

April 16, 2025

Will Seuffert  
Minnesota Public Utilities Commission  
121 7th Place East, Suite 350  
St. Paul, Minnesota 55101-2147

RE: Comments of the Minnesota Department of Commerce  
Docket No. E015/M-11-409

Dear Mr. Seuffert:

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

*In the Matter of Minnesota Power's Petition for Approval of a Rider for Customer Affordability of Residential Electricity (CARE), Thirteenth Annual Report.*

The Petition was filed by Minnesota Power on March 3, 2025.

The Department recommends the Commission accept Minneapolis Power's Thirteenth Annual CARE Program Report but awaits further information and analysis in the Company's Reply Comments before making a recommendation on the Company's proposed reduction to its Affordability Surcharge.

Sincerely,

s/ Dr. SYDNIE LIEB  
Assistant Commissioner of Regulatory Analysis

AG/ad  
Attachment



## Before the Minnesota Public Utilities Commission

### Comments of the Minnesota Department of Commerce

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Docket No. E015/M-11-409

#### I. INTRODUCTION

On May 5, 2011, Minnesota Power (MP or the Company) filed a request<sup>1</sup> for approval of a Pilot Rider for Customer Affordability of Residential Electricity (CARE Rider) consistent with the Minnesota Public Utilities Commission's (Commission) November 2, 2010 *Findings of Fact, Conclusions of Law and Order* in the Company's 2009 Rate Case.<sup>2</sup>

On September 26, 2011, the Commission issued its *Order Authorizing Pilot Program and Setting Further Requirements* in this docket.<sup>3</sup> In its Order, the Commission approved the CARE Rider with a flat monthly surcharge of \$0.65 per retail electric customer, excluding customers who qualify for the federal Energy Assistance Program (EAP).

On July 18, 2013, the Commission issued its *Order Accepting Report as Supplemented, Adopting Reporting Requirements, and Modifying Renewal Date*.<sup>4</sup> In its Order, the Commission adopted the following reporting requirements for the CARE Program:

- Customer payment frequency;
- Disconnection;
- Payment amount;
- Customer payment history;
- Arrearage level;
- Coordination with other available low-income payment assistance programs;
- Participant billing impacts; and
- Participant election usage

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<sup>1</sup> *In the Matter of Minnesota Power's Petition for Approval of a Pilot Rider for Customer Affordability of Residential Electricity*, Initial Filing, Minnesota Power, May 5, 2011, Docket No. E015/M-11-409, (eDockets) [20115-62311-01](#).

<sup>2</sup> *In the Matter of the Application of Minnesota Power for Authority to Increase Rates for Electric Service in Minnesota*, Finding of Fact, Conclusions, and Order, Minnesota Public Utilities Commission, November 2, 2010, Docket No. E015/GR-09-1151, (eDockets) [201011-56128-01](#).

<sup>3</sup> *In the Matter of Minnesota Power's Petition for Approval of a Pilot Rider for Customer Affordability of Residential Electricity*, Order Authorizing Pilot Program and Setting Further Requirements, Minnesota Public Utilities Commission, September 26, 2011, Docket No. E015/M-11-409, (eDockets) [20119-66619-01](#).

<sup>4</sup> *In the Matter of Minnesota Power's Petition for Approval of a Pilot Rider for Customer Affordability of Residential Electricity*, Order Accepting Report as Supplemented, Adopting Reporting Requirements, and Modifying Renewal Date, Minnesota Public Utilities Commission, July 18, 2013, Docket No. E015/M-11-409, (eDockets) [20137-89288-01](#).

In its October 30, 2019 Order,<sup>5</sup> the Commission approved a number of changes to MP's CARE Program. Specifically, the Commission approved a flat \$15 per month discount for eligible senior, disabled and/or existing legacy CARE customers. New customers who are using more than 3 percent of their annual household income towards their electric bills may receive an affordability discount designed to keep their annual energy burden within 3 percent of their household income, on average.

In its September 21, 2022 Order,<sup>6</sup> the Commission approved an increase to the CARE flat discount from \$15 to \$20 per month, extended the CARE flat discount to approximately 10,000 non-LIHEAP low-income customers, and additionally extended the CARE affordability discount to approximately 2,500 non-LIHEAP, low-income customers.

In its May 16, 2023 Order,<sup>7</sup> the Commission approved an increase to the Company's Affordability Surcharge to accommodate expanded eligibility qualifications and discounts under CARE, which increased CARE participation.

In its April 16, 2024 Order,<sup>8</sup> the Commission accepted the Company's Twelfth Annual CARE Program Report and approved recovery of administrative costs.

On March 3, 2025, MP filed its Thirteenth Annual Report on the Thirteenth Annual Report for the Rider for Customer Affordability of Residential Electricity Discount Program.<sup>9</sup> On March 20, 2025, the Commission issued a Notice of Comment Period asking commenters whether the Commission should accept MP's Annual Report, approve changes to MP's Affordability Surcharge, and to review other issues within the report.<sup>10</sup>

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<sup>5</sup> *In the Matter of Minnesota Power's Petition for Approval of a Pilot Rider for Customer Affordability of Residential Electricity*, Order Accepting Report and Approving Program Changes, Minnesota Public Utilities Commission, October 30, 2019, Docket No. E015/M-11-409, (eDockets) [201910-157008-01](#).

<sup>6</sup> *In the Matter of Minnesota Power's Petition for Approval of a Pilot Rider for Customer Affordability of Residential Electricity*, Order, Minnesota Public Utilities Commission, September 21, 2022, Docket No. E015/M-11-409, (eDockets) [20229-189211-01](#).

<sup>7</sup> *In the Matter of Minnesota Power's Petition for Approval of a Pilot Rider for Customer Affordability of Residential Electricity*, Order, Minnesota Public Utilities Commission, May 16, 2023, Docket No. E015/M-11-409, (eDockets) [20235-195862-01](#).

<sup>8</sup> *In the Matter of Minnesota Power's Petition for Approval of a Pilot Rider for Customer Affordability of Residential Electricity*, Order, Minnesota Public Utilities Commission, April 16, 2024, Docket No. E015/M-11-409, (eDockets) [20244-205450-01](#).

<sup>9</sup> *In the Matter of Minnesota Power's Petition for Approval of a Pilot Rider for Customer Affordability of Residential Electricity*, Compliance Filing – Annual Report, Minnesota Power, March 3, 2025, Docket No. E015/M-11-409, (eDockets) [20253-215957-01](#) (Hereinafter "2024 CARE Annual Report").

<sup>10</sup> *In the Matter of Minnesota Power's Petition for Approval of a Pilot Rider for Customer Affordability of Residential Electricity*, Notice of Comment Period, Minnesota Public Utilities Commission, March 20, 2025, Docket No. E015/M-11-409, (eDockets) [20253-216633-01](#) (Hereinafter "2025 Notice of Comment Period").

The Department reviews MP's Thirteenth Annual Report below.

## II. DEPARTMENT SUMMARY OF CARE REPORT

MP's latest annual report covers the CARE Program year 2024 from October 1, 2023 through September 30, 2024.<sup>11</sup> The report includes traditional CARE-required reports and more recent reporting requirements approved in the Commission's October 30, 2019 Order and implemented beginning January 1, 2020.

### A. REPORTING REQUIREMENTS

MP had 6,615 active participants as of the end of the 2024 Program Year (Program Year 2024 or PY2024) on September 30, 2024 and 13,580 participants enrolled at any point during the Program Year.<sup>12</sup>

A total of 7,538 customers were removed from the program during Program Year 2024, primarily "due to reinstatement of pre-COVID program removal guidelines and the expiration of the grace period for the first-year exception for customers receiving a CARE discount as part of the self-declaration process." In addition to the same reasons in previous years – customers missing two consecutive payments or leaving MP's service territory.<sup>13</sup> The monthly average number of customers with arrearage forgiveness was three.<sup>14</sup>

Lastly, MP reported it successfully re-enrolled approximately 96 percent of affordability discount participants.<sup>15</sup>

#### A.1. Disconnection Rate

The disconnection rate for PY2024 for CARE participants was 2.33%, with 332 total disconnections,<sup>16</sup> compared to 1.23% with 172 total disconnections in PY2023. The Company noted the higher disconnection rate was due to the end of COVID-related emergency protections.<sup>17</sup> EAP customers who did not participate in CARE experienced a 21.24% disconnection rate in PY2024,<sup>18</sup> compared to 16.10% in the prior program year.

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<sup>11</sup> 2024 CARE Annual Report at 3.

<sup>12</sup> 2024 CARE Annual Report at 8.

<sup>13</sup> *Id.*

<sup>14</sup> 2024 CARE Annual Report at 9.

<sup>15</sup> 2024 CARE Annual Report at 22.

<sup>16</sup> 2024 CARE Annual Report at 15.

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

*A.2. Average Usage and Average Discount*

The average usage for a CARE program participant during PY2024 was 457 kWh per month,<sup>19</sup> about 11.3% percent lower than the previous year's average usage of 515 kWh per month. CARE participant average usage was lower than average EAP customer usage of 533 kWh per month and significantly lower than average Standard Residential customer usage of 679 kWh per month.<sup>20</sup>

The average discount received by a CARE customer in PY2024 was \$29 per month, up slightly from \$28 per month in the prior Program Year due to the drop in program participants being greater than the decrease in total discounts, resulting in a slightly higher average discount.<sup>21</sup> The average arrearage amount for PY2024 was \$21 per month, compared to \$22 in PY2023, and a total of \$457,200 was forgiven as part of the arrearage forgiveness program.<sup>22</sup>

*B. REPORTING REQUIREMENTS*

MP reports the following activity in its tracker balance:

**Table 1: MP CARE Program Tracker Balance<sup>23</sup>**

<b>Beginning Balance (October 1, 2023)</b>	<b>\$(1,355,056)</b>
Affordability Surcharge Collected	\$4,397,198
Adjustments	-
Subtotal	\$3,042,142
Less: Total Discounts and Arrearage Forgiveness	\$3,413,443
Less: Program Administrative Costs	\$20,727
Less: Interest Expense	\$91,615
<b>Ending Balance (September 30, 2024)</b>	<b>\$(483,643)</b>

The tracker balance deficit of -\$483,643 at end of PY2024 is significantly less than the -\$1,355,056 deficit at the end of the previous program year, following an increase to the Affordability Surcharge increasing collections, in addition to reduced program participation rate following the end of COVID-19-related protections.<sup>24</sup> MP projects that, if the Affordability Surcharge is left unchanged, the tracker

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<sup>19</sup> 2024 CARE Annual Report at 18.

<sup>20</sup> *Id.*

<sup>21</sup> 2024 CARE Annual Report at 16-17.

<sup>22</sup> *Id.*

<sup>23</sup> Figures from 2024 CARE Annual Report, Attachment A.

<sup>24</sup> 2024 CARE Annual Report at 7-8.

will reach a “near-zero balance in December 2024.”<sup>25</sup> To avoid overcollection, the Company proposes to reduce surcharges as detailed below:

**Table 2: Current and Proposed CARE Affordability Surcharge<sup>26</sup>**

Rate Class	Current Monthly Surcharge	Proposed Monthly Surcharge	\$ Decrease	% Decrease
<b>Residential (Except LIHEAP-qualified)</b>	\$2.41	\$1.28	-\$1.13	-66.3%
<b>General Service</b>	\$4.01	\$2.13	-\$1.88	-46.9%
<b>Large Light &amp; Power</b>	\$26.74	\$17.73	-\$9.01	-33.7%
<b>Large Power</b>	\$1,826.31	\$675.86	-\$1,150.45	-63%

The Department reviews the proposed Affordability Surcharge changes and responds to the Commission’s Notice of Comment Period topics below.

### **III. DEPARTMENT ANALYSIS**

#### **A. STATUTORY COMPLIANCE**

The Department reviewed MP’s Thirteenth Annual CARE Program Report, and concludes the report complies with the reporting requirements. The objectives of MP’s CARE Program as set forth in Minn. Stat. §216B.16, Subd. 15(b) are to:

- Lower the percentage of income that participating households devote to energy bills;
- Increase participating customer participating customer payments over time by increasing the frequency of payments;
- Decrease or eliminate participating customer arrears;
- Lower utility costs associated with customer account collection activities; and
- Coordinate the program with other available low-income payment assistance and conservation resources.

MP has implemented the program changes approved by the Commission in its October 2019 and September 2022 Orders. The affordability discount targets keeping customer bills close to three percent of income.<sup>27</sup>

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<sup>25</sup> 2024 CARE Annual Report at 8.

<sup>26</sup> 2024 CARE Annual Report at 24.

<sup>27</sup> 2024 CARE Annual Report at 19.

In PY2024, MP reports CARE participants paid 74% of their bills, compared to EAP non-CARE customers paid 71% of their bills. However, comparing payment frequency for customers before and after CARE participation continues to be difficult, as this data is not tracked by MP. The Company does note that CARE participants paid 78% of their billed amounts compared to 77% for EAP non-care participants. MP matched a total of \$11,542 in arrearage payments for PY2024.<sup>28</sup>

For the PY2024, MP seeks to recover \$20,727 or 0.47% percent of the program budget for program administrative costs.<sup>29</sup> Minn. Stat. 216B.16, Subd. 15(d) permits the Commission to allow recovery of administrative costs in an amount no more than 5% of total program cost. MP has complied with the statutory requirement to keep administrative costs significantly below 5 percent of its program costs.

In 2022, MP requested modifications to the CARE program stemming from agreements with the Energy CENTS Coalition (“ECC”) and the Citizens Utility Board of Minnesota (“CUB”) in its general rate case Docket No. E015/GR-21-335, which were approved by the Commission on September 21, 2022 and became effective October 1, 2022. The modifications, among other changes, allowed customers who self-declare as low-income to qualify for the CARE program in their first year of self-declaration, which greatly expanded CARE participation. As noted above, following the increased participation and the potential impact on the CARE tracker balance, the Company requested and the Commission approved increases to monthly surcharges in its May 16, 2023 Order.

Following this increase to the Affordability Surcharge, the tracker balance has trended toward positive, starting the 2024PY at a \$1.29 million deficit and ending at a \$483,643 deficit.<sup>30</sup> As noted and detailed in Table 2 above, the Company proposes to decrease the Affordability Surcharge so as not to run a positive tracker balance. The Department reviews this proposal below in response to the Commission’s Notice of Comment Period topics.

*B. COMMISSION NOTICE OF COMMENT PERIOD – TOPICS OPEN FOR COMMENT*

On March 20, 2025, the Commission issued a Notice of Comment Period asking commenters whether the Commission should accept MP’s Annual Report, approve changes to MP’s Affordability Surcharge, and to review other issues within the report.<sup>31</sup> The Department reviews these items below.

*B.1. Should the Commission accept MP’s 2024 CARE Program Report?*

Based on compliance with prior Commission Orders, reporting requirements, and relevant Statutes, the Department recommends the Commission accept MP’s 2024 CARE Program Report.

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<sup>28</sup> 2024 CARE Annual Report at 20.

<sup>29</sup> 2024 CARE Annual Report, Attachment A.

<sup>30</sup> *Id.*

<sup>31</sup> 2025 Notice of Comment Period.

*B.2. Will the proposed surcharge balance the CARE tracker balance and adequately fund the CARE Program?*

The Department in an information request to MP asked for projected end-of-Program-Year CARE tracker balances through Program-Year-end 2027 under both the current Affordability Surcharge and the Company's proposed Surcharge. In response, MP provided the following table, with supporting modeling and calculations:

**Table 3: Projected End-of-Program-Year CARE Tracker Balances  
Under Current vs. Proposed Affordability Surcharge<sup>32</sup>**

	Projected End-of-Program-Year CARE Tracker Balance		
	2025	2026	2027
<b>Current Surcharge</b>	\$1,080,151	\$2,685,373	\$4,416,071
<b>Proposed Surcharge</b>	\$563,825	\$10,559	-\$585,954

As Table 3 above shows and as MP states in its Report, the current surcharge if left unchanged will cause the CARE tracker balance to balloon in the coming years, resulting in likely significant over-recovery.

The information provided by the Company shows the proposed surcharge will adequately fund the CARE program and balance the CARE tracker balance, although is projected to turn negative in 2027, at which point the surcharge may need to be addressed and adjusted.

*B.3. Are the proposed surcharge amounts reasonable and affordable for each applicable customer class – non-LIHEAP Residential, General Service, Large Light & Power, and Large Power?*

Yes, the proposed surcharge amounts are reasonable and affordable for each applicable customer class, as the proposed surcharge is a reduction of the current surcharge customers are already paying. As Table 2 shows above, the proposed surcharge would reduce monthly billing for customers in all classes.

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<sup>32</sup> Department Attachment 1.



*B.4. Should the Commission approve MP's proposed reduction to its Affordability Surcharge?*

MP has shown the current Affordability Surcharge, if left in place without significant changes to enrollment, would lead to significant over-collection and corresponding growth in the CARE tracker balance. The proposed change would address this issue and keep collections better in line with program costs.

However, as the Company notes in its Report, "Due to program budget restraints, the Affordability Discount portion of the CARE program was closed to new participants and has been accumulating a waitlist since mid-program year 2023."<sup>33</sup> The Department believes an avenue other than reducing the surcharge could be explored – whether the Company could keep the surcharge as-is and instead expand enrollment as a way to manage potential over-collection and tracker balance surplus.

Given potential cuts to federal energy assistance programs in the new administration, the Department believes MP should explore the option to increase program participation. The Department requests that MP provide in its Reply Comments analysis of program participation capacity under the current affordability surcharge. Specifically, the Department requests the Company to detail the following:

- How many customers are on the CARE program waitlist? How long have these customers been on the waitlist?
- How many customers are added to the waitlist each year, and how many CARE program spots become available each year?
- How many participants could reasonably be added to the program from the waitlist such that the program's tracker balance does not grow a surplus?
- What would be the impacts of these customers being allowed in the program?
- What would be the cost to fully fund the CARE program if every customer on the wait list was able to participate in the CARE program?
- Aside from reduced Affordability Surcharge costs for customers, what reasons would the Company provide for lowering the Surcharge rather than expanding CARE enrollment?

*B.5. Are there other issues or concerns related to this matter?*

Aside from the enrollment issue raised above, at present the Department identifies no other issues or concerns related to this matter.

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<sup>33</sup> 2024 CARE Annual Report at 9.

#### **IV. DEPARTMENT RECOMMENDATIONS**

Based on analysis above and the information in the record, the Department recommends the Commission to accept Minneapolis Power's Thirteenth Annual CARE Program Report but awaits further information and analysis in the Company's Reply Comments before making a recommendation on the Company's proposed reduction to its Affordability Surcharge.



Minnesota Department of Commerce  
85 7th Place East | Suite 280 | St. Paul, MN 55101  
Information Request

**Docket Number:** E015/M-11-409  
**Requested From:** Minnesota Power  
**Type of Inquiry:** Financial

☐ Nonpublic ☒ Public  
**Date of Request:** 3/26/2025  
**Response Due:** 4/7/2025

**SEND RESPONSE VIA EMAIL TO:** [Utility.Discovery@state.mn.us](mailto:Utility.Discovery@state.mn.us) as well as the assigned analyst(s).

**Assigned Analyst(s):** Andrew Golden  
**Email Address(es):** andrew.golden@state.mn.us  
**Phone Number(s):** 651-539-1819

**ADDITIONAL INSTRUCTIONS:**

Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy.

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**Request Number:** 19  
**Topic:** CARE Affordability Surcharge  
**Reference(s):** Petition at 23-24 and Attachment B

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**Request:**

- a) Please provide the Excel-format spreadsheet supporting the proposed Affordability Surcharge calculations in Attachment B.
- b) Please provide the projected end-of-Program-Year CARE Tracker Balances through Program-Year-end 2027 under both (1) the current Affordability Surcharge assuming no change to the surcharge and (2) the proposed reduced Affordability Surcharge.

**Response:**

- a) Please refer to DOC IR 0019.01 Attach. Please be advised that reference years in the Affordability Surcharge were inadvertently not updated in the version submitted with the filing. This has been corrected in the attached.
- b) Please refer to DOC IR 0019.02 Attach. A summary tab is included along with separate tabs for each of the program years under each of the Affordability Surcharge scenarios. Assumptions are listed in the spreadsheets.

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To be completed by responder

**Response Date:** 04/07/2025  
**Response by:** Tina Koecher  
**Email Address:** [tkoecher@mnpower.com](mailto:tkoecher@mnpower.com)  
**Phone Number:** 218-355-3805

**Projected end-of-Program-Year CARE Tracker Balances**

***Current Affordability Surcharge***

2025	2026	2027
\$ 1,080,151	\$ 2,685,373	\$ 4,416,071

***Proposed Reduced Affordability Surcharge***

2025	2026	2027
\$ 563,825	\$ 10,559	\$ (585,954)

Program participation rates and discounts assumed the same under both scenarios for comparison purposes

Minnesota Power

Docket No. E015/M-11-409

Customer Affordability of Residential Electricity Tracker - Projection PY 2025

(red font indicates assumed values)

Assumptions: Current Surcharge; ~750 Affordability Discount, 6000 Flat Discount

Line No.		2024			2025										Proposed Surcharge 3/3/2025	
		Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Annual Total		
1	<u>Affordability Surcharge Cash Collections</u>	Actuals used for October 2024 - January 2025														
2	Residential	\$ 254,922	\$ 261,758	\$ 261,860	\$ 260,807	\$ 255,000	\$ 255,000	\$ 255,000	\$ 255,000	\$ 255,000	\$ 255,000	\$ 255,000	\$ 255,000	\$ 168,362	\$ 2,992,710	\$1,616,910
3	General Service	\$ 86,821	\$ 85,717	\$ 88,202	\$ 87,181	\$ 86,000	\$ 86,000	\$ 86,000	\$ 86,000	\$ 86,000	\$ 86,000	\$ 86,000	\$ 86,000	\$ 72,922	\$ 1,022,843	\$534,292
4	Large Light & Power	\$ 11,245	\$ 11,188	\$ 11,290	\$ 11,239	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,886	\$ 141,848	\$77,247
5	Large Power	\$ 14,610	\$ 14,610	\$ 14,610	\$ 14,610	\$ 14,610	\$ 14,610	\$ 14,610	\$ 14,610	\$ 14,610	\$ 14,610	\$ 14,610	\$ 14,610	\$ 14,610	\$ 175,326	\$64,882
6	<b>Total Affordability Surcharge Cash Collections</b>	<b>\$ 367,598</b>	<b>\$ 373,273</b>	<b>\$ 375,962</b>	<b>\$ 373,838</b>	<b>\$ 367,610</b>	<b>\$ 367,610</b>	<b>\$ 367,610</b>	<b>\$ 367,610</b>	<b>\$ 367,610</b>	<b>\$ 367,610</b>	<b>\$ 367,610</b>	<b>\$ 367,610</b>	<b>\$ 268,780</b>	<b>\$ 4,332,726</b>	\$2,293,330
7	<b>Adjustments</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
7	<u>Rate Discount Costs</u>	Actuals used for October 2024 - January 2025														
8	Affordability Discount	\$ 66,597	\$ 75,375	\$ 123,938	\$ 157,401	\$ 160,000	\$ 160,000	\$ 151,333	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 1,319,644	
9	Flat Discount	\$ 114,345	\$ 112,761	\$ 113,675	\$ 122,552	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 136,667	\$ 1,440,000	
10	Arrear Forgiveness Company Match	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
11	Interim Discount														\$ -	
12	<b>Total Discount</b>	<b>\$ 180,941</b>	<b>\$ 188,137</b>	<b>\$ 237,613</b>	<b>\$ 279,953</b>	<b>\$ 280,000</b>	<b>\$ 280,000</b>	<b>\$ 271,333</b>	<b>\$ 205,000</b>	<b>\$ 205,000</b>	<b>\$ 205,000</b>	<b>\$ 205,000</b>	<b>\$ 205,000</b>	<b>\$ 221,667</b>	<b>\$ 2,759,644</b>	
13	<b>Program Admin Costs</b>	<b>\$ 2,817</b>	<b>\$ 2,817</b>	<b>\$ 2,817</b>	<b>\$ 2,817</b>	<b>\$ 2,817</b>	<b>\$ 2,817</b>	<b>\$ 2,817</b>	<b>\$ 2,817</b>	<b>\$ 2,817</b>	<b>\$ 2,817</b>	<b>\$ 2,817</b>	<b>\$ 2,817</b>	<b>\$ 2,817</b>	<b>\$ 33,798</b>	
14	<u>Interest Calculation</u>															
15	Monthly Tracker Balance Change	\$ 183,841	\$ 182,320	\$ 135,533	\$ 91,068	\$ 84,794	\$ 84,794	\$ 93,461	\$ 159,794	\$ 159,794	\$ 159,794	\$ 159,794	\$ 159,794	\$ 44,297		
16	Beginning of Month Balance	\$ (483,643)	\$ (302,622)	\$ (121,776)	\$ 13,369	\$ 104,839	\$ 190,541	\$ 276,925	\$ 372,395	\$ 535,089	\$ 698,699	\$ 863,486	\$ 1,029,329			
17	<i>Subtotal</i>	<i>\$ (299,802)</i>	<i>\$ (120,302)</i>	<i>\$ 13,757</i>	<i>\$ 104,437</i>	<i>\$ 189,633</i>	<i>\$ 275,335</i>	<i>\$ 370,386</i>	<i>\$ 532,189</i>	<i>\$ 694,883</i>	<i>\$ 858,493</i>	<i>\$ 1,023,280</i>	<i>\$ 1,073,626</i>			
18	Monthly Average Balance	\$ (391,723)	\$ (211,462)	\$ (54,009)	\$ 58,903	\$ 147,236	\$ 232,938	\$ 323,656	\$ 452,292	\$ 614,986	\$ 778,596	\$ 943,383	\$ 1,051,478			
19	Weighted Average Annual Prime Interest Rate 1/	8.50%	8.50%	8.50%	8.04%	8.04%	8.04%	7.55%	7.55%	7.55%	7.55%	7.55%	7.55%			
20	Monthly Interest	\$ (2,820)	\$ (1,473)	\$ (389)	\$ 402	\$ 908	\$ 1,591	\$ 2,008	\$ 2,900	\$ 3,816	\$ 4,993	\$ 6,049	\$ 6,525	\$	24,510	
21	<b>End of Month Balance</b>	<b>\$ (302,622)</b>	<b>\$ (121,776)</b>	<b>\$ 13,369</b>	<b>\$ 104,839</b>	<b>\$ 190,541</b>	<b>\$ 276,925</b>	<b>\$ 372,395</b>	<b>\$ 535,089</b>	<b>\$ 698,699</b>	<b>\$ 863,486</b>	<b>\$ 1,029,329</b>	<b>\$ 1,080,151</b>			

1/ <https://www.ferc.gov/enforcement-legal/enforcement/interest-calculation-rates-and-methodology>

Minnesota Power

Docket No. E015/M-11-409

Customer Affordability of Residential Electricity Tracker - Projection PY 2026

(red font indicates assumed values)

Assumptions: Current Surcharge; ~750 Affordability Discount, 6000 Flat Discount

Line No.		2025			2026									Proposed Surcharge 3/1/2025	
		Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26		Annual Total
1	<u>Affordability Surcharge Cash Collections</u>														
2	Residential	\$ 249,392	\$ 249,392	\$ 249,392	\$ 249,392	\$ 249,392	\$ 249,392	\$ 249,392	\$ 249,392	\$ 249,392	\$ 249,392	\$ 249,392	\$ 249,392	\$ 2,992,710	\$1,616,910
3	General Service	\$ 85,237	\$ 85,237	\$ 85,237	\$ 85,237	\$ 85,237	\$ 85,237	\$ 85,237	\$ 85,237	\$ 85,237	\$ 85,237	\$ 85,237	\$ 85,237	\$ 1,022,843	\$534,292
4	Large Light & Power	\$ 11,821	\$ 11,821	\$ 11,821	\$ 11,821	\$ 11,821	\$ 11,821	\$ 11,821	\$ 11,821	\$ 11,821	\$ 11,821	\$ 11,821	\$ 11,821	\$ 141,848	\$77,247
5	Large Power	\$ 14,611	\$ 14,611	\$ 14,611	\$ 14,611	\$ 14,611	\$ 14,611	\$ 14,611	\$ 14,611	\$ 14,611	\$ 14,611	\$ 14,611	\$ 14,611	\$ 175,326	\$64,882
6	<b>Total Affordability Surcharge Cash Collections</b>	<b>\$ 361,061</b>	<b>\$ 361,061</b>	<b>\$ 361,061</b>	<b>\$ 361,061</b>	<b>\$ 361,061</b>	<b>\$ 361,061</b>	<b>\$ 361,061</b>	<b>\$ 361,061</b>	<b>\$ 361,061</b>	<b>\$ 361,061</b>	<b>\$ 361,061</b>	<b>\$ 361,061</b>	<b>\$ 4,332,726</b>	\$2,293,330
7	<b>Adjustments</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
7	<u>Rate Discount Costs</u>														
8	Affordability Discount	\$ 85,000	\$ 85,000	\$ 160,000	\$ 160,000	\$ 160,000	\$ 160,000	\$ 160,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 1,395,000	
9	Flat Discount	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 1,440,000	
10	Arrear Forgiveness Company Match	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
11	Interim Discount													\$ -	
12	<b>Total Discount</b>	<b>\$ 205,000</b>	<b>\$ 205,000</b>	<b>\$ 280,000</b>	<b>\$ 280,000</b>	<b>\$ 280,000</b>	<b>\$ 280,000</b>	<b>\$ 280,000</b>	<b>\$ 205,000</b>	<b>\$ 205,000</b>	<b>\$ 205,000</b>	<b>\$ 205,000</b>	<b>\$ 205,000</b>	<b>\$ 2,835,000</b>	
13	<b>Program Admin Costs</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 30,000</b>	
14	<u>Interest Calculation</u>														
15	Monthly Tracker Balance Change	\$ 153,561	\$ 153,561	\$ 78,561	\$ 78,561	\$ 78,561	\$ 78,561	\$ 78,561	\$ 153,561	\$ 153,561	\$ 153,561	\$ 153,561	\$ 153,561		
16	Beginning of Month Balance	\$ 1,080,151	\$ 1,241,130	\$ 1,402,869	\$ 1,490,677	\$ 1,579,048	\$ 1,666,982	\$ 1,756,483	\$ 1,846,187	\$ 2,012,079	\$ 2,178,601	\$ 2,346,624	\$ 2,515,724		
17	<i>Subtotal</i>	<i>\$ 1,233,712</i>	<i>\$ 1,394,691</i>	<i>\$ 1,481,429</i>	<i>\$ 1,569,238</i>	<i>\$ 1,657,609</i>	<i>\$ 1,745,542</i>	<i>\$ 1,835,044</i>	<i>\$ 1,999,748</i>	<i>\$ 2,165,639</i>	<i>\$ 2,332,162</i>	<i>\$ 2,500,185</i>	<i>\$ 2,669,285</i>		
18	Monthly Average Balance	\$ 1,156,931	\$ 1,317,910	\$ 1,442,149	\$ 1,529,957	\$ 1,618,328	\$ 1,706,262	\$ 1,795,763	\$ 1,922,968	\$ 2,088,859	\$ 2,255,382	\$ 2,423,404	\$ 2,592,505		
19	Weighted Average Annual Prime Interest Rate 1/	7.55%	7.55%	7.55%	7.55%	7.55%	7.55%	7.55%	7.55%	7.55%	7.55%	7.55%	7.55%		
20	Monthly Interest	\$ 7,419	\$ 8,178	\$ 9,248	\$ 9,811	\$ 9,373	\$ 10,941	\$ 11,144	\$ 12,331	\$ 12,962	\$ 14,462	\$ 15,540	\$ 16,088	\$ 137,495	
21	<b>End of Month Balance</b>	<b>\$ 1,241,130</b>	<b>\$ 1,402,869</b>	<b>\$ 1,490,677</b>	<b>\$ 1,579,048</b>	<b>\$ 1,666,982</b>	<b>\$ 1,756,483</b>	<b>\$ 1,846,187</b>	<b>\$ 2,012,079</b>	<b>\$ 2,178,601</b>	<b>\$ 2,346,624</b>	<b>\$ 2,515,724</b>	<b>\$ 2,685,373</b>		

1/ <https://www.ferc.gov/enforcement-legal/enforcement/interest-calculation-rates-and-methodology>

Minnesota Power

Docket No. E015/M-11-409

Customer Affordability of Residential Electricity Tracker - Projection PY 2027

(red font indicates assumed values)

Assumptions: Current Surcharge; ~750 Affordability Discount, 6000 Flat Discount

Line No.		2026			2027										Proposed Surcharge 3/1/2025	
		Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Annual Total		
1	<u>Affordability Surcharge Cash Collections</u>															
2	Residential	\$ 249,392	\$ 249,392	\$ 249,392	\$ 249,392	\$ 249,392	\$ 249,392	\$ 249,392	\$ 249,392	\$ 249,392	\$ 249,392	\$ 249,392	\$ 249,392	\$ 249,392	\$ 2,992,710	\$1,616,910
3	General Service	\$ 85,237	\$ 85,237	\$ 85,237	\$ 85,237	\$ 85,237	\$ 85,237	\$ 85,237	\$ 85,237	\$ 85,237	\$ 85,237	\$ 85,237	\$ 85,237	\$ 85,237	\$ 1,022,843	\$534,292
4	Large Light & Power	\$ 11,821	\$ 11,821	\$ 11,821	\$ 11,821	\$ 11,821	\$ 11,821	\$ 11,821	\$ 11,821	\$ 11,821	\$ 11,821	\$ 11,821	\$ 11,821	\$ 11,821	\$ 141,848	\$77,247
5	Large Power	\$ 14,611	\$ 14,611	\$ 14,611	\$ 14,611	\$ 14,611	\$ 14,611	\$ 14,611	\$ 14,611	\$ 14,611	\$ 14,611	\$ 14,611	\$ 14,611	\$ 14,611	\$ 175,326	\$64,882
6	<b>Total Affordability Surcharge Cash Collections</b>	<b>\$ 361,061</b>	<b>\$ 361,061</b>	<b>\$ 361,061</b>	<b>\$ 361,061</b>	<b>\$ 361,061</b>	<b>\$ 361,061</b>	<b>\$ 361,061</b>	<b>\$ 361,061</b>	<b>\$ 361,061</b>	<b>\$ 361,061</b>	<b>\$ 361,061</b>	<b>\$ 361,061</b>	<b>\$ 361,061</b>	<b>\$ 4,332,726</b>	<b>\$2,293,330</b>
7	<b>Adjustments</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
7	<u>Rate Discount Costs</u>															
8	Affordability Discount	\$ 85,000	\$ 85,000	\$ 160,000	\$ 160,000	\$ 160,000	\$ 160,000	\$ 160,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 1,395,000	
9	Flat Discount	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 1,440,000	
10	Arrear Forgiveness Company Match	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
11	Interim Discount														\$ -	-
12	<b>Total Discount</b>	<b>\$ 205,000</b>	<b>\$ 205,000</b>	<b>\$ 280,000</b>	<b>\$ 280,000</b>	<b>\$ 280,000</b>	<b>\$ 280,000</b>	<b>\$ 280,000</b>	<b>\$ 205,000</b>	<b>\$ 205,000</b>	<b>\$ 205,000</b>	<b>\$ 205,000</b>	<b>\$ 205,000</b>	<b>\$ 205,000</b>	<b>\$ 2,835,000</b>	
13	<b>Program Admin Costs</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 30,000</b>	
14	<u>Interest Calculation</u>															
15	Monthly Tracker Balance Change	\$ 153,561	\$ 153,561	\$ 78,561	\$ 78,561	\$ 78,561	\$ 78,561	\$ 78,561	\$ 153,561	\$ 153,561	\$ 153,561	\$ 153,561	\$ 153,561	\$ 153,561		
16	Beginning of Month Balance	\$ 2,685,373	\$ 2,856,645	\$ 3,028,409	\$ 3,126,640	\$ 3,225,502	\$ 3,322,971	\$ 3,423,091	\$ 3,523,138	\$ 3,699,782	\$ 3,876,778	\$ 4,055,690	\$ 4,235,749	\$ 4,389,310		
17	<i>Subtotal</i>	<i>\$ 2,838,933</i>	<i>\$ 3,010,205</i>	<i>\$ 3,106,969</i>	<i>\$ 3,205,201</i>	<i>\$ 3,304,062</i>	<i>\$ 3,401,532</i>	<i>\$ 3,501,652</i>	<i>\$ 3,676,698</i>	<i>\$ 3,853,343</i>	<i>\$ 4,030,338</i>	<i>\$ 4,209,250</i>	<i>\$ 4,389,310</i>			
18	Monthly Average Balance	\$ 2,762,153	\$ 2,933,425	\$ 3,067,689	\$ 3,165,920	\$ 3,264,782	\$ 3,362,251	\$ 3,462,372	\$ 3,599,918	\$ 3,776,562	\$ 3,953,558	\$ 4,132,470	\$ 4,312,529			
19	Weighted Average Annual Prime Interest Rate 1/	7.55%	7.55%	7.55%	7.55%	7.55%	7.55%	7.55%	7.55%	7.55%	7.55%	7.55%	7.55%	7.55%		
20	Monthly Interest	\$ 17,712	\$ 18,203	\$ 19,671	\$ 20,301	\$ 18,909	\$ 21,560	\$ 21,486	\$ 23,084	\$ 23,435	\$ 25,352	\$ 26,499	\$ 26,761	\$ 262,972		
21	<b>End of Month Balance</b>	<b>\$ 2,856,645</b>	<b>\$ 3,028,409</b>	<b>\$ 3,126,640</b>	<b>\$ 3,225,502</b>	<b>\$ 3,322,971</b>	<b>\$ 3,423,091</b>	<b>\$ 3,523,138</b>	<b>\$ 3,699,782</b>	<b>\$ 3,876,778</b>	<b>\$ 4,055,690</b>	<b>\$ 4,235,749</b>	<b>\$ 4,416,071</b>			

1/ <https://www.ferc.gov/enforcement-legal/enforcement/interest-calculation-rates-and-methodology>

Minnesota Power

Docket No. E015/M-11-409

Customer Affordability of Residential Electricity Tracker - Projection PY 2025 (red font indicates assumed values)

Assumptions: Proposed Surcharge effective 7/1/2025; ~750 Affordability Discount, 6000 Flat Discount

Line No.	2024												2025												Proposed Surcharge 3/3/2025 Filing			
	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Annual Total	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26		Sep-26	Annual Total	
1	Actuals used for October 2024 - January 2025																											
2	Residential	\$ 254,922	\$ 261,758	\$ 261,860	\$ 260,807	\$ 255,000	\$ 255,000	\$ 255,000	\$ 255,000	\$ 185,185	\$ 134,743	\$ 134,743	\$ 134,743	\$ 2,648,762	\$1,616,910													
3	General Service	\$ 86,821	\$ 85,717	\$ 88,202	\$ 87,181	\$ 86,000	\$ 86,000	\$ 86,000	\$ 86,000	\$ 75,212	\$ 44,524	\$ 44,524	\$ 44,524	\$ 900,705	\$534,292													
4	Large Light & Power	\$ 11,245	\$ 11,188	\$ 11,290	\$ 11,239	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 13,425	\$ 6,437	\$ 6,437	\$ 6,437	\$ 125,698	\$77,247													
5	Large Power	\$ 14,610	\$ 14,610	\$ 14,610	\$ 14,610	\$ 14,610	\$ 14,610	\$ 14,610	\$ 14,610	\$ 14,610	\$ 5,407	\$ 5,407	\$ 5,407	\$ 147,715	\$64,882													
6	Total Affordability Surcharge Cash Collections	\$ 367,598	\$ 373,273	\$ 375,962	\$ 373,838	\$ 367,610	\$ 367,610	\$ 367,610	\$ 367,610	\$ 288,432	\$ 191,111	\$ 191,111	\$ 191,111	\$ 3,822,879	\$2,293,330													
7	Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -														
7	Actuals used for October 2024 - January 2025																											
8	Affordability Discount	\$ 66,597	\$ 75,375	\$ 123,938	\$ 157,401	\$ 160,000	\$ 160,000	\$ 151,333	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 1,319,644														
9	Flat Discount	\$ 114,345	\$ 112,761	\$ 113,675	\$ 122,552	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 136,667	\$ 1,440,000														
10	Arrear Forgiveness Company Match	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -														
11	Interim Discount																											
12	Total Discount	\$ 180,941	\$ 188,137	\$ 237,613	\$ 279,953	\$ 280,000	\$ 280,000	\$ 271,333	\$ 205,000	\$ 205,000	\$ 205,000	\$ 205,000	\$ 221,667	\$ 2,759,644														
13	Program Admin Costs	\$ 2,817	\$ 2,817	\$ 2,817	\$ 2,817	\$ 2,817	\$ 2,817	\$ 2,817	\$ 2,817	\$ 2,817	\$ 2,817	\$ 2,817	\$ 2,817	\$ 33,798														
14	Interest Calculation																											
15	Monthly Tracker Balance Change	\$ 183,841	\$ 182,320	\$ 135,533	\$ 91,068	\$ 84,794	\$ 84,794	\$ 93,461	\$ 159,794	\$ 80,616	\$ (16,706)	\$ (16,706)	\$ (33,373)															
16	Beginning of Month Balance	\$ (483,643)	\$ (302,623)	\$ (121,776)	\$ 13,369	\$ 104,839	\$ 190,541	\$ 276,925	\$ 372,395	\$ 535,089	\$ 619,275	\$ 606,487	\$ 593,617															
17	Subtotal	\$ (299,802)	\$ (120,302)	\$ 13,757	\$ 104,436	\$ 189,633	\$ 275,335	\$ 370,386	\$ 532,189	\$ 615,704	\$ 602,570	\$ 589,781	\$ 560,244															
18	Monthly Average Balance	\$ (391,723)	\$ (211,462)	\$ (54,009)	\$ 58,902	\$ 147,236	\$ 232,938	\$ 323,656	\$ 452,292	\$ 575,397	\$ 610,922	\$ 598,134	\$ 576,931															
19	Weighted Average Annual Prime Interest Rate 1/	8.50%	8.50%	8.50%	8.04%	8.04%	8.04%	7.55%	7.55%	7.55%	7.55%	7.55%	7.55%															
20	Monthly Interest	\$ (2,820)	\$ (1,473)	\$ (389)	\$ 402	\$ 908	\$ 1,591	\$ 2,008	\$ 2,900	\$ 3,571	\$ 3,917	\$ 3,835	\$ 3,580	\$ 18,031														
21	End of Month Balance	\$ (302,623)	\$ (121,776)	\$ 13,369	\$ 104,839	\$ 190,541	\$ 276,925	\$ 372,395	\$ 535,089	\$ 619,275	\$ 606,487	\$ 593,617	\$ 563,825															

1/ <https://www.ferc.gov/enforcement-legal/enforcement/interest-calculation-rates-and-methodology>



Minnesota Power

Docket No. E015/M-11-409

Customer Affordability of Residential Electricity Tracker - Projection PY 2026

(red font indicates assumed values)

Assumptions: Proposed Surcharge; ~750 Affordability Discount, 6000 Flat Discount

Line No.		2025			2026									Annual Total	Proposed Surcharge 3/3/2025
		Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26		
1	<u>Affordability Surcharge Cash Collections</u>														
2	Residential	\$ 134,742	\$ 134,742	\$ 134,742	\$ 134,742	\$ 134,742	\$ 134,742	\$ 134,742	\$ 134,742	\$ 134,742	\$ 134,742	\$ 134,742	\$ 134,742	\$ 1,616,910	\$1,616,910
3	General Service	\$ 44,524	\$ 44,524	\$ 44,524	\$ 44,524	\$ 44,524	\$ 44,524	\$ 44,524	\$ 44,524	\$ 44,524	\$ 44,524	\$ 44,524	\$ 44,524	\$ 534,292	\$534,292
4	Large Light & Power	\$ 6,437	\$ 6,437	\$ 6,437	\$ 6,437	\$ 6,437	\$ 6,437	\$ 6,437	\$ 6,437	\$ 6,437	\$ 6,437	\$ 6,437	\$ 6,437	\$ 77,247	\$77,247
5	Large Power	\$ 5,407	\$ 5,407	\$ 5,407	\$ 5,407	\$ 5,407	\$ 5,407	\$ 5,407	\$ 5,407	\$ 5,407	\$ 5,407	\$ 5,407	\$ 5,407	\$ 64,882	\$64,882
6	Total Affordability Surcharge Cash Collections	\$ 191,111	\$ 191,111	\$ 191,111	\$ 191,111	\$ 191,111	\$ 191,111	\$ 191,111	\$ 191,111	\$ 191,111	\$ 191,111	\$ 191,111	\$ 191,111	\$ 2,293,330	\$2,293,330
7	Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
7	<u>Rate Discount Costs</u>														
8	Affordability Discount	\$ 85,000	\$ 85,000	\$ 160,000	\$ 160,000	\$ 160,000	\$ 160,000	\$ 160,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 1,395,000	
9	Flat Discount	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 1,440,000	
10	Arrear Forgiveness Company Match	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
11	Interim Discount													\$ -	
12	Total Discount	\$ 205,000	\$ 205,000	\$ 280,000	\$ 280,000	\$ 280,000	\$ 280,000	\$ 280,000	\$ 205,000	\$ 205,000	\$ 205,000	\$ 205,000	\$ 205,000	\$ 2,835,000	
13	Program Admin Costs	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 30,000	
14	<u>Interest Calculation</u>														
15	Monthly Tracker Balance Change	\$ (16,389)	\$ (16,389)	\$ (91,389)	\$ (91,389)	\$ (91,389)	\$ (91,389)	\$ (91,389)	\$ (16,389)	\$ (16,389)	\$ (16,389)	\$ (16,389)	\$ (16,389)	\$ (16,389)	
16	Beginning of Month Balance	\$ 563,825	\$ 550,998	\$ 537,977	\$ 449,745	\$ 360,947	\$ 271,383	\$ 181,441	\$ 90,895	\$ 75,036	\$ 59,061	\$ 42,998	\$ 26,832		
17	Subtotal	\$ 547,435	\$ 534,609	\$ 446,588	\$ 358,356	\$ 269,558	\$ 179,994	\$ 90,052	\$ 74,505	\$ 58,647	\$ 42,672	\$ 26,609	\$ 10,443		
18	Monthly Average Balance	\$ 555,630	\$ 542,804	\$ 492,283	\$ 404,050	\$ 315,252	\$ 225,689	\$ 135,747	\$ 82,700	\$ 66,841	\$ 50,867	\$ 34,804	\$ 18,638		
19	Weighted Average Annual Prime Interest Rate 1/	7.55%	7.55%	7.55%	7.55%	7.55%	7.55%	7.55%	7.55%	7.55%	7.55%	7.55%	7.55%		
20	Monthly Interest	\$ 3,563	\$ 3,368	\$ 3,157	\$ 2,591	\$ 1,826	\$ 1,447	\$ 842	\$ 530	\$ 415	\$ 326	\$ 223	\$ 116	\$ 18,404	
21	End of Month Balance	\$ 550,998	\$ 537,977	\$ 449,745	\$ 360,947	\$ 271,383	\$ 181,441	\$ 90,895	\$ 75,036	\$ 59,061	\$ 42,998	\$ 26,832	\$ 10,559		

Minnesota Power

Docket No. E015/M-11-409

Customer Affordability of Residential Electricity Tracker - Projection PY 2027

(red font indicates assumed values)

Assumptions: Proposed Surcharge; ~750 Affordability Discount, 6000 Flat Discount

Line No.	2026												2027												Proposed Surcharge 3/1/2025			
	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Annual Total	Oct-27	Nov-27	Dec-27	Jan-28	Feb-28	Mar-28	Apr-28	May-28	Jun-28	Jul-28	Aug-28		Sep-28	Annual Total	
1	<u>Affordability Surcharge Cash Collections</u>																											
2	Residential	\$	134,742	\$	134,742	\$	134,742	\$	134,742	\$	134,742	\$	134,742	\$	134,742	\$	134,742	\$	134,742	\$	134,742	\$	134,742	\$	134,742	\$	1,616,910	\$1,616,910
3	General Service	\$	44,524	\$	44,524	\$	44,524	\$	44,524	\$	44,524	\$	44,524	\$	44,524	\$	44,524	\$	44,524	\$	44,524	\$	44,524	\$	44,524	\$	534,292	\$534,292
4	Large Light & Power	\$	6,437	\$	6,437	\$	6,437	\$	6,437	\$	6,437	\$	6,437	\$	6,437	\$	6,437	\$	6,437	\$	6,437	\$	6,437	\$	6,437	\$	77,247	\$77,247
5	Large Power	\$	5,407	\$	5,407	\$	5,407	\$	5,407	\$	5,407	\$	5,407	\$	5,407	\$	5,407	\$	5,407	\$	5,407	\$	5,407	\$	5,407	\$	64,882	\$64,882
6	Total Affordability Surcharge Cash Collections	\$	191,111	\$	191,111	\$	191,111	\$	191,111	\$	191,111	\$	191,111	\$	191,111	\$	191,111	\$	191,111	\$	191,111	\$	191,111	\$	191,111	\$	2,293,330	\$2,293,330
7	Adjustments	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	
7	<u>Rate Discount Costs</u>																											
8	Affordability Discount	\$	85,000	\$	85,000	\$	160,000	\$	160,000	\$	160,000	\$	160,000	\$	85,000	\$	85,000	\$	85,000	\$	85,000	\$	85,000	\$	85,000	\$	1,395,000	
9	Flat Discount	\$	120,000	\$	120,000	\$	120,000	\$	120,000	\$	120,000	\$	120,000	\$	120,000	\$	120,000	\$	120,000	\$	120,000	\$	120,000	\$	120,000	\$	1,440,000	
10	Arrear Forgiveness Company Match	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	
11	Interim Discount																									\$	-	
12	Total Discount	\$	205,000	\$	205,000	\$	280,000	\$	280,000	\$	280,000	\$	280,000	\$	205,000	\$	205,000	\$	205,000	\$	205,000	\$	205,000	\$	205,000	\$	2,835,000	
13	Program Admin Costs	\$	2,500	\$	2,500	\$	2,500	\$	2,500	\$	2,500	\$	2,500	\$	2,500	\$	2,500	\$	2,500	\$	2,500	\$	2,500	\$	2,500	\$	30,000	
14	<u>Interest Calculation</u>																											
15	Monthly Tracker Balance Change	\$	(16,389)	\$	(16,389)	\$	(91,389)	\$	(91,389)	\$	(91,389)	\$	(91,389)	\$	(16,389)	\$	(16,389)	\$	(16,389)	\$	(16,389)	\$	(16,389)	\$	(16,389)	\$	(16,389)	
16	Beginning of Month Balance	\$	10,559	\$	(5,815)	\$	(22,291)	\$	(114,116)	\$	(206,530)	\$	(299,380)	\$	(392,982)	\$	(487,094)	\$	(506,659)	\$	(526,243)	\$	(546,059)	\$	(566,002)	\$		
17	Subtotal	\$	(5,830)	\$	(22,204)	\$	(113,680)	\$	(205,506)	\$	(297,919)	\$	(390,769)	\$	(484,371)	\$	(503,483)	\$	(523,048)	\$	(542,632)	\$	(562,448)	\$	(582,391)	\$		
18	Monthly Average Balance	\$	2,364	\$	(14,010)	\$	(67,986)	\$	(159,811)	\$	(252,225)	\$	(345,075)	\$	(438,677)	\$	(495,288)	\$	(514,853)	\$	(534,437)	\$	(554,253)	\$	(574,197)	\$		
19	Weighted Average Annual Prime Interest Rate 1/		7.55%		7.55%		7.55%		7.55%		7.55%		7.55%		7.55%		7.55%		7.55%		7.55%		7.55%		7.55%			
20	Monthly Interest	\$	15	\$	(87)	\$	(436)	\$	(1,025)	\$	(1,461)	\$	(2,213)	\$	(2,722)	\$	(3,176)	\$	(3,195)	\$	(3,427)	\$	(3,554)	\$	(3,563)	\$	(24,843)	
21	End of Month Balance	\$	(5,815)	\$	(22,291)	\$	(114,116)	\$	(206,530)	\$	(299,380)	\$	(392,982)	\$	(487,094)	\$	(506,659)	\$	(526,243)	\$	(546,059)	\$	(566,002)	\$	(585,954)	\$		

1/ <https://www.ferc.gov/enforcement-legal/enforcement/interest-calculation-rates-and-methodology>

Prorate Surcharge Old/New

Old	{Prorated 9 months}	YTD through May	Difference for June	New	{Prorated 3 months}			
\$2,992,710	\$2,244,533	\$ 2,059,348	\$185,185	\$1,616,910	\$404,228	\$134,743		
\$1,022,843	\$767,132	\$ 691,921	\$75,212	\$534,292	\$133,573	\$44,524		
\$141,848	\$106,386	\$ 92,962	\$13,425	\$77,247	\$19,312	\$6,437		
\$175,326	\$131,495	\$ 116,884	\$14,610	\$64,882	\$16,221	\$5,407		
\$4,332,726	\$3,249,545	\$ 2,961,114	\$288,431	\$2,293,330	\$573,333	\$191,111		\$3,822,878
				\$3,249,544.50	\$573,332.50			

## **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**  
**Comments**

**Docket No. E015/M-11-409**

Dated this 16<sup>th</sup> day of **April 2025**

**/s/Sharon Ferguson**

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
1	Generic	Commerce Attorneys	commerce.attorneys@ag.state.mn.us		Office of the Attorney General - Department of Commerce	445 Minnesota Street Suite 1400 St. Paul MN, 55101 United States	Electronic Service		No	11-409Official
2	Sharon	Ferguson	sharon.ferguson@state.mn.us		Department of Commerce	85 7th Place E Ste 280 Saint Paul MN, 55101-2198 United States	Electronic Service		No	11-409Official
3	Lori	Hoyum	lhoyum@mnpower.com	Minnesota Power		30 West Superior Street Duluth MN, 55802 United States	Electronic Service		No	11-409Official
4	Tina	Koecher	tkoecher@mnpower.com	Minnesota Power		30 W Superior St Duluth MN, 55802-2093 United States	Electronic Service		No	11-409Official
5	Annie	Levenson Falk	annief@cupminnesota.org	Citizens Utility Board of Minnesota		332 Minnesota Street, Suite W1360 St. Paul MN, 55101 United States	Electronic Service		No	11-409Official
6	Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP		33 South Sixth St Ste 4200 Minneapolis MN, 55402 United States	Electronic Service		No	11-409Official
7	Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	1400 BRM Tower 445 Minnesota St St. Paul MN, 55101-2131 United States	Electronic Service		No	11-409Official
8	Buddy	Robinson	buddy@citizensfed.org	Minnesota Citizens Federation NE		2110 W. 1st Street Duluth MN, 55806 United States	Electronic Service		No	11-409Official
9	Will	Seuffert	will.seuffert@state.mn.us		Public Utilities Commission	121 7th Pl E Ste 350 Saint Paul MN, 55101 United States	Electronic Service		Yes	11-409Official
10	George	Shardlow	george@energycents.org	Energy CENTS Coalition		823 E. 7th Street Saint Paul MN, 55106 United States	Electronic Service		No	11-409Official

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
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