



414 Nicollet Mall
Minneapolis, MN 55401

May 31, 2024

—Via Electronic Filing—

Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

RE: COMMENTS
IN THE MATTER OF AN INVESTIGATION AND AUDIT OF SERVICE QUALITY
REPORTING – FRAUDWISE REPORT
DOCKET NO. E,G002/M-12-383
IN THE MATTER OF THE PETITION OF NORTHERN STATES POWER COMPANY
D/B/A XCEL ENERGY FOR APPROVAL OF AMENDMENTS TO ITS NATURAL GAS
AND ELECTRIC SERVICE QUALITY TARIFFS ORIGINALLY ESTABLISHED IN
DOCKET NO. E,G002/CI-02-2034

Dear Mr. Seuffert:

Northern States Power Company, doing business as Xcel Energy, submits these Comments in response to the Minnesota Public Utilities Commission's Notice of Comment Period issued on May 10, 2024 in Docket Nos. E,G002/CI-02-2034 and E,G002/M-12-383.

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 Nathan Kostiuk at (612) 215-4629 or nathan.c.kostiuk@xcelenergy.com or me at (612) 337-2096 or bridget.dockter@xcelenergy.com if you have any questions regarding this filing.

Sincerely,

/s/

BRIDGET N. DOCKTER
MANAGER, POLICY & OUTREACH

Enclosure
cc: Service Lists

Katie J. Sieben	Chair
Hwikwon Ham	Commissioner
Valerie Means	Commissioner
Joseph K. Sullivan	Commissioner
John A. Tuma	Commissioner

COMMENTS

INTRODUCTION

- A. Provide a comparison of the number of disconnections before and after Advanced Meter Infrastructure (AMI) implementation, including five years of historical data. If the number of disconnections has increased since AMI implementation, provide a narrative of the reason for the increase.
- B. In which month were the payment plan request thresholds decreased?
- C. Describe the payment plan request thresholds offered to customers currently. Give an example of a typical payment plan.
- D. Has Xcel found that the decreased payment plan thresholds encouraged repayment of past due bills?

COMMENTS

I. Response to Notice

The Company appreciates the opportunity to provide the additional requested information. As discussed in our 2023 Integrated Distribution Plan,¹ AMI meter installation in Minnesota began in April of 2022 and remote disconnection and reconnection capabilities became available following Commission approval in May of 2023. Full meter deployment is expected to be complete by the end of 2025.

Fundamentally, the Company had to act to replace our existing Automated Meter Reading (AMR) meters that had reached the end of their useful life after nearly 30 years. Our meter reading service vendor, Landis+Gyr no longer manufactures replacement parts that are necessary for continued AMR meter maintenance. Further, the transition to AMI moves us forward to reaching the State's 2040 Carbon Free Clean Energy goals and stakeholder and customer expectations that go with it. AMI allows us to expand the use of our meter system beyond basic billing functions and benefits customers with faster responses during outages, better insight into energy usage, and the capability of a reconnection in as little as 15 minutes after a customer has made a payment plan, rather than the next business day².

We discuss these topics and respond to the Commission's Notice of Comment Period request for Utility Comments in greater detail below.

A. Provide a comparison of the number of disconnections before and after Advanced Meter Infrastructure (AMI) implementation, including five years of historical data. If the number of disconnections has increased since AMI implementation, provide a narrative of the reason for the increase.

Table 1 below provides the disconnection totals for residential electric customers from 2014 through 2023. As stated above, remote disconnection and reconnection capabilities became available in May of 2023.

¹ See Appendix B1, pg. 11, Docket No. E002/M-23-452.

² See Table 9, pg. 28 of the Company's 2023 *Electric Service Quality Annual Report*, Docket No. E002/M-24-27.

Table 1
Total Disconnections 2014 – 2023

2014	22,964
2015	24,073
2016	18,890
2017	17,777
2018	16,218
2019	14,939
2020	2,819
2021	6,062
2022	8,150
2023	24,280

We have included ten years of data to provide a full historical context given that disconnections were significantly limited during the COVID pandemic at the State of Minnesota's (State) request. Specifically, the State's March 20, 2020 letter in Docket No. E/G999/CI-20-375, to all Minnesota Electric and Gas Utilities addressed the peacetime emergency that occurred during the COVID pandemic and requested that:

all utility providers to commit to work with affected customers and communities by undertaking -- at minimum -- the following voluntary actions for the duration of the national security or peacetime emergency:

*I. Extend the protections of Minnesota's Cold Weather Rule provided under Minnesota Statutes sections 216B.096 (public utilities), 216B.097 (electric cooperatives and municipal utilities) and 216B.16, subdivisions 12 and 12a (small gas utility and small electric utility, respectively) **by restricting disconnection of residential customers for nonpayment of utility bills and reconnecting customers who have been disconnected for the duration of the national security or state peacetime emergency.** This request shall not affect the utility's ability to disconnect a customer's service for public safety concerns unrelated to non-payment of services;*

II. Waive late fees that any residential or small business customer incurs because of the economic circumstances related to the coronavirus pandemic.

III. Arrange payment plans for customers requesting help during this time that is based on the financial resources and circumstances of the customer.

As seen in Table 1, prior to the pandemic, the six year (2014 to 2019) residential electric customer annual average disconnection total was 19,143. The three years prior to 2023 (2020-2022) were dramatically lower than this previous average.

Disconnection suspension during the Peacetime Emergency as requested by the State occurred between March 15, 2020 and July 31, 2021, with disconnection activity resuming August 1. Resuming disconnection activity was slow and thoughtful. The Company attempted to engage with customers in returning to regular monthly utility bill payments through the use of low- and no-initial payment options when setting payment plans. The State's Cold Weather Rule in 2021 ran from October 15 to April 15 of each year. As Table 1 shows, in the 2.5 months between the end of the Peacetime Emergency and beginning of the Cold Weather Rule of 2021, the Company performed 6,062 disconnections. Annualizing disconnections from this time frame illustrates that approximately 12,000 disconnections likely should have been performed all year.

Although the number of disconnections in 2023 are higher than the 6 year annual average preceding the Peacetime Emergency, AMI technology is not the primary driver behind the number of credit-related disconnections in 2023. Rather, we are seeing higher levels of arrears and resulting nonpayment. Coming out of the pandemic, customers were increasingly carrying larger arrears, on average, than in previous years. This includes those who had carried a past due balance prior to the pandemic as well as those who experienced new financial challenges after the pandemic and now carry a past due balance. The current economy has exacerbated those financial challenges. The Company anticipates disconnection levels in 2024 to rise. Customers who do not maintain payment plans or make a meaningful decrease in their arrears balance will continue to experience a need to set payment plans to avoid disconnection.

Disconnection is always a last resort, and we strive to work with our customers to establish payment plans and connect them to resources that can help with their bills.

B. In which month were the payment plan request thresholds decreased?

Beginning mid-May 2023, disconnected residential customers were asked to pay 75 percent of their disconnection amount with establishment of a payment plan to reconnect their service. In September 2023, the amount was reduced to 50 percent of the disconnection amount. We note that during the pandemic and shortly thereafter, customers could set pay arrangements with a down payment as low as 2 percent of

their past due amount, with no restriction on the number of arrangements set. As discussed in our 2023 Electric Service Quality Annual Report, allowing customers to re-establish service with this low of an initial payment percent did not show evidence of helping customers meaningfully decrease their arrears balance. This resulted in customers continuing to accrue higher past due balances, making it more difficult for customers to become current on their bill.³

C. Describe the payment plan request thresholds offered to customers currently. Give an example of a typical payment plan.

Currently, an initial payment of 50 percent of the disconnect balance is required for most customers who are requesting a payment plan. This 50 percent threshold is an available option to those that cannot pay the full disconnection balance and have broken less than six payment plans in a 12-month period. Beyond a fifth broken payment plan within a 12-month period, customers are required to clear the full disconnection balance to set up a payment plan.

An example payment plan is demonstrated below in Table 2. In this example, a customer with a total arrears balance totaling \$518 would make an initial payment of 50 percent, equaling \$259. The next payment due would be a portion of the remaining \$259 plus the current bill, for a total amount owed monthly. The average paid monthly in this example is \$185.06.

Table 2
Example Payment Plan with Arrears Balance Equaling \$518

Due Date	Installment	Arrears	Current Bill	Amount Due
12/1/2023	Initial 50%	\$259	N/A	\$259.00
1/1/2024	1	\$55	\$132.86	\$187.86
2/1/2024	2	\$51	\$130.28	\$181.28
3/1/2024	3	\$51	\$124.10	\$175.10
4/1/2024	4	\$51	\$113.04	\$164.04
5/1/2024	5	\$51	\$92.10	\$143.10
\$518 Total Arrears			Average \$185.06 paid monthly	

Extenuating circumstances may also be taken into consideration, such that percentage amounts of the initial payment are offered in a tiered approach by level of disconnection balance. If a customer expresses an extenuating circumstance such as a job loss, health issue or other significant life event, we follow the initial payment percentage shown in Table 3 below for the first five payment plans in a 12-month

³ Pg. 8, 2023 Electric Service Quality Annual Report, Docket No. E002/M-24-27.

period. If a customer breaks five payment plans during that 12-month timeframe, they are required to pay 100 percent of the disconnection balance.

Table 3
Extenuating Circumstances Payment Plan

	Plan Number (in the last 12 months)					
Disconnection Balance	Plan 1	Plan 2	Plan 3	Plan 4	Plan 5	Plan 6+
>\$2500	10%	35%	50%	50%	50%	Customer is required to clear disconnection balance
\$1000 - \$2500	25%	40%	50%	50%	50%	
<\$999	35%	50%				

D. Has Xcel found that the decreased payment plan thresholds encouraged repayment of past due bill?

As payment plans can be set for up to a 12-month period, the Company does not yet have a clear answer as to the full impact of the decrease from 75 percent to 50 percent of the disconnection balance, since this change occurred less than 12 months ago. Evolving factors on repayment success can stem from customers' regular or irregular payment behavior, propensity to seek energy assistance, active outreach and customer assistance awareness campaigns, or a number of external factors that can only be surmised.

Generally speaking, our experience has shown that the lower the initial payment or the longer the payment plan, the less progress a customer makes towards successful payment plan completion. Both factors typically contribute to customers inability to complete a payment plan, resulting in an ongoing and increasing balance month-to-month.

CONCLUSION

We appreciate the opportunity to provide this information and will respond to Comments during the Reply Comment period.

Dated: May 31, 2024

Northern States Power Company

CERTIFICATE OF SERVICE

I, Christine Schwartz, 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 NOS. E,G002/CI-02-2034
E,G002/M-12-383

Dated this 31st day of May 2024

/s/

Christine Schwartz
Regulatory Administrator

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_2-2034_1
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	Yes	OFF_SL_2-2034_1
Kim	Havey	kim.havey@minneapolismn.gov	City of Minneapolis	350 South 5th Street, Suite 315M Minneapolis, MN 55415	Electronic Service	No	OFF_SL_2-2034_1
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_2-2034_1
Joseph L	Sathe	jsathe@kennedy-graven.com	Kennedy & Graven, Chartered	150 S 5th St Ste 700 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_2-2034_1
Christine	Schwartz	Regulatory.records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_2-2034_1
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th Pl E Ste 350 Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_2-2034_1
Russ	Stark	Russ.Stark@ci.stpaul.mn.us	City of St. Paul	Mayor's Office 15 W. Kellogg Blvd., Suite 390 Saint Paul, MN 55102	Electronic Service	No	OFF_SL_2-2034_1
James M	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	150 S 5th St Ste 700 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_2-2034_1
Rebecca S.	Winegarten	beckwine@msn.com	Unknown	10555 Union Terrace Ln N Maple Grove, MN 553692622	Electronic Service	No	OFF_SL_2-2034_1

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Michael	Allen	michael.allen@allenergysolar.com	All Energy Solar	721 W 26th st Suite 211 Minneapolis, MN 55405	Electronic Service	No	OFF_SL_12-383_Official
Laura	Beaton	beaton@smwlaw.com	Shute, Mihaly & Weinberger LLP	396 Hayes Street San Francisco, CA 94102	Electronic Service	No	OFF_SL_12-383_Official
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_12-383_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_12-383_Official
Kim	Havey	kim.havey@minneapolismn.gov	City of Minneapolis	350 South 5th Street, Suite 315M Minneapolis, MN 55415	Electronic Service	No	OFF_SL_12-383_Official
Craig	Johnson	cjohnson@lmc.org	League of Minnesota Cities	145 University Ave. W. Saint Paul, MN 55103-2044	Electronic Service	No	OFF_SL_12-383_Official
Cliff	Kaehler	cliff.kaehler@novelenergy.biz	Novel Energy Solutions LLC	4710 Blaylock Way Inver Grove Heights, MN 55076	Electronic Service	No	OFF_SL_12-383_Official
William D	Kenworthy	will@votesolar.org	Vote Solar	332 S Michigan Ave FL 9 Chicago, IL 60604	Electronic Service	No	OFF_SL_12-383_Official
Brad	Klein	bklein@elpc.org	Environmental Law & Policy Center	35 E. Wacker Drive, Suite 1600 Suite 1600 Chicago, IL 60601	Electronic Service	No	OFF_SL_12-383_Official
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_12-383_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_12-383_Official
Isabel	Ricker	ricker@fresh-energy.org	Fresh Energy	408 Saint Peter Street Suite 220 Saint Paul, MN 55102	Electronic Service	No	OFF_SL_12-383_Official
Joseph L	Sathe	jsathe@kennedy-graven.com	Kennedy & Graven, Chartered	150 S 5th St Ste 700 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_12-383_Official
Christine	Schwartz	Regulatory.records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_12-383_Official
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th Pl E Ste 350 Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_12-383_Official
Bria	Shea	bria.e.shea@xcelenergy.com	Xcel Energy	414 Nicollet Mall Minneapolis, MN 55401	Electronic Service	No	OFF_SL_12-383_Official
James M	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	150 S 5th St Ste 700 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_12-383_Official