

January 17, 2024

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

RE: **Supplemental Letter in the Matter of Northern States Power d/b/a Xcel Energy's Petition for a Proposed Low Income, Low Usage (LILU) Program¹**
Docket No. E002/M-23-476

Dear Mr. Seuffert:

Minnesota Department of Commerce, Division of Energy Resources (Department) files this supplemental letter in response to Xcel's December 15, 2023 reply comments. In its December 11, 2023 comments filed in response to the Minnesota Public Utilities Commission (Commission) November 9, 2023 Notice of Comment Period, the Department concluded Xcel's Petition for approval of its LILU program and the associated LILU Program tariff are consistent with Energy Cents Coalition (ECC) proposal and the Commission's July 17, 2023 Order in Docket No. E002/GR-21-630 (2021 Xcel Electric Rate Case Order).²

In response to questions from the Commission's Notice of Comment Period, the Department also concluded Xcel's proposal to report on LILU in its annual Low Income Discount Reports is adequate to obtain an understanding of the program. Finally, to address the question on whether the LILU meet the requirements of Minn. Stat. § 216B.16, subd. 15(b) for low-income affordability programs, the Department requested Xcel respond to the question in its reply comments.

In its December 11, 2023 comments, ECC stated the Commission's approval of the LILU discount in its July 17, 2023 Order was "...not predicated on adherence to, or compliance with, the low-income electric affordability program statute." Instead, the LILU discount was meant for "...those who were least likely to qualify for, or benefit from, existing affordability programs or energy efficiency programs—precisely *because* their usage was too low." According to ECC, "the Commission approved Xcel Energy's LILU because, by definition and design, the discount does not, and cannot, meet the requirements of Minn. Stat. § 216B.16, subd.15."³

¹ Xcel Compliance Filing—Petition Compliance Filing LILU (November 7, 2023 – Originally Filed on October 17, 2023 in Docket No. 21-630), eDocket No. [202311-200316-01](#)

² Docket No. E002/GR-21-630, *In the Matter of the Application of Northern States Power Company, dba Xcel Energy, for Authority to Increase Rates for Electric Service in the State of Minnesota*, FINDINGS OF FACT, CONCLUSIONS, AND ORDER, July 17, 2023, Order ¶¶63-64, p. 160. eDockets No. [20237-197559-01](#)

³ Energy Cents Coalition Comments, December 11, 2023, eDockets No. [202312-201119-01](#)

In its December 15, 2023 reply comments, Xcel agreed with ECC's assessment and requested the Commission find Xcel's proposed LILU Program does not need to meet the provisions of Minn. Stat. § 216B.16, subd. 15(b).⁴ However, Xcel also addressed the requirements of Minn. Stat. § 216B.16, subd. 15(b) with the following statement:

Any discount provided through the LILU Program will lower the percentage of income participating households use to pay their electricity bills, allowing for a stronger ability to pay bills timely, reducing accumulating utility arrears. Increasing payment frequency and decreasing arrears reduces utility account collection costs. The LILU Program may be coordinated with the Monthly Discount Program that offers seniors or disabled LIHEAP qualified customers a \$15.00 discount on their monthly bill.⁵

While the Department offers no opinion on whether ECC and Xcel's assessment of LILU and the requirements of Minn. Stat. § 216B.16, subd. 15(b) is a correct interpretation of the statute, the Department agrees with Xcel's assessment that the program will lower the percentage of income participating households devote to energy bills. In doing so, the Department believes the program will also address the other requirements of section 216B.16, subd. 15 for low-income affordability programs.

The Department recommends the Commission approve Xcel's Petition and the associated LILU Program tariff under Section 5 of Xcel's Minnesota Electric Rate Book, Sheets 95 and 96.

Sincerely,

/S/ LOUISE MILTICH
Assistant Commissioner of Energy Regulatory Analysis

/S/ ANDY BAHN
Rate Analyst Coordinator

AB/ad

⁴ Xcel Energy Reply Comments, December 15, 2023, eDockets No. [202312-201258-02](#)

⁵ *Id.*

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce
Supplemental Letter**

Docket No. E002/M-23-476

Dated this 17th day of January 2024

/s/Sharon Ferguson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_23-476_M-23-476
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_23-476_M-23-476
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_23-476_M-23-476
Christine	Schwartz	Regulatory.records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_23-476_M-23-476
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th PI E Ste 350 Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_23-476_M-23-476