

**State of Minnesota  
Before the Public Utilities Commission**

Nancy Lange	Chair
Dan Lipschultz	Commissioner
Matt Schuerger	Commissioner
John Tuma	Commissioner
Katie Sieben	Commissioner

In the Matter of Minnesota Power's 2018 Safety,  
Reliability and Service Quality Standards Report

Docket No. E015/M-18-250

**Reply Comments of the Citizens Utility Board of Minnesota and  
Minnesota Citizens Federation Northeast**

The Citizens Utility Board of Minnesota (CUB) and the Minnesota Citizens Federation Northeast (the Citizens Federation) appreciate the opportunity to submit these reply comments regarding Minnesota Power's 2018 Safety, Reliability and Service Quality Standards Report. In particular, we will address the concerns brought forward by Energy Cents Coalition (ECC) in their initial comments.

CUB is a nonprofit that advocates for Minnesota's residential and small business consumers through consumer outreach and administrative and policy advocacy to ensure utility service is affordable, reliable, and clean. CUB frequently provides consultations to Minnesota consumers, including Minnesota Power customers, seeking to reduce the amount they owe for utility bills. The Minnesota Citizens Federation Northeast (previously known as the Minnesota Senior Federation) is a charitable, non-profit, membership consumer organization, representing more than 1,000 Minnesotans, including more than 800 in Minnesota Power's service territory.

ECC raises serious concerns regarding Minnesota Power's (MP or the Company) disconnection and reconnection practices, payment arrangement practices, Cold Weather Rule (CWR) reporting, and low-income conservation improvement program. If accurate, these issues are exceptionally concerning and possibly violate Minnesota statutes. We support ECC's recommendations, including that the Public Utilities Commission (PUC or the Commission) open an investigation into the Company's practices and require MP to suspend disconnections until the investigation is complete and the Company demonstrates that its practices comply with statutes and Commission orders.

ECC notes that MP requires payment in full before reconnecting disconnected customers outside CWR months, which it concludes is a potential violation of Minnesota Statute § 216B.098, subd. 3.<sup>1</sup> That statute requires a payment agreement to be offered to customers for payment of arrears. CUB and the Citizens Federation agree with ECC that the Commission should determine whether the statute requires payment plans be offered to customers once they have been disconnected, and, if so, whether MP has failed to offer payment plans to disconnected customers in violation of the statute.

Additionally, ECC states that MP may be failing to offer timely payment agreements even to connected

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<sup>1</sup> ECC Initial Comments at 3

customers outside of the CWR months.<sup>2</sup> In its initial comments, the Department of Commerce (the Department) noted this concern from ECC's statements in MP's 2016 rate case and requested "that in Reply Comments, the Company describe MP's approach to offering payment plans outside the CWR months, detail challenges to restoring power via payment plans, and explain how the Company intends to address these challenges going forward."<sup>3</sup> We thank the Department for this request.

ECC identifies major discrepancies in MP's reporting of the number of customers reconnected within 24 hours<sup>4</sup> and delays and discrepancies in MP's CWR and service disconnection reports.<sup>5</sup> These reports are essential for the Commission, local assistance providers, lawmakers, and other stakeholders to understand the severity of customers' difficulty in paying their electric bills, the number of customers who have had their electricity shut off, and the length of time customers are without electricity. A lack of timely and accurate reporting may have serious consequences for financially struggling households. We support ECC's recommendation for an external audit to ensure that reporting will be accurate and timely in the future.

If found accurate, the concerns raised by ECC merit great caution in the treatment of customers in arrears. Therefore, CUB and the Citizens Federation recommend that MP's proposed Reconnect Pilot be denied. We support MP's exploration of cost-saving opportunities through new technologies, including taking advantage of the capabilities of its advanced meters in order to minimize consumer costs and maximize benefits. However, the concerns raised by ECC should be addressed before approving any measures that could affect customer disconnections. In addition, as ECC notes, no pilot program should be approved without an estimation of its net costs.<sup>6</sup>

Finally, CUB and the Citizens Federation appreciate that ECC has identified the potential for enormous additional benefit from low-income energy audits and conservation measures. Given that LIHEAP customers who received disconnection notices in 2017 used as much as a reported 12,146 kWh per month, that only 4.6% of those customers received a Low Income Energy Partners audit, and that "no electrically heated homes were assisted in 2017 through the Energy Partners Program," we concur with ECC's conclusion that there are likely significant opportunities for more impactful conservation measures among low-income customers.<sup>7</sup> Furthermore, we agree with ECC's recommendation that "the Commission require the Company to report participation in the low-income Energy Partners Program by counting participants rather than measures and to report, separately, the type and number of measures installed."<sup>8</sup>

ECC's initial comments raise serious concerns. For the reasons discussed above, CUB and the Citizens Federation believe that these concerns merit the investigation and related steps proposed by ECC. We support ECC's recommendations that the Commission require MP to suspend service disconnections pending an independent investigation into the Company's practices and reporting for service disconnection, reconnection, and payment plans; reject the Company's proposed Remote Reconnection Pilot; and require the Company to report participation in the low-income Energy

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<sup>2</sup> *Id.* at 5, 7-9

<sup>3</sup> Department of Commerce Initial Comments at 21

<sup>4</sup> Energy Cents Coalition Initial Comments at 2, 7

<sup>5</sup> *Id.* 12-13

<sup>6</sup> *Id.* 16

<sup>7</sup> *Id.* 9-10

<sup>8</sup> *Id.* 9-10

Partners Program by counting participating customers rather than measures.

Respectfully submitted,

August 20, 2018

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