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September 1, 2010

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

—VIA ELECTRONIC FILING—

RE: COMPLIANCE – STATUS UPDATE
INACCURATE GAS METERS, RECALCULATION OF BILLS, AND RELATED ISSUES
DOCKET NO. G-002/CI-08-871

Dear Dr. Haar:

Northern States Power Company, a Minnesota corporation (“Xcel Energy” or the “Company”) submits this status report to the Minnesota Public Utilities Commission (the “Commission”) in accordance with the Commission’s October 26, 2009 ORDER REQUIRING REFUND AND OTHER MEASURES TO ADDRESS ISSUES IDENTIFIED IN INVESTIGATION (the “ORDER”) in the above-referenced Docket. A Non-Public version is being provided under separate cover.

OVERVIEW

The Commission’s ORDER directed the Company to submit a status report on the following items:

1. Progress in implementing its commitments with respect to billing, metering, and general revenue cycle improvements;
2. Xcel’s 90 day plans on billing and metering and Executive Committee initiatives;
3. Xcel’s plans and actions to address future rebilling processes and communications to customers on payment plans;
4. Xcel’s implementation of the recommended actions and process improvement opportunities identified in the Global Enterprise Managers, Inc. (“GEM”) revenue cycle review report; and
5. The status of its dispute resolution process with Cellnet and any significant changes to its contracts, agreements, or oversight of Cellnet.

87 PU-08-627 Filed: 9/7/2010 Pages: 41
MN Docket - Status update

We respond to the above items in the following status Report:

REPORT

A. General Revenue Cycle Improvements Implementation, Executive Committee Initiatives and Implementation of GEM's Recommended Actions

Consistent with our March 1, 2010 Status Update in this Docket, we note that we have combined our response to items one, two, and four of the Commission's above ORDER points into this Section of our Report. Our purpose in doing so is based on the fact that we have combined these items into our Meter-to-Mailbox ("M2M") initiative, which we summarize below:

1. Meter-to-Mailbox Initiative

In 2009, we initiated our M2M initiative to address issues related to billing and metering processes, including those brought to light in this Docket and later identified in GEM's review.¹ M2M brings together initiatives we have previously categorized as "Executive Committee" initiatives and "90-Day" initiatives. The M2M team's overall goal is to ensure that our customers receive timely, accurate bills, and that we meet or exceed customer and regulatory requirements for metering, billing, and related regulatory reporting.

M2M looks broadly at the retail customer processes beginning with customer account setup and/or meter installation processes, through the process in which we issue customer bills – ensuring that each process has appropriate monitoring, and solid integration points and hand-offs with other processes. The M2M initiative is governed by key stakeholders from billing, meter reading, field operations, technology, and regulatory functions, and is accountable to the Metering and Billing Executive Committee.²

Since our March 1, 2010 Status Update, we have narrowed the M2M team membership to include only a Manager or Director from each of the functional areas, transitioning the team into a governance function. The governance team primarily monitors the monthly Control Point results from the M2M process measurements that we have developed or otherwise implemented in response to the GEM review. The team also directs and monitors progress on key M2M process improvement initiatives, and is responsible to report results and action plans, as appropriate, to the Executive Committee on a monthly basis.

¹ September 16, 2009 GEM Final Report Rev. 2, at 1.

² We first discussed the Executive Committee in our March 6, 2009 Amended Petition and Proposed Resolution, Docket No. G002/CI-08-871, page 3.

We provide as Attachment A to this filing, an updated version of the M2M Action Plan reflecting our progress since our March 1, 2010 Status Update in this Docket. For ease of reference, we have noted our Timeline updates in *red, italicized* font.

2. *Highlight – Billing Process*

We are in the process of developing improvements to our natural gas bill estimation, similar to enhancements we made to our electric bill estimation in September 2009. For the improvements to both our electric and natural gas estimation, we are working within the current billing system parameters and logic to affect positive change. Our primary objective for the changes to the electric estimation routine was to improve its accuracy in the “shoulder months” between seasons, but we have actually seen consistent improvement across all months. We affected this result by primarily adding a “look back” to the comparable period in the prior year.

Because our natural gas estimation routine already looks back to prior year periods, as well as considers heating degree days in the current billing period, we are working toward affecting incremental change through use of a “seasonal adjustment factor” or something similar. We are currently evaluating several approaches to this seasonal adjustment concept, and expect to implement the natural gas estimation improvements in late September for October 2010 customer bills.

3. *Highlight – Meter Equipment Monitoring*

As previously reported, we have several meter equipment monitoring processes, including our zero consumption process, and our enhanced Returned Material Analysis (“RMA”) processes.³ We provide highlights of our RMA process since our March 2010 Status Update below:

a. RMA Process

Our RMA process monitors field removal and failure trends for each of the Cellnet Automated Meter Reading (“AMR”) electric and gas module types currently installed. Cellnet provides the Company monthly reports regarding their equipment that has been removed from the field.

The reports tell us Cellnet’s findings from their sample analyses of returned/removed AMR equipment, which we then review and discuss in Cellnet-Xcel Energy semi-monthly meetings. As a result of these efforts with Cellnet, we are able to better develop and implement action plans to either continue current monitoring of certain

³ As initially discussed in our AMENDED PETITION AND PROPOSED RESOLUTION, *In the Matter of an Investigation into Northern States Power Company d/b/a Xcel Energy Inaccurate Gas Meters, Recalculation of Bills, and Related Issues* (March 6, 2009), pages 4-5.

equipment types, implement specialized monitoring, or take other actions such as implementing manual meter reading or equipment removal/replacement.

b. Focused Monitoring

As reported previously, through our meter equipment issue detection processes during the 2009/2010 heating season, we identified potential issues with our natural gas 5-dial and 6-dial rotary commercial and industrial meters that we then more closely monitored using enhanced monitoring processes.⁴ For a period of time, we also manually read these meter types to best ensure consistent, accurate customer billing. Since our March 2010 Status update, we have continued to work with Cellnet to address our concerns with these module types. We provide an update on the 5-dial issue in Section C. below.

In terms of our approximately 2,300 6-dial rotary natural gas meters, we began manually reading them in April 2010 after confirming an issue with the meter and module equipment interface. Since this time, the Cellnet and Xcel Energy meter engineering groups have been conducting numerous test procedures to determine the cause of the unusual RMA removal and failure trends. To-date, we have not determined the root cause of the issue, so we continue to manually read them while testing continues, to ensure that this issue does not adversely affect our customer billing.

B. Rebilling Processes and Communications

In our March 2010 Status Update, we discussed an enhancement that we made to our cancel/rebill process in late 2009 that streamlines the way we present the information to the customers on their billing statements.⁵ In summary, the streamlined statement provides the customer a more easily understandable bill when a multi-month rebill is required.

Because this bill presentment enhancement is performed manually by our Billing Specialists we continue to work with our software vendor to determine potential ways to “systematize” the related processes. Once this work is complete, we will conduct a cost-benefit analysis for any potential process automation, and expect that this process will remain largely manual going into 2011.

Overall, we are pleased to report that our 2009 cancel/rebills were down approximately 15 percent compared to 2008. January through July 2009 compared to

⁴ STATUS UPDATE, *In the Matter of an Investigation into Northern States Power Company d/b/a Xcel Energy Inaccurate Gas Meters, Recalculation of Bills, and Related Issues* (March 1, 2010) at 4.

⁵ *Id.* at 4

January through July 2010 continues to reflect a downward trend of almost 13 percent year-to-date.

C. Dispute Resolution Process Status and Cellnet Contract

As noted in our March 1, 2010 Status Update in this Docket, we filed a Summary of the final resolution of our dispute resolution process and proposed disposition of any proceeds with Cellnet on December 18, 2009, and subsequently updated that filing on January 11, 2010 in this Docket. Our proposal is pending Commission action.

In our January 2010 Summary referenced above, we outlined several process enhancements that we negotiated, in addition to a plan to address the 5-dial commercial natural gas AMR modules. Since our March 2010 Status Update, we have continued to implement the negotiated terms, which included [TRADE SECRET BEGINS TRADE SECRET ENDS] As an outcome of the 5-dial [TRADE SECRET BEGINS TRADE SECRET ENDS], we are currently in the process of negotiating with Cellnet to provide for an [TRADE SECRET BEGINS TRADE SECRET ENDS].

There have been no significant changes to our contract or oversight of Cellnet since our March 2010 Status Update in this Docket. However, as we previously informed the Commission, there is a small population of electric demand meters experiencing communication difficulties and not providing consistent daily AMR readings. We have been diligently working with Cellnet to resolve this issue following the processes outlined in our Agreement.

In addition, we recently identified issues in established daily consumption data read performance and are working with Cellnet to address these issues consistent with the terms of our Agreement.

TRADE SECRET DATA JUSTIFICATION

Portions of this Compliance filing contain “trade secret” information as defined by Minn. Stat. § 13.37(1)(b). Specifically, the filing discusses negotiated terms between Xcel Energy and Cellnet Data Services, Inc. This information derives independent economic value from not being generally known or readily ascertainable by others who could obtain a financial advantage from its use. Based on its economic value, the parties have agreed to maintain this information as confidential, the violation of which would constitute a breach of the current contract. These facts support the treatment of the contract as “trade secret” under the Minnesota Data Practices Act.

We have served a copy of this filing on all parties on the attached service list.

We appreciate the opportunity to provide this status update, and would be happy to meet with Commission Staff, the Minnesota Office of Energy Security, and the Minnesota Office of the Attorney General-Residential Utilities Division to discuss this information in greater detail. Please contact me at jody.l.londo@xcelenergy.com or (612) 330-5601 or if you have any questions.

Sincerely,

/s/

JODY LONDO
MANAGER, REGULATORY ADMINISTRATION

c: Service List

Enclosures



Revenue Cycle Process Review Action Plan

Action	Alternate or Related Action Description	Process Leader	Action Plan Steps	Timeline (by when)
	on a more systematic basis.			<i>jurisdictions. We expect to fully implement in 1Q2011.</i>
2) Measure and report Xcel's performance for each of the sources of billing inaccuracy listed in Exhibit 4-1 of this report on a monthly basis for a base-lining period of one year.		Revenue Cycle Process Owners Regulatory Business Systems	See Action #1 above. Develop a scorecard to track monthly results, beginning with August 2009 data. Results to be provided to Regulatory and maintained in a shared directory.	August 2009 results will be reported on 9/17/2009. Ongoing results will be reported on the 19 th of each month beginning in Q4 2009. Completed and ongoing.
3) In addition to using [the] measures [in Exhibit 4-1] as immediate indicators for process improvement, select the factors with the largest influence on billing		Billing	Analyze data each month and quarter. Identify most influential measures.	Timing tied to Actions #1 and #2 above. Completed Within 90 days following the



Revenue Cycle Process Review Action Plan

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<p>accuracy as reference values from which to define annual improvement targets, and continue to measure the remaining factors internally to Xcel to reduce the chance that unexpected changes in performance will go undetected.</p>			<p>Determine annual improvement targets for identified measures.</p>	<p>initial 12 month tracking period. <i>August 2011</i> <i>Measures and targets are currently in place; 12 month tracking in progress.</i></p>
<p>4) Align business unit and sub-process goals with an overall revenue process billing accuracy improvement objective by means of the individual billing accuracy factors summarized in Section 4.</p>	<p>Align organization, process, and process performer performance improvement goals with the overall revenue cycle billing accuracy improvement goals described in Section 4, Billing Accuracy and Service Quality.</p>	<p>Revenue Cycle Process Owners Human Resources Communications</p>	<p>Identify one or two scorecard goals that would be carried on the following organization's scorecards:</p> <ul style="list-style-type: none"> • Builders Call Line • Metering • Meter Reading • Billing • Regulatory • Call Center 	<p>Develop common goals by January 2010. Completed All Revenue Cycle organizations adopted the following three 2010 IPAD goals: 1. Cancel Rebill Lag 2. % Bills Error Free 3. % of Eligible</p>

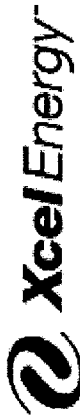
Please note that the Action and Alternate or Related Action Description columns are direct references from the September 16, 2009 Final Report from Global Enterprise Managers, filed with the Commission on September 25, 2009 in Docket No. G-002/CI-08-871. Additionally, the dates provided in the Timeline column are current targets and subject to change, as appropriate.



Revenue Cycle Process Review Action Plan

Action	Alternate or Related Action Description	Process Leader	Action Plan Steps	Timeline (by when)
5) Document the full set of revenue cycle controls in a comprehensive Quality Assurance plan.			Identify and preload IPAD performance goals that will link to scorecard goals.	Revenue Billed On Time December 2010
			Implement goals with a consistent message across organizations.	February 2010 Completed
			Review and operationalize reward & recognition program to determine applicability.	March 2010 Completed
			Implement a cross-functional team to document the full set of revenue cycle controls.	October 2009 Completed
			Complete documentation consolidation of current revenue cycle controls.	March 2010 July 2010
		Revenue Cycle Process Owners Audit Services SOX PMO	Evaluate controls to ensure comprehensive QA coverage and adjust as appropriate.	June 2010 July 2010 Completed <i>preliminary reviews of the proactive</i>

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Revenue Cycle Process Review Action Plan

Action	Alternate or Related Action Description	Process Leader	Action Plan Steps	Timeline (by when)
6) Ensure that all of the sources of billing inaccuracy listed in Exhibit 4-1 of this report are included in the set of revenue cycle controls.		Revenue Cycle Process Owners Audit Services SOX PMO	Integrate Exhibit 4.1 items into revenue cycle controls.	<p><i>measurements that support the billing accuracy scorecard. In almost all cases, we have existing measurements in place; in the process of developing a few new ones.</i></p> <p><i>*Timing for this item is tied to Action Items 6 & 7 below</i></p> <p>December 2010 (See #5 above)</p>
7) Ensure, either by the Internal Audit group or		Revenue Cycle Process Owners	Develop a comprehensive Plan that appropriately	June 2010 <i>Key internal</i>

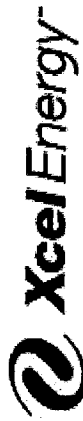
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8) [Make] a set of measurements related to potential sources of billing inaccuracy selected from those described in Section 4.2 [...] available to regulatory agencies and external advocate groups on a regular basis in the form of new service quality metrics.		Revenue Cycle Process Owners Regulatory	Provide monthly reports to Regulatory area. Participate as appropriate in Regulatory Agency discussions regarding ongoing external reporting specifics and timing.	Beginning with Q4 2009 results Per Regulatory Agency timing Completed and ongoing

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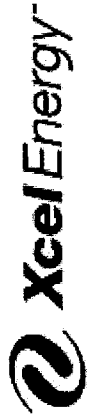


Revenue Cycle Process Review Action Plan

Recommendation 2 – Improve AMR performance through Cellnet and Xcel process changes (Actions 9-17)

Action	Alternate or Related Action Description	Process Leader	Action Plan Steps	Timeline (by when)
<p>9) Conduct discussions with Cellnet to seek mutually agreeable modifications to the Cellnet field support work agreement to add successful radio frequency (RF) communication of electric and natural gas meter readings as a goal for meter maintenance. This could result in meter de-automation and some meters being placed on manual read cycles if viable RF communication of electric or natural gas meter readings cannot be achieved, but the net result will be a reduction in repeated field work and an improvement in billing accuracy.</p>	<p>Conduct discussions with Cellnet to seek mutually agreeable modifications to the Cellnet field support work agreement that define outcome-based maintenance goals. The resolution of the problem and the time to complete the actions should be balanced to ensure that the field work does not create unnecessary repeat work and adversely affect the billing process.</p> <p>Conduct discussions with Cellnet to seek mutually agreeable modifications to the Cellnet field support work agreement to improve root cause analysis of missed meter reads.</p>	<p>Metering Meter Reading</p>	<p>1. Leverage the November 2010 dispute resolution processes to negotiate enhancements related to GEM referenced recommendations.</p> <p>2. Implement six process improvements that were specific to the GEM findings</p>	<p>October/November 2010 (Change Order Complete)</p> <p>June 2010 <i>Process improvements resulting from change orders applicable to this action implemented per change order schedule, specifically associated with network verification, field work verification, and service quality service improvement items.</i></p>
<p>10) Ensure that the additional internal random and period testing and RMA testing and tracking on failed integrated electric meters and modules is</p>		<p>Meter Engineering Metering</p>	<p>Verify that non-mechanical meters for purposes of random and periodic testing are identified as separate lots.</p>	<p>December 2009 (Complete random and periodic testing) Completed</p>

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Revenue Cycle Process Review Action Plan

Action	Alternate or Related Action Description	Process Leader	Action Plan Steps	Timeline (by when)
<p>designed to predict integrated meter/module trends, since the long-term performance and potential failure modes of these measuring devices are not yet well established.</p>			<p>Complete identified annual random and periodic testing for non-mechanical lots.</p> <p><u>Module Testing (Removed from Field)</u> Implement negotiated Cellnet Returned Material Analysis (RMA) and ensure process separately identifies non-mechanical electric meter types or models. Utilizing Cellnet RMA data develop predictive failure information for non-mechanical electric meters.</p> <p><u>Meter Testing (Removed from Field)</u> Review and adjust as necessary the Xcel RMA processes to ensure that non-mechanical meters are being adequately tested and reported.</p>	<p>June 2009 (Cellnet RMA process implemented) Completed</p> <p>October 2009 (Xcel RMA process reviewed) Completed</p> <p>October 2009 (Cellnet predictive failure analysis implemented) Completed</p>

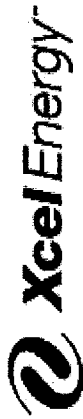
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Revenue Cycle Process Review Action Plan

Action	Alternate or Related Action Description	Process Leader	Action Plan Steps	Timeline (by when)
<p>11) Ensure that the two-way Cellnet AMR system equipment that will be deployed in the final phase of the Cellnet automation project has passed rigorous first article testing that accounts for the increased communication complexity of peer RF communications among modules.</p>		<p>Meter Engineering Metering</p>	<p>Leverage the current one-way first article testing process to build the success criteria for two-way first article testing ensuring contractual obligations are met.</p>	<p>December 2009 (Finalize two-way First Article Test plans and criteria). Completed December 2009 (Cellnet to deliver to Xcel Energy all necessary equipment and software and documentation for first article testing) Completed June 2010 (First Article Testing to be completed per established schedule) <i>Two-way first article testing is progressing. Metrology and network testing was completed satisfactorily for residential meters.</i></p>

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Revenue Cycle Process Review Action Plan

Action	Alternate or Related Action Description	Process Leader	Action Plan Steps	Timeline (by when)
<p>12) Although it would require renegotiation of the Cellnet deployment contract and changes to the target date for full AMR deployment, Xcel should explore the possibility of a pilot field test of the two-way Cellnet AMR system equipment through a full set of seasons in Xcel's demanding environment before embarking on full deployment of this new technology. Such a pilot would</p>		<p>Metering Meter Reading</p>	<p>Leverage the November 2010 dispute resolution processes to negotiate enhancements related to GEM referenced recommendations. Based on two-way pilot decisions, implement as necessary in-field testing component of First Article testing.</p>	<p><i>Phased-in residential deployment expected to begin late August 2010.</i> <i>Testing of C&I two-way meters. (Advanced continues with results expected in October 2010. If satisfactory metrology and network results are achieved, phased-in deployment is anticipated prior to year-end.)</i></p> <p>October/ November 2010 (Change Order Complete) Completed</p> <p>March 2010; co-incident to first article testing of two way. <i>In Progress.</i> <i>The metrology and</i></p>

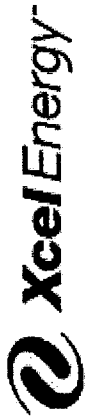
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Revenue Cycle Process Review Action Plan

Action	Alternate or Related Action Description	Process Leader	Action Plan Steps	Timeline (by when)
<p>assess physical performance of the equipment, RF communication performance, and overall reliability of readings to verify end-to-end performance under field conditions. GEM recognizes that restructuring this phase of the Cellnet deployment into a pilot presents a difficult challenge, and recommends if a pilot is not undertaken, then at a minimum Xcel should review the new technology for potential failure modes and confirm that the internal Xcel processes and data systems will promptly recognize/address these failures.</p>				<p><i>network components of the two-way first article testing for residential and C&I equipment simulates both lab and in-field testing. Thus eliminating the need to undertake an additional pilot. At this time the scope of the two-way implementation will be minimal (i.e. less than 10,000 meters across NSPM).</i></p>
<p>13) Complete and formalize receipt sampling and test processes for the AMR modules that Xcel receives with most new meters.</p>		<p>Meter Engineering Metering</p>	<p>Review and adjust as necessary the Xcel new meter sample testing processes. As necessary obtain module testing equipment.</p>	<p>June 2009 (Complete review and implement) Completed October 2009 (Obtained necessary equipment) Completed</p>

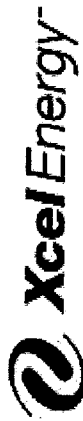
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Revenue Cycle Process Review Action Plan

Action	Alternate or Related Action Description	Process Leader	Action Plan Steps	Timeline (by when)
14) Continue to update the types of "safety nets" that are in place to identify and efficiently remediate metering and meter reading problems when they occur. The issues of repeated readings that began in late 2007 and 2008 were not caught quickly by the CRS billing stop bill checks, consecutive estimate checks, or zero usage checks. When every meter was actually observed by a meter reader, certain types of failures and field conditions could be detected and reported more quickly. With AMR, a problem consumption pattern must be identified in the data processing systems.		Billing	Perform root cause analysis on a monthly basis on various exceptions to the Stop Billing Rules, Interface Exchange Handling, and Special Reporting. Identify common patterns and event triggers. Develop and implement enhancements/"safety nets" to prevent future occurrences.	Monthly beginning January 2009 Completed and ongoing <i>Completed and ongoing Initiatives underway for 2010:</i> - Monthly Red/Yellow/Green review on Stop Billing Rules; - IEH; - PTJs; - Tightening of the Stop Billing Rule parameters.
15) If natural gas meters continue to be damaged, adopt at least one of the following three paths: <ul style="list-style-type: none"> ▪ Realizing that these failures 		Metering Meter Engineering	Zero Consumption Detection (ZCD) Process Continue to utilize and enhance as necessary to gas	March 2009 (enhanced ZCD detection process implemented)

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Revenue Cycle Process Review Action Plan

Action	Alternate or Related Action Description	Process Leader	Action Plan Steps	Timeline (by when)
<p>will occur, continue to enhance processes to detect and fix the failures on an expedited basis and understand the root causes of the failures.</p> <ul style="list-style-type: none"> ▪ Work with both Cellnet and natural gas meter manufacturers to find a more appropriate match between the quality and robustness of the module mechanical components and the meter register and internal gear construction. ▪ If significant mechanical issues persist with Cellnet AMR modules on natural gas meters, evaluate the possibility of utilizing a different module/register interface approach for natural gas meters that does not make the same mechanical interface tradeoffs between damaging the module and damaging the meter. 			<p>ZCD process.</p> <p><u>Field Order Completion</u> Develop reporting to monitor and ensure timely field response by Cellnet and internal crews to meter orders.</p> <p>Complete identified annual random and periodic testing.</p> <p><u>Module Testing (Removed from Field)</u> Implement negotiated Cellnet Returned Material Analysis (RMA).</p> <p>Develop predictive failure information, using Cellnet RMA data.</p> <p><u>Meter Testing (Removed from Field)</u> Review and adjust as</p>	<p>Completed</p> <p>June 2009 (Field order completion reporting implemented) Completed</p> <p>June 2009 (Cellnet RMA process implemented) Completed</p> <p>September 2009 (Xcel RMA processes reviewed) Completed</p> <p>November 2009 (Change Order complete) Completed</p> <p>March 2010 (Change Order process)</p>



Revenue Cycle Process Review Action Plan

Action	Alternate or Related Action Description	Process Leader	Action Plan Steps	Timeline (by when)
<p>16) Establish goals for investigating and determining root cause for meters on the Lost Meter report. The Lost Meter report lists meters that are providing automated readings but that are not known to Xcel's information systems.</p>			<p>necessary the Xcel RMA processes to ensure that gas meters are being adequately tested and reported.</p> <p><u>Cellnet Agreement</u> Leverage the November 2010 resolution processes to negotiate enhancements related to GEM referenced recommendations.</p>	<p>enhancements implemented) Completed</p> <p>November 2009 Completed</p>
		Metering	<p>Incorporate Lost Meter monitoring into metering area scorecards and utilize existing processes to conduct investigations.</p> <p>Leverage the 1074 and 5-dial dispute resolution processes to negotiate enhancements related to GEM referenced recommendations.</p>	<p>October 2009 (add to area scorecards) Ongoing (use existing processes to conduct investigations) Completed</p> <p>November 2009 (Change Order Complete) Completed</p>



Revenue Cycle Process Review Action Plan

Action	Alternate or Related Action Description	Process Leader	Action Plan Steps	Timeline (by when)
17) Implement an AMR Natural Gas Meter assessment program to find and repair meters that are under-reporting usage due			<p>Establish a team to review</p> <p>Lost Meter results and implement recommendations to improve performance.</p>	<p>December 2009 (Identify process improvement opportunities) Completed</p> <p>March 2010 (Implementation of change order process enhancements) Completed.</p> <p>Lost meter monitoring and reporting in place; Add'l field personnel engaged in the field investigations to ensure meters are found and billing properly. Performance metrics established. Improvements gained.</p>
17) Implement an AMR Natural Gas Meter assessment program to find and repair meters that are under-reporting usage due		Metering Meter Reading	<p><u>In-Service Meters Testing Program</u></p> <p>Complete identified annual random and periodic</p>	December 2009 (Complete random and periodic testing)

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Revenue Cycle Process Review Action Plan

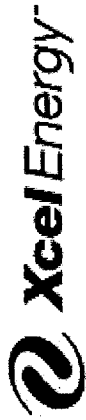
Action	Alternate or Related Action Description	Process Leader	Action Plan Steps	Timeline (by when)
to register/module interface slippage.		Meter Engineering	testing for non-mechanical lots. ZCD Process Continue to utilize and enhance as necessary to gas ZCD detection process.	Completed March 2009 (enhanced ZCD process implemented) Completed
			<u>Field Order Completion</u> Develop reporting to monitor and ensure timely field response by Cellnet and internal crews to meter orders.	June 2009 (Field order completion reporting implemented) Completed
			<u>Module Testing (Removed from Field)</u> Implement negotiated Cellnet Returned Material Analysis (RMA). Develop predictive failure information using Cellnet RMA data.	June 2009 (Cellnet RMA process implemented) Completed October 2009 (Xcel RMA processes reviewed) Completed
			<u>Meter Testing (Removed)</u>	<i>Completed and</i>



Revenue Cycle Process Review Action Plan

Action	Alternate or Related Action Description	Process Leader	Action Plan Steps	Timeline (by when)
			<p><u>from Field</u> Review and adjust as necessary the Xcel RMA processes to ensure that gas meters are being adequately tested and reported.</p>	<p><i>ongoing.</i> RMA Process enhancements fully implemented by March 31, 2010.</p>

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Revenue Cycle Process Review Action Plan

Recommendation 3 – Ensure there is a sufficient pool of skilled revenue cycle process performers (Actions 18-24)

Action	Alternate or Related Action Description	Process Leader	Action Plan Steps	Timeline (by when)
18) Ensure that the meter reading resource staffing level is sufficient to read all manual routes under normal conditions – which is Xcel's current policy – and also to account for potential de-automation – the reversion of selected AMR electric or natural gas meters for which reliable automated readings cannot be obtained back to manual reading		Meter Reading Human Resources	Track consecutive estimates on a daily basis to ensure timely response to changes in this key metric that could indicate a short-term resource gap. Develop process to better link the release of meter reading resources to the Cellnet deployment schedule. Submit comprehensive HR plan to HR. CS leadership reconciles the workforce plan. <i>(Note: This plan is based on the current Cellnet deployment schedule.)</i> Create contingency plan for increasing staffing in the event of de-automation by February 28.	June 2009 Completed November 2009 Completed September 2009 Completed October 2009 Completed February 2010 Contingency plan still under development-on track <i>Completed April 2010.</i> <i>Meter Reading</i>

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Revenue Cycle Process Review Action Plan

Action	Alternate or Related Action Description	Process Leader	Action Plan Steps	Timeline (by when)
19) Create more comprehensive structured training courses for advanced mass market billing analysts, C&I billing analysts, and rate information specialists and use these training courses to upgrade current skill levels and introduce additional resources into these groups as needed.	Establish more formal progression of advanced training for all billing analysts, but particularly C&I billing analysts, to shorten the time required to make a billing analyst fully productive.	Billing Training	Identified set of sustainment training topics Sustainment training developed and implemented. Progression Program core curriculum design and planning.	staffing plan completed and synchronized to the resource plan. With the residential 2-way passing first article testing, no new contingency needs to be added to the resource plan. June 2009 Completed October 2009 Completed and ongoing March 2010 September 2010 <i>Sustainment Training Complete and On-going.</i> <i>The Billing Progression program is in progress.</i> <i>Currently working</i>

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Revenue Cycle Process Review Action Plan

Action	Alternate or Related Action Description	Process Leader	Action Plan Steps	Timeline (by when)
20) Plan for staffing increases in C&I Billing area to prepare for retirements and to accommodate the non-C&I tariff work that has been added to this group's responsibilities.		Billing Human Resources	Submit comprehensive HR plan to HR. CS leadership reconciles the workforce plan.	through HR and Compensation needs along with volume of work, number of hours, with alignment to number of resources – implementation is expected in 2Q 2011. September 2009 Completed October 2009 October 2010 Completed June 2010 Workforce plan reconciled in June 2010. Staffing will be maintained at the current levels, and with the implementation of progression program.,



Revenue Cycle Process Review Action Plan

Action	Alternate or Related Action Description	Process Leader	Action Plan Steps	Timeline (by when)
21) Evaluate Business System staffing levels to ensure appropriate support levels are maintained for processes that are automated and for new technologies that are implemented to support the revenue cycle process.		Business Systems	Review historic staffing levels to support rate changes and compare to expected rate case activity for coming 18 to 24 months. Review analysis with management and determine next steps re: staffing changes.	September 2009 Completed October 2009 Completed
22) Implement more cross functional training on the revenue cycle processes so that participants better understand how they fit into the process and how other groups also fit	Create revenue process training courses that clarify each process performer's role in the overall process, handoffs between roles and groups, and best practices for using the CRS, IEH, Mobile Dispatch	Revenue Cycle Process Owners Training	Complete any approved staffing changes. Conduct Training Needs Analysis. Develop a formal proposal to design and deliver entry	April 2010 Completed. One additional staff member added in mid-August to support Billing changes. November 2009 Completed December 2009 Completed

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Revenue Cycle Process Review Action Plan

Action	Alternate or Related Action Description	Process Leader	Action Plan Steps	Timeline (by when)
in.	<p>System, and other shared technologies.</p> <p>Develop and deliver formal revenue cycle process-wide familiarization training for most revenue cycle participants so the impacts of actions in one area on others are better understood by all process performers.</p>	Human Resources	<p>level and sustainment training to close identified gaps.</p> <p>Training Development</p> <p>Training Delivery</p> <p>Develop a module to educate employees (cross-functional) on the Revenue Cycle Process.</p> <p>Implementation begins</p>	<p>March 2010 April 2010</p> <p>December 2010</p> <p>March 2010 April 2010</p> <p>June 2010</p> <p><i>The development phase is complete.</i></p> <p><i>Revenue Cycle Process Overview was completed at end of June and validated by the M2M cross-functional working team members.</i></p> <p><i>Training will be added to</i></p>

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Revenue Cycle Process Review Action Plan

Action	Alternate or Related Action Description	Process Leader	Action Plan Steps	Timeline (by when)
23) Improve time tracking for the time that employees dedicate to special projects as compared to core job activities to support better workload trending.		Billing	Coordinate team to identify "special projects" work. Develop and implement enhancements to the tracking system.	employee learning plans and is anticipated to be released during 1Q 2011 as a Learning Management System course. Training materials were handed-off for conversation to LMS modules for widespread delivery. December 2009 Completed January 2010 Completed
24) Capture additional business process knowledge from experienced workers by documenting the processes at a performer level across the revenue cycle, and make this		Revenue Cycle Process Owners Human	Develop Knowledge Management & Transfer Strategy -A Knowledge Transfer tool is under development and will be available to all Xcel	March 2010 Completed



Revenue Cycle Process Review Action Plan

Action	Alternate or Related Action Description	Process Leader	Action Plan Steps	Timeline (by when)
<p>information available to all revenue cycle participants.</p>		<p>Resources Training</p>	<p>Energy business units via XpressNet. -This tool has now reached final design and will be accessible at the end of October. This sub-team will review the tool for appropriate modifications to support Revenue Cycle workgroup needs. Identify Pilot Group</p>	<p>November 2009 <i>Completed</i></p> <p>February 2010 <i>Completed</i></p> <p>February 2010 <i>Completed</i></p> <p>March 2010 <i>Completed</i></p> <p>March 2010 <i>Completed</i></p>
			<p>Pilot Knowledge Management Tool with specific work group</p>	
			<p>Review Pilot group results make adjustments</p>	
			<p>Identify Long Term Operational Plan</p>	
			<p>Launch Knowledge Management Tool to entire organization</p>	



Revenue Cycle Process Review Action Plan

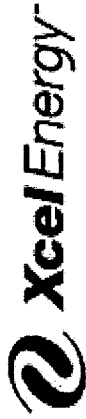
Action	Alternate or Related Action Description	Process Leader	Action Plan Steps	Timeline (by when) Completed.
			Review documented processes and update training including CCQR programs to ensure knowledge is transferred.	<p><i>Used the knowledge transfer matrix to document additional process data from experienced back-office employees. This information was used to develop additional sustainment training. Additional process data captured during the revenue cycle process reviews was incorporated into existing training modules and/or used to update CCQR.</i></p>



Revenue Cycle Process Review Action Plan

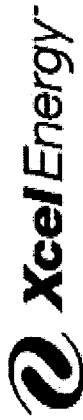
Additional Process Improvement Opportunities

Action	Alternate or Related Action Description	Process Leader	Action Plan Steps	Timeline (by when)
A1) Define key billing accuracy measures (including those selected as key controls from the set of metrics in Section 4.1) to trigger employee notifications when they are violated, require positive confirmation that they have been addressed, and be subject to escalation if they are not resolved in a timely manner. If it is not possible to achieve this type of business process management with the current CRS workflow technology, evaluate business process management (BPM) tools that can be integrated with the CRS and other Xcel systems to provide advanced business process notification, workflow, routing, status tracking, and escalation capabilities.		Revenue Cycle Process Owners	Evaluate current BPM tool capabilities.	September 2010 <i>Key measures implemented, and additional accuracy controls put in place. The Training Indicators database is the system of record which notifies and tracks user violations. No specific CRS BPM availability to-date.</i>
A2) [C]ontinue to review and refine customer letter templates for explaining billing errors and rebilling.		Business Systems Billing	Determine appropriate action. Conduct review of CRS letters with the communications team. Facilitate Regulatory review of CRS letters Review remaining, infrequently used letters in	January 2011 October 2009 Completed March 2010 <i>On-going, as necessary</i> March 2010 <i>On-going, as</i>



Revenue Cycle Process Review Action Plan

Action	Alternate or Related Action Description	Process Leader	Action Plan Steps	Timeline (by when)
<p>A3) Conduct a requirements analysis for the Mobile Dispatch System to identify the set of additional configuration, functional enhancements, integration, and training necessary to support the field installation and maintenance processes, which are critical to improving metering performance.</p>	<p>Update Mobile Dispatch System capabilities for all field support groups, as the current implementation does not meet the needs of the meter support groups.</p>	<p>Meter Reading</p>	<p>the repository. Identify cross functional requirements and gaps - (Determine what can the system can do and what can't the system do) Establish Advantex functional roadmap. Develop plan to close the gaps.</p>	<p><i>necessary</i> August 2009 Completed September 2009 Completed December 2010 Completed <i>Implemented plan in July 2010. New processes to support field meter inventory were added to the Advantex, closing the largest gap identified in the Advantex review.</i></p>
<p>A4) Incorporate customer contact center information into the Enterprise Data Warehouse and combine this with enhanced call coding to provide trending and anomaly detection on call type, geographic location, customer</p>		<p>Call Center Business Analytics Business</p>	<p>Determine level of effort Quantify potential benefits</p>	<p>November 2009 Completed November 2009 Completed</p>



Revenue Cycle Process Review Action Plan

Action	Alternate or Related Action Description	Process Leader	Action Plan Steps	Timeline (by when)
<p>class, measuring device type, or device lot. As the Xcel service areas have increased in size and diversity, it has become more important for informal correlation of call trends to be supplemented by additional analytics.</p>		Systems	<p>Determine cost/benefit and next steps</p> <p>Determine plan for accepted changes</p> <p>Complete changes</p>	<p>January 2010 Completed</p> <p>February 2010 Completed</p> <p>February 2010 On-going.</p> <p><i>With the support of Business Analytics, developed an interim solution to track consumption patterns and correlate to known historical events. Identified and are tracking 7 PTJ types. Data updates and tracking in the Enterprise Data Warehouse are on-going and will continue into 4Q 2010.</i></p>
<p>A5) Review the business utilization of the PTJ as a workflow tracking tool and determine if changes in the way PTJs are used will better suit the work needs.</p>		Revenue Cycle Process Owners	Determine level of effort	November 2010 <i>Activities will begin in 4Q2010</i>



Revenue Cycle Process Review Action Plan

Action	Alternate or Related Action Description	Process Leader	Action Plan Steps	Timeline (by when)
If the PTJ approach cannot meet Xcel's business needs, evaluate commercial business process management (BPM) tools that could potentially provide the benefits of the PTJ work tracking approach to both the revenue cycle and other Xcel business processes while providing the routing, escalation, and tracking needed for more efficient work processes and improved customer service.		Business Systems	Quantify potential benefits Determine cost/benefit and next steps Determine plan for accepted changes Complete changes	November 2010 <i>Activities will begin in 4Q2010</i> January 2011 February 2011 September 2011
A6) [Continue] development of the Enterprise Data Warehouse initiative, with the objective of supporting [a] flexible, ad hoc reporting facility allowing various business units involved in the revenue cycle to create new views of customer, metering, billing, and remittance data as needed.		Business Analytics	Rollout of Self Service Suite and standardized reporting requests. Schedule consistent meetings to discuss with business leadership their ongoing needs for data monitoring	September 2009 Completed September 2009 Completed
A7) Revise the BCL new premise/account/rate setup process for increased automation and improved quality assurance.	Refer to Section 3.1.1.4	Builders Call Line	Develop Proposals to: Update ServConn to provide a check box to	March 2010 <i>December 2010 Implementation expected to occur in</i>



Revenue Cycle Process Review Action Plan

Action	Alternate or Related Action Description	Process Leader	Action Plan Steps	Timeline (by when)
A10) Improve field meter location selection and recording of locations.	Refer to Section 3.1.2.2	Metering	process and the current 3 day read window in CRS Review impact on processes	<i>Completed</i> December 2010 <i>Efforts are underway to improve the recording of meter locations and to ensure the information is entered into the data systems accurately.</i>
A11) Review the project management tools and training for the Regulatory Administration group, and possibly the roles in the group itself, to ensure that it can continue to effectively accommodate both the core regulatory responsibilities and the important project management role.	Refer to Section 3.1.3.2	Regulatory	Facilitate review of process	June 2010 <i>December 2010</i>

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CERTIFICATE OF SERVICE

I, Lindsey L. Didion, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

xx by depositing a true and correct copy thereof, properly enveloped with postage paid in the United States mail at Minneapolis, Minnesota

xx electronic filing

DOCKET No. G-002/CI-08-871

Dated this 1st day of September 2010

/s/

Lindsey L. Didion

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