies have the most up-to-date information available, and the utilities committed to maintaining this communication and coordination. There was a lack of consensus on when it is appropriate for the Commission to communicate with the public.

Great Plains did not provide recommendations on this topic.[60] Minnesota Power did not file reply comments, since MP addressed this in its Comments. Minnesota Power did not have a specific proposal for the Commission to convey messages, but noted that this topic could warrant a technical conference to discuss the best available approaches.[61]

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[58] Department Comments, Pages 14-16.
[59] Xcel Reply Comments, Page 18.
[60] Great Plains Reply Comments, Page 6.
[61] Minnesota Power Comments, Page 7.

Xcel Gas agreed with the Department that events that impact the entire state are an example of a high consequence circumstance where the Commission may want to consider direct communication with the public. Xcel Gas further explained that the most effective way to identify these high consequence events would be to create a framework with Commission Staff and the other utilities.[62]

CenterPoint, MERC, Greater Minnesota, and Otter Tail expressed concern on the topic of blanket communication from the Commission to the public. CenterPoint noted that although the TransCanada explosion was significant, it did not create statewide impacts; as such, CenterPoint was concerned that communication from the Commission may create confusion and unnecessary calls to its contact center.[63] MERC argued that blanket communication could result in customer confusion and, although there may be circumstances where public communications from the Commission are appropriate, MERC stated that each scenario should be evaluation on a case-by-case basis.[64] Greater Minnesota explained that general messaging from the Commission could be confusing to the public, and it would be difficult for the Commission to craft a message that would be appropriate for all utility customers.[65] Otter Tail stated that utilities are best positioned to convey messages to customers during a severe weather event.[66]

The Department appreciates the additional information and discussion from the utilities on this topic. Based on the additional information, the Department agrees with the utilities that they typically represent the best customer contact during severe weather events. In most instances, service disruptions or issues are isolated, or geographically based, and the utilities have the best information available.

The Department specifically appreciates the commitment by utilities to maintain open communication with state agencies. This approach will aid state agencies when responding to requests from the public or the media. Although certain utilities were non-committal on this issue, the Department continues to conclude that there are instances when communication to the public from the Commission is appropriate. The Commission may wish to consider convening a workgroup of utilities, state agencies, and other interested parties to create a framework governing communication to the public during severe weather and other high consequence events.

[62] Xcel Reply Comments, Page 18.
[63] CenterPoint Reply Comments, Pages 6-7.
[64] MERC Reply Comments, Page 15.
[65] Greater Minnesota Reply Comments, Pages 3-4.
[66] Otter Tail Reply Comments, Page 2.

II. DEPARTMENT RECOMMENDATIONS

Based on its review, the Department continues to recommend that the Commission require the utilities to report by November 1, 2019 on their progress in implementing various process improvements to address severe weather events. The Department also recommends that the Commission:

- clarify that Xcel Gas' proposed reinforcement projects are not eligible for rider recovery given that the system was not adequately constructed;
- approve Xcel Gas' proposed tariff changes included in its reply comments;
- require CenterPoint to increase its penalty for unauthorized gas usage to $5 per therm. If the Commission decides to increase penalty charges for other utilities, the Department recommends that the Commission set CenterPoint's penalty at the same level as the other utilities;
- approve MERC's proposed tariff changes included in its reply comments;
- require natural gas utilities, when a customer fails to curtail twice, or a single non-compliant event is significant, to fully analyze the circumstances around the non-compliance by the interruptible customer. As part of this analysis, the utility should provide an estimate of the costs and requirements to move this customer to firm service. The utilities shall file these analyses annually with the Commission on May 1.

The Commission may also wish to consider convening a workgroup of utilities, state agencies, and other interested parties to create a framework governing communication to the public during severe weather and other high consequence events.

The Department also recommends that the Commission consider the following proposed tariff language for inclusion in the interruptible schedules for natural gas utilities:

- Customers must maintain three (3) current contacts to receive notice of curtailment. If the customer does not have three qualified contacts, the customer shall provide an annual attestation to the Company that it is unable to have three qualified contacts and the customer understands they are obligated to curtail service when requested. The Company will make an annual request that customers confirm that contact information is current.
- On an annual basis, the customer shall provide an annual attestation to the Company that it has fully functioning back-up equipment and/or the ability to curtail natural gas use when requested. The operational and functionality of the back-up equipment is the sole responsibility of the interruptible customer. Failure to maintain this equipment or failure to curtail represents a breach of the terms of interruptible service and may result in termination of the agreement.

/ar

☐ **Not Public Document – Not For Public Disclosure**
☒ **Public Document – Not Public Data Has Been Excised**
☐ **Public Document**

Xcel Energy **Informal Information Request No. 3**

Docket No.: E,G999/CI-19-160
Response To: MN Department of Commerce
Requestor: Adam Heinen
Date Received: July 25, 2019

Question:

Provide the specific inputs/assumptions that are now in our gas distribution planning system (i.e., temps and any other factors that influence the system design that we updated in the wake of the 2019 polar vortex event).

Response:

Our Upper Midwest natural gas distribution planning model uses ten weather zones, as shown graphically on the attached not public Gas Weather Zones document. The blue lines, which can be only seen in detail if you zoom into a small area, depict the Company's gas distribution infrastructure. The red squares that cross some of the zones highlight portions of neighboring zones where there is a supplemental, "zoomed-in" view that provides greater detail included along the bottom of the page.

We determine the distribution system design minimum temperature by calculating numerous probabilities to determine the likelihood that a temperature could be reached once within 30 years. The below Table specifies the temperatures that our distribution model applies to each of the weather zones, which is the area's likelihood of an event meeting the design minimum temperature occurrence once in 30 years.

Xcel Energy Upper Midwest Natural Gas Distribution Model – 2019 Weather Zone Planning Temperatures
(Degrees Fahrenheit)

Ashland	Brainerd	Eau Claire	Fargo	Faribault	Grand Forks	La Crosse	St. Cloud	St. Paul	Western
-37	-48	-37	-35	-37	-40	-35	-40	-32	-34

So, while a 1 in 30 approach might imply the coldest temperature that occurred in 30 years, in reality, it is a probabilistic approach – and in some instances, the underlying temperature data can go back as far 70 years.

For example, the St. Cloud zone has a planning temperature of -40 degrees Fahrenheit, which means that by calculating all the data available for the St. Cloud gas weather zone, the likelihood of St. Cloud reaching -40° F is once in 30 years.

Not Public Justification
The attached Gas Weather Zones document contains detailed information about our gas distribution system that the Company maintains as not public data. This information is "security information" as defined by Minn. Stat. § 13.37, subd. 1(a). Xcel Energy believes the information could be manipulated to reveal the location and size of facilities serving our customers. The public disclosure or use of this information creates an unacceptable risk because those who want to disrupt the electrical grid for political or other reasons may learn which facilities to target to create the greatest disruption. For this reason, pursuant to Minn. Stat. § 13.37, subd. 2, we have excised this data from the public version of our filing.

Preparer:	Gail Baranko
Title:	Manager, Regulatory Project Manager
Department:	NSPM Regulatory Affairs
Telephone:	612-330-6935
Date:	August 1, 2019

Docket No. E,G999/CI-19-160
DOC Informal Information Request No. 3
Gas Weather Zones, August 1, 2019

PUBLIC DOCUMENT – NOT PUBLIC DATA HAS BEEN EXCISED

The Map Attachment to this filing includes Not Public information pursuant to "security information" as defined by Minn. Stat. § 13.37, subd. 1(a). Xcel Energy believes the information could be manipulated to reveal the location and size of facilities serving our customers. The public disclosure or use of this information creates an unacceptable risk because those who want to disrupt the grid for political or other reasons may learn which facilities to target to create the greatest disruption. For this reason, pursuant to Minn. Stat. § 13.37, subd. 2, we have excised this data from the public version of our filing.

The Attachment is marked as "Not-Public" in its entirety. Pursuant to Minn. Rule 7829.0500, subp. 3, the Company provides the following description of the excised material:

1. **Nature of the Material:** Attachment is a map of the Company's detailed gas distribution
2. **Authors:** The map was prepared by Gas Capacity Planning
3. **Importance:** The map contains data that is competitively sensitive for the Company
4. **Date the Information was Prepared:** June 2019

[PROTECTED DATA BEGINS

PROTECTED DATA ENDS]

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
Response Comments

Docket No. E,G999/CI-19-160

Dated this **9th** day of **August 2019**

/s/Sharon Ferguson

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Jennifer	Peterson	jjpeterson@mnpower.com	Minnesota Power	30 West Superior Street Duluth, MN 55802	Electronic Service	No	OFF_SL_19-160_Official
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_19-160_Official
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