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August 7, 2009

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Burl W. Haar  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, Minnesota 55101-2147

PUBLIC SERVICE COMMISSION

RE: **Comments of the Minnesota Office of Energy Security**  
Docket No. G002/CI-08-871

Dear Dr. Haar:

Attached are the comments of the Minnesota Office of Energy Security (OES) in the following matter:

Northern States Power Company d/b/a Xcel Energy's Request to Withdraw Amended Petition to Rebill.

The petition was filed on July 15, 2009 by:

Scott M. Wilensky  
Vice President, Government & Regulatory Affairs  
Xcel Energy  
414 Nicollet Mall  
Minneapolis, Minnesota 55401

The OES recommends that the Commission **approve, with minor modification and further clarification**, Xcel's request and is available to answer any questions the Commission may have in this matter.

Sincerely,

/s/ SUSAN MEDHAUG  
Planner Principal

SM/ja  
Attachment

43 **PU-08-627** Filed: 8/12/2009 Pages: 12  
MN PUC Docket G-002-CI-08-871 – MN OES  
Comments on Amended Petition to Re-bill

Public Service Commission



BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS OF THE  
MINNESOTA OFFICE OF ENERGY SECURITY

DOCKET NO. G002/CI-08-871

**I. BACKGROUND AND SUMMARY OF PETITION**

In early February, 2008, Northern States Power Company d/b/a Xcel Energy (Xcel or the Company) determined that an unusual number of 1074 v.2 model gas meter modules were failing. As the meter modules were replaced, Xcel rebilled customers for unrecorded gas consumption. Rebilling was suspended on July 29, 2008, pending regulatory review.

On August 1, 2008, the Minnesota Public Utilities Commission (Commission) issued a notice requiring Xcel to file a rebilling plan and answer a number of questions related to the meter module failure and rebillings.

Xcel filed a response on August 21, 2008. On November 14, 2008, the Commission issued an Order Requiring Filings. The Commission found that it was unable to conclude that Xcel's rebilling plan was reasonable or adequate until additional information was provided.

On March 6, 2009, Xcel filed an Amended Petition and Proposed Resolution in which it proposed certain financial remedies, a refined rebilling plan, and on-going commitments intended to improve the rebilling process.

On July 15, 2009, Xcel filed a Request to Withdraw Amended Petition to Rebill (Petition to Withdraw). That is, Xcel proposes to abandon its attempts to rebill customers affected by the 1074 v.2 module issue and issue refunds, with interest, to those customers already rebilled.

**II. OES ANALYSIS**

The OES appreciates, and is generally supportive of Xcel's request to withdraw the rebilling proposal and provide refunds to customers who have already been rebilled. The OES also

believes Xcel's associated commitments, listed in B.2 in the Petition to Withdraw, are necessary to resolve this issue. However, certain clarifications appear to be necessary to ensure that all customers affected by the 1074 v.2 meter issue - whether the customer had a 1074 v.2 module or were placed in the rebilling hold queue due to a suspected AMR meter issue - are treated equitably.

*1. Identifying Affected Customers*

The OES has expressed concern through our previous comments in this docket about Xcel's ability to identify which customers were affected by the 1074 v.2 module issue, and which were not. The record remains unclear as to the specific number of customers who have been rebilled,<sup>1</sup> and the number of customers in the rebilling queue who were affected by the 1074 v.2 issue.<sup>2</sup>

The OES supports Xcel's proposed refund reporting in which the Company proposes to include the number of customers receiving a refund and the average refund volume and amount per customer. The OES suggests that, as Xcel reviews the accounts of customers who were rebilled during the February – July 2008 period, it err in favor of the customer if there is any question as to whether the customer was rebilled due to the 1074 v.2 issue.

Further, according to Xcel's March 6, 2009 Amended Petition and Proposed Resolution, the OES understands that, since July 28, 2008, the Company has not been rebilling customers it would normally rebill due to module- or meter-related issues if the customer has a Cellnet AMR meter. Xcel states that not all of the customers in the rebilling "queue" have 1074-type AMR modules. The OES requests that Xcel clarify that, due to the time lag for rebilling that all customers in the rebilling queue would experience, none of the customers in the rebilling queue to date will be rebilled, whether affected by the 1074 v.2 issue or not. Alternatively, before rebilling those customers in the rebilling queue who did not have a 1074 v.2 module installed, Xcel should file a report indicating: 1) why a delay in rebilling these customers is justified when the delay in rebilling customers with a 1074 v.2 module is not; 2) how many customers in the rebilling queue Xcel intends to rebill; 3) the reason for each rebill, 4) the amount of each rebill; and 5) the Company's proposed customer notice to explain why customers are being rebilled.

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<sup>1</sup> In Xcel's August 21, 2008 Response to Commission Notice and Rebilling Plan, the Company states that it "had completed rebilling approximately 1,300 Minnesota customers between February and July of 2008." In Xcel's July 15, 2009 petition to withdraw, the Company states that "approximately 1,330 Minnesota customers" have been rebilled. The November 6, 2008 Staff Briefing Papers state, "To date, Xcel has re-billed 1,361 Minnesota customers." Thus, the number of customers appears to have fluctuated somewhat over time, and the precise number of customers who were re-billed is not known based on this record.

<sup>2</sup> Xcel states in its March 6, 2009 Amended Petition and Proposed Resolution that as of March 3, 2009, the rebilling queue contained approximately 12,500 premises, 10,400 of which the Company expected to rebill, but that approximately 2,800 of the 10,400 in the queue were not 1074 v.2-type issues.

2. *Disposition of Potential Cellnet Dispute Resolution Proceeds*

Xcel had committed to filing a proposal for the disposition of any proceeds resulting from the dispute resolution process with Cellnet if the Commission approved the rebilling plan. The OES recommends that the Commission require Xcel to file a report with the Commission summarizing the results of the dispute resolution process and detailing the Company's proposed disposition of any resulting proceeds. The OES notes that the Company's proposal not to rebill more customers and to provide refund to customers who have been rebilled may change the proposal originally contemplated by the Company, but the Company should provide the report on the proposed disposition of any resulting proceeds.

3. *Refund Reporting*

Xcel has proposed to include in its refund reporting the number of customers receiving a refund who were enrolled in Company programs such as Automatic Pay Plan, Averaged Monthly Payment, and E-Bill programs. The OES recommends that Xcel also indicate whether the rebilling/refund actions affected those customers' continued enrollment in those programs. This information may indicate the level of success achieved by Xcel's planned outreach to these customers.

4. *Customer Communication*

Finally, the OES recommends that Xcel work with the Commission's Consumer Affairs Office (CAO) to ensure that the customer communication is clear, accurate, and effective. Some suggested edits to Xcel's proposed customer communications are contained in Attachment 1.

### **III. CONCLUSION AND RECOMMENDATION**

The OES supports Xcel's proposed withdrawal of its March 6, 2009 Amended Petition conditioned upon the Commission requiring Xcel to:

- err in favor of the customer when determining whether a customer is eligible for a rebilling refund in situations in which there may be doubt as to whether the customer was affected by the 1074 v.2 issue;
- refrain from rebilling any of the customers currently in the rebilling queue. Alternatively, if Xcel intends to rebill customers not affected by 1074.v2 issue, the Company should file a report indicating: 1) why a delay in rebilling these customers is justified when the delay in rebilling customers with a 1074.v2 module is not; 2) how

many customers would be rebilled; 3) the reasons for each rebill; 4) the amount of each rebill; and 5) the Company's proposed customer notice to explain why customers are being rebilled;

- Xcel will indicate in its refund reporting whether the rebilling/refund actions affected customers' decisions to continue enrollment in the Averaged Monthly Payment, Automatic Pay Plan, and E-Bill programs; and
- Xcel will work with the CAO to ensure that customer communication is clear, accurate, and effective. Some suggested edits to Xcel's proposed customer communication are contained in Attachment 1 to these comments.

Finally, the OES recommends that the Commission require Xcel to honor the commitments listed in B.2 in the Company's Petition to Withdraw.

/ja

Regarding Xcel's July 15, 2009 Request to Withdraw Amended Petition to Rebill  
OES Suggested Edits to Customer Communication

Attachment C, first line of the second paragraph

"Minnesota Public Service Commission" should be corrected to read "Minnesota Public Utilities Commission."

Attachment D, "Outbound Call/Message"

Hello, this is (employee name) from Xcel Energy Billing Department. Do you have time to discuss a refund to your account? (If no, ask when you can call them back).

~~As part of our commitment to providing excellent service to our customers~~ I would like to inform you that we have applied a refund to your account. This refund relates to a rebills based on estimated usage that was performed on your account last year. . . .

Attachment D, "Call Center Phone agents – Inbound Calls after hours"

. . .

Thank you for your call (Ms/Mr. -----). Your account has gone through a refund process related to a previously issued rebills based on estimated usage that was performed on your account last year. We rebilled your account because a piece of equipment, a module, failed on your natural gas meter which resulted in you being under billed for your natural gas usage. A new module has since been installed ensuring that we are accurately recording the usage from your natural gas meter. As part of our commitment to providing excellent service to our customers, we have a dedicated team to assist you with any questions you may have about this process. I want to ensure that you get in contact with a member of that team; unfortunately, however, the dedicated team is is only available from 1am-5pm Monday through Friday.

## CERTIFICATE OF SERVICE

I, Jan Mottaz, hereby certify that I have this day served copies of the following document on the attached list of persons by electronic filing, 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 Office of Energy Security Comments

Docket No. G002/CI-08-871

Northern States Power Company d/b/a Xcel Energy's Request to Withdraw Amended Petition to Rebill.

Dated this 7th day of August 2009.

/s/jan mottaz

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