

E-132/C-92-1080; E-132/C-92-1140 ORDER REQUIRING FURTHER FILINGS

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Don Storm	Chair
Tom Burton	Commissioner
Marshall Johnson	Commissioner
Cynthia A. Kitlinski	Commissioner
Dee Knaak	Commissioner

In the Matter of a Complaint of
Certain Customers of People's
Cooperative Power Association

ISSUE DATE: September 29, 1993

DOCKET NO. E-132/C-92-1080;
E-132/C-92-1140

ORDER REQUIRING FURTHER FILINGS

PROCEDURAL HISTORY

On September 1, 1992, residents of the Viking Hills subdivision of the City of Rochester filed a petition requesting a transfer of their electric service from People's Cooperative Power Association (People's or the Coop) to Rochester Public Utility (Rochester or the City).

On September 11, 1992, residents of the Northern Heights East Sixth subdivision of the City of Rochester filed a petition. The petitioners requested that the Commission order People's to make extensive repairs to its distribution system, in order to guarantee a reliable power supply. In the alternative, the petitioners requested a transfer of their electric service from People's to the City.

On May 3, 1993, the Department of Public Service (the Department) filed its report and recommendations.

The matter came before the Commission for consideration on September 23, 1993.

FINDINGS AND CONCLUSIONS

I. Commission Jurisdiction

The public utilities complaint statute, Minn. Stat. § 216B.17, allows the Commission to hear complaints regarding cooperative electric associations, upon service of a complaint signed by 50 consumers of the association.

The Viking Hills petition was signed by Coop customers from 54 households. The Northern Heights complaint was signed by 91 parties, representing 46 Coop accounts. In its report, the Department noted that the number of signatures on the Northern Heights petition could be viewed as insufficient under the statute. The Department noted further that the subject of the two petitions was in essence the same. The Department therefore recommended that the two petitions be considered as one for purposes of this proceeding, thus satisfying the statutory jurisdictional requirement.

The Commission agrees with the Department that the two petitions should be viewed as one matter. Both petitions are seeking the same goal, the reliable provision of power in the future. The service to the two subdivisions has been essentially the same and the Coop has applied the same remedies to each situation. It is a reasonable administrative economy to treat the two petitions as one for purposes of these proceedings. The petitions therefore satisfy the statutory jurisdictional requirement.

II. Scope of the Complaints

The Viking Hills petitioners framed their complaint as a request for a transfer of service from People's to the City. The Northern Heights petitioners asked for a transfer of service as an alternative to satisfactory repairs of People's distribution system.

At this time, the City of Rochester is in the process of acquiring the portion of the Coop's service area which includes the two subdivisions. See, In the Matter of the Application of the City of Rochester to Adjust Its Service Area Boundary with People's Cooperative Power Association, Docket No. E-132, 299/SA-88-996. This lengthy proceeding is presently in the stage of determining appropriate compensation for the Coop's service territory.

Because the issue of service to the subdivisions is currently being determined under a separate docket, the Commission will not at this time consider granting a transfer of service to the Viking Hills or Northern Heights petitioners. However, under Minn. Stat. § 216B.23, subd. 2, the Commission can consider ordering remedial action if a utility is rendering "unreasonable, inadequate or otherwise unlawful" service. In their filings and correspondence, the petitioners in both complaints have made it clear that what they seek is the provision of reliable and adequate service to their homes. The Commission will therefore view the two petitions in this proceeding in light of a request for reliable service and a determination of what, if any, remedies must be imposed to arrive at such service.

III. Adequacy of the Coop's Service

People's uses the System Average Interruption Duration Index (SAIDI) as a performance standard for its service. This is a system-wide index which quantifies the duration and/or frequency of power outages. Under the standards of the Rural Electrification Administration, which recommends use of the SAIDI, the Coop's performance for the past five years has fallen within the guidelines for rural electric distribution systems.

In its report, the Department noted that a system-wide index such as SAIDI may not fully reflect concerns raised by a subgroup of customers, such as the residents of Viking Hills and Northern Heights. The Department noted further that a Customer Average Interruption Frequency Index (CAIFI) may address only individuals who have experienced problems with the system. The Department suggested that the CAIFI, perhaps in conjunction with another index, might provide a more accurate picture of utility service reliability than the SAIDI.

As discussed in the Department's report, People's took definite steps to address the issues raised in the complaints. The Coop's remedial measures included trimming trees, replacing jumpers and connectors, replacing old underground cable, and installing an additional telephone line for its service department. The Coop stated that the modifications and repairs had adequately addressed the matters in the complaints.

The Department followed up with an inquiry sent to the customers who had signed the Viking Hills and Northern Heights complaints. The Department asked the customers to specify what, if any, outage problems had occurred from June 1, 1992 through November 3, 1992. The Department mailed 94 questionnaires; 15 responses were received. Those responding stated that they had experienced no significant outages during the subject period.

IV. Commission Action

The Commission agrees with the Department that the period of followup investigation has been too short to determine the current reliability of People's service to the subdivisions. The Commission also agrees that the time covered by the questionnaire, June 1, 1992 to November 3, 1992, is not a period which would reflect the effects of severe winter weather. The Commission also notes that a three month followup investigation is relatively short, in light of the widespread pattern of complaints covering at least a two-year period. The Commission will therefore require People's to continue submitting reports on the frequency/duration of outages for a period of twelve months. The reports should take the form of monthly logs that list the date, duration, cause and remedial action for each outage.

Viking Hills and Northern Heights are part of the Coop's "urban service territory," which consists of the Coop's service territory within the city limits of the City of Rochester. There has been no information presented which distinguishes the Coop's methods of service to the Viking Hills or Northern Heights subdivisions from its service to any other portion of the urban service territory. The Commission will therefore require the Coop's twelve months of reports to include outage information from the entire urban service territory, not just from the Viking Hills or Northern Heights subdivisions. This information will enable the Commission to determine if the issues raised by the Viking Hills and Northern Heights subdivisions apply to any other part of the Coop's urban service territory.

The Commission will also require the Coop to include a separation of outage ratings between the urban and rural portions of its service territory. Because such factors as effects of animals and distance to respond to outages differ between urban and rural service areas, the rating separation should help the Commission to put those factors in perspective and better assess the Coop's service quality.

ORDER

1. For the next twelve months following the date of this Order, Peoples shall submit a monthly log listing the date, duration, cause and remedial action for each outage in its urban service territory. In addition, People's shall include in its report any customer complaints it receives from its customers.
2. Within 60 days of the date of this Order, the Coop shall provide a separation of its 1992 outage ratings into the urban and rural portions of its service territory.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Susan Mackenzie
Acting Executive Secretary

(S E A L)