

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

MINNESOTA POWER’S FINAL COMMENTS TO WORKGROUP

In the Matter of a Commission Inquiry
Into Privacy Policies of Rate-Regulated
Energy Utilities

Docket No. E,G-999/CI-12-1344

The Commission-appointed Customer Energy Usage Data (“CEUD”) workgroup (“Workgroup”) is charged with making written recommendations to the Minnesota Public Utilities Commission (“Commission”) on the appropriate use and limitations on use of CEUD, balancing customer privacy and the state’s energy goals.

The purpose of the final CEUD Workgroup meeting held on Friday, May 16th was to review the California Proposed decision and to discuss any further thoughts on the proposed data aggregation methods. The Workgroup also held discussion on Steps 5 and 6 of the defined workgroup objectives. While Minnesota Power appreciates the time given to the topics included in Steps 5 and 6, the Company contends that the decisions to be made require a significant amount of additional discussion and exploration. The additional questions and concerns of the Company are enumerated in these Comments.

California Proposed Decision

It is important to look to current examples of Commission decisions in other states in order to inform this process. California’s proposed decision came after years of research and deliberation and may provide insight on ways in which Minnesota can achieve robust CEUD sharing guidelines. However, it is important to note that the proposed decision in California was

crafted in the context of a much different regulatory environment than Minnesota. The Commission should be cautious when taking action based upon frameworks not founded in relevant statutes and not founded in robust issue analysis and exploration.

Data Repository

The data repository remains an intriguing concept. As stated in previous Comments, there are many issues left to be resolved surrounding funding, administration, authorization and data aggregation thresholds. The same cost recovery, protection and liability considerations for utilities discussed in Steps 5 and 6 remain even though the proposed Data Repository would presumably be a more efficient method of sharing certain thresholds of CEUD.

Step 5 of Workgroup Objectives: Protection and Liability Considerations

Step 5 of the workgroup objectives addresses Protection and Liability Considerations and covered such topics as unauthorized disclosure, data retention, audit/review processes, and potential registration of requesting entities. All of these topics are essential to the discussion of CEUD sharing and release. However, none of these subjects were thoroughly vetted by the Workgroup. The excellent work done on the Use Case Matrix is an example of the possible entities who may request data and the purposes of such data collection. Aside from this exercise, many topics were broached but no consensus was reached on audit review processes, registration of entities, or redress for unauthorized disclosure. These topics warrant further investigation. The Company suggests that the Commission err on the side of caution when considering any determinations in this area.

Step 6 of Workgroup Objectives: Cost Recovery and Other Reporting Considerations

Step 6 of the Workgroup objectives addresses cost recovery and reporting considerations including: recoverable costs, customer compensation, State reporting considerations, and additional utility costs. The Workgroup was ultimately not able to define specific costs related to data requests. The issue lies in the fact that the nature of these requests is based in theory and most utilities do not have experience in responding to a high volume of data requests. There is consensus among Workgroup members that an increased volume of data requests will result in

costs to the utility. These costs are associated with labor of data analyst professionals, possible system upgrades or purchasing of new equipment and other various administrative tasks.

All utilities agreed that current Customer Information Systems (“CIS”) are not set up to function as a database of the nature required to efficiently amass the CEUD requests discussed in the Workgroup. CIS systems are traditionally a receivable system used to bill customers for energy usage and track payment history. The systems do not house data such as building size/type/vintage, occupancy rates, neighborhood and only house limited geographical data. This is not due to oversight by utilities or a defect in the current CIS systems; it is the inherent nature of a CIS system. The practice of third parties asking for CEUD has traditionally been reserved for fuel assistance verification to qualify customers for grants, Section 8 low income housing annual usage inquiries requests from customers to supply their energy use history to an energy analyst to aid in energy reductions, and law enforcement subpoenas. These type of requests were made infrequently and always with the express consent of the appropriate utility customer. Only recently has the concept of multiple and voluminous CEUD requests been a possible reality for utilities.

Conclusion

Minnesota Power continues to caution against broad and under-scrutinized rulings related to the sharing of CEUD. The Company has been an active and engaged participant throughout the Workgroup process and believes the efforts of the Workgroup have been fruitful to date. However, the Workgroup was not able to fully research and explore the scope of issues required of such a far-reaching and innovative proceeding.

Dated: June 11, 2014

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jenna Warmuth".

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