

November 20, 2019

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101

RE: **Response Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. G002/M-19-380

Dear Mr. Wolf:

On May 31, 2019, Xcel Energy (Xcel or Company) filed its third Gas Affordability Program (GAP or Program) Evaluation Report (Evaluation Report). Xcel requested that the Minnesota Public Utilities Commission (Commission) accept the evaluation report.

On September 30, 2019, the Minnesota Department of Commerce, Division of Energy Resources (Department) submitted comments requesting that Xcel further explain its analysis of arrears using the pre-program baseline approach. The Department withheld its final recommendation pending submittal of this additional explanation.

On October 17, 2019, Xcel filed reply comments explaining that its original analysis of average arrears was based on new GAP participants in the given year. The Company also provided further refined data analyzing individual customers that stayed active in the program for the entire 12-month period that were also making consistent payments. A cohort of existing GAP participant and new GAP participants in the program years from 2016-2018 showed that average arrears for each group decreased during each year. Specifically Xcel provided Table 1 below:

Table 1: MN Residential GAP Arrears by Cohort

Participation Year	Participant Cohort	Debtor Count	Average Starting Arrears	Average Ending Arrears	% Change in Arrears
2016	Existing	6,187	\$ 174	\$ 123	-29%
2016	New	1,741	\$ 451	\$ 354	-22%
	2016 Total	7,928			
2017	Existing	5,443	\$ 141	\$ 128	-10%
2017	New	2,185	\$ 372	\$ 354	-5%
	2017 Total	7,628			
2018	Existing	5,449	\$ 153	\$ 151	-1%
2018	New	1,664	\$ 612	\$ 524	-14%
	2018 Total	7,113			

The Department reviewed Xcel's response and concludes that the Company has demonstrated that its GAP satisfies the criteria set forth in Minn. Stat. § 216B.16, subd. 15(b)(3). Combining this conclusion with the Departments September 30, 2019 Comments the Department concludes that:

- The Program satisfies five of the requirements in Minn. Stat. § 216B.16, subd. 15.
- The Program costs firm customers \$2.333 million annually net of savings; for all customers as a whole, including GAP participants, the Program provides a net benefit of \$97,000 annually.
- For participants living on the poverty line, the Program, on average, increased their effective income by 1.6 percent in 2018. As such, the Department would expect that the costs to ratepayers are somewhat offset by correspondingly moderate societal benefits arising from the increased effective income of the Program's approximately 8,224 participants.

As such the Department recommends that the Commission accept Xcel's Evaluation Report.

Sincerely,

/s/ MICHAEL N. ZAJICEK
Rate Analyst

MNZ/ja

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
Response Comments**

Docket No. G002/M-19-380

Dated this **20th** day of **November 2019**

/s/Sharon Ferguson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022191	Electronic Service	No	OFF_SL_19-380_M-19-380
John	Coffman	john@johncoffman.net	AARP	871 Tuxedo Blvd. St. Louis, MO 63119-2044	Electronic Service	No	OFF_SL_19-380_M-19-380
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_19-380_M-19-380
George	Crocker	gwillc@nawo.org	North American Water Office	PO Box 174 Lake Elmo, MN 55042	Electronic Service	No	OFF_SL_19-380_M-19-380
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_19-380_M-19-380
Edward	Garvey	edward.garvey@AESLconsulting.com	AESL Consulting	32 Lawton St Saint Paul, MN 55102-2617	Electronic Service	No	OFF_SL_19-380_M-19-380
Todd J.	Guerrero	todd.guerrero@kutakrock.com	Kutak Rock LLP	Suite 1750 220 South Sixth Street Minneapolis, MN 554021425	Electronic Service	No	OFF_SL_19-380_M-19-380
Annete	Henkel	mui@mutilityinvestors.org	Minnesota Utility Investors	413 Wacouta Street #230 St. Paul, MN 55101	Electronic Service	No	OFF_SL_19-380_M-19-380
Michael	Hoppe	il23@mtn.org	Local Union 23, I.B.E.W.	932 Payne Avenue St. Paul, MN 55130	Electronic Service	No	OFF_SL_19-380_M-19-380
Linda	Jensen	linda.s.jensen@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota Street St. Paul, MN 551012134	Electronic Service	No	OFF_SL_19-380_M-19-380

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Richard	Johnson	Rick.Johnson@lawmoss.com	Moss & Barnett	150 S. 5th Street Suite 1200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-380_M-19-380
Sarah	Johnson Phillips	sarah.phillips@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-380_M-19-380
Michael	Krikava	mkrikava@briggs.com	Briggs And Morgan, P.A.	2200 IDS Center 80 S 8th St Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-380_M-19-380
Peder	Larson	plarson@larkinhoffman.com	Larkin Hoffman Daly & Lindgren, Ltd.	8300 Norman Center Drive Suite 1000 Bloomington, MN 55437	Electronic Service	No	OFF_SL_19-380_M-19-380
Eric	Lipman	eric.lipman@state.mn.us	Office of Administrative Hearings	PO Box 64620 St. Paul, MN 551640620	Electronic Service	No	OFF_SL_19-380_M-19-380
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	OFF_SL_19-380_M-19-380
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	No	OFF_SL_19-380_M-19-380
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-380_M-19-380
David	Niles	david.niles@avantenergy.com	Minnesota Municipal Power Agency	220 South Sixth Street Suite 1300 Minneapolis, Minnesota 55402	Electronic Service	No	OFF_SL_19-380_M-19-380
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_19-380_M-19-380

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Richard	Savelkoul	rsavelkoul@martinsquires.com	Martin & Squires, P.A.	332 Minnesota Street Ste W2750 St. Paul, MN 55101	Electronic Service	No	OFF_SL_19-380_M-19-380
James M	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	200 S 6th St Ste 470 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-380_M-19-380
Lynnette	Sweet	Regulatory.records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_19-380_M-19-380
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_19-380_M-19-380