

December 11, 2023

Will Seuffert  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, Minnesota 55101-2147

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**  
Docket No. E002/M-23-476

Dear Mr. Seuffert:

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

**In the Matter of Northern States Power d/b/a Xcel Energy's Petition for a Proposed Low Income, Low Usage (LILU) Program**

The Petition was filed by Xcel Energy on October 17, 2023.

The Department concludes Xcel's Petition and the associated LILU Program tariff under Section 5 of Xcel's Minnesota Electric Rate Book, Sheets 95 and 96, is consistent with ECC's LILU proposal and the Commission's July 17, 2023 Order. Additionally, the Department concludes Xcel's proposal to report on LILU in its annual Low Income Discount Reports is adequate to obtain an understanding of the program. The Department requests Xcel address whether the LILU proposal meets the requirements of Minn. Stat. § 216B.16, subd. 15(b) in its reply comments.

Sincerely,

/s/ LOUISE MILTICH  
Assistant Commissioner of Energy Regulatory Analysis

/s/ ANDY BAHN  
Rate Analyst Coordinator

Ab/ad  
Attachment



## Before the Minnesota Public Utilities Commission

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### Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. E002/M-23-476

#### I. INTRODUCTION

In its July 17, 2023 Order from Xcel's most recent electric rate case, the Public Utility Commission (Commission) required Xcel to implement the Low-Income, Low-Usage Discount Program (LILU) as proposed by Energy Cents Coalition (ECC), and make the program available to customers no later than the effective date of final rates or October 17, 2023.<sup>1</sup> On October 17, 2023, Xcel filed a Petition for Approval of a Proposed Low-Income, Low-Usage Compliance Filing (Petition).

In its November 11, 2023 Notice of Comment Period, the Commission requested comments on whether the Commission should accept Xcel Energy's Petition. Specifically, the notice requested comments on (1) whether the LILU proposal meets the requirements of Minn. Stat. § 216B.16, subd. 15 for low-income affordability programs and (2) whether Xcel's proposed reporting on the LILU in its annual Low Income Discount Reports is adequate to obtain an understanding of the program?

#### II. PROPOSED LILU PROGRAM

The LILU program is designed to help residential customers at or below 50 percent of the state median income guideline with an annual average usage of 300 kWh or less each month. Qualifying customers will receive a 35 percent discount on their electric energy charge (per kWh) and the bill credits will be reflected on the customer's monthly bill.<sup>2</sup>

Xcel has identified approximately 290,000 customers who have 12 months of historical average monthly usage of 300 kWh or less. Approximately 16,000 of these customers are enrolled in LIHEAP and will be automatically enrolled in the LILU Program, thereby receiving the benefits of both programs. Customers not currently enrolled in LIHEAP, but who fall within the qualified usage parameters, will receive a letter from the Company describing the LILU Program and providing instructions on how to enroll along with an Income Self-Declaration form. At this time, Xcel estimates approximately 87,000 customers will receive this discount, with a total estimated cost of \$8.3 million, which will be recovered through Xcel's Low-Income Energy Discount Rider.<sup>3</sup>

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<sup>1</sup> Docket No. E002/GR-21-630, *In the Matter of the Application of Northern States Power Company, dba Xcel Energy, for Authority to Increase Rates for Electric Service in the State of Minnesota*, FINDINGS OF FACT, CONCLUSIONS, AND ORDER, July 17, 2023, Order ¶¶63-64, p. 160. eDockets No. [20237-197559-01](#)

<sup>2</sup> Xcel Compliance Filing—Petition Compliance Filing LILU (November 7, 2023 – Originally Filed on October 17, 2023 in Docket No. 21-630), p. 2, eDocket No. [202311-200316-01](#)

<sup>3</sup> *Id.*

### III. DEPARTMENT ANALYSIS

The Department has reviewed Xcel's Petition and the associated LILU Program tariff under Section 5 of Xcel's Minnesota Electric Rate Book, Sheets 95 and 96, and finds Xcel's Petition is consistent with ECC's LILU proposal and the ordering paragraphs 63 and 64 from the Commission's July 17, 2023 Order.<sup>4</sup> The Department addresses whether the LILU proposal meets the requirements of Minn. Stat. § 216B.16, subd. 15(b) and whether Xcel's proposed reporting on the LILU in its annual Low Income Discount Reports is adequate to obtain an understanding of the program below.

#### A. STATUTORY COMPLIANCE WITH MINN. STAT. § 216B.16, SUBD. 15

The Commission's November 11, 2023 Notice of Comment Period requested comments on whether the LILU proposal meet the requirements of Section 216B.16, subd. 15 for low-income affordability programs. Section 216B.16, subd. 15(b) requires a utility's low-income affordability program to:

- 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.

The Department does not have enough information to make a recommendation on whether Xcel's LILU proposal meets Section 216B.16, subd. 15(b) and requests that Xcel address the five issues above in its reply comments.

#### B. LOW INCOME DISCOUNT REPORTS

The Commission's November 11, 2023 Notice of Comment Period also requested comments on Xcel's proposed reporting on the LILU in its annual Low Income Discount Reports. Specifically, the Commission wants to know if this reporting is adequate to obtain an understanding of the program.

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<sup>4</sup> Docket No. 21-630, Commission Order (July 17, 2023), Order ¶¶ 63-64, p. 160 states the following:

63. Xcel must implement the Low-Income, Low-Usage Discount Program as proposed by Energy Cents Coalition.

64. Xcel must make the program available to customers the later of the effective date of final rates or October 1, 2023. The Company will be required to file a program status update on December 1, 2023, and annually thereafter with its electric low-income annual report.

Xcel proposes to provide LILU Program updates in its Annual Low-Income Discount Reports. These reports are filed annually on December 1. The first LILU update was filed as part of its Annual Report for 2022-2023.<sup>5</sup> The report described the LILU program and states the LILU program will begin in 2024 and details how the program will be reported in Xcel's 2023-2024 Low-Income Annual Report.<sup>6</sup>

Xcel will include the following information in future annual reports:

- a narrative update on the LILU Program;
- a cumulative five-year outlook showing program year participation (as it progresses);
- average annual discount;
- program disbursements;
- administrative costs;
- customer enrollment breakdown through LIHEAP and self-declaration;
- program participant disconnections;
- monthly class surcharges;
- a program tracker; and,
- a status summary sheet provided as an attachment in each annual report for all programs.<sup>7</sup>

The Department finds that Xcel's proposal to report on LILU in its annual Low Income Discount Reports is adequate to obtain an understanding of the program.

### **III. CONCLUSION AND RECOMMENDATION**

The Department concludes Xcel's Petition and the associated LILU Program tariff under Section 5 of Xcel's Minnesota Electric Rate Book, Sheets 95 and 96, is consistent with ECC's LILU proposal and the Commission's July 17, 2023 Order. Additionally, the Department concludes Xcel's proposal to report on LILU in its annual Low Income Discount Reports is adequate to obtain an understanding of the program. The Department requests Xcel address whether the LILU proposal meets the requirements of Minn. Stat. § 216B.16, subd. 15(b) in its reply comments.

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<sup>5</sup> Excel Energy (December 1, 2023) *Electric Low-Income Energy Discount Program Report*, eDockets No. [202312-200913-03](#)

<sup>6</sup> *Id.* at 10-12.

<sup>7</sup> *Id.* at 12.

## **CERTIFICATE OF SERVICE**

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

**Minnesota Department of Commerce**  
**Comments**

**Docket No. E002/M-23-476**

Dated this **11<sup>th</sup>** day of **December 2023**

**/s/Sharon Ferguson**

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400  St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_23-476_M-23-476
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280  Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_23-476_M-23-476
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_23-476_M-23-476
Christine	Schwartz	Regulatory.records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7  Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_23-476_M-23-476
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th PI E Ste 350  Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_23-476_M-23-476