

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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Chair
Commissioner
Commissioner
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Commissioner

In the Matter of Minnesota Power's Annual
Safety, Reliability, and Service Quality Report
under Minnesota Rules Chapter 7826

ISSUE DATE: April 7, 2006

DOCKET NO. E-015/M-05-554

In the Matter of Northwestern Wisconsin
Electric Company's Annual Safety, Reliability,
and Service Quality Report under Minnesota
Rules Chapter 7826

DOCKET NO. E-016/M-05-615

In the Matter of Interstate Power and Light
Company's Annual Safety, Reliability, and
Service Quality Report under Minnesota Rules
Chapter 7826

DOCKET NO. E-001/M-05-513

In the Matter of Otter Tail Power Company's
Annual Safety, Reliability, and Service Quality
Report under Minnesota Rules Chapter 7826

DOCKET NO. E-017/M-05-533

In the Matter of Northern States Power
Company d/b/a Xcel Energy's Annual Safety,
Reliability, and Service Quality Report under
Minnesota Rules Chapter 7826

DOCKET NO. E-002/M-05-551

ORDER ACCEPTING ANNUAL REPORTS,
SETTING RELIABILITY STANDARDS,
AND SETTING FILING REQUIREMENTS

PROCEDURAL HISTORY

I. Introduction and Background

During the 2001 session the Minnesota Legislature enacted Minn. Stat. § 216B.81, which requires the Commission to adopt standards on safety, reliability, and customer service for investor-owned electric distribution utilities.

The statute required that reliability standards be set using three reliability metrics – the System Average Interruption Duration Index (SAIDI), the System Average Interruption Frequency Index (SAIFI), and the Customer Average Interruption Duration Index (CAIDI) – and that reliability standards “treat similarly situated distribution systems similarly” and “recognize differing characteristics of system design and hardware.” Minn. Stat. § 216B.81, subd. 1 (c).

The Commission complied with the statute by adopting Minnesota Rules Chapter 7826. Those rules require affected utilities to file detailed annual reports on their performance in the areas of safety, reliability, and customer service. They also set meet minimum safety standards and minimum customer service standards for affected utilities.

Instead of setting minimum reliability standards, however, the Commission determined that reliability standards must be utility-specific, since reasonably achievable levels of reliability varies between utilities – and even between individual, homogenous areas within utilities’ service territories – based on geography, topography, population density, and other factors. Instead of setting permanent, industry-wide reliability standards, therefore, the rules require utilities to propose new reliability standards annually – using the statutory metrics of SAIDI, SAIFI, and CAIDI – and to propose these standards by “work center,” the basic administrative unit utilities use to maintain and repair their distribution systems.

II. The Annual Filings for 2005

On or before April 18, 2005, the five electric distribution utilities required to make annual filings under Minnesota Rules Chapter 7826 did so. Those utilities are Minnesota Power, Northwestern Wisconsin Electric Company, Interstate Power and Light Company, Otter Tail Power Company, and Xcel Energy. Dakota Electric Association, a cooperative not required to file under the rules, also filed an annual report for informational purposes.

The Department of Commerce (the Department) examined the companies’ filings in detail, requested further information on several issues, and filed comprehensive, company-specific comments and recommendations. The companies made several revisions in their proposed reliability standards in response, and by the time the filings came before the Commission, there were no contested issues between the parties.

Prior to hearing, Commission staff raised additional issues for consideration in future reporting cycles, particularly in regard to the reliability effects of utilities’ tree-trimming policies. All utilities agreed to provide, as part of their 2007 filings, the information identified by Commission staff.

The utilities’ annual filings came before the Commission on March 7, 2006.

FINDINGS AND CONCLUSIONS

I. Filings Accepted

The Commission has examined the utilities’ annual filings and concurs with the Department that they are complete, that they meet the requirements of Minnesota Rules Chapter 7826, and that the detailed information they report does not disclose safety, customer service, or reliability deficits requiring remedial action.

The annual reports will be accepted.

II. Reliability Standards Set

The Commission has also examined the final reliability standards proposed by each utility for each work center during the coming year and concurs with the Department that, as modified in response to Department comments, they represent reasonable and achievable levels of reliability. They will be approved, as set forth below, under Minnesota Rules 7826.0700, subd. 2.

Xcel Energy

<u>Work Center</u>	<u>Metric</u>	<u>Standard</u>
Metro East	SAIDI	125.90
	SAIFI	1.23
	CAIDI	102.37
Metro West	SAIDI	157.46
	SAIFI	1.40
	CAIDI	112.32
Northwest	SAIDI	99.52
	SAIFI	1.11
	CAIDI	89.36
Southeast	SAIDI	91.16
	SAIFI	0.88
	CAIDI	103.72

Interstate Power and Light Company

<u>Work Center</u>	<u>Metric</u>	<u>Standard</u>
Winnebago	SAIDI	54.34
	SAIFI	0.89
	CAIDI	61.33
Albert Lea	SAIDI	52.28
	SAIFI	0.80
	CAIDI	65.68

Otter Tail Power Company

<u>Work Center</u>	<u>Metric</u>	<u>Standard</u>
Bemidji	SAIDI	60.18
	SAIFI	9.98
	CAIDI	6.03
Crookston	SAIDI	59.35
	SAIFI	14.78
	CAIDI	4.02
Fergus Falls	SAIDI	72.34
	SAIFI	15.92
	CAIDI	4.54
Milbank	SAIDI	46.84
	SAIFI	14.02
	CAIDI	3.34
Morris	SAIDI	58.32
	SAIFI	12.70
	CAIDI	4.59
Wahpeton	SAIDI	42.08
	SAIFI	20.76
	CAIDI	2.03

Minnesota Power

<u>Work Center</u>	<u>Metric</u>	<u>Standard</u>
Service-area-wide work center	SAIDI	136.28
	SAIFI	1.14
	CAIDI	119.58

Northwestern Wisconsin Electric Company

<u>Work Center</u>	<u>Metric</u>	<u>Standard</u>
St. Croix State Park Circuit	SAIDI	133.57
	SAIFI	1.70
	CAIDI	78.59

III. Future Filing Requirements Set

The Commission also concurs with commenting parties that the additional information sought by its staff will be helpful in examining reliability issues during future reporting cycles. This information relates primarily to the reliability impact of utilities' tree-trimming policies, to the unique characteristics of specific distribution systems, to company-specific reporting anomalies, and to developing methods to streamline the outage reporting process.

The affected utilities agreed to supply the requested information in their 2007 filings, and the Commission will so require.

ORDER

1. The Commission hereby accepts the annual filings submitted in this docket, including supplements and revisions, as complete and in compliance with Minnesota Rules Chapter 7826.
2. The Commission hereby adopts the reliability performance standards set forth in the text above. These reliability performance standards shall remain in effect until further Commission order under Minnesota Rules 7826.0700, subd. 2 .

Xcel Energy

3. In its annual safety, reliability, and service quality report due on or before April 1, 2007, Xcel Energy shall report on the 25 worst performing circuits in each of its four work centers.
4. In its annual safety, reliability, and service quality report due on or before April 1, 2007, Xcel Energy shall file the information set forth below regarding its tree-trimming policies and practices:
 - (a) Its annual tree-trimming budget for the past year and its actual tree-trimming expenditures during the past year.
 - (b) An explanation of any failure to spend at budgeted levels.
 - (c) A description of the utility's tree-trimming cycle or interval for both transmission lines and distribution lines.
 - (d) A listing of circuits for which surrounding vegetation has not been trimmed or similarly maintained within the past five years.
 - (e) If 5% or more of the utility's circuits have not had surrounding vegetation trimmed or similarly maintained within the past five years, an explanation of the utility's plans, including budgeting plans and crew-deployment plans, to reinstate a five-year trimming/maintenance cycle within the following twelve months.

5. In its annual safety, reliability, and service quality report due on or before April 1, 2007, Xcel Energy shall report on the number of low-voltage substations on its system and on its initiatives to upgrade local substation voltages as appropriate to reduce low voltage and circuit overloading problems.
6. Xcel Energy shall work with Commission staff to develop a spreadsheet to report on identification of circuits and outage causes.

Otter Tail Power Company

7. In its annual safety, reliability, and service quality report due on or before April 1, 2006, or in a supplemental filing made promptly thereafter, Otter Tail Power Company shall report on its experience with its new interruption monitoring system, especially as it relates to its ability to determine the causes of any anomalies in its SAIFI, SAIDI, or CAIDI metrics.
8. In its annual safety, reliability, and service quality report due on or before April 1, 2007, Otter Tail Power Company shall file the information set forth below regarding its tree-trimming policies and practices:
 - (a) Its annual tree-trimming budget for the past year and its actual tree-trimming expenditures during the past year.
 - (b) An explanation of any failure to spend at budgeted levels.
 - (c) A description of the utility's tree-trimming cycle or interval for both transmission lines and distribution lines.
 - (d) A listing of circuits for which surrounding vegetation has not been trimmed or similarly maintained within the past five years.
 - (e) If 5% or more of the utility's circuits have not had surrounding vegetation trimmed or similarly maintained within the past five years, an explanation of the utility's plans, including budgeting plans and crew-deployment plans, to reinstate a five-year trimming/maintenance cycle within the following twelve months.
9. In its annual safety, reliability, and service quality report due on or before April 1, 2007, Otter Tail Power Company shall report on the number of low-voltage substations on its system and on its initiatives to upgrade local substation voltages as appropriate to reduce low voltage and circuit overloading problems.
10. Otter Tail Power Company shall work with Commission staff to develop a spreadsheet to report on identification of circuits and outage causes.

Interstate Power and Light Company

11. In its annual safety, reliability, and service quality report due on or before April 1, 2007, Interstate Power and Light Company shall file the information set forth below regarding its tree-trimming policies and practices:
 - (a) Its annual tree-trimming budget for the past year and its actual tree-trimming expenditures during the past year.
 - (b) An explanation of any failure to spend at budgeted levels.
 - (c) A description of the utility's tree-trimming cycle or interval for both transmission lines and distribution lines.
 - (d) A listing of circuits for which surrounding vegetation has not been trimmed or similarly maintained within the past five years.
 - (e) If 5% or more of the utility's circuits have not had surrounding vegetation trimmed or similarly maintained within the past five years, an explanation of the utility's plans, including budgeting plans and crew-deployment plans, to reinstate a five-year trimming/maintenance cycle within the following twelve months.
12. In its annual safety, reliability, and service quality report due on or before April 1, 2007, Interstate Power and Light Company shall report on the number of low-voltage substations on its system and on its initiatives to upgrade local substation voltages as appropriate to reduce low voltage and circuit overloading problems.
13. Interstate Power and Light Company shall work with Commission staff to develop a spreadsheet to report on identification of circuits and outage causes.
14. In its annual safety, reliability, and service quality report due on or before April 1, 2007, Interstate Power and Light Company shall include outage data due to bulk power outages, planned outages, outages due to public damage, and outages due to employee errors in calculating the SAIFI, SAIDI, and CAIDI reliability indexes.

Minnesota Power

15. In its annual safety, reliability, and service quality report due on or before April 1, 2007, Minnesota Power shall file the information set forth below regarding its tree-trimming policies and practices:
 - (a) Its annual tree-trimming budget for the past year and its actual tree-trimming expenditures during the past year.
 - (b) An explanation of any failure to spend at budgeted levels.

- (c) A description of the utility's tree-trimming cycle or interval for both transmission lines and distribution lines.
 - (d) A listing of circuits for which surrounding vegetation has not been trimmed or similarly maintained within the past five years.
 - (e) If 5% or more of the utility's circuits have not had surrounding vegetation trimmed or similarly maintained within the past five years, an explanation of the utility's plans, including budgeting plans and crew-deployment plans, to reinstate a five-year trimming/maintenance cycle within the following twelve months.
16. In its annual safety, reliability, and service quality report due on or before April 1, 2007, Minnesota Power shall report on the number of low-voltage substations on its system and on its initiatives to upgrade local substation voltages as appropriate to reduce low voltage and circuit overloading problems.
17. Minnesota Power shall work with Commission staff to develop a spreadsheet to report on identification of circuits and outage causes.
18. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

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