

May 30, 2014

Dr. Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, Minnesota 55101

RE: **Supplemental Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. E015/M-11-409

Dear Dr. Haar:

On May 16, 2014, the Minnesota Public Utilities Commission (Commission) issued a *Notice of Supplemental Comments on Minnesota Power's Proposal to Change the Number of Participants in its Customer Affordability of Residential Electricity Program (CARE Program)*. The Minnesota Department of Commerce, Division of Energy Resources (Department) offers the following comments.

On May 5, 2014, Minnesota Power (MP or the Company) filed Reply Comments to its second annual CARE compliance filing in which it requested approval to exceed the capped level of 5,000 participants in its CARE Program. The Company stated that it currently has over 4,800 customers enrolled in its CARE Program, and anticipates it could reach or exceed the authorized participation level of 5,000 during the current 2014 program year ending September 30, 2014. MP stated that it currently has a CARE tracker balance of over \$900,000, and expects it could serve an average of 7,500 customers through the end of the 2015 program year without fully depleting the tracker balance.

The Department concludes that MP's request to enroll more than 5,000 participants in its CARE Program is reasonable. The CARE Program is available to Low-Income Home Energy Assistance Program (LIHEAP)-eligible customers. According to MP, 11,182 of its customers are currently enrolled in LIHEAP. As noted in its April 18, 2014 comments on MP's most recent CARE Program annual report, the Department concluded that with the exception of decreasing customer arrearages, the CARE Program has complied with the requirements of Minn. Stat. §216B.16, Subd. 15 (b). With respect to decreasing customer arrearages, MP has stated it is taking steps to improve the accuracy of its arrearage reporting for CARE participants, which will improve the ability to analyze the impact the CARE Program is having on participant arrears.

The Department recommends that the Commission approve Minnesota Power's request to enroll more than 5,000 participants in its CARE Program.

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

Sincerely,

/s/ SUSAN L. PEIRCE
Rates Analyst

SLP/lt

CERTIFICATE OF SERVICE

I, Jan Mottaz, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, 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.

Supplemental Comments of the Minnesota Department of Commerce, Division of Energy Resources

Docket No. E015/M-11-409

Dated this 30th day of May 2014

/s/Jan Mottaz

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