

September 23, 2024

Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
Saint Paul, Minnesota 55101-2147

RE: Supplemental Comments of the Minnesota Department of Commerce
Docket No. E002/M-24-27

Dear Mr. Seuffert:

Attached are the Supplemental Comments of the Minnesota Department of Commerce (Department) in the following matter:

2023 Annual Electric Safety, Reliability, and Service Quality Report (Report)
submitted by Northern States Power Company, d/b/a Xcel Energy (Xcel or the Company).

In a Notice of Supplemental Comment Period (NOSC) dated September 13, 2024, the Minnesota Public Utilities Commission (Commission) requested comments on the issue of “What actions should the Commission take in relation to Xcel Energy’s Interactive Service Quality Map and Equity Analysis?”

In the attached Supplemental Comments, the Department responds to the question included in the NOSC and provides its recommendations.

The Department is available to answer any questions that the Minnesota Public Utilities Commission may have.

Sincerely,

/s/Dr. Sydnie Lieb
Assistant Commissioner of Regulatory Analysis

JK/ad
Attachment



Before the Minnesota Public Utilities Commission

Supplemental Comments of the Minnesota Department of Commerce

Docket No. E002/M-24-27

I. INTRODUCTION

The Minnesota Department of Commerce (Department) appreciates the opportunity to provide supplemental comments in response to the Minnesota Public Utilities Commission's (Commission) Notice of Comment Period (NOC) dated September 13, 2024.

Several intervenors provided comments and reply comments in response to the Commission's Notice of Comments regarding Reliability/Equity on July 26, 2024.

The Department filed Comments on August 27, 2024, in this proceeding. In those comments, the Department reviewed the Comments and Reply Comments provided by the 1) Citizens Utility Board/Energy Cents Coalition (Joint Commenters) as well as the Reply Comments provided by 2) Fresh Energy (FE); 3) Grid Equity Commenters (GEC), and; 4) Xcel Energy (Xcel or the Company).

Xcel's disconnection policy was the first topic covered in the Department's comments. The Joint Commenters, FE and GEC identified seven recommendations on Xcel's disconnection policy, regarding involuntary disconnection and/or potential exemptions for reconnection. These included:

1. Extending the extreme heat disconnection moratorium by statute to include reconnection of disconnect customers.
2. Introduction of a moratorium on disconnecting customers during unhealthy air quality events and a requirement that Xcel reconnect customers disconnected for non-payment during air quality events.
3. Reducing Xcel's down payment requirements and modifying its disconnection policy to consider individual household circumstances.
4. Instituting a moratorium on remote shutoffs for customers in very low-income census blocks with high concentrations of people of color.
5. Halt remote disconnections until Xcel has implemented a plan to address disparities and demonstrated that remote shut-off doesn't increase disparities.
6. Require Xcel to eliminate voicemail as a permissible form of final contact as a condition for extending the Company's variance on remote shutoffs.
7. Disallow voicemails as a final means of communication prior to remote disconnection.

The Department included whatever information it had regarding the potential costs and benefits of the different options and then recommended the Commission consider cost estimates of the various alternatives before deciding and proceeded to ask the different parties sponsoring the recommendations to provide analytical support for those recommendations.

For example, regarding the extreme heat disconnection moratorium and reconnection of disconnected customers the Joint Comments and Xcel referenced, the Department requested that Xcel provide the following information in its Reply Comments on this topic:

- 1) a range of cost estimates as to the potential financial impacts of the adoption of the policy;
- 2) an estimate of the public health benefits that the implementation of this policy could potentially produce; and
- 3) an estimate of the frequency of extreme heat events during for a weather-normalized calendar year.

Six parties filed reply comments or letters: 1) the City of Edina: 2) Grid Equity Commenters: consisting of Cooperative Energy Futures, Environmental Law and Policy Center, Sierra Club, and Vote Solar; 3) the Joint Commenters: consisting of Citizens Utilities Board and Energy Cents Coalition; 4) the Office of the Attorney General, Residential Utilities Division; 5) Sierra Club, North Star Chapter, and; 6) Xcel Energy.

Other than Xcel, none of the parties that filed reply comments for this aspect of the docket referenced the Department's requests for cost information.¹ Thus, the Department suspended its planned analysis and summary of the costs and benefits of the different options that had been proposed.

In its comments, the Department decided to summarize other parties' comments and then provide its responses to the fifty-one recommendations that Xcel Energy identified in its reply comments.

II. SUMMARY OF PARTIES' POSITIONS

The City of Edina (Edina, Municipality) submitted initial comments on September 6, 2024. The Municipality referenced the numerous complaints it had received in the past few months due to service outages. Regarding other actions the Commission could take to address disparities in disconnections, Edina supported expanded outreach prior to disconnection but didn't support geographically limiting those efforts. In response to the Commission's question no. 4 in the NOC, Edina supported the inclusion of additional years of outage data, claiming it would provide a more sufficient, data-driven case to determine if enhanced vegetation management and targeted undergrounding is appropriate. The Municipality also proposed to include 5 additional pieces of data to Xcel's Interactive Service Quality Map.

¹ The Department requested; 1) Fresh Energy and the Joint Commenters provide additional information on their proposal that Xcel could lower its initial payment threshold. 2) Fresh Energy provided an analysis of the potential impact of its recommendation to institute a moratorium on remote shutoffs for customers in very low-income census blocks with high concentrations of people of color; and 3) Xcel or the GEC's provided an analysis that estimates the financial effects of GEC's proposed moratorium that would be in place until the Company implemented a plan to address disparities and demonstrate that remote shut-off doesn't increase disparities.

The Grid Equity Commenters (Grid Equity, GEC) initially discussed the year-to-date 2024 results regarding Xcel's disconnection efforts. Grid Equity noted a spike in disconnection in 2024 that was well above any annual historical figures. GEC used that information to provide support for its recommendations that the Commission require Xcel to conduct a comprehensive evaluation of its disconnection policy and that a moratorium on disconnections is warranted until the Company has completed that evaluation. Grid Equity then referenced arrearages balances and bad debt expense as two areas where Xcel could benefit from strategies or improvements recommended by the National Association of Regulatory Utility Commissioners (NARUC) or other parties.²

The Joint Commenters primarily limited the scope of their reply comments to a discussion of the agreement the Joint Commenters reached with Xcel regarding certain aspect of the Company's disconnection policy.³ The Joint Commenters did also briefly discuss three additional topics: 1) remote reconnections during extreme heat and air quality events; 2) medical account reporting, and; 3) arrearage balances.

The Office of the Attorney General, Residential Utilities Division (OAG-RUD) provided an analysis in its Reply Comments which determined Xcel must provide all its customers with adequate and reliable service at just and reasonable rates. Building off that conclusion, OAG-RUD stated its support for Fresh Energy/s recommendation that a third-party study into Xcel's disconnection policies and practices will help identify and evaluate effective long-term solutions. In addition, OAG-RUD supports Fresh Energy's recommendation for an immediate disconnection moratorium to ensure that communities of color are protected from further harm. The OAG-RUD also determined that the Company's proposed solutions to its disconnection disparities are insufficient and apparently recommended that Xcel explore novel funding mechanism to reduce existing arrearages and arrearages accrued during a temporary disconnection moratorium.

The North Star Chapter of the Sierra Club (NSC) also filed a letter in support of Fresh Energy's recommendation for a "third-party expert to conduct a thorough examination of Xcel Energy's capital investment planning, outage restoration process, and shutoff policies to determine the root causes of these disparities."⁴ NSC also supported Fresh Energy, OAG-RUD and GECs concerns relative to Xcel's outreach efforts to communities of color.

Xcel filed its Reply Comments on September 12, 2024, as well. The Company:

- identified 51 recommendations in 4 categories:
- supported or did not oppose 30 recommendations:
- opposed or did not support 20 recommendations, and:
- took no position on one recommendation.

² The Department appreciates that the GECs did recognize the Department's concerns that the record to date has not identified the causes of the disparities.

³ Joint Commenters Reply Comments filed September 12, 2024, in Docket No. E002/M-24-27 at pages 5 and 6.

⁴ Sierra Club, North Star Chapter, filed September 11, 202, at page 1.

The Department didn't attempt to summarize Xcel's positions in the interest of time. The balance of the Department's supplemental comments reviews the 51 recommendations the Company identified in its reply comments and provides the Department's position regarding each of those recommendations. The Department developed two attachments to aid in understanding the different recommendations. Attachment A provides the recommendations by number and a summary description. Attachment B summarizes the parties that support and those that oppose the different recommendations as well as the Department's position.

III. DEPARTMENT ANALYSIS

The Department will use the four categories of recommendations that Xcel identified in its Reply Comments to simplify its analysis/review.

A. Disparities in disconnections

1. Use algorithms to identify customers and conduct targeted outreach to prevent disconnections. Work with community-based organizations to conduct targeted outreach to prevent disconnection.

Xcel supports this recommendation.

Fresh Energy opposes the recommendation due to concerns about the structural issues within the Company's disconnection policy and the ability of the Company's employees to be trusted by some customers in communities of color.⁵

The City of Minneapolis (Minneapolis, City), GEC and Edina support some part of this recommendation.^{6,7,8} GEC and Edina's recommendations also included language that this recommendation should be implemented across the Company's entire service area, thereby not being limited to communities of color. Xcel used this language as a stepping-stone to the discuss of the risk of legal challenge associated with the use of race as a criterion for receiving targeted outreach. The Company referenced the United States Supreme Court's 2023 decision in *Students for Fair Admissions*.⁹ Xcel noted that this "decision found race-based preferences in affirmative action programs violated the Equal Protection Clause of the Fourteenth Amendment".¹⁰ The Company then explained its concerns regarding the Commission ordering this type of implementation.

The Department supports the algorithm aspect of this recommendation as it expands outreach prior to disconnection and doesn't require Commission action.

⁵ Fresh Energy Comments filed August 27, 2024, at 2-3.

⁶ City of Minneapolis Comments filed August 27, 2024, at 4.

⁷ Grid Equity comments filed August 27, 2024, at 7.

⁸ City of Edina comments filed September 6, 2024, at 1.

⁹ *Students for Fair Admissions, Inc. v. President & Fellows of Harvard Coll.*, 600 U.S. 181 (2023).

¹⁰ Xcel, reply comments, filed September 12, at 4.

2. Make additional information available on the Company's website on payment and disconnection practices. Submit a filing in the current docket and Docket E,G999-PR-24-02 that details current disconnection policies and practices.

This recommendation was included in the Joint Commenters agreement with Xcel on disconnection policies.

The Department supports this recommendation as it expands outreach prior to disconnection and doesn't require Commission action.

3. Institute a practice during extreme heat events of using the Company's AMI system to reconnect customers who were previously disconnected remotely (and continue our current practice of no disconnections during extreme heat events).

The GEC and the Company support this recommendation. This is recommendation was also included in the Joint Commenters agreement with Xcel on disconnection policies.

The Department also supports this recommendation.

4. No disconnection until a customer's past due balance reaches \$300 (and continue the Company's current practice of sending disconnection notice at \$180 past due balance).

This is recommendation was also included in the Joint Commenters agreement with Xcel on disconnection policies. The Department didn't discuss this recommendation in its comments.

The Department generally is not in favor of deciding the details of disconnection policy, like a threshold for a customer past due balance to determine a minimum amount for disconnection. It is preferable to have the individuals who do the work determine the details of those processes. In this instance however, the Department recognizes that due the number of customers who have past due balances is so significant that it will take the Company quite a bit of time to work through that backlog. Hence, agreeing to this higher barrier to entry to disconnection will have little effect on Xcel's efforts and may allow some number of customers to avoid being disconnected. As a result of this additional review, the Department now supports the recommendation.

5. Provide disconnection notices at least ten business days prior to disconnection, year-round.

This is recommendation was also included in the Joint Commenters agreement with Xcel on disconnection policies. The Department didn't discuss this recommendation in its comments.

The Department supports the recommendation.

6. Reduce payment plan down payments using the graduated structure shown in Table 1 of these reply comments. Continue to offer payment agreement terms that are flexible to account for each household's financial circumstances.

Xcel and the Joint Commenters support this recommendation. The Department expressed concerns about this recommendation in its comments, but upon further review supports this recommendation.

7. Recognizing that this change [described in 6] is likely to increase arrears on customer bills, and subsequently, the Company's bad debt expense that is passed on to customers, the Company may request, in its next general rate case filing, an increase to bad debt expense through a tracking mechanism.

Xcel supports this recommendation. The Joint Commenters also appear to support this recommendation having included the following language in their comments: Xcel may request an adjustment to its revenue requirement related to bad debt expense in its next general rate filing".¹¹

The Department opposes this recommendation as it appears to be unnecessary. Xcel always can propose new financial tracking mechanisms in its general rate cases. Xcel's and the Joint Commenters language appear to be supporting what is a generally acceptable regulatory concept.

8. Using \$500,000 underperformance penalty to pay down arrears. Per preference of Joint Commenters, apply a \$1,000 payment toward the arrears balance of 500 customers, given the criteria given in Xcel's Reply Comments

Xcel supported this recommendation. The Commission addressed this issue on Thursday September 19th, 2024, approving decision option 2c: "Apply a \$500 payment to customers that meet the above criteria and live within specified low-income census block groups (with lowest income census blocks going first). Thus, this recommendation is moot.

9. Company does not oppose using \$500,000 underperformance penalty to waive reconnection fees, but this is not the preference of the Joint Commenters.

Xcel supported this recommendation. The Commission addressed this issue on Thursday September 19th, 2024, as noted above. Thus, this recommendation is moot.

10. Extend variance on remote disconnections without a field visit and continue "last call" practice that include voicemail. Add one other digital form of contact prior to remote disconnection, where agreed to by the customer.

The Joint Commenters support this recommendation. This is a recommendation the Department included in its Comments, so the Department continues to support it.¹²

¹¹ Joint Commenters Reply Comments at 8.

¹² Department Comments at 12.

11. Implement Automatic Bill Credit (ABC) Pilot Program.¹³ Include in ABC Pilot an analysis of impact of bill credits on disconnection rates.

The GEC supported this recommendation. The Department discussed this topic in its comments, but not in relation to this recommendation. The Department now supports this recommendation considering the Commission's decision on the disbursement of Xcel's 2023 complaint-related underperformance payment in Docket Nos. E, G002/CI-02-2034 and E, G002/M-12-383 on September 19th, 2024.

12. Enhance energy efficiency program participants in very income-challenged communities, consistent with recommendations from ESAG, continue these discussions with Environmental Justice Accountability Board.

The City of Minneapolis drafted and supports this recommendation. The Department supports this recommendation as well.

13. Conduct lengthy, third-party studies on capital investment planning, outage restoration, and disconnection policies/practices, to the extent that such studies would significantly delay already identified solutions.

Fresh Energy, OAG-RUD and the North Star Chapter of the Sierra Club support this recommendation. Grid Equity provided a lengthy and detailed recommendation that is like the recommendation FE drafted and the NSC and OAG-RUD support. All four intervenors appear to tie the purpose and results of these studies to a temporary moratorium on customer disconnections as well.

The Company opposes this recommendation stating: "We oppose lengthy third-party studies if those would, as Fresh Energy suggests, delay taking actions that address an already identified need, can be implemented right away and are broadly supported by other parties in this docket".¹⁴

The Department opposes this recommendation.

14. Moratorium (blanket or targeted) on disconnections

Fresh Energy recommends a temporary blanket or targeted moratorium on all disconnections for two years.¹⁵ OAG-RUD and the Sierra Club North Star Chapter support FE's recommendation. The GEC also proposes a moratorium on disconnections. Like FE, Grid Equity would like the disconnection

¹³ Docket No. E002/M-24-173. The Department, OAG, Fresh Energy, Environmental Law & Policy Center, Vote Solar, Center for Energy & Environment, Energy CENTS Coalition, and 27 members of ESAG.

¹⁴ Xcel Reply Comments at 7.

¹⁵ FE's initial recommendation supported a blanket moratorium. It provided an alternative targeted moratorium that would affect only People of Color in its Comments in its Comments at page 4.

moratorium to be in place during the time Xcel would be conducting a study related to improving its disconnection policy.¹⁶

Xcel opposes this recommendation. The Company considers the proposal to be premature in that neither of the studies cited that identified racial disparities in disconnections identified the primary causes of the disparities. In addition, Xcel described the negative effects of the temporary moratorium put in place during the pandemic on customers who were disconnected. The Company also explained how a moratorium would likely lead to higher rates for customers who are not disconnected. As for Fresh Energy's potential targeted moratorium, Xcel stated its concern regarding the legal risks of pursuing that option.

The Department opposed this recommendation in its comments. The Department identified two reasons for its opposition: 1) the ambiguity regarding the primary driver of the disparities in disconnections and 2) the potential effects on the Company proposed Automatic Bill Credit Pilot Program.

The Department made two additional recommendations regarding this topic: 1) FE and Xcel work together to evaluate the potential impact of the proposed moratorium on the ABC Pilot, and 2) GEC and Xcel work together to provide an analysis of the financial effects of the proposed moratorium on disconnections over a two-year period. Xcel stated in its reply comments that it would be willing to work to provide these analyses if needed.

The need for the first analysis is dependent on the Commission's decision regarding whether a temporary or blanket moratorium should be implemented. The need for the second analysis is dependent on the Commission's level of interest in the topic. The Department defers to the Commission's perspective on this issue.

The Department continues to oppose this recommendation.

15. Moratorium on disconnections and reconnections of disconnected customers during unhealthy air quality events (oppose as redundant to existing medical program, but willing to do further analysis and include results in 2024 SRSQ annual report).

The Company and GEC supported this recommendation. The Joint Commenters support continuation of Xcel's current practice of no disconnections during excessive heat conditions, as well as using AMI to remotely reconnect customers who have been disconnected remotely.

The Department noted the possible health benefits of the proposal but asked for additional information and analysis. Given that the Joint Commenters do not support this recommendation, positing that Xcel's Emergency Medical Accounts program is a sufficient response to this issue, the Department opposes this recommendation.

¹⁶ Fresh Energy supports a study that reviews Xcel's capital budgeting process, outage restoration and disconnection policies/processes in its Comments at page 3.

16. Eliminate voicemail as last form of contact before remote connection as a permissible form of final contact prior to remote disconnection.

The Joint Commenters initially supported this recommendation. The Company opposed it. The Joint Commenters agreed with the Department's recommendation to add another form of digital contact to voicemail and supported Xcel's request for another one-year variance for remote disconnection in the Joint Commenters agreement with the Company.¹⁷

The Department opposes the recommendation.

B. Disparities in long outages

17. Take a holistic approach to the analysis and mitigation of CELI-12 disparities, recognizing these can have multiple causes and solutions may include a combination of vegetation management, undergrounding, replacing older equipment and potentially other measures.

This recommendation appears to be a combination of several other recommendations regarding enhanced vegetation management, targeted undergrounding, and the replacement of older vintage equipment.

Minneapolis supports the recommendation for the enhanced vegetation management aspect of this recommendation. The Department doesn't oppose the recommendation, but recommends the Company use 5 years of data to calculate these reliability metrics. Edina is also generally supportive. Fresh Energy opposes the recommendation.

Beyond the five years of data, the Department would like Xcel to provide some additional information on the Company's proposed "holistic approach" to this issue before making a recommendation.

18. Develop a proposal for enhanced vegetation management to mitigate increased risks to overhead distribution lines (further analysis before implementation).

The parties supporting and opposing this recommendation are the same as for recommendation #17 except that Fresh Energy does not oppose the recommendation and the GECs does not oppose, but prefer it be addressed in the Integrated Distribution Plan proceeding. Xcel is proposing to perform additional analysis of costs for this recommendation. The Department supports the recommendation.

19. Develop a proposal for targeted undergrounding to bring stronger reliability for older homes (further analysis before implementation).

Edina supports further study of this recommendation. The OAG-RUD opposes it and recommends additional analysis to refine cost estimates. The Department recommends the Company use 5 years of

¹⁷ Joint Commenters Reply Comments – 1, 4, 5.

data to calculate the reliability metrics underlying the cost analysis. The Department supports the recommendation with that modification.

20. Evaluate distribution equipment vintages in the affected CELI-12 communities and analyze whether upgrading the equipment would be effective. The Company note that additional analysis and support from stakeholders would be needed to allocate resources to support proactive replacements.

OAG-RUD supports this recommendation. The Department doesn't oppose this recommendation.

21. Preferentially dispatch outage restoration crews after severe storms based on the identified disparities.

Fresh Energy supports this recommendation. Xcel opposes this recommendation. The Company also notes that it believes adoption of this recommendation would lead to a less efficient outage restoration process (longer outages for more customers) and could also result in a legal challenge.

The Department didn't take a position on this recommendation in its Comments. The Department opposes the recommendation after further review.

C. Additions to ISQ Map

The 21 recommendations (#22 through #42) covered in this category are related to information parties would like to see included in Xcel Reliability/Equity Interactive Map.

The Department did not identify any additional data that should be added or take a position regarding what data other intervenors recommended should be included. As a result, the Department has no position regarding those 21 recommendations.

D. Other Issues

43. Annual analyses and reporting on disparities in reliability and disconnections.

GEC recommended annual analyses and reporting on reliability and disconnection disparities. The GEC extended that recommendation to include annual reporting on the reliability and disconnection issues "based on rolling-averages of data longer than three years".¹⁸

Xcel supports the concept of revisiting these analyses but prefers a three-year cadence.¹⁹ Given that the Department didn't file reply comments, it did not provide a recommendation in response to GEC's proposal. The Department did support a recommendation that Xcel include two additional years of data to the reliability section of its analyses and would prefer that the Company use five years of data rather than three years when calculating those reliability metrics.

¹⁸ GEC Comments at 17.

¹⁹ Xcel Reply Comments at 36.

The Department supports Xcel's proposal to re-visit the analysis after three years. The Department recognizes the GEC's concerns regarding these disparities and shares them. A three-year cadence would allow the Company time to adjust its processes to mitigate those disparities and for the collection of data regarding the effectiveness of those adjustments.

44. Repeat Pradham and Chan study.

Fresh Energy recommended that the study by Pradham and Chan be repeated in two years.²⁰ The Department supports that recommendation if the authors use five years of weather information.²¹ Xcel took no position on this recommendation.²²

The Department continues to support its recommendation.

45. Combine annual affordability programs in SRSQ reports.

Xcel opposes combining annual affordability programs in the SRSQ reports, primarily due to resource constraints. The Company does support re-filing the various affordability program annual reports in the SRSQ docket.²³

The Department requested that Xcel include a discussion of the costs and benefits resulting from this proposal in its comments. At the same time, the Department noted it was reluctant to support moving information from one regulatory proceeding to another.

The Department opposes combining affordability programs in the SRSQ reports given the absence of cost information. The Department doesn't oppose Xcel's variation on this recommendation.

46. In SRSQ Report, included a table showing average time to reconnect under remote-reconnect versus standard reconnection process.

The Department supported this reporting requirement in its Comments.²⁴ Xcel does not oppose this recommendation.²⁵

47. Move portions of annual SRSQ report not required by Minn. Rules 7826 to the biennial IDP.

Like the Department's position regarding Recommendation #45, the Department requested information from Xcel in reply comments on the costs and benefits of this proposed change. The Company apparently didn't have the resources to complete that analysis before filing reply comments.

²⁰ Fresh Energy Reply Comments at 3.

²¹ Department Comments at 16.

²² Xcel Reply Comments at 36.

²³ Xcel Comments at 10-11.

²⁴ Department Comments at 12-13.

²⁵ Xcel Reply Comments at 37.

Xcel opposes this recommendation.²⁶ The Company's primary concern appears to be the confusion among intervenors this change might create.

The Department also opposes this recommendation.

48. Open a new docket to track progress in reducing disparities.

Fresh Energy and GEC both recommend the Company open a separate docket focused on racial disparities in disconnections and reliability although the timing of the opening of the docket and the specific information required varied.

Xcel does not oppose the recommendation. The Department didn't develop a recommendation for this topic in its Comments. The Department does not oppose the recommendation.

49. Extend studies to non-Metro service territory.

The Department discussed this topic in its comments.²⁷ Xcel distilled the Department's comments into this recommendation, which the Company opposes. Xcel noted in its reply comments that the TRC Study the Department referenced in its comments had included the Company's outstate service territory.

The Department notes that information in Xcel Reply Comments regarding the basis for the Company's Automatic Bill Credit Pilot Program and the information the Company provided regarding its non-Metro service territory has resolved the Department's concerns on this topic. The Department doesn't require any additional information and respectfully asks the Commission to withdraw this recommendation from consideration by the Commission.²⁸

50. Educate employees on racial disparities in service.

Fresh Energy recommended Xcel be required to educate related personnel on the racial disparities identified in the Chan and Pradham study and then be required to report on whom the Company had informed and what information Xcel had provided to those employees.²⁹

Xcel does not oppose this recommendation.³⁰ The Department didn't discuss this topic in its comments. The Department supports the recommendation.

51. Correction to historical information on emergency medical accounts.

²⁶ Xcel reply comments at 43.

²⁷ Department comments at 16.

²⁸ This request assumes the Commission characterizes the Department's discussion as a recommendation.

²⁹ Fresh Energy comments at 3.

³⁰ Xcel reply comments at 39.

The Department requested the Company file an erratum if it needed to correct the emergency medical accounts historical figures. The Joint Commenters also supported this issue. Xcel has no objection to this issue. The Department supports the Company and Joint Commenters recommendation.

IV. RECOMMENDATIONS

The Department supports the following eighteen (18) recommendations discussed in Xcel's Reply Comments:

1. Targeted outreach to prevent disconnections (Option #1);
2. Additional information on payment and disconnection on Xcel's website (Option #2);
3. Reconnect disconnected AMI customers during extreme heat events, continue no disconnections policy during same events (Option #3);
4. No disconnection until past due balance is greater than \$300 (Option #4);
5. Ten business day notice for disconnection (Option #5);
6. Reduce payment plan down payments (Option #6);
7. Use 2023 underperformance penalty to pay down arrears (Option #8);
8. Use 2023 underperformance penalty to waive reconnection fees (Option #9);
9. Extend variance on remote disconnections but require a second form of digital communication also be used (Option #10);
10. Analysis of impact of bill credits on Automatic Bill Credit Pilot Program (Option #11);
11. Enhance energy efficiency program participation in very low-income communities (Option #12);
12. Develop enhanced vegetation management proposal (Option #18);
13. Develop targeted undergrounding proposal (Option #19);
14. Cadence of reporting on disparities in reliability and disconnections (Xcel modification) (Option #43);
15. Repeat Pradham and Chan study (Option #44);
16. Include table showing average time to reconnect – remote reconnection v. standard reconnection in SRSQ (Option #46);
17. Educate employees on racial disparities on service (Option #50), and;
18. Correction to historical information on Emergency Medical Accounts (Option #51).

The Department opposes the following eight (8) recommendations discussed in Xcel's Reply Comments:

1. Request for bad debt expense tracking mechanism in next rate case (Option #7);
2. Require third-party studies on capital investment planning, outage restoration and disconnection policies and practices (Option #13);
3. Temporary moratorium (blanket or targeted) on disconnections (Option #14);
4. Moratorium on disconnections during unhealthy air quality events and reconnection of AMI customers (Option #15);

5. Eliminate voicemail as last form of contact before disconnection (Option #16);
6. Preferentially dispatch outage restoration crews based on identified disparities (Option #21);
7. Combine annual affordability program reports into SRSQ report (Option #45),³¹ and;
8. Move portions of SRSQ to the biennial Integrated Distribution Plan (Option #47).

The Department does not oppose the following two (2) recommendations discussed in Xcel's Reply Comments:

1. Evaluate distribution equipment vintages on long duration outages (Option #20), and;
2. Open new docket to track progress in reducing disparities (Option #48).

The Department requests the Company provide additional information recommendation #17 discussed in Xcel's Reply Comments - Holistic approach to analyzing long duration interruptions.

The Department also respectfully requests the Commission allow it to withdraw recommendation #49 - Extend studies to non-Metro service territory. The Department doesn't wish to pursue this recommendation due to additional information provided by the Company in Reply Comments.

The Department took no position on recommendations related to the ISQ Map. Hence, the Department doesn't have recommendations for those twenty-one recommendations. They cover recommendations/options #22 through #42 in Xcel's reply comments.

³¹ Department does not oppose Xcel's modification of this recommendation.

Attachment A – Recommendations by Number and Description Summary

Recommendation #	Description
1	Targeted outreach to prevent disconnections
2	Additional information on payment and disconnection on Xcel's website
3	Reconnect disconnected AMI customers during extreme heat events, continue no disconnections policy during same events
4	No disconnection until past due balance > \$300
5	Ten business day notice for disconnections
6	Reduce payment plan down payments
7	Request for bad debt expense tracking mechanism in next rate case
8	Use 2023 underperformance penalty to pay down arrears
9	Use 2023 underperformance penalty to waive reconnection fees
10	Extend variance on remote disconnections but require a second form of digital communication also be used
11	Analysis of impact of bill credits on Automatic Bill Credit Pilot Program
12	Enhance energy efficiency program participation in very low-income communities
13	Require third-party studies on capital investment planning, outage restoration and disconnection policies and practices
14	Temporary moratorium (blanket or targeted) on disconnections
15	Moratorium on disconnections during unhealthy air quality events and reconnection of AMI customers
16	Eliminate voicemail as last form of contact before disconnection
17	Holistic approach to analyzing long duration interruptions
18	Develop enhanced vegetation management proposal
19	Develop targeted undergrounding proposal
20	Evaluate distribution equipment vintages on long duration outages
21	Preferentially dispatch outage restoration crews based on identified disparities

Attachment A – Recommendations by Number and Description Summary

Recommendation #	Description
22 through 42	Not Applicable to Department Comments
43	Cadence of reporting on disparities in reliability and disconnections
44	Repeat Pradham and Chan study
45	Combine annual affordability program reports into SRSQ report
46	Include table showing average time to reconnect – remote reconnection v. standard reconnection in SRSQ
47	Move portions of SRSQ to the biennial Integrated Distribution Plan
48	Open new docket to track progress in reducing disparities
49	Extend studies to non-Metro service territory
50	Educate employees on racial disparities on service
51	Correction to historical information on Emergency Medical Accounts

Attachment B – Recommendations Summary Supporting and Opposing Parties and Department Position

Recommendation #	Parties supporting	Parties opposing	Department Position
1	Xcel, Dept., Minneapolis, Edina	Fresh Energy	Supports
2	Xcel, Joint Commenters,	None	Supports
3	Xcel Joint Commenters, GEC	None	Supports
4	Xcel, Joint Commenters	None	Supports
5	Xcel, Joint Commenters	None	Supports
6	Xcel, Joint Commenters	None	Supports
7	Xcel Joint Commenters	None	Opposes
8	Xcel, Joint Commenters	None	Supports
9	Xcel	Joint Commenters	Supports
10	Xcel, Joint Commenters,	Joint Commenters – initially opposed	Supports
11	Xcel, GEC	None	Supports
12	Xcel, Minneapolis	None	Supports
13	Fresh Energy, Sierra Club, GEC, OAG-RUD	Xcel	Opposes
14	Fresh Energy, Sierra Club, GEC, OAG-RUD	Xcel	Opposes
15	Xcel – initially, GEC	Joint Commenters	Opposes
16	Joint Commenters – initially	Xcel	Opposes
17	Xcel, Minneapolis	Fresh Energy	Requests additional information
18	Xcel, Minneapolis	GECs	Support
19	Xcel	OAG-RUD	Support
20	Xcel, OAG-RUD	None	Does not oppose.
21	Fresh Energy	Xcel	Opposes

Attachment B – Recommendations Summary Supporting and Opposing Parties and Department Position

Recommendation #	Parties supporting	Parties opposing	Department Position
22 through 42	NA	NA	Didn't take a position
43	GEC, Xcel supports with modification	None	Supports with Xcel's modification
44	Fresh Energy	Xcel took no position	Supports
45	Xcel	None	Opposes
46	Xcel	None	Supports
47	Xcel	None	Opposes
48	Fresh Energy, GECs		Does not oppose
49	Department	Xcel	Asks to withdraw recommendation
50	Fresh Energy	None	Supports
51	Joint Commenters, Xcel	None	Supports

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
Supplemental Comments**

Docket No. E002/M-24-27

Dated this **23rd** day of **September 2024**

/s/Sharon Ferguson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Marisa	Bayer	mbayer@edinamn.gov	City of Edina	4801 W 50th St Edina, MN 55424	Electronic Service	No	OFF_SL_24-27_Official
James J.	Bertrand	james.bertrand@stinson.com	STINSON LLP	50 S 6th St Ste 2600 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_24-27_Official
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John	Coffman	john@johncoffman.net	AARP	871 Tuxedo Blvd. St. Louis, MO 63119-2044	Electronic Service	No	OFF_SL_24-27_Official
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_24-27_Official
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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_24-27_Official
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