



414 Nicollet Mall  
Minneapolis, Minnesota 55401

August 19, 2019

—Via Electronic Filing—

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

RE: REPLY COMMENTS  
IMPACT OF SEVERE WEATHER  
DOCKET NO. E,G-999/CI-19-0160

Dear Mr. Wolf:

Northern States Power Company, a Minnesota corporation, doing business as Xcel Energy, submits this reply to the August 9, 2019 Comments of the Minnesota Department of Commerce and the Attorney General in the above-referenced docket.

We appreciate the Department's and OAG's thorough review of our comments. We share concerns regarding compliance with interruptible tariffs, and appreciate the acknowledgement of the inherent complexities of this issue. That said, we accept the recommendations to modify our tariffs as we proposed and as further recommended by the Department. We also accept the OAG's recommendation to increase the customer financial penalty for repeated non-compliance. We discuss the recommendations below.

## REPLY

### A. Proposed Tariff Changes

#### 1. *Approve Proposal to Memorialize the Three Customer Contacts Requirement*

The Department recommended the Commission approve the following tariff addition in the Requirements and Deliveries section of our Interruptible Gas Service Agreement Section 7, Sheet 7-10 that we proposed in our June 28, 2019 Reply Comments, which we accept:

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.

## *2. Customer Attestation*

We accept the Department's proposed new tariff language that would require interruptible customers to attest to the Company that they have fully functioning back-up equipment and /or the ability to curtail gas use when requested. We offer the following language addition to the end of the Curtailment Priority Category of our Interruptible Gas Service Agreement Section 7, Sheet 11, as follows:

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.

We note that should the Commission approve this requirement, our intent would be to combine this attestation process with our pre-season education campaign and annual request to confirm customer contact information.

## *3. Penalty Increase for Repeated Non-Compliance*

The OAG recommended the Commission require interruptible tariffs provide for a doubling of the per-therm penalty for repeated/subsequent customer failures to curtail. We agree this would appropriately levy additional costs for repeat offenders that may serve as a further deterrent to non-compliance, while holding one-time offenders harmless.

If the Commission agrees, we would include in our proposed tariff modifications the following changes to our interruptible tariffs:

Section 7, Sheet No. 11: An interruptible customer's unauthorized use of gas during an interruption is a breach of the terms of service. Xcel Energy reserves the right to discontinue service or increase the per therm penalty as specified in Section 5, Sheet No. 12 for such unauthorized use of gas and/or move non-compliant customers to a different rate class. If an interruptible customer's service is reconnected following a breach of the terms of service or unauthorized use of gas, the customer will reimburse the company for the cost of reconnection.

Section 5, Sheet No. 12:

For the initial occurrence, a customer failing to curtail, interrupt, or otherwise restrict (partially or totally) use of gas hereunder when requested to do so by Company

customer shall pay, in addition to the appropriate above rates, the higher of (i) \$5.00 per Therm, or (ii) an amount equal to any incremental cost incurred by the Company that results from a failure to curtail or interrupt. Subsequent failures by the customer to fully or partially curtail, interrupt, or otherwise restrict use when requested by the Company, customers shall pay the higher of (i) \$10.00 per Therm or (ii) an amount equal to any incremental cost incurred by the Company that results from a failure to curtail or interrupt.

#### *4. Tariff Change Process Proposal*

If the Commission approves the recommended tariff changes, we propose to submit a Miscellaneous Petition containing the changes within 30 days of the Commission's Order in this proceeding. If upon review of our filing, the Department agrees the changes are consistent with the Commission's Order, the Commission could consider our Petition using its consent calendar.

### **B. Analyses of Non-Compliance**

The Department recommends the Company fully analyze the circumstances around the non-compliance by natural gas interruptible customers when a customer fails to curtail twice, or when a single non-compliant event is significant and submit a report by May 1<sup>st</sup> of each calendar year.

We agree an analysis such as this would be beneficial. However, a May 1<sup>st</sup> due date for a report is not practicable. In years with late season curtailments (curtailment season ends March 31<sup>st</sup>), this would not leave sufficient time for a thorough analysis of late-season events. Additionally, the analysis associated with the potential move of each of the customers to firm service would require engineering and design time from both the engineering and gas supply planning perspectives, and would be a costly and timely undertaking. We rather suggest this analysis include a narrative regarding the potential engineering and gas supply implications, and possibly an indicative measure of the complexity of converting those customers to firm service.

In summary, we are happy to work with customers to understand and document the reasons for non-compliance, and submit in an annual compliance filing. We caution however, against requiring the Company to provide detailed cost and infrastructure information as suggested by the Department.

Additionally, as an alternative to the May 1<sup>st</sup> report timing, we note that the Commission has ordered the Company to provide information regarding unauthorized gas use for each customer that did not comply with a called interruption during the heating season in our Gas AAA annual filing for the next three years (Docket No. G999/AA-18-374). In fact, the Company will be submitting that filing

on August 30, 2019. We believe that the AAA docket and timing would be the most appropriate proceeding in which to provide the required information on a going-forward basis.

### **C. Planned Reinforcement Projects**

In our April 12, 2019 Comments, we provided a list of natural gas reinforcement projects to address areas that experienced low pressure and/or service outages. We agree with the Department that these projects are not eligible for cost recovery through the Gas Utility Infrastructure Rider, and we have no intention to seek such recovery.

Finally, as previously committed, we will submit an informational filing upon completion of these projects prior to the 2019-2020 heating season. We will also include a status update from the other changes that we are making as a result of our lessons-learned, as outlined in our June 29, 2019 Reply Comments.

We remain committed to continuing to identify and leverage opportunities to educate and communicate with our non-firm interruptible customers. We also remain committed to continuing to provide notifications and regular updates to the Commission and Department for escalated events that impact our customers. Per the Department's recommendation in Comments, we are also happy to include Company contact information in these communications, so the agencies can appropriately direct any customers that may contact the agencies during the event.

We have electronically filed this document, and copies have been served on the parties on the attached service list. Please contact me at 612-330-6935 or [gail.baranko@xcelenergy.com](mailto:gail.baranko@xcelenergy.com), or Pamela Gibbs at [pamela.k.gibbs@xcelenergy.com](mailto:pamela.k.gibbs@xcelenergy.com) or 612-330-2889 if you have any questions regarding this filing.

Sincerely,

/s/

GAIL A. BARANKO  
REGULATORY MANAGER

c: Service List

## CERTIFICATE OF SERVICE

I, Lynnette Sweet, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

xx by depositing a true and correct copy thereof, properly enveloped  
with postage paid in the United States mail at Minneapolis, Minnesota

xx electronic filing

**Docket No. E,G-999/CI-19-160**

Dated this 19th day of August 2019

/s/

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Lynnette Sweet  
Regulatory Administrator

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