AN ALLETE COMPANY

M. Micheline Bayiha
Cost & Pricing Analyst Senior
218-355-3121
mbayiha@mnpower.com

August 30, 2018

VIA E-FILING

Daniel P. Wolf, Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

RE: In the Matter of Minnesota Power's Sixth Annual Report of the Pilot Rider for Customer Affordability of Residential Electricity (CARE)
Docket No. E015/M-11-409

Dear Mr. Wolf:

Minnesota Power hereby electronically submits its Reply Comments in the above referenced Docket. The Company appreciates the time and work of Energy CENTS Coalition and the Minnesota Department of Commerce, Division of Energy Resources in the regulatory review process and looks forward to a hearing with the Minnesota Public Utilities Commission on the Sixth Annual CARE Report. Please contact me at the phone number or email address above if you have any questions.

Yours truly,

M. Micheline Bayiha

MMB:sr
Attach.

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

In the Matter of Minnesota Power's Petition for Approval of a Pilot Rider for Customer Affordability of Residential Electricity	Docket No. E-015/M-11-409 MINNESOTA POWER **REPLY COMMENTS**

I. INTRODUCTION

On May 31, 2018, Minnesota Power (or "the Company" or "MP") submitted its Sixth Annual Report on its Pilot Rider for Customer Affordability of Residential Electricity ("Program" or "CARE Program" or "CARE Pilot Rider") to the Minnesota Public Utilities Commission ("Commission") in compliance with multiple Commission Orders.

On June 8, 2018 the Commission released a Notice of Comment Period ("Notice") in this docket. In the Notice the Commission outlined topics open for comments, as delineated below:

- Should the Commission accept Minnesota Power's sixth annual report?
- Should the Commission approve Minnesota Power's request to make modifications to its CARE Program as described in its May 31, 2018 filing?
- Should the Commission accept Minnesota Power's proposed expansion of the CARE Program annual report to serve as an Affordability Program Filing which would provide a comprehensive view of MP's affordability programs and services and be a comprehensive repository docket for all overlapping low-income matters?
- Should the Commission require Minnesota Power to file its annual CARE Program report on the same date each year, for example, March 1?

On August 8, 2018, Energy CENTS Coalition ("ECC") and the Minnesota Department of Commerce, Division of Energy Resources ("Department") submitted comments. Through these Reply Comments, Minnesota Power addresses ECC's comments in Section II, and the Department's comments in Section III.

II. RESPONSE TO ECC COMMENTS

ECC has repeatedly raised similar issues regarding Minnesota Power's CARE Program that have, at least in some form, been resolved in prior CARE Program filings. Once again in its comments on the Company's Sixth Annual Report, ECC came to conclusions which are, in part, erroneous or out of context from Minnesota Power's CARE Program. The Company strongly contests ECC's recommendation that all proposed changes to the CARE Program be rejected. Conclusions made by ECC over-simplify the entire Program and ignore its complexity and designed operation. The

CARE Program is not intended only to reach out to unidentified low-income customers; it also involves many other aspects that are discussed throughout these reply comments. At its core, the CARE Program is a discount program with uncapped participation. Minnesota Power proposes Program changes that build upon implemented and approved improvements since the Program's inception. These changes are for purpose of further enhancing the Program to make it more readily available and accessible to customers who need relief on their electric bills. Further, on the point of outreach, the Company has demonstrated in detail in Section V[1] and Attachment A[2] of its filing that it does provide an array of outreach activities while recognizing that there is still room for improvement. Specific issues raised by ECC are addressed below.

A. Minnesota Power estimation of its low-income customers

The section of the ECC comments labeled "*Underestimation of low-income customers*" (at page 3) completely misrepresents the Company's positions and the efforts Minnesota Power has continually made to improve its Program.[3] Many of these efforts ECC has not contested in the past. These previous efforts have been supported by the Department, and were approved by the Commission.

ECC claims that "[T]he Company seems determined to limit even the identification of the low-income customer population within their service territory,"[4] and goes on to list supposed methodological infractions or supposedly incorrect assumptions. Below, the Company responds to each of ECC's assertions:

The Company had good reason to define a "low-income" customer as having a household income less than $35,000 per year:

- The US Census Bureau[5] shows St. Louis County's average household size as 2.14 and Low Income Home Energy Assistance ("LIHEAP") eligibility for a household of two (2) is $32,692.[6]

- US Census and data vendors' statistics are given as *Income-Ranges* of $5,000-$15,000 (e.g. household income of $50 – $74K), so the Company's analysis was limited to a round (i.e. non-exact) threshold for defining "low-income." Neither the US Census nor any reputable data vendor could provide exact figures on the number of households in an area that have incomes less than $32,692; this level of specificity does not appear to exist in public records.

- Since the average household size in the Company's service area is slightly larger than two and a round figure is required for the analysis, the Company determined it would be

[1] See Minnesota Power's Sixth Annual CARE Report, May 31, 2018, page 10.
[2] *Id.* Attachment A for the list of outreach activities.
[3] *Id.* Chart 2, page 7 for a timeline of improvements made to the CARE Program.
[4] ECC Comments, August 8, 2018, page 3.
[5] 2016 American Community Survey, 1-year estimate. The statistics are similar for the 2016 5-year estimate, and for both the 1 and 5 year estimates for 2015.
[6] https://mn.gov/commerce/consumers/consumer-assistance/energy-assistance/ .

appropriate to round-up to $35,000 from $32,692 and use this as the basis of the low-income customer analysis.

Note that ECC references the average *family* (emphasis added) size for St. Louis County (2.82) when rebutting the Company's selection of $35,000 as the survey threshold for "low-Income." Minnesota LIHEAP qualification is not dependent on *family* size, it is dependent on *household* size (see Figure 1 below). Conflating the two statistics or obfuscating the applicable figure (household size, 2.14) by noting that "nearly 60% of all households in the County include family members" [7] is a confusing and invalid comparison, made even more confusing by ECC's failure to provide accurate citations. The St. Louis County *household* count figure referenced by ECC (85,059)[8] is from the Census 2016 American Community Survey ("ACS") (5-year), not from either of the 2015 Survey figures (5-year or 1-year surveys) as cited by ECC. Even if one were to overlook some confusion between the 2016 and 2015 surveys, neither of these surveys shows an average family size of 2.82 for St. Louis County. Here ECC may be referencing the Census 2014 ACS (5-year), but this would be inconsistent with the other referenced statistics. ECC's failure to provide accurate citations or consistent references made it difficult for the Company to verify ECC's claims.

2018 Maximum Energy Assistance Program Income Guidelines

EAP eligibility is based on the three most recent months of income.

Household Size	**Three Month Maximum**	**Annual Income**
1	$6,250	$25,000
2	$8,173	$32,692
3	$10,096	$40,385

Figure 1- MN Dept. of Commerce [9]

ECC stated at page 3 that it "believes that the Company has under-estimated the number of their low-income residential customers." This is yet another misrepresentation of Minnesota Power's statements. ECC quotes were out of context and omitted key pieces of text that were essential to the meaning of the Company's statement. Following is ECC misquoting Minnesota Power's CARE filing:

> "roughly 35,500 Minnesota customers are estimated to be income-eligible for LIHEAP… about 23,000…. Have an account with Minnesota Power."

[7] ECC Comments, August 8, 2018, page 4.
[8] ECC Comments, August 8, 2018, page 4.
[9] https://mn.gov/commerce/consumers/consumer-assistance/energy-assistance/.

This misquote implies that the Company believes it only has 23,000 income-eligible customers with Minnesota Power accounts. ECC then makes the implication explicit by claiming "Minnesota Power's underestimates the number (23,000) of low-income customers."[10]

Actual text from Minnesota Power Sixth Annual CARE Report filing is reproduced below. The text that was strung together to compose ECC's misquote is italicized and bolded to demonstrate the exclusion of essential context. The excerpt makes clear that the Company estimates the number of low-income customers it serves electricity to is about 30,000, and – of those customers – the Company can *identify* about 23,000 of them by name and address.

> "… the Company estimates that it serves electricity to 35,000-37,000 low-income households. Of those, approximately 30,000 are Minnesota Power customers, and ***about 23,000*** can be identified, meaning they ***have an account with Minnesota Power*** and are responsible for the establishment of their account and payment for services. This contrasts to the previous estimate of 35,000 customers which incorrectly assumed Minnesota Power's residential customer base was synonymous with area residents/households. ***The difference between the two groups*** (customer base vs. area residents/households) ***is likely due, in large part, to rental dynamics; utilities are often included in rent and the electric account is held by the landlord***, not the tenant. As such, many low-income area residents/households in the region will not be Minnesota Power customers directly and consequently could not benefit from the Company's discounted rate."[11]

ECC then quotes a statistic on St. Louis County rental rates (29 percent)[12] to suggest Minnesota Power is over counting the number of rentals on its system. For clarity, the Company's analysis indicates that about 34 percent of occupied households, not customers, in its service territory are rentals, and this 34 percent rate is consistent with the estimates presented in the above excerpt.

This 34 percent rental rate does not differ significantly from the 29 percent referenced by ECC, but the Company will note that Minnesota Power's service territory is not demographically synonymous with St. Louis County. The Company serves many more urban/suburban areas within Northeastern Minnesota which tend to have more renter-occupied housing according to the Census.[13] Duluth, for example, contains about 40 percent of households served by the Company and has a rental rate of 40 percent.

---

[10] ECC Comments, August 8, 2018, page 4.
[11] Sixth Annual CARE Report, page 11.
[12] ECC Comments dated August 8, 2018 to Minnesota Power Sixth Annual Report, page 4.
[13] American Community Survey (ACS) 2016, 1-year, tables B25069 "INCLUSION OF UTILITIES IN RENT".

About 70 percent of all households served by Minnesota Power are located in just 15 cities, and the weighted-average rental rate of these cities is approximately 37 percent.[14] Simple math suggests the remaining 30 percent of households have a rental rate of around 28 percent, which is not at all implausible.

Regarding the share of rental properties with utility costs included in rent: the Company used data directly from the Census[15]. For both the St Louis County and Duluth geographies, the percentage of renters with some utilities included in rent is about 29 percent. The Company reviewed Energy Information Administration (EIA) table CE3.8[16] to corroborate ECC's 0.27 percent figure for the Midwest region; there appears to be a typographical error in ECC's reference. Minnesota Power believes ECC meant to say 2.7 percent of all Midwest homes have[17] "All [energy bills] included in rent or condo fee" – this is what the data in EIA table CE3.8 shows. However, the 2.7 percent figure is not specific to Minnesota Power's service territory, and the definition of this figure "***All*** [energy bills] included in rent or condo fee" is not germane to this analysis. ECC seems to imply that almost no renters (just 0.27 percent, less than 95 households) served by Minnesota Power have their electricity bill included in rent, and this is not the case, nor is it remotely plausible given publicly available statistics.

<u>Households served by Minnesota Power</u>

Regarding ECC's apparent back-of-the-envelope estimates on the Company's count of low-income customers: The "Residential Customers" figure quoted by ECC (118,956)[18] contains all residential **accounts** (emphasis added), and is quoted from the Company's Safety, Reliability and Service Quality Standard Report[19] (SRSQ). A single residence may have several accounts. The Company's low-income analysis filtered for duplicate addresses to arrive at a list of unique **households** served by Minnesota Power, which is about 103,000; this is the basis for the Company's low-income customer estimate, where about 36 percent of all households served are low-income.

<u>Minnesota Power's low-income households</u>

In an additional calculation, ECC estimates that "nearly 30,000 customers (27,739) are LIHEAP-eligible."[20] This estimate is based on some incorrect figures and broad, state-level metrics, but nevertheless, this 30,000 customer figure is 100 percent consistent with the Company's estimates: "the Company estimates that it serves electricity to 35,000-37,000 low-income households. Of those, ***approximately 30,000 have an account with Minnesota Power, and are effectively MP's customers***, and about 23,000 can be identified."[21] This is a fair estimate for the number of

[14] The Renter-Occupied rate (ACS 2016, 1-year) for each of the top 15 cities (by customer count) by the number of customers in each city according to Minnesota Power Customer Information Systems (premise address).

[15] American Community Survey (ACS) 2016, 1-year.

[16] ECC Comments dated August 8, 2018 to Minnesota Power Sixth Annual Report, page 4.

[17] ECC in its Comments dated August 8, 2018 said ".27% of all Midwest region households" at page 4.

[18] *Id*.

[19] *Id*. Note that the SRSQ reports focuses on a calendar year January 1 – December 2017, while the CARE report focusses on a LIHEAP year (October 1, 2016 – September 30, 2017).

[20] ECC Comments dated August 8, 2018 to Minnesota Power Sixth Annual Report, page 4.

[21] Sixth Annual CARE Report, May 31, 2018, page 11.

customers that are LIHEAP-eligible given the rental rate among Minnesota Power-served households.

Further in its comments, ECC asserts "the Company's analysis excluded 15% of the residential class, some of whom would be low-income."[22] Minnesota Power believes this assertion to be a misunderstanding on ECC's part and will address this assertion if or when ECC is willing to clarify why it believes "15 percent of [Minnesota Power's] residential class was excluded" from the Company's analysis.

For the reasons provided above, ECC is wrong by concluding that the Company underestimates the number of low-income customers. Rather, the analysis supports Minnesota Power's claim that one in three of its customers are likely low-income or eligible for LIHEAP. About 30 percent of the approximate 103,000[23] residential households served by Minnesota Power are low-income homeowners or low-income renters with an account with Minnesota Power.

B. Outreach efforts and LIHEAP/CARE participation

ECC (at pages 1, 2 and 7) concluded that the Company's outreach efforts to LIHEAP customers are ineffective and have not increased LIHEAP participation. ECC recommended that targeted outreach be directed to customers with past-due bills, disconnection notices, customers with multiple service disconnections and finally, that the CARE Program be targeted to customers with the highest energy burdens.

<u>Outreach</u>

Minnesota Power did not state that it "does not engage in any targeted outreach effort during the winter months and performed targeted outreach in just two months (August and September)" as ECC suggested on page 8. The Company appreciates ECC's recommendations to conduct repeated targeted outreach, such as mailing postcards and placing Interactive Voice Response ("IVR") calls more frequently. Minnesota Power detailed its outreach efforts in Section V and Appendix A of its Sixth Annual CARE Report. For additional context, Minnesota Power began targeted outreach initiatives in program year 2014 and the Company is committed to continuing this outreach. For example, multiple letters were sent, and multiple IVR calls were placed from March to December 2014, averaging about 500 calls per week. This outreach targeted various sets of customers: Residential, LIHEAP, LIHEAP high-usage, and CARE customers as evidenced in CARE Third Annual Report dated May 4, 2015, Attachment A. In program years 2015 and 2016, the Company opted for mass outreach as also detailed and provided in Attachment A, in the annual reports dated April 20, 2016 and May 26, 2017 respectively. In program year 2017, the Company conducted targeted outreach for the months of October 2016 and August 2017 through IVR calls, as it did in program year 2014. This alternation of mass outreach versus targeted outreach is effective as it helps to avoid customer fatigue from receiving the same type of outreach message every month or every year. The Company further believes that the purpose of each specific outreach activity is to generate an action on the part of customers. When customers repeatedly see the same

[22] ECC Comments dated August 8, 2018 to Minnesota Power Sixth Annual Report, page 4.

[23] Sixth Annual Report, May 31, 2018, page 11.

information or get the same type of phone call, attention is easily lost and the message becomes less effective. Minnesota Power's main goal remains to capture potential customers' attention to inform them of their options and encourage their participation in eligible programs.

Specific Outreach

On numerous occasions, in its comments (at pages 7, 8 and 10) ECC alleged that Minnesota Power either does not or ineffectively conducts outreach to multiple segments of customers. In addition to the detail in its filing, Minnesota Power lists below some specific outreach that has been conducted in the current program year of 2018 which the Company correlates to an increase in the number of customers receiving energy assistance:

1. Targeted outreach (January 2018)
    a. IVR calls placed to over 2,800 LIHEAP customers (excluding those that had been recently removed from CARE) encouraging them to contact the Company for CARE enrollment.
    b. LIHEAP-focused postcards mailed to almost to almost 11,000 customers that were not currently identified as LIHEAP in the Company's Customer Information System ("CIS") and had a service address in ZIP codes: 55037 (Hinckley); 55802, 55805, 55806, 55808 (Duluth); 56441 (Crosby); 56464 (Menahga); 55072 (Sandstone). These were chosen based on Census recorded poverty rates and amount of Minnesota Power service territory contained within the ZIP code area.
2. Mass outreach (October 2017 – March 2018)
    a. Bill Insert – CARE information issued to all customers receiving paper bills.
    b. Radio Ads – WKLK & KUMD Radio advertisements informing customers in the region about programs to help with their energy bills.
    c. Bill Insert – Energy Assistance information.
3. Online and Social Media (August 2017 – January 2018)
    a. Improvement of website navigation and making of CARE application fillable online.
    b. Facebook post regarding LIHEAP month.
    c. Link from www.mnpower.com homepage to information on Energy Assistance and Affordability Programs and regarding crisis information.
    d. Over 25 posts on the Company's social media channels regarding Energy Assistance, CARE, Salvation Army HeatShare, and Cold Weather Rule.
4. Community Events and Collaborative Services (August – November 2017)
    a. Mailing to over 120 organizations (Service Provider agencies, non-profits, churches, etc.) outlining benefits of LIHEAP qualification and the additional programs and benefits MP customers qualify for upon confirming their LIHEAP eligibility. Additionally each Service Provider agency received a follow-up phone call to discuss the information shared.

In its Sixth Annual Report, Attachment A shows that Minnesota Power identified customers with past-due bills or arrears on September 1, 2017 for targeted outreach. LIHEAP-focused postcards[24] were mailed to customers who missed two or more payments within the last two years or used payment arrangements or participated in Cold Weather Rule ("CWR") protection. Postcards were also mailed to over 200 businesses, agencies, and churches where the Company believed it could reach many

[24] Sixth Annual CARE Report, May 31, 2018, Attachment B.

potential LIHEAP customers. The Company is committed to continuing its outreach to customers with arrears, including customers with current past-due bills.

The Company has developed a unique partnership through its collaboration with the Commission's Consumer Affairs Office ("CAO") and Ecolibrium 3, a local non-profit organization. This partnership opportunity entails a dedicated AmeriCorps VISTA (Volunteers in Service to America) position. The VISTA position will focus on more strategic outreach efforts including some of those suggested by ECC, and building capacity for low-income customers in the broader community resources sense, as part of which is utility program offerings such as CARE and conservation programs.

LIHEAP participation

ECC at page 6 also claimed that Minnesota Power's LIHEAP numbers have been decreasing over the last few years. This assertion is simply not supported by the latest data. Since the inception of the CARE Program, the number of Minnesota Power customers receiving LIHEAP energy assistance increased in 2014, 2015 and then slightly decreased in 2016 and in 2017 as shown in Figure 2 below. Additionally, the Company's LIHEAP numbers in the previous three program years saw a smaller decrease (year-over-year, a total of one percent (line 7, col [d])) in comparison to the state participation which saw a decrease of four percent in the last three years (see Figures 3 and 5 (line 4, col [d])). The decrease observed is linked to the flattening of available funding as shown in Figure 4. In addition, the trend of the number of CARE Program participants is rising as shown further below in Figure 6. It should be noted that Figure 2 numbers include CARE participants who remain in the Program until May of the following year. These customers are given a grace period to requalify for LIHEAP.

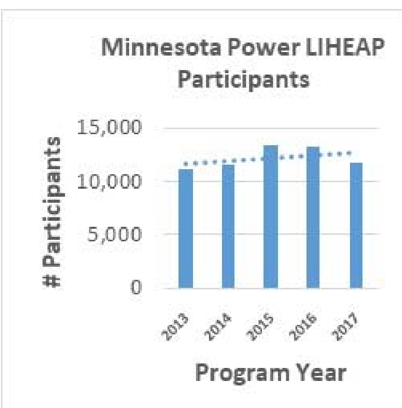

Figure 2–MP LIHEAP Participants

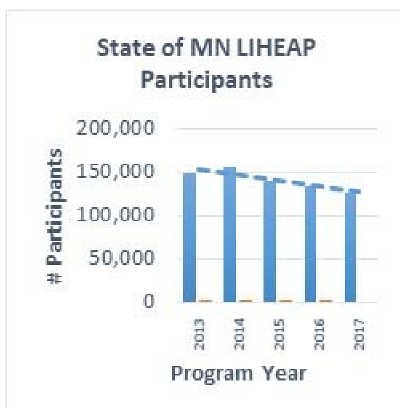

Figure 3-MN LIHEAP Participants

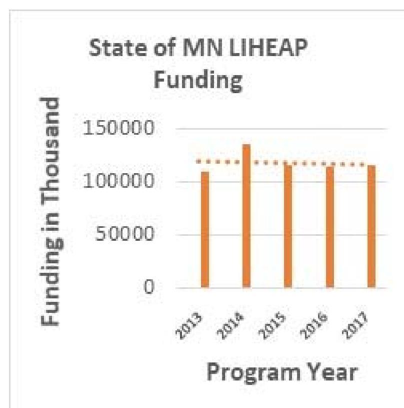

Figure 4-MN LIHEAP funding

Line No.	Program Years	2013	2014	2015	2016	2017
1	**State of MN (Total)**	[a]	[b]	[c]	[d]	[e]
2	**LIHEAP Funding**	$109,334,525	$134,970,880	$114,669,262	$113,774,946	$114,628,056
3	**LIHEAP Participants**	147,636	156,033	138,866	133,000	126,100
4	**YOY Change %**		5%	-12%	-4%	-5%
5	**Minnesota Power**					
6	**LIHEAP Participants**	11,182	11,621	13,335	13,154	11,733
7	**YOY Change %**		4%	13%	-1%	-12%

Figure 5-Data from State of Minnesota LIHEAP funding and participants, and MP LIHEAP participants

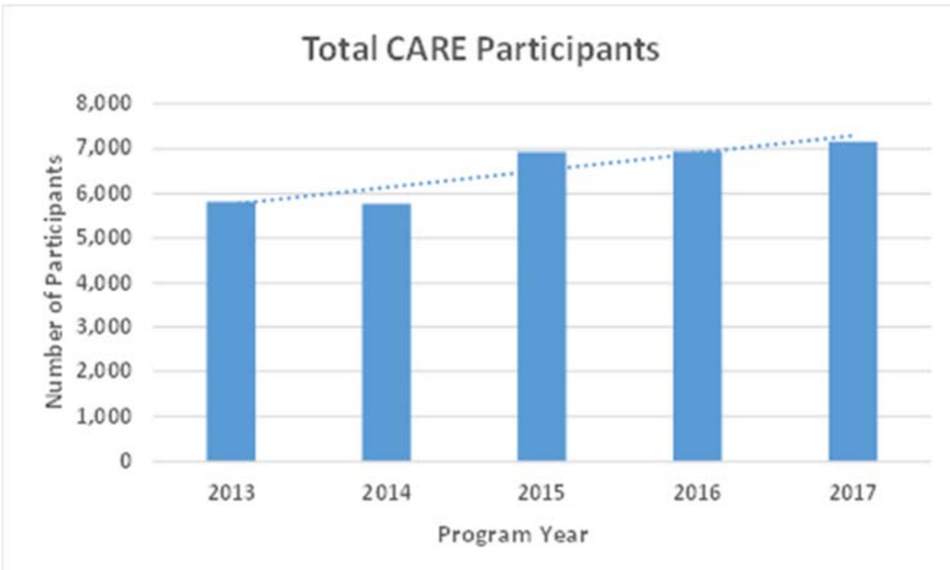

Figure 6 - CARE participation comparison chart.

<u>CARE Participation</u>

With regards to the CARE Program participation, the Program should be looked at holistically. It is true that the average participation rate decreased by 7 percent in program year 2017 compared to program year 2016 (ECC at page 7); however, a slight decrease in the average participation number in program year 2017 should not be used to characterize the Program as an overall failure (ECC at page 7). Rather, Minnesota Power believes that its CARE Program is a success in terms of yearly average increases in participation since 2013. The participation on average grew 20 percent from 2016 to 2017 and the total CARE participants grew 3 percent from 2016 to 2017. Overall, the yearly average increased by 6 percent for total CARE participation, by 5 percent for end of year participation, and by 9 percent in terms of average CARE participation (see Figure 7).

CARE Participation From 2013-2017						
Program Year	2017	2016	2015	2014	2013	Yearly Average Increase in Participants*
Total CARE Participants	7,147	6,942	6,927	5,776	5,824	
Total CARE Participants Prior Year Change	3%	0%	20%	-1%	118%	6%
End of Year CARE Participants	5,281	4,402	5,262	4,651	4,508	
End of Year CARE Participants Prior Year Change	20%	-16%	13%	3%	126%	5%
Avg CARE Participants	4,673	5,004	4,619	4,295	3,395	
Avg CARE Participants Prior Year Change	-7%	8%	8%	27%		9%
*Note the change from 2012 to 2013 is excluded in the averages						

Figure 7 – CARE participation comparison data

Conservation Improvement Programs

Regarding ECC's recommendation that the Company direct Conservation Improvement Programs ("CIP") to high-consumption LIHEAP customers, Minnesota Power notes that CIP low-income efforts have historically focused on high energy users (regardless of the type of energy). While efforts are not always focused only on electric use, a significant portion of Energy Partners participants from the 2017 and year-to-date 2018 program years have been high-electric-usage LIHEAP customers. For 2017, 36 percent of (single family) participants in the Energy Partners program were considered high users[25] and to date 39 percent of 2018 (single family) participants are also considered high users.

While historically the Company and the Weatherization Assistance Program ("WAP") agencies have focused primarily on higher overall energy use and general outreach to all low-income customers who qualify, Minnesota Power agrees there may be benefit to further increasing targeted CIP outreach to low-income households that have struggled with their electric bills specifically, or those who have the highest electric usage. Minnesota Power will begin regularly providing LIHEAP agencies with priority customer lists that include those who fall into these categories. The Company will encourage agencies to focus on these customers and will work with the agencies to collaborate on engagement with them. Additionally, through increased data tracking efforts currently underway, as well as increased communication with agencies and other community organizations, the Company is identifying additional ways to improve outreach and program offerings in ways to ensure they are more impactful to Minnesota Power's low-income customers. However, the Company must continue to consider CIP-specific guidelines, budget limitations, and cost-effectiveness as it continues to explore program improvement and/or expansion strategies.

C. Expansion of LIHEAP pool

ECC (at page 8) suggested methods that are likely to help Minnesota Power expand its "LIHEAP pool and by extension, potential CARE participants." Paradoxically, ECC also recommended against adding LIHEAP-eligible customers to the current CARE Program under the pretext that it "will not increase those customers' ability to pay for electric service" (ECC at page 5). Minnesota Power finds

[25] A high user is defined as any customer with usage greater than 1,000 kWh in a given month.

ECC's arguments counterproductive and out of line with the spirit of the Program and related Orders to improve the Program and enhance public outreach. Providing a discount to a customer (no matter how small) would increase the customer's ability to pay; certainly it does not diminish it.

Minnesota Power's proposals provide for a discounted energy rate to all identified LIHEAP customers, which will decrease CARE administration costs and enable the Company to focus on retention and better outreach. Minnesota Power questions why ECC requested the identification of additional LIHEAP-eligible customers while at the same time insisted on providing the CARE Program discount be offered to fewer customers.

D. Disconnection notices and disconnections of LIHEAP-eligible customers

To the claim that LIHEAP customers are disconnected at a higher rate and that the number of disconnections increased (ECC at page 5), the Company responds that it recognizes the percentage of disconnected LIHEAP customers is high when compared to residential customers as a whole. One immediate form of assistance the Company offers to these customers is their participation in the CARE Program. The fact that the disconnection rate for CARE participants is lower (3 percent)[26] compared to LIHEAP non-CARE customers (16 percent) validates that the discount CARE participants receive is undoubtedly an immediate relief LIHEAP-eligible customers could also benefit from.

E. Customers with high usage and customers' retention in CARE Program

ECC (at page 9) suggested that Minnesota Power should concentrate its efforts to enroll only customers with high usage in the CARE Program and provide them a larger monthly credit to most effectively reduce their energy burden.

Minnesota Power describes high usage customers as those who use 1,000 kWh or more in any given month. In program year 2017, an average of 833 CARE Program participants had usage of 1,000 kWh or more in a given month; of the same 833 customers, 14 received disconnection notifications, and 1 customer or 7% of the 14 customers who received notifications were actually disconnected in the same month they had high usage.

During the same program year, an average of 1,018 LIHEAP customers were also considered high usage customers for a given month if they used more than 1,000 kWh. Of that, 120 received disconnection notifications and 16 customers or 14% of those who received notifications ended up being disconnected in the same month they had high usage.

Minnesota Power understands that the number of LIHEAP-identified high-usage customers stated above does not represent all low-income customers in its service territory, but it is a good representation of customers who could be low-income and are yet to be identified. The Company

[26] MP's Sixth Annual CARE Report, May 31, 2018, page 21, Table 5. The disconnection rate has been low since the CARE Program was instituted: program year 2016, 4 percent; program year 2015, 1 percent; and program year 2014, 2 percent.

does not want any customer to reach the point of disconnection and views this as a last resort in obtaining payment for services provided. However, despite all measures taken to avoid disconnections, sometimes disconnections do happen. The Company's preference is also to retain all participants in the CARE Program, hence all the proposed changes made to remove barriers low-income customers currently face in order to be or remain in the Program. For example, if customers who have missed two consecutive payments were to remain in the Program, this would increase the retention rate and provide for a continuation of the discounted rate.

The CARE Program has demonstrated a solid retention rate since its inception as shown in Figure 8, with an average of 73 percent of customers remaining in the Program for greater than 150 days for the past five program years. Reducing LIHEAP high-usage customers' disconnection rates and making them at least comparable to those in the CARE Program, and providing a discounted rate to all LIHEAP-eligible customers, while helping them decrease their arrears, will help reduce their energy burden.

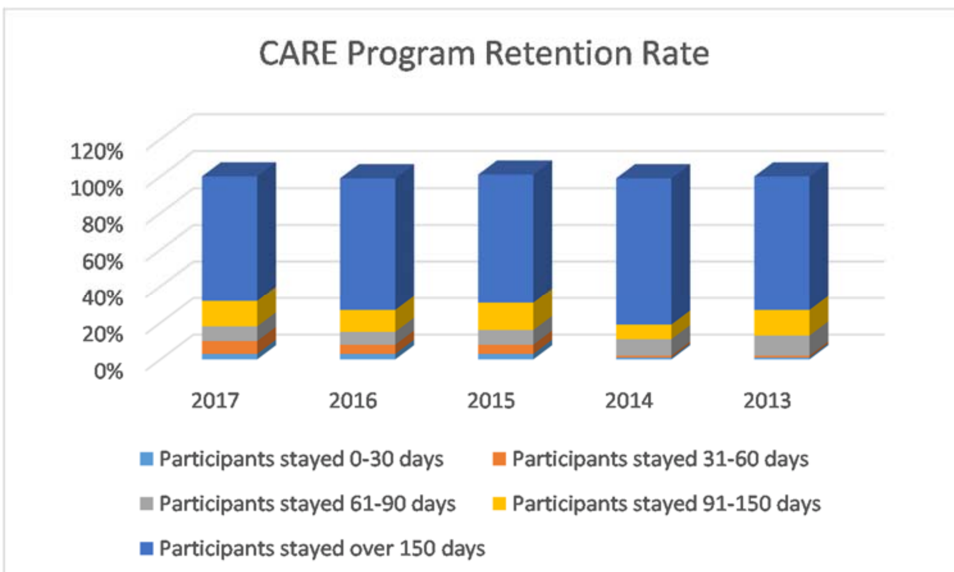

Figure 8 - CARE Program Retention Rate since Inception

F. The effectiveness of maintaining CARE participants in the Program after failing to make two monthly consecutive payments

ECC (at page 6) recommended that the Commission "reject the Company's proposal to allow CARE participants to remain enrolled in the Program even if they fail to make two monthly consecutive payments." Additionally, at the same page 6, ECC suggests Minnesota Power should be required to "increase the CARE affordability credit to a level that actually increases customers' ability to pay rather than designing a program on the inherent assumption that participants will not be able to make payments and then to simply ignore this fact by allowing them to remain in the program when they can't pay."

First, in the event Minnesota Power is required to increase the CARE Program discount, the Company continues to suggest that all LIHEAP-eligible customers should be offered the CARE Rider, and be maintained in the Program. Moving low-income customers back and forth between the standard Residential rate and the CARE Pilot Rider multiple times increases administration, creates confusion for customers, and decreases their ability to pay because they will be billed at a higher residential standard rate.

Second, in affordability programs where the discount is proportionate to the customer's income, these customers may still accumulate arrears and face disconnection. For example, the design of Xcel Energy's affordability program that was referenced by ECC includes identifying a customer's income level. However, Xcel Energy's annual affordability PowerON still reports on disconnections and arrears level for their customers.[27] Therefore, increasing the discount or making it proportionate to the customers' income is not a guarantee that customers will always pay their bills or will not be disconnected. Minnesota Power believes that a steady discount in a timely manner is better for its low-income customers and consistent with how its program has been designed and approved. Waiting lists or no discount at all (because the program is closed for the program year) provide no immediate relief and may deter customers from participating.

Third, an increase of the energy discount translates into an increase in the Affordability Surcharge. At the same time ECC recommended increasing the energy discount, it also recommended that the Commission reject any Affordability Surcharge increase. In fact, ECC did not state that it is amenable to any modification whatsoever, other than removing pilot status for the Program.

Fourth, the Company does not understand why it would increase the LIHEAP pool while at the same time reducing/limiting the number of CARE participants as recommended by ECC. If the Company increases the CARE Program discount without increasing the Affordability Surcharge, the number of participants will have to be significantly reduced or capped because the CARE tracker will quickly deplete. The question of capping the CARE Program participation has already been addressed by the Commission. In the Commission's Order dated July 3, 2014, Order Point 5 "removed the cap of 5,000 in the CARE Program and imposed no cap on the number of customers the Company can enroll in the CARE Program." Bringing the number of participants down as implied by ECC, for the purposes of providing a higher discount will not only be contrary to the spirit of the Commission Order, but also be perceived by the Company as picking winners and losers among its low-income customers.

And finally, ECC's proposal implies that the Company would have to un-enroll a large number of current CARE participants to implement the changes suggested by ECC. This means rescinding a discounted rate for hundreds of customers who have qualified as low-income as determined by LIHEAP eligibility, surely an unintended consequence and consequential consideration for a significant program redesign of the magnitude that ECC is proposing.

[27] Xcel's 2017 Annual Report Low Income Energy Discount Program, Docket No. E002/M-04-1956 and E002/M-10-854, Section III.B and D.

G. Structure of MP's CARE Program and Xcel's PowerON

While Xcel Energy's PowerON Program, on which ECC suggests Minnesota Power should model its CARE Program, focuses on providing a benefit to fewer customers on a first-come first-serve basis, Minnesota Power focuses its CARE Program on helping as many low-income households as possible. Both programs have the intention of helping those in need but with differing underlying philosophies and challenges which are unique to their utilities, service territories and customers. PowerON caps the number of participants and assumes they are helping those with the greatest need *based on the customer's action to sign up quickly while the program is still accepting participants*. Minnesota Power has found that every individual has a unique situation and sometimes those with the greatest need are not necessarily the first to act.

An important point is that Xcel Energy's Low Income Program consists of two components: 1) a Discount Program, and 2) an affordability component, called PowerON.[28] Minnesota Power's Program is a hybrid approach of both. In the proposed modifications to the CARE Program, Minnesota Power is casting a wider net to extend the benefits of the CARE Program to all LIHEAP-eligible customers. The most beneficial aspect is that a discount would be provided to all LIHEAP-eligible customers. As reported in Minnesota Power's Sixth Annual CARE Report, page 21, Table 5, 16 percent of non-CARE LIHEAP Customers were disconnected between October 1, 2016 and September 30, 2017, but only 3 percent of CARE participants were disconnected at the same period. By opening up CARE to all LIHEAP customers, they would reap the additional financial benefits of the CARE Program, and it is anticipated that fewer would be disconnected.

Minnesota Power further notes that the method of calculating the total average discount provided to CARE participants (Sixth Annual CARE Report, Table 2, page 14) may be understated. Calculations previously provided were overall averages and may have implied that the arrears forgiveness company match was given to the entire average number of participants, which is not the case. The average level of monthly discount provided to a customer without arrears forgiveness is $16, as shown in Figure 9, and the average level of arrears forgiveness company match provided to a customer per month is $31 as shown in Figure 10.

CARE Participants Discount/Credit	
Total Discount to Customers	$908,052
Average Number of Customers	4,673
Average Monthly Discount per Customer	$16

Figure 9 - CARE participants monthly discount level

[28] Insert reference to Xcel's December 1, 2017 annual report Docket No. E002/M-04-1956 and E002/M-10-854.

CARE Participants Company Match	
Total Arrears Forgiveness Company Match	$61,190
Total Number of Customers	1,982
Monthly Arrearage Company Match to Customers	$31

Figure 10 - CARE participants' arrears Company match per month

H. Level of Minnesota Power average CARE Program discount

ECC (at page 7) considered the CARE Program as failing because of a decrease in participation from 2016 to 2017 and an ineffective discount amount. As such, ECC recommended fixing the low monthly credit. ECC (at page 9) also argued that "low usage level contributes to the low credit amounts that are insufficient to lower the energy burdens of low-income/high-usage customers." ECC's characterization of the CARE Program as failing is limited to three selected parameters: the participation rate, the discount level and a misleading disconnection rate.

The participation rate and the disconnection rate have been addressed in Sections II.B and II.D, respectively.

The rationale behind ECC's assertion and its conclusion are difficult to comprehend. Minnesota Power's average discount provided to its CARE participants, excluding arrears forgiveness company match, has remained in the vicinity of $17 for an average usage of about 750 kWh per month. With the recently approved rates and changes in the inclining block rates in Minnesota Power's 2016 retail rate case,[29] customers, especially those with higher usage, will see a greater discount impact, as shown in Figure 11, which is contrary to ECC's assertion.

[29] *In the Matter of the Application of Minnesota Power for Authority to Increase Rates for Electric Utility Service in Minnesota,* Docket No. E015/GR-16-664, E-Schedules, Compliance Schedule 10, Page 5 and 6 of 47.

Estimated CARE Discount by Usage Level Rates as of December , 2018				
kWh	Estimated Bill Total Standard Residential	Estimated Bill Total Residential - CARE	Estimated CARE Discount $	%
300	$ 32.06	$ 26.64	$ 5.41	-16.89%
400	$ 39.90	$ 32.12	$ 7.78	-19.51%
500	$ 50.10	$ 39.33	$ 10.77	-21.49%
600	$ 60.29	$ 46.54	$ 13.75	-22.81%
700	$ 70.48	$ 53.74	$ 16.74	-23.75%
754	$ 75.99	$ 57.64	$ 18.35	-24.15%
800	$ 80.67	$ 60.95	$ 19.72	-24.45%
900	$ 93.21	$ 69.89	$ 23.32	-25.02%
1,000	$ 105.75	$ 78.83	$ 26.92	-25.45%
1,100	$ 118.29	$ 87.77	$ 30.52	-25.80%
1,200	$ 130.83	$ 96.71	$ 34.12	-26.08%
1,300	$ 145.91	$ 107.53	$ 38.38	-26.30%
1,400	$ 160.99	$ 118.34	$ 42.65	-26.49%
1,500	$ 176.06	$ 129.15	$ 46.91	-26.64%
2,000	$ 251.46	$ 183.22	$ 68.23	-27.13%
2,500	$ 326.85	$ 237.29	$ 89.56	-27.40%
3,000	$ 402.24	$ 291.36	$ 110.88	-27.56%

1/ Current Rates Bill Totals are calculated using rates in effect as of the date listed
2/ Estimated Bill Totals include all items on a typical bill (e.g. fuel adjustment, cost recovery rider adjustments, etc.) except sales tax and municipal franchise fees

Figure 11 - Estimated average rate impacts with new rates proposed to be effective December 1, 2018

I. ECC comments on Sixth Annual Report introduction

Minnesota Power made an introductory statement that "while there are numerous ongoing efforts that demonstrate Minnesota Power's commitment to and the success of supplying quality programs and services for its customers, affordability programs and services continue to face challenges in terms of eligibility, funding, outreach, timely processing and participations persistence."[30] ECC "believes that these challenges are surmountable but also believes that a more fundamental issue – an issue reflected in the Company's perspective about affordable utility service – may actually precipitate these challenges." [31]

Minnesota Power further elaborates on the various difficulties customers face throughout the process when accessing affordability programs. These difficulties are not solely of Minnesota

[30] Sixth Annual CARE Report, May 31, 2018; Section I, page 2.
[31] *Id*., and Energy CENTS Coalition Comments, Section II, page 2.

Power's making or within the Company's control, nor are they the Company's perspective about their CARE Program,[32] as alleged by ECC.

Eligibility – During the past two years, Minnesota Power followed several customers through the LIHEAP qualification process from start to finish. It took a minimum of over 30 days for customers to go through the qualification process after submitting their applications. These particular customers had provided all required documentation at the initial stage of their application. Furthermore, applications are processed in the order they are received unless there is an emergency situation. Many LIHEAP applications are not emergency situations. A typical emergency situation is a customer who received a disconnection notice and is in crisis. To sum up, going through the eligibility process takes time. Importantly, the Department of Commerce has communicated planned upgrades to the current eHeat system used for eligibility and application processing for LIHEAP. There are known inefficiencies in the process and the intent is to address many of them through these system upgrades.

- Funding – LIHEAP funding is the responsibility of the federal government, not of Minnesota Power. When funding has elapsed, agencies continue to process applications, though it may be with less staffing resources, which can lead to longer processing times. This does not spur customer qualification and does not increase the LIHEAP pool.

- Timely processing – Processing the applications in a timely manner is contingent on the eligibility and funding issues explained above. Timely processing also depends on the number of customers waiting in line. The bulk of the applications are received almost at the same time, which creates a bottleneck and slows qualification. For this reason, Minnesota Power sought and was authorized to extend the grace period to May 31 of each year[33] in order to keep customers in the CARE Program while they are going through the qualification process. To help ensure a timely qualification process all year long, Minnesota Power, through its collaborative efforts with the CAO, is working to identify opportunities to better reach and help low-income customers through the qualification process throughout the year, with or without funding.

- Participation persistence – Minnesota Power recognized some of its requirements, such as Service Condition 8 (Missed Payments) did not permit customers to stay in the CARE Pilot Rider, hence the proposal to eliminate this Service Condition.

Part of Minnesota Power's mission is to provide affordable electric service to all customers. The low-income segment of its residential customers cannot be left behind and merits attention like other customer segments. Therefore, it is disingenuous by the ECC to portray the difficulties listed above as the Company's fundamental issues and a reflection of the Company's perspective about affordable utility service. Minnesota Power proactively raised these issues as serious and strives to

---

[32] Energy CENTS Coalition Comments to Minnesota Power's Sixth Annual CARE Report, page 3.

[33] *In the Matter of Minnesota Power's Petition for Approval of a Pilot Rider for Customer Affordability of Residential Electricity,* Docket No. E015/M-11-409, MPUC Order dated January 5, 2018.

propose solutions to resolve them by eliminating roadblocks to access its CARE Program and make the Pilot Rider permanent.

In addition, Minnesota Power made some general statements to present its view about the evolution of the electric utility industry. ECC uses these statements to raise concerns that, at the very least, divert attention from improving the Company's affordability program, and at their worst, seem to question the justification for operating an affordability program at all (ECC, page 1).

Minnesota Power is in no way implying that affordability programs are not justified but, rather, stated broader considerations that need to be balanced with affordability program design and objectives. A discounted rate is one of several ways that utilities can help to address energy affordability. It was the Company's intent to provide this broader context as the economic vitality of the region as well as community engagement are both very important aspects of ensuring energy affordability.

J. Should the CARE Program be modeled on PowerON?

ECC recommended that the CARE Program should be redesigned and modeled on Xcel Energy's PowerON. The reasons for its recommendation include the affordability credit and the percentage of income a household devotes to electric service (ECC, page 9).

Minnesota Power has designed an affordability program for its customers based on its own experience, as Xcel Energy has. While utilities in the state certainly learn from each other, there is room for program diversity between utilities. Furthermore, ECC would be expected to have a bias toward the PowerON program because they administer it. While the Company appreciates the points made about PowerON, it is important to recognize that Minnesota Power's CARE Program is not directly comparable to PowerON.

First, as stated in Section II.G above, Minnesota Power believes that the discount it provides to its low-income customers has been underestimated. The discount amount for program year 2017 is $16 per customer per month and the Company match for arrears is $31 per customer per month.

Secondly, Minnesota Power has stated in previous filings and dockets that it does not verify a customer's income. Under the Company's Program, the customer's bill/discount is not linked to his/her income. To determine the percentage of income low-income customers devote to their electric bill, the Company relies on data which is specific to Minnesota Power's LIHEAP customers, and is provided by the Energy Assistance Program office of the Department. This is described in the initial filing of the Sixth Annual CARE Report, Section VI.10.a. Unlike PowerON, the CARE Program is not closed to potential participants in that it does not have a cap. The cap was removed as part of the Commission's July 3, 2014 Order.

Finally, ECC continued to suggest that the CARE Program be modeled on PowerON, a recommendation that has already been made in the past.[34] The Company believes this issue was settled with the Commission's approval of Minnesota Power's Revised Pilot Affordability Proposal as it was designed, in the Commission Order Authorizing Pilot Program and Setting Further Requirements, dated September 26, 2011, Order Point 1. What works for Xcel does not necessarily work for Minnesota Power and as mentioned previously, Xcel's Low Income Program includes both a discount and an affordability component. Abandoning the current CARE Program as designed for a new one means losing all advancements made to the CARE Program, and would also require reconfiguring the Company's CIS to accommodate the new features, none of which has been tested. While the Company remains open to suggestions that would strengthen and improve its CARE Program, it is important to note that the CARE Program has been operational for almost seven years. The Company respectfully requests that the Commission reject this repetitive request of ECC which would require significant resources and not necessarily be the best program for Minnesota Power customers.

K. CARE administrative costs

ECC stated that it was not aware of any actual internal administrative costs in the Sixth Annual CARE Report, and therefore it is not possible to determine whether the Company's proposal could result in any administrative savings (ECC, page 8). ECC added that the Company should be required to disclose actual administrative costs (ECC recommendation 7, page 11).

As explained in its Sixth Annual CARE Report, Section VI.1.d, Minnesota Power does not request recovery of any CARE administrative costs, and therefore, internal CARE administrative costs were not tracked separately. Further, Minnesota Power took over the administration of the CARE Program from the energy assistance agency Arrowhead Economic Opportunity Agency, which eliminated process redundancies. The current structure of the CARE Program still represents a complex administration process with some inefficiencies that were brought to light using the internally-administered Lean Six Sigma methodology.[35] The proposed program changes will help eliminate these inefficiencies by freeing up resources that would be allocated elsewhere. For example, (1) considerable time is spent removing customers who have missed two consecutive payments from the CARE Program. In addition, (2) these customers are monitored so that they are not allowed back in the Program until the following program year, a current qualification provision of the CARE Program. Additional time is also spent (3) reaching out to customers and asking them to apply for the CARE Program and then (4) processing the applications. If, as proposed, LIHEAP-eligible customers were directly enrolled in CARE, or maintained in the Program after they have missed two consecutive payments, these resources could then be allocated and devoted to other duties such as engaging customers who are in arrears or making phone calls to potential LIHEAP customers.

[34] *In the Matter of the Application of Minnesota Power for Authority to Increase Rates for Electric Service in Minnesota,* MPUC Finding of Facts, Conclusions, and Order dated November 2, 2010, Order Point 25, Docket No. E015/GR-09-1151.
[35] Sixth Annual CARE Report dated May 31, 2018, Section VI.1.b., page 15.

L. CARE Program and Energy Partners Program

ECC stated at page 10 that "it is unclear how many Energy Partners Participants actually received any energy-savings installed measures." Minnesota Power would like to clarify that *all* customers who participate in the Low-Income Energy Partners program receive direct installation of energy-saving measures based on their individual needs. Since the majority of Minnesota Power's residential customers are non-electrically heated, the Energy Partners program focuses on other common high usage areas. That said, it is not accurate to state that no electrically-heated homes were assisted in 2017 through Energy Partners. Minnesota Power did serve some electrically heated homes through Energy Partners, as determined by the Company's all-electric rate code; however, there may be other homes that use a combination of electric heat such as space heating and other fuel, which would not be identifiable through Minnesota Power's billing system and would rather be better assessed with an in-home analysis. ECC also focuses on refrigerators, implying they are the only impactful measure offered in the program, although at a low number. Minnesota Power would argue that individual circumstances vary greatly and in many cases other products offered through the program could actually be just as or even more impactful. For example, customers with electric water heating are likely to be among the higher electric users. For these individuals, installing energy saving showerheads (which result in higher savings than refrigerator replacements in general) in conjunction with the other water heating measures would likely have the greatest impact on the customer's electric bill.

III. RESPONSE TO THE DEPARTMENT COMMENTS

Minnesota Power appreciates the Department's recommendations that the Commission accept its Sixth Annual CARE Report and its support for all proposed program changes subject to additional clarifications. Responses to the Department's requested items are included in this section.

A. Participation in CARE after missed payments

The Department noted that customers, whether or not they are participants in the CARE Program, should be offered a payment agreement for the payment of their arrears. Minnesota Power does offer payment agreements to all its residential customers, regardless of their segmentation, through billing, credit and collections, and disconnection notice processes as stipulated in the statute.[36] The process has been extensively described in the Company's SRSQ Reply Comments dated August 20, 2018 under Payment Agreements and Service Disconnections Practices, pages 4-10 (Docket No. E015/M-18-250).

[36] Minn. Stat. § 216B.98 (subd.3).

B. Cold Weather Rule protection and the CARE Program

The Department requested that the Company provide additional explanation and examples of how customers with past-due payments would be affected by the loss of the arrearage component of the CARE Program while seeking CWR protection (Department at page 6, Section II.B.3).

The CARE Program as currently designed requires CARE participants seeking CWR protection to be removed from the CARE Program, which includes removal from the Arrearage Forgiveness Component. The proposed change allows customers to stay on the CARE Program while seeking CWR protection, so they will continue to receive credits/discounts associated with the Program, but they cannot participate in the arrearage forgiveness.

For context, the number of customers who voluntarily left the CARE Program for the CWR protection in program year 2017 was a total of 50 with combined arrears of $26,002. The Company envisions working proactively with each customer (as described in Section III.A above) as soon as they start accumulating arrears while being admitted in CWR protection.

C. LIHEAP-eligible customers to opt-out of the CARE Program

Minnesota Power sought clarification on this issue with the DOC in a phone conversation. It was not clear to the Company why a customer would accept to go through the LIHEAP qualification process and request to opt-out from participating in the CARE Program. In fact, the DOC requested clarification that customers could be in the CWR protection and the CARE Program, which is actually the core of Minnesota Power's proposal. The only difference is that customers under the CWR protection will not benefit from the arrearage forgiveness because the Company's CIS presently is not configured to handle both a payment agreement under the CWR protection and a payment arrangement under the Arrearage Forgiveness Component.

D. The merit of moving the CARE Program to a permanent offering

Minnesota Power appreciates that the Department did not oppose the Company's request to consider the CARE Program as a permanent offering. Considering this Rider as a permanent offering will allow the Company to admit all LIHEAP-eligible customers to the CARE Rider without additional administration. Also, making the CARE Program a permanent offering does not preclude it for any adjustment in the future as is the case with other riders. Minnesota Power agrees to continue the annual compliance filing which provides useful information.

E. Affordability Surcharge

On page 9 of the Department's comments, it suggests that if the Commission adopts an option other than Option B for the increase of the Affordability Surcharge, that the Company should be required to include the estimated tracker balance in the calculation of the rates.

In its initial filing of the Sixth Annual CARE Report, the Company provided an estimated tracker balance on September 30, 2018 with the calculation of the Affordability Surcharge for all Options.[37] The Company intentionally did not include the estimated tracker balance in the estimated annual CARE expenses upfront in Option A. In other words, the tracker balance is not used to reduce the annual CARE expenses which are projected to be $2,456,161. However, the existing tracker balance will be used during the phase-in of the Affordability Surcharge increase and over time as the CARE Program continues and customers are added in the Program. Over the next three years, the tracker balance will remain reasonable in Option A. In Year 1, it is projected to be $250,872; in Year 2, $67,656 and in Year 3, $77,079. Including the tracker balance in the estimated annual CARE expenses upfront in Option A would effectively make it the equivalent of Option B or Option C, or some combination of the two. In Option B, 50 percent of the tracker balance is used to reduce the estimated CARE annual expenses [$2,456,131 - $398,726 = $2,057,405]. At the end of Year 1, the tracker balance for Option B is projected to be $423,341, for Year 2, $48,291 and for Year 3, $56,832. For Option C, the entire tracker balance (100 percent) is used to reduce the estimated annual CARE expenses [$2,456,131 - $797,452 = $1,658,678]. The tracker balance will be $54,351 at the end of Year 1, it will be $110,106 at the end of Year 2, and it will be $168,392 at end of Year 3. The Company's preference continues to be Option A because, as new LIHEAP customers are identified, qualified, and established in the CARE Program, the phase-in of the Affordability Surcharge and the depletion of the tracker balance under Option A are more gradual and help to temper increases for customers who pay the Affordability Surcharge while also maintaining a reasonable tracker balance. This is not the case for Option B or Option C.

IV. CONCLUSION

The Company appreciates the opportunity to address the comments provided in response to the Commission Notice and the Company believes that it has fully addressed the issues and concerns raised by the Department and ECC. Minnesota Power appreciates the Department's support for approval of the proposed modifications to its CARE Program which are designed to strengthen the Program and make it more accessible to all identified low-income customers in its service territory. The Company continues to support the increase of the Affordability Surcharge as described in Option A, as well as all other proposed changes and agrees to continue providing CARE Program annual reports. Minnesota Power requests that the Commission reject ECC's recommendations to deny any changes to the CARE Program, and approve the proposed changes to allow the customers who

[37] Sixth Annual CARE Report, May 31, 2018; Attachment I, pages 4 -6 of 19 for Option A, pages 8-10 of 19 for Option B, and pages 12-14 of 19 for Option C.

need assistance to benefit from the discounted energy the Company proposes for all identified low-income customers.

Dated: August 30, 2018

Respectfully submitted,

M. Micheline Bayiha
Cost & Pricing Analyst Senior
218-355-3121
mbayiha@mnpower.com

STATE OF MINNESOTA)
) ss
COUNTY OF ST. LOUIS)

AFFIDAVIT OF SERVICE VIA ELECTRONIC FILING

JODI NASH, of the City of Duluth, County of St. Louis, State of Minnesota, says that on the 30th day of August, 2018, she served Minnesota Power's Reply Comments in **Docket No. E-015/M-11-409** via electronic filing on the Minnesota Public Utilities Commission and the Office of Energy Security. The persons on E-Docket's Official Service List for this Docket were served as requested.

Jodi Nash

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	Yes	OFF_SL_11-409_Official
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	No	OFF_SL_11-409_Official
Riley	Conlin	riley.conlin@stoel.com	Stoel Rives LLP	33 S. 6th Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_11-409_Official
Ian	Dobson	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	No	OFF_SL_11-409_Official
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_11-409_Official
Kimberly	Hellwig	kimberly.hellwig@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_11-409_Official
Annie	Levenson Falk	annielf@cubminnesota.org	Citizens Utility Board of Minnesota	332 Minnesota Street, Suite W1360 St. Paul, MN 55101	Electronic Service	No	OFF_SL_11-409_Official
Annie	Levenson Falk	annie.lf@citizensutilityboard.org	Citizens Utility Board	332 Minnesota Street, Suite W1360 St. Paul, MN 55101	Electronic Service	No	OFF_SL_11-409_Official
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	OFF_SL_11-409_Official
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_11-409_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
William	Phillips	wphillips@aarp.org	AARP	30 E. 7th St Suite 1200 St. Paul, MN 55101	Electronic Service	No	OFF_SL_11-409_Official
Marcia	Podratz	mpodratz@mnpower.com	Minnesota Power	30 W Superior S Duluth, MN 55802	Electronic Service	No	OFF_SL_11-409_Official
Buddy	Robinson	buddy@citizensfed.org	Minnesota Citizens Federation NE	2110 W. 1st Street Duluth, MN 55806	Electronic Service	No	OFF_SL_11-409_Official
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_11-409_Official