

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

David C. Boyd	Chair
J. Dennis O'Brien	Commissioner
Thomas Pugh	Commissioner
Phyllis A. Reha	Commissioner
Betsy Wergin	Commissioner

In the Matter of an Investigation into Disclosure
of Environmental Information to Utility
Customers

ISSUE DATE: January 7, 2011

DOCKET NO. E,G-999/CI-00-1343

In the Matter of an Investigation into Informing
Customers of the Costs of Generation and
Delivery of Electricity

DOCKET NO. E,G-999/CI-01-1127

ORDER MODIFYING INFORMATION
DISCLOSURE REQUIREMENTS AND
REQUIRING DISCUSSION

PROCEDURAL HISTORY

On October 2, 2001 the Commission issued an Order Requiring Disclosure and Compliance Filing in Docket No. E, G-999/CI-00-1343, which required electric utilities to develop uniform brochures detailing information about electricity generation and its impact on the environment. The brochure format was based on a joint proposal of the Office of Energy Security of the Minnesota Department of Commerce (OES), Minnesotans for an Energy Efficient Economy, and the Minnesota Pollution Control Agency. The Order included requirements as to the treatment of conservation, nuclear waste, air emissions, as well as other issues, and how such information should be presented to the consumer in the brochure.

Currently, electric utilities are required to provide the environmental disclosure brochures to customers as a bill insert twice a year. Seeking to reevaluate the relevance and method of disclosure as well as the type of information provided, the Commission requested comments on March 4, 2010.¹

The Commission received comments from the following parties:

¹ Specifically, the Commission sought comment by the parties on the following questions: whether and how the brochures should be updated; whether some information requirements remain appropriate; whether the current method of semi-annual bill inserts is the most appropriate means of communication for customers; how the internet might be better used to provide this information; and whether additional information would be beneficial to consumers.

- Dakota Electric Association
- Xcel Energy
- Interstate Power and Light Company
- OES
- Izaak Walton League of America
- Minnesota Power Company
- Otter Tail Power Company

In their responses, some parties also raised questions regarding the related consumer information requirements regarding the costs of generation, transmission, and distribution of electric energy disseminated pursuant to Commission requirements in Docket No. E,G-999/CI-01-1127.² Accordingly, the Commission requested the utilities to provide any additional comments they might have with respect to the information required in that docket.

On December 21, 2010, the Commission met to consider the matter.

FINDINGS AND CONCLUSIONS

All commenting parties agreed that, given the passage of time since these dockets were commenced, it is appropriate for the Commission to reevaluate the need and purpose for the two brochures³ as well as to assess how best the information to be conveyed can be disseminated.

Most utilities also agreed with Xcel, that a semi-annual printed brochure distributed as a bill insert may no longer be the most effective communication means by which to convey information to consumers regarding environmental emissions and the costs of generating and distributing electricity. Indeed, there was general recognition by the commenting parties that only a very low percentage of electric customers had ever read the brochures distributed.⁴

Instead, there was a general recognition by the parties that a move to an electronic, or web-based system by which to communicate information to consumers would likely be superior to the current system of including the brochures as a bill insert. The parties varied, however, in their recommendations as to the best means by which to direct consumers to their web-based information.

² Order Approving Proposals With Modifications and Requiring Compliance Filing, Additional Disclosures and Reporting, Docket No. E,G-999/CI-01-1127 (December 20, 2002). In this Docket, the Commission required information regarding energy generation and delivery costs to be displayed on customer bills in a uniform format. The Commission also required additional information and detail to be distributed to utility customers annually in a brochure, clarifying the purpose of the cost information and how the costs related to components of the utility's plant.

³ For example, the Commission initiated Docket No. 00-1343 in part to prepare consumers for the possibility of retail competition, which the Commission has not adopted. Thus, educating customers so that they can make an informed choice regarding their electricity supplier is no longer an issue.

⁴ For example, in 2004, Xcel reported in a compliance filing in Docket 00-1343 that only seven percent of its residential customers and three percent of business customers reported ever reading the brochure.

All of the utilities issue periodic newsletters to consumers, in which they can provide either more detailed information that would be reasonable to place directly on a bill or where they can direct consumers to more detailed information in their web-sites. The parties agreed that it is appropriate to initiate certain steps prior to a transition to a more fully web-based information system to ensure that all consumers continue to have access to the information disseminated pursuant to these dockets.

The parties collectively raised numerous suggestions for modifications to the information to be disclosed to customers pursuant to these dockets, including the following:

- the addition of the year to the Table title;
- inclusion of dollar amounts for the “electricity supply ranked by cost” (currently the table ranks electricity supply by cost but does not provide a numerical value for that cost);
- clarification of the cost ranking criteria to state that the rankings do not incorporate subsidies or assess the impact of currently unregulated emissions (with the exception of the Federal Production Tax Credit for some wind resources);
- provision of a comparison of Green Power rates and non-Green Power rates (which include adjustments to rates due to changes in fuel costs each month);
- inclusion of a requirement to show costs of *new* resources (currently new wind costs are compared to existing generation such as coal, hydro, and nuclear) if the Commission requires inclusion of relative costs of other generation types;
- reevaluation of the method by which efficiency is presented in chart labeled “How Electricity Needs Are Met”;
- an alteration of the comparison in chart comparing utility’s emissions to regional average, to instead compare the utility to other Minnesota utilities;
- an amendment to the nuclear waste statement to include the amount produced in the past year or on a relatable scale such as the average customer’s kWh usage;
- customization of each bill to show emissions created by each customer’s electric consumption;
- a requirement to include a description of what “electric supply reliability” means, if reliability information is provided;
- removal of table referencing reliability due to customer confusion;
- an update to the description of where air emissions are generated; and
- updates to the environmental and emission provided by the MPCA are appropriate and should focus on regional and national emission data.

After consideration of the comments of the parties and discussion with the utilities and the OES, the Commission will require each Minnesota regulated electric utility to engage in discussion with the OES regarding the above-suggested modifications to the information to be conveyed to consumers. In such discussions, utilities are asked to provide context to any numbers provided with respect to the items to be discussed above.

The Commission will require utilities to report the results of their consultations with the OES regarding the items listed above and any proposed changes to the Executive Secretary of the Commission by June 1, 2011. In addition, utilities will be required to file with the Commission copies/screenshots of their modified brochures, newsletters, and/or websites after consultation with the OES and prior to implementation regarding the information enumerated above.

Further, the Commission will authorize utilities to reduce the frequency of their current paper mailings regarding environmental disclosure/cost generation information from semi-annually to an annual printing -- either as a bill insert or newsletter, for the next two years. The Commission will require the next release of such information to be no later than September 1, 2011.

Concurrently, the Commission will require utilities to work to develop or continue to develop web-based information relating to environmental disclosure/cost generation information. Each utility will be required to direct customers in the annual printed bill insert or newsletter regarding environmental disclosure/cost generation information to the proper website for expanded information as well as to provide instruction on how to contact the utility for paper copies of environmental/cost generation information.

Finally, at least twice a year, the Commission will require all utilities to provide in an on-bill message or newsletter, information directing customers to the specific location on a utility's website for environmental and generation cost information. The Commission also will require electric utilities to update their website/brochure information annually regarding environmental disclosure/cost generation information and file copies of the modifications with the Commission as of June 1 of each year. In the annual update, utilities are asked to comment on the effectiveness of the various modes of delivery of the environmental disclosure/cost generation information.

ORDER

1. All Minnesota regulated electric utilities shall engage in discussion with the OES regarding the following suggested modifications to the current environmental disclosure brochure and cost of generation brochure:
 - A. the addition of the year to the Table title;
 - B. inclusion of dollar amounts for the "electricity supply ranked by cost" (currently the table ranks electricity supply by cost but does not provide a numerical value for that cost);
 - C. clarification of the cost ranking criteria to state that the rankings do not incorporate subsidies or assess the impact of currently unregulated emissions (with the exception of the Federal Production Tax Credit for some wind resources);
 - D. provision of a comparison of Green Power rates and non-Green Power rates (which include adjustments to rates due to changes in fuel costs each month);
 - E. inclusion of a requirement to show costs of *new* resources (currently new wind costs are compared to existing generation such as coal, hydro, and nuclear) if the Commission requires inclusion of relative costs of other generation types
 - F. reevaluation of the method by which efficiency is presented in chart labeled "How Electricity Needs Are Met";

- G. an alteration of the comparison in chart comparing utility's emissions to regional average, to instead compare the utility to other Minnesota utilities;
- H. an amendment to the nuclear waste statement to include the amount produced in the past year or on a relatable scale such as the average customer's kWh usage;
- I. customization of each bill to show emissions created by each customer's electric consumption;
- J. a requirement to include a description of what "electric supply reliability" means, if reliability information is provided;
- K. removal of table referencing reliability due to customer confusion;
- L. an update to the description of where air emissions are generated; and
- M. updates to the environmental and emission provided by the MPCA are appropriate and should focus on regional and national emission data.

In such discussions, utilities shall provide context to the numbers provided with respect to the items to be discussed above.

2. Utilities shall report the results of their individual consultations with the OES regarding the items listed in Item 1 above and any proposed changes to the Executive Secretary of the Commission by June 1, 2011.
3. Utilities shall file with the Commission copies/screenshots of their modified brochures, newsletters and/or websites after consultation with the OES and prior to implementation regarding the information enumerated herein in Item 1.
4. Utilities shall reduce the frequency of paper mailings regarding environmental disclosure/cost generation information to an annual printing either as a bill insert or newsletter for the next two years. The next release of such information shall be no later than September 1, 2011. Concurrently, utilities shall develop or continue to develop web-based information relating to environmental disclosure/cost generation information. Customers shall be directed in the annual printed bill insert or newsletter regarding environmental disclosure/cost generation information to the proper website for expanded information as well as provided instruction on how to contact the utility for paper copies of environmental/cost generation information.
5. At least twice a year, all utilities shall provide in an on-bill message or newsletter information directing customers to the specific location on a utility's website for environmental and generation cost information.
6. Utilities shall update their website/brochure information annually regarding environmental disclosure/cost generation information and file copies of the modifications with the Commission as of June 1 of each year. In the annual update, utilities shall comment on the effectiveness of the various modes of delivery of the environmental disclosure/cost generation information.

7. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary



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