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February 26, 2010

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**PUBLIC SERVICE COMMISSION**

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

**RE: Comments of the Minnesota Office of Energy Security**  
Docket Nos. E,G002/M-09-224 and G002/CI-08-871

Dear Dr. Haar:

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

Petition of Northern States Power Company d/b/a Xcel Energy for Approval of Modifications to the Service Rules in the Company's Gas and Electric Tariff.

The petition was filed on January 25, 2010 by:

Jody Londo  
Manager, Regulatory Administration  
Xcel Energy Services, Inc.  
414 Nicollet Mall – 7<sup>th</sup> Fl  
Minneapolis, Minnesota 55401

The OES recommends that the Commission require Xcel to resubmit its petition, incorporating changes that will ensure compliance with the Commission's October 26, 2009 Order in this matter and as further addressed in the attached comments.

Sincerely,

/s/ SUSAN MEDHAUG  
Planner Principal

SM/ja  
Attachment

80 **PU-08-627** Filed: 3/1/2010 Pages: 10  
MN Docket – Comments of MN OES on Xcel's  
Petition for Approval of Service Rules in Gas &  
Electric Tariffs  
Public Service Commission



BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS OF THE  
MINNESOTA OFFICE OF ENERGY SECURITY

DOCKET NOS. E,G002/M-09-224 and G002/CI-08-871

**I. BACKGROUND AND SUMMARY OF PETITION**

On March 6, 2009, Northern States Power Company, d/b/a/ Xcel Energy (Xcel or the Company) filed a proposal intended to resolve the metering and billing issues identified in Docket No. G002/CI-08-871. Part of the proposal included a commitment to add a 10-day time limit for meter investigations to the Company's natural gas and electric tariff books. Also filed on March 6, 2009, was Xcel's proposed tariff revisions intended to implement this commitment of a 10-day time limit for meter investigations. This filing was assigned Docket No. E,G002/M-09-224.

On October 26, 2009, the Minnesota Public Utilities Commission (Commission) issued an Order "Requiring Refund and Other Measures to Address Issues Identified in Investigation" in Docket Numbers G002/CI-08-871 and E,G002/M-09-224. Order Point 5 of the Order states as follows:

Regarding Xcel's March 6, 2009 Xcel Petition to Modify its Metering and Billing Tariffs (assigned to Docket No. E,G-002/M-09-224), the Commission

- (a) finds that the wording in Xcel's natural gas and electric tariffs with respect to replacement of malfunctioning meters needs to be modified to:
  - 1) set a specific deadline for investigating a faulty meter that is shorter than 10 calendar days;
  - 2) set a specific deadline for remediation (such as replacement or repair) of malfunctioning metering equipment and do not allow rebilling for the period between a report of malfunction and the remedy if not timely; and

- 3) allow other sources, including Xcel's internal controls, to trigger the timing requirements for meter investigation and remediation; and
- (b) requires Xcel to file, for Commission review and approval, revised gas and electric tariffs reflecting this requirement within 90 days of the date of this Order.

On January 25, 2010, Xcel submitted a compliance filing intended to be responsive to the above Order Point 5. On January 29, 2010, the Commission issued its "Notice Requesting Comments" regarding Xcel's January 25, 2010 compliance filing.

Xcel's proposed tariff language sets forth time limits for investigating and resolving suspected meter malfunctions, distinguishing between natural gas and electric meters, whether the potential malfunction is identified by a customer or by the Company, and whether the malfunction lies in the Automated Meter Reading module (AMR) or in the meter. Xcel includes the following table for the purposes of summarizing the various proposed time limits (numbers represent number of days from the date of notification or awareness of a potential issue):

Response Type	Customer-Identified Issues		Company-Identified Issues	
	Natural Gas	Electric	Natural Gas	Electric
Investigate	7	7	15	10
Resolve – AMR	10	10	15	10
Resolve - Meter	22	10	30	10

Xcel states that should the proposed timelines not be met, the customer would not be charged for amounts underbilled from the time period between when the Company is informed or is aware of the potential problem and the date the problem is resolved. Xcel proposes that it not be held to the proposed time limits under certain circumstances.

## II. OES ANALYSIS

The following OES analysis focuses on the extent to which Xcel's proposal comports with the Commission's October 26, 2009 Order. Namely, whether Xcel's proposal establishes:

1. an investigation timeline shorter than 10 days,
2. a specific remediation deadline,
3. undercharge forgiveness should the timeline be exceeded, and
4. ways to trigger the timeline other than customer notification.

### *1. Investigation Timeline*

As previously stated, Xcel proposes an investigation time limit of less than 10 days, but only for potential metering equipment malfunctions reported by customers. Xcel distinguishes between issues identified by its customers and issues identified by the Company. The OES supports Xcel's proposal regarding issues reported by customers; however, the proposal regarding issues identified by the Company raises questions. Xcel states that the reason for the distinction between problems identified by customers and the Company is due to the accelerated process in place with Cellnet, who is considered the "first responder" to most meter equipment issues. This information does not appear to explain why a distinction between customer- and Company-identified issues is necessary. If the distinction is really about which entity is the "first responder," Cellnet or Xcel, then the OES questions the appropriateness of referring only customer-identified issues to Cellnet and not issues identified by the Company.

Allowing a longer time frame for Company-identified issues is concerning given Xcel's commitment to more proactively identify metering equipment issues. The OES expects that Xcel will be able to identify and resolve a majority of issues before they are detected by the customer. Absent reasonable justification for allowing Xcel more time to investigate a Company-identified issue, especially given the Commission's Order requiring a limit of less than 10 days, the OES recommends that the timelines that Xcel has proposed for customer-identified issues also apply to Company-identified issues.

### *2. Remediation Deadline*

Xcel proposes a 10-day remediation deadline for electric meter issues. The OES concludes that this deadline is reasonable. Xcel further proposes to be held to a 10-day time limit for resolving a customer-identified issue affecting a natural gas AMR and a 22-day time limit if the issue affects a natural gas meter. Xcel explains that Cellnet responds first to meter equipment investigations and is responsible for repairing or replacing natural gas meter modules. However, if Cellnet determines that the natural gas meter, rather than the module, requires repair or replacement, the issue is referred to Xcel personnel. This process may involve an additional customer contact and scheduling effort. The OES concludes that this proposal appears to be a reasonable accommodation to the process.

Xcel proposes a 15-day time limit for resolving a Company-identified issue affecting a natural gas AMR and a 30-day time limit if the issue affects a natural gas meter. For the reasons stated in section II.1 above and absent adequate justification, the OES recommends that the distinction between customer- and Company-identified issues be removed so that the timelines for customer-identified issues would apply to all issues.

### 3. *Undercharge Forgiveness*

In response to the Commission's directive not to allow rebilling for the period between a report of malfunction and the remedy if not timely, Xcel proposes to include the following language in its natural gas and electric tariffs:

If the Company does not repair or replace natural gas or electric meter equipment found to be malfunctioning within the timelines for repair or replacement established in Sections B and C above, the Company will not rebill the customer for any under-billing amount owed for service occurring between the date the customer reported or the company identified the potentially malfunctioning meter equipment and the date the Company remedied the meter equipment.

The OES believes that this language adequately captures the Commission's requirement. However, Xcel proposes that this language not apply in certain circumstances. These circumstances relate to meter access, equipment availability, extraordinary events resulting in a mismatch between Xcel resources and the volume of issues. The OES concludes that exclusions to allow Xcel extra time to investigate and resolve meter equipment issues may be appropriate if the exclusions are limited and clearly defined. For the most part, Xcel's list of exclusions is reasonable. The OES suggests certain edits to help ensure that the exclusions are not open-ended or vague as indicated below.

#### **Meter Access**

- Meter is inaccessible due to a physical object built around it or blocking it;
- Meter is inaccessible due to locked fence or other property access problem;
- Customer appointment is needed to gain access to meter and Company makes reasonable attempts but is unable to obtain timely access to meter and/or access to inside of premise;
- Property re-modeling prevents access;
- Vacant or unknown property ownership; or
- Customer refuses the Company access to meter and/or access to inside of premise;

#### **Volume and Environmental**

- Periods of emergency; Company wWork stoppages; catastrophe, ~~or~~ natural disaster; civil unrest; or severe winter or other weather conditions (flood, etc.) preventing access to meter equipment, causing unusual levels of potential meter malfunctions, or causing difficulties in deployment of resources; or
- ~~Civil unrest or other events affecting large numbers of customers; or~~

- Significant or unusual events requiring metering resources to be deployed to other critical activities;

### **Equipment**

- Equipment availability (appropriate meter/automated meter reading module not available);
- Catastrophic or systemic meter equipment failures or recalls;
- Pre-planned or scheduled meter equipment replacements within 30 days of applicable timeline;
- Instances requiring specially-made meter equipment; or
- Customer non-compliance with established Codes and/or Company requirements; or
- Repair or replacement of other equipment and systems necessary to collect and transmit usage data such as AMR communication network equipment and associated devices.

#### *4. Trigger for Timing Requirements*

Xcel's petition contemplates either the customer or the Company as the entity identifying a potential meter equipment issue. Consistent with our objection at this time of a distinction between a customer- and a Company-identified issue in the context of time limits, the OES concludes that the tariff language be neutral as to the source of the issue identification. For instance, using the word "customer" or "customer contact" may be too narrow or limiting given the potential for an entity other than the customer, such as a landlord or social service agency, to contact Xcel to report a potential meter equipment issue.

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

Overall, Xcel's proposal is a reasonable beginning for a proposed tariff. The OES recommends changes to the proposed tariff language, however. Specifically, the OES concludes that Xcel's timelines for investigating and resolving meter equipment issues should not distinguish between customer- and Company-identified issues. Further, Xcel's natural gas and electric tariff language should be neutral as to the source of the initial identification of a potential issue. Finally, the proposed exclusions that would allow Xcel to exceed the timelines should be limited and clearly defined (see suggested edits in section II.3).

The OES recommends that the Commission require Xcel to submit a revised proposal in compliance with the Commission's October 26, 2009 Order and consistent with the above conclusions.

## **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, 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. E,G002/M-09-224 and G002/CI-08-871**

Dated this 26<sup>th</sup> day of February, 2010

**/s/Sharon Ferguson**

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