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May 7, 2010

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

RE: **Comments of the Minnesota Office of Energy Security**
Docket No. G002/CI-08-871 and E,G002/M-09-224

Dear Dr. Haar:

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

Amended 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 Regarding Meter Equipment Malfunctions.

The petition was filed on April 12, 2010:

Jody Londo
Manager, Regulatory Administration
Xcel Energy Services, Inc.
414 Nicollet Mall – 7th Floor
Minneapolis, Minnesota 55401

The OES recommends that the Commission **approve the petition, with modification**, and is available to answer any questions the Commission may have.

Sincerely,

/s/ SUSAN MEDHAUG
Planner Principal

SM/sm
Attachment



BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS OF THE
MINNESOTA OFFICE OF ENERGY SECURITY

DOCKET NO. G002/CI-08-871 and E,G002/M-09-224

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,G002/M-09-224), the Commission:

- (a) finds that the wording in Xcel's natural gas and electric tariffs with respect to the 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 requirements 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.

On February 26, 2010, the OES filed comments on Xcel's compliance filing recommending that the Commission require Xcel to resubmit its petition, incorporating changes that would ensure compliance with the Commission's October 26, 2010 Order.

On April 12, 2010, Xcel filed an amended compliance filing (Petition). In its Petition, the Company proposes to incorporate a "Meter Equipment Malfunctions" section in its electric and natural gas tariff books. Xcel proposes tariff language that includes performance targets for investigating and remediating potential gas and electric meter equipment issues. The Company intends to report on and compare its average annual performance with these targets. The proposed targets differ depending on whether the issue concerns natural gas or electric metering equipment, and on whether or not the issue can be resolved at the time of the investigation. Further, Xcel's proposed tariff language stipulates that if the Company does not remediate natural gas or electric meter equipment malfunctions within 10 calendar days (20 days for natural gas malfunctions that require referral), the customer will not be rebilled for any under-billing occurring between the date the potential malfunction was identified and the date Xcel remedied the malfunction. Finally, the proposed tariff includes a list of situations (e.g. periods of emergency) that may occur that would make the annual performance targets and rebilling prohibition inapplicable.

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 requiring Xcel to establish:

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

Xcel proposes an average annual investigation time limit target of 9 days. Although using an annual average implies that there may be individual instances in which a meter equipment malfunction investigation takes longer than 9 days (and some shorter than 9 days), the OES believes that establishing a target based on an annual average is a reasonable approach. Therefore, the OES concludes that Xcel's proposal complies with the Commission's requirement to establish an investigation deadline that is shorter than 10 calendar days.

2. Remediation Deadline

Xcel explains that there are two potential outcomes of a meter malfunction investigation: (1) no malfunction is found or the malfunction is remedied at the time of the investigation, or (2) the malfunction cannot be remedied at the time of the investigation and another field order must be issued. For instances in which no malfunction is found, or the malfunction can be remedied at the time of the investigation, the remediation deadline equals the investigation deadline: 9 days. In cases where a second trip is required to resolve the malfunction, Xcel proposes 1 additional day for electric metering equipment and 15 additional days for natural gas metering equipment. In other words, Xcel's proposed remediation deadlines are 9, 10, or 24 calendar days from the date the issue was identified, depending on the type of metering equipment and whether a second trip is necessary to resolve the issue.

Xcel provides data regarding its metering equipment investigation and remediation performance in 2009. According to this data, the average annual remediation time interval was 8.1 days for electric equipment and 11.8 days for natural gas equipment. Although comparing Xcel's proposed targets with only one year of actual performance data has limited value, the data gives some indication of the reasonableness of the targets. Assessing Xcel's proposed timelines in light of Xcel's contract with Cellnet, the "first responder" to metering equipment issues, is also a limited, but useful, indication of the appropriateness of the proposed targets. Based on the information available at this time, OES concludes that Xcel's proposed remediation deadlines are reasonable. However, the OES recommends that the Commission's Order explicitly state that these dates may be revised in the future.

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 ten calendar days (20 calendar days for natural gas Remediate upon Referral malfunctions), the company will

not rebill the customer for any under-billing amount owed for service occurring between the date the potential issue was identified and the date the Company remedied the meter equipment malfunction.

Xcel proposes that this rebilling prohibition not apply if the Company's actions are delayed due to certain circumstances that are listed as "Exclusions" in the proposed tariff. These exclusions cover situations that may cause delay that are not under the control of Xcel. The OES believes that this language adequately captures the Commission's requirement that customers not be rebilled for the period between a report of malfunction and the remedy if not timely.

4. Trigger for Timing Requirements

Xcel's proposed tariff does not make any overt distinction regarding the source of the knowledge that there is a potential metering equipment issue. However, the tariff language refers to a "dead register order" as the indicator that Xcel is aware of a metering equipment issue; the date of such an order starts the calendar day count. It is not clear that a "dead register order" is the term Xcel uses in every instance of a meter equipment malfunction, i.e. whether it encompasses meters running too fast or intermittently and whether the source of the potential issue is internal or external. To ensure that the tariff language clearly encompasses all metering equipment investigations that are prompted by information indicating that the equipment may be malfunctioning, the OES recommends that the phrase "dead register order" be replaced with the more general "malfunctioning meter equipment order." With this edit, the OES concludes that the proposed tariff language complies with the Commission's requirement that other sources besides customers can trigger the timing requirements for meter investigation and remediation. Further, it ensures that any kind of meter equipment malfunction (not just meter equipment that is no longer measuring usage and/or transmitting consumption data) is covered by the tariff.

5. Reporting Requirements

Xcel proposes to provide information regarding the average response times and volume of field orders by category, including the "exclusion" category, in its Annual Service Quality Reports field each April 1 and May 1. In addition to this information, the OES recommends that the Commission require Xcel to report in its Annual Service Quality Reports the following statistics regarding the annual average investigation and remediation times: minimum number of days, maximum number of days, and standard deviation of the number of days. Further, Xcel should retain data regarding the numbers of days needed to investigate and remediate such concerns, to allow for further analysis of the Company's performance as needed.

6. *Minor Tariff Language Edits*

Part "A. Definitions" of Xcel's proposed tariff contains the following definition:

"Investigate and Remediate" means a field investigation of potentially malfunctioning meter equipment that the technician determines either is not malfunctioning or resolves immediately in the field.

The OES suggests that a slightly clearer definition may be:

"Investigate and Remediate" means a field investigation of potentially malfunctioning meter equipment that during which the technician either determines either the equipment is not malfunctioning or resolves the malfunction immediately in the field.

Finally, in the proposed section "B. Performance Measures," the OES suggests the one edit to the following sentences:

The Company will report and compare its average annual performance for Natural Gas Meter Equipment Investigations and Meter Equipment Remediation against the ~~below~~ following average annual response targets:

...

The Company will report and compare its average annual performance for Electric meter Equipment Investigations and Meter Equipment Remediation against the ~~below~~ following average annual response targets:

III. RECOMMENDATION

The OES recommends that the Commission approve Xcel's proposed tariff with certain modifications and reporting requirements as detailed above.

/sm

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

Dated this 7th of May, 2010

/s/Sharon Ferguson

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