



# CITIZENS UTILITY BOARD

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December 23, 2024

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

**VIA E-FILING**

**Re:**

**In the Matter of Xcel Energy's 2021 Gas  
Affordability Program Evaluation Report**

**MPUC Docket No. G-002/M-22-257**

Dear Mr. Seuffert:

Enclosed and e-filed in MPUC Docket No. G-002/M-22-257, please find the Initial Comments of the Citizens Utility Board of Minnesota in the above-referenced matter.

Sincerely,

/s/ Brandon Crawford  
Brandon Crawford  
Regulatory Advocate  
Citizens Utility Board of Minnesota  
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cc: Service List

**STATE OF MINNESOTA  
PUBLIC UTILITIES COMMISSION**

Katie Sieben	Chair
Hwikwon Ham	Commissioner
Valerie Means	Commissioner
Joseph Sullivan	Commissioner
John Tuma	Commissioner

In the Matter of Xcel Energy's 2021 Gas Affordability  
Program Evaluation Report

Docket No. G-002/M-22-257

**Initial Comments of the Citizens Utility Board of Minnesota**

The Citizens Utility Board of Minnesota ("CUB") respectfully submits these Initial Comments in response to the Minnesota Public Utilities Commission's ("Commission") Notice of Amended Comment Period issued on December 4, 2024 in the above-referenced matter.

**I. Background**

Public gas utilities serving low-income ratepayers are required to file affordability programs with the Commission to ensure such households receive "affordable, reliable, and continuous service."<sup>1</sup> Northern States Power Company d/b/a Xcel Energy's ("Xcel" or the "Company") Gas Affordability Program ("GAP") provides participants with affordability and arrearage forgiveness benefits to lower the percentage of income spent on gas utility bills. Under the affordability portion of the program, customers' gas bills are capped at three percent of household income. To be eligible, customers must be enrolled in the Low-Income Home Energy Assistance Program ("LIHEAP"), have natural gas costs that exceed three percent of income, and agree to enter into a payment agreement.

Historically, additional application processes and a lack of customer education contributed to Xcel's GAP program being underutilized by eligible customers already receiving LIHEAP assistance. In recognition of the need to facilitate greater participation and streamline accessibility, the Commission ordered Xcel to develop a method for automatically enrolling all eligible LIHEAP recipients into GAP at the beginning of 2023.<sup>2</sup> This process began on July 15, 2023, and extended GAP benefits to many customers that had not previously apprised themselves of the affordability program.<sup>3</sup> Participation increased substantially as a result: from 6,342 customers at the end of 2022 to 10,650 by the end of 2023.<sup>4</sup> Enrollment levels have continued to grow, with nearly 11,900 low-income customers receiving benefits as of October 2024.<sup>5</sup>

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<sup>1</sup> Minn. Stat. § 216B.16, Subd. 15(a).

<sup>2</sup> *In the Matter of In the Matter of Xcel Energy's Gas Affordability Program Evaluation Report*, Docket No. G-002/M-22-257, Commission Order at 2 (Jan. 18, 2023) (hereinafter "January 18, 2023 Commission Order").

<sup>3</sup> *In the Matter of In the Matter of Xcel Energy's Gas Affordability Program Evaluation Report*, Docket No. G-002/M-22-257, Xcel Energy's Gas Affordability Program Tracker Balance Proposal at 3 (Nov. 21, 2024) (hereinafter "GAP Tracker Proposal").

<sup>4</sup> *In the Matter of Northern States Power Company d/b/a Xcel Energy's 2023 Annual Gas Affordability Program Report*, Docket No. G-002/M-24-36, Annual Report, Att. B at 2 (Mar. 29, 2024) (hereinafter "2023 Annual GAP Report").

<sup>5</sup> GAP Tracker Proposal at 5.

In its January 2023 Order, the Commission further directed Xcel to closely monitor program spending and, if its tracker balance was expected to be depleted within six months, file a proposal to avoid program closure.<sup>6</sup> Xcel forecasts its GAP tracker balance will be fully depleted by August 2025, and has consequently filed a petition to increase the program budget and surcharge.

## II. Analysis

CUB supports Xcel's petition to raise its GAP surcharge from \$0.00445 per therm to \$0.00875 per therm beginning on February 1, 2025.<sup>7</sup> We also support the Company's request to increase the program budget from \$2.5 million to \$5.6 million.<sup>8</sup> These adjustments are necessary to maintain an appropriate level of GAP funding and ensure continued program effectiveness.

As evidenced by the substantial increase in program participation, automatic enrollment of LIHEAP customers into GAP has successfully expanded affordability benefits to many Minnesota households in need of help with utility bills. The importance of this assistance cannot be understated. The rising number of utility disconnections throughout the state<sup>9</sup>—and particularly in Xcel Energy's service territory<sup>10</sup>—is indicative of pervasive affordability challenges that must be mitigated to the extent possible. GAP has historically lowered arrearage levels for participating households<sup>11</sup> and aided customers in avoiding disconnection.<sup>12</sup>

Automatic enrollment has bolstered program effectiveness, but it has also necessitated increased program spending. Increasing the GAP budget and raising the surcharge will help ensure the program continues to assist households in need. The increase to the surcharge amount is expected to cost average residential households an additional \$0.32 per month, or \$3.87 annually.<sup>13</sup> This relatively small per-customer contribution plays an outsized role in providing necessary assistance to struggling Minnesotans. We agree with Xcel that this is a preferable method to addressing the funding shortfall, rather than adjusting percentage of income requirements. While reinstating an energy burden threshold of four percent would minimally reduce per-customer expenses by \$0.12 per month, it would remove GAP protections for 2,230 households and lower affordability benefits for the remaining participants.<sup>14</sup> This approach would reduce program effectiveness and deny important relief to customers in need.

As detailed by Xcel,<sup>15</sup> implementing this surcharge in February will allow funds to be collected during months when volumetric gas usage is still high, alleviating the need to increase the surcharge even further if implementation were delayed until later months. We support the Company's proposed timeline and justification.

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<sup>6</sup> January 18, 2023 Commission Order at 3.

<sup>7</sup> GAP Tracker Proposal at 2.

<sup>8</sup> *Id.*

<sup>9</sup> Brandon Crawford, CITIZENS UTILITY BOARD OF MINNESOTA, *Utility Disconnections Reach New High in 2024* (Dec. 4, 2024), <https://cubminnesota.org/utility-disconnections-reach-new-high-in-2024/>.

<sup>10</sup> *In the Matter of Northern States Power Company d/b/a Xcel Energy's 2023 Annual Safety, Reliability, and Service Quality Report*, Docket No. E-002/M-24-27, Reply Comments of the Joint Commenters at 1 (Jun. 24, 2024).

<sup>11</sup> 2023 Annual GAP Report at 10.

<sup>12</sup> 2023 Annual GAP Report at 9, Att. B at 2.

<sup>13</sup> GAP Tracker Proposal at 2.

<sup>14</sup> GAP Tracker Proposal at 7.

<sup>15</sup> GAP Tracker Proposal at 8.

### III. Conclusion

CUB appreciates Xcel's proactive efforts to ensure low-income households continue to receive GAP benefits. We respectfully request the Commission approve the Company's request to increase the program budget and surcharge levels.

Sincerely,

December 23, 2024

/s/ Brandon Crawford

Brandon Crawford  
Regulatory Advocate  
Citizens Utility Board of Minnesota  
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/s/ Annie Levenson-Falk

Annie Levenson-Falk  
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## STATE OF MINNESOTA BEFORE THE PUBLIC UTILITIES COMMISSION

In the Matter of Xcel Energy's 2021 Gas  
Affordability Program Evaluation Report

MPUC Docket No.  
G-002/M-22-257

### **CERTIFICATE OF SERVICE**

I, Brandon Crawford, hereby certify that I have served a true and correct copy of the following documents to all persons at the addresses indicated on the attached list by electronic filing, electronic mail, courier, interoffice mail or by depositing the same enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

1. Initial Comments of the Citizens Utility Board of Minnesota

Dated this 23rd day of December, 2024.

/s/ Brandon Crawford

Brandon Crawford  
Regulatory Advocate  
Citizens Utility Board of Minnesota  
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19	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	22-257M-22-257
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