

July 2, 2020

Will Seuffert Executive
Secretary
Minnesota Public Utilities Commission 121
7th Place East, Suite 280
St. Paul, Minnesota 55101-2147

RE: Comments of the Minnesota Department of Commerce, Division of Energy Resources Docket
Nos. E,G002/CI-02-2034 and E,G002/M-12-383

Dear Mr. Seuffert:

Attached are the Comments of the Minnesota Department of Commerce, Division of Energy
Resources (Department), in the following matter:

In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy for
Approval of Amendments to its Natural Gas and Electric Service Quality Tariffs
Originally Established in Docket No. E,G-02/CI-02-2034 & Investigation and Audit of
Service Quality Reporting-Fraudwise Report.

The Department apologizes for the one-day delay in filing these comments and requests that the
Minnesota Public Utilities Commission (Commission) accept them.

As discussed in the attached Comments, the Department provides its responses to the May 6, 2020
Notice of Comments of the Commission. The Department recommends that the Commission accept
Xcel's 2019 QSP compliance filing as complete and that it exclude the 129 customer complaints filed by
two solar installers in December 2019 from the calculation of customer complaints for the Quality of
Service tariff, but track those complaints separately. Further, the Commission should require Xcel to
explain how the Company will prevent any similar reoccurrence.

The Department is available to answer any questions that the Commission may have.

Sincerely,

/s/ JOHN KUNDERT
Financial Analyst

JK/ar
Attachment



Before the Minnesota Public Utilities Commission
Comments of the Minnesota Department of Commerce
Division of Energy Resources

Docket Nos. E,G002/CI-02-2034 & E002/M-12-383

I. INTRODUCTION

The Minnesota Department of Commerce, Energy Division (Department) appreciates the opportunity to provide comments regarding Xcel Energy's (Xcel, the Company) request for approval of amendments to its Natural Gas and Electric Service Quality Tariffs.

A. ISSUE AND TOPICS

In its Notice of Comment Period in this proceeding dated May 6, 2020 the Minnesota Public Utilities Commission (Commission) identified one issue and five topics that are open for comment.

- Should the Commission find that the 129 complaints submitted to the Commission's Consumer Affairs Office (CAO) be counted in the customer complaints metric in Xcel Energy's Quality of Service Plan (QSP) tariff?
- Topics
 1. Should the Commission grant Xcel Energy's request that 129 individual interconnection application complaints from one solar installer not be considered "customer complaints" and not be included in the customer complaints metric in the Company's Quality of Service Plan (QSP) tariff, as requested by Xcel?
 2. Should the threshold for Xcel Energy's customer complaints performance be re-evaluated?
 3. Should complaints from solar installers be tracked, not as "customer complaints" for QSP purposes, but instead, in a separate tracking mechanism?
 4. How should the definition of "customer" in Xcel's QSP tariff be interpreted?
 5. Are there any other issues or concerns related to this matter?

II. ANALYSIS

The Department's responses to the Commission's questions follow in the order presented in the Notice. Before we begin this exercise, we would also note that the Department recommends that the Commission accept Xcel's QSP filing as being in compliance with the annual filing requirement included in the Section 1.9.D of the Company's tariff.

Beyond that compliance function, one issue remains to be decided - Xcel's request that the 129 customer complaints filed by two solar installers not be included in the calculation of the Company's 2019 results in the category of Customer Complaints to the PUC under Xcel's Quality of Service tariff.¹

¹ The Department's arithmetic for the number of customer complaints differs slightly from the Commission notice. Our

A. Should the Commission grant Xcel Energy’s request that 129 individual interconnection application complaints from one solar installer not be considered “customer complaints” and not be included in the customer complaints metric in the Company’s Quality of Service (QSP) tariff as requested by Xcel?

The Department’s position is that while all the customer complaints lodged by the two solar installers regarding the Minnesota Distribution Interconnection Process (MN DIP) should be reviewed, those complaints should not be categorized as customer complaints under the QSP tariff. Rather, those complaints should be evaluated as part of the Commission’s review of the MN DIP process.

While the Commission should expect Xcel to minimize the level of miscommunication and misunderstanding between the Company and third-party vendors like the two solar installers in question, the Department’s position is that a third-party vendor filing complaints on behalf of its customers regarding the vendor’s experience with Xcel is not consistent with the language in Xcel’s QSP tariff. We arrived at this recommendation after reviewing the filing and Xcel’s responses to several Department information requests.

Specifically, “customer” within the context of a customer complaint is defined in Xcel’s QSP tariff as follows:

6. . . . B. *For purposes of Customer Complaints, “Customer” is defined as an electric or a natural gas customer that receives a bill for utility service, service from the Company or a representative of that customer. A representative includes an individual designated with Power of Attorney for the Customer, an attorney retained to represent the Customer, or an individual authorized by the Customer to act on his/her account.*

It is the Department’s understanding that, while customers who participate in Xcel Solar Rewards programs do sign an agreement with a solar installer (SI) that allows the SI access to certain customer information and authorizes the SI to act on the customers’ behalf in certain matters, there is not information in this proceeding to indicate that any of the customers were harmed.

The last phrase in the definition “or an individual authorized by the Customer to act on his/her account” appears to be the only option supporting the position that the SI’s might have standing to file a complaint on their customer’s behalf. What is not known is whether there was any harm and, if there was, whether the customers (subscribers) or the SI’s bore that harm.

While the Solar Installers could very well have had their customers’ best interests at heart, the possibility of an “agency problem” also exists.² In this instance the agency question would turn on

understanding is that two solar installers filed complaints in December 2019. One installer filed 128 complaints. A second installer filed one complaint.

² Investopedia defines this term as follows: “The agency problem is a conflict of interest inherent in any relationship where

whether the Solar Installers were submitting complaints: 1) on their customers' behalf to highlight the financial harm those Solar*Rewards customers would or could experience, 2) to prevent or preclude potential financial harm to themselves; 3) as a way to demonstrate their displeasure with Xcel's roll-out of its MN DIP protocol, or 4) some combination of (1) or (2) or (3) or 5) some other unknown cause.

If Xcel's actions as part of the interconnection process for one or more of those 129 Solar Rewards customers could be shown to have negative financial repercussions for those same customers, and that the two solar installers were filing complaints to highlight those negative impacts one could argue that a sufficient basis for a complaint might exist.

The Department asked in Information Request no. 5:³

To the best of the Company's knowledge, did any of the 129 Solar*Rewards customers who had complaints filed on their behalf to the [Commission's Consumer Affairs Office] CAO in December 2019 suffer financial harm as a result of implementation errors related to the Company's transition to the MN DIP process?

Xcel replied:

We do not know if any customer authorized the filing on their behalf of any of these 129 complaints. Notwithstanding this, the Solar*Rewards program team has no record or recollection of any communication from any of these 129 customers showing that they have suffered financial harm. We do note that for Application #: OID 3988984, the installer, in an email dated December 23, 2019, states that the customer had missed the 30 percent tax credit and implies that it would receive the 26 percent 2020 tax credit instead; however, our understanding is that the 2019 tax credit would apply if, in 2019, the project commenced construction and has been placed into service. See for example, <https://www.energy.gov/sites/prod/files/2019/08/f65/investment-tax-credit.pdf>.

Further, that application has other delays, including incomplete information by the installer. There may have been time to incur associated costs and begin construction for this project; we do not know whether, in fact, the customer was still able to obtain the 2019 tax credit.

one party is expected to act in another's best interests. In corporate finance, the agency problem usually refers to a conflict of interest between a company's management and the company's stockholders.

³ See Attachment A.

The Company's response suggests that according to its records, perhaps one customer might have suffered financially as a result of Xcel's difficulties with its MN DIP protocol in December 2019. However, what is not known is whether any adjustment was made in the contract between the Solar Developers and the subscribers, as those contracts are not under the Commission's jurisdiction. Thus, the circumstances regarding customers are not sufficiently well-defined to determine if there was any harm to any customer. Further, this information does not support the contention that the two Solar Installers were attempting to keep their customers from suffering financial harm.

A second area of interest relates to whether the solar installers who initiated the complaints suffered financial harm. Information Request No. 4 asked:⁴

To the best of the Company's knowledge, did either of the solar installers that submitted complaints to the CAO in December 2019 suffer financial harm as a result of implementation errors related to the Company's transition to the MN DIP process? Please explain the circumstances and/or events that resulted in the two solar installers suffering financial harm.

Xcel replied:

We are unaware of direct financial harm to the solar installer submitting complaints to the CAO. We do often hear from solar installers that they will be "financially harmed" due to applications being delayed or install dates exceeding expectations. However, we do not have access to the financials of the solar installers and therefore we cannot determine whether they have [suffered] financial harm.

In information request no. 7 the Department asked a series of questions about complaints Xcel received from Solar Installers in 2019: The individual questions and Xcel's responses are provided below.⁵

1) How many complaints did the Company receive from Solar Installers in 2019?

Response:

In 2019, 129 complaints from solar installers were referred from the CAO to the Company.

2) How many of those complaints were filed by the solar installer that filed one complaint of the 129 at issue?

⁴ See Attachment B.

⁵ See Attachment C.

Response:

One complaint was filed by one solar installer and 128 were filed by another solar installer.

3) How many of those complaints were filed by the solar installer that filed 128 complaints of the 129 at issue?

Response:

128 complaints were filed by the solar installer.

4) What was the median number of complaints filed by all the solar installers in 2019?

Response:

In 2019, there were approximately 64 solar installers that submitted applications on behalf of customers, and only two installers filed complaints with the CAO. The median number of complaints filed by all solar installers in 2019 is 0.

These responses do not support for the contention that a large number of solar installers were concerned that they might be materially financially harmed by the inefficiencies in the MN DIP roll-out. Xcel's inefficient roll-out of its MN DIP portal did not elicit anywhere near the same level of concerns from the relatively large number of active solar installers working in Xcel's service territory.

A third possibility identified was that the Solar Installer was unhappy about the additional amount of work that Xcel's MN DIP roll-out was creating. In information request no. 8 we asked:

The Company states: "And in some instances, the installer submitted the complaint to the CAO after the request had been resolved by the Company." Please provide support for this statement.

Response:

Of the 129 complaints submitted to the CAO, 10 were resolved before or the same day a complaint was submitted.

Of the 129 complaints submitted to the CAO, 40 were submitted before Xcel Energy received the initial email about the issue, and 51 were submitted the same day Xcel Energy received the initial email about the issue.⁶

⁶ The Department did review the spreadsheet that accompanied Xcel's response and the numbers the Company references in its response are consistent with the information in the spreadsheet.

Those results suggest that the Solar Installer might have been somewhat over-zealous in filing complaints regarding the MN DIP issues.

Given these admittedly unscientific results, the Department does not support an interpretation of the definition of Customer Complaint that would allow the Solar Installer identified in this instance to file customer complaints on behalf of each of its customers' relative to the QSP tariff. We cannot identify any potential financial harm to the affected customers or the vendor. Absent that information, the inclusion of these customer complaints in December 2019 to the QSP annual customer complaint calculations is inappropriate.⁷ However, it would be reasonable to count the complaints from the Solar Installers as noted below.

B. Should the threshold for Xcel Energy customer complaints performance be re-evaluated?

No, the Department concludes that the current protocol for calculating Xcel's customer complaint is appropriate for retail customers receiving gas and electric service at this time.

C. Should complaints from solar installers be tracked, not as "customer complaints" for QSP purposes, but instead, in a separate tracking mechanism?

Yes. It is important to track complaints from Solar Installers. The Department agrees with Xcel's proposal that complaints from solar installers be tracked in the existing docket for compliance of interconnection applications under MN DIP in Docket No. E999/M-16-521.

While we support the Company's position that the 129 complaints identified should not be included in the QSP complaint calculation, the Department recognizes that Xcel botched the MN DIP roll-out and that the Company should be held accountable for this lack. Specifically, the Commission should require Xcel to identify all of the steps it will take to prevent any similar reoccurrence.

D. How should the definition of "customer" in Xcel's QSP tariff be interpreted?

In this proceeding, in light of the complaint status, the defined term "customer complaint" should be interpreted using common usage or understanding. As discussed above, vendors like the solar installers in this proceeding should not be automatically allowed to file a customer complaint for an autonomous retail customer under the "or an individual authorized by the Customer to act on his/her account" unless it can be shown that the vendor is unambiguously lodging the complaint for the financial benefit of affected retail customers.

The QSP tariff and the penalties included within should be used to improve and maintain customer service for the broad body of Xcel's retail customers. It should not be used to penalize the Company for its missteps at this time relative to its relationship with distributed generation vendors. However,

⁷ We could not develop an approach to determining if the complaints were the result of some combination of the first three drivers the Department identified (4). It was also not possible to identify the Solar Installers' motivations independently (5).

as noted above the Commission should require Xcel to identify all of the steps it will take to prevent any similar reoccurrence.

E. Are there other issues or concerns related to this matter?

The Department did not identify any issues, other than those noted above, related to this question in our review.

III. DEPARTMENT RECOMMENDATIONS

The Department recommends that the Commission accept Xcel 2019 QSP compliance filing as complete.

The Department also recommends that the Commission exclude the 129 customer complaints filed by two solar installers in December 2019 from the calculation of customer complaints for the Quality of Service tariff. Those complaints can be tracked separately, however.

/ar

- Not Public Document – Not For Public Disclosure**
 Public Document – Not Public Data Has Been Excised
 Public Document

Xcel Energy Information Request No. 5
Docket No.: E,G-002/CI-02-2034 & E-002/M-12-383
Response To: Minnesota Department of Commerce
Requestor: John Kundert
Date Received: June 4, 2020

Topic: MN DIP Transition
Reference(s): Filing, pages 10 and 11

Question:

To the best of the Company's knowledge, did any of the 129 Solar*Rewards customers who had complaints filed on their behalf to the CAO in December 2019 suffer financial harm as a result of implementation errors related to the Company's transition to the MN DIP process?

Please explain the circumstances and/or events that resulted in these Solar*Rewards customers suffering financial harm.

Response:

We do not know if any customer authorized the filing on their behalf of any of these 129 complaints. Notwithstanding this, the Solar*Rewards program team has no record or recollection of any communication from any of these 129 customers showing that they have suffered financial harm. We do note that for Application #: OID 3988984, the installer, in an email dated December 23, 2019, states that the customer had missed the 30 percent 2019 tax credit and implies that it would receive the 26 percent 2020 tax credit instead; however, our understanding is that the 2019 tax credit would apply if, in 2019, the project commenced construction and has been placed in service prior to the end of 2023. See, for example,

<https://www.energy.gov/sites/prod/files/2019/08/f65/investment-tax-credit.pdf>.

Further that application had other delays, including incomplete information by the installer. There may have been time to incur associated costs and begin construction for this project; we do not know whether, in fact, the customer was still able to obtain the 2019 tax credit.

Preparer: Jessica Peterson
Title: Sr. Regulatory Analyst, DSM and Renewable Programs
Department: Program Strategy and Policy
Telephone: 612.330.6850
Date: June 15, 2020

- Not Public Document – Not For Public Disclosure**
- Public Document – Not Public Data Has Been Excised**
- Public Document**

Xcel Energy Information Request No. 7
Docket No.: E,G-002/CI-02-2034 & E-002/M-12-383
Response To: Minnesota Department of Commerce
Requestor: John Kundert
Date Received: June 4, 2020

Topic: Number of Solar*Rewards Affected
Reference(s): Filing, page 10

Question:

1. How many complaints did the Company receive from Solar Installers in 2019?
2. How many of those complaints were filed by the solar installer that filed one complaint of the 129 at issue?
3. How many of those complaints were filed by the solar installer that filed 128 complaints of the 129 at issue?
4. What was the median number of complaints filed by all the solar installers in 2019?

Response:

1. In 2019, 129 complaints from solar installers were referred from the CAO to the Company.
2. One complaint was filed by one solar installer and 128 were filed by another solar installer.
3. 128 complaints were filed by the solar installer.
4. In 2019, there were approximately 64 solar installers that submitted applications on behalf of customers, and only two installers filed complaints with the CAO. The median number of complaints filed by all solar installers in 2019 is 0.

Preparer: Jeff Eden
Title: Senior Customer Advocate
Department: Customer Advocates
Telephone: 303-294-2214
Date: June 15, 2020

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

Minnesota Department of Commerce

Comments

Docket No.E,G002/CI-02-2034 and E,G002/-12-383

Dated this **2nd** day of **July 2020**

/s/Sharon Ferguson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022191	Electronic Service	No	OFF_SL_2-2034_1
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_2-2034_1
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	Yes	OFF_SL_2-2034_1
Susan	Medhaug	Susan.medhaug@state.mn.us	Department of Commerce	Suite 280, 85 Seventh Place East St. Paul, MN 551012198	Electronic Service	No	OFF_SL_2-2034_1
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_2-2034_1
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th Pl E Ste 350 Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_2-2034_1
James M	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	200 S 6th St Ste 470 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_2-2034_1
Lynnette	Sweet	Regulatory.records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_2-2034_1
Rebecca S.	Winegarden	beckwine@msn.com	Unknown	10555 Union Terrace Ln N Maple Grove, MN 553692622	Electronic Service	No	OFF_SL_2-2034_1

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_12-383_Official
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_12-383_Official
Craig	Johnson	cjohnson@lmc.org	League of Minnesota Cities	145 University Ave. W. Saint Paul, MN 55103-2044	Electronic Service	No	OFF_SL_12-383_Official
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_12-383_Official
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_12-383_Official
Richard	Savelkoul	rsavelkoul@martinsquires.com	Martin & Squires, P.A.	332 Minnesota Street Ste W2750 St. Paul, MN 55101	Electronic Service	No	OFF_SL_12-383_Official
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th Pl E Ste 350 Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_12-383_Official
James M	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	200 S 6th St Ste 470 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_12-383_Official
Lynnette	Sweet	Regulatory.records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_12-383_Official