

## NOTICE OF COMMENT PERIOD

Issued: April 5, 2019

### In the Matter of a Commission Investigation to Identify and Develop Performance Metrics, and Potentially, Incentives for Xcel Energy's Electric Utility Operations

**PUC Docket Number(s):** E002/CI-17-401

**Comment Period:** Initial comment period closes May 6, 2019 at 4:30pm  
Reply comment period closes June 4, 2019 at 4:30pm

*Please Note: the Commission will not be granting extensions of the comment periods.*

*Comments received after the close of the comment period may or may not be considered by the Commission.*

**Issues:** Under [Minn. Statute 216B.16](#), Subd. 19(h), the Commission initiated this proceeding to determine a set of performance measures that can be used to assess a utility operating under a multiyear rate plan.

Pursuant to the Commission's January 8, 2019 Order, parties are asked to submit their proposals for utility performance metrics that align with the metric design principles and performance outcomes established in the order.

In reply comments, with the goal of creating a set of agreed upon metrics for each of the five performance outcomes, the Commission asks parties to identify where they believe there is substantial agreement among the parties on metrics, where there is some consensus, where there is fundamental disagreement, and how their own recommendations fit into this framework.

**Topic(s) Open for Comment:** Please see Attachment A.

**Background:** At its November 1, 2018 agenda meeting, as memorialized in its January 8, 2019 Order, the Commission authorized its Executive Secretary to issue notices, set schedules, and designate comment periods for the development of Performance Incentive Mechanisms (PIMs) for Xcel Energy in this docket. The Commission specified that the process should include several stakeholder workshops and several opportunities for written comments. The Commission selected Great Plains Institute (GPI) as facilitator. The Commission provided nine (9) months from the issue

date of the Order to establish performance metrics and a reporting process. On March 20, 2019, the first stakeholder meeting was held. Meeting notes summarizing the findings of the stakeholder meeting have been filed in the docket.

**Filing Requirements:** Utilities, telecommunications carriers, official parties, and state agencies are **required** to file documents using the Commission's electronic filing system (eFiling). All parties, participants and interested persons are encouraged to use eFiling: [mn.gov/puc](http://mn.gov/puc), select *eFiling*, and follow the prompts.

**Submit Public Comments:** Visit [mn.gov/puc](http://mn.gov/puc), select *Speak Up!* to find this docket, and add your comments to the discussion or email your comments to [consumer.puc@state.mn.us](mailto:consumer.puc@state.mn.us).

**Full Case Record:** See all documents filed in this docket via the Commission's website at [mn.gov/puc](http://mn.gov/puc), select *Search eDockets*, enter the year (17) and the docket number (401), and select *Search*.

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**Questions about this docket or Commission process and procedure?** Contact Commission staff, Kelly Martone, at [kelly.martone@state.mn.us](mailto:kelly.martone@state.mn.us) or (651) 201-2245.

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Attachments

## Attachment A

1. What should be measured to evaluate utility performance under each of the Commission-established performance outcomes, and why? Commenters are welcome to fill out the attached spreadsheet if they find it helpful, but are not obligated to do so.

**Performance Outcomes:** Affordability, Reliability, Customer Service Quality, Environmental Performance, and Cost-effectively Aligning Generation to Load. Also keeping in mind that metrics should be related to three categories: customer focus, utility performance, and public policy.

- a. Please list proposed metrics by outcome.
  - b. Parties are asked to be as specific as reasonably possible (e.g., “demand response” could be more specific in a number of ways, such as: “demand response capacity,” “demand response customer participation,” or “demand response called upon annually.”).
  - c. Identify whether each proposed metric is new or already being reported.
  - d. Identify whether each proposed metric complies with the Commission-established design principles. Please explain any deviations.
  - e. For an existing metric, should any changes be made to bring the metric into alignment with the performance outcomes and/or metric design principles? Please explain.
  - f. For a new metric that does not have an agreed-upon formula or data source, please describe what should be considered in further developing the metric to align it with the seven design principles.
2. What, if anything, should not be measured to evaluate utility performance under the Commission-established outcomes? In particular, commenters should consider whether their chosen metrics are appropriate for this docket as it relates to Xcel’s multi-year rate plan versus whether certain existing metrics should simply be updated in other dockets applicable to all electric investor owned utilities.
  3. Are there other concerns the Commission should consider as it establishes performance metrics for Xcel Energy’s electric utility operations? In particular, parties are asked to address the following:
    - a. Should the Commission seek to limit itself to a specific number of metrics, either in total or under each Outcome, and why? In the alternative, should the Commission establish priorities on implementing certain metrics, such as metrics that directly fall under statutory energy policies?

- b. Should the Commission mandate that the metrics it eventually selects be part of a dashboard in a publicly-accessible area, such as Xcel’s website?

**Directions on using the Metric Selection template (Attachment B, .xls)**

1. Add selected metrics under each Outcome.
  - a. Mark whether the metric conforms to the Commission’s seven design principles across columns F – L. See below for an example.

METRIC	Existing or New?	If new, is there a data source? Other considerations to align it with design principles?	If existing, are there modifications to align it with design principles?	Metric Design Principles						
				Tied to a policy goal?	Complements existing regulation?	Within utility control?	Data reasonably available?	Is or could be clearly defined?	Is or could be easily interpreted?	Could be third-party verifiable?
<b>OUTCOME: AFFORDABILITY</b>										
<i>Average bills</i>	<i>New</i>	<i>Average bills by customer class</i>		x	x	x	x	x	x	x
<i>Energy costs</i>	<i>Existing</i>		<i>Total System Cost per kWh</i>	x	x	x	x	x	x	x

2. After all metrics have been added to the template, go to File and select ‘Save as Adobe PDF’.
3. Upload PDF along with narrative comments to [eDockets](#) (Docket # 17-401).