



414 Nicollet Mall
Minneapolis, MN 55401

October 5, 2017

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101

—Via Electronic Filing—

RE: REPLY COMMENTS
MEDICAL AFFORDABILITY PROGRAM
DOCKET NO. E002/M-17-629

Dear Mr. Wolf:

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission this brief Reply in response to the September 25, 2017 Comments of the Minnesota Department of Commerce in the above-referenced docket.

We appreciate the Department's review of our Petition submitted August 24, 2017¹ and recommendation that the Commission approve our proposed Medical Affordability program as a modification to the Company's electric Low Income Energy Discount Program, effective January 1, 2018. We agree with the Department's suggested revisions to the Low Income Energy Discount Rider tariff language and application materials included with our Petition.

The Department concludes the new program will comply with the Commission's June 12, 2017 Order in our 2016 electric rate case² if we revise the proposed tariff content to make it clear customers are not required to be receiving Low Income Home Energy Assistance (LIHEAP) to qualify for the Medical Affordability program benefits. We acknowledge that recommendation and agree to including the Department's edits in the final tariff language. However, we stress that our initial outreach will be to those under 50 percent of state median income (SMI), which translates to customers currently

¹ *Modification to Low Income Energy Discount Program: Medical Affordability Program Petition*, MPUC Docket No. E002/M-17-629 (August 24, 2017).

² *In the Matter of the Application of Northern States Power Company for Authority to Increase Rates for Electric Service in the State of Minnesota*, MPUC Docket No. E002/GR-15-826, FINDINGS OF FACT, CONCLUSIONS, AND ORDER (June 12, 2017).

receiving energy assistance. Customers do not need to be receiving LIHEAP to participate in the Medical Affordability program, but the energy assistance application process is used to verify income eligibility. As noted in our Petition and pursuant to the approved Settlement³ in the rate case, we will also enroll customers up to 60 percent of SMI if funds are still available in a given program year. We will work with the Energy CENTS Coalition (ECC) to determine eligibility for customers that do not qualify for LIHEAP but may qualify for the Medical Affordability program because they have an income in the 50 to 60 percent range of SMI.

Regarding the attachments included with our Petition, please note the following revisions provided with this filing: Attachment A provides updated tariff sheet no. 5-95 (red-line and clean), which includes the Department's recommended edits. In addition, we removed the statement about needing to receive Energy Assistance funds during the current heating season from the Information Sheet and provide as Attachment B. Lastly, in consideration of the Department's comments, we will work with ECC to modify the Medical Affordability enrollment form to clarify applicants do not need to be LIHEAP-qualified to be eligible, and to allow for collecting the more detailed income information needed to qualify customers who fall in the 50-60% SMI range. We will supplement this filing with the revised application as soon as it is finalized.

Again, we appreciate the Department's comments and look forward to the Commission's consideration of our proposed Medical Affordability program design and how it will increase benefits to low income customers.

We have electronically filed this document with the Commission, which also constitutes service on the Department of Commerce and the Office of the Attorney General – Antitrust and Utilities Division. A copy of this filing has been served on all parties on the official service list in this docket.

Please contact me at (612) 330-6935 or gail.baranko@xcelenergy.com or Pat Boland at (651) 639-4407 or patrick.j.boland@xcelenergy.com if you have questions regarding this filing.

Sincerely,

/s/

GAIL A. BARANKO
MANAGER, REGULATORY PROJECT MANAGEMENT
NSPM REGULATORY

Enclosures
c: Service List

³ *Id.* Stipulation of Settlement (August 16, 2016) at 9.

Redline

MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

LOW INCOME ENERGY DISCOUNT RIDER

Section No. 5
~~8th~~^{9th} Revised Sheet No. 95

AVAILABILITY

~~Available to any residential customer who is certified and receiving assistance from the Low Income Home Energy Assistance Program (LIHEAP) during the federal fiscal year. Customers must receive certification annually through authorized LIHEAP agencies to be eligible for this discount Rider.~~

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DISCOUNT PROGRAM

Eligible Senior and / or Disabled customers receive a \$15 discount in each monthly billing period. Customers must be certified annually by an authorized agency as receiving assistance from the Low Income Home Energy Assistance Program.

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PowerOn PROGRAM

Eligible Seniors and / or Disabled, and Customers Under 62 Years of Age with no Disability.

A customer using more than 3% of their annual household income for electric use may be eligible for the Company's PowerOn affordability program. Customers must be certified annually by an authorized agency as receiving assistance from the Low Income Home Energy Assistance Program. The Company will offer customers with the lowest income, and a history of electric consumption that exceeds the residential average of 750 kWh per month, an affordable monthly bill. For a customer to be eligible for a supplemental reduction in their electric bill, the customer must agree to affordable monthly payments.

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Medical Affordability PROGRAM

Available to customers with certified medical circumstances and an income level up to 50 percent of the state median income guidelines. Availability will be extended to medically certified customers with income up to 60 percent of the state median income guidelines if funds are available. Availability is on a first-come/first-served basis until the budget is exhausted.

- Affordability Credit: Participating customers will receive an affordability credit limiting their bill to 3% of household income.
- Arrearage Credit: Participating customers will receive an arrearage credit designed to eliminate any customer arrears over a period of 12 months, if the arrears balance is less than or equal to \$500, or 24 months, if the arrears balance is more than \$500. Receipt of the arrearage forgiveness credit will require a matching customer contribution.
- Customer Payment Requirements: Participating customers that miss two consecutive monthly payments will be removed from the program and subject to regular collection practices, including service disconnection.

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TERMS AND CONDITIONS OF SERVICE

- The company will review current billing information, approved LIHEAP benefits and household income to make payment arrangements with the customer. A mutually agreed to payment plan will be offered to the customer and a payment schedule provided.
- Customer must maintain an active account registered under customer's name with the Company to be eligible for this discount Rider.
- Customers receiving assistance from LIHEAP with electric service through one meter for domestic and non-domestic purposes jointly may be eligible for this Discount Rider subject to Company's verification

(Continued on Sheet No. 5-96)

Date Filed: ~~11-02-15~~⁰²⁻²⁴⁻¹⁷ By: Christopher B. Clark Effective Date: ~~10-01-17~~
President, Northern States Power Company, a Minnesota corporation
Docket No. E002/~~GR-15-826M-17-629~~ Order Date: ~~06-12-17~~

MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

LOW INCOME ENERGY DISCOUNT RIDER

Section No. 5

~~8th~~^{9th} Revised Sheet No. 95

and approval. The Company shall determine the kWh use that is for domestic purposes. This Discount Rider only applies to kWh use for domestic purposes.

(Continued on Sheet No. 5-96)

Date Filed:	11-02-15 <u>08-24-17</u>	By: Christopher B. Clark	Effective Date:	10-01-17
		President, Northern States Power Company, a Minnesota corporation		
Docket No.	E002/ GR-15-826 <u>M-17-629</u>		Order Date:	06-12-17

Clean

MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

LOW INCOME ENERGY DISCOUNT RIDER

Section No. 5
9th Revised Sheet No. 95

DISCOUNT PROGRAM

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- Customer Payment Requirements: Participating customers that miss two consecutive monthly payments will be removed from the program and subject to regular collection practices, including service disconnection.

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TERMS AND CONDITIONS OF SERVICE

1. The company will review current billing information, approved LIHEAP benefits and household income to make payment arrangements with the customer. A mutually agreed to payment plan will be offered to the customer and a payment schedule provided.
2. Customer must maintain an active account registered under customer's name with the Company to be eligible for this discount Rider.
3. Customers receiving assistance from LIHEAP with electric service through one meter for domestic and non-domestic purposes jointly may be eligible for this Discount Rider subject to Company's verification and approval. The Company shall determine the kWh use that is for domestic purposes. This Discount Rider only applies to kWh use for domestic purposes.

(Continued on Sheet No. 5-96)

Date Filed: 08-24-17

By: Christopher B. Clark

Effective Date:

President, Northern States Power Company, a Minnesota corporation

Docket No. E002/M-17-629

Order Date:

Information Sheet

Minnesota



Medical Affordability Program

Higher energy costs can stretch your budget limits. Help is available from Xcel Energy and our trusted partner, the Energy CENTS Coalition, a community-based organization that promotes more affordable utility service for low- and fixed-income Minnesotans with special medical needs.

The Medical Affordability program is funded to the level of \$3 million annually and is available to medically certified, income qualified Xcel Energy residential electric customers. The program provides supplemental energy bill payment assistance customized to fit your needs. For example:

- You may receive a monthly discount on your Xcel Energy bill based on your household income, and on how much energy you use.
- If your Xcel Energy account is past due, you may receive a monthly credit to help you stay up-to-date.

Here's how the Medical Affordability program works:

- Based on your household income, you will be required to pay a set amount, based on a percentage of your income, each month for your electricity.
- Each time you make your payment, we will retire a portion of your past due amount on your bill.

Medical Affordability Program

- Customers with certified medical circumstances and an income level up to 50 percent of the Minnesota State Median Income Guidelines (SMI). Availability may be extended to qualifying customers up to 60 percent of SMI according to availability of remaining annual program funds. The Company will offer customer benefits with the objective of limiting the percentage of household income used for the cost of electricity. Customers in arrears are required to agree to a payment plan.
- You must pay your monthly Xcel Energy bill on time. If you fall behind on your payments, you will be removed from the program and ineligible to reapply until the next calendar year. You may be subject to service disconnection, as well.
- You are required to notify Energy CENTS Coalition if you move or if your household income changes.
- You agree to program terms and conditions.

How to apply:

Please complete the enclosed Medical Affordability application and return it to Energy CENTS Coalition in the return envelope provided. We encourage you to apply as soon as possible as funds are limited.



Contact us:

If you have questions or would like more information, please contact Energy CENTS Coalition at **651.774.9010** (Twin Cities Metro) or at **888.774.9070** for out-state.

To speak to a personal account representative at Xcel Energy, please call us at **800.331.5262**.