



414 Nicollet Mall
Minneapolis, MN 55401

March 31, 2025

—Via Electronic Filing—

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

RE: ANNUAL REPORT
GAS AFFORDABILITY PROGRAM
DOCKET NO. G002/M-25-36

Dear Mr. Seuffert:

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission the enclosed Gas Affordability Program Annual Report for 2024. We submit this Report pursuant to our Natural Gas Low Income Energy Discount Rider Tariff and various Commission Orders in Docket Nos. G002/GR-06-1429 and G002/M-16-493 and subsequent dockets as specified in the Report.

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

Please contact Jemar Lee at jemar.w.lee@xcelenergy.com or me at nicholas.f.martin@xcelenergy.com or (612) 330-6255 if you have any questions regarding this filing.

Sincerely,

/s/

NICHOLAS MARTIN
DIRECTOR, STRATEGY OUTREACH & ADVOCACY

Enclosures
cc: Service List

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

Katie J. Sieben	Chair
Hwikwon Ham	Commissioner
Audrey C. Partridge	Commissioner
Joseph K. Sullivan	Commissioner
John A. Tuma	Commissioner

IN THE MATTER OF NORTHERN STATES
POWER COMPANY'S 2024 ANNUAL GAS
AFFORDABILITY PROGRAM REPORT

DOCKET NO. G002/M-25-36

ANNUAL REPORT

INTRODUCTION

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission this Annual Report regarding our Gas Affordability Program (GAP or the Program) for 2024. We submit this Report pursuant to our Natural Gas Low Income Energy Discount Rider Tariff and Commission Orders.¹ We respectfully request the Commission accept our 2024 Annual Report.

ANNUAL REPORT

Our Annual Report is structured as follows:

- I. Background
- II. Program Description
- III. Program Funding and Administration Costs
- IV. Payment Frequency, Disconnections, and Arrears
- V. Participation and Application Rates, Retention, Satisfaction, and Collection Activity

We provide the 2024 GAP Tracker as Attachment A to this Report. A five-year view of program data is included as Attachment B.

¹ See Docket No. G002/GR-06-1429; Docket No. G002/M-16-493 May 22, 2017 and Sept. 28, 2018 Orders. We also comply with requirements in Docket No. G002/M-21-220, September 15, 2021 Order, and Docket No. G002/M-22-257, January 18, 2023 Order that merged the evaluation reports into annual reports. Our most recent Annual GAP Report was accepted by the August 14, 2024 Order in Docket No. G002/M-24-36.

I. BACKGROUND

Xcel Energy proposed the GAP in November 2006 in our natural gas general rate case in compliance with Minn. Stat. § 216B.16, subd. 15. The GAP was approved by the Commission in the September 10, 2007 Order in Docket No. G002/GR-06-1429 and implemented on February 1, 2008, in conjunction with final rates. GAP was initially approved as a four-year pilot with an evaluation process, which was renewed for four more years and subsequently made permanent.

Effective December 26, 2009, we reduced the household income threshold dedicated to utility costs of our Program from six to four percent, in accordance with the Commission's November 18, 2009 Order in Docket No. G002/GR-06-1429.

The Commission's January 20, 2012 Order in Docket No. G002/GR-06-1429 approved the use of excess tracker funds to supplement benefits in that year unless otherwise ordered by the Commission, and we updated our GAP tariff to allow for use of excess tracker funds in future Program years.

On June 1, 2012, we submitted our Evaluation Report of the first four years of the pilot Program. In its October 26, 2012 Order in Docket No. G002/GR-06-1429, the Commission accepted our evaluation and extended the pilot Program for four years (until December 31, 2016) with some Program changes and additional reporting requirements. In addition, the Commission approved a reduction in the GAP surcharge from \$0.00445 per therm to \$0.00400 per therm, effective January 1, 2013, to reduce the GAP Tracker balance.

We submitted our next four-year Evaluation Report on May 31, 2016, in Docket No. G002/M-16-493. The Commission's May 22, 2017 Order (2017 Order) in that docket accepted our evaluation, removed the expiration date from the Program, and approved our request to return the monthly GAP surcharge to its former level of \$0.00445 per therm. The monthly surcharge remained at the \$0.00445 rate from the 2017 Order until February of 2025 (see below). In compliance with the 2017 Order, this Report reflects both the non-GAP Low Income Home Energy Assistance Program (LIHEAP) and pre-program baseline methodologies for measuring the Program's disconnections, payment frequency, and arrears. The September 28, 2018 Order in this evaluation docket approved a streamlined reporting format as proposed by the Utility Stakeholder Group.

Effective October 1, 2021, we reduced the household income threshold dedicated to utility costs of our Program from four to three percent, in accordance with the Commission's September 15, 2021 Order in Docket No. G002/M-21-220.

We submitted our most recent Evaluation Report on May 31, 2022, in Docket No. G002/M-22-257. The Commission's January 18, 2023 Order in that docket (January 18 Order) accepted our evaluation report, and Order Point 4 authorized utilities to discontinue three-year evaluation reports. In lieu of the evaluation reports, Order Point 4 requires utilities to provide five years of historical data in the GAP annual reports. In compliance with Order Points 5 and 15, we proposed a GAP auto-enrollment process and modified tariff which were approved by the Commission's April 19, 2023 Order in that docket (April 19 Order). We began the auto-enrollment process in July 2023. Per Order Point 14, we report on the auto-enrollment process later in this Report.

Our 2022 Annual Report was accepted by the Commission's September 7, 2023 Order.² That Order did not include any additional requirements for the Company.

Our 2023 Annual Report was accepted by the Commission's August 14, 2024 Order in Docket No. G002/M-24-36. That Order also approved our request to remove the requirement for Xcel Energy to file a proposal when its GAP tracker balance is reduced to \$50,000.

On November 21, 2024, the Company requested an increase to our GAP surcharge and Program budget, in compliance with Order Point 13 of the January 18 Order. In its January 31, 2025 Order in the same docket, the Commission approved our proposal to increase the surcharge from \$0.00445 per therm to \$0.00875 per therm, effective February 1, 2025, to avoid the projected negative tracker balance and to keep the Program funded through 2025 and beyond. In addition, the Commission approved our proposal to increase the total Program budget from \$2.5 million to \$5.6 million to sustain the Program going forward.

II. PROGRAM DESCRIPTION

The GAP is designed to lower customers' energy "burden" – the percentage of income that income-qualified households must use to pay current energy bills – and to increase the number of customer payments, while also providing a mechanism for assisting customers in paying off arrearage balances. In this effort, the Company partners with Energy CENTS Coalition (ECC) on both outreach and administration of the Program.

A. Program Eligibility

The GAP is available to any Xcel Energy Minnesota residential natural gas customer who is certified by and receiving assistance from LIHEAP during the Program year.

² Docket No. G002/M-23-82.

LIHEAP is a federally funded program overseen by the Minnesota Department of Commerce's Energy Assistance Program (EAP), with local level administration handled by 28 service providers. To receive LIHEAP, a household must have an income at or below 50 percent of the state median income for the household size, and successfully complete an application. LIHEAP's primary benefit is a heat and electricity subsidy, with the actual amount varying based on income and energy costs.

Customers eligible for GAP must agree to be placed on a levelized payment plan and schedule. Participants are automatically removed from the Program after non-payment of two consecutive billing periods. To prevent this scenario, we proactively call participants after they miss one payment to remind them that they will be removed from the Program if they miss two payments. If participants are removed from the Program for non-payment, they are not eligible for re-enrollment until the next Program year.

B. Discount Structure

The GAP includes an *Affordability* component that currently limits enrolled customers' payments to three percent of their household income. The Program also has an *Arrearage Forgiveness* component that applies a monthly matching credit to the customer's balance after payment is received.

1. Affordability

The Affordability component consists of bill credits determined by calculating the difference between the Company's estimate of the customer's annual natural gas bill and three percent of the customer's household income. We apply one-twelfth of this amount to the customer's account each month of the Program year. We discuss affordability with respect to the newly implemented surcharge rate and reporting on any impact to federal funding in Section E, below.

2. Arrearage Forgiveness

The Arrearage Forgiveness component is a credit that we apply to the customer's account each month after receiving the customer's payment. We calculate the arrearage forgiveness credit by dividing the total arrears by up to 24 months, with a goal of retiring pre-Program arrears over that period.

The Affordability and Arrearage Forgiveness credits are both Program costs included in the GAP tracker (Attachment A to this filing).

C. Customer Payments

To determine the levelized Program payment amount for participants, ECC uses current billing amounts and consumption, approved LIHEAP benefits, and household income information. The determined levelized payment amount includes the participant's current month's bill (one-twelfth of the levelized payment plan) and a portion of the participant's pre-Program arrears.

Program participants paid a total of \$23,057,882 toward their energy costs during the 2024 Program year. The average per participant payment amount was \$118 per month. The average per participant payment amount is calculated by dividing total participant payments of \$23,057,882 by the total participant count of 16,273, equaling \$1,417 annually per participant. The annual per participant cost is divided by 12 months, equaling an average of \$118 paid in energy costs per GAP participant per month. The 2024 average monthly GAP participant payment amount decreased compared to the 2023 average monthly GAP participant payment amount of \$130. The reduction in the average per participant payment amount is due to the number of customers enrolled in the program and a lower average annual bill, decreased by \$124 per GAP participant.

D. Auto-Enrollment and Program Year Enrollment

The January 18 Order required the Company to develop GAP enrollment efforts for all eligible LIHEAP participants and to report on our auto-enrollment efforts in our next annual report. The April 19 Order approved our auto-enrollment process and associated tariff modifications as proposed.

Auto-enrollment in the GAP for LIHEAP-qualified customers began on July 15, 2023, and will continue to take place on July 15 of each year. Outreach materials for auto-enrollment in the Program were sent to customers prior to actual enrollment, advising of the Program details, participation requirements, and opt-out procedures.³ Our successful auto-enrollment efforts led to an additional 5,368 GAP customers or a 46 percent increase in enrollment at the end of July 2024 compared to June 2024. Xcel Energy's ongoing customer outreach strategies to engage and educate customers regarding available energy assistance and affordability options also played a role in increasing participation. This includes outreach efforts completed through multiple channels such as: onserts, robo-dials, emails, direct mailers, social media, manual dials, and in-person, on-site community events promoting our energy assistance and affordability programs (including but not limited to GAP).

³ Four customers opted out of the Program as a result of auto-enrollment in 2024.

The significant increase in GAP participants this year – largely due to auto-enrollment – had numerous impacts on the data provided in this year’s report, as demonstrated in more detail below. New customers auto-enrolled in 2024 tended to carry larger past due balances than customers who applied to be enrolled in GAP. This difference can be observed in the average arrears GAP participants carried in January 2024, prior to auto-enrollment (\$294.51) versus average arrears carried by GAP participants in December 2024 (\$490.81). Additionally, many more of these new participants missed required payments than we have historically seen from opt-in participants, which resulted in their removal from the Program, a trend that was particularly evident this past fall. For example, from pre-auto-enrollment (January 1 to June 30) compared to the full year including post-auto-enrollment (January 1 to December 31), Program removals increased from 1,921 to 9,376. The majority of these removals are customers who were auto-enrolled in GAP but who did not then maintain the payments required to remain in the program and were unable to make catch-up payments allowed per Program rules.

The Program has undergone significant changes, and participation levels are starting to gain more consistency as customers become accustomed to auto-enrollment and program requirements. At year-end 2024, GAP enrollment remained relatively flat since auto-enrollment had been in effect for the entire reporting year, with 435 fewer customers enrolled in GAP in December 2024 than in January 2024. We will continue to monitor Program removals to determine if additional customer education is required for auto-enrollment.

E. Program Participation and Federal Funding

In 2024 we saw a 19.5 percent increase in Program participation compared to 2023 largely due to the auto-enrollment process that began in July 2023, and efficiencies created in the opt-in process making outreach more effective.

In terms of affordability with respect to the newly implemented surcharge rate, only a short time has passed following implementation of the rate on February 1, 2025, and therefore the Company is not yet able to provide significant analysis of the new rate. The Company will provide a full analysis in the Annual Report to be filed in March 2026. At this time, we can safely estimate that auto-enrollment will continue to increase customer participation in GAP. However, pending Federal LIHEAP budget decisions being made through the Federal Appropriations Budget process, there may be additional impacts to funding available through the State of Minnesota’s LIHEAP program, managed by the Department of Commerce, Energy Affordability Division. LIHEAP enrollment is a pre-qualifier for GAP enrollment. If less Federal LIHEAP funding is available, fewer customers will be eligible to participate in the GAP program. Additionally, warmer than normal temperatures this winter may mean less available Program funding moving forward. We do not request any additional changes to the

Program or budget at this time, but will monitor these impacts as discussed above to determine if a change is necessary. If there are any material changes to the federal funding for LIHEAP in 2025, the Company will file an update related to GAP funding prior to next year's Annual Report.

III. PROGRAM FUNDING AND ADMINISTRATION COSTS

We provide our GAP tracker as Attachment A to this filing as a live Excel spreadsheet. We summarize the data in Table 1 below:

Table 1
GAP Tracker Summary

Item	Amount
Tracker Balance as of December 31, 2023	\$2,585,518
Affordability & Arrearage Forgiveness Credits	\$4,071,058
Administrative Program Costs	\$102,239
Program Collections (per therm charge)	\$2,491,874
Tracker Balance as of December 31, 2024	\$904,095

A. Program Funding

The Program is funded by a per therm charge collected from all residential and most business customers. The 2024 per therm charge was set at \$0.00445. The 2024 annual average cost for a residential customer using 900 therms of gas per year was approximately \$4.01, or \$0.33 per month.⁴

B. Program Administration Costs

As shown in Table 1, total Program costs for 2024 were \$4,173,297 (the Affordability and Arrearage Forgiveness Credits plus the Program Administrative Costs). The 2024 total Program Administration costs were \$102,239. Our overall Program Administration costs to-date percentage is below the 5 percent cap.

C. Tracker Balance

The amount of Program credits we issued in 2024 slightly decreased compared to 2023; however, likely due to warmer than average temperatures, we collected less funding from customers through the surcharge rider in 2024 resulting in a lower tracker balance at the end of the year. The continued high amount of participation is a

⁴ As discussed above, the surcharge increased on February 1, 2025, after the conclusion of the 2024 reporting period.

direct result of the customer auto-enrollment process that was implemented in July 2023 that removed barriers and introduced the Program to a population of customers who may have previously been unaware of their eligibility.

IV. PAYMENT FREQUENCY, DISCONNECTIONS, AND ARREARS

Below we provide the information required by Order Point 4 of the Commission's November 18, 2009 Order in Docket No. G002/GR-06-1429. In addition, in accordance with Order Point 2 of the Commission's May 22, 2017 Order in Docket No. G002/M-16-493, we present the required information relating to customer payments, arrears, and disconnection rates using both the non-GAP LIHEAP baseline approach and the pre-Program baseline approach. For comparison, Attachment B, provided as a live Excel spreadsheet, shows the customer payment frequency data for the years 2020-2024.

A. Customer Payment Frequency

Table 2 below shows the payment frequency of our GAP participants as compared to non-participating customers (those who receive LIHEAP assistance but not GAP, and those that receive neither type of assistance) during 2024. We note that because we have combination electric and natural gas customers in our GAP, our partial payment categories reflect all Program participant payments that were less than the total amount due for both electric and natural gas service during the billing period. Additionally, reported amounts include any participant partial or late payments received up to 60 days from their due date.

Table 2
2024 Customer Payment Frequency Comparison

Customer Category	Amount Paid⁵	Amount Requested	Percentage Paid of Requested⁶	# of Payments Made	# of Payments Requested	Percentage Made of Requested
GAP Program Participants	\$23,057,882	\$21,358,614	108%	124,254	193,285	64%
Non-Participants on LIHEAP	\$11,715,034	\$12,825,533	91%	48,171	88,629	54%
Active Residential non-GAP or LIHEAP	\$816,596,663	\$846,217,807	96%	4,629,635	5,172,511	90%

In 2024, GAP participant payment frequency percentages remained consistent as compared to 2023 figures. However, the amount requested from customers and subsequently paid increased. This is in part due to auto-enrollment that increased program participation overall and is reflected in the increase in payment requests and payments made.

B. Disconnections

Table 3 illustrates the credit-related disconnection percentages for the required customer categories using the non-GAP LIHEAP baseline approach.

Table 3
Percentage Disconnected
(Non-GAP LIHEAP Baseline Approach)

Customer Category	2024
Active GAP participants	0%
Non-Active GAP participants	6.9%
LIHEAP recipients that do not participate in GAP	14.2%
All Residential Natural Gas Customers (non-GAP, non-LIHEAP)	2.5%

⁵ Amount Paid includes both customer payments and energy assistance. Energy assistance is not necessarily directly tied to the amount a customer owes, and therefore, in some cases, can lead to not only paying off the amount the Company requests from a customer, but also their arrearage.

⁶ The percentages in this column contain customer payments and energy assistance, which is why the percentage can be more than 100 percent in certain circumstances.

For comparison, Attachment B shows the non-active GAP participants percent disconnected data for the years 2020-2024. When comparing 2024 and 2023, we see a similar pattern related to disconnections for all customer categories, with an increase in percentages. To put the percentages in perspective, in 2024 we disconnected non-active 1,125 GAP participants compared to 12,156 for all residential customers⁷ for the year. To clarify, enrolled GAP participants cannot be disconnected as they are making required payments to stay in the Program. The 1,125 GAP participants disconnected reflects customers enrolled at some point in 2024 but then removed from the Program for non-payment.

Using the pre-Program baseline approach, we also see a decrease in disconnections. The percentage of customers disconnected pre-GAP enrollment was 15.4 percent and post-GAP enrollment was 2.3 percent.

C. Program Credits/Benefits

Table 4 shows a summary of GAP participant credits and bill amounts for 2024.

Table 4
GAP Participant Bills and Credits

Description	2024
Average GAP participant annual bill	\$1,313
Average GAP participant monthly bill	\$109
Average Annual Affordability benefit	\$237
Average Annual Arrearage Forgiveness benefit	\$129
Average Annual Bill Credit per participant	\$250

For comparison, Attachment B shows the GAP participant bill and credit data for the years 2020-2024. The average annual Affordability and Arrearage Forgiveness credits are calculations of the total annual credits of each component. The Affordability component is \$2,993,826 divided by 12,644 participants. The Arrearage Forgiveness component is \$1,077,233 divided by 8,372 participants.

D. Average Arrearage Level

Table 5 shows the average arrearage levels for the identified customer categories using the non-GAP LIHEAP baseline approach.

⁷ Customers that have natural gas or natural gas and electric service.

Table 5
Average Arrearage Levels
(Non-GAP LIHEAP Baseline Approach)

Customer Category	2024
GAP Participants	\$993
Natural Gas LIHEAP recipients not enrolled in GAP	\$1,337
All Natural Gas Residential Customers (non-GAP, non-LIHEAP)	\$698

The average customer arrearage levels are based on a snapshot of the distinct customer categories listed in Table 5 between January 2024 through December 2024. Attachment B shows the average arrearage levels (Non-GAP LIHEAP Baseline Approach) for the years 2020-2024, for comparison purposes.

The average arrearage levels in 2024 increased for all customers that received LIHEAP, however, did decrease for non-LIHEAP recipients. The percentage increase was greatest for program participants at a 20.6 percent increase, which is reflective of the increase in first-time participants from auto-enrollment and subsequent number of those customers in arrears, upon enrollment. Additionally, these new participants may have different payment behaviors than traditional opt-in customers. It is still notable that the increase in arrears for our GAP participants was less substantial than it was for our LIHEAP non-GAP customers, which we believe is a direct result of the Program's benefits.

We provide in Table 6 below the pre-Program baseline approach on the customer group who entered the GAP program.

Table 6
Average Arrearage Levels
(Pre-Program Baseline Approach)

Average Arrears for GAP Participants with active Participation	2024
Average Arrears 12 Months Prior to GAP Enrollment	\$915
Average Arrears 12 Months Post GAP Enrollment	\$584

In 2024, we witnessed an increase in average arrearage levels for all LIHEAP customers, including those enrolled in GAP. As mentioned in the previous section, there are likely several reasons that contributed to this change.

Table 7 below shows the change in the total number of customers in arrears between October 31, 2023, and October 31, 2024, to illustrate the effect of the GAP.

Table 7
Program Effect on Number of Customers in Arrears

Customer Category	# of Customers in Arrears 2024	# of Customers in Arrears 2023	% Change in # of Customers in Arrears, 2023-2024
GAP	7,700	4,847	59%
Non-GAP LIHEAP	4,696	6,440	-27%
Residential	53,898	52,247	3%

E. Coordination with Other Income-Qualified and Conservation Resources

The Company's plan for energy assistance outreach communications is designed to connect eligible residential customers in Minnesota who have fallen behind on their bills with available resources, such as the federal income-qualified energy assistance program (LIHEAP) and Company programs such as GAP. Customers who cannot catch up on their energy bills are at risk of disconnection and eviction. Effectively connecting customers with energy assistance resources will help reduce their financial burden and assist Xcel Energy in keeping rates low for all customers by reducing arrearages and bad debt risk.

Our communication strategies include:

- Contact eligible customers directly through multiple channels to ensure awareness and understanding of the available programs and make it easy to understand how they can sign up;
- Minimize customer effort, confusion, and frustration by providing eligible customers with timely information, while meeting our commitments to the Commission and stakeholders;
- Ensure information on mn.my.xcelenergy.com/s/billing-payment/energy-assistance is accessible and easy to understand;
- Collaborate with community organizations on ways to increase audience and enrollment; and
- Equip Customer Care agents and employees with key messages to assist in conversations with customers and stakeholders.

Because our Personal Accounts team interacts with thousands of income-qualified customers and other assistance-related organizations throughout the year, consistent with the Commission's November 18, 2009 Order in Docket No. G002/GR-06-1429, we provide a summary of our major outreach initiatives, along with ECC, rather than detailing each individual communication with these agencies:

- Dedicated internal personal account department to increase program awareness and participation;

- Conducted additional outreach to customers deemed to be LIHEAP-eligible;
- Updated the Xcel Energy website to allow for better access to information for Energy Assistance and Company affordability programs information to households;
- Coordinated with ECC on the best approach to reach the lowest income and highest consumption households;
- Participated in virtual monthly Utility Check-in Meetings with the Minnesota Department of Commerce;
- Participated in Virtual Prevention Coordination meetings with Hennepin County throughout 2024;
- Attempted to reach more than 53,407 Minnesota customers through mailings regarding our affordability programs in 2024, not including enrollment and benefit letters; and
- Met with LIHEAP service providers and sent GAP information to them to use in customer education.⁸

F. Application Processing

The Commission's December 29, 2011 Order in Docket No. G002/GR-06-1429 requires that we establish an application processing goal of 95 percent of all complete GAP applications within 30 days of receipt. We met this goal in 2024.

⁸ These actions are also required by Order Point 8 of the January 18 Order.

V. PARTICIPATION AND APPLICATION RATES, RETENTION, SATISFACTION, AND COLLECTION ACTIVITY

A. Participation and Application Rates

Table 8 illustrates 2024 LIHEAP participation and application rates.

Table 8
Program Participation and Application Rates

Participation Rate	2024
Xcel Energy LIHEAP Recipients	20,335
Xcel Energy GAP Participants	16,273
Participation Rate %	80%
Application Rate	2024
LIHEAP (Not Enrolled in GAP)	8,148
Total new Households applied for GAP	5,650
Application Rate %	69%

As shown in Attachment B, 2024 Program participation rates increased by 19% in 2024 compared to 2023. While enrollment was already doing well prior to auto-enrollment, with significant coordination of outreach, and education efforts for potentially eligible LIHEAP customers, auto-enrollment magnified these efforts. This is demonstrated by a 19.5 percent increase in program participants at the end of the 2024 compared to the 2023 program year.

B. Retention

In 2024, a total of 9,376 participants were removed from the Program for various reasons, as summarized below. Table 9 shows the reasons and percent of total participants that left the Program in 2024.

Table 9
Program Retention

Program Removal Reason	Number of Customers Removed 2024	Percentage of Total Program Removals 2024
Non-Payment	6,807	72.6%
Household Move	1,017	10.8%
Ineligibility or Customer Request	1,552	16.6%
Credit Balance ⁹	0	0%
Total	9,376	100%

In 2024, non-payment continued to be the primary reason participants left GAP. Program rules require customers to be removed from the Program if they miss two consecutive monthly payments. The ineligibility category is defined as customers who no longer meet the threshold due to the specific combination of their income and usage or who did not receive LIHEAP.

C. Customer Satisfaction

We do not conduct a specific customer satisfaction survey that addresses participation in this Program. However, we are not aware of any customer complaints made to the Company, the Commission, the Office of the Attorney General-Residential Utilities Division (OAG), or ECC during the 2024 Program year by Program participants after they have become enrolled in the program.

D. Collection Activity

Currently, we do not have the ability to directly tie the extent of the Program's impact on overall collection activity. However, Tables 5 and 7 above show the number of participants in GAP and the impact to those specific customers. We believe it is reasonable to conclude that the lower disconnection percentage and the lower average arrearage levels are attributable to customer participation in GAP as compared to other customers receiving only LIHEAP. Therefore, the Company may have experienced a reduction in collection activity as a result of this Program.

⁹ In 2012, we worked with ECC, the OAG, and the Department of Commerce to create a new credit balance threshold that became effective with the October 26, 2012 Order in Docket No. G002/GR-06-1429. Under the 2012 agreement, we identify participants for individual Program review when their credit balance exceeds \$1,000 and refer those customers to ECC to develop a joint recommendation to determine if they should stay on or be removed from the Program. Next, we bring the resulting recommendation to the OAG, and present the recommendation stemming from ECC, OAG, and Company involvement to the Department. When all parties have agreed on an action, we proceed with that action. In 2024, we did not pursue the removal of any customer under this agreement.

E. Customer Service Calls

Order Point 9 of the January 18 Order requires natural gas utilities to provide a discussion of reporting on the number of customer service calls from payment-troubled customers and the resulting GAP referrals. We provide this discussion below.

Our Personal Account Representatives (PAR) team communicates daily with customers and agencies about available assistance programs for households, including GAP. We discuss with households their ability to maintain service and how they can seek available funding through Energy Assistance, and we help match them with internal programs for which they are eligible. In 2024, the PAR team received 48,986 phone calls from agencies and households related to assistance and our programs, resulting in referrals to energy assistance and bill payment assistance programs. Call volume in 2024 was nearly 12% higher than 2023 call volume, which was already doubled from 2022 call volume. Call topics between customers and the PAR team resulted in higher energy assistance awareness and addressed customer questions on energy assistance applications and delays experienced during the approval process. These calls came from Program enrolled customers, the Department of Commerce's agents, Community Action Agencies, and customers in need of medical assistance. Additionally, Xcel Energy's Credit and Collections department took approximately 244,651 calls in 2024 from Minnesota residential customers with a past due balance. Lastly, part of our standard business is that Xcel Energy Customer Service Representatives offer energy assistance information to any customer that states they are having trouble paying their utility bills.

CONCLUSION

Xcel Energy respectfully requests the Commission to accept our Gas Affordability Program Annual Report for 2024.

Dated: March 31, 2025

Northern States Power Company

Northern States Power Company (Minnesota)
Gas Utility - State of Minnesota
2024 Low Income Discount Program Tracker

	Beginning of year life to date balance	2024												2024 YTD	Current life to date balance
		January	February	March	April	May	June	July	August	September	October	November	December		
2024 Low Income Discount Program															
UMC 2974 MNGVA[*]Gas Affordability	(40,744,816.70)	(441,946.27)	(409,622.54)	(334,638.53)	(288,638.61)	(145,306.54)	(71,755.76)	(64,216.61)	(56,096.95)	(56,837.48)	(79,828.44)	(138,540.74)	(400,649.18)	(2,488,077.65)	(43,232,894.35)
Manually journaled surcharge on handbilled accts	(23,119.66)	(287.96)	(506.28)	(514.52)	(229.31)	(40.39)	(42.57)	(461.35)	(240.32)	(87.31)	(128.05)	(479.21)	(779.25)	(3,796.52)	(26,916.18)
A Total Billed		\$ (442,234.23)	\$ (410,128.82)	\$ (335,153.05)	\$ (288,867.92)	\$ (145,346.93)	\$ (71,798.33)	\$ (64,677.96)	\$ (56,337.27)	\$ (56,924.79)	\$ (79,956.49)	\$ (139,019.95)	\$ (401,428.43)		
UMC 2818 Arrearage Forgiveness MNGas[*]GAP Forgiveness	5,480,536.86	48,852.58	49,169.72	57,549.20	57,107.53	71,683.47	67,751.49	111,437.57	110,710.14	94,122.40	96,602.79	67,887.00	244,358.98	1,077,232.87	6,557,769.73
UMC 1354 Affordability Credits MNGVC[*]GAP Affordability	30,884,653.17	274,159.73	273,674.00	279,074.54	310,898.00	287,364.65	218,716.91	237,419.00	251,522.85	214,218.77	237,625.15	180,543.00	228,608.97	2,993,825.57	33,878,478.74
UMC 1354 on a GJ, not on the TAR report	68.00													-	68.00
UMC 2818 on a GJ, not on the TAR report	8.00													-	8.00
see cell notes	14,422.00													-	14,422.00
B Total Disbursed		\$ 323,012.31	\$ 322,843.72	\$ 336,623.74	\$ 368,005.53	\$ 359,048.12	\$ 286,468.40	\$ 348,856.57	\$ 362,232.99	\$ 308,341.17	\$ 334,227.94	\$ 248,430.00	\$ 472,967.95	4,071,058.44	40,450,746.47
C Admin Program Costs	1,802,730.57	\$ 7,452.21	\$ 1,348.45	\$ 79,167.25	\$ 701.99	\$ 1,504.85	\$ 1,836.50	\$ 1,686.48	\$ 1,084.12	\$ 3,650.17	\$ 1,563.01	\$ 1,252.85	\$ 990.85	102,238.73	1,904,969.30
Monthly (over) under recovery		(111,769.71)	(85,936.65)	80,637.94	79,839.60	215,206.04	216,506.57	285,865.09	306,979.84	255,066.55	255,834.46	110,662.90	72,530.37	1,681,423.00	(904,094.76)
Tracker Balance Asset/(Liability)	(2,585,517.76)	(2,697,287.47)	(2,783,224.12)	(2,702,586.18)	(2,622,746.58)	(2,407,540.54)	(2,191,033.97)	(1,905,168.88)	(1,598,189.04)	(1,343,122.49)	(1,087,288.03)	(976,625.13)	(904,094.76)		
Balance in SAP Account 2340001 ref 3 "G LID"		(2,697,287.47)	(2,783,224.12)	(2,702,586.18)	(2,622,746.58)	(2,407,540.54)	(2,191,033.97)	(1,905,168.88)	(1,598,189.04)	(1,343,122.49)	(1,087,288.03)	(976,625.13)	(904,094.76)		

		2020	2021	2022	2023	2024
Program dates and status						
	Date program started	2/1/2008	2/1/2008	2/1/2008	2/1/2008	2/1/2008
	Program effective date	1/1/2020	1/1/2021	1/1/2022	1/1/2023	1/1/2024
	Date next evaluation report due	5/31/2022	5/31/2022	N/A	N/A	N/A
	Date last evaluation completed	5/31/2019	5/31/2019	5/31/2022	5/31/2022	4/30/2023
	Last evaluation docket number	G002/M-19-380	G002/M-19-380	G002/M-22-257	Discontinued Requirement	Discontinued
	Status of program (pilot or permanent)	Permanent	Permanent	Permanent	Permanent	Permanent
	Date pilot program ends, if applicable	N/A	N/A	N/A	N/A	N/A
	Date of last Evaluation Order	1/17/2020	1/17/2020	1/18/2023	1/18/2023	N/A
	Program administrator	Energy Cents Coalition	Energy Cents Coalition	Energy CENTS Coalition	Energy CENTS Coalition	Energy CENTS Coalition
Participant benefits						
	Description of affordability benefit - maximum payment as % of household income	4%	Changed from 4% to 3% on October 1, 2021	3%	3%	3%
	Description of arrearage forgiveness benefit - repayment period	12-24 months	12-24 months	12-24 months	12-24 months	12-24 months
	Average annual income per participant	\$13,119	\$13,449	\$14,225	\$17,648	\$19,076
	Average annual bill per participant	\$1,096	\$1,128	\$1,629	\$1,437	\$1,313
	Average arrearage balance per participant	\$178	\$534	\$361	\$823	\$993
	Average annual affordability benefit per participant	\$175	\$164	\$248	\$266	\$237
	Average annual arrearage forgiveness benefit per customer	\$167	\$185	\$210	\$114	\$129
	Average total benefit per participant	\$240	\$223	\$280	\$307	\$250
Cost and Cost Recovery						
	Annual budget	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000
	Actual revenue	\$2,760,447	\$2,653,541	\$3,095,074	\$2,829,829	\$2,491,874
	Annual cost	\$1,932,190	\$1,748,130	\$2,238,735	\$4,263,976	\$4,173,297
	Surcharge (\$/therm)	0.00445	\$0.00445	\$0.00445	\$0.00445	\$0.00445
	Annual cost of surcharge for average residential customer who used 900 therms of gas per year	\$4.01	\$4.01	\$4.01	\$4.01	\$4.01
	Customer classes assessed the GAP surcharge	Residential firm, commercial firm and Commercial Demand Billed Service	Residential firm, commercial firm and Commercial Demand Billed Service	Residential firm, commercial firm and Commercial Demand Billed Service	Residential firm, commercial firm and Commercial Demand Billed Service	Residential firm, commercial firm and Commercial Demand Billed Service
	Tracker balance as of year-end	\$2,257,914	\$3,163,326	\$4,019,664	\$2,585,518	\$904,095
Participation						
	% of LIHEAP customers that participated in GAP	42%	37%	35%	61%	80%
	Number of participants enrolled as of year-end	5,022	5,504	6,342	10,650	9,861
	Number of participants enrolled and receiving benefits at some time during the year	7,683	7,395	7,668	13,620	16,273
	Whether a waiting list occurred at any time during the year	N/A	n/a	n/a	n/a	n/a
	If so, the number of customers on the waiting list and for how long	N/A	n/a	n/a	n/a	n/a
Impact on disconnection rates						
	Disconnection rates - non-GAP LIHEAP baseline					
	Active GAP participants	0.00%	0.00%	0.000%	0.000%	0.000%
	GAP participants	0.03%	0.08%	0.770%	1.310%	Docket No. G002/M-25-36
	Non-GAP LIHEAP customers	0.24%	1.12%	2.298%	4.560%	2024 GAP Annual Report
	Non-LIHEAP residential customers	0.02%	0.28%	0.730%	0.770%	Attachment A - Page &[Page] of &[Pages]
	Disconnection rates - pre-program baseline					
	GAP participant cohort	0.14%	0.29%	1.49%	0.26%	2.33%
	GAP participants cohort before they were enrolled in GAP	5.50%	3.21%	0.29%	2.20%	15.40%
Impact on payment frequency						
	Dollars paid - dollars requested					
	Non-GAP LIHEAP Baseline					
	GAP participants	98%	119%	110%	109%	108%
	Non-GAP LIHEAP customers	91%	104%	111%	90%	91%
	Non-LIHEAP residential customers	97%	96%	97%	100%	96%
	Pre-Program Baseline					
	GAP participant cohort	76%	132%	129%	100%	100%
	GAP participant cohort before they were enrolled in GAP	75%	78%	132%	114%	120%
Number of payments made paid - number of payments requested						
	Non-GAP LIHEAP baseline					
	GAP participants	36%	76%	58%	65%	64%
	Non-GAP LIHEAP customers	49%	65%	54%	52%	54%
	Non-LIHEAP residential customers	12%	90%	91%	90%	90%
	Pre-program baseline					
	GAP participant cohort	76%	79%	62%	61%	65%
	GAP participant cohort before they were enrolled in GAP	75%	71%	79%	68%	64%
Impact on arrears						
	% Customers in arrears					
	Non-GAP LIHEAP baseline					
	GAP participants	36%	32%	15%	36%	47%
	Non-GAP LIHEAP customers	49%	49%	46%	61%	58%
	Non-LIHEAP residential customers	12%	11%	12%	12%	12%
	Pre-Program baseline					
	GAP participant cohort	56%	46%	18%	22%	34%
	GAP participant cohort before they were enrolled in GAP	61%	56%	46%	47%	72%
Dollar amount of arrears						
	% Change in dollar amount of arrears (non-GAP LIHEAP baseline)					
	GAP participants	-6%	-26%	-67%	128%	92%
	Non-GAP LIHEAP customers	56%	6%	-65%	356%	9%
	Non-LIHEAP residential customers	113%	25%	30%	4%	-15%
	Dollar amount of arrears (pre-Program baseline)					
	GAP participant cohort	\$477,288	\$677,178	\$154,310	\$809,137	\$2,101,003
	GAP participant cohort before they were enrolled in GAP	\$498,414	\$1,009,369	\$677,178	\$3,989,009	\$5,498,641
Complaints						
	Number of complaints	0	0	0	0	0
	Nature of complaint(s)	N/A	n/a	n/a	n/a	n/a
Retention						
	GAP participant retention rate	67%	74%	75%	63%	52%
Impact on collection activity						
	Brief description of effect of GAP on collection activity	While we do not have specific data regarding the Program's impact on collection activity, we believe it is reasonable to conclude from the lower disconnection percentage and the lower average arrearage level attributable to GAP participants as compared to other customers receiving LIHEAP, that the Company may have experienced a reduction in collection activity as a result of this Program.	While we do not have specific data regarding the Program's impact on collection activity, we believe it is reasonable to conclude from the lower disconnection percentage and the lower average arrearage level attributable to GAP participants as compared to other customers receiving LIHEAP, that the Company may have experienced a reduction in collection activity as a result of this Program.	While we do not have specific data regarding the Program's impact on collection activity, we believe it is reasonable to conclude from the lower disconnection percentage and the lower average arrearage level attributable to GAP participants as compared to other customers receiving LIHEAP, that the Company may have experienced a reduction in collection activity as a result of this Program.	While we do not have specific data regarding the Program's impact on collection activity, we believe it is reasonable to conclude from the lower disconnection percentage and the lower average arrearage level attributable to GAP participants as compared to other customers receiving LIHEAP, that the Company may have experienced a reduction in collection activity as a result of this Program.	While we do not have specific data regarding the Program's impact on collection activity, we believe it is reasonable to conclude from the lower disconnection percentage and the lower average arrearage level attributable to GAP participants as compared to other customers receiving LIHEAP, that the Company may have experienced a reduction in collection activity as a result of this Program.
Coordination with other programs						
	Page(s) of report where coordination efforts described	pp. 11-12	pp. 11 - 12	pp. 11 - 12	pp. 11 - 12	pg. 12

CERTIFICATE OF SERVICE

I, Marie Horner, hereby certify that I have this day served copies of the foregoing document or a summary thereof on the attached lists of persons:

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

xx via electronic filing

DOCKET No. G002/M-25-36

Dated this 31st day of March 2025

/s/

Christine Schwartz
Regulatory Administrator

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
1	Becky	Billings	becky.j.billings@xcelenergy.com	Xcel Energy		2240 Plymouth Road APT 105 Minnetonka MN, 55305 United States	Electronic Service		No	M-25-36
2	Matthew	Brodin	mbrodin@allete.com	Minnesota Power		30 West Superior Street Duluth MN, 55802 United States	Electronic Service		No	M-25-36
3	John	Coffman	john@johncoffman.net	AARP		871 Tuxedo Blvd. St, Louis MO, 63119-2044 United States	Electronic Service		No	M-25-36
4	Generic	Commerce Attorneys	commerce.attorneys@ag.state.mn.us		Office of the Attorney General - Department of Commerce	445 Minnesota Street Suite 1400 St. Paul MN, 55101 United States	Electronic Service		Yes	M-25-36
5	Brandon	Crawford	brandonc@cubminnesota.org	Citizens Utility Board of Minnesota		332 Minnesota St Ste W1360 St. Paul MN, 55101 United States	Electronic Service		No	M-25-36
6	George	Crocker	gwillc@nawo.org	North American Water Office		5093 Keats Avenue Lake Elmo MN, 55042 United States	Electronic Service		No	M-25-36
7	Bridget	Dockter	bridget.dockter@xcelenergy.com			null null, null United States	Electronic Service		No	M-25-36
8	Ron	Elwood	relwood@mnlsap.org	Legal Services Advocacy Project		970 Raymond Avenue Suite G-40 Saint Paul MN, 55114 United States	Electronic Service		No	M-25-36
9	Sharon	Ferguson	sharon.ferguson@state.mn.us		Department of Commerce	85 7th Place E Ste 280 Saint Paul MN, 55101-2198 United States	Electronic Service		No	M-25-36
10	Todd J.	Guerrero	todd.guerrero@kutakrock.com	Kutak Rock LLP		Suite 1750 220 South Sixth Street Minneapolis MN, 55402-1425 United States	Electronic Service		No	M-25-36
11	Shubha	Harris	shubha.m.harris@xcelenergy.com	Xcel Energy		414 Nicollet Mall, 401 - FL 8 Minneapolis MN, 55401 United States	Electronic Service		No	M-25-36
12	Annete	Henkel	mui@mutilityinvestors.org	Minnesota Utility Investors		413 Wacouta Street #230 St.Paul MN, 55101 United States	Electronic Service		No	M-25-36
13	Michael	Hoppe	lu23@ibew23.org	Local Union 23, I.B.E.W.		445 Etna Street Ste. 61 St. Paul MN, 55106 United States	Electronic Service		No	M-25-36
14	Richard	Johnson	rick.johnson@lawmoss.com	Moss & Barnett		150 S. 5th Street Suite 1200 Minneapolis	Electronic Service		No	M-25-36

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
						MN, 55402 United States				
15	Sarah	Johnson Phillips	sjphillips@stoel.com	Stoel Rives LLP		33 South Sixth Street Suite 4200 Minneapolis MN, 55402 United States	Electronic Service		No	M-25-36
16	Peder	Larson	plarson@larkinhoffman.com	Larkin Hoffman Daly & Lindgren, Ltd.		8300 Norman Center Drive Suite 1000 Bloomington MN, 55437 United States	Electronic Service		No	M-25-36
17	Annie	Levenson Falk	annielf@cubminnesota.org	Citizens Utility Board of Minnesota		332 Minnesota Street, Suite W1360 St. Paul MN, 55101 United States	Electronic Service		No	M-25-36
18	David	Moeller	dmoeller@allte.com	Minnesota Power			Electronic Service		No	M-25-36
19	Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP		33 South Sixth St Ste 4200 Minneapolis MN, 55402 United States	Electronic Service		No	M-25-36
20	David	Niles	david.niles@avantenergy.com	Minnesota Municipal Power Agency		220 South Sixth Street Suite 1300 Minneapolis MN, 55402 United States	Electronic Service		No	M-25-36
21	Chris	Osowski	chris_osowski@usc.salvationarmy.org	Salvation Army		2080 Woodlynn Avenue Maplewood MN, 55109 United States	Electronic Service		No	M-25-36
22	Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	1400 BRM Tower 445 Minnesota St St. Paul MN, 55101-2131 United States	Electronic Service		Yes	M-25-36
23	Christine	Schwartz	regulatory.records@xcelenergy.com	Xcel Energy		414 Nicollet Mall FL 7 Minneapolis MN, 55401-1993 United States	Electronic Service		No	M-25-36
24	Will	Seuffert	will.seuffert@state.mn.us		Public Utilities Commission	121 7th PI E Ste 350 Saint Paul MN, 55101 United States	Electronic Service		Yes	M-25-36
25	James M	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered		150 S 5th St Ste 700 Minneapolis MN, 55402 United States	Electronic Service		No	M-25-36