



414 Nicollet Mall
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October 25, 2023

—Via Electronic Filing—

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

RE: COMMENTS
APPROVAL OF A MODIFICATION TO THE
COMPANY'S LOW INCOME DISCOUNT PROGRAM
DOCKET NO. E002/10-854 AND E002/M-04-1956

Dear Mr. Seuffert:

Northern States Power Company, doing business as Xcel Energy, submits these Comments in response to the Minnesota Public Utilities Commission Notice of Extended Comment Period, dated September 29, 2023 in the above-referenced docket. Our Petition for Approval of a Modification to the Company's Low Income Discount Program requested approval to transfer \$5.6 million in funds from the Medical Affordability Program (MAP) to the PowerON Program. Additionally, in order to meet the needs of the recently expanded PowerON program, we ask the Commission to approve an annual increase to the PowerON budget of \$14.5M to sustain the Program and continue to meet the needs of our customers.

We have electronically filed this document with the Minnesota Public Utilities Commission, and copies have been served on the parties on the attached service list. Please contact Pamela Gibbs at 612-330-2889 or pamela.k.gibbs@xcelenergy.com or contact me at 612-337-2096 or bridget.dockter@xcelenergy.com if you have any questions regarding this filing.

Sincerely,

/s/

BRIDGET N. DOCKTER
MANAGER, POLICY AND OUTREACH

Enclosure
cc: Service Lists

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

Katie J. Sieben	Chair
Valerie Means	Commissioner
Matthew Schuerger	Commissioner
Joseph K. Sullivan	Commissioner
John A. Tuma	Commissioner

IN THE MATTER OF THE PETITION OF
NORTHERN STATES POWER COMPANY
FOR APPROVAL OF A MODIFICATION TO
THE COMPANY'S LOW INCOME
DISCOUNT PROGRAM

DOCKET NOS. E002/M-10-854 AND
E002/M-04-1956

COMMENTS

INTRODUCTION

Northern States Power Company, doing business as Xcel Energy, submits these Comments in response to the Minnesota Public Utilities Commission Notice of Extended Comment Period, dated September 29, 2023 in the above-referenced docket. Our Petition for Approval of a Modification to the Company's Low Income Discount Program requested approval to transfer \$5.6 million in funds from the Medical Affordability Program (MAP) to the PowerON Program. Additionally, in order to meet the needs of the recently expanded PowerON program, we ask the Commission to approve an annual increase to the PowerON budget of \$14.5 million to sustain the Program and continue to meet the needs of our customers.

I. BACKGROUND

Pursuant to Minn. Stat. § 216B.16, Subds. 14 and 15, the Low Income Program provides eligible electric customers with both bill payment assistance and/or discounts for their electric service. Our Electric Low Income Program portfolio consists of the Low Income Discount (LID), PowerON, Medical Affordability (MAP), and Low Income Low Usage (LILU) programs. The PowerON Program component of our Electric Low Income Program offering began in 2005¹ and has been administered with our community partner, Energy CENTS Coalition (ECC)

¹ Docket No. E002/M-04-1956.

since its inception. The PowerON Program provides bill credits to reduce household electric energy burdens to qualified customers in return for their commitment to make their affordable payment amount each month.

To be considered for our PowerON Program, customers must have received energy assistance through the federally funded and state-administered Low Income Home Energy Assistance Program (LIHEAP) in the previous 12 months. The Minnesota Department of Commerce, Division of Energy Resources (Department) administers LIHEAP for Minnesota residents.

In its September 26, 2014, Order,² the Commission approved our Petition to update the tariff language to comply with the changes to Minn. Stat. § 216B.16, subd. 14, resulting from the 2014 Legislative Session. These changes, which became effective on October 1, 2014, established a base annual funding level for the PowerON and LID Programs of \$8.0 million, which increases in conjunction with general rate increases for residential customers, and replaced the LID percentage-based participant energy charge discount with a flat \$15 discount on each eligible participant's total monthly bill.

On January 15, 2018, we implemented the new MAP as a modification to our Low Income Program, approved by the Commission in its January 10, 2018 Order in Docket No. E002/M-17-629. This program was conceived in response to the multi-year rate plan legislation enacted in 2011. Minn. Stat. § 216B.16, subd. 19(a)(3) allows that a utility submitting a multi-year rate plan “may propose tariffs that expand the products and services available to customers, including, but not limited to, an affordability rate for low-income residential customers.” In November 2015, the Company submitted a multi-year rate plan proposal to increase electric rates. Parties to the proceeding reached a Commission-approved settlement that resulted in (among other things) rate adjustment across four years and an agreement that the Company would develop and implement a new bill payment assistance program designed to aid customers with chronic or severe medical conditions who meet defined income criteria.³

On January 18, 2023, the Public Utilities Commission issued an Order approving our proposed auto enrollment process for natural gas customers in the Gas Affordability Program (GAP) who have been enrolled in LIHEAP.⁴ While this program is focused on serving our natural gas customers, if a combination gas and electric customer is

² Docket No. E002/M-04-1956.

³ Docket No. E002/GR-15-826.

⁴ Docket No. G002/M-22-257.

auto enrolled through GAP, they are also automatically enrolled in PowerON. This is the primary reason for the significant increased PowerON Program participation and budget need.

On July 17, 2023 the Public Utilities Commission approved the Low Income Low Use (LILU) Program through our electric rate case.⁵ On October 17, 2023 we submitted a compliance filing updating the Low Income Energy Discount Rider and providing LILU Program details.

On September 1, 2023, the Company requested to transfer \$5.6 million from our MAP to our PowerON Program to help meet the needs of the PowerON program. On September 13, 2023, the Commission established an Initial Comment deadline of October 11, 2023 and a Reply Comment deadline of October 25, 2023. On September 29, 2023 the Commission approved the comment period extension request by ECC, Citizens Utility Board (CUB), and Xcel Energy to allow parties time to explore longer term solutions to make this program sustainable, given its significant increase in program enrollment.

Xcel Energy responds to the Commission's comments below.

COMMENTS

A. Should the Commission approve Xcel Energy's request to transfer \$5.6 million in funds from the Medical Affordability Program (MAP) to the PowerOn program?

Yes, we continue to believe the request to transfer \$5.6 million from our MAP provides an acceptable short-term solution to meet the funding needs of the PowerON Program.

B. Will a \$5.6 million transfer in funds leave enough funding in the MAP budget to accommodate current and potential future participants?

Yes, the MAP requires an annual funding amount of \$3.0 million, and the updated MAP tracker balance through September is \$9.0 million. The updated average monthly MAP spend from January to September is approximately \$74,000 per month, less than half of what the program's budget can manage. Transferring \$5.6 million of underutilized funds from the MAP to the PowerON Program will not only leave the

⁵ Findings of Fact, Conclusions, and Order; Docket No. E002/GR-21-630, Order Points 63 and 64.

required MAP annual budget intact but allow for a sufficient budget moving forward when compared to current spending.

Table 1: Low Income Program Annual Budgets & Tracker Balances

Program	PowerON	LID	Combined PowerON & LID	MAP
Annual Budget	~\$3.5 million	~\$10.2 million	~ \$13.7 million	\$3.0 million
Current Tracker Balance*	\$0	~\$415k	~\$415k	\$9.0 million

*Balances Through September 30, 2023

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

Yes. The Company appreciates the additional time to work with stakeholders and discuss how to sustain the PowerON Program budget. As a result of the Company’s significant outreach efforts to enroll customers in state LIHEAP resources – which is a pre-enrollment requirement to our utility funded affordability programs – as well as auto enrollment of combination gas and electric customers in GAP and PowerON, participation levels in the PowerON Program have increased significantly, illustrating the need for energy assistance in the communities we serve. Participation and spending patterns in 2023 indicate we will continue to spend, on average, \$1.2 million per month in the PowerON Program going forward. For these reasons, we additionally request an annual increase of \$14.5 million to meet the needs of our customers. Outside of increases associated with those of a general rate case, the annual PowerON Program budget was last increased almost a decade ago, by \$3.2 million in January 1, 2014.⁶

At this time, we believe the current, historic high level of PowerON Program participation will continue and the requested budget increase of \$14.5 million is appropriate. In the event, however, that two years after the requested \$14.5 million increase to the PowerON Program, its tracker balance exceeds \$5.0 million, the Company proposes to transfer \$2.0 million from the PowerON Program at the end of the federal fiscal year. This \$2.0 million will supplement the current \$15 monthly discount available to LIHEAP households that include seniors or persons with disabilities. At the current level of approximately 31,000 LID customers, each of these

⁶ Docket No. 12-961.

customers would receive a point in time credit of approximately \$60. Working with ECC and CUB and provided the current level of PowerON spending, the Company agrees that retaining a \$3.0 million PowerON tracker balance is prudent. At the same time, should customer participation patterns change, the Company’s proposal would allow for an additional financial benefit to eligible fixed-income households. Table 2 provides a breakdown of our current electric Affordability Program portfolio, including the proposed increase to the PowerON program.

**Table 2:
Xcel Energy’s Electric Affordability Program Portfolio
(million dollars)**

Program	PowerON	LID	Combined PowerON & LID	MAP	Low Income Low Usage⁷	Total
Current Annual Budget	~\$3.5	~\$10.2	~ \$13.7	\$3.0	\$8.3	\$25.0
Proposed Increase	\$14.5	-	\$14.5	-	-	\$14.5
Proposed Annual Budget	\$18.0	\$10.2	\$28.2	\$3.0	\$8.3	\$39.5

Table 3 reflects the monthly customer impact by class of the proposed \$14.5 million annual increase to the PowerON program.

⁷ In the Matter of Northern States Power Company Electric Rate Case Compliance and Petition for Approval of Proposed Low Income, Low Usage Program Tariff; DOCKET NO. E002/GR-21-630

**Table 3:
Monthly Customer Bill Impact, by Customer Class,
of the Low Income Energy Discount Rider**

\$/month	PowerON Current	PowerON 21-630 Compliance	PowerON 21-630 Compliance + Proposed \$14.5M Increase	Impact of \$14.5M Increase
Residential	\$0.21	\$0.20*	\$1.03	\$0.83
C&I Non-Demand	\$0.26	\$0.20*	\$1.04	\$0.83
C&I Demand	\$0.66	\$0.89	\$4.45	\$3.56

*Monthly decrease is due to a net of the decreased monthly customer charge and the addition of the Low Income Low Usage program from our Rate Case.

The Company’s current request for additional funding is required to meet previous Commission-ordered commitments to the PowerON Program and the customers served through that program. In addition, the Company has been working with the Minnesota Equity Stakeholder Advisory Group (ESAG) on a new proposal for an automatic discount to certain areas experiencing high energy burden. This proposal is designed to assist a broader group of low-income customers, including many who are not already receiving LIHEAP or PowerON assistance. The Company and ESAG are currently in the process of developing that proposal and expect to bring forward a petition for Commission consideration in the first quarter of 2024.

CONCLUSION

We continue to respectfully request approval to transfer \$5.6 million in surplus funds from the Medical Affordability Program to the PowerON Program and additionally request an annual increase to the PowerON budget of \$14.5 million to meet customer needs. We also request approval to transfer \$2.0 million from the PowerON Program to the LID Program if, after two years, the PowerON tracker balance exceeds \$5.0 million.

Dated: October 25, 2023

Northern States Power Company

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

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Valerie Means	Commissioner
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SUMMARY OF FILING

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CERTIFICATE OF SERVICE

I, Ella Giefer, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

xx by depositing a true and correct copy thereof, properly enveloped with postage paid in the United States mail at Minneapolis, Minnesota

xx electronic filing

DOCKET NOS. E002/M-10-854
E002/M-04-1956

Dated this 25th day of October 2023

/s/

Ella Giefer
Regulatory Administrator

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