

**STATE OF SOUTH DAKOTA  
BEFORE THE  
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE APPLICATION OF  
NORTHERN STATES POWER COMPANY  
FOR APPROVAL OF MODIFICATION TO  
THE SERVICE RECONNECTION CHARGE

DOCKET NO. EL23-\_\_\_\_

**PETITION TO MODIFY SERVICE  
RECONNECTION CHARGE**

**INTRODUCTION**

Northern States Power Company, doing business as Xcel Energy, submits to the South Dakota Public Utilities Commission (Commission) this application for approval of changes to our tariff to modify the Service Reconnection Charge contained in our Electric Rate Book, to reflect the costs of remote reconnection and remote meter reading, both of which are capabilities of the Advanced Metering Infrastructure (AMI) we are implementing. These changes will improve service and reduce costs for our customers.

The Company is in the process of deploying new AMI meters across our eight-state footprint to replace our current Automated Meter Reading (AMR) meters and service because these meters are at their end of life. We plan to begin deploying AMI meters to our South Dakota customers in Q1 2024 and complete the roll-out in 2025.

AMI is a foundational element of a modernized grid. AMI technology – specifically, smart meters – will not only replace our existing remote meter reading capabilities but will also provide additional customer and operational value. AMI meters contain an internal service switch that we can operate using two-way communication capabilities, which negates the need to make a physical field visit to perform a service reconnection or disconnection; instead, these will be able to be performed remotely, more efficiently, and at a lower cost.

Conversely, costs to complete physical disconnections and reconnections have increased, so our proposed Service Reconnection Charge update reflects this increased cost for large customers with polyphase meters that do not have an internal service switch.

We understand that service disconnections have a serious impact on our customers, so we are sensitive to the process and communications associated with service disconnection. Service disconnection is a last resort, and we make every effort to proactively support customers in resolving past-due balances. We have a robust

process that attempts to reach customers with past due balances numerous times before disconnecting service, including through mail, phone, and email.<sup>1</sup> This process will continue as we transition to leverage our new remote reconnection and disconnection capabilities. Once the new meters are installed, if a customer with an AMI meter has a past due balance that cannot be resolved and therefore requires disconnection, an additional customer contact effort via a phone call will be placed to the customer to allow for direct contact or leaving a voice mail message about the disconnection. If we cannot successfully reach the customer in the last phone call or leave a voice mail message, we will send a field service representative to their home prior to disconnection to attempt a final outreach prior to disconnection. If the outstanding balance cannot be resolved by the following business day, a remote disconnection will be initiated. This extra time after the additional phone call will allow our customers more time to respond to our outreach efforts. A detailed graphic of our process leading up to service disconnection can be found in Figure 1 of this Petition.

Leveraging these remote capabilities offers numerous efficiencies including: (1) the ability to remotely reconnect customers more quickly, and (2) cost savings due to the reduced field visits currently necessary to perform service disconnections and reconnections. This second efficiency reduces our operations and maintenance (O&M) costs and results in (i) a lower charge to customers to reconnect their service, and (ii) lower costs to all customers as our overall arrears and bad debt expense is expected to lower over time.

We believe these operational changes are in the public interest and respectfully request the Commission approve the following:

- Our proposed changes to the Service Reconnection Charge contained in our Electric Rate Book.<sup>2</sup>

The balance of this Petition explains our current service disconnection and reconnection processes, outlines our proposed changes, and provides an update to the meter roll-out schedule. We also provide the following attachments:

- Attachment A-Redline and Clean Tariff Pages – General Service Rules; Changes to the Electric Service Reconnection Charge
- Attachment B-Medical Certification Form
- Attachment C- Schedule – Proposed Lower Service Reconnection Charge

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<sup>1</sup> South Dakota Rules §§ 20:10:20:10 and 20:10:20:03 govern service disconnections. The Company will continue to comply with the requirements set forth in these statutes.

<sup>2</sup> See Section 6, 3<sup>rd</sup> Revised Sheet Number 3, Section 1.2 B.

- Attachment D- Schedule –Polyphase Customers Charge

### **REQUIRED INFORMATION**

We provide the following information in accordance with South Dakota Administration Rule 20:10:13:26, the tariff schedule change notification requirements.

**(1) Name and Address of the Public Utility**

Northern States Power Company  
500 West Russell Street  
Sioux Falls, SD 57104  
(605) 339-8350

**(2) Section and Sheet Number of Tariff Schedule**

We provide our proposed tariff updates as Attachment A to this filing in both redline and clean formats, as follows:

Sheet No. 6-3, Revision 4 –General Service Rules

**(3) Description of the Tariff Change**

We seek approval to change our Service Reconnection Charge from \$35.00 to \$17.50 for customers with AMI meters and to \$150 for polyphase customers.

**(4) Reason for the Requested Change**

We seek approval to change our Service Reconnection Charge to reflect the changes in the cost of reconnecting service resulting from the replacement of AMR with AMI meters, and to reflect updated cost of conducting a field visit to reconnect customers without an AMI meter.

**A. Current Service Disconnection Process**

The Company takes service disconnection very seriously and will disconnect a customer's service only as a last resort. The Company has established a set of guiding principles that govern how we interact with customers with past due balances and the process we follow before disconnecting a customer's service, which we outline below:

- The Company makes every effort to proactively support customers in resolving their past due balances and provides numerous opportunities for bill resolution.

This includes ongoing contact through multiple touchpoints such as United States Postal Service (USPS) mail, phone, and email, and making bill assistance information prominent on our website.

- We tailor solutions to meet each customer's unique needs, including offering payment plans and bill payment assistance and arrearage forgiveness programs.
- We refer customers to energy assistance resources during all interactions.
- We work with customers to restore service as quickly as possible if disconnection does occur.

Our contact center agents complete semi-annual trainings to refresh and learn new skills on how to best support past due customers; these trainings include content on speaking with empathy and how to determine whether there are any special circumstances in the home that may be affecting the customer's ability to make payments. Employees are provided with a guided conversation tool to assist them in finding the best practice solutions when speaking with our customers. Employees are empowered to find an arrangement that best suits the customer's needs.

Customers receiving automated phone calls about their past due balance can link directly to our phone system to pay their bill and/or speak directly to a customer service representative. Customers receiving emails can click on a link to either 1) visit our online bill portal where they can make a payment or 2) download our mobile application, where they are also able to make a payment. Customers receiving a letter in the mail can make a payment at our website, on our mobile app, or call the Company and choose to make a payment using our automated phone system or by speaking to a customer service representative. Once a customer's past due balance goes above \$50, the Company begins an ongoing and intensive process to try and reach the customer to either resolve the bill or enroll the customer in a payment plan *before* the account balance becomes high enough to result in a disconnection notice.

The process we use to contact customers is generally as follows:

1. *Courtesy Past Due Reminders.* Multiple emails and/or phone calls (based on customer information and preference) to attempt to resolve past due balance or enroll the customer in a payment plan.
2. *Disconnection Notice.* Mailed via United States Postal Service (USPS) to customers who have a qualifying past due balance.<sup>3</sup>
3. *"1<sup>st</sup> Calls."* Typically, one phone call per week over nine weeks is placed to any

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<sup>3</sup> South Dakota Rules §§ 20:10:20:03.

customer who has a past due balance and is in an advanced stage of the pre-disconnection communications process and is thus in jeopardy of disconnection. During these calls, our representatives attempt to resolve the past due balance or enroll the customer in a payment plan.

If we are not able to contact the customer, the customer's account is referred to our field collection area for additional review and possible disconnection, which we describe below. This process will remain the same with remote disconnections;<sup>4</sup> the only change is to substitute an additional phone contact for the current field visit.<sup>5</sup>

### *1. Current Field Disconnection Process*

Currently, if we cannot reach the customer with the attempts outlined above, a Company representative (field agent) will make a personal visit to the customer's premise and attempt to make personal contact with the customer by knocking on the door. If the customer answers the door, the field agent attempts to resolve the customer's bill or establish a payment arrangement. If the customer can make a payment, the field agent can accept cash, a check, or a money order. Historically, over 90 percent of the time, the customer does not answer the door and, therefore, our field agent is not successful in contacting the customer. At that point, the field agent will access the customer's electric meter and disconnect service. When that occurs, we leave a card on the customer's door stating that we have disconnected the customer's service and providing instructions for having their electrical service reinstated.

### *2. Current Reconnection of Service Process*

After a customer's service is disconnected, the customer will typically call to request service be restored. Once the customer has either resolved their past due bill or entered a payment arrangement, a field agent will return to the customer's property and restore electric service. Reconnection of service is typically completed on the business day after the customer reaches some type of resolution on their past due balance. In very limited situations, reconnection may take longer for a variety of reasons, including, for example, the inability to access the customer's meter due to a locked gate or an unleashed dog, or if the Company is in escalated operations following severe weather. If next day restoration of service is not possible, the Company will reconnect the customer's service as soon as practicable. In all cases, a \$35 service fee for restoration of service after disconnection for non-payment is

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<sup>4</sup> The Company will still follow the residential winter disconnection rule laid out in South Dakota Rule §§ 20:10:20:10.

<sup>5</sup> This change is permitted by South Dakota Rules §§ 20:10:20:10 and 20:10:20:03.

added to the customer's bill.<sup>6</sup>

## **B. Process Changes to Affect Remote Service Reconnection and Disconnection**

Our service disconnection process leading up to the customer's resolution of the past due balance or service disconnection will continue in accordance with our guiding principles and will also largely be the same as today, except for the final step, which will be to initiate an additional phone contact instead of a personal visit. If we are successful in reaching the customer, which means we were able to speak to the customer or leave a voicemail message, we will attempt to resolve their past due balance, including enrollment in a payment plan. If we do not reach the customer directly, we will leave a voicemail. If the customer does not take action to resolve the past due balance within the next business day, we will initiate the service disconnection remotely (without attempting a field visit). If we do not make direct contact with the customer and are unable to leave a voicemail, we will still perform a field visit to attempt a final contact with the customer prior to disconnection. Remote disconnections will occur in the first half of the business day, which will provide customers the opportunity to contact us, reach some type of resolution, and have their service remotely reconnected on the same day. This process is outlined and illustrated in Figure 1 below.

### **Remote Disconnection/Reconnection Process Under AMI**






1. *Courtesy Past Due Reminders.* Multiple emails and/or phone calls (based on customer information and preference) to attempt to resolve past due balance or enroll customer in a payment plan. [*No change from current process.*]
2. *Disconnection Notice.* Mailed via USPS to customers who have a qualifying past due balance. [*No change from current process.*]
3. *"1<sup>st</sup> Calls."* Typically, one phone call per week over nine weeks is placed to any customer who has a past due balance and is in an advanced stage of the pre-disconnection communications process, and thus in jeopardy of disconnection. During these calls, our representatives attempt to resolve the past due balance or enroll the customer in a payment plan. [*No change from current process.*]
4. *"2<sup>nd</sup> Call."* One final phone call to the customer to attempt to resolve the past due balance or enroll the customer in a payment plan. If this "2<sup>nd</sup> call" does not result in direct contact with the customer or we are unable to leave a voicemail for the customer, we will perform a field visit to attempt a final

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<sup>6</sup> Service Reconnection Charge is authorized in Section 1.2 B, Section 6, Sheet No. 3 of our South Dakota Electric Rate Book.

contact prior to disconnection. *[Additional Customer Outreach in New Process.]*

**Figure 1: Typical Process Leading Up to Electric Service Disconnection**

Tactic	Missed Payment	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	
		Email				Email	Email		Email		
		Disconnect Notice									
		Call	Call	Call	Call	Call	Call	Call	Call	Call	
		Bill Displaying Past Due Charges				Bill Displaying Past Due Charges					
										Phone Call	
										Disconnect Remotely	
										Reconnect Remotely	

As we have noted, in what we expect will be rare situations where our numerous attempts to reach the customer are not successful, we will dispatch a field agent to attempt in-person contact at the customer’s premise. If our field agent is not able to contact the customer and/or the customer is unable to resolve the account with our field agent, we will follow our current field agent process – leaving a door card and initiating disconnection. In this case, however, we would use our remote disconnection capabilities in the field, which will allow us to use our remote capabilities to later reconnect the customer once the past due balance is resolved – negating the need for a second field visit to reconnect.

In the event the customer did not resolve the past due balance and service is disconnected, a customer can request to have their service reconnected by calling our customer care center 24 hours per day, seven days a week. When the customer contacts us to reconnect their service and resolves the past due balance associated with the service disconnection by paying in full or entering a payment arrangement, the customer’s account is flagged for immediate reconnection. A remote reconnection will then be completed as soon as practicable, which in many instances will be during the same business day. In the rare event the remote reconnection is not successful, a field agent will visit the property to restore power; typically, this is completed on the following business day, and in certain, rare cases may take slightly longer, as we noted above.

### **C. Customers Who are Ineligible for Remote Reconnect and Disconnect**

Demand-billed business customers will not be affected by remote disconnection and reconnection because the meters for demand customers do not contain the internal service switch to affect remote reconnection and disconnection. In this case, it will still be necessary for field agents to attempt in-person contact prior to service disconnection.

### **D. Stakeholder Outreach**

In recognition of the impacts to NSP customers from disconnection of service in our other service territories, we engaged with key stakeholders including AARP, regulatory agencies, and consumer advocates to make them aware and solicited feedback and input on our plans to leverage the remote service reconnection and disconnection capabilities of the AMI meters. The feedback received indicated a preference for a Medical Certification form that did not require a specific medical condition to be listed, while expanding the type of medical professional that could sign the form to include Nurse Practitioners and Physician's Assistants. We have agreed to make these changes as expediently as possible.

Attachment B is a mock-up of our South Dakota Medical Certification Form. The Company can make some minor modifications to this form if requested. This form is designed to add an additional layer of protection for our customers with medical conditions and/or equipment inside the home. Upcoming changes to the Medical Certification Form are focused on reducing customer effort and removing barriers for approvals.

### **E. Customer Education and Resources**

As we have discussed, the process to communicate with customers who are behind in their monthly payments will remain the same as today; the only change is to substitute an additional phone contact for the current field visit.

We will, however, be making additional communications materials available to our customers about AMI meters and our implementation of them. If Xcel Energy customers have questions about the advanced grid and smart meter plan, they can find more information by visiting our website at [Smart Meter Installation | Customer Support | Xcel Energy](https://sd.my.xcelenergy.com/customersupport/s/projects/smart-meter-installation).<sup>7</sup>

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<sup>7</sup> <https://sd.my.xcelenergy.com/customersupport/s/projects/smart-meter-installation>. Ensure "South Dakota" is selected in the state-selector button at the bottom of the page.



## **(5) Present Rate**

Today, all our South Dakota customers are subject to a \$35 Service Reconnection Charge for reconnecting service that has been disconnected for non-payment. As we have discussed, our implementation of AMI allows for remote service reconnection and disconnection that will result in efficiencies, which we propose to pass on to customers through a lower Service Reconnection Charge. In the section below, we outline a new phased Service Reconnection Charge structure that differentiates between customers with AMI meters that have remote reconnection and disconnection capabilities – and would be subject to a lower fee that recognizes the efficiencies realized through use of the technology – and those that do not.

All residential and commercial non-demand customers will receive AMI meters with the internal service switch which will enable remote disconnection and reconnection of those meters without a field visit. The meters our polyphase commercial customers receive are not equipped with an internal service switch, and thus those customers will be subject to a higher Service Reconnection Charge, due to the ongoing need for a physical field visit to disconnect and reconnect service. To determine the appropriate charge that reflects the efficiencies we expect from leveraging the AMI remote service switch capabilities, we examined the effect of the process changes in relation to the process on which our current service charge is based.

## **(6) Proposed Rate**

### *1. Service Reconnection Charge for AMI Meters with an Internal Service Switch*

We propose to lower the Service Reconnection Charge for customers with AMI meters from \$35 to \$17.50. The new lower charge of \$17.50 for remote customer reconnections is based on the costs associated with calls our customer service representatives make before and after disconnection to customers, plus the costs associated with dispatching field agents to physically disconnect and reconnect customers for approximately 18 percent of the total reconnections and disconnections we project.<sup>8</sup> To arrive at this cost, we used average pay rates for the job roles involved in the various aspects of the process combined with estimated volumes and average times to complete the tasks.

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<sup>8</sup> We assume that we do not have the correct contact information for 15 percent of our customers, so we would still conduct a field visit. We assume remote disconnect will not function properly for 3 percent of customers with AMI.

We outline the cost components associated with our proposed Service Reconnection Charge for customers with AMI in Table 1 below.

**Table 1:  
Service Reconnection Charge Basis  
Customers with Remote Service Switch Capabilities**

<u>Item</u>	<u>Amount</u>
Call Costs	\$4.44
Field Personnel	<u>\$13.46</u>
<b>Total</b>	<b>\$17.90</b>
<b>Proposed Service Reconnection Charge</b>	<b>\$17.50</b>

While our estimates show a \$17.90 actual cost to reconnect customers, that is based on an estimate of the total volume and the percentage that will be performed remotely and in-person, once AMI meters are fully deployed. As such, we propose to round down the charge in the favor of our customers, which also serves to ensure customers who are already having trouble paying their bills do not overpay. Please see Attachment C to this Petition for a Schedule that provides further details regarding these costs.

2. *Service Reconnection Charge for AMI Meters with no Internal Service Switch*

As we noted above, the meters that our polyphase customers receive are not equipped with an internal service switch, and, therefore, we will not be able to remotely reconnect and disconnect those customers' meters. Therefore, we will need to continue making field visits to these customers to reconnect and disconnect service, like we do today. These customers should be subject to a higher charge that recognizes the higher costs associated with this activity.

Our current Service Reconnection Charge that is predicated on a physical field visit was established in 2012. We have reviewed and propose to update the current \$35 Service Reconnection Charge to \$150, to better reflect our current costs associated with sending field personnel to perform disconnections and reconnections. Since this Service Reconnection Charge was last updated 11 years ago, we have experienced an increase in costs from \$58.44 per field visit disconnect, to \$153.54 per field visit disconnect – or an increase of more than 300 percent. The primary reason driving the cost increase is due to rising labor costs since the charge was last updated 11 years ago. Like the new \$17.50 charge applicable to customers with AMI meters, we propose to round down the Service Reconnection Charge in customers' favor to \$150.

Table 2 provides an outline of the cost components. We also provide Attachment D, which breaks out these costs in more detail.

**Table 2:  
Service Reconnection Charge Basis  
Polyphase Customers**

<u>Item</u>	<u>Amount</u>
Call Costs	\$4.44
Field Personnel	<u>\$149.10</u>
Total	\$153.54
<b>Proposed Service Reconnection Charge</b>	<b>\$150</b>

**(7) Proposed Effective Date of Modified Rate**

The date of this filing is September 15, 2023. The Company proposes the tariff be effective upon Commission approval of the updated charges. We propose that residential and small commercial customers would be eligible for the lower Service Reconnection Charge immediately after AMI installation at their premises. We propose customers without AMI meters will continue to pay the current \$35 Service Reconnection Charge until our AMI deployment is fully complete, which we expect will be in 2025. We propose that the higher Service Reconnection Charge would take effect for non-AMI customers on January 1, 2026.

Table 3 outlines the estimated AMI meter installations and associated blended Service Reconnection Charge levels, based on our most current deployment schedule.

**Table 3: Proposed Service Reconnection Charge Levels  
2024-2026 Transition Period**

Year	Average AMI Installed	Average Existing AMR Meters	Reconnection Charge for Customers with Eligible AMI Meter	Reconnection Charge for Customers without AMI or with Ineligible AMI Meter
2024	50,000	50,000	\$17.50	\$35
2025	53,000	0	\$17.50	\$35
2026	103,000	0	\$17.50	\$150

Our proposed tiered fee structure is reflected in the redline and clean tariff sheets we include with this Petition as Attachment A.

**(8) Approximation of Annual Increase in Revenue**

There is no change to Xcel Energy revenue resulting from the proposal in this Petition. This filing proposes changes to our tariffs reflecting customer charges associated with our change to remote operation of the internal service switch of our new AMI meters, which are cost-causative and designed to be revenue-neutral to the Company and our customers.

**(9) Points Affected**

This change will affect all areas served by Xcel Energy in South Dakota.

**(10) Estimation of the Number of Customers whose Cost of Service will be Affected and Annual Amounts of either Increases or Decreases, or both, in Cost of Service to those Customers**

This tariff is proposed to be applied to all customers throughout all customer classes as described within this Petition. However, we note that only customers whose service has been disconnected for non-payment are subject to the Service Reconnection Charge. Approximately 6,675 South Dakota customers currently have polyphase meters that would be subject to the higher reconnection charge starting in 2026. Of the 6,675 South Dakota polyphase meter customers, we estimate 4 percent may be impacted by service disconnection/reconnection.

**(11) Statement of Facts, Expert Opinions, Documents, and Exhibits to Support the Proposed Changes**

Supporting information is provided in narrative throughout this Petition and in the Attachments.

**PLANNED CUSTOMER NOTICE**

The Company will follow all notification requirements noted in ARSD 20:10:13:18, unless otherwise requested by the Commission. Pending Commission approval of the proposed tariff changes, notice of the change in reconnection charges will provide thirty days' notice to customers, per ARDS 20:10:13:17, in the form of a bill message and corresponding onsert.

**COMMUNICATIONS REGARDING FILING**

**Utility Employee Responsible for Filing**

Steve T. Kolbeck  
Principal Manager  
XCEL ENERGY SERVICES INC.  
500 W. RUSSELL STREET  
SIOUX FALLS, SD 57104  
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(605) 339-8350

We request that all communications regarding this proceeding, including data requests, also be directed to:

Christine Schwartz  
Regulatory Administrator  
Xcel Energy  
414 Nicollet Mall – 401, 7<sup>th</sup> Floor  
Minneapolis, MN 55401  
[Regulatory.Records@xcelenergy.com](mailto:Regulatory.Records@xcelenergy.com)

## **CONCLUSION**

We respectfully request the Commission to approve the following:

- Our proposed changes to the Service Reconnection Charge contained in our Electric Rate Book.

Dated: September 15, 2023

Northern States Power Company