

Staff Briefing Papers

Meeting Date	July 15, 2021	Agenda Item 10*
Company	Northern States Power Company d/b/a Xcel Energy	
Docket No.	E002/M-20-592	
	In the Matter of Xcel Energy's Petition Requesting Approval of AGIS Initiative Related Tariff Changes and a Variance to Commission Rules	
Issues	What action should the Commission take on the requested changes to Xcel Energy's tariffs and a variance related to operational changes and opportunities associated with their Advanced Grid Intelligence and Security (AGIS) initiative?	
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Relevant Documents

Date

Initial Filing – Petition Request, Xcel Energy	July 10, 2020
Comments, Department of Commerce	September 9, 2020
Reply Comments, Xcel Energy	September 23, 2020
Supplemental Comments, Department of Commerce	May 28, 2021
Response to Supplemental, Xcel Energy	June 11, 2021

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The attached materials are work papers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless noted otherwise.

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I. Statement of the Issue

What action should the Commission take on the requested changes to Xcel Energy's tariffs and a variance related to operational changes and opportunities associated with their Advanced Grid Intelligence and Security (AGIS) initiative?

II. Background

This Petition comes forward as part of Xcel Energy's Advanced Grid Intelligence and Security (AGIS) initiative that was proposed in their Integrated Distribution Plan (IDP) (Docket No. E002/M-19-666) in November of 2019. AGIS includes replacement of their current Automated Meter Reading (AMR) meters to advanced metering infrastructure (AMI), which will provide the Company with new information and capabilities. The Company recognizes that some customers may wish to opt-out of the AMI meters and, for that reason, filed this Petition for approve of an opt-out option and a rule variance to customer billing details.

On July 10, 2020, Xcel Energy filed the Petition.

On September 9, 2020, the Department of Commerce submitted comments.

On September 23, 2020, Xcel submitted reply comments.

On May 28, 2021, supplemental comments were filed by the Department of Commerce in general agreement of the proposal with ten recommendations for the Company and Commission to consider.

On June 11, 2021, Xcel responded generally accepting the Department's recommendations, with one clarification.

III. Xcel Petition Requesting Approval of AGIS Initiative Related Tariff Changes and a Variance to Commission Rules

Xcel's Petition requests approvals in advance of installing its AMI to ensure it can meet its implementation timeline. The specific approvals Xcel seeks in this Petition are as follows:

- An indefinite variance to Minn. R. 7820.3500 to allow the Company to no longer print the Present and Last Meter Reading values on bills provided to customers with AMI and non-communicating AMI meters,
- Additions to the Standard Bill Forms contained in its Electric Rate Book,
- A new Manual Meter Reading (MMR) tariff proposed for residential and small business customers who prefer to have a non-communicating AMI meter installed at their homes or businesses, and
- A pricing review of the MMR tariff pricing approximately one year after the Company's broad AMI deployment is complete.¹

A. Rule Variance

The Company is seeking an indefinite variance to Minn. Rules 7820.3500, Billing Content, as well as approval of an AMI opt-out option that includes a MMR tariff.² Xcel proposed terms, conditions, and charge methodology of this tariff for review and approval with the intent to file specific charges with the Commission after costs are known.³

Starting in 2020, the Company is phasing in AMI meters throughout its Minnesota service territory and one benefit of the AMI technology is that billing can be based on individual usage intervals instead of measuring the difference between the previous month's and current meter

¹ Xcel Energy, Initial Filing at 2 (July 10, 2020).

² [Minn Rules 7820.3500 BILLING CONTENT](#). Bills rendered periodically to customers for electric and gas service shall include, but are not limited to, the following information:

- A. the present and last preceding meter readings;
- B. the date of the present reading;
- C. identification of the applicable rate schedule;
- D. the number and kinds of units metered;
- E. a complete itemization of all charges incurred at each level of customer usage;
- F. the amount of the bill;
- G. the date on which the bill will become delinquent;
- H. any late fee, if applicable;
- I. if an estimated bill, clear and conspicuous language identifying the bill as an estimated bill;
- J. the amount of state and local taxes separately itemized;
- K. fuel or power adjustment clause separately itemized, if applicable; and
- L. the information required by part [7820.0200](#), item C. (Inquiry/complaint contact)

³ Xcel Energy, Initial Filing at 2 (July 10, 2020).

readings.⁴ The Billing Content Rule requires that a customer’s present and last preceding meter readings are present on each bill. Since these values will no longer be the basis for billing calculations, the Company wishes to no longer print the Present and Last Meter Reading on customers’ bills after the installation of AMI or, for customers who choose to opt out, a non-standard/noncommunicating AMI meters.⁵ The Standard Bill Forms contained in the Company’s Electric Rate Book would also need to reflect changes.

The Company is transitioning all of its billing practices to rely on and use the capabilities of AMI and will also provide customers with more granular usage data.⁶ With AMI, customer usage will be recorded in fifteen minutes intervals and the sum will be billed over the billing period as opposed to the legacy method that measures usage through analog dials or a digital measurement of kWh used subtracted from the previous meter reading.⁷

Customer Bill Modifications - Meter Reading Information Box

The Company will be communicating with customers over the phase-in of the AMI meters that includes, among other things, illustrative examples of how their new, AMI-based bill will be presented. Following the first bill based on AMI meter reading data, customers will receive “how to understand my bill” type of information and next-step resources for further details about billing or to gain access to usage data through a new customer energy portal.⁸

As found on page 7 of Xcel’s Petition, the meter reading details of a customer’s bill will be presented in the following format for a general customer.

Figure 1: Proposed Meter Reading Information Section – Post-AMI/MMR Meter Installation

METER READING INFORMATION		
METER 1234567	Read Dates: 04/05/20 – 05/04/20 (29 Days)	
DESCRIPTION	USAGE TYPE	USAGE
Total Energy	Actual	267 kWh

For customers on time-of-use rates, the following will be the format.

⁴ Xcel Energy, Initial Filing at 2 (July 10, 2020).

⁵ *Id.* at 2 and 6.

⁶ *Id.* at 7.

⁷ *Id.* at 6.

⁸ *Id.* at 8.

Figure 2: Illustrative Meter Reading Information Bill Section – Time of Use Rate

METER READING INFORMATION		
METER 1234567	Read Dates: 10/02/18 – 10/31/18 (29 Days)	
DESCRIPTION	USAGE TYPE	USAGE
Total Energy	Actual	989 kWh
On Pk Energy	Actual	198 kWh
Off Pk Energy	Actual	193 kWh
Mid Pk Energy	Actual	598 kWh

Xcel stated the present and last preceding meter readings will no longer be relevant to the calculation of AMI customers' bills, and as such, sought a variance from Minn. Rules 7820.3500, Subp A. to allow the Company to no longer print the meters' previous and current meter register readings on customer bills, once a customer has an AMI meter.⁹

Pages 9 to 10 of the Petition describes how Xcel's variance request meets the three-pronged approach found in [Minn. Rules 7829.3200](#).

Subp. 1. The commission shall grant a variance to its rules when it determines that the following requirements are met:

- A. enforcement of the rule would impose an excessive burden upon the applicant or others affected by the rule;
- B. granting the variance would not adversely affect the public interest; and
- C. granting the variance would not conflict with standards imposed by law

Generally, Xcel states that printing irrelevant information on bills only to comply with the billing content rule has no benefit and could lead to customer confusion, complaints, and possibly lower satisfaction.¹⁰ Metering technology is advancing and billing communication must complement these technological transitions that aid customers' understanding and increase engagement. Xcel highlighted instances where the Commission has previously approved rule variances related to new metering technology in their Residential EV Pilot Program as well as cases where customer confusion was avoided when variances were approved.¹¹

Proposed Tariff Sheets

Attachment A of Xcel's Petition includes a new standard AMI bill format. The current standard bill form Tariff Sheets will remain until Xcel's AMI transition is complete. When that occurs, the Company intends to submit a compliance filing that cancels and deletes the standard form tariffs from their Rate Book.¹²

⁹ Xcel Energy, Initial Filing at 8 (July 10, 2020).

¹⁰ *Id.* at 9.

¹¹ *Id.* at 10.

¹² *Id.*

B. Customer Opt-Out

The second portion of Xcel's Petition is a customer opt-out option for customers who wish to have a non-communicating AMI meter. Usage data must then be collected manually instead of communicated through the Company's Field Area Network (FAN). For this reason, the Company proposes a new tariff.

This optional service is only available to customers taking service under Xcel's Residential Service, Residential Time of Day, Small General Service rates, and Small General Time of Day Service and will not be available to large commercial and industrial customers.¹³ This offering will be available as the Company transitions to AMI and after. However, moving forward, a customer will be charged in two instances:

- When an AMI meter (with communication technology) is installed at their premises that they wish to change to a non-reading AMI meter.¹⁴ This surcharge would cover the cost of a special trip and a technician's time to replace the AMI meter with a non-standard manual-read meter.¹⁵
- When a customer chooses to return to AMI service from their non-reading AMI meter, the customer will incur a "Non-Standard Meter Removal Charge" to cover costs "for a Company technician to replace the manual read meter with a standard AMI meter for the next tenant or owner."¹⁶

Customers who elect to have an MMR are subject to additional terms and charges.¹⁷

C. Customer Charges

Fixed Charge

The Company has proposed a monthly fixed charge to recover the costs of collecting usage information from customers that have a non-communicating AMI meter. This rider will be applied separately on a per meter basis.¹⁸

At this time, the Company is asking for approval of the methodology of the charges and not approval of specific costs as the Company is only able to provide estimates until the AMI roll out is further along.¹⁹ The proposed MMR Fixed Charge is comprised of four components:

Manual Meter Reading Fixed Charge

¹³ Xcel Energy, Initial Filing at 12 (July 10, 2020).

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ *Id.* at 13.

- 1) Labor expense associated with manual meter reading personnel
- 2) Non-labor expense including fleet vehicle expense, personal mileage reimbursement, safety equipment, and other materials
- 3) The potential for a cost differential between the nonstandard manual meter and the standard AMI meter
- 4) A credit for meter reading costs already included in base rates, which we note will expire when the underlying cost is no longer included in base rates.

The Company provided an estimate of \$17.81 and proposes to round down to \$15.00 per meter per month.²⁰ The Company intends to update this charge after a full year of cost data is known.²¹

Labor expense (including benefits)	\$17.12
Transportation and other non-labor expense	\$1.69
Incremental cost(savings) of the interval data meter - ESTIMATED	\$0.00
Meter reading costs included in base rates	(\$1.00)
Monthly Manual Meter Reading Fixed Charge	\$17.81

Historical averages were used for the labor and non-labor components of the methodology.²² Attachment D (PDF page 56) of Xcel's petition includes specifics related to their labor and meter reading costs.

Removal Charge

The second charge relates to the trip and labor costs incurred for removal and replacement of an AMI meter. These "are consistent with the accounting method we use to assign meter costs as meters are installed" and referred to as "first set credits".²³ The Company elects to "capitalize the cost of the equipment and the estimated labor to install it at the time of receipt (instead of when they are assigned to a specific job). As the meters are later installed, the cost of an individual meter and its installation labor and associated ancillary costs are credited (called First Set Credit) against the initial purchase/receipt."²⁴ The estimated charge is \$42.16, which the company proposes to round down to \$40.00 per meter. The detailed computation is found in Attachment D of the filing (PDF page 56).

²⁰ Please see Attachment C in Xcel's petition for the calculation (PDF page 55).

²¹ Xcel Energy, Initial Filing at 14 (July 10, 2020).

Once customers have opted out of the standard meter and the Company has had a full year of experience of manually reading these customer's meters, we will be able to measure the actual cost of the meter reading and can update the Fixed Charge.

²² *Id.* at 13.

²³ *Id.* at 14.

²⁴ *Id.*

All opt-out customers will incur the fixed charge every month and a Non-Standard Removal Charge when they terminate the optional service and/or move from the premises where they enrolled. For customers who opt-out of AMI prior to the Company's wide deployment, they will not have to pay for installation of a non-communicating AMI meter as it will be accomplished as part of AMI implementation; however, charges will be assessed for customers who opt-out after the AMI has been installed at their premises and therefore require a new meter.²⁵ Xcel offered a table listing the various charges that staff included below.

Table 1: Summary of Charge Component Basis and Illustrative Monthly Charges

Circumstance	Charge Component and Basis	Illustrative Charges by Component
Customer Opts out <i>prior to</i> receiving AMI meter	<p><i>Fixed Charge (Monthly Manual Meter Read Charge)</i> – Based on average of actual historical manual meter reading costs, +/- meter cost differential, less meter read costs already in base rates, assumption of 0.5 percent participation. Proposed calculation methodology currently derives a charge amount of \$17.81 per month.</p> <p><i>Interval Meter Removal Charge</i> – Based on first set credit, which includes labor and associated ancillary costs. Proposed calculation methodology currently derives a charge amount of \$42.16.</p>	<p>\$15.00 per month</p> <p>– plus –</p> <p><i>On final bill reliant on manual meter reading:</i> Non-Standard Meter Removal Charge (\$40.00)</p>
Customer Opts out <i>after</i> receiving AMI meter	<p><i>Fixed Charge (Monthly Manual Meter Read Charge)</i> – see above</p> <p><i>Non-Standard Meter Installation Charge</i> – see above</p> <p><i>Non-Standard Meter Removal Charge</i> – see above</p>	<p>\$15.00 per month</p> <p>– plus –</p> <p>Non-Standard Meter Installation Charge (\$40.00)</p> <p><i>On final bill reliant on manual meter reading:</i> Non-Standard Meter Removal Charge (\$40.00)</p>

The Company noted the proposed charges are reasonable given their review of national opt-out costs where they determined \$25.00 for an average manual meter reading cost and \$124.00 for removal and change of meter per customer.²⁶ Comparatively, Xcel's costs are "significantly lower".²⁷

Finally, these customer charges were designed to recover costs related to the optional AMI opt-out, so they are cost-causative and revenue neutral to the Company.²⁸

IV. Parties' Comments

A. Department of Commerce, Division of Energy Resources

²⁵ Xcel Energy, Initial Filing at 15 (July 10, 2020).

²⁶ *Id.* 16.

²⁷ *Id.* Numbers were corrected in Dept's IR #11 and reflected here.

²⁸ *Id.* at 17.

The Department filed Initial Comments on September 9, 2020 bringing forward concerns that needed to be addressed and requested additional information in several areas. The Department recommended Xcel withdraw its Petition and refile it after additional information is known regarding Xcel's AMI rollout or provide additional information in reply comments. The additional information the Department requested from Xcel included:

1. Estimated and actual revenue information in any upcoming cost-recovery requests for AMI and FAN;
2. Information on costs and savings resulting from opt-out customers in the compliance filing Xcel proposed in this petition, including information on the actual costs for the MMR meters, operational costs, and all other incremental changes to revenue associated with AMI opt-out customers;
3. An updated schedule on the TOU Pilot indicating what and how Xcel intends to incorporate TOU Pilot learnings into the 2022 AMI installation plan and any additional changes to the full AMI implementation schedule;
4. Additional information about the Home Area Network (HAN) functionality, customer access, opt-out/out-in provisions, timing, and where and when information on that capability will be provided through Commission dockets, including whether Xcel believes Commission approval is necessary prior to offering the service;
5. Whether a customer would be informed of how often their meter is being read by Xcel, and if so, how, when, and how often would the customer be informed of any reading interval change;
6. Specific detail on what information will be provided to customers pre-AMI-Distributed Intelligence (AMI-DI) installation; and
7. Information on estimated costs to develop and operate an AMI-DI application that allows the AMI-DI to function as a traditional, monthly-read meter and a discussion of other opt-out customer options considered and rejected.²⁹

In its September 23 Reply Comments, Xcel provided some additional information and clarified its Petition is limited in scope and only addresses two narrow issues regarding day-one processes – the creation of a path for AMI to comply with billing rules and a proposed solution for a small set (approximately 0.5 percent) of customers Xcel expects will object to a radio frequency-equipped AMI meter. According to Xcel, the Department's requests go beyond the information needed to assess the reasonableness of the specific solutions Xcel's Petition proposes for these two issues.³⁰

On May 28, 2021, the Department filed supplemental comments and recommended approval with modifications. Specifically, the Department recommended requirements, conditions and/or modifications regarding Xcel's customer engagement and education plan, rule variance request, proposed tariff sheets, MMR, and notification of changes, if any, in Xcel's revenue.

²⁹ Department of Commerce, Initial Comments at 15 (September 9, 2020).

³⁰ Xcel Energy, Reply Comments at 2 (September 23, 2020).

1. Xcel's Customer Engagement and Education Plan

The Department made the following recommendations to the Commission regarding Xcel's communication or customer engagement and education plan:

Department Recommendation No. 1 - Require Xcel to include the following information for its customers in its plan:

- Scope of AMI-DI, including projected Day 1 uses and future capabilities (e.g. Field Area Network, Home Area Network, Green Button Connect My Data)
- Xcel customer data access, frequency, access by utility
- Customer Energy Usage Data access and rights
- Information on Customer Data Disaggregation

Department Recommendation No. 2 – Require Xcel to consult with the Commission's Consumer Affairs Office (CAO) on its customer engagement and education plan, subject to the Department's content requirement in recommendation 1.

Department Recommendation No. 3 – Delegate approval of Xcel's customer engagement and education plan to the Executive Secretary after consultation with CAO, and require Xcel to issue its customer engagement and education plan and bill inserts in a compliance filing in this proceeding and other, related proceedings (e.g., Docket Nos. E002/M-19-666 and E002/M-20-680).³¹

The Department's recommendation would require Xcel to consult with CAO on the content of its Communications Plan, delegate approval of the Communications Plan to the Executive Secretary, and then require Xcel to submit its final Communications Plan in a compliance filing.

The Department noted Xcel's commitment to provide additional information for the Commission's consideration regarding its Communications Plan and recognized the interest in not unduly delaying Xcel's AMI implementation timeline. With these two objectives in mind, the Department made the recommendations above. However, the Department emphasized it is not opposed to a broader stakeholder process, if the Commission determines Xcel should be required to conduct more outreach to stakeholders before finalizing a customer engagement and education plan. If the Commission wished to require more outreach from Xcel, it provided two alternative approaches.

The first alternative provides the most opportunity for stakeholder input and progresses through six steps as follows:

Step 1 – Xcel would file its Communications Plan in a compliance filing within ten days of the Commission's Order in the instant proceeding and related proceedings (e.g., Docket Nos. E002/M-19-666 and E002/M-20-680).

³¹ Department of Commerce, Supplemental Comments at 6 and 7 (May 29, 2021).

Step 2 – Xcel would host a technical workshop for stakeholders to gather input and solicit feedback for its Communications Plan.

Step 3 – Xcel would issue an updated Communications Plan in a compliance filing incorporating the input and feedback received from stakeholders in the instant proceeding and related proceedings (e.g., Docket Nos. E002/M-19-666 and E002/M-20-680).

Step 4 – The Commission would issue a 30-day Notice of Comment period to provide additional feedback and help ensure that the Company was responsive to feedback received at the workshop.

Step 5 – Xcel would incorporate feedback or provide any reasons why it did not accept stakeholder recommendations, and

Step 6 – The Commission would delegate approval of the Communications Plan to the Executive Secretary.³²

The Department explained the second alternative would require Xcel to consult with CAO on its customer engagement and education plan instead of hosting a technical conference with stakeholders, while following the remainder of the first alternative process including a 30-day Notice of Comment period.³³

2. Variance to Minn. Rule 7820.3500, Subp. A

The Department concluded Xcel’s request for a variance from Minn. R. 7820.3500, subp. A would not adversely affect the public interest so long as Xcel provides the customer with information regarding the frequency of interval reading on which the customer’s interval bill is based.³⁴

The Department agreed with Xcel that enforcement of Minn. R. 7820.3500, subp. A would impose an excessive burden upon the Company and its customers. The Department stated further it is not aware that granting the rule variance would conflict with standards imposed by law. While the Department also agreed with Xcel that granting the variance does not adversely affect the public interest as the present and last preceding meter readings will no longer be relevant in the calculation of its customer’s electric bill, it cautioned the use of interval usage data lacks information regarding the frequency of interval reading. The Department asserted Xcel should be required to indicate this frequency of interval reading under “Usage Type” in Figure 1 above.³⁵

³² Department of Commerce, Supplemental Comments at 5 (May 28, 2021).

³³ *Id.* at 6.

³⁴ *Id.* at 8.

³⁵ *Id.*

Department Recommendation No. 4 – Grant Xcel’s variance request conditioned upon the provision of information on customer’s interval bills regarding the frequency of interval reading on which the customer’s interval bill is based.

3. Proposed Tariff Sheets

The Department reviewed Xcel’s proposed Section No. 5, Manual Meter Reading Service Rider and Section No. 8, Customer Billing Forms and Notices, and concluded the language is reasonable.³⁶

The Department noted Xcel proposed to alter its “Meter Reading Information” box found on Sheet Nos. 8-2.4, 8-3.4, and 8-4.4. The current version of that tariff illustrates the method of calculating a customer’s bill, showing the current reading and the previous reading, and then indicating a usage amount that is the difference of the two. The proposed version of the same box has only one reading that indicates the actual usage amount, which reflects that the interval billing is an actual reading of the customer’s AMI-DI meter.³⁷

The Department had concerns related to Xcel’s transition to interval billing, including whether a customer would be informed of how often their meter is being read by Xcel, and if so, how the customer would be informed of any reading interval change. The Department disagreed with Xcel that this information is beyond the scope of this Petition. The Department explained such information is germane to a customer’s consideration of whether to opt-out of Xcel’s AMI-DI meters and presenting that information on a customer’s interval bill will mean that a customer will know how frequently their energy usage is being accessed in order for the Company to calculate the customer’s interval bill.³⁸

Department Recommendation No. 5 – Grant approval of Xcel’s proposed tariff sheets, subject to the Department’s recommended modification to the proposed interval bill.

4. Optional Manual Meter Reading Service Cost Estimate Review

The Department noted costs associated with Xcel’s MMR are estimates and will be reevaluated by Xcel once the final MMR meters are selected, which was anticipated to be in September 2020. If the petition is approved, the Department supports a compliance filing in the instant proceeding, as well as information filed in any future cost recovery request.

Department Recommendation No. 6 – Require Xcel to file within 30 days of the Commission’s decision on this tariff an update on the selected Manual Meter Read Meter and updated cost estimates and Tariff Sheets in the instant proceeding and in any future cost recovery request that reflects the final cost differential of the non-standard meter.

³⁶ Department of Commerce, Supplemental Comments at 9 (May 28, 2021).

³⁷ *Id.*

³⁸ *Id.*

The Department also supported Xcel's proposal in Reply Comments to file a longer-term compliance filing that would serve as a formal review of the pricing for this optional service – approximately one year after AMI is fully deployed.

Department Recommendation No. 7 – Require Xcel to file within one year of full AMI implementation a formal review of the pricing for the Manual Meter Reading Service and include a recommendation as to whether Xcel believes any of the cost components should change.

5. Effects of Change in Xcel's Energy Revenue

The Department noted concerns in its initial filing regarding Xcel's assurance in its Petition that there would be no change to Xcel Energy's revenue because of the proposals it made in its Petition. The Department issued Information Request No. 7 regarding installation and removal charges, including the amount of revenue that Xcel estimates it will collect from opt-out fees, and Information Request No. 13 regarding monthly and one-time meter reading fees. Xcel's response indicated it will propose a change to the AMI Opt-Out Tariff as part of a compliance filing if costs and revenues from its opt-out service require adjustment.³⁹

Department Recommendation No. 8 – Require Xcel to file estimated and actual revenue information (information included in Information Request Nos. 6, 7, 9, 10, 13, and 14)⁴⁰ in any upcoming cost-recovery requests for AMI and FAN.

Department Recommendation No. 9 – Require Xcel also include information on costs and savings resulting from opt-out customers in the compliance filing Xcel proposed in this petition, including information on the actual costs for the MMR meters, operational costs, and all other incremental changes to revenue associated with AMI opt-out customers.

While the Company may not expect any cost savings from the proposed MMR tariff, the Department emphasized Xcel's overall meter and meter reading costs should decrease because of its AMI implementation. If Xcel files its AMI proposal in its forthcoming TCR rider as expected, the Department stated Xcel should explicitly delineate costs and exclude its AMI proposal cost recovery request from its next rate case to avoid any potential for double recovery.⁴¹

Department Recommendation No. 10 – Require Xcel to exclude its AMI cost recovery from its next rate case if the Company requests cost recovery through its next Transmission Cost Recovery Rider Petition.

³⁹ Department of Commerce, Initial Comments at 13 and 14 (September 9, 2020). *See also* Department of Commerce, Supplemental Comments at 10 (May 28, 2021).

⁴⁰ Department of Commerce, Initial Comments Attachment 1 (September 9, 2020).

⁴¹ Department of Commerce, Supplemental Comments at 11 (May 28, 2021).

B. Xcel Energy

In its Supplemental Comments, Xcel accepted the Department's recommendations with clarifications described below.

1. Xcel's Customer Engagement and Education Plan (Department Recommendation Nos. 1-3)

Department Recommendation No. 1 - Require Xcel to include the following information for its customers in its plan:

- Scope of AMI-DI, including projected Day 1 uses and future capabilities (e.g. Field Area Network, Home Area Network, Green Button Connect My Data)
- Xcel customer data access, frequency, access by utility
- Customer Energy Usage Data access and rights
- Information on Customer Data Disaggregation

Department Recommendation 2 – Require Xcel to consult with the Commission's Consumer Affairs Office (CAO) on its customer engagement and education plan, subject to the Department's content requirement in recommendation 1.

Department Recommendation 3 – Delegate approval of Xcel's customer engagement and education plan to the Executive Secretary after consultation with CAO, and require Xcel to issue its customer engagement and education plan and bill inserts in a compliance filing in this proceeding and other, related proceedings (e.g., Docket Nos. E002/M-19-666 and E002/M-20-680).

Regarding Department Recommendation No. 1, Xcel confirmed its Communication Plan will address each of these topics. However, Xcel clarified the Plan will not contain all of the details for these subjects and will instead note that communication to customers will include information about these topics either in communications sent to customers or on the company's website. Xcel stated the materials it will send to customers as part of its 90-60-30-day pre-implementation communications plan will provide more general information and will include helpful links to where customers can find more information online or from its customer service representatives.⁴²

Regarding Recommendation No. 2, Xcel stated the CAO provides helpful perspective due to its public facing role with the Commission, and it is an established process that will provide a robust review in the most expedient manner, which is important to keep AMI implementation on track. Regarding the Department alternatives to its recommendation that Xcel conduct more outreach, Xcel expressed that no further workshops are needed on its Communication Plan. Xcel maintained conducting stakeholder workshops is time and resource intensive and could delay the start of its AMI implementation. Similarly, Xcel cautioned making the Communication

⁴² Xcel Energy, Supplemental Comments at 3 and 4 (June 11, 2021).

Plan subject to a Notice of Comment period would also serve to delay the start of its AMI implementation.⁴³

Therefore, Xcel requested the Commission accept the Department’s recommendation that the Commission delegate approval to the Executive Secretary to approve Xcel’s Communications Plan and opt-out materials after consultation with the Commission’s CAO, and require the Company to submit the Plan and opt-out materials in a compliance filing in this and other related dockets (Docket Nos. E002/M-20-592, E002/M-19-666 and E002/M-20-680).⁴⁴

2. Variance to Minn. Rule 7820.3500, Subp. A and Xcel’s Proposed Tariff Sheets (Department Recommendation 4 and 5)

Department Recommendation No. 4 – Grant Xcel’s variance request conditioned upon the provision of information on customer’s interval bills regarding the frequency of interval reading on which the customer’s interval bill is based.

Department Recommendation No. 5 – Grant Approval of the Xcel’s proposed tariff sheets, subject to the Department’s recommended modification to the proposed interval bill.

Xcel agreed that including the frequency of interval reading is a good addition to customers’ bills and will plan to indicate the billing interval in the Total Energy line item as indicated in Figure 3 below.

Figure 3: Sample Bill Excerpt Showing Proposed Location for Billing Interval Information

SERVICE ADDRESS: STREET ADDRESS CITY ST ZIP CODE

NEXT READ DATE: 06/15/21

ELECTRICITY SERVICE DETAILS

PREMISES NUMBER: 300000000

INVOICE NUMBER: 0900000000

METER READING INFORMATION

METER 1234567

Read Dates: 04/05/20- 05/04/20 (29 Days)

DESCRIPTION	USAGE TYPE	USAGE
Total Energy	15 Min Intervals	771 kWh

Regarding the Department’s suggestion to place the billing interval in the “Usage Type” box, Xcel noted it is not able to do because that field informs the customer whether the usage is from an *actual* reading of the meter or an *estimate* of usage. Xcel stated it believed its proposed bill addition is consistent with the Department’s intent.⁴⁵

⁴³ Xcel Energy, Supplemental Comments at 4 and 5 (June 11, 2021).

⁴⁴ *Id.* at 5.

⁴⁵ *Id.* at 6 and 7.

If the Commission approves Xcel's requested variance to Minn. R. 7820.3500, subp. A, Xcel agreed to submit revised tariff sheets that include the billing interval indicator as shown in Figure 1 above within 30 days of the Commission's Order in this proceeding.⁴⁶

3. Optional Manual Meter Reading Service Cost Estimate Review (Department Recommendation 6 and 7)

Department Recommendation No. 6 – Require Xcel to file within 30 days of the Commission's decision on this tariff an update on the selected Manual Meter Read Meter and updated cost estimates and Tariff Sheets in the instant proceeding and in any future cost recovery request that reflects the final cost differential of the non-standard meter.

Department Recommendation No. 7 – Require Xcel to file within one year of full AMI implementation a formal review of the pricing for the Manual Meter Reading Service and include a recommendation as to whether Xcel believes any of the cost components should change.

Xcel accepted Department Recommendation Nos. 6 and 7.

4. Effects of Change in Xcel's Energy Revenue Department Recommendation 8, 9 and 10.

Department Recommendation No. 8 – Require Xcel to file estimated and actual revenue information (information included in Information Request Nos. 6, 7, 9, 10, 13, and 14) in any upcoming cost-recovery requests for AMI and FAN.

Department Recommendation No. 9 – Require Xcel also include information on costs and savings resulting from opt-out customers in the compliance filing Xcel proposed in this petition, including information on the actual costs for the MMR meters, operational costs, and all other incremental changes to revenue associated with AMI opt-out customers.

Xcel stated it will include the information in Recommendation 8 and 9 in its compliance filings to the extent it is relevant. Xcel stated it will also include the information relevant to a future cost recovery request that implicates part of the MMR service charge components (i.e., incremental cost of a non-standard meter or the adjustment for meter reading costs embedded in base rates) subject to the clarification below.⁴⁷

Xcel stated some of the information the Department seeks with Recommendation No. 8 may be included in the compliance filings noted in Recommendation No. 6 and No. 7– and would only be included in a future cost recovery request if the cost components of the MMR service are implicated. To the extent that costs materially change in Xcel's next rate case, Xcel stated the

⁴⁶ Xcel Energy, Supplemental Comments at 7 (June 11, 2021).

⁴⁷ *Id.*

MMR service calculation should be reviewed for potential update upon implementation of final rates. If the cost of the standard AMI meter in the Company's future request for recovery of AMI costs through the TCR Rider changes, Xcel stated the MMR service tariff may also require an update. However, if the standard AMI meter cost remains the same as what is built into the MMR service, Xcel stated no update is necessary. If no update to the MMR service is implicated, Xcel agreed to state such in its cost recovery filing.⁴⁸

Department Recommendation No. 10 – Require Xcel to exclude its AMI cost recovery from its next rate case if the Company requests cost recovery through its next Transmission Cost Recovery Rider Petition.

Xcel confirmed its intent to reflect the costs in either the Rider or base rates, but not both.⁴⁹

V. Staff Analysis

Staff commends Xcel and the Department for their efforts in narrowing the concerns and coming to an agreement after Reply Comments on conditions for approval of Xcel's Petition of AGIS Initiative Related Tariff Changes and a Variance to Commission Rules. Xcel noted in its Supplemental Comments it had confirmed with the Department the clarifications to the Department's Recommendations it made were consistent with the Department's intent. As such, Xcel requested the Commission approve its Petition supplemented by the Department's recommendations and Xcel's clarifications. Staff has no objections to Xcel's request which is reflected in Decision Option A. 1-3, 6-12.

VI. Decision Options

A. Grant Approval of Xcel's Petition subject to the following conditions

1. Require Xcel to include the following information for its customers in its Communication Plan:
 - Scope of AMI-DI, including projected Day 1 uses and future capabilities (e.g. Field Area Network, Home Area Network, Green Button Connect My Data)
 - Xcel customer data access, frequency, access by utility
 - Customer Energy Usage Data access and rights
 - Information on Customer Data Disaggregation
 (Department Recommendation No. 1)
2. Require Xcel to consult with the Commission's Consumer Affairs Office (CAO) on its customer engagement and education plan, subject to the Department's content requirement in recommendation 1 (*Department Recommendation No. 2*)

⁴⁸ Xcel Energy, Supplemental Comments at 7 (June 11, 2021).

⁴⁹ *Id.*

3. Delegate approval of Xcel's customer engagement and education plan to the Executive Secretary after consultation with CAO, and require Xcel to issue its customer engagement and education plan and bill inserts in a compliance filing in this proceeding and other, related proceedings (e.g., Docket Nos. E002/M-19-666 and E002/M-20-680). (*Department Recommendation No. 3*)

OR

4. Require Xcel to host a technical workshop for stakeholders to gather input and solicit feedback for its Communications Plan and to issue an updated Communications Plan in a compliance filing incorporating the input and feedback received from stakeholders in the instant proceeding and related proceedings (e.g., Docket Nos. E002/M-19-666 and E002/M-20-680). Issue a 30-day Notice of Comment period to provide additional feedback and help ensure that the Company was responsive to feedback received at the workshop. Delegate approval of the Communications Plan to the Executive Secretary. (Department first alternative to recommendations Nos. 1-3).

OR

5. Require Xcel to consult with CAO on its customer engagement and education plan instead of hosting a technical conference with stakeholders, while following the remainder of the first alternative process including a 30-day Notice of Comment period (Department second alternative to Recommendations No. 1-3).
6. Grant Xcel's variance request conditioned upon the provision of information on customer's interval bills regarding the frequency of interval reading on which the customer's interval bill is based (*Department Recommendation No. 4*).
7. Grant approval of Xcel's proposed tariff sheets, subject to the Department's recommended modification to the proposed interval bill (*Department Recommendation No. 5*).
8. Require Xcel to file within 30 days of the Commission's decision on this tariff an update on the selected Manual Meter Read Meter and updated cost estimates and Tariff Sheets in the instant proceeding and in any future cost recovery request that reflects the final cost differential of the non-standard meter (*Department Recommendation No. 6*).
9. Require Xcel to file within one year of full AMI implementation a formal review of the pricing for the Manual Meter Reading Service and include a recommendation as to whether Xcel believes any of the cost components should change (*Department Recommendation No. 7*).
10. Require Xcel to file estimated and actual revenue information in any upcoming cost-recovery requests for AMI and FAN (*Department Recommendation No. 8*).

11. Require Xcel also include information on costs and savings resulting from opt-out customers in the compliance filing, including information on the actual costs for the MMR meters, operational costs, and all other incremental changes to revenue associated with AMI opt-out customers (*Department Recommendation No. 9*).
12. Require Xcel to exclude its AMI cost recovery from its next rate case if the Company requests cost recovery through its next Transmission Cost Recovery Rider Petition (*Department Recommendation No. 10*).

B. Do not grant approval of Xcel's Petition

C. Take other Action