

May 22, 2025

Will Seuffert
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: Comments of the Minnesota Department of Commerce
Docket Nos. G002/M-25-36, G004/M-25-37, G011/M-25-39, and G022/M-25-40

Dear Mr. Seuffert:

Attached are the comments of the Minnesota Department of Commerce (Department) in the following matters:

In the Matter of Northern States Power d/b/a Xcel Energy's 2024 Annual Gas Affordability Program (GAP) Report

In the Matter of Great Plains Natural Gas Co.'s 2024 Annual GAP Report

In the Matter of Minnesota Energy Resources Corp.'s 2024 Annual GAP Report

In the Matter of Greater Minnesota Gas, Inc.'s 2024 Annual GAP Report

The reports were filed by the utilities on March 31, 2025.

After review of the utility filings, the Department recommends acceptance of three Reports and requests more information from Minnesota Energy Resources Corporation (MERC).

Sincerely,

/s/ Dr. SYDNIE LIEB
Assistant Commissioner of Regulatory Analysis

DH/MZ/ar
Attachment



Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce

Docket Nos. G002/M-25-36, G004/M-25-37, G011/M-25-39, and G022/M-25-40

I. INTRODUCTION

Every year, public utilities providing natural gas service are required to submit and seek approval of its annual reports on its low-income assistance program known as the Gas Affordability Program (GAP).¹ After submission of the reports, the Commission sends a notice that solicits comments on the annual reports. Four utilities sent its annual reports and seek approval from the Commission for its compliance items and for any proposals. This year's reports contain standard compliance items for three of the utilities a couple of proposal by MERC regarding its benefit amount and auto-enrollment. The Department recommends the Minnesota Public Utilities Commission (PUC or Commission) accept the three utilities' annual reports and asks for more information from MERC, among other things. The Department understands that CenterPoint Energy will be filing its GAP report at a later date. Commission staff informed the Department that it will request comments on CenterPoint's GAP report at a later date. As such the Department will comment on CenterPoint's GAP report in a separate set of Comments at a later date.

The four utilities that are reviewed within this comment are:

- Greater Minnesota Gas (GMG) G022/M- 25-40;²
- Great Plains Natural Gas Company (Great Plains) in Docket No. G004/M-25-37;³
- Minnesota Energy Resources Corporation (MERC) in Docket No. G011/M-25-39;⁴ and
- Northern States Power Company doing business as Xcel Energy (Xcel) in Docket No. G-002/M-25-36.⁵

¹ 2024 Minn. Stat. § 216B.16, subd. 15.

² Gas Affordability Program: Annual Report for 2024, Greater Minnesota Gas, March 31, 2025, Docket No. G022/M-25-40 (eDockets) [20253-217047-01](#) at 1 (hereinafter "GMG 2025 Report").

³ Petition for Approval of Great Plains Natural Gas Co.'s Annual Gas Affordability Program Report, March 31, 2025, Docket No. G-004/M-25-37 (eDockets) [20253-217059-01](#) at 1 (hereinafter "Great Plains 2025 Report").

⁴ Minnesota Energy Resources Corporation's Gas Affordability Program 2024 Annual Report, March 31, 2025, Docket No. G011/M-25-39 (eDockets) [20253-217048-01](#) at 1 (hereinafter "MERC 2025 Report").

⁵ Annual Report: Gas Affordability Program, March 31, 2025, Docket No. G002/M-25-36 (eDockets) [20253-217050-02](#) at 1 (hereinafter "Xcel 2025 Report").

II. PROCEDURAL BACKGROUND

August 14, 2024	The Commission accepted all 2024 Annual Reports on its respective Gas Affordability Program (GAP). The Commission required MERC to propose an automatic enrollment program in its 2025 GAP report. ⁶
March 31, 2025	Xcel Energy submitted its 2025 Annual GAP Report and included an update on the utility's auto-enrollment program. ⁷
March 31, 2025	Great Plains Natural Gas Co. submitted its 2025 Annual GAP Report. ⁸
March 31, 2025	MERC filed its 2025 Annual GAP Report. Included was a proposal to continue the utility's affordability credit payments enough to reduce customer natural gas bills to 3% of household income. MERC included its proposal for auto-enrolling customers who are already on the Low-Income Home Energy Assistance Program (LIHEAP). ⁹
March 31, 2025	Greater Minnesota Gas Inc. (GMG) submitted its 2025 Annual GAP Report. In the report GMG explained that it currently does not have a surcharge. ¹⁰
April 25, 2025	The Commission published its Notice of Comment Period. ¹¹

The April 25th Commission's Notice opened the following topics for comment:

- Should the Commission accept the Natural Gas Utilities' 2024 Gas Affordability Program (GAP) annual reports?
- Should the Commission approve Minnesota Energy Resources Corp. (MERC)'s continuation of its 3% income affordability credit?
- Should the Commission approve MERC's proposal for automatic enrollment?
- Are there other issues or concerns related to this matter?¹²

The Minnesota Department of Commerce (Department) reviews the reports and topics open for comment.

⁶ GMG 2024 Report, Great Plains 2024 Report, MERC 2024 Report, and Xcel 2024 Report.

⁷ Xcel 2025 Report at 1 and 8.

⁸ Great Plains 2025 Report at 1.

⁹ MERC 2025 Report at 1.

¹⁰ GMG 2025 Report at 1 and 3.

¹¹ Notice at 1.

¹² Notice at 1.

III. DEPARTMENT ANALYSIS T

The Department conducted analyses on several topics to construct this comment. Included here are information on the individual utility GAP programs, and answers to the four topic areas opened within the PUC's Notice.

A. *BACKGROUND ON THE GAP*

A.1. *Authorization in Statutes*

Authorization for the utilities to administer a GAP program in Minn. Stat. § 216B.16, subd. 15(a) (the GAP statute) requires the Commission to “consider ability to pay as a factor in setting utility rates”; the Commission may also establish affordability programs for low-income residential ratepayers to ensure natural gas utility service is more affordable for low-income residential customers, defined as those in the Low-Income Home Energy Assistance Program (LIHEAP or Energy Assistance Program). Specifically, the statute states:

- The Commission “may establish affordability programs for low-income residential ratepayers in order to ensure affordable, reliable, and continuous service to low-income utility customers.”
- “A public utility serving low-income residential ratepayers who use natural gas for heating must file an affordability program with the commission ... [where] ‘low-income residential ratepayers’ means ratepayers who receive energy assistance from the low-income home energy assistance program.”

Paragraph (b) sets out five requirements for gas affordability programs:

Any affordability program the commission orders a utility to implement must:

- (1) lower the percentage of income that participating low-income households devote to energy bills;
- (2) increase participating customer payments over time by increasing the frequency of payments;
- (3) decrease or eliminate participating customer arrears;
- (4) lower the utility costs associated with customer account collection activities;
and
- (5) coordinate the program with other available low-income bill payment assistance and conservation resources.

Paragraph (c) gives the Commission the authority to require utilities to file GAP evaluations:

In ordering affordability programs, the commission may require public utilities to file program evaluations that measure the effect of the affordability program on:

- (1) the percentage of income that participating households devote to energy bills;
- (2) service disconnections; and
- (3) frequency of customer payments, utility collection costs, arrearages, and bad debt.

In addition, paragraph (d) states the following regarding program cost recovery and evaluation: The commission must issue orders necessary to implement, administer, and evaluate affordability programs, and to allow a utility to recover program costs, including administrative costs, on a timely basis. The commission may not allow a utility to recover administrative costs, excluding startup costs, more than five percent of total program costs, or program evaluation costs more than two percent of total program costs. The commission must permit deferred accounting, with carrying costs, for recovery of program costs incurred during the period between general rate cases

A.2. LIHEAP Overview

As described above, per statute, to be eligible for the Gas Affordability Program, households must receive LIHEAP. LIHEAP is a federally funded program overseen by the Minnesota Department of Commerce's Energy Assistance Program (EAP), with local level administration handled by 90 service providers across Minnesota counties.¹³

To receive LIHEAP, a household must have an income at or below 50% of the state median for the household size, and successfully complete an application. Around 111,000 households in Minnesota receive LIHEAP each year, with current funding of around \$81 million for the year.¹⁴

¹³ See Minnesota Department of Commerce, "Find Your Provider," downloaded on April 21, 2025. The application process works as follows. Households submit its application and proof of income to its local service providers. Service providers enter the application into the Department's EAP online portal, eHEAT. Once all required information is received and entered, service providers use eHEAT to determine eligibility and benefit amount. If a household is approved, service providers use eHEAT to manage benefit payments to energy vendors for eligible households. The EAP application privacy notice allows sharing of information to the household's energy providers for administering utility affordability programs. Currently, EAP sends weekly data to CenterPoint Energy, Minnesota Energy Resources, Minnesota Power, and Xcel Energy for its affordability programs. The data is sent weekly by secured email but if there was a uniform set of data required for auto enrollment, EAP would consider creating a more automated or self-service process. See Comments of the Minnesota Department of Commerce, June 4, 2024, Docket Nos. G008/M-24-38, G002/M-24-36, G011/M-24-39, G004/M-24-37, G022/M-24-40 (eDockets) [20246-207409-03](#) at 3 (Hereinafter "DOC 2024 Comment").

¹⁴ For more data on funding, see Energy Assistance Dashboard. Data are updated weekly and represent the year 10/17/2024-4/14/2025. Downloaded on 4/16/2025.

LIHEAP's primary benefit is a heat and electricity subsidy averaging around \$721 per year, with the actual amount varying based on income and energy costs.¹⁵ Households can request additional benefits to handle crisis situations such as disconnections.¹⁶

A.3. GAP Overview

GAP reduces customer payments to its natural gas utility. The program supplements LIHEAP with an affordability credit and, if applicable, an arrearage credit. The affordability credit limits gas utility payments to a low-single-digit percentage of income. The arrearage forgiveness credit arranges a payment plan for unpaid debt that is owed to the utility.

Customers seeking GAP assistance must submit an application and demonstrate its eligibility. Xcel currently eases the application burden with an auto-enrollment program and MERC has proposed auto-enrollment in this docket.¹⁷

All utilities have the following eligibility requirements for the programs:

- Must be a LIHEAP recipient;¹⁸
- Agree to a payment schedule and levelized payment plan;¹⁹
- Active customer with permanent address;²⁰
- Must notify of any changes in household income or address;²¹
- Complete Application by close of enrollment period;²²
- Must not pay less than the full amount for two consecutive months;²³ and

¹⁵ The Energy Assistance benefit automatically split 70/30 between the household's primary heat and electricity provider, unless the household requests different percentages. In most cases these payments are sent directly to the household's energy provider on its behalf. However, in some circumstances households may directly receive a check. See DOC 2024 Comment at 3.

¹⁶ See the Emergencies tab at [Low Income Home Energy Assistance Program](#) from the Energy Assistance Program-Minnesota State Portal, downloaded on May 15, 2022 at

¹⁷ Xcel's autoenrollment program began on July 15, 2023. See Xcel 2024 Report at 11.

¹⁸ See Gas Rate Book, Schedule Of Rates, Charges, Rules, And Regulations, Greater Minnesota Gas, October 25, 2010, Docket No. G022/GR-09-962 (eDockets) [201010-55801-01v](#) at V-21 (hereinafter "GMG's Tariff"). Tariff and Rate Book, MERC, downloaded from [Microsoft Word - Section 7.00 PGA GAP RDM GUIC NGEP SWCR CLEAN 03.01.2024](#) on May 1, 2025 (hereinafter "MERC Tariff"); Pg. 5-121 of State of Minnesota: Gas Rate Schedule—MNPUC Volume 3, Great Plains, downloaded from [Applicability](#) on May 1, 2025 (hereinafter "Great Plains Tariff"); Gas Rate Book - MPUC NO. 2 Low Income Energy Discount Rider Section No. 3rd Revised Sheet, and see pg. 5-68, Xcel, March 3, 2021, downloaded from [Salesforce](#) on May 2, 2025 (hereinafter "Xcel Tariff").

¹⁹ MERC does not include a levelized payment plan in its tariff but does include scheduled payments. GMG Tariff at V-21; Great Plains Tariff at 5-120; MERC at 7.10; and Xcel Tariff at 5-68.

²⁰ Xcel does not state that the customer must be active, or that the customer must have a permanent address. GMG Tariff at V-22; Great Plains Tariff at 5-121; MERC Tariff at 7.10; and Xcel Tariff at 5-68.

²¹ GMG Tariff at V-22; Great Plains Tariff at 5-121; MERC Tariff at 7.10; and Xcel Tariff at 5-68.

²² MERC does not explicitly state that customers must apply before the end of the enrollment period but does state that GAP recipients must be receiving LIHEAP for the federal fiscal year. Xcel states "Eligible LIHEAP customers that meet program criteria may opt-in to the program at any time during the year". GMG Tariff at V-22; Great Plains 5-121; MERC Tariff at 7.09;

²³ GMG Tariff at V-22; Great Plains Tariff at 5-121; MERC Tariff at 7.09; and Xcel Tariff at 5-68.

- Must still be available funds, where qualification is upon a first-come, first-serve basis.²⁴

Once eligible, the household may be considered for the utility's affordability credit and the arrearage forgiveness credit under its respective GAP.

A.3.1. Affordability Credit

As noted above, the affordability credit limits participating customers' gas utility bill payments to a low-single-digit percentage of household income. Specifically, the affordability credit equals one-twelfth the difference between the utility's estimate of the annual gas bill and the specified percentage of the customer's household income.²⁵ Each utility's sets its own percentage of household income, which are as follows:

- GMG - 4%;²⁶
- Great Plains - 4%;²⁷
- MERC - 3%;²⁸ and,
- Xcel - 3%;²⁹

A.3.2. Arrearage Forgiveness Credit

The utilities' arrearage forgiveness credit is separate from the affordability credit.³⁰ The credit is designed to retire pre-program arrears over a period of up to 24 months, with each utility matching the customer's contribution to retiring pre-program arrears, while also factoring in energy assistance. The credit is constructed in two steps. First, energy assistance received by the utility on the customer's behalf is subtracted from pre-program arrears. Second, the difference is divided by the number of months to retire the arrears divided by two.

A.3.3. Administration

The GAP allows utilities to recover administrative costs. The exact mix of outsourced/in-house administration depends on the utility. Examples of typical in-house functions are marketing, reporting, and billing.

²⁴ GMG at V-22; Great Plains at 5-121; MERC at 7.10; and Xcel at 5-68.

²⁵ Household income is retrieved during the GAP application process. Any sums of energy assistance that is not applied to reducing the customer's arrears goes toward reduction of the customer's current bill. See GMG Tariff at V-21; Great Plains Tariff at 5-120; MERC Tariff at 7.09; and Xcel Tariff at 5-68.

²⁶ GMG 2025 Report at 2.

²⁷ Great Plains 2025 Report at 4.

²⁸ MERC 2025 Report at 6.

²⁹ Xcel 2025 Report at 3.

³⁰ GMG Tariff at V-21; Great Plains Tariff at 5-121; MERC Tariff at 7.09; and Xcel Tariff at 5-68.

MERC administers its program internally. Xcel and GMG outsource certain hands-on aspects to Energy Cents Coalition (ECC).³¹ Great Plains outsources certain aspects to The Salvation Army.³²

A.3.4. Funding

Utilities fund programs with a surcharge (except for GMG and MERC, which have no surcharges) on firm customers. The GAP tariffs cap program costs at pre-specified amounts varying by utility according to size, with participants accepted on a first-come, first-served basis. However, in general and in recent years in particular, the overall caps have not had any effect. The utilities track cost recovery versus actual costs and adjust the surcharge to minimize any difference over time.

B. DATA ANALYSIS

Utilities submit data with its annual report, which allows the Department and others to monitor and evaluate the program. Attachment A to this comment includes the Department summary of key data from the 2024 reports.³³ All five years of the data provided by the utilities were used to check for significant patterns. Analysis of the data suggest that:

- Total program costs for Xcel are significantly higher than other utilities, but this higher cost may also relate to the higher number of enrolled GAP customers and auto-enrollment.
- Participation rates in the GAP by LIHEAP customers markedly increased under Xcel's auto-enrollment. From 2022 to 2024, Xcel's participation rate increased from 33% to 80%.
- Finally, a wide variation in benefit amounts range across the utilities. Before making any conclusions about any about data, however, the Department wants to first find out how the data items are calculated. With that knowledge, the Department can determine if variation in methodology could be contributing to the differences.

C. TOPICS OPEN FOR COMMENT

The Commission opened for comment topics of whether to approve the utility 2025 annual reports, whether to approve MERC's proposed changes to its GAP, and whether there are any other issues.³⁴ MERC's proposed changes include whether to extend its 3% threshold for its affordability credit, and whether to implement its proposal for auto-enrollment. This section comments on each of the Commission's topic open for comment and develops recommendations for the Commission's 2025 Order. Each topic is handled one-by-one in sequence with the notice.

³¹ GMG 2025 Report at 5. See Xcel 2025 Report at 5 as an example of administrative tasks done by ECC.

³² Great Plains 2025 Report at 5.

³³ Greater Minnesota Gas, March 31, 2025, Docket No. G022/M-25-40 (eDockets) [20253-217047-02](#) ("Hereinafter; GMG Data"); Great Plains 2024 Report at Attachment A; MERC 2024 Report at Attachment B; and Xcel 2024 Report at Attachment B.

³⁴ Notice at 1.

To develop recommendations, the Department reviews past Commission Orders, past GAP reports on auto-enrollment by Xcel and CenterPoint, and data from MERC's current and past annual reports.

C.1. Acceptance of Annual Reports

The first topic open for discussion is:

1. Should the Commission accept the Natural Gas Utilities' 2024 Gas Affordability Program (GAP) annual reports?

Annual reports required by the Commission help monitor the implementation of the GAP statutes. With the information, the Commission can Order changes intended to improve program effectiveness, lower costs, or in general meet the public interest. The Department assesses whether the annual reports should be approved based upon two criteria: first, whether the documents provide the necessary information; second, whether the utilities address any outstanding Orders that are not included as separate questions in the current notice.³⁵ Based on its review, the Department concludes that the utilities provided all the required information.

The Commission issued Orders in 2024 that regulated implantation, administration, and evaluation of utility's GAP programs.³⁶ The last such Order was issued on August 14, 2024.³⁷ Three of the Orders regarding Great Plains and Xcel were not explicit topics posed for review by the Commission in this Notice of Comment Period.³⁸ Consequently, checks for compliance for the three orders are reported within this section.

C.1.1. Great Plains

The Commission ordered the following for Great Plains in 2024:

3. Approved Great Plains Natural Gas' request to increase its GAP funding amount to a total of \$146,000.³⁹
4. Approved Great Plains Natural Gas' request to increase its GAP surcharge to \$0.05218 per dekatherm, and approved the revised tariff filed in Attachment D to Great Plains Natural Gas' 2023 GAP report.⁴⁰

³⁵ Notice at 1.

³⁶ 2024 Minnesota Statutes 216B.16, subd. 15.

³⁷ Commission 2024 Order at 1.

³⁸ Commission 2024 Order at 1 and Notice at 1.

³⁹ Commission 2024 Order at 1.

⁴⁰ Commission 2024 Order at 2.

The Department reviewed Great Plains' tariff and confirmed that the revised 2024 tariff includes the Company's authorized changes to its surcharge rate, its cap of \$146,000 on total GAP costs, and other minor changes.⁴¹

C.1.2. Xcel

With regards to Xcel, the Commission ordered:

2. Approved Xcel Energy's request to remove the requirement for Xcel Energy to file a proposal when its GAP tracker balance is reduced to \$50,000.

This Order relates to two similar orders regarding Xcel's decreases in its tracker balance. As stated in the 2024 Order, the Department noted that:

Annual Report Docket No. G002/M-21-220 requires Xcel to file a proposal on GAP funding should its tracker balance drop below \$50,000. Separately, Order Point 13 (2023 Order Point) of the Commission's January 18, 2023, Order in GAP Evaluation Report Docket No. G002/M-22-257 requires Xcel to monitor the monthly spending and income of its GAP program and make a filing if the program is on track to deplete its tracker balance within six months.⁴²

Xcel proposed to drop the requirement to file a funding proposal when the balance falls below \$50,000 and to raise the surcharge in response to the expectation that the tracker balance would deplete.⁴³ In subsequent hearing, the Commission approved Xcel's proposal as recommended by the Department.⁴⁴

In compliance with the remaining Order, Xcel later proposed an increase in its surcharge because of expected depletion of its tracker balance.⁴⁵ The Commission ordered an increase in Xcel's surcharge from \$0.00445 per therm to \$0.00875 per therm on January 30, 2025.⁴⁶

The Department will not make recommendations related to the compliance with these Orders in this docket, since it relates to filings to another docket. However, the Department acknowledges that Xcel provided the necessary documentation for Order point 2.⁴⁷

⁴¹ Great Plains tariff at 5-122. Great Plains proposed tariff changes can be found in *In the Matter of the Petition of Great Plains Natural Gas Co., a Division of Montana-Dakota Utilities Co., for Approval of the 2023 Gas Affordability Program Annual Report and Updated Surcharge Rate*, March 29, 2024, Docket No. G-004/M-2437, (eDockets) [20243-204802-01](#) at Attachment D.

⁴² Commission 2024 Order at 13.

⁴³ Commission 2024 Order at 2.

⁴⁴ Commission 2024 Order at 13.

⁴⁵ 2024 Order at 13 and Xcel Report at 3.

⁴⁶ The end of 2024 Tracker balance is \$904,095 but is expected to increase with the higher surcharge rate. Effective January 31, 2025, implies that the tracker balance should increase in Xcel's 2025 annual report, barring any changes in the economy or in Xcel's customer circumstances. See *In the Matter of Xcel Energy's 2021 Gas Affordability Program Evaluation Report*, Public Utility Commission, Order, January 31, 2025, Docket No. G-002/M-22-257 (eDockets) [20251-214815-01](#) at 1 and 4. Also, see *Petition, Xcel Energy*, November 21, 2024, Docket No. G-002/M-22-257 (eDockets) [202411-212274-01](#) at 2.

⁴⁷ Commission 2024 Order at 1.

C.1.3. Acceptance of Three Reports

In review, GMG, Great Plains, and Xcel have all submitted the necessary documentation; therefore, the Department recommends acceptance of the reports. Since MERC has additional items open for review in the Commission's notice of Comment Period, the Department will make its recommendation later in this comment.

C.2. MERC'S Affordability Credit

The second topic open for comment by the Commission asks:

2. Should the Commission approve Minnesota Energy Resources Corp. (MERC)'s continuation of its 3% income affordability credit?

The Department considered two criteria on whether to allow the continuation of the 3% income affordability credit. First was whether MERC has enough funds available to pay for the credit, and the second is whether the 3% credit is more effective than the former 6%.⁴⁸

C.2.1. Available Funds

MERC proposed in its current annual report to continue its 3% affordability credit.⁴⁹ MERC states that the utility's current positive \$5.5 million GAP tracker balance shows that there is currently adequate funding to support the proposal.⁵⁰ MERC caveats the balance by recognizing the growth in the number of GAP participants but suggest that GAP has enough funding.

The Department agrees that funding is currently available. MERC's balance as of December of 2024 was \$5.5 million.⁵¹ The balance of funds for the GAP program has steadily decreased since August 2022.⁵² But the decreases are relatively small. The decrease is due to MERC's removal of its surcharge while continuing to spend GAP funds, which the utility acknowledges may change in future years.⁵³

⁴⁸ Order Accepting Reports, Approving Program Modifications, and Setting Additional Reporting Requirements, September 15, 2021, Docket No. G-011/M-21-224 (eDockets) [20219-177976-05](#) at 7.

⁴⁹ MERC reduced the GAP affordability credit from 6% to 3% in late 2021. MERC Report at 7 and 18.

⁵⁰ MERC Report at 18-19

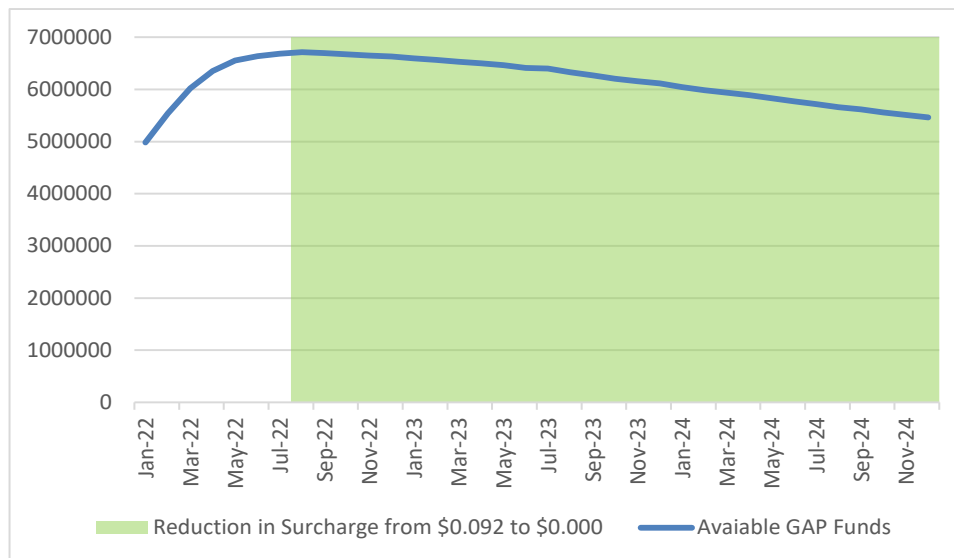
⁵¹ MERC 2024 Report at Attachment A.

⁵² Minnesota Energy Resources Corporation's Gas Affordability Program 2022 Annual Report, March 31, 2022, Docket No. G011/M-23-85 (eDockets) [20233-194425-01](#) at Attachment B (Hereinafter "MERC 2022 Report"); Minnesota Energy Resources Corporation's Gas Affordability Program 2023 Annual Report, March 29, 2024, Docket No. G011/M-24-39 (eDockets) [20243-204803-01](#) at Attachment A (Hereinafter "MERC 2023 Report"); and MERC 2024 Report at Attachment A.

⁵³ Average reductions in funds are approximately \$231,431 per month. MERC's peak in funds was in August at \$6.7 million. At about that same time, the Commission ordered a reduction in the surcharge from \$0.0095 to \$0.0000 per therm. MERC 2024 Report at 16. The only remaining replenishment source was from Cumulative carry costs, which was \$23,285 per month in 2024. See MERC 2022 Report at Attachment B, MERC 2023 Report at Attachment A; and MERC 2024 Report at Attachment A.

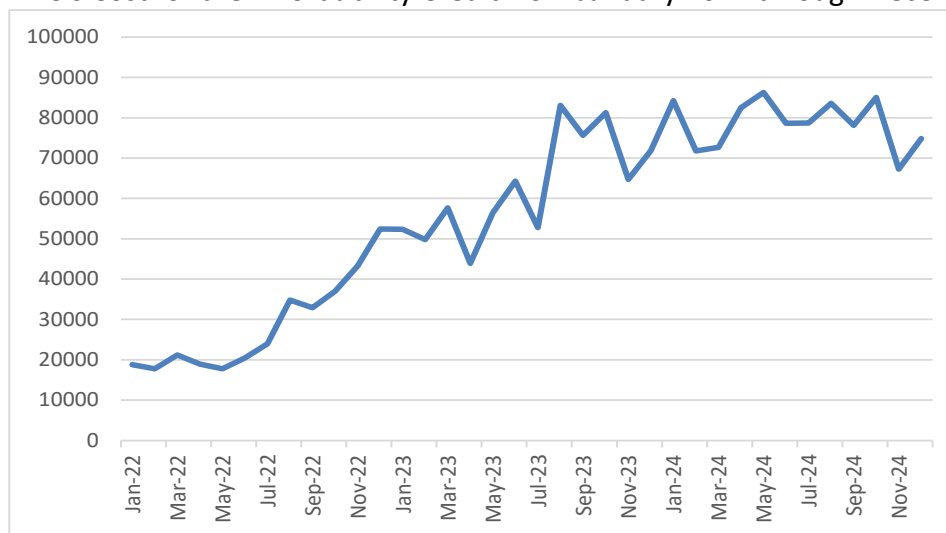
⁵³ Source: MERC 2022 Report at Attachment B; MERC 2023 Report at Attachment A; and MERC 2024 Report at Attachment A.

Figure 1. Available GAP funds from January 2022 through December 2024.⁵⁴



The Department further confirmed that MERC’s LIHEAP costs have increased since January 2022.⁵⁵ The figure below charts dollar costs for MERC’s Affordability credit from January 2022 through December 2024, where costs increased from \$18,761 to \$74,813.⁵⁶ The relatively small expenditure of \$75,000 cost compared to the \$5.5 million GAP tracker balance assures that funds are available for the proposed continuation of the 3% income affordability credit.

Figure 2. MERC’s Cost for the Affordability Credit from January 2022 through December 2024.⁵⁷



⁵⁴ Source: MERC 2022 Report at Attachment B; MERC 2023 Report at Attachment A; and MERC 2024 Report at Attachment A.

⁵⁵ MERC 2022 Report at Attachment B; MERC 2023 Report at Attachment A; and MERC 2024 Report at Attachment A.

⁵⁶ MERC 2022 Report at Attachment B; MERC 2023 Report at Attachment A; and MERC 2024 Report at Attachment A.

⁵⁷ Source: MERC 2022 Report at Attachment B; MERC 2023 Report at Attachment A; and MERC 2024 Report at Attachment A.

C.2.2. *Benefit of a More Generous Credit*

Availability of funds is not the only consideration in regard to the decision to continue the 3% income affordability credit. The Department would expect that the reduction in the affordability credit from 6% to 3% in September 2021 to have improved performance.⁵⁸ Using the 3% affordability credit should result in lower-income households having more dollars to pay for its natural gas service.

To investigate whether the reduction benefitted MERC’s GAP customers, the Department compared the criteria of outcomes set forth in 2024 Minn. Stat. § 216B.16, subd. 15. Two out of three outcomes with quantitative measures indicate improvement in program performance.

Table 1 lists the performance criteria from Minnesota Statutes, a methodological explanation of the measure used to indicate whether performance increased, the statistic’s value, and the change in program performance from before to after the reduction in the affordability credit.

Table 1. Program Outcomes Before and After the Reduction in the Credit Threshold.⁵⁹

Criteria from Minnesota Statutes 216B.16, subd. 15	Explanation of Statistical Measure and Before and After Comparison	6% Threshold	3% Threshold	whether Benefitted Customer
(1) lower the percentage of income that participating low-income households devote to energy bills;	Percent of HH Income paid by Customer for Natural Gas Bill.	6%%	3%	Yes

⁵⁸ Order Accepting Reports, Approving Program Modifications, and Setting Additional Reporting Requirements, September 15, 2021, Docket No. G-011/M-21-224 (eDockets) [20219-177976-05](#) at 7.

⁵⁹ Source: The Department used outcome data from MERC 2022 Report at Attachment A; MERC 2023 Report at Attachment B; and MERC 2024 Report at Attachment B. The selected data meant that the Department had the most recent available data, which would assure that the Department had updates, or corrections to the data in subsequent years. Also, the performance information was conducted by comparing the average from 3 years of outcomes before and after the reduction in the threshold from 6% to 3%. The Department would have preferred to use more years of data to help better control for temporary fluctuations in the economy and other matters, but no data was available prior to 2018. To further help isolate the Department used the difference in payment frequencies between the group of GAP participants and the group of LIHEAPS only participants. Comparing this difference before and after the change in the threshold helps better isolate the effect of the change from economic and other changes that might have equally affected both groups in the before period and in the after period. The final comparison discussed in the body of this comment is still only a preliminary indication of the reduction in the threshold in that changes in the economy, and other changes that might have had an impact on outcomes before and after the reduction in the threshold may still mask over the effect of the treatment, especially when random samples are not used to assign GAP and LHEAP participants to the treatment and control groups. Sometimes regression analyses are used to further help estimate how much and whether the treatment actually had an impact. For more information on the methodological design, see Oscar Torres-Reyna, [Differences-in-Differences](#), Princeton University lecture notes downloaded on May 9, 2025. The Department did not use data from the last two questions because they were not set up with the intention of doing before and after treatment/policy change comparisons.

Criteria from Minnesota Statutes 216B.16, subd. 15	Explanation of Statistical Measure and Before and After Comparison	6% Threshold	3% Threshold	whether Benefitted Customer
(2) increase participating customer payments over time by increasing the frequency of payments;	percentage point increase in the ratio of the number of bill payment to the number of bill amount. The value is the percentage point increase for GAP participants from LIHEAP only participants. A higher value means a higher frequency of payments relative to GAP participants. An increase in the ratio from before to after 2021 indicates better performance with the reduction to 3%. .	29.0%	36.7%	Yes
(3) decrease or eliminate participating customer arrears;	Average percentage point reduction in the percentage of customers with arrears between MERC's GAP and LIHEAP only participants. A negative number indicates the percentage point reduction in customers with arrears associated with the GAP when compared to MERC's LIHEAP participants only. A	-26.1%	-22.6%	No
(4) lower the utility costs associated with customer account collection activities; and	NA	NA	NA	NA
(5) coordinate the program with other available low-income bill payment assistance and conservation resources. ¹¹	NA	NA	NA	NA

The table shows that the increase in the affordability credit increased performance for 2 out of 3 outcomes. First, the change from 6% to 3% lowered the percentage of income paid toward natural gas bills for some low-income households.⁶⁰ The lower threshold correlates with an increased in the

⁶⁰ Because not all customers participate in LIHEAP and MERC's GAP program, it is uncertain whether the reduced threshold on benefitted all low-income customers on average.

frequency of customer payments. The reduced threshold does correlate with lower percentages of customers with arrears in comparison to LIHEAP customers, but there was no evidence that the reduced threshold from 6% to 3% further reduced customers with arrears.

Because the reduction in the income threshold to 3% reduces bill payments for natural gas services for some customers and correlates with an increase in the frequency of customer payments, the Department recommends continuation of the threshold.

However, the Department felt uncomfortable with several items in the attachments because it was too unclear. Below are four examples of statistics that the Department felt uncomfortable in using:

- The Department was unable to determine if the Company's matching funds for the "HeatShare" program was included in the tracker balance or if it qualifies to be included. charitable contribution.⁶¹ Similarly, the Department was uncertain of all that is included in administrative costs and all items included in the dollars paid for the affordability credit.⁶²
- The Department could not find a complete definition of how the utility measures the outcome of a percentage change in arrears and therefore was uncertain on what to conclude from the statistic. For example, the statistic could be the percentage change from the previous year, or from some other baseline.⁶³
- The spreadsheet includes a treatment group called "GAP participant cohort" and a control group titled "GAP participant cohort before they were enrolled in GAP."⁶⁴ However, the Department could not find a complete definition describing each group. The Department does not know whether the "GAP participant cohort" includes only those participants enrolled for the first time in GAP and if the control group is the data for when the participants were not enrolled in GAP in the previous year, or whether GAP participants included are for all years and the households' non-GAP enrollment is projected from prior year(s) either by summary statistics, or a regression analysis.

To help make all data items useful, the Department recommends that all utilities annually publish definitions and explanations of methodology for tracker items, all items in the outcome spreadsheet, and all other attachments. The definitions and methodological explanations should be in a separate attachment. Methodological explanation should be sufficient for the Department to recreate all statistics in all attachments. Sufficient explanations may include any necessary equations.

C.3. MERC'S Auto-Enrollment

The third topic open for comment involved a large effort that might produce benefits in GAP participation:

⁶¹ MERC 2024 Report at 12 and Attachment A. MERC contracts with the Salvation Army to administer the Heatshare program, through which MERC matched 50 cents for all dollar customers donate through its monthly gas bills for direct assistance with budget counselling and energy conservation education.

⁶² MERC 2024 Report at Attachment A.

⁶³ MERC 2024 Report at Attachment B.

⁶⁴ MERC 2024 Report at Attachment B.

3. Should the Commission approve MERC's proposal for automatic enrollment?

The Commission ordered MERC to propose a plan for auto-enrollment in its 2025 Annual filing. In the 2024 GAP Order, the Commission:

6. Required Minnesota Energy Resources to propose an automatic enrollment program in its 2025 GAP report, including the following information:
 - a. Current tracker balance;
 - b. Current monthly spending rate, number of GAP participants, and percent of participants who leave or are removed from the program each month;
 - c. An estimate or range of estimates of monthly GAP spending, if all customers who receive LIHEAP and who are eligible to participate in GAP based on its income and energy costs were to be enrolled, and an explanation of the assumptions made in calculating this estimate;
 - d. Demonstration that automatic enrollment is not expected to result in the denial of the program to new enrollees or applicants within the first year of operation.⁶⁵

The Department appreciates MERC's efforts to propose an auto-enrollment program, which would increase the prospects of reaching more customers that are eligible for MERC's GAP program but are not enrolled.

The Department asked five questions to help decide whether to recommend approval of MERC's auto-enrollment program.

- Did MERC comply with the 2024 Order?
- What are the program costs?
- Does MERC have enough funds to pay for the program?
- Is there sufficient information to suggest that the benefits to customers outweigh the costs?
- Does MERC's plan for auto-enrollment appear complete?

If the benefits are expected to outweigh the estimated costs. If the plan appears complete, then the Department would recommend approval. In this case, the Department recommends approval with modifications to help assure the program is in the best interest of the customer.

C.3.1. Compliance

The Department first examined whether MERC complied with the Commission's Order point 6, which regards development of plans for auto-enrollment and required reporting items. The required

⁶⁵ Commission 2024 Order at 2.

information may help the Commission, and the Department better assess the net benefits to auto-enrollment.

MERC provided most of the necessary information in its annual report and exhibits.⁶⁶ However, the Department notes that MERC's information on the percent of customers that leave or are removed, and on monthly GAP spending involved assumptions that might noticeably alter results. For that reason, the Department recommends that MERC provide in reply comments:

- Actual monthly numbers of GAP participants who leave or are removed from the program. MERC provided the net number of entries and exits onto the GAP caseload instead of exits from the GAP.⁶⁷ MERC should provide month-by-month data on program exits.
- MERC currently uses a single average percent change in the LIHEAP monthly caseload and a single average affordability credit cost per customer.⁶⁸ MERC should provide monthly data that recognizes seasonal patterns, estimates of GAP spending that incorporates monthly changes in MERC's LIHEAP caseload and per customer affordability credit costs.⁶⁹ Also, MERC must include an explanation of the new methodology.
- Similarly, since month-to-month changes in the arrearage forgiveness credit may be informative and compliant, the Department recommends that MERC estimate the monthly costs for the credit based upon month-to-month changes in the percent of customers with arrears and the per customer arrear forgiveness credit.⁷⁰ Recognition of the seasonal patterns in natural gas usage may help inform the Commission about any peaks and valleys in arrears, which may help to someday improve program performance.

C.3.2. Program Costs

MERC estimated a significant increase in costs associated with the auto-enrollment program, largely because of significant payments to GAP participants. MERC expects a \$4.1 million to \$4.24 million annual cost for the program.⁷¹ That cost would increase the annual budget for GAP to \$4.5 million. These costs will begin to accrue in July 2026 if MERC proceeds in accordance with its plans.⁷² The total estimated cost of slightly over \$4 million would likely be reached by July 2027, which means that half the total cost would be in MERC's 2026 annual report and the other half in 2027.

Given MERC's current balance, the Department agrees that MERC will likely have enough funds for one fiscal year. But if trends continue, MERC may deplete funds before the beginning of December 2027.

⁶⁶ MERC Report at 24-28.

⁶⁷ MERC Report at 25-26.

⁶⁸ MERC Report at 26.

⁶⁹ Only monthly changes in the number of GAP customers if all customers enrolled in the GAP pay a constant bill each month.

⁷⁰ MERC Report at 26-27.

⁷¹ Estimated annual affordability credit cost is 3,878,441 and Arrear Forgiveness Credit is \$34,915.63 to \$159,614. MERC 2024 Report at 27 and Attachment E.

⁷² MERC 2024 Report at 2.

Table 2 shows the estimated budgetary costs from January 2025 through June 2027. The middle columns list estimated budgetary costs for the 1.5 years before the start of the auto-enrollment program (January 2025 through June 2026) and for one-year of auto-enrollment. The third column to the right lists MERC’s available funds for the GAP program at the start of January 2026 and after one-year of the auto-enrollment program in July 2027.

Table 2. Available Funds and Budgetary Costs to MERC’s Auto-Enrollment Proposal (in dollars).⁷³

Period	Budgetary Costs	Balance
January 2025 Balance		5,464,539
Budget Costs Before Start of Auto-Enrollment	66,878	
Budget Costs After 1 Year of Auto-Enrollment	450,0000	
Estimated Remaining Balance as of July 2027		2,065,988

Table 2 shows roughly \$2.1 million would remain available for the GAP auto-enrollment program expenses as of approximately July 2027. With an estimated \$4.5 million in annual budgetary costs and assuming constant monthly costs, available funds would deplete by December of 2027. MERC seems to have reached a similar conclusion and accordingly suggests that it would not need to deny new GAP entrants in the first year of auto-enrollment.⁷⁴ MERC appropriately recognizes uncertainty in budget forecasts noting the potential for unexpected customer removals, commodity costs, and LIHEAP program participation rates.

Accordingly, MERC proposes the following solution when funds are closer to depletion.

- Spending cap—total GAP costs including start-up costs, affordability, arrearage forgiveness, and administrative costs will not exceed \$4.5 million per year;⁷⁵
- Monitoring—report on the adequacy of the budget cap will be done on an annual basis;⁷⁶
- Surcharge—permission from the Commission to request an increase in the current surcharge rate of \$0.0000 outside of the Annual GAP reporting process, if funds approach a zero balance.⁷⁷

The Department notes that funds may deplete in the second year of operation even with a \$4.5 million spending cap. As shown in Table 2, the Department adopted MERC’s estimate that \$4.5 million is spent in the first year and fewer funds remained available than the \$4.5 million spending cap for the second

⁷³ Calculations use data from MERC 2024 Report at 27 and Attachment A. Estimated budgetary costs for the months prior to the auto-enrollment program (January 2025 through June 2026) is the average monthly reduction in available funds since the reduction in the surtax to \$0.0000 (i.e., from September 2022 through December 2024).

⁷⁴ MERC 2024 Report at 27.

⁷⁵ MERC 2024 Report at 28.

⁷⁶ MERC 2024 Report at 28.

⁷⁷ MERC 2024 Report.

year. Since funds are decreasing even without the auto-enrollment, it seems possible that a surcharge would be needed to pay for more GAP participants because of auto-enrollment in the second year.⁷⁸ Although not a reliable estimate, the \$0.092 surcharge in the first 8 months of 2022 was associated with a \$2.3 million increase on an annualized basis. A more complete study would be needed, however, to produce a more reliable estimate.⁷⁹ Because of the risk of running out of funds, even with approval of the spending cap, the Department recommends that MERC be given the flexibility to propose a surcharge rate outside of the Annual GAP reporting cycle.

The Department further makes the following recommendation because of the risk of depletion in available funds. MERC must monitor monthly spending from and income to the GAP program. If, and when, the program is on track to deplete its tracker balance within 6 months, MERC shall make a filing with the Commission that includes, at a minimum:

- Tracker balance, income, and spending monthly for the previous 6 months and projected 6 months in the future;
- An evaluation of possible modifications to avoid closure of the program, including modifying the affordability benefit and arrearage forgiveness benefit amounts for participants, changing the program funding level/surcharge, and other options the Company has considered; and
- A proposal to avoid the projected negative tracker balance.⁸⁰

C.3.3. Benefits to Auto-Enrollment

To identify potential benefits to auto-enrollment, the Department reviewed Xcel's experience.⁸¹ Xcel began auto-enrollment on July 15, 2023.⁸² The utility suggests that auto-enrollment efforts led to 5,368 more ratepayers being enrolled in GAP, which was about a 46 percent increase in enrollment after the first year.⁸³ However, behavioral outcomes like the percent change in arrears had mixed results. Xcel

⁷⁸ Second year budgetary costs are somewhat uncertain, at least in part because MERC will have contacted LIHEAP customers in the first year and those customers will have responded whether they wanted to opt-out of the program. New LIHEAP enrollees that were not enrolled in the previous year would be the only customers not previously contacted. Xcel's experience is that GAP enrollment remained relatively flat in 2024, the second year. However, Xcel's total program costs remained in 2024 compared to 2023. See the Department's Attachment A. similar Xcel 2024 Report at 6; and MERC 2024 Report at 26.

⁷⁹ Calculated from MERC 2024 Report at Attachment A. More recent data would be needed for the Department to estimate the effect of a higher surcharge on available funds. The Department notes the surcharge of \$0.092 is associated with an annualized increase in the GAP fund balance of approximately \$2.3 million. However, more recent data is needed, and a regression analysis would be preferable to account for changes in the number of GAP customers and per customer costs.

⁸⁰ These are the same requirements ordered for CenterPoint in 2023. Order Accepting Reports And Setting Additional Requirements, September 7, 2023, Docket No. G-008/M-23-84 (eDockets) [20239-198803-05](#) at 5.

⁸¹ Xcel 2025 Report at . The Department did not review CenterPoint's experience because its auto-enrollment process began in January 2024. CenterPoint has not yet filed its annual report for t2024 and subsequently has not reported any information on customers enrolled, or other program outcomes. Annual Compliance Submission of CenterPoint Docket No. G-008/M-24-38 Energy Minnesota Gas, a Division of CenterPoint Energy Resources Corp., for its Gas Affordability COMPLIANCE FILING Service Program, March 29, 2024, Docket No. G-008/M-24-38 (eDockets) [20248-209889-01](#) at 1.

⁸² Xcel 2025 Report at 5.

⁸³ Xcel 2025 Report at 5.

suggests that at least for arrears, the increase dollars owed to the utility may be because customers newly enrolled in GAP may have higher overdue balances.⁸⁴

C.3.4. Completeness

The Department examined whether MERC's plan for auto-enrollment appears complete. MERC's plans include dates and descriptions of necessary notices, opt-out provisions, procedures to calculate and make benefits available, and has attempted to estimate program costs. The Department also examined Xcel's tariff sheet and finds it complete, as it includes the substantive items. The Department did not find any added outreach efforts with community groups and individual customers to inform them about the new auto-enrollment program. New programs can require communication in ways beyond mailings to make sure that ratepayers are informed about its rights. The information can help ratepayers make better decisions about the household's energy use if they have a clear idea of how much the household's energy bills will be going forward, such as reduction of temperature in the household's home to the extent that it risks health issues. Because information about the auto-enrollment program can help consumers make rational choices, the Department requests that MERC state in its reply comment what it plans in terms of outreach to inform customers about auto-enrollment. Also, the Department requests that MERC include a cost estimate of the outreach focused upon informing customers about auto-enrollment.

C.3.5. Chance for Review

Finally, on the assumption that auto-enrollment will be eventually improved, the Department requests a chance to modify the program if issues arise in the early implementation stages. The Department requests that within 120 days, MERC must propose a possible recertification date of between November 1, 2026, and February 1, 2026. If no party objects to the filing within 30 days, it will go into effect.⁸⁵

D. REMAINING ISSUES

The fourth topic open for comment is:

4. Are there other issues or concerns related to this matter?⁸⁶

To help prepare for auto-enrollment by other utilities and to potentially improve its on-boarding, the Department makes a few more recommendations.

⁸⁴ Xcel 2025 Report at 11.

⁸⁵ This is the same as ordered for CenterPoint for its auto-enrollment program. Order Accepting Reports And Setting Additional Requirements, September 7, 2023, Docket No. G-008/M-23-84 (eDockets) [20239-198803-05](#) at 6.

⁸⁶ Notice at 1.

D.1. GMG Cost Recovery

GMG notes that it has not yet requested a proposal for cost recovery since the inception of its program.⁸⁷ The utility's informal tracker indicates that the accumulated years of costs equaled \$142,564 as of at the end of 2024. The Department is confused as to whether the balance is already paid for from existing accounts, or that the balance indicates essentially an interest free loan. The Department concludes that it is time for GMG to propose ways to recover costs. The Department notes that the utility may soon be required to conduct auto-enrollment, and that the costs may be covered by some ratepayers or investors unsuspectingly paying for the costs within its monthly bills. Therefore, GMG should likely propose a method for cost recovery at this time, or in the near future.

The Department recommends that in its next annual Report, GMG:

- Propose how it will recover annual costs from its GAP program;
- Produce an estimate of funds created from each year of cost recovery;
- Explain how the \$148,000 was paid for, including a detailed tracker of the different charged accounts; and,
- Propose a method and explain how long it will take to recover the unpaid balance, if ever.

D.2. GREAT PLAINS AUTO-ENROLLMENT

In the past 3 years, utilities are one-by-one adopting auto-enrollment for GAP. If MERC's proposal is accepted with the upcoming order in its current docket, MERC will be the third utility to have an active auto-enrollment program.⁸⁸ Given that the benefit may be higher GAP participation rates, which lowers the natural gas bills for more ratepayers, the Department recommends that the Commission continue to order more auto-enrollment programs.

The Department recommends that Great Plains develop a proposal for an auto-enrollment program in its next annual GAP report. Great Plains should include in its proposal:

- a monthly tracker that lists expected funds, costs, and balances for the first five-years of auto-enrollment;
- Expected monthly spending, number of GAP participants, and percent of participants who leave or are removed from the program each month;
- Explanation of the assumptions made in calculating these estimates.

⁸⁷ GMG 2024 Report at 4.

⁸⁸ Order Accepting Reports And Setting Additional Requirements, September 7, 2023, Docket No. G-008/M-23-84 (eDockets) [20239-198803-05](#) at 5; In the Matter of Northern States Power Company dba Xcel Energy's Gas Affordability Program Evaluation Report, August 19, 2023, Docket No. G-002/M-22-257 (eDockets) [20234-194941-01](#) at 1; and Commission 2024 Order at 2.

The Department further recommends that Great Plains be given the opportunity to comment on this proposal after the filing of CenterPoint's annual report and more information is available on LIHEAP funding at the federal level.

IV. DEPARTMENT RECOMMENDATIONS

Based on analysis of the 2024 annual GAP reports from the four utilities included in the Commission Notice, and the information in the record, the Department has prepared recommendations, which are provided below. The recommendations are taken from Section III. and the order corresponds with the sub-section above.

C. TOPICS OPEN FOR COMMENT

C.1. Acceptance of Annual Reports

C.1.3 Acceptance of Three Reports.

The Department recommends acceptance of the 2025 annual reports by GMG, Great Plains and Xcel.

C.2. MERC's Affordability Credit

C.2.1. Benefit of a More Generous Credit Level

- The Department recommends continuation of the 3% threshold for the affordability credit.
- All utilities must annually publish definitions and explanations of methodology for tracker items, all items in the outcome spreadsheet and all other attachments. The definitions and methodological explanations should be in a separate attachment. Methodological explanation should be sufficient for the Department to recreate all statistics in all attachments. Sufficient explanations may include any necessary equations.

C.3. MERC's auto-enrollment

C.3.1. Compliance

- MERC must place in its reply comment:
 - Actual monthly numbers of GAP participants who leave or are removed from the program.
 - Monthly estimates of GAP spending that incorporates monthly changes in MERC's LIHEAP caseload and per customer affordability credit costs. Also, MERC must include an explanation of the new methodology.
 - Monthly estimated costs for the credit based upon month-to-month changes in the percent of customers with arrears and the per customer arrear forgiveness credit.

C.3.2. Program Costs

- Allow MERC to petition this Docket for a change in the surcharge rate at any time within the next three years outside of the normal process.
- MERC must monitor monthly spending from and income to the GAP program. If, and when, the program is on track to deplete its tracker balance within 6 months, MERC shall make a filing with the Commission that includes, at a minimum
 - Tracker balance, income, and spending monthly for the previous 6 months and projected 6 months in the future;
 - An evaluation of possible modifications to avoid closure of the program, including modifying the affordability benefit and arrearage forgiveness benefit amounts for participants, changing the program funding level/surcharge, and other options the Company has considered.
 - A proposal to avoid the projected negative tracker balance

C.3.5. Chance for Review

MERC must state in its reply comment what it plans in terms of outreach to inform customers about auto-enrollment. Also, MERC must include a cost estimate of the outreach focused upon informing customers about auto-enrollment.

C.3.3. Chance for Review

- The Department requests that within 120 days, MERC must propose a possible recertification date of between November 1, 2026, and February 1, 2026. If no party objects to the filing within 30 days, it will go into effect.

D. REMAINING ISSUES

D.1. GMG Cost Recovery

- The Department recommends that in GMG's next Annual Report, GMG
 - Propose how it will recover annual costs from its GAP program;
 - Produce an estimate of funds created from each year of cost recovery;
 - Explain how the \$148 thousand was paid for, including a detailed tracker of the different charged accounts; and
 - Propose a method and explain how long it will take to recover the unpaid balance, if ever

D.2. Great Plains Auto-Enrollment

- Great Plains must develop a proposal for an auto-enrollment program in its next annual GAP report. Great Plains should include in its proposal:

- Monthly tracker that lists expected funds, costs and balances for the first five-years of auto-enrollment;
 - Expected monthly spending, number of GAP participants, and percent of participants who leave or are removed from the program each month;
 - Explanation of the assumptions made in calculating these estimates.
- The Department further recommends that Great Plains be given the opportunity to comment on this proposal after the filing of CenterPoint’s annual report and more information is available on LIHEAP funding at the federal level.

V. ATTACHMENT A

Table A. Performance Measures to GGAP Programs (2020-2024).⁸⁹

Performance Measure	Year	GMG	Great Plains	MERC	Xcel
Average annual income per participant	020	\$16,384	\$13,502	\$11,194	\$13,119
	2021	\$15,743	\$13,027	\$9,331	\$13,449
	2022	\$14,752	\$15,492	\$19,012	\$14,225
	2023	\$15,571	\$18,015	\$15,166	\$17,648
	2024	\$17,417	\$15,454	\$7,289	\$19,076
Average annual affordability benefit per participant	2020	\$386	\$232	\$443	\$175
	2021	\$387	\$225	\$557	\$164
	2022	\$437	\$423	\$281	\$248
	2023	\$619	\$414	\$440	\$266
	2024	\$504	\$223	\$506	\$237
Average annual arrearage forgiveness benefit per customer	2020	\$34	\$232	\$76	\$167
	2021	\$31	\$225	\$107	\$185
	2022	\$9	\$423	\$18	\$210
	2023	\$12	\$414	\$33	\$114
	2024	\$18	\$223	\$45	\$129
	2020	N/A	\$227	\$449	\$240

⁸⁹ GMG is not required to report average annual income per participant, and average annual bill per participant, but provided its best estimate with the caveat of limited available data. Great Plains prorated its 2024 annual budget and surcharge with the following data--\$97,000 annual budget and surcharge of \$0.03399 for January - August 2024 and the \$146,000 annual budget and surcharge of \$0.05218 effective September 1, 2024. MERC estimated its 2022 surcharge costs by assuming \$4.75 (Based on 7 months with surcharge in 2022 and 75 therms/month). Information as required and approved on December 1, 2015, Order-Docket No. G022/M-15-855, Greater Minnesota Gas Data; Great Plains 2024 Report at Attachment A; MERC 2024 Report at Attachment B; and Xcel 2024 Report at Attachment B.

Performance Measure	Year	GMG	Great Plains	MERC	Xcel
Average total benefit per participant	2021	N/A	\$221	\$563	\$223
	2022	N/A	\$423	\$283	\$280
	2023	N/A	\$426	\$446	\$307
	2024	N/A	\$230	\$515	\$250
Tracker balance as of year-end	2020	\$70,334	-\$19,249	\$2,280,485	\$2,257,914
	2021	\$85,776	\$2,965	\$4,435,340	\$3,163,326
	2022	\$98,200	-\$36,064	\$6,632,862	\$4,019,664
	2023	\$123,660	\$106,021	\$6,112,669	\$2,585,518
	2024	\$142,564	-\$59,792	\$5,464,539	\$904,095
Annual cost	2020	\$20,757	\$52,945	\$629,009	\$1,932,190
	2021	\$15,442	\$45,882	\$704,868	\$1,748,129
	2022	\$12,424	\$108,311	\$363,602	\$2,238,735
	2023	\$25,461	\$135,986	\$767,924	\$4,263,975
	2024	\$18,904	\$44,676	\$959,559	\$4,173,297
Annual cost of surcharge for average residential customer who used 900 therms of gas per year	2020	\$0.00	\$1.32	\$8.15	\$4.01
	2021	\$0.00	\$2.07	\$8.15	\$4.01
	2022	\$0.00	\$2.07	\$4.75	\$4.01
	2023	\$0.00	\$2.31	\$0.00	\$4.01
	2024	\$0.00	\$3.60	\$0.00	\$4.01
Average annual bill per participant	2020	\$972	\$708	\$655	\$1,096
	2021	\$993	\$730	\$775	\$1,128
	2022	\$1,017	\$1,156	\$1,186	\$1,629
	2023	\$1,223	\$1,236	\$1,074	\$1,437
	2024	\$1,170	\$875	\$751	\$1,313
% of LIHEAP customers that participated in GAP	2020	26%	19%	10%	42%
	2021	25%	14%	9%	37%
	2022	28%	16%	8%	35%
	2023	33%	19%	11%	61%
	2024	20%	12%	NA	80%
Number of participants enrolled as of year-end	2020	26	189	1,174	5,022
	2021	34	157	617	5,504
	2022	37	206	1,048	6,342
	2023	36	275	1,566	10,650
	2024	33	141	1,477	9,861

Performance Measure	Year	GMG	Great Plains	MERC	Xcel
Number of participants enrolled and receiving benefits at some time during the year	2020	30	224	1,304	7,683
	2021	38	188	1,183	7,395
	2022	39	259	1,208	7,668
	2023	50	347	1,714	13,620
	2024	44	185	1,864	16,273

CERTIFICATE OF SERVICE

I, Marcella Emeott, 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 Nos. G002/M-25-36, G004/M-25-37, G011/M-25-39, and G022/M-25-40

Dated this 22nd day of May 2025

/s/Marcella Emeott

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
1	Becky	Billings	becky.j.billings@xcelenergy.com	Xcel Energy		2240 Plymouth Road APT 105 Minnetonka MN, 55305 United States	Electronic Service		No	M-25-36
2	Matthew	Brodin	mbrodin@allete.com	Minnesota Power		30 West Superior Street Duluth MN, 55802 United States	Electronic Service		No	M-25-36
3	John	Coffman	john@johncoffman.net	AARP		871 Tuxedo Blvd. St. Louis MO, 63119-2044 United States	Electronic Service		No	M-25-36
4	Generic	Commerce Attorneys	commerce.attorneys@ag.state.mn.us		Office of the Attorney General - Department of Commerce	445 Minnesota Street Suite 1400 St. Paul MN, 55101 United States	Electronic Service		Yes	M-25-36
5	Brandon	Crawford	brandonc@cupminnesota.org	Citizens Utility Board of Minnesota		332 Minnesota St Ste W1360 St. Paul MN, 55101 United States	Electronic Service		No	M-25-36
6	George	Crocker	gwillc@nawo.org	North American Water Office		5093 Keats Avenue Lake Elmo MN, 55042 United States	Electronic Service		No	M-25-36
7	Bridget	Dockter	bridget.dockter@xcelenergy.com			null null, null United States	Electronic Service		No	M-25-36
8	Ron	Elwood	relwood@mnlisap.org	Legal Services Advocacy Project		970 Raymond Avenue Suite G-40 Saint Paul MN, 55114 United States	Electronic Service		No	M-25-36
9	Sharon	Ferguson	sharon.ferguson@state.mn.us		Department of Commerce	85 7th Place E Ste 280 Saint Paul MN, 55101-2198 United States	Electronic Service		No	M-25-36
10	Todd J.	Guerrero	todd.guerrero@kutakrock.com	Kutak Rock LLP		Suite 1750 220 South Sixth Street Minneapolis MN, 55402-1425 United States	Electronic Service		No	M-25-36
11	Shubha	Harris	shubha.m.harris@xcelenergy.com	Xcel Energy		414 Nicollet Mall, 401 - FL 8 Minneapolis MN, 55401 United States	Electronic Service		No	M-25-36
12	Annete	Henkel	mui@mnutilityinvestors.org	Minnesota Utility Investors		413 Wacouta Street #230 St.Paul MN, 55101 United States	Electronic Service		No	M-25-36
13	Michael	Hoppe	lu23@ibew23.org	Local Union 23, I.B.E.W.		445 Etna Street Ste. 61 St. Paul MN, 55106 United States	Electronic Service		No	M-25-36
14	Richard	Johnson	rick.johnson@lawmoss.com	Moss & Barnett		150 S. 5th Street Suite 1200 Minneapolis MN, 55402 United States	Electronic Service		No	M-25-36
15	Sarah	Johnson Phillips	sjphillips@stoel.com	Stoel Rives LLP		33 South Sixth Street Suite 4200 Minneapolis MN, 55402 United States	Electronic Service		No	M-25-36
16	Peder	Larson	plarson@larkinhoffman.com	Larkin Hoffman Daly & Lindgren, Ltd.		8300 Norman Center Drive Suite 1000 Bloomington MN, 55437 United States	Electronic Service		No	M-25-36
17	Annie	Levenson Falk	annief@cupminnesota.org	Citizens Utility Board of Minnesota		332 Minnesota Street, Suite W1360 St. Paul MN, 55101 United States	Electronic Service		No	M-25-36
18	David	Moeller	dmoeller@allete.com	Minnesota Power			Electronic Service		No	M-25-36
19	Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP		33 South Sixth St Ste 4200 Minneapolis MN, 55402 United States	Electronic Service		No	M-25-36

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
20	David	Niles	david.niles@avantenergy.com	Minnesota Municipal Power Agency		220 South Sixth Street Suite 1300 Minneapolis MN, 55402 United States	Electronic Service		No	M-25-36
21	Chris	Osowski	chris_osowski@usc.salvationarmy.org	Salvation Army		2080 Woodlynn Avenue Maplewood MN, 55109 United States	Electronic Service		No	M-25-36
22	Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	1400 BRM Tower 445 Minnesota St St. Paul MN, 55101-2131 United States	Electronic Service		Yes	M-25-36
23	Christine	Schwartz	regulatory.records@xcelenergy.com	Xcel Energy		414 Nicollet Mall, MN1180-07-MCA Minneapolis MN, 55401-1993 United States	Electronic Service		No	M-25-36
24	Will	Seuffert	will.seuffert@state.mn.us		Public Utilities Commission	121 7th PI E Ste 350 Saint Paul MN, 55101 United States	Electronic Service		Yes	M-25-36
25	James M	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered		150 S 5th St Ste 700 Minneapolis MN, 55402 United States	Electronic Service		No	M-25-36

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1	John	Coffman	john@johncoffman.net	AARP		871 Tuxedo Blvd. St. Louis MO, 63119-2044 United States	Electronic Service		No	M-25-37
2	Generic	Commerce Attorneys	commerce.attorneys@ag.state.mn.us		Office of the Attorney General - Department of Commerce	445 Minnesota Street Suite 1400 St. Paul MN, 55101 United States	Electronic Service		Yes	M-25-37
3	Brandon	Crawford	brandonc@cubminnesota.org	Citizens Utility Board of Minnesota		332 Minnesota St Ste W1360 St. Paul MN, 55101 United States	Electronic Service		No	M-25-37
4	Ron	Elwood	relwood@mnsap.org	Legal Services Advocacy Project		970 Raymond Avenue Suite G-40 Saint Paul MN, 55114 United States	Electronic Service		No	M-25-37
5	Sharon	Ferguson	sharon.ferguson@state.mn.us		Department of Commerce	85 7th Place E Ste 280 Saint Paul MN, 55101-2198 United States	Electronic Service		No	M-25-37
6	Travis	Jacobson	travis.jacobson@mdu.com	Great Plains Natural Gas Company		400 N 4th St Bismarck ND, 58501 United States	Electronic Service		No	M-25-37
7	Annie	Levenson Falk	annielf@cubminnesota.org	Citizens Utility Board of Minnesota		332 Minnesota Street, Suite W1360 St. Paul MN, 55101 United States	Electronic Service		No	M-25-37
8	Chris	Osowski	chris_osowski@usc.salvationarmy.org	Salvation Army		2080 Woodlynn Avenue Maplewood MN, 55109 United States	Electronic Service		No	M-25-37
9	Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	1400 BRM Tower 445 Minnesota St St. Paul MN, 55101-2131 United States	Electronic Service		Yes	M-25-37
10	Will	Seuffert	will.seuffert@state.mn.us		Public Utilities Commission	121 7th Pl E Ste 350 Saint Paul MN, 55101 United States	Electronic Service		Yes	M-25-37
11	Kristin	Stastny	kstastny@taftlaw.com	Taft Stettinius & Hollister LLP		2200 IDS Center 80 South 8th Street Minneapolis MN, 55402 United States	Electronic Service		No	M-25-37

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1	John	Coffman	john@johncoffman.net	AARP		871 Tuxedo Blvd. St. Louis MO, 63119-2044 United States	Electronic Service		No	M-25-39
2	Generic	Commerce Attorneys	commerce.attorneys@ag.state.mn.us		Office of the Attorney General - Department of Commerce	445 Minnesota Street Suite 1400 St. Paul MN, 55101 United States	Electronic Service		Yes	M-25-39
3	Brandon	Crawford	brandonc@cubminnesota.org	Citizens Utility Board of Minnesota		332 Minnesota St Ste W1360 St. Paul MN, 55101 United States	Electronic Service		No	M-25-39
4	Ron	Elwood	relwood@mnlsap.org	Legal Services Advocacy Project		970 Raymond Avenue Suite G-40 Saint Paul MN, 55114 United States	Electronic Service		No	M-25-39
5	Sharon	Ferguson	sharon.ferguson@state.mn.us		Department of Commerce	85 7th Place E Ste 280 Saint Paul MN, 55101-2198 United States	Electronic Service		No	M-25-39
6	Joylyn C	Hoffman Malueg	joylyn.hoffmanmalueg@wecenergygroup.com	Minnesota Energy Resources		2685 145th St W Rosemount MN, 55068 United States	Electronic Service		No	M-25-39
7	Annie	Levenson Falk	annielf@cubminnesota.org	Citizens Utility Board of Minnesota		332 Minnesota Street, Suite W1360 St. Paul MN, 55101 United States	Electronic Service		No	M-25-39
8	Chris	Osowski	chris_osowski@usc.salvationarmy.org	Salvation Army		2080 Woodlynn Avenue Maplewood MN, 55109 United States	Electronic Service		No	M-25-39
9	Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	1400 BRM Tower 445 Minnesota St St. Paul MN, 55101-2131 United States	Electronic Service		Yes	M-25-39
10	Will	Seuffert	will.seuffert@state.mn.us		Public Utilities Commission	121 7th PI E Ste 350 Saint Paul MN, 55101 United States	Electronic Service		Yes	M-25-39
11	Kristin	Stastny	kstastny@taftlaw.com	Taft Stettinius & Hollister LLP		2200 IDS Center 80 South 8th Street Minneapolis MN, 55402 United States	Electronic Service		No	M-25-39

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1	Kristine	Anderson	kanderson@greatermngas.com	Greater Minnesota Gas, Inc.		1900 Cardinal Lane PO Box 798 Faribault MN, 55021 United States	Electronic Service		No	M-25-40
2	Cody	Chilson	cchilson@greatermngas.com	Greater Minnesota Gas, Inc. & Greater MN Transmission, LLC		1900 Cardinal Ln PO Box 798 Faribault MN, 55021 United States	Electronic Service		No	M-25-40
3	John	Coffman	john@johncoffman.net	AARP		871 Tuxedo Blvd. St. Louis MO, 63119-2044 United States	Electronic Service		No	M-25-40
4	Generic	Commerce Attorneys	commerce.attorneys@ag.state.mn.us		Office of the Attorney General - Department of Commerce	445 Minnesota Street Suite 1400 St. Paul MN, 55101 United States	Electronic Service		Yes	M-25-40
5	Brandon	Crawford	brandonc@cubminnesota.org	Citizens Utility Board of Minnesota		332 Minnesota St Ste W1360 St. Paul MN, 55101 United States	Electronic Service		No	M-25-40
6	Ron	Elwood	relwood@mnsap.org	Legal Services Advocacy Project		970 Raymond Avenue Suite G-40 Saint Paul MN, 55114 United States	Electronic Service		No	M-25-40
7	Sharon	Ferguson	sharon.ferguson@state.mn.us		Department of Commerce	85 7th Place E Ste 280 Saint Paul MN, 55101-2198 United States	Electronic Service		No	M-25-40
8	Nicolle	Kupser	nkupser@greatermngas.com	Greater Minnesota Gas, Inc.		1900 Cardinal Ln PO Box 798 Faribault MN, 55021 United States	Electronic Service		No	M-25-40
9	Annie	Levenson Falk	annielf@cubminnesota.org	Citizens Utility Board of Minnesota		332 Minnesota Street, Suite W1360 St. Paul MN, 55101 United States	Electronic Service		No	M-25-40
10	Chris	Osowski	chris_osowski@usc.salvationarmy.org	Salvation Army		2080 Woodlynn Avenue Maplewood MN, 55109 United States	Electronic Service		No	M-25-40
11	Greg	Palmer	gpalmer@greatermngas.com	Greater Minnesota Gas, Inc.		1900 Cardinal Ln PO Box 798 Faribault MN, 55021 United States	Electronic Service		No	M-25-40
12	Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	1400 BRM Tower 445 Minnesota St St. Paul MN, 55101-2131 United States	Electronic Service		Yes	M-25-40
13	Will	Seuffert	will.seuffert@state.mn.us		Public Utilities Commission	121 7th Pl E Ste 350 Saint Paul MN, 55101 United States	Electronic Service		Yes	M-25-40