

The Commission met on **Thursday, May 4, 2023**, with Chair Sieben and Commissioners Means, Schuerger, Sullivan, and Tuma present.

The following matters were taken up by the Commission:

**E-017/RP-21-339**

**In the Matter of Otter Tail's Request for Authority to Commence On-Site Fuel Storage at Astoria Station**

Commissioner Sullivan moved that the Commission reintegrate the Astoria Station dual fuel proposal with the remainder of the integrated resource plan.

The motion passed 5–0.

**E-002/M-21-814**

**In the Matter of Northern States Power Company d/b/a Xcel Energy's Petition for Approval of the Transmission Cost Recovery Rider Revenue Requirements for 2021- 2022, and the Resulting Adjustment Factors by Customer Class**

Commissioner Sullivan was not present for Item #2.

Commissioner Schuerger moved that the Commission:

1. Approve the 2021–2022 TCR Rider recovery of the transmission projects as proposed in Xcel's November 24, 2021 Petition.
2. Approve the 2021–2022 TCR Rider recovery of the ADMS Project, APT/LoadSEER project, and TOU Rider Pilot as proposed in Xcel's November 24, 2021 Petition.
3. Approve the 2021–2022 TCR Rider recovery of the AMI and FAN projects as proposed in Xcel's November 24, 2021 petition, subject to any changes adopted in the decision alternatives below.
4. Subject the AMI and FAN projects to the following respective cost caps for capital costs and operations and maintenance (O&M) expenses:
  - a. AMI cost caps:
    - i. Capital: \$366.3 million;

- ii. O&M: \$92.9 million.
  - b. FAN cost caps:
    - i. Capital: \$98.1 million;
    - ii. O&M: \$6.4 million.
  - c. Limit cost recovery to the cost caps above unless the Company can show by clear and convincing evidence that the cost overruns were reasonable, prudent, and beyond the Company's control.
5. Require Xcel to track any incremental cost savings or revenues attributable to the AMI and FAN investments and return them to customers through an annual true-up process in the Company's TCR Rider.
  6. Direct Xcel to recalculate adjustment factors in light of the price caps and any other applicable modifications approved by the Commission. Xcel shall file a compliance filing within 15 days of the issue of the order in this docket. Delegate authority to the Executive Secretary to establish comment periods on the compliance filing and approve the filing if no party objects to the compliance filing (If adopting a cost cap(s) using any of the 2019 estimates):
    - a. In the compliance filing Xcel shall provide a detailed description of the sources for the class cost allocations for each of the factors, if and when those class cost allocations were approved by the Commission, and how they compare to Xcel's class cost allocators in their pending rate case, and when those allocators will be integrated into a future filing for recovery.
  7. Order Xcel to update the proposed customer notice within 15 days of the issue of the order in this docket.
  8. Delegate approval of the customer notice to the Executive Secretary.
  9. Require Xcel to report the following AGIS information annually, in narrative form, beginning November 1, 2023 in the instant docket and subsequent TCR proceedings:
    - a. Comprehensive account of all functionalities achieved and any changes to functionality or potential future uses.
    - b. The Company's plan and scope for implementation in the upcoming year.
    - c. Implementation and integration status of related information technology systems in comparison to the Company's plans and scope.
    - d. Description and explanation of any AMI or FAN functionalities that have been disabled and the number of impacted meters.

- e. Revenue-generating opportunities identified or engaged that relate to the use of AMI, FAN, or the use of associated data or distributed intelligence technologies.
  - f. All entities with whom the Company shares AMI data.
  - g. Any metrics derived from the quantitative benefits assumed in Xcel's benefit-cost analysis of the AMI and FAN projects that are not represented in Attachment 1, Table 1.
  - h. Require Xcel to explain why any benefits it had promised for AMI and FAN do not materialize.
10. Require the Company to file an annual report of the metrics outlined in Attachment 1, Tables 1 and 2, beginning November 1, 2023 in the instant docket and subsequent TCR proceedings unless otherwise directed by the Executive Secretary:
- a. For metrics for which performance may not yet be tracked, the Company must specify when it expects to be able to begin tracking performance.
  - b. For any metric that the Company is unable to provide data for, the Company must explain why it is unable to do so and what efforts can be taken to obtain that data in future reports.
11. Delegate authority to the Executive Secretary to take comment on Xcel's annual reports which may occur in a TCR, PBR, or other proceeding.
12. Delegate authority to the Executive Secretary to vary the deadlines and time periods for any reporting required by this order.
13. As part of a forthcoming comment period in Docket No. E-002/M-21-814 (TCR) and/or Xcel's next TCR Rider proceeding, require Xcel to file an update describing the Company's consideration of AMI and FAN benefits which include but are not limited to: Deployment; Reliability; EVs; Meter Adaptability; High impedance detection; Connectivity; Safety; Security; and Use of Customer Data, and the extent to which existing metrics in PBR might reasonably serve to capture those benefits.
14. Require Xcel, within 60 days of the issuance of the order in the instant docket, to file a .xls spreadsheet containing data for at least the three previous years pertaining to all metrics in Attachment 1, Table 1 to the extent possible, and where the data cannot be provided, explain why. Delegate authority to the Executive Secretary to set baselines after a 30-day negative check off process.
15. In a compliance filing to be submitted no later than 60 days after the Commission's Order, require the Company to:

- a. Provide interim performance targets for each of the performance metrics that are “undefined” in Attachment 1, Table 1. Such interim performance targets must be based upon projected benefits used in the Company’s benefit-cost analysis of the AMI and FAN Projects, and any other pertinent information.
  - b. Propose evaluation methods for each of the metrics.
16. In the Company’s next TCR Rider Proceeding, require the Company to propose Performance Incentive Mechanisms (PIMs) for each performance target listed in Attachment 1, Table 1 above, using the PIM Design Process outlined in Docket No. E002/CI-17-401. Xcel’s PIM proposal shall include, at minimum, the following elements:
- a. PIM structure.
  - b. The dates when the PIMs will take effect and terminate.
  - c. Determination of the quantifiable and verifiable incentive values associated with each PIM for performances above and below future associated targets. This may include a neutral zone around any particular target for acceptable performance.
  - d. Determination of the penalty incentive values to be associated with each PIM.
  - e. Specific mechanisms for effectuating a penalty or incentive on the Company:
    - i. Xcel’s PIM proposal must include at least two penalty options: one that calculates the penalty as a proportion of the incremental costs of the proposed investments compared to the least-cost alternative, and another that calculates the penalty as a proportion of the return on these incremental costs.
    - ii. Xcel’s PIM proposal must consider Hawaii’s approach with use of penalties and incentives for performance at certain thresholds and a “deadband,” a neutral zone around the target for acceptable performance with no attached penalty or incentive.
  - f. An explanation of how stakeholders were engaged in the creation of PIMs.
17. Require Xcel to provide a comprehensive framework in its November 1, 2023 Integrated Distribution Plan for assessing:
- a. HAN, AMI and AMI-DI specifications and related customer data access policies,
  - b. Bring-your-own device HAN requirements and terms,
  - c. Potential terms and conditions for third-party data access to AMI, AMI-DI or HAN,
  - d. Methods to provide customers equal access to the level of data available to the utility,

- e. A summary of industry customer data access standards.

The motion passed 4—0.

There being no further business, the meeting was adjourned.

**APPROVED BY THE COMMISSION: July 12, 2023**

A handwritten signature in black ink, appearing to read "Will Seuffert", with a long horizontal flourish extending to the right.

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Will Seuffert, Executive Secretary