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

May 31, 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 Compliance Filing in the above referenced Docket. The Company looks forward to the opportunity to work with the Minnesota Public Utilities Commission to review the information and recommendations contained in this Annual Report. Please contact me at the phone number or email address above if you have any questions.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Micheline Bayiha', written in a cursive style.

M. Micheline Bayiha

MMB:sr
Attach.

**STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION**

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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

SIXTH ANNUAL REPORT

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**STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION**

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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

SIXTH ANNUAL REPORT

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Summary of Filing

Minnesota Power (“the Company”) respectfully submits its Sixth Annual Report for the Pilot Rider for Customer Affordability of Residential Electricity (“CARE” or “Program” or “CARE Program” or “CARE Pilot Rider”) to the Minnesota Public Utilities Commission (“MPUC” or “Commission”) in compliance with the Commission’s November 2, 2010 Findings of Fact, Conclusions, and Order in Minnesota Power’s 2009 retail rate case and pursuant to Minnesota Statutes §216B.16, subd. 15. Minnesota Power is seeking Commission approval of this Sixth Annual Report. Specifically, the Company asks for approval of this and future CARE annual reports to be the encompassing docket covering any low-income matters. In addition to the previously ordered annual reporting requirements, this Sixth Annual Report proposes to end the Program’s pilot status and reclassify the CARE Program as a standard rider offering. Furthermore the Company requests approval to provide all Low-Income Home Energy Assistance Program (“LIHEAP”) qualified customers the CARE discount by increasing the Program affordability surcharge. Minnesota Power also requests Commission approval to continue to administer the Program internally.

**STATE OF MINNESOTA
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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

SIXTH ANNUAL REPORT

I. Introduction

Minnesota Power (“the Company”) submits this Sixth Annual Report to the Minnesota Public Utilities Commission (“MPUC” or “Commission”) in compliance with the Commission’s November 2, 2010 Findings of Fact, Conclusions, and Order in Minnesota Power’s 2009 retail rate case and pursuant to Minnesota Statutes §216B.16, subd. 15. Minnesota Power is seeking approval of its Sixth Annual Report and of the modifications introduced in this filing.

The Company strives to provide excellent service to all customers while achieving high levels of customer satisfaction. Our customers continue to expect safe, reliable, and, most of all, affordable service. The Company is dedicated to meeting these expectations. The expectation of affordability must be balanced with electric utility industry evolution and complexity of services, such as customer demands for sustainable and renewable resources, greater control over energy usage, and a greater understanding of energy usage and efficiency options. While there are numerous ongoing efforts that demonstrate Minnesota Power’s commitment to and success in 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 participation persistence. Our financially-challenged and/or vulnerable customers have unique needs that are often best addressed through a combination of utility, community, state, and federal resources. As such, approaches to affordability programs vary and utilities have not implemented utility bill discounts in exactly the same way. Further, many services and programs are linked to the federally-funded Low Income Home Energy Assistance Program (“LIHEAP”) which enables community action agencies to identify the low-income population and provide them with energy assistance and other services. LIHEAP faces its own challenges such as level of funding and timely income verification, but it is a fundamental service that can provide customers with resources that are energy source-agnostic. Minnesota Power is committed to improving its affordability programs and making them accessible to as many low-income customers as possible. The Customer Affordability of Residential Electricity (“CARE” or “Program” or “CARE Program” or “CARE Pilot Rider”) Program provides LIHEAP-qualified customers a discount to the Company’s standard residential tiered rates. This discount is based on LIHEAP qualification and is not contingent on customers actually receiving energy assistance. It also includes an arrears forgiveness component of half of customers’ arrears at the time of enrollment on a match basis over a period of twelve months.

As part of Minnesota Power’s efforts to continually evolve program offerings and to provide a more comprehensive view of affordability programs and services, the Company requests by way of this filing that the Minnesota Public Utilities Commission approve the following:

1. The Customer Affordability of Residential Electricity Program Annual Report be expanded to serve as an Affordability Program Filing and comprehensive repository docket of all overlapping low-income matters. All applicable requirements under specific dockets, relevant Commission orders, Minnesota Rules, and Statutes will be followed.

2. Modifications to the CARE Program to include the following:
 - a. Reclassify the CARE Program as a standard offering and remove its pilot status;
 - b. Revise service conditions which require CARE participants to be removed from the CARE Program after missing two consecutive payments;
 - c. Maintain administration of the CARE Program within the Minnesota Power; and
 - d. Allow all identified LIHEAP-qualified customers to benefit from the discounted rate, funded by a corresponding increase in the monthly CARE affordability surcharge for each rate class, phased-in over three years (as shown in Table 1 below).

These requests are described in more detail, including supporting justification, in section VII below.

Rate Class	Current Affordability Surcharge	Proposed Affordability Surcharge Year 1	Proposed Affordability Surcharge Year 2	Proposed Affordability Surcharge Year 3 forward	Increase on Total Bill Year 1 vs. Present	Increase on Total Bill Year 2 vs. Year 1	Increase on Total Bill Year 3 vs. Year 2
	[a]	[b]	[c]	[d]	[e]	[f]	[g]
<i>Proposed Effective Date</i>		10/1/2018	10/1/2019	10/1/2020	10/1/2018	10/1/2019	10/1/2020
Residential	\$ 0.51	\$ 0.92	\$ 1.10	\$ 1.20	0.50%	0.22%	0.12%
General Service	\$ 0.67	\$ 1.22	\$ 1.50	\$ 1.60	0.18%	0.09%	0.03%
Large Light & Power	\$ 10.81	\$ 24.00	\$ 25.00	\$ 26.00	0.06%	0.00%	0.00%
Large Power	\$ 1,130.72	\$ 1,900.00	\$ 2,400.00	\$ 2,740.00	0.02%	0.01%	0.01%
Municipal Pumping	\$ 0.67	\$ 1.22	\$ 1.50	\$ 1.60	0.10%	0.05%	0.02%

Table 1 - Proposed Affordability Surcharge Phased-in Adjustment over Three Years

For reference, other programs or reports that have low-income customer information and services that are complementary to or include similar reporting elements to the CARE Program are summarized as follows:

- Energy-Intensive Trade-Exposed (“EITE”) Competitive Rates – This tariff provides competitive electric rates for EITE customers. It includes outreach funding¹ through one-time deposits “to expand the outreach of the Commission-approved affordability program.”² Further, low-income customers³ as determined by LIHEAP qualification, as well as those under Cold Weather Rule protection, are exempt from the EITE Surcharge.⁴
- Safety, Reliability and Service Quality (“SRSQ”) Standards Report – This report provides Minnesota Power’s safety, reliability and service quality results. Some of the same metrics reported in the SRSQ are also reported in the CARE Program, particularly the involuntary disconnections for all customers including LIHEAP and its subset of CARE customers, as well as the number of Cold Weather Rule protections.⁵
- Conservation Improvement Program (“CIP”) – Minnesota Power offers a portfolio of energy efficiency programs and services that follow CIP requirements, goals, and guidelines. This portfolio includes a low-income energy efficiency program called Energy Partners. The Energy Partners program is primarily delivered through community action agencies and provides income-

¹ Outreach funding is further addressed in Section V.

² Minn. Stat. § 216B.1696, Subd.3

³ Minn. Stat. §216B.16 Subd.15

⁴ *In the Matter of Minnesota Power’s Revised Petition for a Competitive Rate for Energy-Intensive Trade-Exposed (EITE) Customers and an EITE Cost Recovery Rider*, Docket E015/M-16-564, ORDER EXCLUDING RIDER REVENUE FROM 2016 BASELINE CALCULATION AND SETTING PARAMETERS TO IDENTIFY EXEMPT CUSTOMERS at 4 and 5 (October 13, 2017)

⁵ *Safety, Reliability and Service Quality Standard Report in Accordance with Minn. Rule 7826*, Docket No. E-999/R-01-1671 at Appendix A, at Reporting Involuntary Disconnections: 7826.1500

eligible customers educational resources, energy analysis, and direct installation of energy-efficient products.⁶

- SolarSense Customer Solar Program – This program supports individual customer solar incentives and provides funding for research and development as well as program development and delivery. Minnesota Power has recently been authorized to create a SolarSense low-income solar pilot program. Minnesota Power has established a Low Income Solar Program Committee which aims to expand participation in solar programs to all customers by exploring innovative ways to overcome solar adoption challenges that many low-income customers face.⁷
- Community Solar Garden (“CSG”) – This program provides an opportunity to Minnesota Power customers to buy solar-generated electricity using a long-term subscription pricing model regardless of if customers own a home, have suitable rooftops, or have sizable upfront capital to invest in solar equipment. Also, the CSG provides multiple opportunities for low-income customers to participate.⁸ Minnesota Power does not require credit checks and offers a “pay-as-you go” subscription option. These features help low-income customers to overcome some of the challenges typically associated with solar programs including the requirement for large upfront investments and high credit scores. Additionally, LIHEAP-qualified customers will be given first priority for subscriptions that have been relinquished back to Minnesota Power. The economic value of solar garden subscriptions will likely increase in later years of the program, making relinquished subscriptions more attractive to low-income customers.

Chart 1 below depicts the interrelation of the many low-income compliance reporting avenues and low-income programs and services offered by Minnesota Power. These programs assist our most vulnerable low-income customers, who are a subset of residential customers.

⁶ *In the Matter of Minnesota Power’s 2017 Conservation Improvement Program Consolidated Filing*, Docket No. E015/CIP-16-117.01 at page 39

⁷ *In the Matter of the Petition for Approval of Minnesota Power’s New SolarSense Customer Solar Program*, Docket No. E015/M-16-485 Order APPROVING CHANGES, DENYING COST RECOVERY IN PART, REQUIRING ANNUAL REPORT, AND REQUIRING COMPLIANCE FILING at 3 a-e (February 10, 2017)

⁸ *In the Matter of a Petition by Minnesota Power for Approval of a Community Solar Garden Pilot Program, Small-Scale Solar Energy Standard Compliance Eligibility, and a Method of Program Cost Recovery*, Docket No. E015/M-15-825, Order APPROVING PILOT PROGRAM WITH MODIFICATIONS, (July 27, 2016)

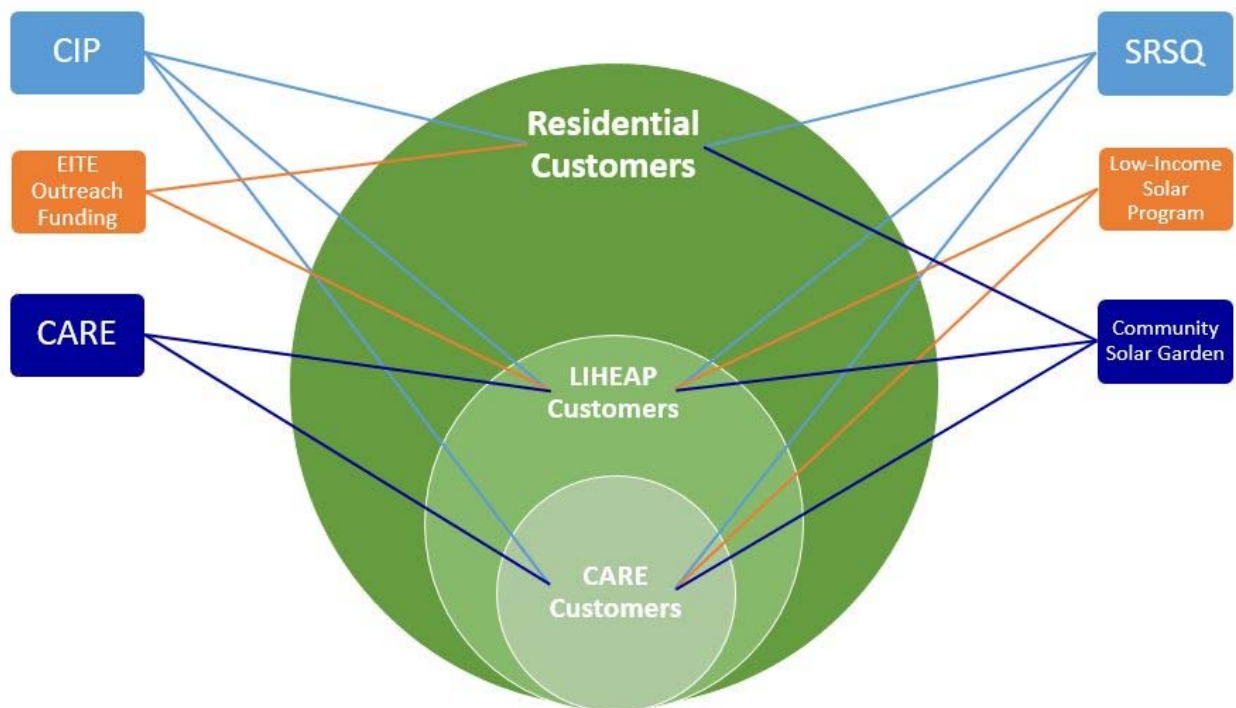


Chart 1 - Interrelation of Minnesota Power Low-income Compliance Reporting and Programs

II. Background and Procedural History

Minnesota Power has offered its discount rate program called the Customer Affordability of Residential Electricity Program) to its residential customers since November 1, 2011. Those who qualify under the federally-funded Low Income Home Energy Assistance Program are eligible for CARE. The CARE Program provides a discount to the Company's standard residential tiered rates and includes an Arrearage Forgiveness Component. In this filing, Minnesota Power submits its Sixth Annual Report on its Pilot Rider for CARE to the Minnesota Public Utilities Commission in compliance with:

- The Commission's September 26, 2011 Order Authorizing the Pilot Program and Setting Further Requirements including annual reporting;
- The Commission's December 3, 2012 Order Approving Changes to the Customer Affordability Program and Setting Further Requirements such as encouraging customers to complete and submit the Your Home Energy Report within twelve months, and discontinuing the requirement that all customers in good standing in respect to payments not be enrolled in budget billing;
- The Commission's July 18, 2013 Order Accepting the First Annual Report as Supplemented, Adopting Reporting Requirements, and Modifying Renewal Date;
- The Commission's July 3, 2014 Order Accepting the Second Annual Report, disallowing recovery of the CARE Program administrative costs, eliminating the requirement that LIHEAP-eligible customers re-enroll in the CARE Program on an annual basis, and removing the cap of 5,000 participants in the CARE Program;
- The Commission's July 10, 2015 Order Accepting the Third Annual Report, and approving the addition of an Arrearage Forgiveness Component to the CARE Program;

- The Commission’s July 13, 2016 Order Accepting the Fourth Annual Report, and denying Minnesota Power’s request to recover administrative costs associated with the CARE Program; and
- The Commission’s January 5, 2018 Order Accepting the Fifth Annual Report and Program changes to remove the requirement for customers to participate in a budget plan, and to discontinue reliance on the Your Home Energy Report. The Order also directs that Minnesota Power, in coordination with the Commission’s Consumer Affairs Office, meet with Energy CENTS Coalition and nonprofit organizations within Minnesota Power’s service territory to discuss potential improvements to Minnesota Power’s CARE Program, coordination with Low-Income Home Energy Assistance Program, and how best to enhance public outreach.

The following chart shows the timeline of improvements made to the CARE Program since inception.

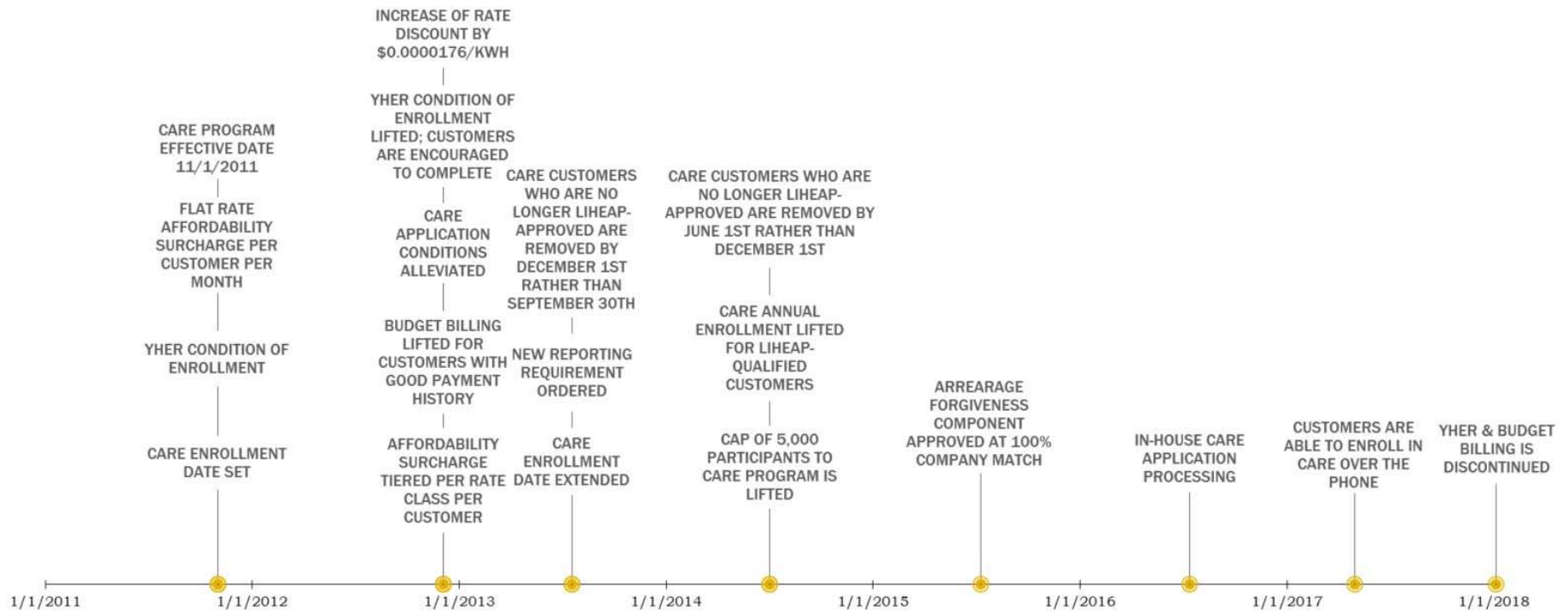


Chart 2- Improvements Made to the CARE Program

III. Organization of Filing

Minnesota Power's Sixth Annual Report for the CARE Program covers the period of October 1, 2016 through September 30, 2017 ("program year 2017") and includes the following components:

- Affordability Approach – The Company discusses the programs and services offerings to its low-income population, including the customer study;
- CARE Reporting Requirements – The Company covers the traditional reports it has provided in the past as well as new reporting requirements; and
- Proposed Modifications - The Company discusses new modifications it wishes to incorporate into the Program in an effort to improve its accessibility and retention.

IV. Procedural Matters

Minnesota Power submits the following information:

A. Name, Address, and Telephone Number of Utility

(Minn. Rules 7825.3500 (A))
Minnesota Power
30 West Superior Street
Duluth, MN 55802
(218) 722-2641

B. Name, Address, and Telephone Number of Utility Attorney

(Minn. Rules 7825.3500 (A))
David R. Moeller, Senior Attorney
Minnesota Power
30 West Superior Street
Duluth, MN 55802
(218) 723-3963
dmoeller@allte.com (e-mail)

C. Date of Filing and Modified Rates Effective Date

(Minn. Rule 7829.1300, subp. 3(C))
This petition is being filed on May 31, 2018. Minn. Rules 7825.3200 requires that utilities serve notice to the Commission at least 90 days prior to the proposed effective date of modified rates. Minnesota Power is not proposing to implement changes to the CARE Program without prior Commission approval.

D. Statute Controlling Schedule for Processing the Petition

(Minn. Rule 7829.1300, subp. 3(D))
This petition is made pursuant to Minn. Stat. § 216B.16. Minn. Rule 7825.3200 requires that utilities serve notice to the Commission at least 90 days prior to the proposed effective date of modified rates. Minnesota Power's request for approval of modified Affordability Surcharge rates falls within the definition of a "Miscellaneous Tariff Filing" under Minn. Rules 7829.0100, subp. 11 and 7829.1400, subp. 1 and 4, permitting comments in response to a miscellaneous filing to be filed within 30 days, and reply comments to be filed no later than 10 days thereafter.

E. Utility Employee Responsible for Filing

M. Micheline Bayiha
Cost & Pricing Analyst Senior
30 West Superior Street
Duluth, MN 55802
(218) 355-3121
mbayiha@mnpower.com (e-mail)

F. Impact on Rates and Services

(Minn. Rule 7829.1300, subp. 3(F))

The proposed increase of the Affordability Surcharge will have no effect on Minnesota Power's overall revenue requirements. The increase in the Affordability Surcharge applied to other firm electric customers will be offset by the discount offered to all LIHEAP-qualified customers, and monitored through a tracker. The additional information required under Minn. Rule 7829.1300, subp. 3(F) is included throughout this Annual Report.

G. Official Service List

David R. Moeller
Senior Attorney
Minnesota Power
30 West Superior Street
Duluth, MN 55802
(218) 723-3963
dmoeller@allte.com (e-mail)

M. Micheline Bayiha
Cost & Pricing Analyst Senior
Minnesota Power
30 West Superior Street
Duluth, MN 55802
(218) 355-3121
mbayiha@mnpower.com (e-mail)

H. Service on Other Parties

Minnesota Power is eFiling this report and notifying all persons on Minnesota Power's CARE Program Service List that this report has been filed through eDockets. A copy of the service list is included with the filing along with a certificate of service.

I. Filing Summary

As required by Minn. Rule 7829.1300, subp. 1, Minnesota Power is including a summary of this filing on a separate page.

V. Affordability Approach

Minnesota Power works closely with area fuel assistance and weatherization agencies, landlords, housing authorities, low-income advocacy groups, fellow energy providers, and local community agencies and leaders to collaborate on service offerings and outreach. In fact, there are numerous programs in place today to help customers save energy, provide for flexible payment options, and/or help eligible customers to qualify for energy assistance. These programs and services are one form of income-eligible customer outreach and often provide for cross-program referrals. They include the CARE program, the Energy Partners low-income conservation program, payment arrangements, budget billing, energy assistance referrals, community involvement and volunteerism, and utility payment arrangements for military service personnel.⁹ These programs and services are important offerings. In addition to a multitude of programs and services, some of the most meaningful and impactful ways to ensure affordability are to support a thriving, diverse regional economy with competitive rates for businesses, continued economic development efforts that provide a variety of job opportunities, community investment through employee volunteerism and giving, and ongoing collaboration with community leaders and stakeholders to identify shared solutions that meet the needs of communities and customers.

To ensure cross-program collaboration and better streamline the customer experience, Minnesota Power established a Low-Income Customer Task Force (“LICTF” or “task force”).¹⁰ The task force has been conducting a strategic assessment of existing programs and consumer support channels, with a specific emphasis on low-income customer outreach and greater visibility of affordability metrics. The task force is also tracking various low-income work group processes and studies such as the Minnesota Department of Commerce’s Connecting Low Income Communities through Efficiency and Renewable Sources, for which a draft report is being finalized, and the Conservation Applied Research and Development Grant, under the direction of the Department, on Minnesota Low-Income Policy Analysis & Evaluation, results of which were recently released.¹¹ While all customers are important to Minnesota Power, the Company acknowledges that specific customer segments have differing challenges, needs, and preferences. Minnesota Power also recognizes that tailored engagement strategies are both appropriate and necessary, and that low-income customers face diverse and unique challenges. The Company has outlined a strategy for engaging those customers with the goal of empowering them with information to make energy decisions that work for them while also connecting them to energy programs, discounts, and other forms of assistance regarding their electric energy service based on both near and long-term needs. Funds provided through EITE are being used to enforce this approach. A total of \$30,000¹² was deposited into an account devoted to funding programs such as a low-income study and expanded, targeted, and mass outreach as described below.

1. Low Income Study Findings

It is important to note that there are many possible ways to identify low-income customers: with the requirements and associated income levels dependent upon the program or assistance source such as a utility program, Energy Assistance Program (“EAP”), crisis funding, or Salvation Army HeatShare. Minnesota Power uses several processes for identifying and assisting low-income customers, including collaboration with community action agencies to leverage programs. While definitions are imperfect,

⁹ Minn. Stat. 325E.028

¹⁰ Minnesota Power Fifth CARE Program Annual Report, May 26, 2018, Section V.A.

¹¹ See *Conservation Applied Research and Development*, Minn. Dep’t of Commerce <https://mn.gov/commerce/industries/energy/utilities/cip/applied-research-development/>

¹² *In the Matter of a Petition to Ensure Competitive Electric Rates for Energy-Intensive Trade-Exposed Customers*, Docket No. E015/M-15-984, and E015/M-16-564 at page 55. (June 30, 2016)

there is value in consistency across programs and working with EAP agencies as they are experts in these programs and have the ability to connect customers to multiple resources that are fuel or service-agnostic. In contrast, Minnesota Power program offerings are specific to electric energy and, as such, do not fully address the energy affordability challenge that broader programs are designed to accommodate. The Weatherization Assistance Programs and conservation program offerings are a natural alignment delivered through community agencies that allow for cross-program leveraging and greater impact for customers.

Regarding identification of low-income customers, at the highest level, the U.S. Census Bureau's 2015 American Community Survey¹³ data is used to identify the share of low-income households by ZIP code. While this information cannot be detailed to the individual customer account level, this is a general best practice across the nation for quantifying income-eligible populations and potential areas of focus for program offerings and outreach. Several standard Census metrics were leveraged to approximate Minnesota Power's low-income customer population, including: "share of households with incomes less than \$35,000 per year" and "percent of adults receiving public assistance." Each low-income measure can then be used to scale the customer count, on a ZIP-code-by-ZIP-code basis, to produce an estimate of income-eligible customers in the Company's service territory. This estimate will vary by the definition used. By using "share of households with incomes less than \$35,000 per year," roughly 35,500 Minnesota Power customers are estimated to be income-eligible for LIHEAP.

Minnesota Power has since conducted a more in-depth study to identify key characteristics of the Company's low-income customers that differentiate this specific segment from the broader customer base. The process involves matching Minnesota Power customers at the account level to financial and housing records from a reputable data vendor, segmenting the customer base into "Low-Income" and "Non-Low-Income" groups, summarizing the attributes of the two groups, and highlighting the key differences. The analysis was based on a match rate of about 85% of approximately 103,000 residential retail customers. It has produced several key insights to further inform a targeted outreach effort, including age and size of dwellings, age of resident, and geographic distribution of low-income customers.

Based on these additional efforts, 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.

The in-depth study also allowed the Company to identify approximately 10,300 additional residential customers (about 10% of the residential customer base) as having annual household incomes of less than \$35,000; these are customers that were not already known to be qualified under LIHEAP or protected by requesting Cold Weather Rule ("CWR"). This, combined with the 13,000 LIHEAP-qualified and/or CWR customers, provides for the total estimate of 23,000 identifiable low-income customers directly served by

¹³ 2015 American Community Survey (1-year Estimates), U.S. CENSUS BUREAU, Documentation: <https://www.census.gov/programs-surveys/acs/technical-documentation/table-and-geography-changes/2015/1-year.html>, Data: <https://factfinder.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t>

Minnesota Power. From a targeted outreach perspective, identifiable households are best. That said, the data is imperfect and, as such, outreach efforts should not be exclusively targeted. Instead, multi-channel outreach is more likely to have optimal impact for connecting as many customers as possible with available programs and resources. This is particularly important because some programs, such as LIHEAP, do not require the customer to be the account holder for qualification.

2. Expanded Outreach

The Company’s approach to its outreach for low-income customers is outlined below. It focuses on four major channels which include the following items: targeted outreach, mass outreach, community events and collaborative services, and low-income study findings addressed above. The timeline illustrating the Company’s outreach effort to the low-income population is shown in Chart 3 below, and a corresponding list of outreach activities is provided as Attachment A.



Chart 3- MP Low-income Outreach Timeline

a. Targeted Outreach

Minnesota Power has the ability to send direct mailings to customers as a letter, postcard, bill insert, email, or any combination thereof. Direct mailings that are thoughtfully conducted and prioritized based on low-income saturation levels and capacity of local income-verifying agency, have proven effective. Examples of these direct outreach efforts throughout program year 2017 are as follows:

- Over 12,000 postcards (no envelope mailing) were sent to residential customers encouraging them to work with their local service agency to qualify for LIHEAP. These postcard listed additional products and services that would help them qualify. The mailing list was based on characteristics from the Company’s Customer Information System (“CIS”). The characteristics that were considered in this mailing were: customer had received a disconnection notice, had participated in the CWR, or had previously been LIHEAP-qualified. The postcard is provided as Attachment B.
- Over 4,000 postcards were mailed to community organizations (workforce centers, financial cooperatives and credit unions, faith organizations, etc.) with a supplementary letter outlining Minnesota Power’s affordability programs and services. The supplementary letter is provided as Attachment C.
- Over 6,000 Interactive Voice Response (“IVR”) calls were issued to LIHEAP-qualified customers who were not enrolled in CARE.

b. Mass Outreach

Minnesota Power provides general bill inserts and newsletters as part of its mass outreach efforts. In addition, informational guides and brochures are available in hard copy and online. These help to raise

awareness on a broader level regarding available programs, CWR, heating assistance, and numerous other resources available to customers. Examples include:

- Bill inserts were sent to all Minnesota Power customers containing information on the Company’s affordability programs (provided as Attachment D).
- Radio advertisements to WKLK-AM and WKLK-FM, WMOZ-FM and KQDS for the period of October 1-31, 2017 were commissioned, providing information on the Company’s affordability programs. Listeners to these radio stations range from Moose Lake, Minnesota to Duluth, Minnesota and the cities in between. Radio advertisement text with dates and time slots is provided as Attachment E.
- Information was posted on Minnesota Power’s intranet to ensure Company employees are knowledgeable about affordability offerings to customers. The posting is provided as Attachment F.

c. Online and Social Media Channels

Minnesota Power has a robust online presence through its website and other social media channels. These can serve as excellent resources for customers, agencies, communities, and Minnesota Power representatives to share information and timely messages. While online channels are not an ideal fit for all customers due to limitations regarding online access, the growing prevalence of smartphones and other internet-accessible devices is making these channels more accessible than they may have been historically. As the outreach strategy continues to evolve, this will be explored further as a potentially effective outreach tool for low-income programs.

- In program year 2017, the Company updated the content, navigation, and layout of information regarding all assistance-related programs on the Company’s website at www.mnpower.com/assistance
- Social media posts were added to Facebook and Twitter regarding the Company’s affordability programs. In program year 2017, the Company posted over 30 unique messages to its Twitter and Facebook followers regarding its affordability programs and similar offerings available through partner organizations. A sample of postings is provided as Attachment G.

d. Community Events and Collaborative Services

- Minnesota Power participated in public events like the Energy Awareness Expo, Senior Expo, and Ruby’s Pantry.¹⁴ These events provided opportunities for direct interaction with customers and are complementary to the targeted outreach referenced above.
- Minnesota Power is a member of the National Energy and Utility Affordability Coalition and attends its annual conference for insight into best practices and emerging program models.
- On-site visits were conducted with community agencies to educate staff about Minnesota Power’s affordability programs and services.
- Minnesota Power is a participant in the Minnesota Department of Commerce’s Connecting Low Income Communities through Efficiency and Renewable Sources.
- Minnesota Power has been in collaboration with partner organizations and agencies such as the community action agencies, the Department of Commerce, the MPUC Consumer Affairs Office, Energy CENTS Coalition, and Ecolibrium3, as discussed in Section VI.9.

¹⁴ These community events are further explained in this filing at Section VI.10.e.

VI. CARE Reporting Requirements

Minnesota Power has made some reporting methodology changes in the program year 2017 annual report and proposes to continue them going forward. The Company makes the changes to ensure a comprehensive view and harmonization of low-income related programs, services, and reporting elements. Of note, due to variations in reporting timeframes and program year parameters, some reports provided below will not be directly comparable to reports provided in previous program years or to other filings with similar data. Where applicable, Minnesota Power will indicate this variation.

1. Program Tracker, Administration and Funding

a. CARE Tracker

The CARE tracker is summarized below in Table 2 and provided in detail as Attachment H. It ended with a slightly higher balance (\$884,804, Table 2, line 7, column [b]) in program year 2017 than it did in 2016 (\$853,019 Table 2, line 7, column [b]). The participation rate fell by seven percent compared to the previous program year and the total discount provided to low-income customers also decreased by twelve percent. The Company also collected one percent less by means of the affordability surcharge. These three elements are the main drivers for a higher ending tracker balance. Although the average number of participants went down by about seven percent¹⁵ compared to program year 2016, the average monthly discount amount per customer remained at approximately \$17 per month with a decrease of less than 50 cents per month. At the end of a program year, customers continue to receive the discount during the grace period where customers who were LIHEAP-qualified the previous year can stay enrolled in the CARE Program until about June 1¹⁶ of the next LIHEAP year. A reconciliation is conducted annually on or after June 1 to remove those customers who have not reapplied or requalified for LIHEAP in the subsequent program year.

Line No.	CARE Rider Pilot Program Tracker Summary Comparison Table	[a]	[b]
		Program Year 2017	Program Year 2016
	Designation		
1	Average Number of Customers	4,673	5,004
2	Beginning of Year Tracker Balance (brought forward)	\$849,479	\$917,941
3	Affordability Surcharge Collected	\$972,245	\$965,964
4	Total Discount Provided to Customers	\$908,052	\$1,016,912
5	Total Arrears Forgiveness Company Match	\$61,190	\$43,247
6	Accrued Interest	\$32,323	\$29,273
7	End of Year Tracker Balance	\$884,804	\$853,019
8	Average Monthly Discount Amount Per Customer (\$)	\$17.28	\$17.66

Table 2 - CARE Rider Pilot Program Tracker Summary

¹⁵ The participation to the CARE Program is further discussed in Section V CARE proposed modifications.

¹⁶ CARE Program Third Annual Report of May 5, 2014, Section V.A., page 23, and MPUC Order of July 10, 2015, adopting the DOC recommendations, Section II.A., page 2

b. CARE Program Administration

Since the inception of the CARE Program, Arrowhead Economic Opportunity Agency (“AEOA”) has administered the Program for Minnesota Power. However, starting May 1, 2017, Minnesota Power took over the administration of the Program. The decision for Minnesota Power to administer the CARE Program was in response to a letter of resignation from AEOA as the program administrator and was intended to be transitional while the Company conducted a process review.

As part of its commitment to ongoing program evaluation and improvement, Minnesota Power conducted a thorough review of its CARE Program and related processes using the Lean Six Sigma methodology. This effort brought to light inefficiencies inherent to a process involving both external and internal administrative elements. In particular, AEOA did not have direct access to the Company’s Customer Information System (“CIS”). Access is strictly limited as part of the Company’s privacy and security protocol. To realize efficiencies going forward, Minnesota Power will continue to process CARE applications as further discussed in Section VII-CARE Proposed Modifications. The Company has simplified the process for customers by reducing the redundancies uncovered through the Lean Six Sigma process.¹⁷ Customers can now be signed up for the CARE Program over the phone, provided the customer is identified as LIHEAP-qualified.

The Company’s Customer Information Representative (“CIR”) signs up customers when customers call to apply for the CARE Program. Likewise, if a customer calls for reasons other than CARE, the CIR seizes the opportunity to review the customer’s status. If the customer is coded as LIHEAP-qualified in the Company’s CIS and is not signed up for the CARE Program, the CIR extends the offer to the customer and if desired by the customer, follows the enrollment process.

Community action agencies in Minnesota Power’s service territory, including AEOA, continue to qualify customers for LIHEAP as they have done in the past. Minnesota Power, through its established cross-functional LICTF continues to improve qualification channels for customers and coordinates efforts aimed at facilitating low-income related matters across the multiple programs and services.

c. CARE Program Funding

As stated above, the current affordability surcharge rate is enough to continue to fund the CARE Pilot Rider program as currently designed. The affordability surcharge is not applicable to LIHEAP-qualified customers or the Company’s Lighting Class. After six years of implementation of the CARE Pilot Rider, Minnesota Power believes that it has learned and gathered adequate information to propose modifications to program eligibility and the funding mechanism and make suggestions that will improve the Program relative to accessibility by the Company’s presently identified low-income population. This is further discussed in Section VII - CARE Proposed Modifications.

¹⁷ Minnesota Power initiated the Lean Six Sigma in late 2016 to look at the administration of the CARE Program. The Lean Six Sigma is a process that concentrates on reducing waste and achieving a continuous process flow while demonstrating respect of people. In this instance, the Lean Six Sigma focused on mapping the low-income customer journey from the initial call or application submitted to customer enrolled in the CARE Program. It looks at the process when AEOA was administering the CARE Program and when Minnesota Power took over the Program administration.

d. CARE Program Administrative Costs

The Company is not requesting recovery of CARE administrative costs through the tracker as it has done in the past.¹⁸ The Program is now administered internally, and the administrative costs are included in the Company's operating costs with no direct cost paid to a third party for administering the Program. However, the Company continues to do direct marketing of the Program such as direct mailings, representation at community events, hosting of community agencies, targeted communication, etc. The outreach costs are not specifically attributable to the CARE Program alone; Minnesota Power streamlines its efforts and the outreach costs are for the low-income panel of projects Minnesota Power operates.

2. Program Retention, Satisfaction and Enrollment

a. Program Retention

The total number of participants enrolled at any point in the CARE program year 2017 was 7,147. At the end of program year 2017, the Program had 5,281 active participants. Table 3 below shows the breakdown in number of customers and percentage of CARE participant retention during program year 2017. A total of 1,866 customers were removed from the program during program year 2017 for the same prevalent reasons as in the previous years: customers missed two consecutive payments, requested to be moved to CWR protection, left the Company's service territory, or were no longer LIHEAP-qualified. Minnesota Power believes the proposed modifications outlined below in Section VII will work to improve the Program by increasing participants' retention in the Program.

CARE Program Retention - Period October 1, 2016 to September 30, 2017		
Designation	Number of Customers	Percentage of Customers
In PY 2017 Participant stayed 0-30 days	237	3%
In PY 2017 Participant stayed 31-60 days	493	7%
In PY 2017 Participant stayed 61-90 days	558	8%
In PY 2017 Participant stayed 91-150 days	993	14%
In PY 2017 Participant stayed over 150 days	4,866	68%
Total Participants	7,147	100%

Table 3 - CARE Program Customer Retention

The total number of active participants at the end of program year (5,281) divided by the total number of participants at any point in time during the program year (7,147) shows a retention rate in program year 2017 of 74 percent compared to 63 percent in program year 2016, which had seen the lowest retention rate of any program year since inception of the Program. The improvement observed in program year 2017 signals the impact of direct dialogue with customers, understanding what the issues are, and looking for ways to stabilize customers in the Program.

b. Program Satisfaction

Over 3,000 calls or contacts¹⁹ were received in program year 2017 compared to 2,000 in program year 2016. The increase in the number of calls received or made is explained by the fact that CARE applications are currently processed within Minnesota Power. Minnesota Power called customers to inquire if they were interested in enrolling in the CARE Program. The Company also leveraged calls received from

¹⁸ Docket No. E015/M-11-409 CARE Fifth Annual Report, Section III.d.3, pages 7-8, May 26, 2017.

¹⁹ Contacts are notes made in customer account records in CIS related to conversation with or actions on customer accounts.

customers for other matters to offer enrollment in the Program if the customers were classified as LIHEAP-qualified in the Company’s CIS. Customers expressed satisfaction for interacting with only one party rather than two. Customers affirmatively acknowledged that the message was clearer, causing noticeably less confusion for the customers than in the past.

c. Enrollment for Program Year 2017

The enrollment trend for program year 2017 is provided in Chart 4 below. The period of March to May 2017 marked the transition of the CARE Program administration to Minnesota Power from AEOA, with May 1, 2017 being the date of the handover. During this transition there was a spike in participation as shown in the graph below. Based on content of customer calls received around the same period of March to May 2017, Minnesota Power also noticed less confusion from customers, less misunderstanding, less enrollment redundancies, and less delay. While an enrollment drop occurs each year in June,²⁰ the drop observed in program year 2017 compared to the sharp drop observed in program year 2016, was mitigated because customers were enrolled in the Program at a higher pace than in the previous program year. Enrollment and administration of the CARE Program is explained further in Section VII.4. In that section, the Company proposes some modifications to the CARE Pilot Rider to make the participation process easier and simpler for both the customer and the Company.

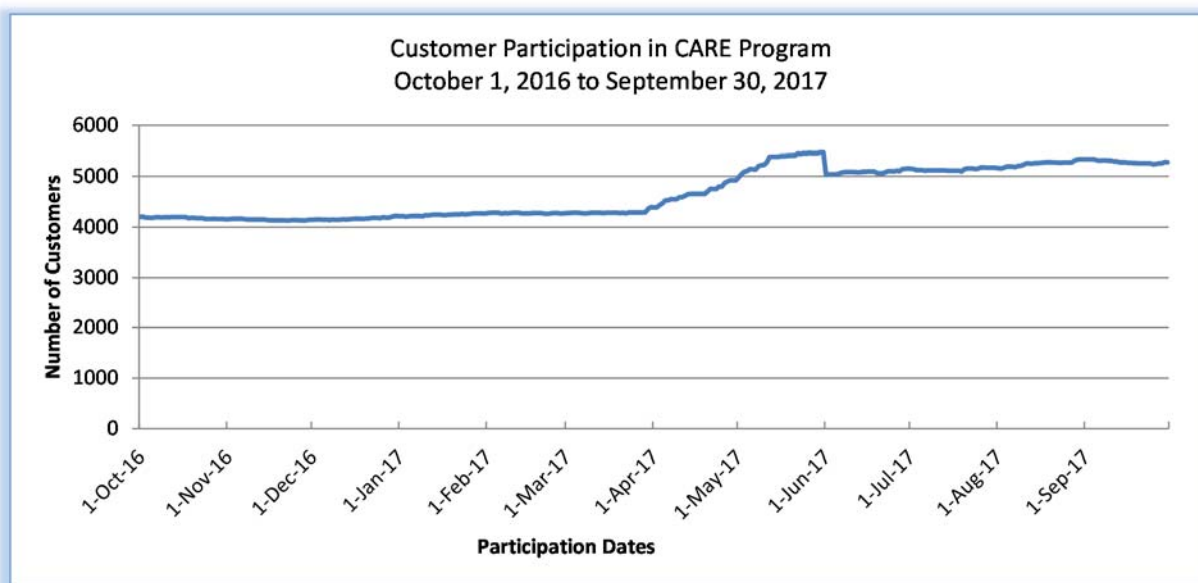


Chart 4- CARE Program Participation

²⁰ June 1 marks the end of the grace period, the date when Minnesota Power runs its reconciliation program to remove customers who have not yet renewed their LIHEAP qualification.

3. CARE Program Customers with High Energy Usage

a. Percent of Customers with 1,000 kWh Usage or more

Chart 5 shows the percentage of CARE Program customers for program year 2017 with high energy usage compared to all high-usage LIHEAP customers and high-usage customers on the standard Residential²¹ rate schedule. High-usage customers in the context of this report are defined as those who use 1,000 kWh or more in a given month. Each month is looked at individually. Any macro type of impact like the weather (normal, cold waves or heat waves) tends to affect the three groups similarly. This report is now run differently than it had been in previous annual reports. In all previous annual reports, a bill total and usage amounts were counted for each month if a customer was a CARE participant at any point in the year, which distorted CARE customers' high usage. In program year 2017 and going forward the Company counts bill totals and usage amounts only for a customer who was a CARE participant in that specific month. Usage is only for months where the customer's usage was 1,000 kWh or more. For illustration purposes:

- If a participant (A) was a CARE participant in month 1 but not in months 2-12, the previous reports included bill total and usage amounts for months 1-12. If a participant (B) joined in months 4 and 5 and not in months 6-12, the previous reports included bill total and usage amounts for months 4-12.
- In the new report, total bill and usage amounts will be included only for month 1 for participant (A), and only for months 4 and 5 for participant (B), assuming usage is 1,000 kWh or more.

This change in reporting falls in line with the Company's decision to realign all affordability reports. Although the usage shape of the three groups is analogous, the percentage of CARE customers' group usage is lower in every month compared to the other two groups. The LIHEAP group has a higher average energy usage than the CARE group and the standard Residential group. This usage difference further justifies Minnesota Power's proposal in Section VII.4 to provide some relief under the CARE Program to the entire LIHEAP group of customers.

²¹ In the context of this report, "standard Residential customers" means Residential firm customers served under standard rates, excluding customers served under interruptible rates, (such as Dual Fuel, Controlled Access) and excluding customers served under the CARE Pilot Rider and LIHEAP participants. The category "all firm Residential customers" includes CARE Pilot Rider and LIHEAP participant customers but excludes interruptible rate customers.

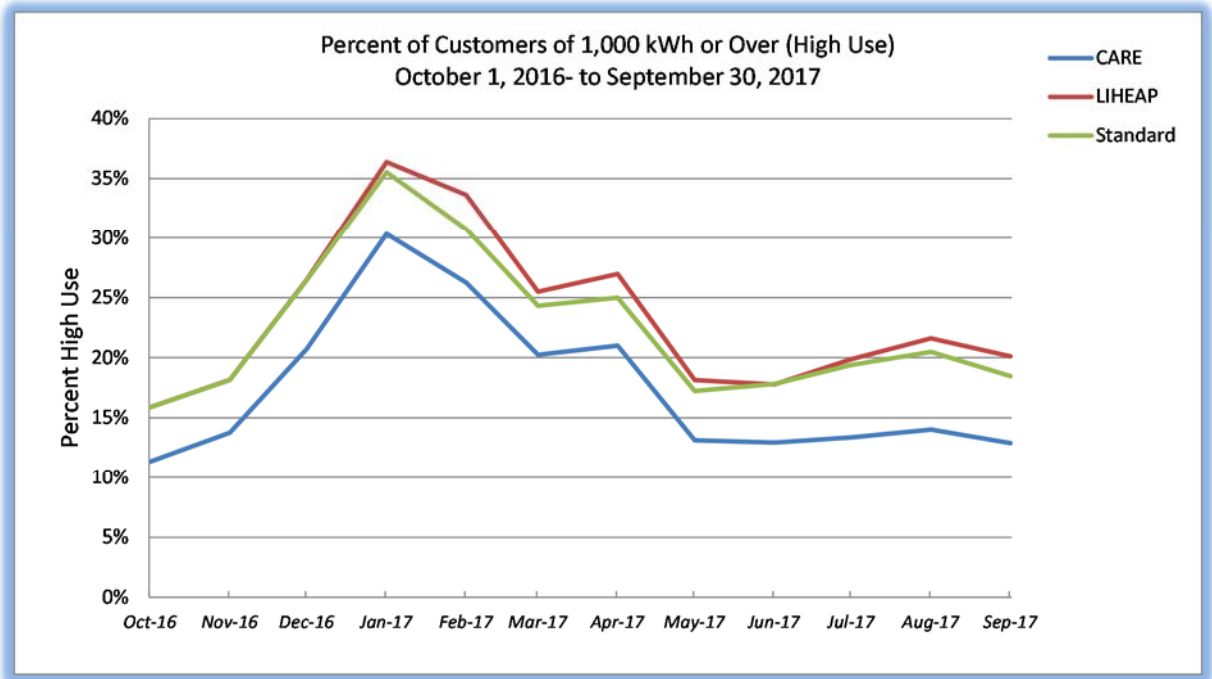


Chart 5- CARE Program Percent of Customers with High Energy Usage

b. Average Usage for High-Use Customers (1,000 kWh and above)

Chart 6 below shows the average monthly energy usage (kWh) for high-use CARE, LIHEAP, and standard Residential customers who use 1,000 kWh or more in each respective month. This chart calculates the average usage per month by dividing the total usage of the total number of participants with usage of 1,000 kWh or over per month in each respective month by the number of participants in each group. Chart 6 shows standard Residential customers who are not identified as low-income have a higher average energy usage than the two low-income identified groups (CARE and LIHEAP).

As discussed previously, there value in consistency across the programs and working with EAP agencies as they are experts in these programs and have the ability to connect customers to multiple resources that are fuel or service-agnostic. In speaking with agencies about their outreach processes, Minnesota Power understands that they receive a list of LIHEAP customers quarterly from eHeat (state database through the Energy Assistance Program). Then, either postcards are sent out or cold calls are made to schedule visits. Priority is given to those customers who either have not been visited through the Energy Assistance Program for several years or mainly those who have high usage. During in-home visits, customers are provided with energy-saving measures free of charge based on the specific applicability to the home. This can range from lighting products to advanced power strips for reducing plug load to the replacement of a refrigerator or freezer, or any combination. Agencies have the flexibility to focus on the most impactful energy-saving measures and actions for helping the customer to save energy and lower their electric bills. Of note, Minnesota Power program offerings are specific to electric energy and, as such, do not fully address the energy affordability challenge that broader programs are designed to accommodate. The Weatherization Assistance Programs and conservation program offerings are a natural alignment delivered through community agencies that allow for cross-program leveraging and greater impact for customers.

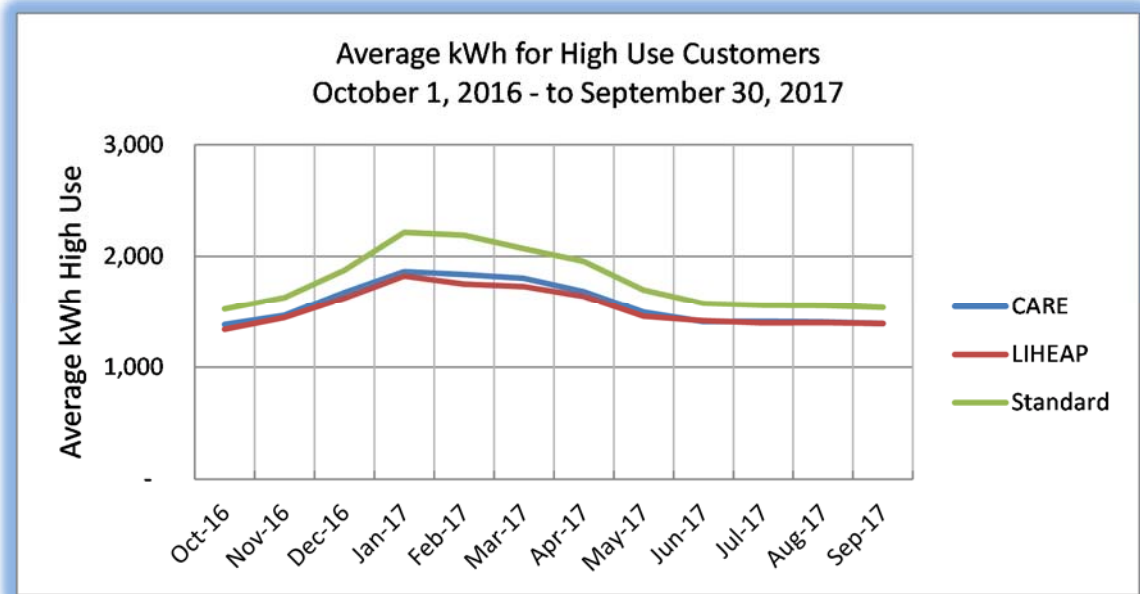


Chart 6- Average Monthly Energy for High Usage Customers

4. Participant Payment Frequency and Payment History

Table 4 shows the payment frequency and history of CARE participants in program year 2017. It is worth repeating in this filing that CARE participants are a mix of LIHEAP-qualified customers who may or may not have received LIHEAP grant assistance. Therefore, as in previous program years, the impact of payment frequency of the LIHEAP grant has not been isolated. The total number of payments in Table 4 includes both full and partial payments, as these two types of payments are not counted separately in the Company's CIS. This report was run using the same parameters described in Section VI.3.a. Customer's bill amounts and counts are limited only to month(s) in which the customer was identified as CARE or LIHEAP in the Company's CIS. In Table 4, total payments made by CARE participants and LIHEAP customers include energy assistance payments; this explains why the LIHEAP non-CARE customer total payments amount to more than the total bills. When the energy assistance amounts are excluded from the payments, CARE participants paid 71 percent of bills issued and LIHEAP non-CARE customers paid 69 percent of their bills issued.

Customer Payment Frequency and History									
Line No.	Program Year	Designation	Total Bills		Total Payments				
			Count	Amount	Count	Amount		Energy Assistance	Percent of Bills Paid
1	10/2016-09/2017	CARE Participants	58,284	3,790,809	50,359	3,260,644		581,710	71%
2		LIHEAP non-CARE	51,510	4,770,978	40,427	4,994,543	1/	1,707,794	69%
3		LIHEAP	109,794	8,561,786	90,786	8,255,187	1/	2,289,504	70%

1/ Payment Amount includes Energy Assistance and Percent of Bills Paid excludes Energy Assistance

Table 4 - Payment Frequency and History

5. Disconnections and Reconnections

a. Disconnections

Minnesota Power believes it is critically important to work with customers to avoid disconnection of service and, in the event that disconnection does occur, to work with customers on timely reconnection. Minnesota Power follows the disconnection rules and processes as outlined in Minn. Stat. §§ 216B.096, 216B.0976, and 216B.098, and Minn. Rules. 7820.1000 through 7820.1300 and 7820.2400 through 7820.3000. These procedures are described in the Electric Service Regulations of Minnesota Power, Minnesota Power Electric Rate Book, Section VI, most specifically on pages 3.4 and 3.17.

The number of participants who were disconnected during program year 2017 is shown below in Table 5. The process to run the report for Table 5, as related to CARE, did not change from previous years. The Company used the date the disconnection was completed in the field when determining the customer affected, which is also in line with the Company's SRSQ report as recently filed.²² Table 5 shows the number of CARE participants who were disconnected compared to the number of disconnections for all Residential firm customers and LIHEAP customers who did not participate in the CARE Program. The disconnection rate for CARE participants was lower in program year 2017 (three percent) compared to program year 2016 (four percent). To the contrary, LIHEAP non-CARE customers saw an increase, 16 percent, in program year 2017 compared to nine percent in program year 2016. The increase observed with all Residential customers is two percent in program year 2017 compared to one percent in program year 2016. While participating in the CARE Program, customers are not disconnected; disconnections may occur either before enrollment in the Program or after removal from the Program because CARE customers are not disconnected as long as their account remains current.

Disconnections – Period: October 1, 2016 to September 30, 2017			
Designation	Total Number of Customers	Total Number of Disconnections	Percentage of Disconnections
	[a]	[b]	[c]=[b]/[a]
CARE Participants	7,147	183	3%
LIHEAP Customers non-CARE	4,586	740	16%
All Residential Customers	118,687	2,588	2%

Table 5 - Disconnections

Minnesota Power follows all rules and regulations, including customer notices and the option of a payment agreement or payment plan, prior to disconnection. A high level depiction of the process is

²² SRSQ, Docket No.E015/M-18-250, Appendix A, Section C & D of April 2, 2018

summarized in Chart 7, beginning with the billing, followed by past due bill notices, the credit and collections process, and ultimately potential disconnection. This is not a strictly linear process. Rather, Minnesota Power works with customers to identify payment options that are attainable while also working to keep account balances as current as possible and out of collections. Minnesota Rules 7820.2400 are explicit in terms of notice requirements before disconnection can occur, as is Minn. Stat. §216B.096 regarding disconnections when CWR protections are in effect. According to these requirements, “notices shall contain the date on or after which disconnection will occur, reason for disconnection, and methods of avoiding disconnection in normal, easy-to-understand language.” Notices must also be mailed by first class mail or delivered by a representative of the utility. Disconnection, according to Minn. Rules. 7820.2500 must be “in conjunction with a personal visit by a representative of the utility” and “the representative of the utility shall at all times be capable of receiving payment, if nonpayment is the cause of the disconnection of service.” Similar requirements exist under the CWR in terms of disconnection notices. Additionally, the Company would offer the customer the CWR protection and reconnect the customer if a payment plan is established and will not disconnect a customer protected by CWR as long as the customer makes “reasonably timely payments.”

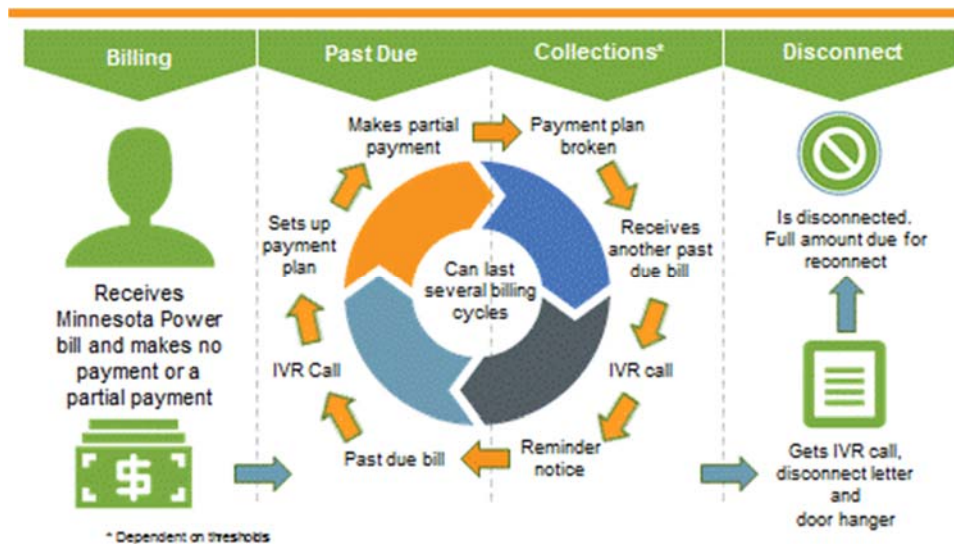


Chart 7- Disconnection and Collection Overview

There are many factors that may affect the duration of this process, including CWR and change in customer circumstances. The greatest flexibility is prior to disconnection and customers are strongly encouraged to keep Minnesota Power informed of any changes in circumstances that may warrant a revised payment agreement. Of note and consequence is the important balance between avoiding disconnections and keeping customer balances, including arrears, and related payment agreements, within ranges that are attainable by the customer and that satisfy amounts due for services rendered and received. This is in part the basis for Minn. Rules to explicitly define permissible disconnection reasons.

b. Reconnections

Table 6 provides the number of CARE Program participants, LIHEAP non-CARE customers, and all Residential customers reconnected compared to the number of members of the same groups who were disconnected as also shown in Table 5 above, column [b]. The reconnection numbers in Table 6 column [b] below are all reconnections that took place in program year 2017. It should be noted that the total percentage may exceed 100 percent because customers who were reconnected during program year 2017 may have been disconnected during or prior to the program year, while the disconnections shown here

include only those occurred during program year 2017. The percentage rate of reconnections for CARE customers was higher in program year 2017 at 88 percent compared to 84 percent in program year 2016. During times when the CWR applies, a customer who was previously a CARE participant may be reconnected if they enter into a payment plan. Once a customer was removed from the CARE program to take advantage of the CWR, this customer would be placed in the standard Residential rate class. Minnesota Power proposes to review the handling of customers seeking CWR protection, as discussed further in Section VII.3. The Company anticipates that the proposed modifications to allow customers seeking CWR protection to keep participating in the CARE Program would decrease the likelihood of disconnection because those customers would continue benefiting from the discounted rate.

Reconnections- Period: October 1, 2016 to September 30, 2017			
Designation	Total Number of Disconnections	Total Number of Reconnections	Percentage of Reconnections
	[a]	[b]	[c]=[b]/[a]
CARE Participants	183	161	88%
LIHEAP Customers non-CARE	740	542	73%
All Residential Customers	2,588	1913	74%

Table 6 - Reconnections

Minnesota Power proposed a Reconnect Pilot for Residential customers in its recently filed SRSQ report (Docket No. E015/M-18-250). Under the Reconnect Pilot, customers would have a more efficient and cost-effective way to get reconnected in the event that their service has been disconnected for non-payment. The basis for this proposal is threefold:

- Timelier reconnection for customers,
- Safety for the customer and Minnesota Power field service personnel, and
- The ability to leverage available technology to decrease costs for the customer and Minnesota Power.

6. Participant Average Discount, Bill and Arrears

The Company provides the annual average participant's discount and arrearage amounts because it believes that averages for the annual total participants in the CARE Program are somewhat misleading since some customers were in the Program for less than a full year and some customers had zero arrears.

a. Information Based on Total Annual Participants in the CARE Program

The information based on total participants includes the total number of customers enrolled in the CARE Program at any time during program year 2017. As an extreme example of why this calculation method is misleading: if there were only one CARE customer who was enrolled for only one month and got a discount of \$24 for the one month, the total annual average discount calculated using this methodology would be \$2 (\$24 total annual discount / 1 total customer / 12 months), which is artificially low compared to the \$24 average discount during the month of participation. The Company requests to eliminate this information from subsequent filings since it is misleading and therefore of little or no value.

Under this methodology, during program year 2017, there was an overall total of 7,147 CARE participants. Based on this group of 7,147 customers and the total CARE discounts paid for the year, the average discount (excluding arrears forgiveness) was \$11 as shown on Table 7 compared to \$12 in program year 2016; this is due to a larger number of CARE participants in program year 2017 and some who participated

for only part of the year. The average bill is also lower (\$44) in program year 2017, compared to \$68 in program year 2016. The explanation behind this drop is in line with the change in running reports as provided above in Section VI.3.a. The amount billed reported here is limited to the specific month(s) in which customers were enrolled in the CARE Program, rather than including all months as in the past. The reduction in average arrearage amount (\$2 in program year 2017, compared to \$4 in program year 2016) demonstrates that the Arrearage Forgiveness Component is working as intended, and customer arrears are being reduced.

Average Discount, Bill and Arrears for CARE Total Participants, October 1, 2016 to September 30, 2017				
Designation	Total Number of Participants	Annual Total	Average	
			Annual Total	Monthly Total
	[a]	[b]	[c]=[b]/[a]	[d]=[c]/12
Average Bill Credit or Discount Amount	7,147	\$969,242	\$136	\$11
Average Total Billed Amount	7,147	\$3,790,809	\$530	\$44
Average Arrearage Amount	7,147	\$197,979	\$28	\$2

Table 7 - CARE Total Participants' Arrearage Discount, Bill and Arrears Amounts

b. Information Based on Annual Average Participants in the CARE Program

During program year 2017, the annual average number of participants in the CARE program was 4,673, as shown in Section IV.1.a, Table 2, line 1, column [a]. Based on this group of participants as shown in Table 8, the average monthly discount excluding the Company's match of arrears forgiveness was \$17. The count of customers during program year 2017 who were enrolled in the CARE Program at one point but have since been removed from the program and who had arrears was 1,138. The average monthly arrearage amount per customer for the 1,138 participants decreased to \$15 in program year 2017 from \$17 in program year 2016. The average total billed amount in program year 2017 is much lower, \$530 per year or \$44 per month in program year 2017 from \$817 per year or \$68 per month in program year 2016. The reason behind this large decrease is the same as explained in Section VI.3.a or VI.6.a above. The decrease observed below is due to the fact that, although the count of overall participation is similar to previous program years, the count of amount billed to CARE participants is limited to only the month(s) in which the customer was actually a CARE participant. The amounts accounted for are now strictly for the month(s) in which a customer was enrolled in the CARE Program.

Average Bill and Arrears for CARE Average Participants, October 1, 2016 to September 30, 2017				
Designation	Average Number of Participants	Annual Total	Average	
			Annual Total	Monthly Total
	[a]	[b]	[c]=[b]/[a]	[d]=[c]/12
Average Bill Credit or Discount Amount	4,673	\$969,242	\$207	\$17
Average Total Billed Amount	7,147	\$3,790,809	\$530	\$44
Average Arrearage Amount	1,138	\$197,979	\$174	\$15

Table 8 - CARE Average Participant's Average Discount, Bill and Arrears Amounts

7. CARE Participant Billing Impacts

Table 9 below provides CARE Program participant's annual and monthly billing for the overall 7,147 participants. The decrease observed below is due to the same reason stated above that, although the count of overall participation is similar to previous program years, the amount billed to CARE participants

is limited to only the month(s) in which the customer was actually a CARE participant. The average discount provided to overall CARE participants has decreased to \$136 annually or \$11 monthly in program year 2017 compared to \$12 per month for program year 2016 for the overall CARE participation. The monthly average bill for the overall CARE customers decreased to \$44 in program year 2017 from \$68 in program year 2016. The CARE Arrearage Forgiveness Component has been in effect for over 20 months. Program year 2017 marked the first full 12 months of reporting the Arrearage Forgiveness Component. The average discount including the arrears forgiveness company match per participant (for the overall participation) of \$11 has decreased compared to \$13 per month per participant in program year 2016. The amount of participants' arrears has been decreasing overtime.

Average Bill and Arrears Billing Impact for CARE Average Participants, October 1, 2016 to September 30, 2017					
Designation	All CARE Participants			Average per Customer	
	Total Amount	Monthly Amount	Total Number of Customers	Annual Amount	Monthly Amount
CARE Customer Bill ^{1/}	\$3,790,809	\$315,901	7,147	\$530	\$44
CARE Credit/Discount	\$908,052	\$75,671	7,147	\$127	\$11 ^{2/}
CARE Credit/Discount/Arrears	\$969,242	\$80,770	7147	\$136	\$11 ^{3/}
^{1/} CARE customer bill includes the CARE discount					
^{2/} This is an average for the overall number of CARE participants, not all 7,147 customers stayed in the program for 12 months					
^{3/} This average includes the company's match of arrears for the overall number of CARE participants. Not all 7,147 customers stayed in the program for 12 months					

Table 9 - CARE Participant Billing Impact

8. CARE Participant Electric Usage

In addition to providing the total annual usage for CARE participants, the Company also provides the annual average participant's electric usage because it believes that usage for the annual total participants in the CARE Program are somewhat misleading since some customers were in the Program for less than a full year.

In Table 10 below the usage reported is strictly for the months in which a customer was identified as LIHEAP and enrolled in the CARE Program. If a CARE customer stopped participating in the CARE Program, the usage after being removed from the CARE Program is not included in total annual usage. The Residential customer count and usage excludes LIHEAP and CARE, and LIHEAP customers are non-CARE.

Customers' Electric Usage. Period October 1, 2016 - September 30, 2017			
Designation	Total Annual Usage	Number of Customers	Average Monthly Usage kWh
Standard Residential Customers	914,002,052	106,954	712
LIHEAP non-CARE Customers	39,854,249	4,586	724
Total CARE Participants	39,608,089	7,147	462
Average Number CARE Participants	39,608,089	4,673	706

Table 10 - Customer Electric Usage

9. Recent Order Requirement – Program Improvements and Outreach

In its January 5, 2018 Order, the Commission ordered the Company, in coordination with the Commission’s Consumer Affairs Office, Energy CENTS Coalition, and nonprofit organizations within Minnesota Power’s territory, to discuss potential improvements to Minnesota Power’s CARE Program, the coordination of the Program with the LIHEAP, and how best to enhance public outreach.

In its last annual report, the Company introduced its internally-established cross-functional team, the Low-Income Customer Task Force.²³ In addition to the LICTF, Minnesota Power has been in contact with Energy CENTS Coalition regarding their suggestions for potential improvements and enhanced outreach to customers who may be eligible for LIHEAP, CARE, or both. Several proposed modifications to CARE are included as part of this filing, and they incorporate elements of that feedback, particularly with respect to program persistence and retention. Some of Energy CENTS suggestions regarding outreach have already been incorporated in recent outreach efforts, including those regarding customers who had received a disconnection notice, had participated in the CWR, have high usage, and had previously been LIHEAP-qualified.

Further, Minnesota Power reached out to the Consumer Affairs Office (“CAO”) to discuss low-income customer challenges, identify enhanced outreach options, and discuss a process for expediting income eligibility verification to ensure timely customer eligibility for programs. As a part of these efforts, Minnesota Power and the CAO have established bi-weekly meetings to map out existing processes, identify bottlenecks, and develop solutions, with a shared goal to target the summer of 2018 to format and beta test augmentation efforts to improve the customer experience and expedite process elements, where possible. As a part of these efforts, outreach to community action agencies, the Department of Commerce (Energy Assistance Program office), Energy CENTS Coalition, and other local nonprofit organizations, has been identified as a critical collaborative step.

Minnesota Power is working with Ecolibrium3, a local nonprofit organization that has been recognized nationally for developing innovative approaches and partnerships to tackle difficult community problems, and ComfortSystems, the natural gas utility provider in the City of Duluth, on a collaborative project through AmeriCorps VISTA (Volunteers in Service to America). Using a design-thinking approach, the Utility Partnership and Low-Income Program Developer VISTA will create a unique partnership between local utility providers (ComfortSystems, Minnesota Power, delivered fuel providers), governmental agencies, and nonprofit organizations to establish a groundbreaking cross-sector approach to alleviating energy poverty. The VISTA member will strategically engage service providers, develop best practices and evaluation methodologies to target resources, and expand outreach to decrease the number of families facing “heat-or-eat” situations, particularly for those who have high energy usage or are past due on energy bills. The member will have access to energy program data and staff, coordinate community engagement to define opportunities and challenges from the customer’s perspective, and receive design-thinking mentorship from nonprofit and utility conservation program designers. The VISTA member will align utility programs and other low-income services to create a seamless experience for economically challenged households, co-develop outreach strategies to match need with resources, and co-create integrated pilot approaches that can leverage existing and proposed programs. Effective dates for the position are August 1, 2018 through July 31, 2019.

²³ Minnesota Power Fifth CARE Program Annual Report, Section V.A, May 26, 2018.

10. Compliance with Minnesota Statutes

The Commission required Minnesota Power to implement the CARE Program, a low-income affordability program per the requirements of Minn. Stat. §216B.16 Sub. 15(b) with the following objectives:

- Lower the percentage of income that participating households devote to energy bills;
- Increase 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.

The Company addresses each of the objectives in the subsections that follow:

a. Lower the percentage of income that participating households devote to energy bills

Minnesota Power’s CARE Program does not directly link the customer’s bill to the customer’s income. However, the Energy Assistance Program office of the Department provided the percentage of income Minnesota Power households devoted to their electric bill. That percentage has decreased in program year 2017 compared to 2016 (see Table 11 below). This information could not be efficiently extracted for CARE Program participants alone and would have required manual data manipulation. The CARE Program participants are drawn from the LIHEAP-qualified customers, so it is reasonable to assume that the percentage of income CARE Program participants devoted to their electric bills is similar, and that a discounted energy rate such as the CARE Program reduces the percentage of CARE participants’ income devoted to their electric bills.

Year	Percentage of Income MP LIHEAP Customers Devoted to Electric Bills
2013	5.30%
2014	5.30%
2015	5.50%
2016	5.10%
2017	5.00%

Table 11 - Percentage of Income to Electric Bills

b. Increase participating customer payments over time by increasing the frequency of payments

For program year 2017, CARE participants paid 71 percent of their bills; LIHEAP non-CARE customers paid 69 percent of their bills. These payment percentages exclude any energy assistance funds. Refer to Section VI.4, Table 4. The Company prefers to compare total payments to total bills rather than comparing total bills/total payments of program year 2017 to total bills/total payments of program year 2016. This is because, first, the parameters for running reports in program year 2017 have changed as explained in detail above in Section VI.3.a. Secondly - for the following same reasons stated by the Department - comparison between program years presents some challenges to affirming that payment frequency did in fact increase or decrease. In the analysis of program year 2016, the Department recognized that “absent a comparison of payment frequency for customers before and after participation in CARE, it is difficult to definitively determine whether MP’s (Minnesota Power) CARE Program increased frequency

of payments or not.”²⁴ However, because CARE participants paid 71 percent of their billed amounts compared to LIHEAP non-CARE who paid 69 percent, and CARE participants paid 86 percent of the number of bills issued compared to 78 percent of LIHEAP non-CARE (see Table 12),²⁵ the Company concludes that the CARE Program has had some success in improving frequency of payment. This new comparison approach appears to be more appropriate and will be provided going forward.

Customer Payment Frequency October 1, 2016 - September 30, 2017		
Designation	Percent of Billed Amounts Paid (\$)	Bills Paid as Percent of Bills Issued (Count)
CARE Participants	71%	86%
LIHEAP non-CARE	69%	78%
LIHEAP	70%	83%

Table 12 – Payment Frequency

c. Decrease or eliminate participating customer arrears

Minnesota Power implemented its Arrearage Forgiveness Component in January 2016. In program year 2017, the Company matched \$61,190 (or \$31 per month per customer), while in program year 2016 the Company matched \$43,379,²⁶ or \$32 per month per customer. The arrears forgiveness match was in place for only nine months in program year 2016. Following is a monthly summary of the amount of arrears the Company matched, the monthly number of participants whose arrears were forgiven, and the average dollar match per month per participant. The Company can confidently state that the total payment dollars matched reduced the duration of the customers’ arrears payments in addition to assisting customers in reducing arrears amounts.

²⁴ Minnesota Department of Commerce, Division of Energy Resources, Docket No. E015/M-11-409, Section III.A.2, page 4, Susan L. Peirce Reply Comments to the Minnesota Power’s Fifth Annual Report, October 12, 2017

²⁵ Table 4, provides the amount of bills issued and paid as well as the count of bills issued and paid.

²⁶ The amount matched by the Company has been reviewed to \$43,379 from \$47,213. The amount previously reported included October 2017 which normally belongs to program year 2017 instead of program year 2016.

Arrearage Forgiveness Statistics			
Month	Amount Matched by MP	Number of Participants	Average \$/Participant
Oct-16	\$3,834	167	\$23
Nov-16	\$3,170	139	\$23
Dec-16	\$3,981	138	\$29
Jan-17	\$4,485	148	\$30
Feb-17	\$3,716	127	\$29
Mar-17	\$3,996	133	\$30
Apr-17	\$5,255	131	\$40
May-17	\$6,516	182	\$36
Jun-17	\$6,104	185	\$33
Jul-17	\$8,138	213	\$38
Aug-17	\$6,291	215	\$29
Sep-17	\$5,705	204	\$28
Total	\$61,190	1,982	\$31

Table 13 - Arrearage Forgiveness Statistics

d. Lower utility costs associated with customer account collection activities

Minnesota Power believes in the importance of working with customers by following all rules and regulations, including notices and the option of establishing a payment agreement to avoid disconnection of service. In the event that disconnection does occur, Minnesota Power works with customers on timely reconnection.

The disconnection rate in program year 2017 was lower compared to program year 2016, as analyzed above in Section VI.5. Although the LIHEAP non- CARE disconnection rate climbed, the CARE customers’ disconnection rate decreased. Minnesota Power discusses below how to provide assistance to all identified low-income customers without distinction, which will translate into more affordable bills and would in turn mean less disconnections. The Company concludes by lowering the disconnection rate, the costs associated with customer collection activities are also lowered.

e. Coordinate the program with other available low-income payment assistance and other resources

Conservation Resources

Minnesota Power’s Energy Partners program focuses on collaborating with community agencies to provide income-eligible customers with educational resources and energy-efficient products and services to help them use energy more efficiently for the long term. The main goal of the Energy Partners program is to empower customers to save energy, which is done through services like Home Energy Analysis and direct installation of energy-efficient products. Customers are also provided with a wide variety of educational resources, one of which is information on the CARE discounted rate, with an effort to increase customer awareness about the Program. These services are provided primarily through local community agencies, including the Arrowhead Economic Opportunity Agency, Bi-County Community Action Program (“BI-CAP”), Kootasca Community Action, Lakes and Pines Community Action, Mahube-Otwa Community Action, and Tri-County Community Action (“TCC”).

An annual “Listening Session” is held near the end of each program year with agencies which help deliver the Home Energy Analysis to low-income customers. This venue gives agencies and Minnesota Power the opportunity to share updates about the CARE Program and the Energy Partners program. A listening session was held in January 2018 to gather feedback on program year 2017 and to kick off 2018 with updates to the program and efforts being made within Minnesota Power to better reach this sector of customers. Minnesota Power and TCC shared information about a new event they partnered on in the Little Falls area in 2017 targeted toward sharing energy conservation information, educating, and signing customers up for the CARE Program, and informing them about possible weatherization opportunities through the agency. In cooperation with Ruby’s Pantry, an organization that provides generous food shares to people for a small fee, representatives of Minnesota Power and TCC staffed a booth for sharing program information, answering customer questions, and partaking in the camaraderie of the community. Over 200 people attended the event. This was a great step forward in broadening the Company’s efforts to be a part of community events in other parts of its service territory, and will be used as a template in 2018 to continue to further these efforts. Minnesota Power finds listening sessions like these very valuable in that they are a place agencies can relay the interactions they experience in the field to program developers at the utility. Suggestions and feedback from these sessions are used to strengthen both the Energy Partners program and the promotion and implementation of the CARE Program.

In-person visits were conducted with agencies that were the most active in the Energy Partners program in 2017. These visits allowed Minnesota Power and the agency to meet one-on-one, strengthening that line of communication and giving both parties a chance to dig into processes and programs to better understand the details and to explore where improvements could be made. These meetings resulted in more in-depth conversations into things like CARE, rebate programs, and the particulars of Home Energy Analysis.

The Energy Awareness Expo is held in October of each year at the Duluth Salvation Army. Minnesota Power collaborates with the City of Duluth, ComfortSystems, Arrowhead Economic Opportunity Agency, United Way, Community Action of Duluth, and other fuel suppliers to plan and implement the event. The event focuses on providing energy conservation information, energy-efficient products and the opportunity to sign up for fuel assistance. Community agencies are also available to provide education and services to the low-income community. CARE Program representatives from the Company are on-hand with a designated table to help customers sign up for the discounted rate and learn more about the Program.

In 2016, Minnesota Power introduced a soft roll-out of a new tool to customers who had previously participated in the beta online portal. The new tool, MyMeter, replaced the Power of One® Choice Portal and the Your Home Energy Report. This new tool is a digitally-based solution that enables residential customers to access their energy usage data, set up customized notifications for reaching energy thresholds, and set energy markers to track energy-saving purchases and actions that may affect their energy usage. In 2017, MyMeter was rebranded as My Account and rolled out more broadly with the addition of online account information and online payment options.

In addition to low income-focused events, Minnesota Power Conservation Improvement Program (“CIP”) team representatives participated in a wide range of community events during the 2017 program year, including Earth Fest, Harvest Festival, Senior Expo, Ruby’s Pantry, and the Duluth Home Show promoting energy conservation programs and increasing awareness about the CARE Program.

The breakdown in Table 13 below illustrates how participants were tracked and illustrates both historical and current numbers:

Received a Home Energy Analysis (“HEA”) – CARE participants who received a HEA within each CARE program year,

Direct installations resulting from HEA – Measures that CARE participants received during a HEA completed in each CARE program year, and

Participants (“measures”) in CIP – Measures that CARE participants completed in each CARE program year through all CIP programs.

Comparison Table of CARE Participant to CIP Programs				
Designation	2017	2016	2015	Percent of Change from 2016 to 2017
Received a Home Energy Analysis (HEA)	378	409	301	-8%
Direct Installations resulting from HEA	6,669	8,809	5,031	-24%
Participants (measures) in CIP	6,844	8,926	5,140	-23%

Table 14 - CARE Program Participation to CIP Program

VII. CARE Proposed Modifications

Since its inception in 2011, Minnesota Power has continually made improvements to its CARE Program in an effort to better address the practical concerns of its customers and other stakeholders. Chart 2 on page 6 above shows a timeline of these improvements.

Minnesota Power is proposing additional modifications in this report, also with the goal of improving the CARE Program as a whole. The proposed modifications are explained in detail below and shown in redline and clean format in Attachment J (the proposed CARE Rider tariff sheet).

1. Removal of Service Condition 8 (Missed Payments) of the CARE Rider

Current status - If a customer is enrolled in CARE and misses two consecutive payments, the customer is to be removed from the CARE Program and placed on the standard Residential rate. At that time, the customer will become subject to standard collections activities for any past due amounts. If the customer continues to miss payments on the standard Residential rate, they will go through the same collections activities and disconnection process as any standard Residential customer.

Proposed modification – Minnesota Power proposes to remove the current Service Condition 8 of the CARE Rider. If a customer takes service at the CARE Rider and misses a payment(s), the customer will remain in the CARE Program. The Customer Information Representative in coordination with the VISTA member will reach out to this customer and establish communication with the goal to prevent disconnection. This includes, but is not limited to, working with customers to identify payment agreements in an effort to avoid disconnection, a personal visit or call where direct contact with the customer is attempted, and on-site personnel at the time of potential disconnection with the ability to accept payment. In the event the customer reaches the disconnection stage, the Company will continue

to follow the same collections activities and disconnection process as for a customer on the standard Residential rate.

Justification – While the Company will work with the customer to establish a payment plan and avoid potential disconnection, keeping a struggling customer on the discounted CARE rate would make it easier for the customer to get back on track, rather than removing the discount and expecting the customer to afford paying the standard Residential rates on top of any arrears. Removing this service condition would also greatly reduce the administration process in the handling of customers in CIS.

2. Adjustment to Arrearage Forgiveness Condition 6 (New Arrears)

Current status – If a Customer enrolled in CARE has new arrears, it means the Customer has missed two consecutive payments. Service Condition 8 would then apply, and the Customer would no longer be eligible for the CARE Program or the Arrearage Forgiveness Component.

Proposed modification – Minnesota Power proposes to adjust Arrearage Forgiveness Condition 6 of the CARE Rider along with the proposed removal of Service Condition 8. If a LIHEAP customer taking service under the CARE Rider misses a payment(s), including a payment arrangement,²⁷ the customer will remain in the CARE Program and will follow the same collections activities and disconnection process as a customer on the standard Residential rate.²⁸

Justification - Following the same assumptions as for the proposed removal of Service Condition 8, Minnesota Power will continue to work with the customer to establish a payment plan and avoid potential disconnection. The proposed modification is in line with the current process in place in the Company for all payment plans. Keeping a struggling customer on the discounted rate of the CARE Program would make it easier for the customer to make further payments on their bill rather than removing the discount and expecting the customer to afford paying the standard rates. Arrears are only matched at the time the customer initially takes service under the CARE Rider, subject to customers actually having arrears, or at the effective date of the Arrearage Forgiveness Component whichever is later as outlined in tariff sheet of the CARE Rider Arrearage Forgiveness Condition 1. The Company suggests monitoring the effect this proposed modification will have on arrears and will report it in its next annual filing.

3. Cold Weather Rule Protection and CARE Program

Current Status – While there is currently no language in Minnesota Power’s Electric Rate Book regarding CWR protection and the CARE Program, the Company stated in its Reply Comments dated March 1, 2013²⁹ in this docket that its CIS could not handle the complexity of a customer receiving CWR protection at the same time of being enrolled in the CARE Program. Minnesota Power works with customers to get their suggestions regarding acceptable payment amounts and, since income verification is not conducted, customers are essentially self-declaring what they feel are attainable payments within their income constraints during the CWR protection months.

Proposed modification – Customers who are LIHEAP-qualified and who seek CWR protection will now be able to stay enrolled in the CARE Program. Following the implementation of the updated CIS,³⁰ and its

²⁷ Payment arrangements are established in the context of Arrearage Forgiveness Component.

²⁸ These procedures are described in the Electric Service Regulations of Minnesota Power, Minnesota Power Electric Rate Book, Section VI, most specifically on pages 3.4 and 3.17

²⁹ Docket No. E015/M-11-409, Minnesota Power’s Reply Comments dated March 1, 2013, Section IV, page 4

³⁰ The updated CIS was implemented May 2015.

quest to continue to better serve its customers, the Company, through utilization of features in its new CIS, was able to resolve the issue that prevented accommodating a customer with the two options - CWR and CARE discount. Although handling customers under the CWR protection and the CARE discount at the same time may still create some issues, the benefit to the customer outweighs the complexity. Nonetheless, the handling of a CARE arrears payment arrangement and a CWR payment plan³¹ for the same customer at the same time remains problematic. Therefore, if a customer has a payment arrangement under the Arrearage Forgiveness Component but chooses to be protected under the CWR, the customer will have a payment plan set, but will have to forgo the payment arrangement and therefore will lose the Company arrears payment match.

If a LIHEAP-qualified customer who was enrolled in the CARE Program prior to opting for service under the CWR has not met the agreed-upon minimum payment during the CWR period, the customer will follow Minnesota Power's standard customer collection activities and disconnection process. Minnesota Power proposes that reconnection should be under the CARE Program rather than the standard Residential rate, assuming LIHEAP status is retained by the customer at the time of reconnection. The only time reconnection under the standard Residential rate would occur is if the customer is no longer LIHEAP-qualified at the time of reconnection.

Justification – Returning LIHEAP-qualified customers to the CARE Program in the reconnection process and allowing them to remain in the CARE Program while seeking CWR protection will help them benefit from the discounted rate, lessen the struggle to pay, and ease the administrative burden on the Company associated with manually moving these customers from one program to another. The Company again suggests monitoring the effect this proposed modification will have on arrears balance and reporting on it in its next annual report.

4. Expanded Enrollment in the CARE Program and Affordability Surcharge Changes

Current Status – The CARE Program is only available to LIHEAP-eligible customers who have applied to the Program.

Proposed modification - Minnesota Power proposes to enroll LIHEAP-qualified customers in the CARE Program automatically. If this modification is approved, there will no longer be a separate application process for the Program.

Maintained criteria – Any LIHEAP-qualified customers would be enrolled in the CARE Program, regardless of whether they have received energy assistance funds or not. Customers have until May 31 each year to renew their LIHEAP eligibility. The Company will run a reconciliation on or after June 1 of each year to remove customers who have not renewed their LIHEAP qualification.

Justification – By automatically enrolling all LIHEAP-qualified customers in the CARE Program and keeping the administration within the Company, the customer and administrative burdens will be significantly reduced.

Completing the qualification process to enroll in the LIHEAP program is already very challenging for low-income customers; requiring another application is an additional challenge for the customer. Minnesota Power has seen the limit of asking customers to apply first for LIHEAP and then apply for the CARE

³¹ A payment arrangement in the context of the Arrearage Forgiveness Component is the past due bills for electric service spread over 24 months and put in a 24-month payment arrangement program and a separate service agreement is set up. A payment plan which at times is synonymous of payment agreement is a payment plan offered by the Company and accepted by the customer is usually used in the context of CWR considering the customer's ability to pay. It is a set frequency of payments to bring the account current or prevent disconnection.

Program. Since its third implementation year, the CARE participation has stagnated around 5,000 participants while another approximately 5,000 identified low-income customers have not applied. The stakeholders as well as the Commission have repeatedly asked Minnesota Power to increase its LIHEAP pool and also its CARE participation. Enrolling all LIHEAP-qualified customers will save time, reduce administrative and related costs, and will provide the discount to all LIHEAP-qualified customers. By doing so, the Company could further focus on efforts to increase its LIHEAP pool of customers by doing more outreach. Further, there is no added value to continue requiring already identified LIHEAP-qualified customers to apply for the CARE Program. Minnesota Power believes the proposed modification to be a customer-centric approach; no identified low-income customer would be disenfranchised.

Minnesota Power appreciates that this proposed modification may draw some concern or criticism. While an argument could also be made that the CARE Program should provide a deeper discount to a select few, the Company finds it more acceptable and reasonable to have a discount that could be offered to many who also merit relief, but face more barriers of filling out paper work.

For the past six years, Minnesota Power has made great strides in learning about its low-income customers' behaviors, the difficulties they face, and the opportunities for improving its pilot affordability program to serve its customers better. The Company requests to change its Pilot Rider for Customer Affordability of Residential Electricity to a standard Rider for the CARE Program, while continuing to ensure annual reporting as required by the MPUC.

Affordability Surcharge for Program Funding

The changes described above will all have a positive impact on both low-income customers and the Company in that the administrative and customer burdens and barriers to enrollment will be alleviated. Making the adjustment for all LIHEAP-qualified customers to automatically be enrolled in the CARE Program will, however, require an increase to the affordability surcharge other customers pay to fund the program. For this, Minnesota Power has explored three options to increase the affordability surcharge to cover additional rate discounts, as provided in Options A, B, and C below. For the reasons described below, Minnesota Power proposes that the surcharge rate adjustments shown in Table 15 Option A be approved by the Commission with an effective date of October 1, 2018. In each option, program year 2019 (October 1, 2018 - September 30, 2019) is referred to as Year 1, program year 2020 (October 1, 2019 – September 30, 2020) is referred to as Year 2, and program year 2021 (October 1, 2020 – September 30, 2021) is referred to as Year 3. To see calculation details for the surcharge, the projected tracker balance and the rate impacts associated with the various options, please refer to Attachment I.

The cost allocation method provided in Attachment I derives from the existing methodology and is used in setting the current affordability surcharge rates by rate class. This methodology uses the Customer Charge Ratio per customer which was approved by the Commission in its December 3, 2012 Order.³² The calculation excludes application of the affordability surcharge to the Lighting class and customers who are LIHEAP-qualified. The Customer Charge Ratio allocates the total CARE Program funding to the various customer classes based on a ratio of the total monthly revenue from the service charges for each class. The current methodology calculation is shown on page 15 of 19 of Attachment I.

³² *In the Matter of Minnesota Power's Petition for Approval of a Pilot Rider for Customer Affordability of Residential of Electricity*, Docket No. E015/M-11-409, ORDER APPROVING CHANGES TO CUSTOMER AFFORDABILITY PROGRAM AND SETTING FURTHER REQUIREMENTS at 1

Consistent with the above description, the proposed calculation of the updated affordability surcharge follows the same methodology. It also incorporates actual CARE surcharge collections etc. and LIHEAP customer data as shown on Attachment I pages 16 through 19 of 19.

Pages 18 and 19 of 19 – Estimated CARE Discount and Arrears Forgiveness Match for All LIHEAP Customers

- a) The total bill amount for CARE customers (line 1), the total energy discount provided to CARE customers (line 2), and the total service charge discount provided to CARE customers (line 3) for the period of October 2016 to April 2018 are added and the sum is divided by the total energy discount provided to CARE customers (line 1) to obtain the percentage of the total bill to CARE customers (line 4).
- b) The actual total bill amount of all LIHEAP-qualified customers accounted for in CIS for the period of October 2016 to April 2018 (line 5) is multiplied by the percentage of the total bill to CARE customers (line 4 or 7) to obtain the estimated energy discount that will be provided to actual known LIHEAP-qualified customers (line 6).
- c) The percentage of arrears to CARE customers the Company matched (line 10) is obtained by dividing the total arrears forgiveness payment match for actual CARE customers (line 8) by total amount of CARE customers' arrears (line 9).
- d) The percentage of arrears of LIHEAP-qualified customers the Company estimates to match (line 13) is applied to the total amount of arrears for all LIHEAP-qualified customers (line 12) to obtain the estimated total arrears forgiveness payment match for all LIHEAP customers (line 11).
- e) Line 14 is the total energy discount provided to CARE customers for the period of October 2016 to April 2018; line 15 is the affordability interim discount to CARE customers following the a rate increase that derived from the current rate case.³³
- f) The estimated service charge discounts to LIHEAP-qualified customers (line 17) is the total number of customers that were LIHEAP-qualified in the respective months for the period of October 2016 to April 2018.
- g) The estimated total CARE expenses is equal to the estimated service charge discounts (line 17 or (f) above) plus the estimated energy charge discount (line 18 or 6 or (b) above) plus the estimated arrears forgiveness match (line 20 or 11 or (d) above) which amounts to \$3,888,874 for 19 months or an average of \$204,678 monthly.

Page 3 of 19 – Option A - Surcharge Calculation

The revenue from the service charge for each rate class (column [c], lines 4-8) is obtained by multiplying the updated customer count (2018 budget customer count, lines 4-8, column [b]) by the current service charge (lines 4-8, column [a]). The percent of revenue is obtained by dividing each revenue class (line 4-8, column [c]) by the total revenue from service charge (line 9, column [c]). This percent of revenue (lines 4-8, column [d]) is multiplied by the estimated CARE expense as described in (f) above (line 3 or column [a], or line 15, column [a]) to determine each rate class CARE Program responsibility (lines 10-14, column [a]). The proposed affordability surcharge per year (lines 10-14, column [b]) is obtained by dividing the CARE Program responsibility per class (lines 10-14, column [a]) by respective customer count (lines 4-8, column [b]). The proposed affordability surcharge per year (lines 10-14, column [b]) is divided by 12 to obtain the monthly affordability surcharge required (lines 10-14, column [c]) to serve all identified LIHEAP-qualified customers.

³³ See Attachment H, line 27.

Option A - Table 15: - In this option, the Company proposes phasing-in the affordability surcharge increase over three years. As shown below in Table 15, for Year 1, the Company would bill each rate class at the rates in column [b], in Year 2 at the rates in column [c], and in Year 3 forward at the rates in column [d]. The proposed rate increase is gradually phased-in (Attachment I, page 3 of 20, lines 16-20, columns [c], [d] and [e]) to avoid rate increase shock while monitoring the projected tracker balance. These proposed increases were developed with the assumption that as more LIHEAP customers are identified and qualified, they will be automatically enrolled in the CARE Program and the added customer discounts will reduce the existing tracker balance. Phasing in the affordability surcharge increase will allow the Company to carefully monitor the tracker so that it will not totally deplete at once. Projected tracker balances at the end of Years 1, 2, and 3, respectively, are \$241,404, \$57,757, and \$66,731; see Attachment I pages 4-6, respectively. The estimated bill impact for Year 1 is shown in Table 15 below, column [e], Year 2 in column [f], and Year 3 is in column [g]. The calculation of the estimated bill impact is also shown on Attachment I page 3, lines 21-25 columns b, c, and d respectively. The Company believes that this level of affordability surcharge will cover the discount provided to customers and the arrears payment match, which should decrease over time as customers remain on the program.

Rate Class	Current	Proposed	Proposed	Proposed	Increase on	Increase on	Increase on
	[a]	[b]	[c]	[d]	[e]	[f]	[g]
<i>Proposed Effective Date</i>		10/1/2018	10/1/2019	10/1/2020	10/1/2018	10/1/2019	10/1/2020
Residential	\$ 0.51	\$ 0.92	\$ 1.10	\$ 1.20	0.50%	0.22%	0.12%
General Service	\$ 0.67	\$ 1.22	\$ 1.50	\$ 1.60	0.18%	0.09%	0.03%
Large Light & Power	\$ 10.81	\$ 24.00	\$ 25.00	\$ 26.00	0.06%	0.00%	0.00%
Large Power	\$ 1,130.72	\$ 1,900.00	\$ 2,400.00	\$ 2,740.00	0.02%	0.01%	0.01%
Municipal Pumping	\$ 0.67	\$ 1.22	\$ 1.50	\$ 1.60	0.10%	0.05%	0.02%

Table 15 - Option A - Proposed Affordability Surcharge Phase-in Adjustment Over Three Years

Option B - Table 16: - In this scenario, the Company would phase-in the affordability surcharge increase at the same rate in Year 1 and Year 2, and at a different rate in Year 3. In Year 1 and 2, the Company would bill each rate class at the rates shown below in column [b] and [c] respectively, and in Year 3 forward at the rate shown in column [d]. The phase-in would absorb approximately 50 percent of the existing tracker balance starting October 2018 or \$394,197, in Year 1 and another \$394,197³⁴ in Year 2. The estimated bill impact for Year 1 and Year 2 is in column [e] and Year 3 is in column [f].³⁵ Projected tracker balances at year-end for Years 1, 2, and 3, respectively, are \$413,870, \$38,387, and \$46,475 as shown in Attachment I, pages 8-10. The Company feels that this level of affordability surcharge phase-in would allow a smooth depletion of the tracker which would inform the Company if further adjustment is required sooner (mainly as it pertains to arrears) as more LIHEAP-qualified customers are enrolled in the Program.

³⁴ Attachment I, page 7 of 19, line 4 column [a]. This tracker projected amount comes from page 2 of 19 (line 41, column [n], and is divided by 2. The methodology to calculate the affordability surcharge required to provide the discount to all LIHEAP-qualified customers is the same as in Table 15. The phase-in is shown in lines 18-22, columns [e], [f], and [g] respectively.

³⁵ Attachment I, page 7 of 19, the projected bill impact calculation is shown in lines 24-28, columns [b], [c], and [d], respectively.

Rate Class	Current Affordability Surcharge	Proposed Affordability Surcharge Year 1	Proposed Affordability Surcharge Year 2	Proposed Affordability Surcharge Year 3 forward	Increase on Total Bill Year 1 & Year 2 vs. Present	Increase on Total Bill Year 3 forward vs. Year 1 & Year 2
	[a]	[b]	[c]	[d]	[e]	[f]
<i>Proposed Effective Date</i>		10/1/2018	10/2/2019	10/1/2020	10/1/2018	10/1/2020
Residential	\$ 0.51	\$ 1.00	\$ 1.00	\$ 1.20	0.63%	0.24%
General Service	\$ 0.67	\$ 1.36	\$ 1.36	\$ 1.60	0.23%	0.09%
Large Light & Power	\$ 10.81	\$ 24.50	\$ 24.50	\$ 26.00	0.05%	0.02%
Large Power	\$ 1,130.72	\$ 2,150.00	\$ 2,150.00	\$ 2,740.00	0.03%	0.01%
Municipal Pumping	\$ 0.67	\$ 1.36	\$ 1.36	\$ 1.60	0.13%	0.05%

Table 16 - Option B - Affordability Surcharge Phase-in Adjustment Over Three Years, with Same Increase for Year 1 and 2

Option C - Table 17: - In this scenario, the Company would phase-in the affordability surcharge increase at different rates over two years. In Year 1, the Company would bill each rate class at the rates in column [b], and in Year 2 and forward, at the rate in column [c]. The phase-in would absorb 100% of the existing tracker balance as of October 2018, or approximately \$788,395,³⁶ in Year 1. Projected tracker balances at the ends of Years 1, 2, and 3, respectively, are \$62,637, \$118,773, and \$177,457.³⁷ The estimated bill impacts for Year 1 and Year 2³⁸ forward are shown in column [d] and [e], respectively.

Rate Class	Current Affordability Surcharge	Proposed Affordability Surcharge Year 1	Proposed Affordability Surcharge Year 2 forward	Increase on Total Bill Year 1 vs. Present	Increase on Total Bill Year 2 forward vs. Year 1
	[a]	[b]	[c]	[d]	[e]
<i>Proposed Effective Date</i>		10/1/2018	10/1/2019	10/1/2018	10/1/2019
Residential	\$ 0.51	\$ 0.83	\$ 1.23	0.39%	0.48%
General Service	\$ 0.67	\$ 1.08	\$ 1.62	0.14%	0.18%
Large Light & Power	\$ 10.81	\$ 17.57	\$ 26.19	0.03%	0.04%
Large Power	\$ 1,130.72	\$ 1,836.81	\$ 2,738.25	0.02%	0.02%
Municipal Pumping	\$ 0.67	\$ 1.08	\$ 1.62	0.08%	0.10%

Table 17 - Option C - Affordability Surcharge Phase-in Adjustment Over Two Years

In order to address the Commission's and stakeholders' concerns regarding outreach and providing relief to struggling low-income customers, and to further comply with Minn. Stat. §216B.16 Sub. 15(b), Minnesota Power requests that the Commission approve one of the above options, Minnesota Power's preference being Option A, with an effective date of October 1, 2018. This date coincides with the start of the next LIHEAP season.

³⁶ Attachment I, page 11 of 19, line 4. This tracker projected amount comes from page 2 of 19, line 41, column [n].

³⁷ Attachment I, the projected tracker balances are shown on pages 12-14 of 19, line 41, column [n].

³⁸ Attachment I, the projected bill impact calculation is shown on page 11 of 19, lines 24-28, columns [b], [c], and [d] respectively.

Minnesota Power provides an updated tariff sheet for the CARE Pilot as Attachment J. The updated tariff sheet includes the Company preferred proposed modifications and is provided as redline and clean versions.

VIII. Conclusion

Minnesota Power had been providing services to its low-income population for more than a decade through various avenues such as CIP, the Residential tiered energy rates, before establishing the discounted rate known as the CARE Program.

The proposed modifications mentioned and requested in this filing are intended to improve the CARE Program along with other affordability program offerings. As is often the case with a pilot program, the Pilot Rider for Customer Affordability of Residential Electricity has now evolved to the point where it can be reclassified as a standard rider with annual compliance requirements. Minnesota Power requests that the Commission:

- 1) Accept this compliance filing as complete,
- 2) Approve the reclassification from a Pilot Rider for CARE to a standard rider,
- 3) Approve the removal of CARE Rider Service Condition 8 on missed payments and the adjustment of Arrearage Forgiveness Condition 6 on arrears so that customers can be retained in the CARE Program as long as they are LIHEAP-qualified,
- 4) Allow Minnesota Power to maintain CARE Program participation for customers requesting the Cold Weather Rule protection as long as these customers are LIHEAP-qualified,
- 5) Approve Option A requesting the Affordability Surcharge increase, and
- 6) Approve the automatic enrollment in the CARE Program of all LIHEAP-qualified customers until they are no longer qualified as LIHEAP.

The Company proposes that these modifications be effective October 1, 2018 to coincide with the start of the LIHEAP program year.

Dated: May 31, 2018

Respectfully submitted,



M. Micheline Bayiha
Cost & Pricing Analyst Senior
Minnesota Power
30 West Superior Street
Duluth, MN 55802
(218) 355-3121
mbayiha@mnpower.com

Minnesota Power
Docket No. 015/M-11-409
Outreach Overview - Period October 1, 2016 to September 30, 2017

Attachment A

Category	Description	Date
Mass Outreach	Heat Share and Cold Weather Rule bill inserts for all customers.	10/01/16
Targeted Communications	IVR calls promoting Cold Weather Rule to Residential Customers with arrears greater than 30 days. Regardless of income level (LIHEAP-qualified or not), we generate IVR calls, targeting all residential customer accounts with arrears greater than 30 days.	10/16/16
Community Events/Collaborative Services with Partners	Energy Awareness Expo - distributed 400 Energy Saving Kits.	10/25/16
Community Events/Collaborative Services with Partners	MMAHEN Stakeholder meeting.	1/11/17
Online/Social Media	Affordability programs post on Twitter	1/17/17
Online/Social Media	HeatShare post on Twitter	1/18/17
Community Events/Collaborative Services with Partners	Launch of Minnesota Power's Low-Income Solar Pilot - This program supports individual customer solar incentives and provides funding for solar education and outreach, research and development, and program development and delivery. Minnesota Power has recently been authorized to create a SolarSense low-income solar pilot program. Minnesota Power has established a Low Income Solar Program Committee which aims to expand participation in solar programs to all customers by exploring innovative ways to overcome solar adoption challenges that many low-income customers face.	04/01/17
Online/Social Media	LIHEAP/EAP post on Twitter and Facebook	4/20/17
Community Events/Collaborative Services with Partners	Iron Range Earth Fest - handed out information on Affordability Programs.	4/21/17
Community Events/Collaborative Services with Partners	Made an over-the-phone application option for LIHEAP-qualified customers to apply for CARE.	08/01/17
Online/Social Media	Website refresh (added more information, updated copy), improved navigation.	08/01/17
Online/Social Media	Made the CARE application fillable online.	08/01/17
Targeted Communications	IVR calls to 3K plus customers that are LIHEAP-qualified, but not on CARE rate, encouraging them to call and apply over the phone.	08/01/17
Mass Outreach	Facebook post on MN Power page regarding LIHEAP Action Month	08/09/17
Online/Social Media	LIHEAP post on Facebook	8/9/17
Community Events/Collaborative Services with Partners	In-person eHeat Discussion w/ AEOA	08/28/17
Mass Outreach	Rights and Responsibilities (CWR) bill inserts for all customers. The insert has a full list of EAP Service Provider Agencies and contact information by county, along with the CWR rights and responsibilities.	09/01/17
Targeted Communications	LIHEAP focused post cards mailed to almost 12K customers that met at least one of the following criteria: -Came off of LIHEAP in the last three years, but came off and has an active SA -Missed two or more payments within the last two years -Used Payment arrangements -Used Cold Weather Rule	09/01/17
Targeted Communications	LIHEAP focused postcards: -Contracted Home Energy Auditors (200) -Employees in Fleet Maintenance (10) -Employees in the Customer Call Center (30)	09/01/17
Community Events/Collaborative Services with Partners	Duluth Harvest Festival	09/09/17
Community Events/Collaborative Services with Partners	Training with Bi-Cap Agency 2018 Program Year staff	09/13/17
Online/Social Media	LIHEAP post on Twitter and Facebook	9/20/17
Targeted Communications	CARE Brochure inserted in Buddy Backpacks (food for kids to take home over the weekend) in Eveleth	09/20/17

Minnesota Power
Docket No. 015/M-11-409
Outreach Overview - Period October 1, 2016 to September 30, 2017

Attachment A

Category	Description	Date
Online/Social Media	LIHEAP post on Twitter	9/21/17
Targeted Communications	LIHEAP focused post cards sent to Home Energy Analysis auditors to pass out in their packets after an HEA with customer. Told auditors our effort to get more folks aware of LIHEAP and to add this to their packet of energy conservation they leave with the customer after an HEA.	09/22/17
Online/Social Media	LIHEAP post on Facebook	9/23/17
Community Events/Collaborative Services with Partners	Little Falls - Ruby's Pantry. Staffed table at event. See conservation counts article on it for more info.	09/25/17
Mass Outreach	Minnesota Public Radio ad: <i>Programming is supported by Minnesota Power, an UH LEET company, letting customers know that you ... or someone you know ... may qualify for energy assistance. Call your energy assistance agency at 800-657-3710 to apply or visit M N Power dot com backslash E A P Providers.</i> Sent on 9/25/17, airing through November.	09/25/17
Online/Social Media	LIHEAP post on Twitter	9/25/17
Online/Social Media	LIHEAP post on Facebook	9/26/17
Online/Social Media	LIHEAP post on Facebook	9/30/17
Targeted Communications	4K+ LIHEAP postcards and supplementary letter sent to 200+ businesses, agencies and churches outlining EAP and other programs (20 sent to each), copy of list and letter in "Outreach" folder.	09/30/17

Do you or someone you know need help paying energy bills?

An Energy Assistance Program, or EAP, may be able to help.
Visit mnpower.com/EAPproviders or call **1-800-657-3710** and get started by applying today.



AN ALLETE COMPANY

30 W. Superior Street
Duluth, Mn 55802

Did you know?

Income qualified households may receive help from their Energy Assistance Program (EAP) provider such as:

- Payment of energy bills
- Help with utility disconnections or fuel deliveries
- Repair or replacement of broken heating systems

Get started by applying to the energy assistance program (EAP) provider in your area.

To find an EAP provider, visit mnpower.com/EAPproviders or call 1-800-657-3710 (press 1 at the prompt).



AN ALLETE COMPANY

Households that qualify for energy assistance are also eligible to receive benefits from Minnesota Power such as:

- Reduced electric rate (CARE)
- Exemptions from some fees
- Weatherization and energy-efficiency programs

Visit mnpower.com/assistance or call us at 1-800-228-4966 for more information

October 1, 2017

Subject: Spreading the Word about Energy Assistance

Dear Community Partner:

You have been identified as an organization or service provider that could help Minnesota Power spread the word about available energy assistance programs. Did you know that about 1 in 3 Minnesota Power customers may be eligible for a federally funded home energy assistance program? That means their annual income is at or below 50 percent of the state median income. (see pg. 3 for income guidelines.) That's why Minnesota Power is working to educate our customers about Low-Income Home Energy Assistance Program (LIHEAP)—and other energy assistance programs and services—and how they can help people struggling to pay their energy bills.

Knowing if customers qualify for LIHEAP is important because it means they may be eligible for other assistance (see more below). Oct. 1 marks the beginning of a new program year for LIHEAP and it's a great time to get the word out about what's available for customers who need help.

Resources for our most vulnerable customers

LIHEAP is a federally funded block grant appropriated by Congress. Minnesota's LIHEAP, titled the "Energy Assistance Program" (EAP), is managed by the Minnesota Department of Commerce and 100+ partnering service provider agencies throughout the state.

The LIHEAP program year is Oct. 1 through Sept. 30, and customers have to reapply annually. Households can apply through their local service provider agency to become qualified for LIHEAP (Minnesota Power does not collect or store customer income data). Once their application has been approved by their agency, financial assistance can be applied to their heating and electric bills (subject to funding availability).

In addition to providing financial assistance for home energy bills, LIHEAP provides:

- Help with utility disconnections or fuel deliveries
- Education on efficient and safe use of energy
- Advocacy with energy suppliers and human service providers
- Repair or replacement of homeowners' broken heating systems

Opening doors to further assistance

In accordance with various Minnesota state laws, MP requires customers to apply for LIHEAP in order to demonstrate financial need for our other energy assistance programs and services. This is an important point when sharing information about energy assistance with others: **even if LIHEAP funding is depleted, customers will still need to apply and become LIHEAP-qualified in order to be eligible for other energy assistance programs.**

Once qualified, Minnesota Power receives a notice for the individual's account, which makes the customer eligible for additional energy assistance programs and services (*indicates LIHEAP-qualification is not necessary to participate in program):

*Cold Weather Rule** – In accordance with Minnesota's Cold Weather Rule, MP does not disconnect and will reconnect utility service for residential customers who agree and adhere to a mutually acceptable payment plan. The Cold Weather Rule starts on Oct. 15 and ends on April 15 of each calendar year.

Customer Affordability of Residential Electricity (CARE) Program – The Company's CARE Program provides a discounted rate to LIHEAP-qualified customers, in addition to decreasing participating customers' arrears. For each

participant who is current on their bill and pays a portion of the payment that is owed, the company matches the arrears portion at 100 percent.

Energy Partners Conservation Program – The Energy Partners program focuses on empowering low-income customers to save energy through educational resources, a home energy analysis, direct installation of energy-efficient products, and replacement of inefficient appliances.

Payment Options: (For more information, call MP at 1-800-228-4966).

- Payment Arrangements*: Minnesota Power works with customers to identify mutually agreeable terms to pay past-due balances and current bills.
- Payment Plan*: Minnesota Power works with customers to schedule payments to pay outstanding balances. These are usually short-term plans aimed at giving customers an extension until their next billing statement.
- Late payment charges waived: All LIHEAP-qualified customers are exempt from late payment charges on their Minnesota -Power electric bill.
- Budget Billing*: Customers can spread a year's electricity bills evenly across 12 months to simplify monthly payments and budgeting, smoothing out higher-than-average bills that may be experienced in colder months.

What you can do to help

Be sure to check out our website for more information on the programs and services mentioned above at www.mnpower.com/assistance.

Please consider sharing or displaying the enclosed postcards, if you'd like more or have questions please reach out to the contact listed below.

Sincerely,

Pam Schmitt
Customer Solutions Analyst
pschmitt@mnpower.com | (218) 355-3037

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
4	\$12,019	\$48,077
5	\$13,942	\$55,769
6	\$15,865	\$63,462
7	\$16,226	\$64,904
8	\$16,586	\$66,346
9	\$16,947	\$67,789
10	\$17,307	\$69,231
11	\$17,668	\$70,673
12	\$18,029	\$72,116
13	\$18,389	\$73,558
14	\$18,750	\$75,000
15	\$19,409	\$77,638
16	\$20,559	\$82,236
17	\$21,708	\$86,834
18	\$22,858	\$91,432
19	\$24,007	\$96,030
20	\$25,157	\$100,628

Social Service Agencies

Aitkin County:

Lakes & Pines Community Action Council*
320.679.1800 800.832.6082
Aitkin Health & Human Services
218.927.7200 800.328.3744

Benton County:

Tri-County Community Action Program
320.251.1612 888.765.5597
Benton County Human Services
320.968.5087

Carlton County:

Lakes & Pines Community Action Council*
320.679.1800 800.832.6082
Carlton County Human Services
218.879.4511 800.642.9082
Cloquet & Moose Lake
218.485.8520 888.485.8520

Cass County:

Bi-County Community Action Program
218.751.4631 800.332.7161
Cass County Health, Human and Veteran Services
218.547.1340

Crow Wing County:

Lutheran Social Services
218.829.5000 800.829.5902 (Brainerd)
Crow Wing County Economic Assistance Information
218.824.1250 888.772.8212
Tri-County Community Action Program*
218.829.2410

Hubbard County:

Mahube-Otwa Community Action Partnership *
218.732.7204 800.450.1385
Hubbard County Social Services
218.732.1451 877.450.1451

Isanti County:

Lakes & Pines Community Action Council*
320.679.1800 800.832.6082
Isanti County Family Services
763.689.1711

Itasca County:

Kootasca Community Action Council*
218.999.0824 877.687.1163
888.249.8879 (nights and weekends)
Itasca County Health and Human Services
218.327.2941

Koochiching County:

Kootasca Community Action Council*
218.999.0824 877.687.1163
Koochiching County Community Services
218.283.7000 800.950.4630

Lake County:

AEOA
218.749.2912 800.662.5711
Lake County Human Services
218.834.8400

Mille Lacs County:

Lakes & Pines Community Action Council*
320.679.1800 800.832.6082
Mille Lacs County Community and Veteran Services
320.983.8208 888.270.8208

Morrison County:

Tri-County Community Action Program*
320.251.1612 Opt 2 888.765.5597
Morrison County Social Services
320.632.2951

Pine County:

Lakes & Pines Community Action Council*
320.679.1800 800.832.6082
Pine County Health and Human Services
320.216.4100 800.450.7463

St. Louis County:

AEOA
Outside of Duluth 800.662.5711 ext.3011
Duluth 218.623.3011
St. Louis County Public Health & Human Services
(Duluth)
218.726.2222 800.450.9777
United Way Information & Referral
211 800.543.7709

Salvation Army
218.722.7934

Stearns County:

Tri-County Community Action Program
320.251.1612 888.765.5597
Stearns County Human Services
320.656.6000 800.450.3663

Todd County:

Todd County Social Services
320.732.4500 888.838.4066

Wadena County:

Mahube-Otwa Community Action Partnership
218.632.3600
Wadena County Human Services
218.631.7605 888.662.2737

Fond du Lac Reservation:

218.878.2658 800.365.1613

Leech Lake Band of Ojibwe:

218.335.3783 866.864.8668

Mille Lacs Band of Ojibwe:

Office of Energy and Emergency Services:
320.532.7880

*Weatherization programs available at no cost to you

No-Cost, Low-Cost Tips to Save Energy

- Manage your thermostat. Try 76 to 78 F during the cooling season and 66 to 68 F during the heating season.
- Use fans whenever possible instead of air conditioning, especially ceiling fans for rooms with high ceilings.
- Clean or change your furnace filters monthly. Filters are inexpensive and also clean the air you breathe.
- Lower your water heater thermostat to 120 F if possible. If you have a dishwasher, 140 F may be needed.
- Turn off all unused lights and appliances.
- Vacuum refrigerator and freezer coils every six months to improve the units' efficiency.
- Open shades on cold days to let warm sunlight in, and close shades on hot days to prevent sunlight from heating up the house.
- Wash clothes in cool water and hang clothes outside to dry when possible.
- Take shorter showers.
- Caulk and weather-strip cracks around doors and window frames to prevent drafts.
- Remove or cover window air conditioners during the heating season.
- Insulate your home adequately.
- Close the door and heat registers in unused rooms.
- Do not block radiators or warm air registers with furniture, drapes or other objects.

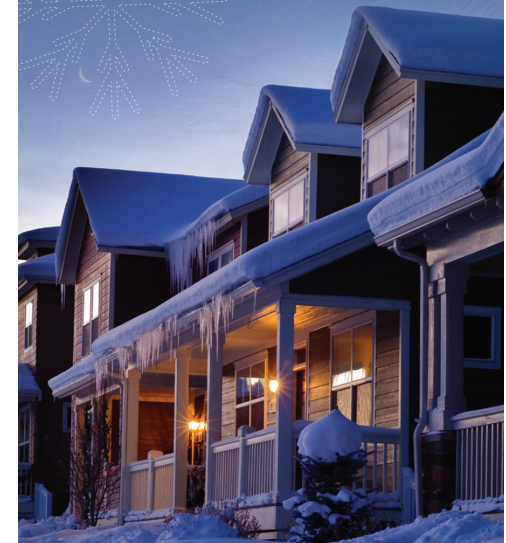
For information on how you can become more energy efficient at home, at work or in your community, visit Minnesota Power's energy conservation website at www.mnpower.com/powerofone.



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J-67063

A Helping Hand With Energy Bills



Rights and Responsibilities
Under the Minnesota Cold Weather Rule



The Minnesota Cold Weather Rule

Some customers find it hard to pay their utility bills in the winter. The state of Minnesota set up the Cold Weather Rule to protect residential, heat-affected customers who are unable to pay their utility bills from disconnection of service between October 15 and April 15.

Avoiding Disconnection

The Cold Weather Rule does not forbid winter shut-off. If you receive a shut-off notice during the winter, you must act promptly and call Minnesota Power at 1-800-228-4966 to apply for Cold Weather Rule protection and set up a payment plan. Your service will be subject to disconnection without further notice if you do not make the agreed-upon payments. If you cannot keep your original payment plan, call Minnesota Power immediately and make a new payment plan to avoid disconnection.

Reconnection

If your power is disconnected when the Cold Weather Rule is in effect, you can have it reconnected by calling Minnesota Power at 1-800-228-4966 to set up a payment plan. You must keep your payment plan to avoid future disconnection. Call Minnesota Power immediately if you cannot keep your payment plan and make a new payment plan to avoid disconnection.

To sign up for
Cold Weather Rule protection
call Minnesota Power at
800-228-4966

Payment Plan

The chart below shows energy assistance income guidelines. In general, if your household income is:

- at or below 50 percent of the state median income, you are not required to pay more than 10 percent of your monthly household income.
- more than 50 percent of the state median income, you may make a payment plan with Minnesota Power.

Cold Weather Rule payment plans last until April 15 unless you make other arrangements with Minnesota Power. Your service could be shut off if you have a past-due balance on April 15 and do not make and keep a new payment plan.

2018 Maximum Energy Assistance Program Income Guidelines

Based on 50% State Median Income (SMI) or 110%* of Federal Poverty Guidelines, whichever is greater.

HH Size	Annual Income	3 Month Max.	HH Size	Annual Income	3 Month Max.
1	\$25,000	\$6,250	11	\$70,673	\$17,668
2	\$32,692	\$8,173	12	\$72,116	\$18,029
3	\$40,385	\$10,096	13	\$73,558	\$18,389
4	\$48,077	\$12,019	14	\$75,000	\$18,750
5	\$55,769	\$13,942	15*	\$77,638	\$19,409
6	\$63,462	\$15,865	16*	\$82,236	\$20,559
7	\$64,904	\$16,226	17*	\$86,834	\$21,708
8	\$66,346	\$16,586	18*	\$91,432	\$22,858
9	\$67,789	\$16,947	19*	\$96,030	\$24,007
10	\$69,231	\$17,307	20*	\$100,628	\$25,157

*110% of Federal Poverty Guideline is greater

Right to Appeal

If you and Minnesota Power cannot agree on a payment plan, you have 10 days to appeal to the Public Utilities Commission. The commission will help you set up a payment plan, and your service will stay on during the appeal process.

Managing Energy Costs

Low Income Energy Assistance Program (LIHEAP)

Minnesota Power works with the state of Minnesota and local agencies and organizations to offer a wide variety of assistance programs for income-qualified households. Visit www.mnpower.com/CustomerService/AssistancePrograms to learn more.

Fuel or Heating Assistance

mn.gov/commerce/consumers/consumer-assistance/energy-assistance/
Energy Assistance Hotline at 1-800-657-3710
First Call for Help at United Way 211

If you need help paying your utility bills, you may qualify for state or federal fuel assistance. For complete information, contact a social service agency for your area. (See Social Service Agency listing on the reverse side or visit www.mnpower.com/CustomerService/FuelAssistance.)

CARE If you are income eligible for the Energy Assistance Program you are also eligible for Minnesota Power's Customer Affordability of Residential Electricity (CARE) discount on your monthly electric bill. Complete the CARE program application at www.mnpower.com/CARE, or call Minnesota Power at 1-800-228-4966. Say "Customer Service" to be connected with a representative.

Budget Billing With Minnesota Power's free Budget Billing program you can spread a year's electricity bills evenly across 12 months. Keeping payments at a fixed amount each month simplifies budgeting for monthly expenses and helps you avoid the higher-than-average bills that often come with cold weather. Here's how it works:

- First, we estimate the total cost of the electric energy we anticipate you will use in the next year. Next, we divide that total into 12 equal monthly payments so you know what your bill will be each month.
- Your account is reviewed from time to time and adjusted to correct for any underpayment or overpayment.

Third Party Notice

If you want us to let someone else know—in addition to notifying you—that you are in danger of having your service disconnected for not paying your bill, we can provide this service. This third party may be a friend, relative, church or community agency and can receive and give information about you and arrange payment plans with Minnesota Power for you. The third party is not responsible for payment.

Request for Third Party Notification

Customer Name _____

Address _____

City _____ State _____ Zip _____

Phone _____

Account Number from Electric Bill _____

I give my permission to my electric utility to provide information and accept information from the party named below.

Customer Signature _____ Date _____

Name of Third Party to Be Notified _____

Address _____

City _____ State _____ Zip _____

Phone _____

Third Party Signature _____ Date _____

(This request cannot be accepted without the third party's signature.)

Minnesota Power will make every effort to send a copy of the shut-off notice to the party specified. The customer making the request understands that the electric utility is not liable should the third party fail to receive or act upon the notice.

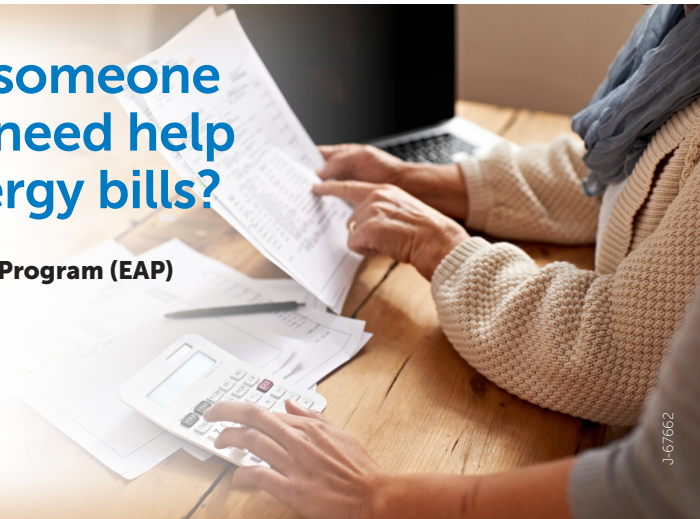
For your convenience, complete this form and return it with your next electric bill payment.

**Do you or someone
you know need help
paying energy bills?**

**An Energy Assistance Program (EAP)
may be able to help.**



AN ALLETE COMPANY



J-67662

Did you know?

Income qualified households may receive help from their Energy Assistance Program (EAP) provider such as:

- Payment of energy bills
- Help with utility disconnections or fuel deliveries
- Repair or replacement of broken heating systems

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Visit mnpower.com/EAPproviders or call **1-800-657-3710** and get started by applying today.

Households that qualify for energy assistance are also eligible to receive the following benefits from Minnesota Power:

- Reduced electric rate (CARE)
- Exemptions from some fees
- Weatherization and energy-efficiency programs



AN ALLETE COMPANY

Visit mnpower.com/assistance or call us at **1-800-228-4966** for more information.



AN ALLETE COMPANY

EnergizerNews

FALL 2017

Sign up for MyAccount and save energy, save money.

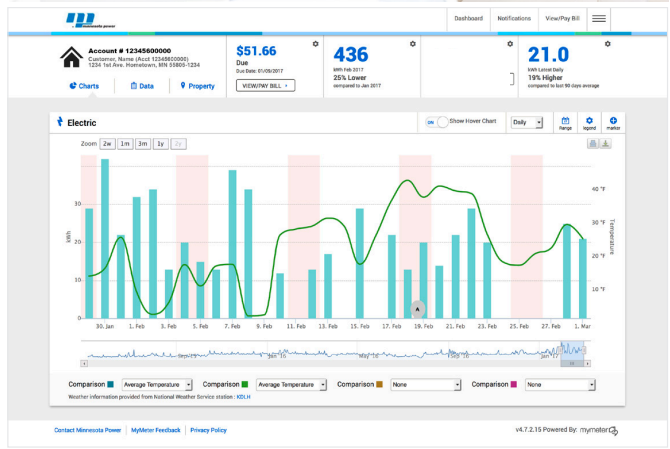
MyAccount is a convenient and easy-to-use tool that lets you:

1. View and pay your bill online
2. Track your energy use
3. Set energy use goals

Saving money on your bill begins with saving energy in your home. Here's how MyAccount can help:

- Track your energy use to discover when you and your family are using the most electricity.
- Set energy markers to note events or upgrades that may affect your energy usage, such as purchasing a new energy-efficient appliance or installing a programmable thermostat.
- Make payments online, view your bill and bill history, and save or print your bill as desired – even if you have multiple accounts.

To get started, simply register at mnpower.com/myaccount.



4 things you'll need to register:

1. The last 4 digits of the primary phone number listed on your account
2. Name exactly as it appears on your bill
3. Your account number
4. Your email address.

After you register the first time, you will simply log in with your username and password to start using MyAccount.

Download the easy-to-follow user guide at mnpower.com/MyAccountGuide, or contact customer service at 1-800-228-4966 with questions.

Programs offer help for paying bills

If you or someone you know needs help paying energy bills, an Energy Assistance Program, or EAP, may be able to help.

Income-qualified households may receive help from their provider such as:

- Payment of energy bills
- Help with utility disconnections or fuel deliveries
- Repair or replacement of broken heating systems

Get started by applying to the EAP provider in your area. To find a provider, visit mnpower.com/EAPproviders or call 1-800-657-3710 (press 1 at the prompt). Households that qualify for energy assistance are also eligible to receive benefits from Minnesota Power such as:

- Reduced electric rate (CARE)
- Exemptions from some fees
- Weatherization and energy-efficiency programs

Visit mnpower.com/assistance or call us at 1-800-229-4966 for more information.

Discover how we are moving **EnergyForward**



mnpower.com/energyforward



2018 scholarship applications now open

Minnesota Power has given over \$2 million in scholarships since 1997 to more than 820 outstanding high school and college students through two scholarship programs: the New Generation Scholarship and the Community Involvement Scholarship. Learn more and apply at positivelypowerful.org/scholarships.

Some customers eligible for our CARE program

Minnesota Power continues to accept applications for its CARE program which offers income-qualified households a discount on monthly electric bills. The program goes into effect Oct. 1 each year and ends Sept. 30 the following year. Customers can apply anytime throughout the year. The program also helps households establish a budget payment plan. The Minnesota Public Utilities Commission oversees CARE.

Where to complete the application forms

- Online at mnpower.com/CARE
- Over the phone by calling 800-228-4966
- In person at an agency that provides energy assistance.

Visit mnpower.com/EAPproviders to see a complete list of agencies in your area.

Tips for weathering a winter power outage

- Stay away from low or downed wires as injury or death could occur.
- Dress in several layers of lightweight clothing, covering the head, feet and hands.
- Keep a flashlight with fresh batteries in a location where you can easily find it in the dark.
- Close doors, windows and curtains to keep the heat in. Use your fireplace safely.
- Use hot water sparingly. Most water heaters are insulated and will keep water hot for up to three days, depending on how much you use.
- In most cases, food should be safe if refrigerators and freezers remain closed while the power is out. When in doubt, throw it out.
- Stock up on canned and dried foods for a quick and easy meal. Have a manual can opener.
- Know how to use the manual override of your electric garage door (usually pull down on a handled rope hanging down from opener track).
- Remember to reset electric clocks and other electrical timing devices when power is restored.
- Download our online outage app at mnpower.com for updates on power restoration dates/times in your neighborhood.

Is your refrigerator past its expiration date?

Upgrade and recycle your old energy-wasting model and we'll give you \$100. Freezers are eligible, too!

3 ways to save

- \$50—ENERGY STAR® model rebate
- \$50—Recycling reward
- \$200—Five year energy-saving costs

Learn more at mnpower.com/RefrigeratorFreezer

Stay in-the-know, download the outage app.

mnpower.com/OutageCenter

ENERGY DESIGN
conference & expo
February 19-21, 2018, Duluth, MN

Registration now open
www.duluthenergydesign.com

WKLK-AM
 1104 CLOQUET AVE
 CLOQUET ,MN 55720

AFFIDAVIT OF PERFORMANCE
 Calendar Period: 10/1/2017 - 10/31/2017
 Account #: 511

ALLETE/MN POWER
 30 W SUPERIOR ST
 DULUTH, MN 55802

EAP radio spots on WKLK (and cold weather rule)

Product: CAN GET HELP Script: 51135 (.30)

This station certifies that the announcements below ran within 15 minutes of the times indicated. ANA/RAB Tear Sheets containing the radio copy will match to the script code above.

Date	Time	Rate	Date	Time	Rate	Date	Time	Rate
01-Oct-17	6:52:30 AM	\$0.00	01-Oct-17	5:21:00 PM	\$0.00	02-Oct-17	6:30:30 AM	\$0.00
02-Oct-17	6:21:00 PM	\$0.00	03-Oct-17	6:51:30 AM	\$0.00	03-Oct-17	6:20:30 PM	\$0.00
04-Oct-17	7:43:00 AM	\$0.00	04-Oct-17	11:42:30 AM	\$0.00	04-Oct-17	4:42:00 PM	\$0.00
05-Oct-17	6:51:00 AM	\$0.00	05-Oct-17	10:42:30 AM	\$0.00	05-Oct-17	4:42:00 PM	\$0.00
06-Oct-17	6:21:00 AM	\$0.00	06-Oct-17	11:19:00 AM	\$0.00	06-Oct-17	4:19:30 PM	\$0.00
07-Oct-17	6:50:00 AM	\$0.00	07-Oct-17	2:20:30 PM	\$0.00	07-Oct-17	3:20:30 PM	\$0.00
08-Oct-17	6:50:30 AM	\$0.00	08-Oct-17	4:20:30 PM	\$0.00	09-Oct-17	8:30:30 AM	\$0.00
09-Oct-17	4:21:00 PM	\$0.00	10-Oct-17	6:51:00 AM	\$0.00	10-Oct-17	4:30:00 PM	\$0.00
11-Oct-17	7:43:00 AM	\$0.00	11-Oct-17	11:41:30 AM	\$0.00	11-Oct-17	4:42:00 PM	\$0.00
12-Oct-17	6:52:30 AM	\$0.00	12-Oct-17	11:43:00 AM	\$0.00	12-Oct-17	4:41:30 PM	\$0.00
13-Oct-17	6:51:30 AM	\$0.00	13-Oct-17	10:43:00 AM	\$0.00	13-Oct-17	4:42:00 PM	\$0.00
14-Oct-17	6:51:00 AM	\$0.00	14-Oct-17	3:50:30 PM	\$0.00	15-Oct-17	6:50:30 AM	\$0.00
15-Oct-17	6:20:00 PM	\$0.00	16-Oct-17	6:52:00 AM	\$0.00	16-Oct-17	4:41:30 PM	\$0.00
17-Oct-17	7:42:00 AM	\$0.00	17-Oct-17	4:42:00 PM	\$0.00	18-Oct-17	8:42:30 AM	\$0.00
18-Oct-17	4:41:30 PM	\$0.00	19-Oct-17	6:52:30 AM	\$0.00	19-Oct-17	11:42:00 AM	\$0.00
19-Oct-17	4:42:00 PM	\$0.00	20-Oct-17	6:52:30 AM	\$0.00	20-Oct-17	11:42:00 AM	\$0.00
20-Oct-17	4:42:00 PM	\$0.00	21-Oct-17	6:50:00 AM	\$0.00	21-Oct-17	2:20:00 PM	\$0.00
21-Oct-17	4:41:30 PM	\$0.00	22-Oct-17	6:50:30 AM	\$0.00	22-Oct-17	6:21:00 PM	\$0.00
23-Oct-17	6:50:00 AM	\$0.00	23-Oct-17	3:21:00 PM	\$0.00	24-Oct-17	6:51:30 AM	\$0.00
24-Oct-17	4:41:30 PM	\$0.00	25-Oct-17	6:51:30 AM	\$0.00	25-Oct-17	11:42:00 AM	\$0.00
25-Oct-17	4:42:00 PM	\$0.00	26-Oct-17	6:50:00 AM	\$0.00	26-Oct-17	10:41:30 AM	\$0.00
26-Oct-17	5:30:00 PM	\$0.00	27-Oct-17	6:50:00 AM	\$0.00	27-Oct-17	10:41:30 AM	\$0.00
27-Oct-17	4:41:30 PM	\$0.00	28-Oct-17	6:41:30 AM	\$0.00	28-Oct-17	4:29:00 PM	\$0.00
29-Oct-17	6:50:00 AM	\$0.00	29-Oct-17	5:21:00 PM	\$0.00	30-Oct-17	6:42:30 AM	\$0.00
30-Oct-17	3:18:00 PM	\$0.00	31-Oct-17	8:42:00 AM	\$0.00	31-Oct-17	3:20:00 PM	\$0.00

This announcement was broadcast 75 time(s) as entered in the station's program log.

75 SPOT(S) AT A RATE OF \$0.00 = \$0.00

Gross Total: \$0.00

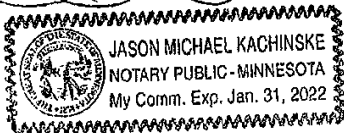
Net Total: \$0.00

All times are guaranteed to have run within 15 minutes of times indicated.

Subscribed and sworn to before me on this 1st day of November, 2017

Notary Public
 JASON MICHAEL KACHINSKE

Amy Welsh
 Station Official
 AMY WELSH



WKLK-AM

1104 CLOQUET AVE

CLOQUET ,MN 55720

Phone:218-879-4534 Fax:218-879-1962

ANA.RAB Radio 'Tear Sheet'
Procedure. Form at bottom
of sheet indicates which
copy ran.

Client: ALLETE/MN POWER

Account #: 511

Script: 51135 - CAN GET HELP

Start Date 10/1/2017 - Stop Date 10/31/2017

Duration :30

1 Qualified households served by Minnesota Power can get help paying their energy bills ... help
2 with utility disconnections ... or help with fuel deliveries ... you may also receive a FREE
3 in-home energy analysis that comes with efficient improvements for your home.

4
5 For details on how to apply, visit M N Power dot com backslash EAP Providers or call
6 800-657-3710. This has been a message from Minnesota Power, an ALLETE (UH LEET) Company.

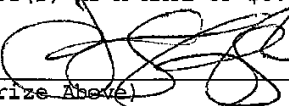
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STATION DOCUMENTATION STATEMENT APPROVED BY THE CO-OPERATIVE ADVERTISING COMMITTEE OF THE
ASSOCIATION OF NATIONAL ADVERTISERS

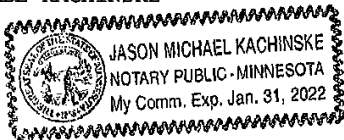
This announcement was broadcast 75 time(s) as entered in the station's program log. The times
this announcement was broadcast were billed to this station's client on our invoice as follows:

75 SPOT(S) AT A RATE OF \$0.00 = \$0.00

Grand Total: \$0.00



(Notarize Above)
JASON MICHAEL KACHINSKE


Station Official
AMY WELSH

WKLK-FM
 1104 CLOQUET AVE
 CLOQUET, MN 55720

AFFIDAVIT OF PERFORMANCE
 Calendar Period: 10/1/2017 - 10/31/2017
 Account #: 511

ALLETE/MN POWER
 ██████████
 30 W SUPERIOR ST
 DULUTH, MN 55802
 ██████████

Product: CAN GET HELP Script: 51135 (:30)

This station certifies that the announcements below ran within 15 minutes of the times indicated. ANA/RAB Tear Sheets containing the radio copy will match to the script code above.

Date	Time	Rate	Date	Time	Rate	Date	Time	Rate
01-Oct-17	8:18:30 AM	\$0.00	01-Oct-17	4:18:30 PM	\$0.00	02-Oct-17	7:19:30 AM	\$0.00
02-Oct-17	4:18:30 PM	\$0.00	03-Oct-17	6:40:30 AM	\$0.00	03-Oct-17	4:19:00 PM	\$0.00
04-Oct-17	8:18:30 AM	\$0.00	04-Oct-17	1:18:30 PM	\$0.00	04-Oct-17	3:18:30 PM	\$0.00
05-Oct-17	7:19:00 AM	\$0.00	05-Oct-17	1:20:00 PM	\$0.00	05-Oct-17	4:39:00 PM	\$0.00
06-Oct-17	8:40:00 AM	\$0.00	06-Oct-17	2:52:00 PM	\$0.00	06-Oct-17	3:53:00 PM	\$0.00
07-Oct-17	11:19:00 AM	\$0.00	07-Oct-17	11:38:30 AM	\$0.00	07-Oct-17	5:18:30 PM	\$0.00
08-Oct-17	7:18:30 AM	\$0.00	08-Oct-17	3:20:00 PM	\$0.00	09-Oct-17	7:19:30 AM	\$0.00
09-Oct-17	4:19:00 PM	\$0.00	10-Oct-17	7:40:00 AM	\$0.00	10-Oct-17	6:50:00 PM	\$0.00
11-Oct-17	6:40:00 AM	\$0.00	11-Oct-17	2:50:00 PM	\$0.00	11-Oct-17	6:53:00 PM	\$0.00
12-Oct-17	7:40:00 AM	\$0.00	12-Oct-17	1:51:00 PM	\$0.00	12-Oct-17	6:50:00 PM	\$0.00
13-Oct-17	7:40:00 AM	\$0.00	13-Oct-17	11:51:30 AM	\$0.00	13-Oct-17	6:40:00 PM	\$0.00
14-Oct-17	8:52:00 AM	\$0.00	14-Oct-17	4:53:00 PM	\$0.00	15-Oct-17	8:19:30 AM	\$0.00
15-Oct-17	3:51:00 PM	\$0.00	16-Oct-17	7:19:30 AM	\$0.00	16-Oct-17	5:20:30 PM	\$0.00
17-Oct-17	8:40:30 AM	\$0.00	17-Oct-17	3:21:00 PM	\$0.00	18-Oct-17	6:40:00 AM	\$0.00
18-Oct-17	6:39:00 PM	\$0.00	19-Oct-17	7:40:30 AM	\$0.00	19-Oct-17	11:51:30 AM	\$0.00
19-Oct-17	3:52:30 PM	\$0.00	20-Oct-17	7:40:30 AM	\$0.00	20-Oct-17	11:52:00 AM	\$0.00
20-Oct-17	3:52:00 PM	\$0.00	21-Oct-17	8:53:00 AM	\$0.00	21-Oct-17	11:53:00 AM	\$0.00
21-Oct-17	5:51:30 PM	\$0.00	22-Oct-17	7:18:30 AM	\$0.00	22-Oct-17	3:19:00 PM	\$0.00
23-Oct-17	7:19:30 AM	\$0.00	23-Oct-17	4:18:30 PM	\$0.00	24-Oct-17	8:19:00 AM	\$0.00
24-Oct-17	5:20:00 PM	\$0.00	25-Oct-17	8:20:30 AM	\$0.00	25-Oct-17	1:52:30 PM	\$0.00
25-Oct-17	6:51:00 PM	\$0.00	26-Oct-17	7:40:30 AM	\$0.00	26-Oct-17	12:51:30 PM	\$0.00
26-Oct-17	6:50:30 PM	\$0.00	27-Oct-17	7:40:30 AM	\$0.00	27-Oct-17	12:51:00 PM	\$0.00
27-Oct-17	6:50:30 PM	\$0.00	28-Oct-17	6:39:00 AM	\$0.00	28-Oct-17	3:40:00 PM	\$0.00
29-Oct-17	8:19:00 AM	\$0.00	29-Oct-17	4:19:00 PM	\$0.00	30-Oct-17	7:20:00 AM	\$0.00
30-Oct-17	4:18:30 PM	\$0.00	31-Oct-17	7:19:30 AM	\$0.00	31-Oct-17	4:19:00 PM	\$0.00

This announcement was broadcast 75 time(s) as entered in the station's program log.

75 SPOT(S) AT A RATE OF \$0.00 = \$0.00

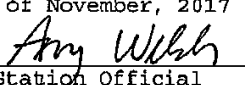
Gross Total: \$0.00

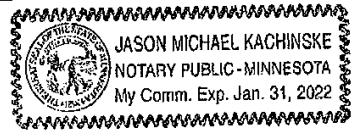
Net Total: \$0.00

All times are guaranteed to have run within 15 minutes of times indicated.

Subscribed and sworn to before me on this 1st day of November, 2017


 Notary Public
 JASON MICHAEL KACHINSKE


 Station Official
 AMY WELSH



WKLK-FM

1104 CLOQUET AVE

CLOQUET, MN 55720

Phone:218-879-4534 Fax:218-879-1962

ANA.RAB Radio 'Tear Sheet'
Procedure. Form at bottom
of sheet indicates which
copy ran.

Client: ALLETE/MN POWER

Account #: 511

Script: 51135 - CAN GET HELP

Start Date 10/1/2017 - Stop Date 10/31/2017 Duration :30

1 Qualified households served by Minnesota Power can get help paying their energy bills ... help
2 with utility disconnections ... or help with fuel deliveries ... you may also receive a FREE
3 in-home energy analysis that comes with efficient improvements for your home.

4
5 For details on how to apply, visit M N Power dot com backslash EAP Providers or call
6 800-657-3710. This has been a message from Minnesota Power, an ALLETE (UH LEET) Company.

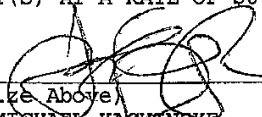
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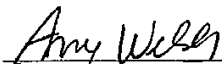
STATION DOCUMENTATION STATEMENT APPROVED BY THE CO-OPERATIVE ADVERTISING COMMITTEE OF THE
ASSOCIATION OF NATIONAL ADVERTISERS

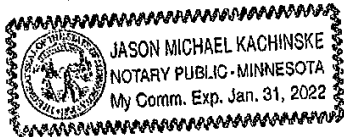
This announcement was broadcast 75 time(s) as entered in the station's program log. The times
this announcement was broadcast were billed to this station's client on our invoice as follows:

75 SPOT(S) AT A RATE OF \$0.00 = \$0.00

Grand Total: \$0.00


(Notarize Above)
JASON MICHAEL KACHINSKE


Station Official
AMY WELSH



WKLK-AM
1104 CLOQUET AVE
CLOQUET ,MN 55720

AFFIDAVIT OF PERFORMANCE
Calendar Period: 10/1/2017 - 10/31/2017
Account #: 511

ALLETE/MN POWER
██████████
30 W SUPERIOR ST
DULUTH, MN 55802
██████████

Product: COLD WEATHER RULE Script: 51133 (:30)

This station certifies that the announcements below ran within 15 minutes of the times indicated. ANA/RAB Tear Sheets containing the radio copy will match to the script code above.

Date	Time	Rate	Date	Time	Rate	Date	Time	Rate
16-Oct-17	7:51:30 AM	\$9.50	16-Oct-17	4:30:00 PM	\$9.50	17-Oct-17	6:52:30 AM	\$9.50
17-Oct-17	4:30:00 PM	\$9.50	18-Oct-17	7:52:00 AM	\$9.50	18-Oct-17	4:30:00 PM	\$9.50
19-Oct-17	7:52:30 AM	\$9.50	19-Oct-17	4:30:00 PM	\$9.50	20-Oct-17	7:52:30 AM	\$9.50
20-Oct-17	4:30:00 PM	\$9.50	23-Oct-17	7:30:30 AM	\$9.50	23-Oct-17	5:42:30 PM	\$9.50
24-Oct-17	7:30:30 AM	\$9.50	24-Oct-17	4:30:00 PM	\$9.50	25-Oct-17	7:52:00 AM	\$9.50
25-Oct-17	4:30:00 PM	\$9.50	26-Oct-17	7:30:30 AM	\$9.50	26-Oct-17	4:30:00 PM	\$9.50
27-Oct-17	7:30:30 AM	\$9.50	27-Oct-17	4:30:00 PM	\$9.50			

This announcement was broadcast 20 time(s) as entered in the station's program log.

20 SPOT(S) AT A RATE OF \$9.50 = \$190.00

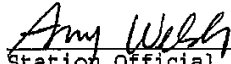
Gross Total: \$190.00

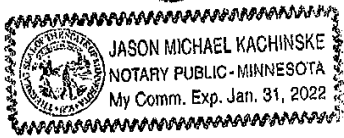
Net Total: \$190.00

All times are guaranteed to have run within 15 minutes of times indicated.

Subscribed and sworn to before me on this 1st day of November, 2017


Notary Public
JASON MICHAEL KACHINSKE


Station Official
AMY WELSH



WKLK-FM
 1104 CLOQUET AVE
 CLOQUET, MN 55720

AFFIDAVIT OF PERFORMANCE
 Calendar Period: 10/1/2017 - 10/31/2017
 Account #: 511

ALLETE/MN POWER
 30 W SUPERIOR ST
 DULUTH, MN 55802

Product: COLD WEATHER RULE Script: 51133 (:30)

This station certifies that the announcements below ran within 15 minutes of the times indicated. ANA/RAB Tear Sheets containing the radio copy will match to the script code above.

Date	Time	Rate	Date	Time	Rate	Date	Time	Rate
16-Oct-17	8:40:00 AM	\$9.50	16-Oct-17	4:39:30 PM	\$9.50	17-Oct-17	7:03:30 AM	\$9.50
17-Oct-17	4:20:30 PM	\$9.50	18-Oct-17	8:03:30 AM	\$9.50	18-Oct-17	5:40:00 PM	\$9.50
19-Oct-17	8:03:30 AM	\$9.50	19-Oct-17	5:39:30 PM	\$9.50	20-Oct-17	7:03:30 AM	\$9.50
20-Oct-17	5:39:30 PM	\$9.50	23-Oct-17	8:03:30 AM	\$9.50	23-Oct-17	4:39:30 PM	\$9.50
24-Oct-17	7:03:30 AM	\$9.50	24-Oct-17	5:39:00 PM	\$9.50	25-Oct-17	8:03:30 AM	\$9.50
25-Oct-17	4:40:30 PM	\$9.50	26-Oct-17	7:19:30 AM	\$9.50	26-Oct-17	5:39:30 PM	\$9.50
27-Oct-17	8:40:30 AM	\$9.50	27-Oct-17	4:20:00 PM	\$9.50			

This announcement was broadcast 20 time(s) as entered in the station's program log.

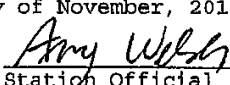
20 SPOT(S) AT A RATE OF \$9.50 = \$190.00

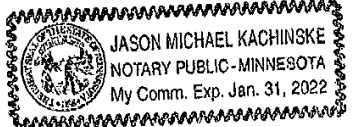
Gross Total: \$190.00 Net Total: \$190.00

All times are guaranteed to have run within 15 minutes of times indicated.

Subscribed and sworn to before me on this 1st day of November, 2017


 Notary Public
 JASON MICHAEL KACHINSKE


 Station Official
 AMY WELSH



Help spread the word about Minnesota Power programs to assist low-income customers

Posted by [ALLETE Stream](#) • Updated Sep 20, 2017

Submitted by the Low-Income Customer Task Force

About 1 in 3 Minnesota Power customers may be eligible for a federally funded home energy assistance program and not know it. That's why a company task force is encouraging employees to learn more about LIHEAP—and other energy assistance programs and services—and how they can help people struggling to pay their energy bills.

The Low-Income Customer Task Force, a cross-functional team formed to improve services to assist low-income customers, points out that about 35,000 Minnesota Power customers may be income-eligible for LIHEAP, or the Low-Income Home Energy Assistance Program. That means their annual income is at or below 50 percent of the state median income. (Click [here](#) to see income guidelines.)

Knowing if customers qualify for LIHEAP is important because it means they may be eligible for other assistance, such as Minnesota Power's CARE program. Oct. 1 marks the beginning of a new program year for LIHEAP and is a good time to get the word out about what's available for customers who need help.

Resources for our most vulnerable customers

LIHEAP, or the Low-Income Home Energy Assistance Program, is a federally funded block grant appropriated by Congress to all 50 states, the District of Columbia, state and federal tribes, and five U.S. territories (click [here](#) to learn more about LIHEAP's beginnings, which date back to the early 1970s). Minnesota's LIHEAP, titled the "Energy Assistance Program" (EAP), is managed by the Minnesota Department of Commerce and [100+ partnering service provider agencies](#) throughout the state.

The LIHEAP program year is Oct. 1 through Sept. 30, and customers have to reapply annually. Households can apply through their local service provider agency to become qualified for LIHEAP (Minnesota Power does not collect or store customer income data). Once their application has been approved by their agency, financial assistance can be applied to their heating and electric bills (subject to funding availability).

In addition to providing financial assistance for home energy bills, LIHEAP provides:

- Help with utility disconnections or fuel deliveries
- Education on efficient and safe use of energy
- Advocacy with energy suppliers and human service providers
- Repair or replacement of homeowners' broken heating systems

Opening doors to further assistance

In accordance with various Minnesota state laws, MP requires customers to apply for LIHEAP in order to demonstrate financial need for our other energy assistance programs and services. This is an important point when sharing information about energy assistance with others: **even if LIHEAP funding is depleted, customers will still need to apply and become LIHEAP-qualified in order to be eligible for other energy assistance programs.**

Once qualified, Minnesota Power receives a notice for the individual's account, which makes the customer eligible for additional energy assistance programs and services (*indicates LIHEAP-qualification is not necessary to participate in program):

- [Cold Weather Rule*](#) – In accordance with Minnesota's Cold Weather Rule, MP does not disconnect and will reconnect utility service for residential customers who agree and adhere to a mutually acceptable payment plan. The Cold Weather Rule starts on Oct. 15 and ends on April 15 of each calendar year.
- [Customer Affordability of Residential Electricity](#) (CARE) Program – The Company's CARE Program provides a discounted rate to LIHEAP-qualified customers, in addition to decreasing participating customers' arrears. For each participant who is current on their bill and pays a portion of the payment that is owed, the company matches the arrears portion at 100 percent.
- [Energy Intensive Trade Exposed](#) (EITE) Cost Recovery Rider Exemption.
- [Energy Partners Conservation Program](#) – The Energy Partners program focuses on empowering low-income customers to save energy through educational resources, a [home energy analysis](#), direct installation of energy-efficient products, and replacement of inefficient appliances.
- [SolarSense Low-Income Solar Pilot Program](#) – this future pilot program will provide funding to projects that demonstrate how they will effectively reduce or eliminate barriers to solar adoption for low-income customers or customer facilities.
- Payment Options: (For more information, call MP at 1-800-228-4966).
- Payment Arrangements*: Minnesota Power works with customers to identify mutually agreeable terms to pay past-due balances and current bills.
- Payment Plan*: Minnesota Power works with customers to schedule payments to pay outstanding balances. These are usually short-term plans aimed at giving customers an extension until their next billing statement.
- Late payment charges waived: All LIHEAP-qualified customers are exempt from late payment charges on their Minnesota Power electric bill.
- Budget Billing*: Customers can spread a year's electricity bills evenly across 12 months to simplify monthly payments and budgeting, smoothing out higher-than-average bills that may be experienced in colder months.

Recent efforts

In March, the Low-Income Customer Task Force was formed within Minnesota Power to increase collaboration and improve services to assist low-income customers. Some highlights of what the task force has accomplished since then:

Website update

www.mnpower.com/assistance was inventoried and improved to better communicate the importance of LIHEAP and walk customers through the application process. In addition, improved descriptions were added to the various pages that explain each individual program or service.

Customer outreach

- Over 3,000 automated phone calls were placed to LIHEAP-qualified customers that had not applied to receive the CARE Program discount.
- Almost 12,000 postcards went out this month to customers encouraging them to apply for LIHEAP, or help someone they think may be eligible to apply.

Changes to the CARE Program

LIHEAP-qualified customers can now apply for CARE over the phone with a Minnesota Power customer service representative, or complete an online form.

What you can do to help

Share information about LIHEAP and MP's programs with your contacts or community connections like local churches and community centers. Printed postcards are available outside of the GOB cafeteria, GOB security desk and the Minnesota Power Employees Credit Union in the GOB. Please take some postcards to distribute at community sites in your neighborhood. You may also request postcards by calling Pam Schmitt at ext. 3037 to have some sent to you via interoffice mail.

If you have any questions or comments, please contact any of the members of the Low-Income Customer Task Force:

[Micheline Bayiha](#), [Kelley Eldien](#), [Lori Frisk](#), [Katie Frye](#), [Shelley Hakala-Herman](#), [Tina Koecher](#), [Alyssa Kresky](#), [Benjamin Levine](#), [Amanda Oja](#), [Jennifer Peterson](#), [Kyle Schmidt](#), [Pam Schmitt](#), [Karen Virta](#), and [Jenna Warmuth](#).



Minnesota Power @mnpower · 17 Jan 2017

Having trouble paying your electric bill? Assistance programs include HeatShare, CARE, Stay Warm MN & more. Visit bit.ly/1PqT2hW



Minnesota Power @mnpower · 18 Jan 2017

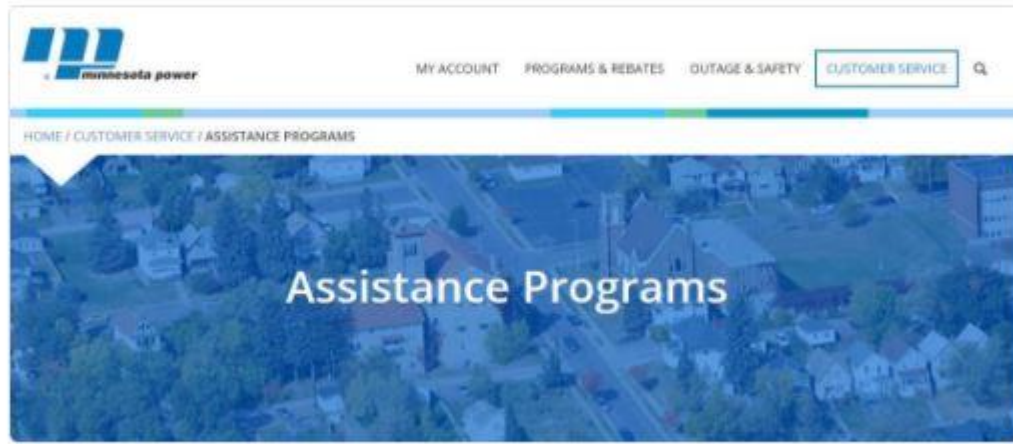
#ThankYou customers for giving \$37K to @salarmynorth in '16; MP Foundtn. gave \$25K to keep neighbors warm bit.ly/2iJ2rob #HeatShare





Minnesota Power @mnpower · 20 Apr 2017

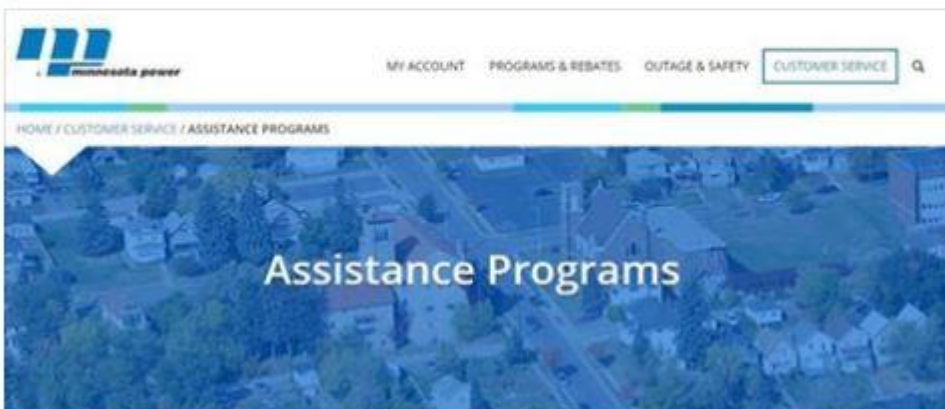
The MN Cold Weather Rule ended Apr 15. If you need help paying your home energy bill, call us at 800.228.4966 bit.ly/2plhsLI



Minnesota Power an ALLETE Company

Published by Kelley Power [?] · April 20, 2017 ·

April 15 marked the end of the Minnesota 'Cold Weather Rule'. If you're an MP residential customer and need assistance paying your energy bill, please call us to set up a new payment plan or learn more about our Fuel Assistance programs: 800-228-4966 or visit <http://bit.ly/2plhsLI>



1,138 people reached

Boost Unavailable



Minnesota Power an ALLETE Company shared National Energy & Utility Affordability Coalition's post.

Published by Kelley Power [?] · August 9, 2017 ·

August is National LIHEAP month (low income home energy assistance program). You or someone you know may qualify for home heating assistance. Visit our website for more details at: <http://bit.ly/2plhsLI>

It's LIHEAP Action Month! This is your month to take action to educate others about utility assistance programs and how they help your clients, friends and neighbors. Ideas for each day of this month are shared on the calendar below. Copy/paste text or right click and save photos to share!

Events for August 2017

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
1	1	2	3	4	5	6
	Today's Tweet: SaveLIHEAP because energy assistance is a year-round effort.	Today's Tweet: SaveLIHEAP because energy assistance is a year-round effort.	Today's Tweet: SaveLIHEAP because energy assistance is a year-round effort.	Today's Tweet: SaveLIHEAP because energy assistance is a year-round effort.	Today's Tweet: SaveLIHEAP because energy assistance is a year-round effort.	Today's Tweet: SaveLIHEAP because energy assistance is a year-round effort.
7	8	9	10	11	12	13
	Today's Tweet: SaveLIHEAP because energy assistance is a year-round effort.	Today's Tweet: SaveLIHEAP because energy assistance is a year-round effort.	Today's Tweet: SaveLIHEAP because energy assistance is a year-round effort.	Today's Tweet: SaveLIHEAP because energy assistance is a year-round effort.	Today's Tweet: SaveLIHEAP because energy assistance is a year-round effort.	Today's Tweet: SaveLIHEAP because energy assistance is a year-round effort.
14	15	16	17	18	19	20
	Today's Tweet: SaveLIHEAP because energy assistance is a year-round effort.	Today's Tweet: SaveLIHEAP because energy assistance is a year-round effort.	Today's Tweet: SaveLIHEAP because energy assistance is a year-round effort.	Today's Tweet: SaveLIHEAP because energy assistance is a year-round effort.	Today's Tweet: SaveLIHEAP because energy assistance is a year-round effort.	Today's Tweet: SaveLIHEAP because energy assistance is a year-round effort.
21	22	23	24	25	26	27
	Today's Tweet: SaveLIHEAP because energy assistance is a year-round effort.	Today's Tweet: SaveLIHEAP because energy assistance is a year-round effort.	Today's Tweet: SaveLIHEAP because energy assistance is a year-round effort.	Today's Tweet: SaveLIHEAP because energy assistance is a year-round effort.	Today's Tweet: SaveLIHEAP because energy assistance is a year-round effort.	Today's Tweet: SaveLIHEAP because energy assistance is a year-round effort.
28	29	30	31			
	Today's Tweet: SaveLIHEAP because energy assistance is a year-round effort.	Today's Tweet: SaveLIHEAP because energy assistance is a year-round effort.	Today's Tweet: SaveLIHEAP because energy assistance is a year-round effort.	Today's Tweet: SaveLIHEAP because energy assistance is a year-round effort.	Today's Tweet: SaveLIHEAP because energy assistance is a year-round effort.	Today's Tweet: SaveLIHEAP because energy assistance is a year-round effort.

National Energy & Utility Affordability Coalition
 August 1, 2017 ·

LIHEAP Action Month Begins! #SaveLIHEAP because #LIHEAPSavesLives
<https://tinyurl.com/y7sgdbtn>

588 people reached

Boost Unavailable



Minnesota Power an ALLETE Company added an event.



September 20, 2017 · 🌐

If you or someone you know is planning to visit this “Ruby’s Pantry” on MONDAY, SEPT. 25, we hope you’ll visit our booth to learn if you qualify for energy assistance or to answer your questions related to being more energy efficient. A representative from Tri-County Community Action Agency will be hosting a booth as well. The event will run from 3:30-6 p.m. More about Ruby’s Pantry at: www.rubyspantry.org/distribution-location/little-falls-mn

The screenshot shows the Minnesota Power website's 'Assistance Programs' page. At the top, there is a navigation bar with links for 'MY ACCOUNT', 'PROGRAMS & REBATES', 'OUTAGE & SAFETY', and 'CUSTOMER SERVICE'. Below the navigation bar is a header for 'CUSTOMER SERVICE / ASSISTANCE PROGRAMS'. The main content area features a blue-tinted aerial photograph of a residential neighborhood with the text 'Assistance Programs' overlaid in white. Below the photograph, there is an event listing for 'Energy assistance and energy efficien...' on 'SEP 25' at 'Mon 3:30 PM · Ruby's Pantry, 609 13th Ave NE, ...'. The event is described as 'You like Minnesota Power an ALLETE Company' and includes an 'Interested' button with a star icon.



Minnesota Power @mnpower · 21 Sep 2017



If you qualify, you can get help by applying to Energy Assistance Provider in your area; learn more/find provider at mnpower.com/CustomerService...

**Do you or someone you know
need help paying energy bills?**

An Energy Assistance Program, or EAP, may be able to help.
Visit mnpower.com/EAPproviders or call 1-800-657-3710 and get started by applying today.



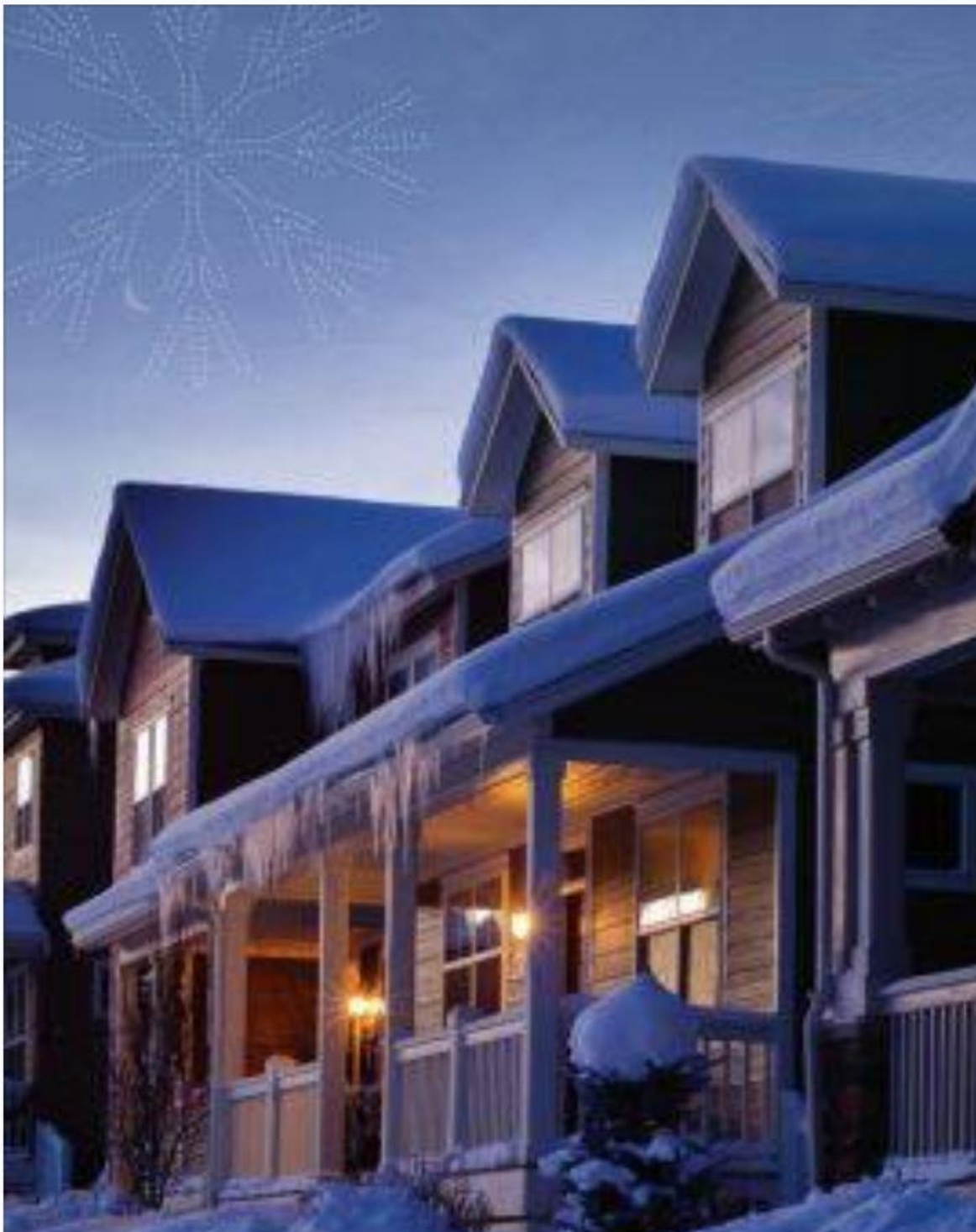


Minnesota Power an ALLETE Company



Published by Kelley Power [?] · October 2, 2017 · 

As cold weather season approaches, we want our customers to know about the “Cold Weather Rule” which protects customers from having their heat turned off between Oct. 15 and April 15; BUT you have to contact us at FIRST at 800.228.4966 TO SET UP A PAYMENT PLAN. Get more details at www.mnpower.com/CustomerService/ColdWeatherRule





Minnesota Power an ALLETE Company

...

Published by Kelley Power [?] · October 3, 2017 ·

Visit the Minnesota Power booth at this year's Senior Expo at the Duluth Entertainment & Convention Center on October 18. We'll have information on how you can receive energy assistance, tips on saving electricity, how to sign up for MyAccount and much more!



October 18th, 2017 at the Duluth Entertainment Convention Center

About the Show Posted on April 13, 2016 By seniorexpo To reflect the changes, this year the Duluth Senior Expo will expand to include items of interest for those that...

SENIOREXPODULUTH.COM

[Learn More](#)

2,110 people reached



Boost Unavailable

Minnesota Power
Docket No. E015/GR-M-11-409
Customer Affordability of Residential Electricity Tracker - Oct 2016- Sep 2017

Attachment H
Page 1 of 1

	30-Sep-16	2016			2017								Annual Total	
	[a]	31-Oct-16	30-Nov-16	31-Dec-16	31-Jan-17	28-Feb-17	31-Mar-17	30-Apr-17	31-May-17	30-Jun-17	31-Jul-17	31-Aug-17	30-Sep-17	[n]
		[b]	[c]	[d]	[e]	[f]	[g]	[h]	[i]	[j]	[k]	[l]	[m]	
Affordability Surcharge Collections														
By Rate Class:														
Residential		\$51,745	\$53,031	\$53,790	\$53,278	\$52,582	\$52,100	\$52,155	\$51,923	\$51,753	\$52,056	\$52,021	\$52,181	
General Service		\$13,389	\$13,447	\$13,447	\$13,574	\$13,526	\$13,443	\$13,525	\$13,490	\$13,577	\$13,577	\$13,518	\$13,569	
Large Light & Power		\$4,852	\$4,818	\$4,774	\$4,810	\$4,760	\$4,692	\$4,799	\$4,810	\$4,816	\$4,790	\$4,715	\$5,073	
Large Power		\$10,176	\$10,176	\$10,176	\$10,176	\$10,176	\$10,176	\$10,176	\$10,176	\$10,176	\$10,176	\$10,176	\$10,176	
Municipal Pumping		\$146	\$144	\$147	\$144	\$146	\$144	\$143	\$144	\$145	\$147	\$133	\$139	
A - Total Affordability Surcharge Collections		\$ 80,309	\$ 81,617	\$ 82,334	\$ 81,982	\$ 81,190	\$ 80,556	\$ 80,798	\$ 80,544	\$ 80,467	\$ 80,746	\$ 80,564	\$ 81,138	\$ 972,245
Rate Discount Costs														
Monthly Service Charge Discounts		\$4,331	\$4,262	\$4,201	\$4,217	\$4,267	\$4,315	\$4,320	\$4,557	\$5,240	\$5,208	\$5,153	\$5,300	
Energy Charge Discounts		\$53,512	\$55,509	\$69,698	\$88,162	\$81,831	\$68,996	\$68,894	\$57,150	\$67,184	\$69,784	\$69,002	\$69,415	
Arrears Forgiveness Company Match		\$3,834	\$3,170	\$3,981	\$4,485	\$3,716	\$3,996	\$5,255	\$6,516	\$6,104	\$8,138	\$6,291	\$5,705	
Affordability Interim Discount 1/					\$1,692	\$4,768	\$4,096	\$4,096	\$3,455	\$4,065	\$3,829	\$3,755	\$3,788	
B - Total Discounts		\$ 61,677	\$ 62,941	\$ 77,880	\$ 98,557	\$ 94,582	\$ 81,403	\$ 82,565	\$ 71,678	\$ 82,593	\$ 86,959	\$ 84,201	\$ 84,208	\$ 969,242
C - Program Admin Costs		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
+A-B-C = Monthly Tracker Balance Change		\$ 18,632	\$ 18,676	\$ 4,454	\$ (16,575)	\$ (13,391)	\$ (847)	\$ (1,767)	\$ 8,866	\$ (2,126)	\$ (6,213)	\$ (3,637)	\$ (3,070)	\$ 3,002
Interest Calculation														
Beginning of month balance		\$ 849,479	\$ 870,664	\$ 891,872	\$ 898,984	\$ 885,057	\$ 874,024	\$ 875,774	\$ 876,675	\$ 888,317	\$ 888,897	\$ 885,663	\$ 884,999	
Beginning of month balance: +A-B-C	\$ 849,479	\$ 868,111	\$ 889,340	\$ 896,326	\$ 882,409	\$ 871,666	\$ 873,177	\$ 874,007	\$ 885,541	\$ 886,191	\$ 882,684	\$ 882,026	\$ 881,929	
Monthly Average Balance		\$ 858,795	\$ 880,002	\$ 894,099	\$ 890,697	\$ 878,362	\$ 873,601	\$ 874,891	\$ 881,108	\$ 887,254	\$ 885,791	\$ 883,845	\$ 883,464	
Annual Prime Interest Rate 2/		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
D - Monthly Interest		\$ 2,553	\$ 2,532	\$ 2,658	\$ 2,648	\$ 2,358	\$ 2,597	\$ 2,668	\$ 2,776	\$ 2,706	\$ 2,979	\$ 2,973	\$ 2,875	\$ 32,323
End-of-Month Tracker Balance		\$ 870,664	\$ 891,872	\$ 898,984	\$ 885,057	\$ 874,024	\$ 875,774	\$ 876,675	\$ 888,317	\$ 888,897	\$ 885,663	\$ 884,999	\$ 884,804	\$ 884,804

1/ The CARE Rider is billed by applying the approved CARE discount to the standard Residential rate which was increased by the interim rate of 5.07 percent in Docket No. E015/GR-16-664. To ensure that the customer discount is proportioned to the authorized amount, the discount is also applied to the interim increase and shows as such on the customer's bill on a separate line item.

2/ <http://www.ferc.gov/enforcement/acct-matts/interest-rates.asp>

	Tracker Balance End of Program Year			
	9/30/2018	9/30/2019	9/30/2020	9/30/2021
Option A	\$788,395	\$241,404	\$57,757	\$66,731
Option B	\$788,395	\$413,870	\$38,387	\$46,475
Option C	\$788,395	\$62,637	\$118,773	\$177,457

ATTACHMENT I INDEX

Page 1 : Tracker Summary by Option

Page 2 : CARE Program Tracker Program Year 2018 (10/1/2017 - 9/30/2018)

Page 3 : Option A Surcharge Calculation

Page 4 : Option A CARE Program Tracker Program Year 2019 (10/1/2018 - 9/30/2019) - Year 1

Page 5 : Option A CARE Program Tracker Program Year 2019 (10/1/2019 - 9/30/2020) - Year 2

Page 6 : Option A CARE Program Tracker Program Year 2019 (10/1/2020 - 9/30/2021) - Year 3

Page 7 : Option B Surcharge Calculation

Page 8 : Option B CARE Program Tracker Program Year 2019 (10/1/2018 - 9/30/2019) - Year 1

Page 9 : Option B CARE Program Tracker Program Year 2019 (10/1/2019 - 9/30/2020) - Year 2

Page 10 : Option B CARE Program Tracker Program Year 2019 (10/1/2020 - 9/30/2021) - Year 3

Page 11 : Option C Surcharge Calculation

Page 12 : Option C CARE Program Tracker Program Year 2019 (10/1/2018 - 9/30/2019) - Year 1

Page 13 : Option C CARE Program Tracker Program Year 2019 (10/1/2019 - 9/30/2020) - Year 2

Page 14 : Option C CARE Program Tracker Program Year 2019 (10/1/2020 - 9/30/2021) - Year 3

Page 15 : Existing CARE Program Affordability Surcharge Calculation

Pages 16-17 : CARE Surcharge Cash Collections and Expenses (10/2016 - 4/2018)

Pages 18-19 : Estimated CARE Discount and Arrears Forgiveness Match for all LIHEAP Customers

CARE Program Tracker
10/1/2017-9/30/2018 Estimate

ATTACHMENT I
Docket No. E-015/M-11-409

Minnesota Power
Docket No. E015/M-11-409
Customer Affordability of Residential Electricity Tracker - Oct 2017- Sep 2018

	9/30/2017	10/31/2017	2017 11/30/2017	12/31/2017	1/31/2018	2/28/2018	3/31/2018	4/30/2018	2018 5/31/2018	6/30/2018	7/31/2018	8/31/2018	9/30/2018	Annual Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
Affordability Surcharge Collections														
By Rate Class:	Surcharge Rate	ACTUALS							ESTIMATES 3/					
Residential	\$0.51	\$52,206.51	\$54,023.97	\$53,507.64	\$53,327.31	\$52,816.78	\$52,299.59	\$52,201.25	\$51,922.98	\$51,752.79	\$52,055.96	\$52,020.71	\$52,181.05	
General Service	\$0.67	\$13,596.79	\$13,596.17	\$13,573.78	\$13,643.46	\$13,580.28	\$13,536.96	\$13,553.69	\$13,489.69	\$13,576.79	\$13,576.54	\$13,518.14	\$13,568.88	
Large Light & Power	\$10.81	\$4,776.94	\$4,499.47	\$4,738.74	\$4,760.35	\$4,794.93	\$4,715.33	\$4,820.18	\$4,810.46	\$4,815.84	\$4,790.26	\$4,715.34	\$5,073.12	
Large Power	\$1,130.72	\$10,176.48	\$10,176.48	\$10,176.48	\$10,176.48	\$10,176.48	\$10,176.48	\$10,176.48	\$10,176.48	\$10,176.48	\$10,176.48	\$10,176.48	\$10,176.48	
Municipal Pumping	\$0.67	\$142.44	\$143.74	\$141.96	\$143.38	\$141.38	\$143.50	\$142.68	\$143.93	\$145.26	\$146.71	\$133.35	\$138.96	
A - Total Affordability Surcharge Collections		\$80,899.16	\$82,439.83	\$82,138.60	\$82,050.98	\$81,509.85	\$80,871.86	\$80,894.28	\$80,543.54	\$80,467.16	\$80,745.95	\$80,564.02	\$81,138.49	\$974,263.72
Rate Discount Costs														
Monthly Service Charge Discounts		\$5,371.36	\$5,289.42	\$5,151.85	\$5,079.91	\$5,099.58	\$5,096.89	\$5,058.66	\$4,557.44	\$5,239.83	\$5,207.54	\$5,153.30	\$5,300.43	
Energy Charge Discounts		\$63,083.76	\$75,406.50	\$88,029.63	\$103,032.29	\$103,236.10	\$85,260.64	\$80,125.77	\$57,149.88	\$67,183.92	\$69,783.53	\$69,002.09	\$69,414.78	
Arrears Forgiveness Company Match		\$6,197.50	\$4,997.63	\$3,799.18	\$4,852.46	\$3,488.54	\$3,560.04	\$3,138.26	\$6,516.60	\$6,103.95	\$8,137.97	\$6,291.48	\$5,705.31	
Interim Discount 2/		\$3,470.00	\$4,091.00	\$4,723.00	\$5,481.00	\$5,494.00	\$4,581.00	\$4,318.63	\$3,455.00	\$4,065.00	\$3,829.00	\$3,755.00	\$3,788.00	
B - Total Discounts		\$78,122.62	\$89,784.55	\$101,703.66	\$118,445.66	\$117,318.22	\$98,498.57	\$92,641.32	\$71,678.92	\$82,592.70	\$86,958.04	\$84,201.87	\$84,208.52	\$1,106,154.65
C - Program Admin Costs		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
A-B-C = Monthly Tracker Balance Change		\$2,776.54	(\$7,344.72)	(\$19,565.06)	(\$36,394.68)	(\$35,808.37)	(\$17,626.71)	(\$11,747.04)	\$8,864.62	(\$2,125.54)	(\$6,212.09)	(\$3,637.85)	(\$3,070.03)	(\$131,890.93)
Interest Calculation														
Beginning of month balance		\$884,802.80	\$890,748.34	\$886,473.62	\$870,043.56	\$836,723.88	\$803,585.51	\$788,827.80	\$779,815.76	\$791,657.38	\$792,436.84	\$789,221.75	\$788,572.90	
end of month balance: A-B-C	\$884,802.80	\$887,579.34	\$883,403.62	\$866,908.56	\$833,648.88	\$800,915.51	\$785,958.80	\$777,080.76	\$788,680.38	\$789,531.84	\$786,224.75	\$785,583.90	\$785,502.87	
Monthly Average Balance		\$886,191.07	\$887,075.98	\$876,691.09	\$851,846.22	\$818,819.69	\$794,772.15	\$782,954.28	\$784,248.07	\$790,594.61	\$789,330.79	\$787,402.82	\$787,037.88	
Annual Prime Interest Rate 1/		4.21%	4.21%	4.21%	4.25%	4.25%	4.25%	4.25%	4.47%	4.47%	4.47%	4.47%	4.47%	
D - Monthly Interest		\$3,169.00	\$3,070.00	\$3,135.00	\$3,075.00	\$2,670.00	\$2,869.00	\$2,735.00	\$2,977.00	\$2,905.00	\$2,997.00	\$2,989.00	\$2,892.00	\$35,483.00
End-of-Month Tracker Balance		\$890,748.34	\$886,473.62	\$870,043.56	\$836,723.88	\$803,585.51	\$788,827.80	\$779,815.76	\$791,657.38	\$792,436.84	\$789,221.75	\$788,572.90	\$788,394.87	\$788,394.87

1/ <http://www.ferc.gov/enforcement/acct-matts/interest-rates.asp>

2/ The CARE Rider is billed by applying the approved CARE discount to the standard Residential rate which was increased by the interim rate of 5.07 percent in Docket No. E015/GR-16-664. To ensure that the customer discount is proportioned to the authorized amount, the discount is also applied to the interim increase and shows as such on the customer's bill on a separate line item.

3/ Estimates are based on program year 2017 actuals.

Option A - Surcharge Calculation and Estimated Billing Impacts

Line

No.	[a]	[b]	[c]	[d]	[e]	[f]	[g]	[h]
1	Current Monthly CARE Expenses	\$ 84,213						
2	Estimated Monthly CARE Expenses	\$ 204,678						
3	Estimated Annual CARE Expenses (year 3 forward)	\$ 2,456,131						

	Service Charge	Customer Count 1/	Revenue from Service Charge	Percent of Revenue	Current Affordability Surcharge
Updated Customer Charge Ratio					
4 Residential	\$ 8.00	111,016	\$ 888,128	66.8%	\$ 0.51
5 General Service	\$ 10.50	20,816	\$ 218,568	16.4%	\$ 0.67
6 Large Light & Power	\$ 170.00	456	\$ 77,520	5.8%	\$ 10.81
7 Large Power	\$ 17,776.00	8	\$ 142,208	10.7%	\$ 1,130.72
8 Municipal Pumping	\$ 10.50	218	\$ 2,289	0.2%	\$ 0.67
9			\$ 1,328,713.00		

	CARE Program Responsibility	Per Customer	Per Month
Affordability Surcharge Calculation			
10 Residential	\$ 1,641,708	\$ 14.79	\$ 1.23
11 General Service	\$ 404,024	\$ 19.41	\$ 1.62
12 Large Light & Power	\$ 143,296	\$ 314.25	\$ 26.19
13 Large Power	\$ 262,872	\$ 32,859.00	\$ 2,738.25
14 Municipal Pumping	\$ 4,231	\$ 19.41	\$ 1.62
15	\$ 2,456,131		

	Affordability Surcharge Increase Amount	Proposed Year 1 Affordability Surcharge	Proposed Year 2 Affordability Surcharge	Proposed Year 3 forward Affordability Surcharge
Phase-In Affordability Surcharge 2/				
16 Residential	\$ 0.72	\$ 0.92	\$ 1.10	\$ 1.20
17 General Service	\$ 0.95	\$ 1.22	\$ 1.50	\$ 1.60
18 Large Light & Power	\$ 15.38	\$ 24.00	\$ 25.00	\$ 26.00
19 Large Power	\$ 1,607.53	\$ 1,900.00	\$ 2,400.00	\$ 2,740.00
20 Municipal Pumping	\$ 0.95	\$ 1.22	\$ 1.50	\$ 1.60

	Bill Total Present Rates New CARE Surcharge Year 1	Bill Total Present Rates New CARE Surcharge Year 2	Bill Total Present Rates New CARE Surcharge Year 3 forward	Increase on Total Bill Year 1 vs. Present	Increase on Total Bill Year 2 vs. Year 1	Increase on Total Bill Year 3 vs. Year 2	
Estimated Billing Impacts							
21 Residential non-LIHEAP	\$ 82.39	\$ 82.80	\$ 82.98	\$ 83.08	0.50%	0.22%	0.12%
22 General Service	\$ 302.66	\$ 303.21	\$ 303.49	\$ 303.59	0.18%	0.09%	0.03%
23 Large Light & Power	\$ 23,878.99	\$ 23,892.18	\$ 23,893.18	\$ 23,894.18	0.06%	0.00%	0.00%
24 Large Power	\$ 4,632,053.22	\$ 4,632,822.50	\$ 4,633,322.50	\$ 4,633,662.50	0.02%	0.01%	0.01%
25 Municipal Pumping	\$ 543.47	\$ 544.02	\$ 544.30	\$ 544.40	0.10%	0.05%	0.02%

1/ 2018 Budget

2/ Affordability Surcharge gradually phased-in to avoid rate increase shock while cautiously using up the tracker balance.

3/ Typical monthly bills are calculated using 2018 Budget, and average current rates based on Final 2010 Test Year General Rates in the 2009 Rate Case without riders (E-015/GR-09-1151) adjusted to include current rider rates and interim rate increase adjustment. Current rider rates include Renewable Resources Rider rates, Transmission Cost Recovery Rider rates, BEC4 Environmental Rider rates, the Conservation Program Adjustment, and 2017 Test Year Fuel and Purchased Energy Adjustment.

CARE Program Tracker
10/1/2018-9/30/2019 Estimate Option A - Year 1

ATTACHMENT I
Docket No. E-015/M-11-409

Minnesota Power
Docket No. E015/M-11-409
Customer Affordability of Residential Electricity Tracker - Oct 2018-Sep 2019

	9/30/2018	2018			2019				2019				Annual Total	
		10/31/2018	11/30/2018	12/31/2018	1/31/2019	2/28/2019	3/31/2019	4/30/2019	5/31/2019	6/30/2019	7/31/2019	8/31/2019	9/30/2019	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
Affordability Surcharge Collections														
By Rate Class:		ESTIMATES 2/												
Residential	\$0.92	\$102,135	\$102,135	\$102,135	\$102,135	\$102,135	\$102,135	\$102,135	\$102,135	\$102,135	\$102,135	\$102,135	\$102,135	
General Service	\$1.22	\$25,396	\$25,396	\$25,396	\$25,396	\$25,396	\$25,396	\$25,396	\$25,396	\$25,396	\$25,396	\$25,396	\$25,396	
Large Light & Power	\$24.00	\$10,944	\$10,944	\$10,944	\$10,944	\$10,944	\$10,944	\$10,944	\$10,944	\$10,944	\$10,944	\$10,944	\$10,944	
Large Power	\$1,900.00	\$15,200	\$15,200	\$15,200	\$15,200	\$15,200	\$15,200	\$15,200	\$15,200	\$15,200	\$15,200	\$15,200	\$15,200	
Municipal Pumping	\$1.22	\$266	\$266	\$266	\$266	\$266	\$266	\$266	\$266	\$266	\$266	\$266	\$266	
A - Total Affordability Surcharge Collections		\$153,940	\$153,940	\$153,940	\$153,940	\$153,940	\$153,940	\$153,940	\$153,940	\$153,940	\$153,940	\$153,940	\$153,940	\$1,847,282
Rate Discount Costs														
Monthly Service Charge Discounts		\$6,156	\$7,007	\$7,780	\$8,792	\$9,287	\$9,663	\$9,882	\$9,966	\$9,508	\$9,390	\$9,250	\$9,158	
Energy Charge Discounts		\$63,692	\$94,603	\$127,782	\$171,798	\$189,012	\$165,039	\$157,869	\$99,865	\$114,144	\$116,592	\$112,406	\$112,603	
Arrears Forgiveness Company Match		\$22,553	\$31,990	\$42,240	\$83,900	\$85,690	\$79,545	\$70,105	\$84,919	\$52,082	\$82,781	\$65,630	\$70,944	
Interim Discount 3/		\$3,503	\$5,132	\$6,856										
B - Total Discounts		\$95,905	\$138,733	\$184,657	\$264,489	\$283,990	\$254,247	\$237,856	\$194,750	\$175,735	\$208,763	\$187,285	\$192,705	\$2,419,116
C - Program Admin Costs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A-B-C = Monthly Tracker Balance Change		\$58,035	\$15,207	(\$30,717)	(\$110,549)	(\$130,050)	(\$100,307)	(\$83,915)	(\$40,810)	(\$21,794)	(\$54,823)	(\$33,345)	(\$38,765)	(\$571,833)
Interest Calculation														
Beginning of month balance		\$788,395	\$849,533	\$867,889	\$840,409	\$732,841	\$605,081	\$506,881	\$424,674	\$385,399	\$364,981	\$311,440	\$279,214	
end of month balance: A-B-C	\$788,395	\$846,430	\$864,740	\$837,172	\$729,860	\$602,791	\$504,774	\$422,966	\$383,864	\$363,605	\$310,158	\$278,095	\$240,449	
Monthly Average Balance		\$817,412	\$857,137	\$852,531	\$785,135	\$667,816	\$554,928	\$464,924	\$404,269	\$374,502	\$337,569	\$294,767	\$259,831	
Annual Prime Interest Rate 1/		4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	
D - Monthly Interest		\$3,103	\$3,149	\$3,237	\$2,981	\$2,290	\$2,107	\$1,708	\$1,535	\$1,376	\$1,282	\$1,119	\$955	\$24,842
End-of-Month Tracker Balance		\$849,533	\$867,889	\$840,409	\$732,841	\$605,081	\$506,881	\$424,674	\$385,399	\$364,981	\$311,440	\$279,214	\$241,404	\$241,404

1/ <http://www.ferc.gov/enforcement/acct-matts/interest-rates.asp>

2/ Estimates of Affordability Surcharge Collections are surcharge rate in column [a] multiplied by 2018 budget billing units. Estimates of CARE Program costs are based on 2017 actuals of all LIHEAP-qualified customers.

3/ The CARE Rider is billed by applying the approved CARE discount to the standard Residential rate which was increased by the interim rate of 5.07 percent in Docket No. E015/GR-16-664. To ensure that the customer discount is proportioned to the authorized amount, the discount is also applied to the interim increase and shows as such on the customer's bill on a separate line item.

CARE Program Tracker
10/1/2020-9/30/2021 Estimate Option A - Year 3

ATTACHMENT I
Docket No. E-015/M-11-409

Minnesota Power
Docket No. E015/M-11-409
Customer Affordability of Residential Electricity Tracker - Oct 2020-Sep 2021

	9/30/2020	2020			2021				2021				Annual Total	
	9/30/2020	10/31/2020	11/30/2020	12/31/2020	1/31/2021	2/28/2021	3/31/2021	4/30/2021	5/31/2021	6/30/2021	7/31/2021	8/31/2021	9/30/2021	Annual Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
Affordability Surcharge Collections														
By Rate Class:	ESTIMATES 2/													
Residential	\$1.20	\$133,219	\$133,219	\$133,219	\$133,219	\$133,219	\$133,219	\$133,219	\$133,219	\$133,219	\$133,219	\$133,219	\$133,219	
General Service	\$1.60	\$33,306	\$33,306	\$33,306	\$33,306	\$33,306	\$33,306	\$33,306	\$33,306	\$33,306	\$33,306	\$33,306	\$33,306	
Large Light & Power	\$26.00	\$11,856	\$11,856	\$11,856	\$11,856	\$11,856	\$11,856	\$11,856	\$11,856	\$11,856	\$11,856	\$11,856	\$11,856	
Large Power	\$2,740.00	\$21,920	\$21,920	\$21,920	\$21,920	\$21,920	\$21,920	\$21,920	\$21,920	\$21,920	\$21,920	\$21,920	\$21,920	
Municipal Pumping	\$1.60	\$349	\$349	\$349	\$349	\$349	\$349	\$349	\$349	\$349	\$349	\$349	\$349	
A - Total Affordability Surcharge Collections		\$200,650	\$200,650	\$200,650	\$200,650	\$200,650	\$200,650	\$200,650	\$200,650	\$200,650	\$200,650	\$200,650	\$200,650	\$2,407,795
Rate Discount Costs														
Monthly Service Charge Discounts		\$6,156	\$7,007	\$7,780	\$8,792	\$9,287	\$9,663	\$9,882	\$9,966	\$9,508	\$9,390	\$9,250	\$9,158	
Energy Charge Discounts		\$63,692	\$94,603	\$127,782	\$171,798	\$189,012	\$165,039	\$157,869	\$99,865	\$114,144	\$116,592	\$112,406	\$112,603	
Arrears Forgiveness Company Match		\$22,553	\$31,990	\$42,240	\$83,900	\$85,690	\$79,545	\$70,105	\$84,919	\$52,082	\$82,781	\$65,630	\$70,944	
Interim Discount														
B - Total Discounts		\$92,401	\$133,600	\$177,802	\$264,489	\$283,990	\$254,247	\$237,856	\$194,750	\$175,735	\$208,763	\$187,285	\$192,705	\$2,403,624
C - Program Admin Costs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A-B-C = Monthly Tracker Balance Change		\$108,248	\$67,049	\$22,848	(\$63,840)	(\$83,340)	(\$53,598)	(\$37,206)	\$5,900	\$24,915	(\$8,114)	\$13,365	\$7,944	\$4,171
Interest Calculation														
Beginning of month balance		\$57,757	\$166,430	\$234,214	\$257,995	\$195,013	\$112,199	\$58,925	\$21,867	\$27,861	\$52,924	\$44,997	\$58,557	
end of month balance: A-B-C	\$57,757	\$166,005	\$233,479	\$257,062	\$194,155	\$111,673	\$58,601	\$21,719	\$27,767	\$52,776	\$44,811	\$58,361	\$66,501	
Monthly Average Balance		\$111,881	\$199,955	\$245,638	\$226,075	\$153,343	\$85,400	\$40,322	\$24,817	\$40,319	\$48,867	\$51,679	\$62,529	
Annual Prime Interest Rate 1/		4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	
D - Monthly Interest		\$425	\$735	\$933	\$858	\$526	\$324	\$148	\$94	\$148	\$186	\$196	\$230	\$4,803
End-of-Month Tracker Balance		\$166,430	\$234,214	\$257,995	\$195,013	\$112,199	\$58,925	\$21,867	\$27,861	\$52,924	\$44,997	\$58,557	\$66,731	\$66,731

1/ <http://www.ferc.gov/enforcement/acct-matts/interest-rates.asp>

2/ Estimates of Affordability Surcharge Collections are surcharge rate in column [a] multiplied by 2018 budget billing units. Estimates of CARE Program costs are based on 2017 actuals of all LIHEAP-qualified customers.

CARE Program Tracker
10/1/2019-9/30/2020 Estimate Option A - Year 2

ATTACHMENT I
Docket No. E-015/M-11-409

Minnesota Power
Docket No. E015/M-11-409
Customer Affordability of Residential Electricity Tracker - Oct 2019-Sep 2020

	9/30/2019	2019			2020				2020				Annual Total	
		10/31/2019	11/30/2019	12/31/2019	1/31/2020	2/28/2020	3/31/2020	4/30/2020	5/31/2020	6/30/2020	7/31/2020	8/31/2020	9/30/2020	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
Affordability Surcharge Collections														
By Rate Class:		ESTIMATES 2/												
Residential	\$1.10	\$122,118	\$122,118	\$122,118	\$122,118	\$122,118	\$122,118	\$122,118	\$122,118	\$122,118	\$122,118	\$122,118	\$122,118	\$122,118
General Service	\$1.50	\$31,224	\$31,224	\$31,224	\$31,224	\$31,224	\$31,224	\$31,224	\$31,224	\$31,224	\$31,224	\$31,224	\$31,224	\$31,224
Large Light & Power	\$25.00	\$11,400	\$11,400	\$11,400	\$11,400	\$11,400	\$11,400	\$11,400	\$11,400	\$11,400	\$11,400	\$11,400	\$11,400	\$11,400
Large Power	\$2,400.00	\$19,200	\$19,200	\$19,200	\$19,200	\$19,200	\$19,200	\$19,200	\$19,200	\$19,200	\$19,200	\$19,200	\$19,200	\$19,200
Municipal Pumping	\$1.50	\$327	\$327	\$327	\$327	\$327	\$327	\$327	\$327	\$327	\$327	\$327	\$327	\$327
A - Total Affordability Surcharge Collections		\$184,269	\$184,269	\$184,269	\$184,269	\$184,269	\$184,269	\$184,269	\$184,269	\$184,269	\$184,269	\$184,269	\$184,269	\$2,211,223
Rate Discount Costs														
Monthly Service Charge Discounts		\$6,156	\$7,007	\$7,780	\$8,792	\$9,287	\$9,663	\$9,882	\$9,966	\$9,508	\$9,390	\$9,250	\$9,158	
Energy Charge Discounts		\$63,692	\$94,603	\$127,782	\$171,798	\$189,012	\$165,039	\$157,869	\$99,865	\$114,144	\$116,592	\$112,406	\$112,603	
Arrears Forgiveness Company Match		\$22,553	\$31,990	\$42,240	\$83,900	\$85,690	\$79,545	\$70,105	\$84,919	\$52,082	\$82,781	\$65,630	\$70,944	
Interim Discount														
B - Total Discounts		\$92,401	\$133,600	\$177,802	\$264,489	\$283,990	\$254,247	\$237,856	\$194,750	\$175,735	\$208,763	\$187,285	\$192,705	\$2,403,624
C - Program Admin Costs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A-B-C = Monthly Tracker Balance Change		\$91,867	\$50,668	\$6,467	(\$80,221)	(\$99,721)	(\$69,979)	(\$53,587)	(\$10,481)	\$8,534	(\$24,495)	(\$3,016)	(\$8,437)	(\$192,401)
Interest Calculation														
Beginning of month balance		\$241,404	\$334,362	\$386,352	\$394,298	\$315,422	\$216,612	\$147,345	\$94,201	\$84,058	\$92,917	\$68,728	\$65,967	
end of month balance: A-B-C	\$241,404	\$333,271	\$385,030	\$392,819	\$314,077	\$215,701	\$146,633	\$93,758	\$83,720	\$92,592	\$68,422	\$65,712	\$57,530	
Monthly Average Balance		\$287,337	\$359,696	\$389,585	\$354,187	\$265,561	\$181,623	\$120,552	\$88,961	\$88,325	\$80,670	\$67,220	\$61,748	
Annual Prime Interest Rate 1/		4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	
D - Monthly Interest		\$1,091	\$1,322	\$1,479	\$1,345	\$911	\$712	\$443	\$338	\$325	\$306	\$255	\$227	\$8,754
End-of-Month Tracker Balance		\$334,362	\$386,352	\$394,298	\$315,422	\$216,612	\$147,345	\$94,201	\$84,058	\$92,917	\$68,728	\$65,967	\$57,757	\$57,757

1/ <http://www.ferc.gov/enforcement/acct-matts/interest-rates.asp>

2/ Estimates of Affordability Surcharge Collections are surcharge rate in column [a] multiplied by 2018 budget billing units. Estimates of CARE Program costs are based on 2017 actuals of all LIHEAP-qualified customers.

Option B - Surcharge Calculation and Estimated Billing Impacts

Line No.	[a]	[b]	[c]	[d]	[e]	[f]	[g]
1	Current Monthly CARE Expenses	\$ 84,213					
2	Estimated Monthly CARE Expenses	\$ 204,678					
3	Estimated Annual CARE Expenses (year 3 forward)	\$ 2,456,131					
4	50% of Estimated 9/30/2018 Tracker Balance	\$ 394,197					
5	Estimated Annual CARE Expenses (year 1 & year 2) 1/	\$ 2,061,934					

	Customer Count		Revenue from		Percent of	
	Service Charge	2/	Service Charge	Revenue	Revenue	Revenue
Updated Customer Charge Ratio						
6 Residential	\$ 8.00	111,016	\$ 888,128		66.8%	
7 General Service	\$ 10.50	20,816	\$ 218,568		16.4%	
8 Large Light & Power	\$ 170.00	456	\$ 77,520		5.8%	
9 Large Power	\$ 17,776.00	8	\$ 142,208		10.7%	
10 Municipal Pumping	\$ 10.50	218	\$ 2,289		0.2%	
11			\$ 1,328,713.00			

	CARE Program Responsibility		
	Per Customer	Per Month	
Year 1 & Year 2 Affordability Surcharge Calculation			
12 Residential	\$ 1,378,221.56	\$ 12.41	\$ 1.03
13 General Service	\$ 339,179.86	\$ 16.29	\$ 1.36
14 Large Light & Power	\$ 120,297.68	\$ 263.81	\$ 21.98
15 Large Power	\$ 220,682.30	\$ 27,585.29	\$ 2,298.77
16 Municipal Pumping	\$ 3,552.13	\$ 16.29	\$ 1.36
17	\$ 2,061,933.54		

Phase-In Affordability Surcharge 3/

	CARE Program Responsibility			Proposed Year 3		
	Per Customer	Per Month		Proposed Year 1 Affordability Surcharge	Proposed Year 2 Affordability Surcharge	Proposed Year 3 forward Affordability Surcharge
Year 3 forward Affordability Surcharge Calculation						
18 Residential	\$ 1,641,707.94	\$ 14.79	\$ 1.23	\$ 1.00	\$ 1.00	\$ 1.20
19 General Service	\$ 404,023.77	\$ 19.41	\$ 1.62	\$ 1.36	\$ 1.36	\$ 1.60
20 Large Light & Power	\$ 143,296.01	\$ 314.25	\$ 26.19	\$ 24.50	\$ 24.50	\$ 26.00
21 Large Power	\$ 262,872.02	\$ 32,859.00	\$ 2,738.25	\$ 2,150.00	\$ 2,150.00	\$ 2,740.00
22 Municipal Pumping	\$ 4,231.23	\$ 19.41	\$ 1.62	\$ 1.36	\$ 1.36	\$ 1.60
23	\$ 2,456,130.97					

	Current Affordability Surcharge		Bill Total Present Rates New CARE Surcharge		Increase on Total Bill		Increase on Total Bill	
	Bill Total Present Rates 4/	Surcharge Year 1 & Year 2	Surcharge Year 3 forward	Year 1 & Year 2 vs. Present	Year 3 forward vs. Year 1 & Year 2	Year 3 forward vs. Year 1 & Year 2	Year 3 forward vs. Year 1 & Year 2	
Estimated Billing Impacts								
24 Residential non-LIHEAP	\$ 0.51	\$ 82.39	\$ 82.91	\$ 83.11	0.63%	0.24%	0.24%	
25 General Service	\$ 0.67	\$ 302.66	\$ 303.35	\$ 303.61	0.23%	0.09%	0.09%	
26 Large Light & Power	\$ 10.81	\$ 23,878.99	\$ 23,890.16	\$ 23,894.37	0.05%	0.02%	0.02%	
27 Large Power	\$ 1,130.72	\$ 4,632,053.22	\$ 4,633,221.27	\$ 4,633,660.75	0.03%	0.01%	0.01%	
28 Municipal Pumping	\$ 0.67	\$ 543.47	\$ 544.16	\$ 544.42	0.13%	0.05%	0.05%	

- 1/ Option B assumes half of the estimated 9/30/2018 tracker balance is used in Year 1 and Year 2 to offset some of the increase in annual CARE costs. Estimated Annual CARE Expenses (Year 1 and Year 2) is Estimated Annual CARE Expenses less half of the estimated 9/30/2018 tracker balance.
- 2/ 2018 Budget
- 3/ Affordability Surcharge gradually phased-in to avoid rate increase shock while cautiously using up the tracker balance.
- 4/ Typical monthly bills are calculated using 2018 Budget, and average current rates based on Final 2010 Test Year General Rates in the 2009 Rate Case without riders (E-015/GR-09-1151) adjusted to include current rider rates and interim rate increase adjustment. Current rider rates include Renewable Resources Rider rates, Transmission Cost Recovery Rider rates, BEC4 Environmental Rider rates, the Conservation Program Adjustment, and 2017 Test Year Fuel and Purchased Energy Adjustment.

CARE Program Tracker
10/1/2018-9/30/2019 Estimate Option B - Year 1

ATTACHMENT I
Docket No. E-015/M-11-409

Minnesota Power
Docket No. E015/M-11-409
Customer Affordability of Residential Electricity Tracker - Oct 2018-Sep 2019

	9/30/2018	2018			2019				2019				Annual Total	
		10/31/2018	11/30/2018	12/31/2018	1/31/2019	2/28/2019	3/31/2019	4/30/2019	5/31/2019	6/30/2019	7/31/2019	8/31/2019	9/30/2019	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
Affordability Surcharge Collections														
By Rate Class:		ESTIMATES 2/												
Residential	\$1.03	\$111,016	\$111,016	\$111,016	\$111,016	\$111,016	\$111,016	\$111,016	\$111,016	\$111,016	\$111,016	\$111,016	\$111,016	\$111,016
General Service	\$1.36	\$28,310	\$28,310	\$28,310	\$28,310	\$28,310	\$28,310	\$28,310	\$28,310	\$28,310	\$28,310	\$28,310	\$28,310	\$28,310
Large Light & Power	\$21.98	\$11,172	\$11,172	\$11,172	\$11,172	\$11,172	\$11,172	\$11,172	\$11,172	\$11,172	\$11,172	\$11,172	\$11,172	\$11,172
Large Power	\$2,298.77	\$17,200	\$17,200	\$17,200	\$17,200	\$17,200	\$17,200	\$17,200	\$17,200	\$17,200	\$17,200	\$17,200	\$17,200	\$17,200
Municipal Pumping	\$1.36	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$296
A - Total Affordability Surcharge Collections		\$167,994	\$167,994	\$167,994	\$167,994	\$167,994	\$167,994	\$167,994	\$167,994	\$167,994	\$167,994	\$167,994	\$167,994	\$2,015,931
Rate Discount Costs														
Monthly Service Charge Discounts		\$6,156	\$7,007	\$7,780	\$8,792	\$9,287	\$9,663	\$9,882	\$9,966	\$9,508	\$9,390	\$9,250	\$9,158	\$9,158
Energy Charge Discounts		\$63,692	\$94,603	\$127,782	\$171,798	\$189,012	\$165,039	\$157,869	\$99,865	\$114,144	\$116,592	\$112,406	\$112,603	\$112,603
Arrears Forgiveness Company Match		\$22,553	\$31,990	\$42,240	\$83,900	\$85,690	\$79,545	\$70,105	\$84,919	\$52,082	\$82,781	\$65,630	\$70,944	\$70,944
Interim Discount 3/		\$3,503	\$5,132	\$6,856										
B - Total Discounts		\$95,905	\$138,733	\$184,657	\$264,489	\$283,990	\$254,247	\$237,856	\$194,750	\$175,735	\$208,763	\$187,285	\$192,705	\$2,419,116
C - Program Admin Costs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A-B-C = Monthly Tracker Balance Change		\$72,089	\$29,261	(\$16,663)	(\$96,495)	(\$115,996)	(\$86,253)	(\$69,861)	(\$26,755)	(\$7,740)	(\$40,769)	(\$19,291)	(\$24,711)	(\$403,185)
Interest Calculation														
Beginning of month balance		\$788,395	\$863,614	\$896,102	\$882,809	\$789,482	\$675,995	\$592,144	\$524,330	\$499,515	\$493,595	\$454,623	\$437,021	\$437,021
end of month balance: A-B-C	\$788,395	\$860,484	\$892,875	\$879,439	\$786,314	\$673,487	\$589,741	\$522,283	\$497,575	\$491,774	\$452,826	\$435,332	\$412,310	\$412,310
Monthly Average Balance		\$824,440	\$878,245	\$887,771	\$834,562	\$731,484	\$632,868	\$557,214	\$510,952	\$495,644	\$473,211	\$444,978	\$424,666	\$424,666
Annual Prime Interest Rate 1/		4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%
D - Monthly Interest		\$3,130	\$3,227	\$3,370	\$3,168	\$2,508	\$2,403	\$2,047	\$1,940	\$1,821	\$1,797	\$1,689	\$1,560	\$28,660
End-of-Month Tracker Balance		\$863,614	\$896,102	\$882,809	\$789,482	\$675,995	\$592,144	\$524,330	\$499,515	\$493,595	\$454,623	\$437,021	\$413,870	\$413,870

1/ <http://www.ferc.gov/enforcement/acct-matts/interest-rates.asp>

2/ Estimates of Affordability Surcharge Collections are surcharge rate in column [a] multiplied by 2018 budget billing units. Estimates of CARE Program costs are based on 2017 actuals of all LIHEAP-qualified customers.

3/ The CARE Rider is billed by applying the approved CARE discount to the standard Residential rate which was increased by the interim rate of 5.07 percent in Docket No. E015/GR-16-664. To ensure that the customer discount is proportioned to the authorized amount, the discount is also applied to the interim increase and shows as such on the customer's bill on a separate line item.

CARE Program Tracker
10/1/2019-9/30/2020 Estimate Option B - Year 2

ATTACHMENT I
Docket No. E-015/M-11-409

Minnesota Power
Docket No. E015/M-11-409
Customer Affordability of Residential Electricity Tracker - Oct 2019-Sep 2020

	9/30/2019	2019			2020				2020				Annual Total	
		10/31/2019	11/30/2019	12/31/2019	1/31/2020	2/28/2020	3/31/2020	4/30/2020	5/31/2020	6/30/2020	7/31/2020	8/31/2020	9/30/2020	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
Affordability Surcharge Collections														
By Rate Class:		ESTIMATES 2/												
Residential	\$1.03	\$111,016	\$111,016	\$111,016	\$111,016	\$111,016	\$111,016	\$111,016	\$111,016	\$111,016	\$111,016	\$111,016	\$111,016	\$111,016
General Service	\$1.36	\$28,310	\$28,310	\$28,310	\$28,310	\$28,310	\$28,310	\$28,310	\$28,310	\$28,310	\$28,310	\$28,310	\$28,310	\$28,310
Large Light & Power	\$21.98	\$11,172	\$11,172	\$11,172	\$11,172	\$11,172	\$11,172	\$11,172	\$11,172	\$11,172	\$11,172	\$11,172	\$11,172	\$11,172
Large Power	\$2,298.77	\$17,200	\$17,200	\$17,200	\$17,200	\$17,200	\$17,200	\$17,200	\$17,200	\$17,200	\$17,200	\$17,200	\$17,200	\$17,200
Municipal Pumping	\$1.36	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$296
A - Total Affordability Surcharge Collections		\$167,994	\$167,994	\$167,994	\$167,994	\$167,994	\$167,994	\$167,994	\$167,994	\$167,994	\$167,994	\$167,994	\$167,994	\$2,015,931
Rate Discount Costs														
Monthly Service Charge Discounts		\$6,156	\$7,007	\$7,780	\$8,792	\$9,287	\$9,663	\$9,882	\$9,966	\$9,508	\$9,390	\$9,250	\$9,158	
Energy Charge Discounts		\$63,692	\$94,603	\$127,782	\$171,798	\$189,012	\$165,039	\$157,869	\$99,865	\$114,144	\$116,592	\$112,406	\$112,603	
Arrears Forgiveness Company Match		\$22,553	\$31,990	\$42,240	\$83,900	\$85,690	\$79,545	\$70,105	\$84,919	\$52,082	\$82,781	\$65,630	\$70,944	
Interim Discount														
B - Total Discounts		\$92,401	\$133,600	\$177,802	\$264,489	\$283,990	\$254,247	\$237,856	\$194,750	\$175,735	\$208,763	\$187,285	\$192,705	\$2,403,624
C - Program Admin Costs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A-B-C = Monthly Tracker Balance Change		\$75,593	\$34,394	(\$9,807)	(\$96,495)	(\$115,996)	(\$86,253)	(\$69,861)	(\$26,755)	(\$7,740)	(\$40,769)	(\$19,291)	(\$24,711)	(\$387,693)
Interest Calculation														
Beginning of month balance		\$413,870	\$491,178	\$527,440	\$519,616	\$424,911	\$310,174	\$224,967	\$155,804	\$129,590	\$122,311	\$81,929	\$62,912	
end of month balance: A-B-C	\$413,870	\$489,463	\$525,572	\$517,632	\$423,121	\$308,916	\$223,920	\$155,106	\$129,049	\$121,849	\$81,542	\$62,638	\$38,201	
Monthly Average Balance		\$451,667	\$508,375	\$522,536	\$471,369	\$366,913	\$267,047	\$190,037	\$142,426	\$125,719	\$101,927	\$72,284	\$50,557	
Annual Prime Interest Rate 1/		4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	
D - Monthly Interest		\$1,715	\$1,868	\$1,984	\$1,790	\$1,258	\$1,047	\$698	\$541	\$462	\$387	\$274	\$186	\$12,210
End-of-Month Tracker Balance		\$491,178	\$527,440	\$519,616	\$424,911	\$310,174	\$224,967	\$155,804	\$129,590	\$122,311	\$81,929	\$62,912	\$38,387	\$38,387

1/ <http://www.ferc.gov/enforcement/acct-matts/interest-rates.asp>

2/ Estimates of Affordability Surcharge Collections are surcharge rate in column [a] multiplied by 2018 budget billing units. Estimates of CARE Program costs are based on 2017 actuals of all LIHEAP-qualified customers.

CARE Program Tracker
10/1/2020-9/30/2021 Estimate Option B - Year 3

ATTACHMENT I
Docket No. E-015/M-11-409

Minnesota Power
Docket No. E015/M-11-409
Customer Affordability of Residential Electricity Tracker - Oct 2020-Sep 2021

	9/30/2020	2020			2021				2021				Annual Total	
		10/31/2020	11/30/2020	12/31/2020	1/31/2021	2/28/2021	3/31/2021	4/30/2021	5/31/2021	6/30/2021	7/31/2021	8/31/2021	9/30/2021	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
Affordability Surcharge Collections														
By Rate Class:		ESTIMATES 2/												
Residential	\$1.23	\$133,219	\$133,219	\$133,219	\$133,219	\$133,219	\$133,219	\$133,219	\$133,219	\$133,219	\$133,219	\$133,219	\$133,219	\$133,219
General Service	\$1.62	\$33,306	\$33,306	\$33,306	\$33,306	\$33,306	\$33,306	\$33,306	\$33,306	\$33,306	\$33,306	\$33,306	\$33,306	\$33,306
Large Light & Power	\$26.19	\$11,856	\$11,856	\$11,856	\$11,856	\$11,856	\$11,856	\$11,856	\$11,856	\$11,856	\$11,856	\$11,856	\$11,856	\$11,856
Large Power	\$2,738.25	\$21,920	\$21,920	\$21,920	\$21,920	\$21,920	\$21,920	\$21,920	\$21,920	\$21,920	\$21,920	\$21,920	\$21,920	\$21,920
Municipal Pumping	\$1.62	\$349	\$349	\$349	\$349	\$349	\$349	\$349	\$349	\$349	\$349	\$349	\$349	\$349
A - Total Affordability Surcharge Collections		\$200,650	\$200,650	\$200,650	\$200,650	\$200,650	\$200,650	\$200,650	\$200,650	\$200,650	\$200,650	\$200,650	\$200,650	\$2,407,795
Rate Discount Costs														
Monthly Service Charge Discounts		\$6,156	\$7,007	\$7,780	\$8,792	\$9,287	\$9,663	\$9,882	\$9,966	\$9,508	\$9,390	\$9,250	\$9,158	
Energy Charge Discounts		\$63,692	\$94,603	\$127,782	\$171,798	\$189,012	\$165,039	\$157,869	\$99,865	\$114,144	\$116,592	\$112,406	\$112,603	
Arrears Forgiveness Company Match		\$22,553	\$31,990	\$42,240	\$83,900	\$85,690	\$79,545	\$70,105	\$84,919	\$52,082	\$82,781	\$65,630	\$70,944	
Interim Discount														
B - Total Discounts		\$92,401	\$133,600	\$177,802	\$264,489	\$283,990	\$254,247	\$237,856	\$194,750	\$175,735	\$208,763	\$187,285	\$192,705	\$2,403,624
C - Program Admin Costs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A-B-C = Monthly Tracker Balance Change		\$108,248	\$67,049	\$22,848	(\$63,840)	(\$83,340)	(\$53,598)	(\$37,206)	\$5,900	\$24,915	(\$8,114)	\$13,365	\$7,944	\$4,171
Interest Calculation														
Beginning of month balance		\$38,387	\$146,986	\$214,698	\$238,404	\$175,349	\$92,466	\$39,118	\$1,987	\$7,905	\$32,896	\$24,891	\$38,375	
end of month balance: A-B-C	\$38,387	\$146,635	\$214,035	\$237,546	\$174,565	\$92,008	\$38,869	\$1,912	\$7,886	\$32,821	\$24,782	\$38,255	\$46,319	
Monthly Average Balance		\$92,511	\$180,511	\$226,122	\$206,484	\$133,678	\$65,667	\$20,515	\$4,937	\$20,363	\$28,839	\$31,573	\$42,347	
Annual Prime Interest Rate 1/		4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	
D - Monthly Interest		\$351	\$663	\$858	\$784	\$458	\$249	\$75	\$19	\$75	\$109	\$120	\$156	\$3,917
End-of-Month Tracker Balance		\$146,986	\$214,698	\$238,404	\$175,349	\$92,466	\$39,118	\$1,987	\$7,905	\$32,896	\$24,891	\$38,375	\$46,475	\$46,475

1/ <http://www.ferc.gov/enforcement/acct-matts/interest-rates.asp>

2/ Estimates of Affordability Surcharge Collections are surcharge rate in column [a] multiplied by 2018 budget billing units. Estimates of CARE Program costs are based on 2017 actuals of all LIHEAP-qualified customers.

Option C - Surcharge Calculation and Estimated Billing Impacts

Line No.	[a]	[b]	[c]	[d]	[e]	[f]
1	Current Monthly CARE Expenses	\$ 84,213				
2	Estimated Monthly CARE Expenses	\$ 204,678				
3	Estimated Annual CARE Expenses (year 2 forward)	\$ 2,456,131				
4	Estimated 9/30/2018 Tracker Balance	\$ 788,395				
5	Estimated Annual CARE Expenses (year 1) 1/	\$ 1,667,736				

	Service Charge	Customer Count	Revenue from	Percent of
		2/	Service Charge	Revenue
6 Residential	\$ 8.00	111,016	\$ 888,128	66.8%
7 General Service	\$ 10.50	20,816	\$ 218,568	16.4%
8 Large Light & Power	\$ 170.00	456	\$ 77,520	5.8%
9 Large Power	\$ 17,776.00	8	\$ 142,208	10.7%
10 Municipal Pumping	\$ 10.50	218	\$ 2,289	0.2%
11			\$ 1,328,713.00	

	CARE Program Responsibility		
	Per Customer	Per Month	
12 Residential	\$ 1,114,735.18	\$ 10.04	\$ 0.84
13 General Service	\$ 274,335.95	\$ 13.18	\$ 1.10
14 Large Light & Power	\$ 97,299.34	\$ 213.38	\$ 17.78
15 Large Power	\$ 178,492.58	\$ 22,311.57	\$ 1,859.30
16 Municipal Pumping	\$ 2,873.04	\$ 13.18	\$ 1.10
17	\$ 1,667,736.10		

Phase-In Affordability Surcharge

	CARE Program Responsibility			Proposed Year 1	Proposed Year 2
	Per Customer	Per Month		Affordability Surcharge	Affordability Surcharge
18 Residential	\$ 1,641,707.94	\$ 14.79	\$ 1.23	\$ 0.84	\$ 1.23
19 General Service	\$ 404,023.77	\$ 19.41	\$ 1.62	\$ 1.10	\$ 1.62
20 Large Light & Power	\$ 143,296.01	\$ 314.25	\$ 26.19	\$ 17.78	\$ 26.19
21 Large Power	\$ 262,872.02	\$ 32,859.00	\$ 2,738.25	\$ 1,859.30	\$ 2,738.25
22 Municipal Pumping	\$ 4,231.23	\$ 19.41	\$ 1.62	\$ 1.10	\$ 1.62
23	\$ 2,456,130.97				

	Current Affordability Surcharge	Bill Total Present Rates 3/	Bill Total	Bill Total	Increase on Total Bill Year 1 vs. Present	Increase on Total Bill Year 2 forward vs. Year 1
			New CARE Surcharge Year 1	New CARE Surcharge Year 2 forward		
24 Residential non-LIHEAP	\$ 0.51	\$ 82.39	\$ 82.72	\$ 83.11	0.40%	0.47%
25 General Service	\$ 0.67	\$ 302.66	\$ 303.09	\$ 303.61	0.14%	0.17%
26 Large Light & Power	\$ 10.81	\$ 23,878.99	\$ 23,885.96	\$ 23,894.37	0.03%	0.04%
27 Large Power	\$ 1,130.72	\$ 4,632,053.22	\$ 4,632,781.80	\$ 4,633,660.75	0.02%	0.02%
28 Municipal Pumping	\$ 0.67	\$ 543.47	\$ 543.90	\$ 544.42	0.08%	0.10%

- 1/ Option C assumes the estimated 9/30/2018 tracker balance is used in Year 1 to offset some of the increase in annual CARE costs. Estimated Annual CARE Expenses (Year 1) is Estimated Annual CARE Expenses less half of the current tracker balance.
- 2/ 2018 Budget
- 3/ Typical monthly bills are calculated using 2018 Budget, and average current rates based on Final 2010 Test Year General Rates in the 2009 Rate Case without riders (E-015/GR-09-1151) adjusted to include current rider rates and interim rate increase adjustment. Current rider rates include Renewable Resources Rider rates, Transmission Cost Recovery Rider rates, BEC4 Environmental Rider rates, the Conservation Program Adjustment, and 2017 Test Year Fuel and Purchased Energy Adjustment.

CARE Program Tracker

10/1/2018-9/30/2019 Estimate Option C - Year 1

Minnesota Power
Docket No. E015/M-11-409
Customer Affordability of Residential Electricity Tracker - Oct 2018-Sep 2019

	9/30/2018	2018			2019				2019				Annual Total	
		10/31/2018	11/30/2018	12/31/2018	1/31/2019	2/28/2019	3/31/2019	4/30/2019	5/31/2019	6/30/2019	7/31/2019	8/31/2019	9/30/2019	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
Affordability Surcharge Collections														
By Rate Class:		ESTIMATES 2/												
Residential	\$0.84	\$93,253	\$93,253	\$93,253	\$93,253	\$93,253	\$93,253	\$93,253	\$93,253	\$93,253	\$93,253	\$93,253	\$93,253	
General Service	\$1.10	\$22,898	\$22,898	\$22,898	\$22,898	\$22,898	\$22,898	\$22,898	\$22,898	\$22,898	\$22,898	\$22,898	\$22,898	
Large Light & Power	\$17.78	\$8,108	\$8,108	\$8,108	\$8,108	\$8,108	\$8,108	\$8,108	\$8,108	\$8,108	\$8,108	\$8,108	\$8,108	
Large Power	\$1,859.30	\$14,874	\$14,874	\$14,874	\$14,874	\$14,874	\$14,874	\$14,874	\$14,874	\$14,874	\$14,874	\$14,874	\$14,874	
Municipal Pumping	\$1.10	\$240	\$240	\$240	\$240	\$240	\$240	\$240	\$240	\$240	\$240	\$240	\$240	
A - Total Affordability Surcharge Collections		\$139,373	\$139,373	\$139,373	\$139,373	\$139,373	\$139,373	\$139,373	\$139,373	\$139,373	\$139,373	\$139,373	\$139,373	\$1,672,475
Rate Discount Costs														
Monthly Service Charge Discounts		\$6,156	\$7,007	\$7,780	\$8,792	\$9,287	\$9,663	\$9,882	\$9,966	\$9,508	\$9,390	\$9,250	\$9,158	
Energy Charge Discounts		\$63,692	\$94,603	\$127,782	\$171,798	\$189,012	\$165,039	\$157,869	\$99,865	\$114,144	\$116,592	\$112,406	\$112,603	
Arrears Forgiveness Company Match		\$22,553	\$31,990	\$42,240	\$83,900	\$85,690	\$79,545	\$70,105	\$84,919	\$52,082	\$82,781	\$65,630	\$70,944	
Interim Discount		\$3,503	\$5,132	\$6,856										
B - Total Discounts		\$95,905	\$138,733	\$184,657	\$264,489	\$283,990	\$254,247	\$237,856	\$194,750	\$175,735	\$208,763	\$187,285	\$192,705	\$2,419,116
C - Program Admin Costs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A-B-C = Monthly Tracker Balance Change		\$43,468	\$640	(\$45,284)	(\$125,117)	(\$144,617)	(\$114,874)	(\$98,483)	(\$55,377)	(\$36,362)	(\$69,390)	(\$47,912)	(\$53,333)	(\$746,641)
Interest Calculation														
Beginning of month balance		\$788,395	\$834,939	\$838,648	\$796,461	\$674,131	\$531,578	\$418,504	\$321,378	\$267,116	\$231,669	\$163,027	\$115,643	
end of month balance: A-B-C	\$788,395	\$831,863	\$835,579	\$793,363	\$671,345	\$529,514	\$416,704	\$320,021	\$266,001	\$230,754	\$162,279	\$115,115	\$62,310	
Monthly Average Balance		\$810,129	\$835,259	\$816,006	\$733,903	\$601,822	\$474,141	\$369,262	\$293,689	\$248,935	\$196,974	\$139,071	\$88,977	
Annual Prime Interest Rate 1/		4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	
D - Monthly Interest		\$3,076	\$3,069	\$3,098	\$2,786	\$2,064	\$1,800	\$1,357	\$1,115	\$915	\$748	\$528	\$327	\$20,883
End-of-Month Tracker Balance		\$834,939	\$838,648	\$796,461	\$674,131	\$531,578	\$418,504	\$321,378	\$267,116	\$231,669	\$163,027	\$115,643	\$62,637	\$62,637

1/ <http://www.ferc.gov/enforcement/acct-matts/interest-rates.asp>

2/ Estimates of Affordability Surcharge Collections are surcharge rate in column [a] multiplied by 2018 budget billing units. Estimates of CARE Program costs are based on 2017 actuals of all LIHEAP-qualified customers.

3/ The CARE Rider is billed by applying the approved CARE discount to the standard Residential rate which was increased by the interim rate of 5.07 percent in Docket No. E015/GR-16-664. To ensure that the customer discount is proportioned to the authorized amount, the discount is also applied to the interim increase and shows as such on the customer's bill on a separate line item.

CARE Program Tracker
10/1/2019-9/30/2020 Estimate Option C - Year 2

Minnesota Power
Docket No. E015/M-11-409
Customer Affordability of Residential Electricity Tracker - Oct 2019-Sep 2020

	9/30/2019	2019				2020							Annual Total	
		10/31/2019	11/30/2019	12/31/2019	1/31/2020	2/28/2020	3/31/2020	4/30/2020	5/31/2020	6/30/2020	7/31/2020	8/31/2020	9/30/2020	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
Affordability Surcharge Collections														
By Rate Class:		ESTIMATES 2/												
Residential	\$1.23	\$136,550	\$136,550	\$136,550	\$136,550	\$136,550	\$136,550	\$136,550	\$136,550	\$136,550	\$136,550	\$136,550	\$136,550	
General Service	\$1.62	\$33,722	\$33,722	\$33,722	\$33,722	\$33,722	\$33,722	\$33,722	\$33,722	\$33,722	\$33,722	\$33,722	\$33,722	\$33,722
Large Light & Power	\$26.19	\$11,943	\$11,943	\$11,943	\$11,943	\$11,943	\$11,943	\$11,943	\$11,943	\$11,943	\$11,943	\$11,943	\$11,943	\$11,943
Large Power	\$2,738.25	\$21,906	\$21,906	\$21,906	\$21,906	\$21,906	\$21,906	\$21,906	\$21,906	\$21,906	\$21,906	\$21,906	\$21,906	\$21,906
Municipal Pumping	\$1.62	\$353	\$353	\$353	\$353	\$353	\$353	\$353	\$353	\$353	\$353	\$353	\$353	\$353
A - Total Affordability Surcharge Collections		\$204,473	\$204,473	\$204,473	\$204,473	\$204,473	\$204,473	\$204,473	\$204,473	\$204,473	\$204,473	\$204,473	\$204,473	\$2,453,681
Rate Discount Costs														
Monthly Service Charge Discounts		\$6,156	\$7,007	\$7,780	\$8,792	\$9,287	\$9,663	\$9,882	\$9,966	\$9,508	\$9,390	\$9,250	\$9,158	
Energy Charge Discounts		\$63,692	\$94,603	\$127,782	\$171,798	\$189,012	\$165,039	\$157,869	\$99,865	\$114,144	\$116,592	\$112,406	\$112,603	
Arrears Forgiveness Company Match		\$22,553	\$31,990	\$42,240	\$83,900	\$85,690	\$79,545	\$70,105	\$84,919	\$52,082	\$82,781	\$65,630	\$70,944	
Interim Discount														
B - Total Discounts		\$92,401	\$133,600	\$177,802	\$264,489	\$283,990	\$254,247	\$237,856	\$194,750	\$175,735	\$208,763	\$187,285	\$192,705	\$2,403,624
C - Program Admin Costs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A-B-C = Monthly Tracker Balance Change		\$112,072	\$70,873	\$26,672	(\$60,016)	(\$79,516)	(\$49,774)	(\$33,382)	\$9,724	\$28,739	(\$4,290)	\$17,188	\$11,768	\$50,057
Interest Calculation														
Beginning of month balance		\$62,637	\$175,160	\$246,807	\$274,467	\$215,379	\$136,464	\$87,128	\$54,004	\$63,951	\$92,978	\$89,033	\$106,592	
end of month balance: A-B-C	\$62,637	\$174,709	\$246,033	\$273,479	\$214,451	\$135,862	\$86,691	\$53,745	\$63,728	\$92,690	\$88,688	\$106,221	\$118,360	
Monthly Average Balance		\$118,673	\$210,597	\$260,143	\$244,459	\$175,621	\$111,578	\$70,436	\$58,866	\$78,320	\$90,833	\$97,627	\$112,476	
Annual Prime Interest Rate 1/		4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	
D - Monthly Interest		\$451	\$774	\$988	\$928	\$602	\$437	\$259	\$223	\$288	\$345	\$371	\$413	\$6,079
End-of-Month Tracker Balance		\$175,160	\$246,807	\$274,467	\$215,379	\$136,464	\$87,128	\$54,004	\$63,951	\$92,978	\$89,033	\$106,592	\$118,773	\$118,773

1/ <http://www.ferc.gov/enforcement/acct-matts/interest-rates.asp>

2/ Estimates of Affordability Surcharge Collections are surcharge rate in column [a] multiplied by 2018 budget billing units. Estimates of CARE Program costs are based on 2017 actuals of all LIHEAP-qualified customers.

CARE Program Tracker
10/1/2020-9/30/2021 Estimate Option C - Year 3

ATTACHMENT I
Docket No. E-015/M-11-409

Minnesota Power
Docket No. E015/M-11-409
Customer Affordability of Residential Electricity Tracker - Oct 2020-Sep 2021

	9/30/2020	2020			2021				2021				Annual Total	
	9/30/2020	10/31/2020	11/30/2020	12/31/2020	1/31/2021	2/28/2021	3/31/2021	4/30/2021	5/31/2021	6/30/2021	7/31/2021	8/31/2021	9/30/2021	Annual Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
Affordability Surcharge Collections														
By Rate Class:		ESTIMATES 2/												
Residential	\$1.23	\$136,550	\$136,550	\$136,550	\$136,550	\$136,550	\$136,550	\$136,550	\$136,550	\$136,550	\$136,550	\$136,550	\$136,550	\$136,550
General Service	\$1.62	\$33,722	\$33,722	\$33,722	\$33,722	\$33,722	\$33,722	\$33,722	\$33,722	\$33,722	\$33,722	\$33,722	\$33,722	\$33,722
Large Light & Power	\$26.19	\$11,943	\$11,943	\$11,943	\$11,943	\$11,943	\$11,943	\$11,943	\$11,943	\$11,943	\$11,943	\$11,943	\$11,943	\$11,943
Large Power	\$2,738.25	\$21,906	\$21,906	\$21,906	\$21,906	\$21,906	\$21,906	\$21,906	\$21,906	\$21,906	\$21,906	\$21,906	\$21,906	\$21,906
Municipal Pumping	\$1.62	\$353	\$353	\$353	\$353	\$353	\$353	\$353	\$353	\$353	\$353	\$353	\$353	\$353
A - Total Affordability Surcharge Collections		\$204,473	\$204,473	\$204,473	\$204,473	\$204,473	\$204,473	\$204,473	\$204,473	\$204,473	\$204,473	\$204,473	\$204,473	\$2,453,681
Rate Discount Costs														
Monthly Service Charge Discounts		\$6,156	\$7,007	\$7,780	\$8,792	\$9,287	\$9,663	\$9,882	\$9,966	\$9,508	\$9,390	\$9,250	\$9,158	\$9,158
Energy Charge Discounts		\$63,692	\$94,603	\$127,782	\$171,798	\$189,012	\$165,039	\$157,869	\$99,865	\$114,144	\$116,592	\$112,406	\$112,603	\$112,603
Arrears Forgiveness Company Match		\$22,553	\$31,990	\$42,240	\$83,900	\$85,690	\$79,545	\$70,105	\$84,919	\$52,082	\$82,781	\$65,630	\$70,944	\$70,944
Interim Discount														
B - Total Discounts		\$92,401	\$133,600	\$177,802	\$264,489	\$283,990	\$254,247	\$237,856	\$194,750	\$175,735	\$208,763	\$187,285	\$192,705	\$2,403,624
C - Program Admin Costs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A-B-C = Monthly Tracker Balance Change		\$112,072	\$70,873	\$26,672	(\$60,016)	(\$79,516)	(\$49,774)	(\$33,382)	\$9,724	\$28,739	(\$4,290)	\$17,188	\$11,768	\$50,057
Interest Calculation														
Beginning of month balance		\$118,773	\$231,509	\$303,363	\$331,237	\$272,365	\$193,646	\$144,514	\$111,601	\$121,767	\$151,006	\$147,281	\$165,061	\$165,061
end of month balance: A-B-C	\$118,773	\$230,845	\$302,382	\$330,035	\$271,221	\$192,848	\$143,873	\$111,131	\$121,325	\$150,506	\$146,716	\$164,469	\$176,829	\$176,829
Monthly Average Balance		\$174,809	\$266,946	\$316,699	\$301,229	\$232,607	\$168,759	\$127,822	\$116,463	\$136,136	\$148,861	\$155,875	\$170,945	\$170,945
Annual Prime Interest Rate 1/		4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%
D - Monthly Interest		\$664	\$981	\$1,202	\$1,144	\$798	\$641	\$470	\$442	\$500	\$565	\$592	\$628	\$8,627
End-of-Month Tracker Balance		\$231,509	\$303,363	\$331,237	\$272,365	\$193,646	\$144,514	\$111,601	\$121,767	\$151,006	\$147,281	\$165,061	\$177,457	\$177,457

1/ <http://www.ferc.gov/enforcement/acct-matts/interest-rates.asp>

2/ Estimates of Affordability Surcharge Collections are surcharge rate in column [a] multiplied by 2018 budget billing units. Estimates of CARE Program costs are based on 2017 actuals of all LIHEAP-qualified customers.

Existing CARE Program Affordability Surcharge Calculation

Line No.	[a]	[b]	[c]	[d]	[e]	[f]	[g]	
1	Affordability Surcharge Collections 1/	\$ 924,854.00						
		Service Charge	Customer Count	Service Charge	Revenue	Responsibility	Per Customer	Per Month
2	Residential	\$ 8.00	98,928	\$ 791,424.00	65.3%	\$ 604,102.18	\$ 6.11	\$ 0.51
3	General Service	\$ 10.50	19,034	\$ 199,857.00	16.5%	\$ 152,552.93	\$ 8.01	\$ 0.67
4	Large Light & Power	\$ 170.00	339	\$ 57,630.00	4.8%	\$ 43,989.58	\$ 129.76	\$ 10.81
5	Large Power	\$ 17,776.00	9	\$ 159,984.00	13.2%	\$ 122,117.45	\$ 13,568.61	\$ 1,130.72
6	Municipal Pumping	\$ 10.50	261	\$ 2,740.50	0.2%	\$ 2,091.85	\$ 8.01	\$ 0.67
7				\$ 1,211,635.50		\$ 924,854.00		

1/ Minnesota Power Compliance Filing, August 8, 2012, Attachment A, Docket No. E015/M-11-409
Affordability surcharge collections based on service charge and customer count at the time of initial filing.

CARE Surcharge Cash Collections and Expenses
October 2016 through April 2018

ATTACHMENT I
Docket No. E-015/M-11-409

Actual Cash Collections

	Total	Monthly												
		Average	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17
1 Residential	\$ 998,997	\$ 52,579	\$ 51,745	\$ 53,031	\$ 53,790	\$ 53,278	\$ 52,582	\$ 52,100	\$ 52,155	\$ 51,923	\$ 51,753	\$ 52,056	\$ 52,021	\$ 52,181
2 General Service	\$ 257,162	\$ 13,535	\$ 13,389	\$ 13,447	\$ 13,447	\$ 13,574	\$ 13,526	\$ 13,443	\$ 13,525	\$ 13,490	\$ 13,577	\$ 13,577	\$ 13,518	\$ 13,569
3 Large Light & Power	\$ 90,815	\$ 4,780	\$ 4,852	\$ 4,818	\$ 4,774	\$ 4,810	\$ 4,760	\$ 4,692	\$ 4,799	\$ 4,810	\$ 4,816	\$ 4,790	\$ 4,715	\$ 5,073
4 Large Power	\$ 193,353	\$ 10,176	\$ 10,176	\$ 10,176	\$ 10,176	\$ 10,176	\$ 10,176	\$ 10,176	\$ 10,176	\$ 10,176	\$ 10,176	\$ 10,176	\$ 10,176	\$ 10,176
5 Municipal Pumping	\$ 2,722	\$ 143	\$ 146	\$ 144	\$ 147	\$ 144	\$ 146	\$ 144	\$ 143	\$ 144	\$ 145	\$ 147	\$ 133	\$ 139
6 Total Surcharge Cash Collections	\$ 1,543,049	\$ 81,213	\$ 80,309	\$ 81,617	\$ 82,334	\$ 81,982	\$ 81,190	\$ 80,556	\$ 80,798	\$ 80,544	\$ 80,467	\$ 80,746	\$ 80,564	\$ 81,138

Actual Expenses

	Total	Monthly												
		Average	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17
7 Service Charge Discounts	\$ 91,520	\$ 4,817	\$ 4,331	\$ 4,262	\$ 4,201	\$ 4,217	\$ 4,267	\$ 4,315	\$ 4,320	\$ 4,557	\$ 5,240	\$ 5,208	\$ 5,153	\$ 5,300
8 Energy Charge Discounts	\$ 1,417,311	\$ 74,595	\$ 53,512	\$ 55,509	\$ 69,698	\$ 88,162	\$ 81,831	\$ 68,996	\$ 68,894	\$ 57,150	\$ 67,184	\$ 69,784	\$ 69,002	\$ 69,415
9 subtotal	\$ 1,508,831	\$ 79,412	\$ 57,843	\$ 59,771	\$ 73,899	\$ 92,379	\$ 86,098	\$ 73,311	\$ 73,215	\$ 61,707	\$ 72,424	\$ 74,991	\$ 74,155	\$ 74,715
10 Arrear Forgiveness Match	\$ 91,225	\$ 4,801	\$ 3,834	\$ 3,170	\$ 3,981	\$ 4,485	\$ 3,716	\$ 3,996	\$ 5,255	\$ 6,517	\$ 6,104	\$ 8,138	\$ 6,291	\$ 5,705
11 Interim Discount	\$ 65,703	\$ 4,106				\$ 1,692	\$ 4,768	\$ 4,096	\$ 4,096	\$ 3,455	\$ 4,065	\$ 3,829	\$ 3,755	\$ 3,788
12 Current Total CARE Expenses	\$ 1,600,056	\$ 84,213	\$ 61,677	\$ 62,941	\$ 77,880	\$ 96,865	\$ 89,813	\$ 77,306	\$ 78,470	\$ 68,224	\$ 78,528	\$ 83,129	\$ 80,447	\$ 80,421

CARE Surcharge Cash Collections and Expenses
October 2016 through April 2018

ATTACHMENT I
Docket No. E-015/M-11-409

Actual Cash Collections

	Total	Monthly							
		Average	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18
1 Residential	\$ 998,997	\$ 52,579	\$ 52,207	\$ 54,024	\$ 53,508	\$ 53,327	\$ 52,817	\$ 52,300	\$ 52,201
2 General Service	\$ 257,162	\$ 13,535	\$ 13,597	\$ 13,596	\$ 13,574	\$ 13,643	\$ 13,580	\$ 13,537	\$ 13,554
3 Large Light & Power	\$ 90,815	\$ 4,780	\$ 4,777	\$ 4,499	\$ 4,739	\$ 4,760	\$ 4,795	\$ 4,715	\$ 4,820
4 Large Power	\$ 193,353	\$ 10,176	\$ 10,176	\$ 10,176	\$ 10,176	\$ 10,176	\$ 10,176	\$ 10,176	\$ 10,176
5 Municipal Pumping	\$ 2,722	\$ 143	\$ 142	\$ 144	\$ 142	\$ 143	\$ 141	\$ 144	\$ 143
6 Total Surcharge Cash Collections	\$ 1,543,049	\$ 81,213	\$ 80,899	\$ 82,440	\$ 82,139	\$ 82,051	\$ 81,510	\$ 80,872	\$ 80,894

Actual Expenses

	Total	Monthly							
		Average	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18
7 Service Charge Discounts	\$ 91,520	\$ 4,817	\$ 5,371	\$ 5,289	\$ 5,152	\$ 5,080	\$ 5,100	\$ 5,097	\$ 5,059
8 Energy Charge Discounts	\$ 1,417,311	\$ 74,595	\$ 63,084	\$ 75,407	\$ 88,030	\$ 103,032	\$ 103,236	\$ 85,261	\$ 80,126
9 subtotal	\$ 1,508,831	\$ 79,412	\$ 68,455	\$ 80,696	\$ 93,181	\$ 108,112	\$ 108,336	\$ 90,358	\$ 85,184
10 Arrear Forgiveness Match	\$ 91,225	\$ 4,801	\$ 6,198	\$ 4,998	\$ 3,799	\$ 4,852	\$ 3,489	\$ 3,560	\$ 3,138
11 Interim Discount	\$ 65,703	\$ 4,106	\$ 3,470	\$ 4,091	\$ 4,723	\$ 5,481	\$ 5,494	\$ 4,581	\$ 4,319
12 Current Total CARE Expenses	\$ 1,600,056	\$ 84,213	\$ 74,653	\$ 85,694	\$ 96,981	\$ 112,965	\$ 111,824	\$ 93,918	\$ 88,323

**Estimated Energy Charge Discount
and Arrears Forgiveness Match**

Line No.	Total	Monthly												
		Average	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17
1 Total Bill Amount of CARE customers	\$ 6,400,967	\$ 336,893	\$ 238,594	\$ 245,126	\$ 305,968	\$ 389,744	\$ 354,191	\$ 320,578	\$ 362,028	\$ 323,550	\$ 303,816	\$ 311,597	\$ 320,475	\$ 315,142
2 Total Energy Discount Provided to CARE Customers	\$ 1,417,311	\$ 74,595	\$ 53,512	\$ 55,509	\$ 69,698	\$ 88,162	\$ 81,831	\$ 68,996	\$ 68,894	\$ 57,150	\$ 67,184	\$ 69,784	\$ 69,002	\$ 69,415
3 Total Service Charge Discount Provided to CARE Custor	\$ 91,520	\$ 4,817	\$ 4,331	\$ 4,262	\$ 4,201	\$ 4,217	\$ 4,267	\$ 4,315	\$ 4,320	\$ 4,557	\$ 5,240	\$ 5,208	\$ 5,153	\$ 5,300
4 Percentage of Total Bill		18%	18%	18%	18%	18%	19%	18%	16%	15%	18%	18%	17%	18%
5 Total Bill Amount of all LIHEAP (active) customers	\$ 13,818,323	\$ 727,280	\$ 641,215	\$ 443,594	\$ 664,004	\$ 956,528	\$ 928,218	\$ 847,782	\$ 846,837	\$ 673,204	\$ 639,226	\$ 645,901	\$ 642,859	\$ 632,418
6 Est. Total Energy Discount Provided to LIHEAP Custome	\$ 2,473,724	\$ 130,196	\$ 115,751	\$ 80,760	\$ 121,831	\$ 174,913	\$ 172,516	\$ 148,502	\$ 134,046	\$ 99,865	\$ 114,144	\$ 116,592	\$ 112,406	\$ 112,603
7 Est. Percentage Energy Discount of Total kWh Usage		18%	18%	18%	18%	18%	19%	18%	16%	15%	18%	18%	17%	18%
8 Total Arrear Forgiveness Payment Match of CARE custo	\$ 91,225	\$ 4,801	\$ 3,834	\$ 3,170	\$ 3,981	\$ 4,485	\$ 3,716	\$ 3,996	\$ 5,255	\$ 6,517	\$ 6,104	\$ 8,138	\$ 6,291	\$ 5,705
9 Total Amount of Arrears of CARE customers	\$ 746,531	\$ 39,291	\$ 31,733	\$ 26,277	\$ 26,202	\$ 28,831	\$ 42,763	\$ 37,145	\$ 48,002	\$ 59,102	\$ 70,014	\$ 52,590	\$ 46,897	\$ 40,077
10 Percentage of Total Arrears Given as Payment Match		12%	12%	12%	15%	16%	9%	11%	11%	11%	9%	15%	13%	14%
11 Est. Total Arrear Forgiveness Payment Match for all LIH	\$ 1,246,963	\$ 65,630	\$ 84,285	\$ 30,355	\$ 58,840	\$ 84,284	\$ 58,299	\$ 77,670	\$ 80,850	\$ 84,919	\$ 52,082	\$ 82,781	\$ 65,630	\$ 70,944
12 Total Amount of Arrears of all LIHEAP customers	\$ 10,237,105	\$ 538,795	\$ 697,699	\$ 251,620	\$ 387,322	\$ 541,756	\$ 670,989	\$ 722,032	\$ 738,538	\$ 770,165	\$ 597,393	\$ 534,955	\$ 489,201	\$ 498,349
13 Est. Percentage of Total Arrears Given as a Payment Match		12%	12%	12%	15%	16%	9%	11%	11%	11%	9%	15%	13%	14%
14 Total Energy Charge Discount	\$ 1,417,311	\$ 74,595	\$ 53,512	\$ 55,509	\$ 69,698	\$ 88,162	\$ 81,831	\$ 68,996	\$ 68,894	\$ 57,150	\$ 67,184	\$ 69,784	\$ 69,002	\$ 69,415
15 Total Interim Rate Discount	\$ 65,703	\$ 3,458	\$ -	\$ -	\$ -	\$ 1,692	\$ 4,768	\$ 4,096	\$ 4,096	\$ 3,455	\$ 4,065	\$ 3,829	\$ 3,755	\$ 3,788
16 Est. Percentage of Total Energy Charge Discount as Interim Rate Discount		5%				2%	6%	6%	6%	6%	6%	5%	5%	5%

Estimated CARE Expenses

	Total	Monthly												
		Average	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17
17 Estimated Service Charge Discounts 1/	\$ 168,187	\$ 8,852	\$ 9,596	\$ 6,744	\$ 7,950	\$ 8,959	\$ 9,404	\$ 9,753	\$ 9,942	\$ 9,966	\$ 9,508	\$ 9,390	\$ 9,250	\$ 9,158
18 Estimated Energy Charge Discounts 2/	\$ 2,473,724	\$ 130,196	\$ 115,751	\$ 80,760	\$ 121,831	\$ 174,913	\$ 172,516	\$ 148,502	\$ 134,046	\$ 99,865	\$ 114,144	\$ 116,592	\$ 112,406	\$ 112,603
19 subtotal	\$ 2,641,911	\$ 139,048	\$ 125,347	\$ 87,504	\$ 129,781	\$ 183,872	\$ 181,920	\$ 158,255	\$ 143,988	\$ 109,831	\$ 123,652	\$ 125,982	\$ 121,656	\$ 121,761
20 Estimated Arrear Forgiveness Match 3/	\$ 1,246,963	\$ 65,630	\$ 84,285	\$ 30,355	\$ 58,840	\$ 84,284	\$ 58,299	\$ 77,670	\$ 80,850	\$ 84,919	\$ 52,082	\$ 82,781	\$ 65,630	\$ 70,944
21 Estimated Interim Discount 4/	\$ 113,863	\$ 5,993	\$ -	\$ -	\$ -	\$ 3,357	\$ 10,052	\$ 8,816	\$ 7,969	\$ 6,037	\$ 6,906	\$ 6,397	\$ 6,117	\$ 6,145
22 Estimated Total CARE Expenses	\$ 3,888,874	\$ 204,678	\$ 209,632	\$ 117,859	\$ 188,621	\$ 268,156	\$ 240,220	\$ 235,924	\$ 224,838	\$ 194,750	\$ 175,735	\$ 208,763	\$ 187,285	\$ 192,705

- 1/ This is the total number of customers that were LIHEAP (active) in the respective month.
- 2/ This is an estimated number, using the percentage of energy charge discount of total bill amount of CARE customers (an actual amount). This ratio is then applied to the total bill amount of all LIHEAP (active) customers.
- 3/ This is an estimated number, using the percentage of arrear forgiveness payment match of total arrears of CARE customers (an actual amount). This ratio is then applied to the total arrears of all LIHEAP (active) customers.

Estimated Energy Charge Discount and Arrears Forgiveness Match

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Line No.	Total	Monthly								
		Average	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	
1	Total Bill Amount of CARE customers	\$ 6,400,967	\$ 336,893	\$ 285,715	\$ 327,536	\$ 374,513	\$ 447,720	\$ 441,588	\$ 372,107	\$ 360,979
2	Total Energy Discount Provided to CARE Customers	\$ 1,417,311	\$ 74,595	\$ 63,084	\$ 75,407	\$ 88,030	\$ 103,032	\$ 103,236	\$ 85,261	\$ 80,126
3	Total Service Charge Discount Provided to CARE Custon	\$ 91,520	\$ 4,817	\$ 5,371	\$ 5,289	\$ 5,152	\$ 5,080	\$ 5,100	\$ 5,097	\$ 5,059
4	Percentage of Total Bill		18%	18%	18%	19%	19%	19%	18%	18%
5	Total Bill Amount of all LIHEAP (active) customers	\$ 13,818,323	\$ 727,280	\$ 357,585	\$ 512,158	\$ 678,896	\$ 926,803	\$ 1,006,842	\$ 895,192	\$ 879,061
6	Est. Total Energy Discount Provided to LIHEAP Custome	\$ 2,473,724	\$ 130,196	\$ 63,692	\$ 94,603	\$ 127,782	\$ 171,798	\$ 189,012	\$ 165,039	\$ 157,869
7	Est. Percentage Energy Discount of Total kWh Usage		18%	18%	18%	19%	19%	19%	18%	18%
8	Total Arrear Forgiveness Payment Match of CARE custo	\$ 91,225	\$ 4,801	\$ 6,198	\$ 4,998	\$ 3,799	\$ 4,852	\$ 3,489	\$ 3,560	\$ 3,138
9	Total Amount of Arrears of CARE customers	\$ 746,531	\$ 39,291	\$ 46,919	\$ 38,475	\$ 33,141	\$ 28,815	\$ 23,747	\$ 32,924	\$ 32,876
10	Percentage of Total Arrears Given as Payment Match		12%	13%	13%	11%	17%	15%	11%	10%
11	Est. Total Arrear Forgiveness Payment Match for all LIH	\$ 1,246,963	\$ 65,630	\$ 22,553	\$ 31,990	\$ 42,240	\$ 83,900	\$ 85,690	\$ 79,545	\$ 70,105
12	Total Amount of Arrears of all LIHEAP customers	\$ 10,237,105	\$ 538,795	\$ 170,744	\$ 246,281	\$ 368,470	\$ 498,217	\$ 583,308	\$ 735,650	\$ 734,418
13	Est. Percentage of Total Arrears Given as a Payment Match		12%	13%	13%	11%	17%	15%	11%	10%
14	Total Energy Charge Discount	\$ 1,417,311	\$ 74,595	\$ 63,084	\$ 75,407	\$ 88,030	\$ 103,032	\$ 103,236	\$ 85,261	\$ 80,126
15	Total Interim Rate Discount	\$ 65,703	\$ 3,458	\$ 3,470	\$ 4,091	\$ 4,723	\$ 5,481	\$ 5,494	\$ 4,581	\$ 4,319
16	Est. Percentage of Total Energy Charge Discount as Interim Rate Discount		5%	6%	5%	5%	5%	5%	5%	5%

Estimated CARE Expenses

	Total	Monthly								
		Average	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	
17	Estimated Service Charge Discounts 1/	\$ 168,187	\$ 8,852	\$ 6,156	\$ 7,007	\$ 7,780	\$ 8,792	\$ 9,287	\$ 9,663	\$ 9,882
18	Estimated Energy Charge Discounts 2/	\$ 2,473,724	\$ 130,196	\$ 63,692	\$ 94,603	\$ 127,782	\$ 171,798	\$ 189,012	\$ 165,039	\$ 157,869
19	<i>subtotal</i>	<i>\$ 2,641,911</i>	<i>\$ 139,048</i>	<i>\$ 69,848</i>	<i>\$ 101,610</i>	<i>\$ 135,562</i>	<i>\$ 180,590</i>	<i>\$ 198,299</i>	<i>\$ 174,702</i>	<i>\$ 167,751</i>
20	Estimated Arrear Forgiveness Match 3/	\$ 1,246,963	\$ 65,630	\$ 22,553	\$ 31,990	\$ 42,240	\$ 83,900	\$ 85,690	\$ 79,545	\$ 70,105
21	Estimated Interim Discount 4/	\$ 113,863	\$ 5,993	\$ 3,503	\$ 5,132	\$ 6,856	\$ 9,139	\$ 10,059	\$ 8,867	\$ 8,509
22	Estimated Total CARE Expenses	\$ 3,888,874	\$ 204,678	\$ 92,401	\$ 133,600	\$ 177,802	\$ 264,489	\$ 283,990	\$ 254,247	\$ 237,856

- 1/ This is the total number of customers that were LIHEAP (active) in the respective month.
- 2/ This is an estimated number, using the percentage of energy charge discount of total bill amount of CARE customers (an actual amount). This ratio is then applied to the total bill amount of all LIHEAP (active) customers.
- 3/ This is an estimated number, using the percentage of arrear forgiveness payment match of total arrears of CARE customers (an actual amount). This ratio is then applied to the total arrears of all LIHEAP (active) customers.

MINNESOTA POWER
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REVISION 56

PILOT RIDER FOR CUSTOMER AFFORDABILITY OF RESIDENTIAL ELECTRICITY (CARE)

APPLICATION

Applicable to any Residential Service Customer taking service under Rate Code 20 (General) or Rate Code 22 (Space Heating) who is approved as qualified for the Low Income Home Energy Assistance Program (LIHEAP) or other heating assistance program by a designated social service agency (Agency) within Company's service territory during the program year (October 1 to September 30). Customers must receive certification annually through authorized Agency to ~~be eligible~~ receive service under ~~for~~ this Rider.

AFFORDABILITY SURCHARGE

For Customers taking service under: Residential Service (Rate Code 20, 22, and 23) except those residential customers who are qualified for LIHEAP, General Service (Rate Code 25), Large Light & Power (Rate Code 75), Large Power (Rate Code 74), Non-Contract Large Power (Rate Code 78) and Municipal Pumping (Rate Code 87) there shall be added to each service agreement, as designated above, on their monthly bill, an Affordability Surcharge as specified below:

<u>October 1, 2018 – September 30, 2019</u>	
<u>Residential (Except LIHEAP-qualified)</u>	<u>\$0.510.92</u>
<u>General Service</u>	<u>\$0.671.22</u>
<u>Large Light & Power</u>	<u>\$10.8124.00</u>
<u>Large Power</u>	<u>\$1,130.721,900.00</u>
<u>Municipal Pumping</u>	<u>\$0.671.22</u>
<u>October 1, 2019 – September 30, 2020</u>	
<u>Residential (Except LIHEAP-qualified)</u>	<u>\$1.10</u>
<u>General Service</u>	<u>\$1.50</u>
<u>Large Light & Power</u>	<u>\$25.00</u>
<u>Large Power</u>	<u>\$2,400.00</u>
<u>Municipal Pumping</u>	<u>\$1.50</u>
<u>October 1, 2020 and thereafter</u>	
<u>Residential (Except LIHEAP-qualified)</u>	<u>\$1.20</u>
<u>General Service</u>	<u>\$1.60</u>
<u>Large Light & Power</u>	<u>\$26.00</u>
<u>Large Power</u>	<u>\$2,740.00</u>
<u>Municipal Pumping</u>	<u>\$1.60</u>

Filing Date ~~May 26, 2017~~ May 31, 2018 MPUC Docket No. E015/M-11-409
Effective Date ~~January 5, 2018~~ Order Date ~~January 5, 2018~~

Approved by: Marcia A. Podratz
Marcia A. Podratz
Director - Rates

MINNESOTA POWER
ELECTRIC RATE BOOK - VOLUME I

SECTION V PAGE NO. 92.1
REVISION 56

**PILOT RIDER FOR CUSTOMER AFFORDABILITY OF RESIDENTIAL ELECTRICITY
(CARE)**

RATE MODIFICATION

All provisions of the Residential Service Schedule shall apply except as modified below:

Customer Charge	\$7.00
Energy Charge	
0 kWh to 300 kWh	3.282¢/kWh
301 kWh to 500 kWh	4.382¢/kWh
501 kWh to 750 kWh	5.482¢/kWh
751 kWh to 1,000 kWh	5.582¢/kWh
Over 1,000 kWh	5.982¢/kWh

SERVICE CONDITIONS

1. In order to determine customer eligibility for this Rider, the Company will review customer's LIHEAP approval status, Customer billing information, approved LIHEAP benefits, and arrears. Any past due bills for electric service will be spread over 24 months and shall be put in a 24-month payment arrangement program.
2. Customers taking service under this Rider will be encouraged to participate in Minnesota Power's energy conservation programs.
3. Customers must be LIHEAP eligible by June 1 of each program year to continue receiving service under this Rider. The program year starts October 1 and ends September 30 of the following year.
4. Customer must maintain an active account registered under Customer's name with the Company to be eligible for this Rider.
5. Qualified Customers are eligible to receive a rate discount under this Rider at only one residential location at any one time, and the Rider applies only to a qualified Customer's primary residence. This Rider will not be available when, in the opinion of the Company, the Customer's residency or occupancy is of temporary nature. Customer taking service under this Rider may not also take service under the standard Residential rate for General, Space Heating, or Seasonal service.

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Marcia A. Podratz
Director - Rates

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**~~PILOT~~ RIDER FOR CUSTOMER AFFORDABILITY OF RESIDENTIAL ELECTRICITY
(CARE)**

6. It is the Customer's responsibility to notify the Company if there is a change of address or eligibility status.
7. Application of this Rider shall be prospective, and the Rider discounted rates shall not be applicable to past due bills.
- ~~8. If the participating Customer misses two consecutive payments, the Customer will be removed from this Rider and placed back on the standard Residential rate and will become subject to standard collection activities for any past due amounts.~~
- ~~9.~~ 8. Refusal or failure of a Customer or Agency to provide documentation of eligibility acceptable to the Company may result in Customer removal from this Rider.
- ~~10.~~ 9. Customer may be re-billed for periods of ineligibility under the applicable standard rate schedule.

ARREARAGE FORGIVENESS CONDITIONS

1. Current CARE participants with past-due arrears balances that satisfy Service Condition 1 are eligible for Arrearage Forgiveness.
2. Potential Arrearage Forgiveness applies to outstanding arrears at the time Customer initially takes service under the CARE Rider ~~of CARE enrollment or as of the effective date of the Arrearage Forgiveness component, whichever is later.~~
3. The Arrearage Forgiveness shall in no event exceed the outstanding arrears balance.
4. The Company shall total the amount of arrears payments made by all CARE customers each month, and based on available funds in the CARE Rider Tracker, shall determine the percentage matching rate and shall match each Customer's monthly paid arrears amount by applying the determined percentage to reduce arrears in the same month. The initial matching rate shall be 100 percent.
5. In the event a Customer applies, qualifies and receives fuel assistance, the fuel assistance amount may be used to pay the arrears amount. The Company shall not match amounts paid by a third party; however, any amount of arrears paid by the Customer any month shall be matched by the Company by applying the percentage of reduction in place as stated in Arrearage Forgiveness Condition 4 above.

Filing Date ~~May 26, 2017~~ May 31, 2018 MPUC Docket No. E015/M-11-409
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Marcia A. Podratz
Director - Rates

MINNESOTA POWER
ELECTRIC RATE BOOK - VOLUME I

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REVISION 5

**PILOT RIDER FOR CUSTOMER AFFORDABILITY OF RESIDENTIAL ELECTRICITY
(CARE)**

~~6. If a Customer has new arrears, it means the Customer has missed at least two consecutive payments, therefore, Service Condition 8 applies, and the Customer shall no longer be eligible for the CARE Program or the Arrearage Forgiveness component. Any payment arrangement made under the Arrearage Forgiveness component will be subject to the same terms and conditions as that of a payment plan or payment agreement under the standard Residential rate schedule. If a CARE customer takes service under the CARE Rider and misses a payment(s), including an arrearage payment arrangement, the customer will remain in the CARE Program and will follow the same collections activities and disconnection process as a customer on the standard Residential rate~~

~~6.7. An Arrearage Forgiveness payment arrangement shall not take place at the same time as a payment plan or payment agreement under Cold Weather Rule protection.~~

Filing Date ~~May 26, 2017~~ May 31, 2018 MPUC Docket No. E015/M-11-409

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Marcia A. Podratz
Director - Rates

MINNESOTA POWER
ELECTRIC RATE BOOK - VOLUME I

SECTION V PAGE NO. 92.0
REVISION 6

RIDER FOR CUSTOMER AFFORDABILITY OF RESIDENTIAL ELECTRICITY (CARE)

APPLICATION

Applicable to any Residential Service Customer taking service under Rate Code 20 (General) or Rate Code 22 (Space Heating) who is approved as qualified for the Low Income Home Energy Assistance Program (LIHEAP) or other heating assistance program by a designated social service agency (Agency) within Company's service territory during the program year (October 1 to September 30). Customers must receive certification annually through authorized Agency to receive service under this Rider.

AFFORDABILITY SURCHARGE

For Customers taking service under: Residential Service (Rate Code 20, 22, and 23) except those residential customers who are qualified for LIHEAP, General Service (Rate Code 25), Large Light & Power (Rate Code 75), Large Power (Rate Code 74), Non-Contract Large Power (Rate Code 78) and Municipal Pumping (Rate Code 87) there shall be added to each service agreement, as designated above, on their monthly bill, an Affordability Surcharge as specified below:

October 1, 2018 – September 30, 2019

Residential (Except LIHEAP-qualified)	\$0.92
General Service	\$1.22
Large Light & Power	\$24.00
Large Power	\$1,900.00
Municipal Pumping	\$1.22

October 1, 2019 – September 30, 2020

Residential (Except LIHEAP-qualified)	\$1.10
General Service	\$1.50
Large Light & Power	\$25.00
Large Power	\$2,400.00
Municipal Pumping	\$1.50

October 1, 2020 and thereafter

Residential (Except LIHEAP-qualified)	\$1.20
General Service	\$1.60
Large Light & Power	\$26.00
Large Power	\$2,740.00
Municipal Pumping	\$1.60

Filing Date May 31, 2018 MPUC Docket No. E015/M-11-409

Effective Date Order Date

Approved by: Marcia A. Podratz
Marcia A. Podratz
Director - Rates

MINNESOTA POWER
ELECTRIC RATE BOOK - VOLUME I

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**RIDER FOR CUSTOMER AFFORDABILITY OF RESIDENTIAL ELECTRICITY
(CARE)**

7. An Arrearage Forgiveness payment arrangement shall not take place at the same time as a payment plan or payment agreement under Cold Weather Rule protection.

Filing Date May 31, 2018 MPUC Docket No. E015/M-11-409
Effective Date _____ Order Date _____

Approved by: Marcia A. Podratz
Marcia A. Podratz
Director - Rates

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

AFFIDAVIT OF SERVICE VIA
ELECTRONIC FILING

SUSAN ROMANS of the City of Duluth, County of St. Louis, State of Minnesota, says that on the **31st day of May, 2018**, she served Minnesota Power’s Compliance Filing in **Docket No. E-015/M-11-409** via electronic filing. Parties on the attached Official Service List were served as requested. Paper copies were sent via U.S. Mail.



Susan Romans

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	annief@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