



414 Nicollet Mall  
Minneapolis, MN 55401

October 17, 2019

—Via Electronic Filing—

Daniel Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, MN 55101

RE: REPLY COMMENTS  
GAS AFFORDABILITY PROGRAM EVALUATION  
DOCKET NO. G002/M-19-380

Dear Mr. Wolf:

Northern States Power Company, doing business as Xcel Energy, submits this Reply to the September 30, 2019 Comments of the Minnesota Department of Commerce, Division of Energy Resources in the above-referenced docket.

The Department requested that the Company explain if its analysis of arrears using the pre-Program baseline approach was at the individual customer and/or cohort of customers level, or if it instead was an averaging across all GAP participants. Our original analysis was an average of new GAP participants in the given year. To provide the arrears level, the Company took the payment frequency percentage for all GAP customers and averaged those households that were new to the program with a snapshot both pre- and post-enrollment, taking into account disconnection percentages. We review the accounts annually and readjust benefits based on income, eligibility and cost (consumption). The goal is for customers to pay down the balance in up to 24 months, and for customers that make consistent payments to pay off arrears earlier.

In response to the Department's comments, we also evaluated arrears at an individual customer/cohort level by refining our criteria to look only at customers who stayed active in the program for the entire 12-month period and who were making consistent payments – at least 6 or more during the 12-month period. We analyzed a cohort of existing GAP participants and new GAP participants in each program year. The results are presented below in Table 1.

**Table 1: MN Residential GAP Arrears by Cohort**

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

Using the customer cohort analysis, both new and existing customers in the GAP program experienced a decrease in arrears throughout a year of participating in the program for all three years evaluated in this docket. We believe that this data supports that the Company's GAP program meets the standard set in Minn. Stat. §216B.16 that gas affordability programs must decrease or eliminate participating customer arrears. The Company will file future arrears reporting using a similar cohort analysis.

We have electronically filed this document with the Minnesota Public Utilities Commission, and copies have been served on the parties on the attached service list.

Please contact Rebecca Eilers at [rebecca.d.eilers@xcelenergy.com](mailto:rebecca.d.eilers@xcelenergy.com) / 612-330-5570 or me at [bridget.dockter@xcelenergy.com](mailto:bridget.dockter@xcelenergy.com) / 612-337-2096 if you have any questions regarding this filing.

SINCERELY,

/s/

BRIDGET DOCKTER  
MANAGER, POLICY AND OUTREACH

Enclosures  
c: Service List

## CERTIFICATE OF SERVICE

I, Lynnette Sweet, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

xx by depositing a true and correct copy thereof, properly enveloped with postage paid in the United States mail at Minneapolis, Minnesota

xx electronic filing

**DOCKET NO. G002/M-19-380**

Dated this 17<sup>th</sup> day of October 2019

/s/

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Lynnette Sweet

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