

STATE OF MINNESOTA
Before The Public Utilities Commission

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Audrey Partridge	Commissioner
John Tuma	Commissioner

In re Application of Northern States Power Co., d/b/a Xcel Energy, for Authority to Increase Rates for Natural Gas Service in Minnesota

DOCKET NO. G-002/GR-25-356

**REPLY COMMENTS OF THE OFFICE
OF THE ATTORNEY GENERAL—
RESIDENTIAL UTILITIES DIVISION**

INTRODUCTION

The Office of the Attorney General—Residential Utilities Division (OAG) respectfully submits the following Reply Comments in response to the comments filed by the Minnesota Department of Commerce and the Citizens Utility Board of Minnesota (CUB) on November 13, 2025.

Northern States Power Company doing business as Xcel Energy (Xcel or Company) filed a petition for an interim rate increase “equal to 51.47 million dollars or 6.8 percent.”¹ On the same day, Xcel filed what has become known as a “Stay-out” Petition.² The Stay-out Petition admitted that Xcel estimates a smaller increase of 46.3 million dollars is sufficient to provide safe and reliable gas service in 2026.³ As described in the OAG’s initial comments, the Stay-out Petition

¹ *In re App. of N. States Power Co. d/b/a Xcel Energy’s Petition for Auth. to Increase Nat. Gas Rates in Minn.*, Docket No. G-002/GR-25-356, Application at 1 (Oct. 31, 2025).

² *In re App. of Xcel Energy Petition for Approval of Gas State Energy Pol’y Rider Recovery with True Up Mechanisms*, Docket No. E-002/25-403, Petition for Approval of SEP Rider Recovery with True-Up Mechanisms (Oct. 31, 2025) (Stay-out Petition).

³ Stay-out Petition at 2, 7, 8.

presents exigent circumstances⁴ by showing that Xcel does not need more than that amount to provide safe and reliable service. As a result, the Commission should set interim rates to be no higher than 46.3 million dollars. The OAG also observed that Xcel's customers face unstable economic circumstances due in part to the federal government shutdown, which may also create economic exigent circumstances.⁵ The Department and CUB have identified additional factors contributing to exigent circumstances. The OAG continues to support the Commission finding exigent circumstances and modifying Xcel's interim-rate petition in line with the positions of the OAG, the Department, and CUB. Specifically, the Commission has a substantial record on which to take any one of three actions: (1) the OAG's recommendation of reducing interim rates to the level of Xcel's Stay-out Petition; (2) the Department's recommendation to reduce the residential interim increase by 50 percent; or CUB's recommendation to reduce the total interim increase by 50 percent.

ANALYSIS

The Department and CUB identified additional exigent circumstances that would allow the Commission to reduce Xcel's interim-rate request. The Department outlines several drivers of economic hardship for Xcel's residential customers,⁶ some of which also apply to small businesses. The Department recommends reducing Xcel's interim rates for residential customers by 50 percent.⁷ CUB recommends that the Commission find exigent circumstances exist and reduce interim rates by 50 percent for all ratepayers.⁸ The OAG agrees that exigent circumstances

⁴ Minn. Stat. § 216B.16, subd. 3.

⁵ OAG Interim Rate Initial Comments at 2 n.5.

⁶ Department Initial Comments at 5-6.

⁷ *Id.* at 6.

⁸ CUB Initial Comments at 2.

exist due to the federal government's historic shutdown and other economic factors.⁹ The difference between the Department's and CUB's position is whether the 50 percent reduction should be applied to all ratepayers or only residential ratepayers.¹⁰ The OAG finds either recommendation would be appropriate.

I. THE DEPARTMENT'S IDENTIFICATION OF ECONOMIC UNCERTAINTY SUPPORTS THE COMMISSION REDUCING XCEL'S INTERIM RATE REQUEST.

The Department identifies how the federal government shutdown and other economic policies contribute to exigent circumstances allowing the Commission to depart from the statutory interim rates formula.¹¹ The OAG concurs. While the federal government has reopened, the proposed resolution will fund the government only through late January 2026.¹² The federal government may shut down again.¹³ The Department explained that the uncertainty of a shutdown raises further concerns about the status of assistance programs, especially due to the roller-coaster-like news during the historic 43-day pause.¹⁴ The OAG further agrees that Minnesotans face uncertainty in being able to pay for their health insurance plans through the Affordable Care Act (ACA) exchange, and that inflation due to federally imposed tariffs create additional economic concerns.¹⁵ Indeed, the resolution to reopen the government included no commitments to extend the ACA tax credits.¹⁶ The Department has also identified additional uncertainty in the labor

⁹ OAG Interim Rate Initial Comments at 2 n.5.

¹⁰ CUB Initial Comment at 5, 9.

¹¹ Department Initial Comments at 6-7.

¹² Attach. 1, Rachel Treisman, *The government shutdown is over, but not everything is back to normal*, NPR News (Nov. 13, 2025), available at <https://www.npr.org/2025/11/13/nx-s1-5607812/government-shutdown-ends-updates>.

¹³ *Id.*

¹⁴ Department Initial Comments at 5.

¹⁵ *Id.* at 5-6.

¹⁶ Attach. 2, Mary Clare Jalonik, *Republicans promised health care negotiations after the shutdown, but Democrats are wary*, Associated Press (Nov. 13, 2025), available at

market due to layoffs increasing 65 percent in 2025 and slower hiring.¹⁷ This uncertainty particularly impacts low-income households that lack a buffer against hardship.¹⁸

As a result of these factors creating exigent circumstances, the Department recommends that the Commission modify Xcel's proposed interim rate increase to allow only 50 percent of the proposed increase for the residential class.¹⁹ The increase proposed by the Department is 16.2 million dollars for the residential class.²⁰ The OAG supports a reduction for the residential class. However, small businesses also face the same uncertainty regarding inflation, the pending impact of tariffs, and potentially rising healthcare costs for their employees. For that reason, the Commission may wish to apply the 50 percent reduction to the interim-rate increase for the small commercial firm classes facing the same uncertainty as residential customers.

II. THE FACTORS IDENTIFIED BY CUB SUPPORT THE COMMISSION REDUCING INTERIM RATES.

CUB works to aid customers in navigating assistance programs and works with residential customers to help with billing assistance and shut-off protections.²¹ CUB describes how, since the beginning of October, the shutdown of the federal government has impacted federal workers, income-limited households, residential customers, and small business customers.²²

CUB further pointed out the federal government shutdown impacts the 125,000 households in Minnesota that rely on LIHEAP.²³ Additionally, exigent circumstances have been created by

<https://apnews.com/article/health-care-premiums-congress-subsidies-shutdown-aca-6e2e705d229ea003f19aad72994db0e1>.

¹⁷ Department Initial Comments at 5-6.

¹⁸ *Id.* at 6.

¹⁹ *Id.*

²⁰ *Id.*

²¹ CUB Initial Comments at 6.

²² *Id.* at 3.

²³ *Id.* at 4.

the blitz against benefits like SNAP,²⁴ elevated insurance premiums,²⁵ and injury to the broader economy.²⁶ It will take time to resume federal programs and disburse the resources tied up in the chaos.²⁷ The OAG agrees.

CUB recommends that the Commission find exigent circumstances and set the overall interim increase at no more than 50 percent of Xcel's request.²⁸ CUB noted that the government shutdown has "produced similar hardships" impacting customers' ability to timely pay their utility bills.²⁹ The OAG believes that there is record support for CUB's recommendation, and the Commission may choose to broadly apply a 50 percent reduction to all ratepayers.

CONCLUSION

The OAG supports the arguments made by the Department and CUB that exigent circumstances are present. The Commission should reduce Xcel's interim-rate request. The record presents multiple options for the Commission to reduce Xcel's request due to the exigent circumstances presented by the significant economic hardship and uncertainty being experienced by Xcel's ratepayers. The fact that Xcel has acknowledged through the Stay-out Petition that it can provide safe and reliable service with 46.3 million dollars furthers the exigent circumstances analysis. The Commission should use its discretion to find exigent circumstances and reduce Xcel's interim-rate request.

[SIGNATURE ON NEXT PAGE]

²⁴ CUB Initial Comments at 4.

²⁵ *Id.* at 5.

²⁶ *Id.*

²⁷ *Id.*

²⁸ *Id.*

²⁹ *Id.*

Dated: November 17, 2025

Respectfully submitted,

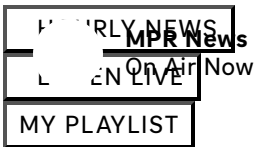
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2025 government shutdown

The government shutdown is over, but not everything is back to normal

UPDATED NOVEMBER 13, 2025 · 2:00 PM ET

By Rachel Treisman

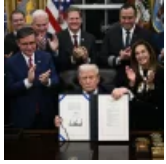


A tour guide leads a group through the U.S. Capitol in Washington, D.C. on November 13, 2025, a day after the U.S. government reopened.

Andrew Caballero-Reynolds/AFP via Getty Images

The longest government shutdown in U.S. history is officially over after President Trump signed a bill passed by Congress on Wednesday night.

The federal government is reopening. But after 43 days on pause, things may not return to business as usual right away. For instance, federal workers are still awaiting backpay and air travel disruptions are expected to linger.



2025 GOVERNMENT SHUTDOWN

The longest government shutdown in U.S. history comes to a close

And some impacts could continue much longer than six weeks, whether that's national parks trying to make up for lost visitor revenue or taxpayers waiting longer for refunds from a backlogged Internal Revenue Service (IRS).

There's also the looming threat of another potential shutdown in the not-too-distant future, since this bill only funds the government through Jan. 30.

Here's a look at where things stand for now.

Keep scrolling for updates, and jump by category here:

Federal workers | SNAP | Smithsonian | Air travel | National parks | Taxes |
Economic data

Federal employees return to work, awaiting back pay

Roughly 1.4 million federal workers have gone without pay for six weeks. Roughly half of them were required to keep working without paychecks, while hundreds of thousands of others were furloughed.

Russ Vought, director of the Office of Management and Budget, told agency heads to direct furloughed employees to return to work Thursday.

"Agencies should take all necessary steps to ensure that offices reopen in a prompt and orderly manner" on Thursday, Vought wrote in a Wednesday memo.



2025 GOVERNMENT SHUTDOWN

Judge indefinitely halts shutdown layoffs noting human toll

The timing of backpay is a different question.

After the government shutdown ending in January 2019 — then the longest in history — Congress passed a law ensuring back pay for federal workers "at the earliest date possible after the lapse in appropriations ends, regardless of scheduled pay dates."

But Trump appeared to suggest otherwise in public comments last month, leaving many feds worried.



2025 GOVERNMENT SHUTDOWN

It's supposed to be payday for many federal workers. Instead, they're getting nothing

The bill that Congress passed to end the shutdown guarantees back pay. It also reverses several agencies' attempted staffing reductions during the shutdown, which were paused by a federal judge, and prevents additional layoffs of federal employees through January.

Shaun Southworth, a federal employment attorney, said in an Instagram video that the timing of backpay will vary by agency based on their payroll providers, but most employees should start seeing deposits within days.

"Many employees historically saw deposits within the first business days after reopening," he says of the last shutdown. "A minority may roll to the next cycle if the system needs extra processing."

SNAP is back



Daytona Beach residents wait in their cars during a free food distribution for SNAP recipients organized by the Volusia County Sheriff's Office and The Jewish Federation at the Daytona International Speedway last week.

Miguel J. Rodriguez Carrillo/AFP via Getty Images

The bill Congress passed to reopen the government funds the Supplemental Nutrition Assistance Program (SNAP) through September 2026.

The program, which some 42 million Americans rely on for food assistance, has been the subject of much uncertainty — and an escalating legal battle — in recent weeks. The Trump administration said last month that it would suspend SNAP funding in November due to the shutdown, prompting a wide outcry and a series of legal challenges.



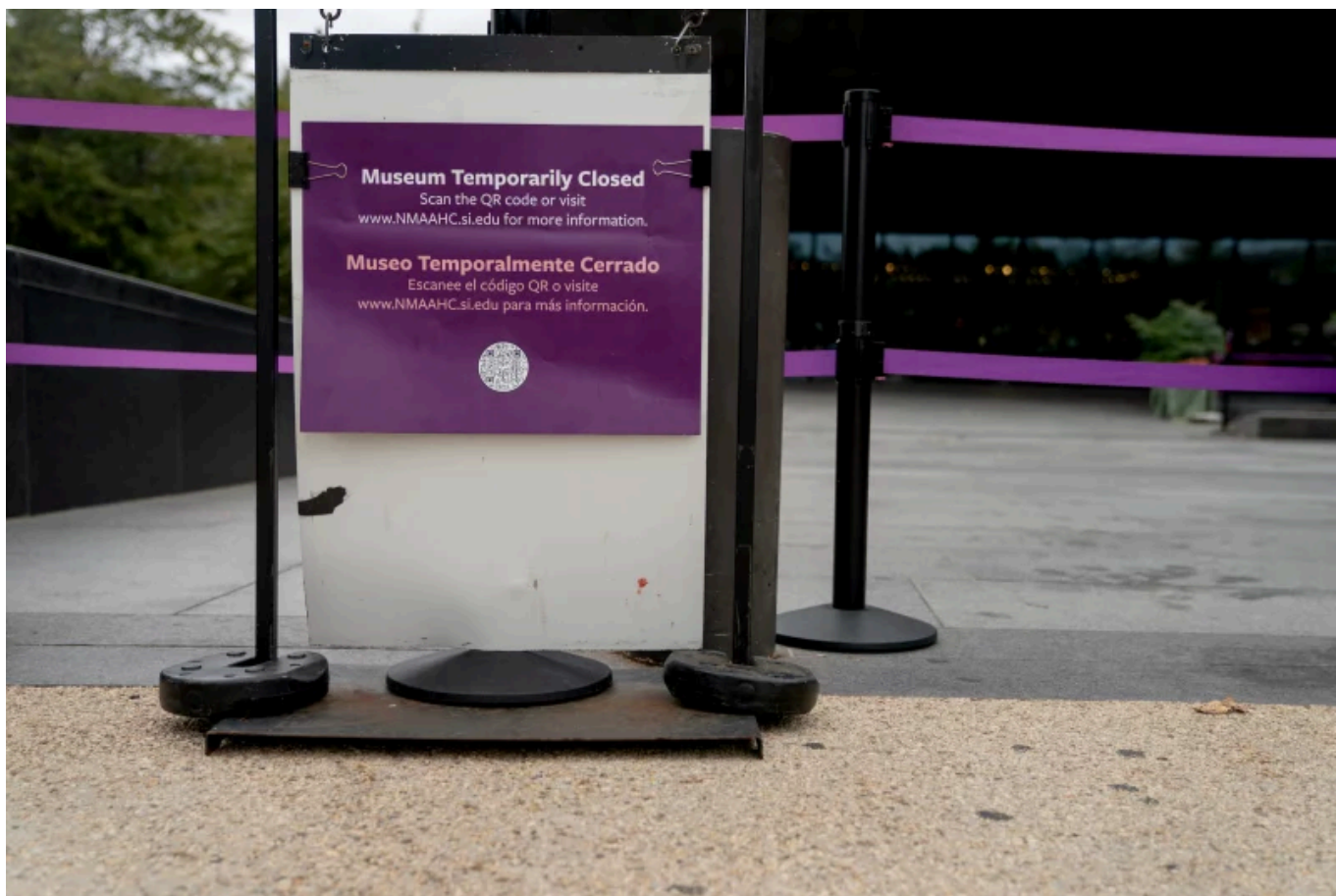
2025 GOVERNMENT SHUTDOWN

SNAP funding pause to soon end, but anxiety and anger may linger

While the administration initially said it would comply with two rulings requiring it to provide at least partial funding for SNAP in November, it balked — and ultimately appealed to the Supreme Court — after one of those judges said it must fund the program fully for the month. The Supreme Court paused that order (and extended that pause again on Tuesday, with the end of the shutdown in sight).

At this point, beneficiaries in some states have gotten their full monthly allocations, while others have gotten partial payments or nothing at all. Reopening the government means restarting SNAP, but it's not clear how quickly full payments will resume, since that varies by state. And, as NPR has reported, many who rely on the program are worried that benefits could be cut again.

Smithsonian institutions will reopen on a rolling basis



The Smithsonian National Museum of African American History, closed during the government shutdown, is expected to reopen Friday.

Stefani Reynolds/Bloomberg via Getty Images

The Smithsonian, which encompasses 21 museums and the National Zoo, says its reopening will be gradual.

Its website says the National Museum of American History, as well as the National Air and Space Museum and its Virginia annex, the Steven F. Udvar-Hazy Center, will open their doors on Friday.

All other museums and the zoo — including its beloved live animal cams — will reopen to the public "on a rolling basis" by Monday.

Air travel won't bounce back overnight



A passenger waits for his flight at Los Angeles International Airport on Friday, as flight reductions began at major U.S. airports.

Sarah Reingewirtz/Los Angeles Daily News/SCNG

The shutdown snarled air travel in a tangle that experts say is beyond a quick fix.

Escalating shortages of air traffic controllers — who have been required to work without pay — caused delays and disruptions at airports nationwide since early October. Then, last week, the Federal Aviation Administration ordered airlines to reduce air traffic at 40 of the country's busiest airports, starting by 4% and ramping up to 10% by this Friday.



2025 GOVERNMENT SHUTDOWN

Why flight disruptions could linger even after the government shutdown ends

The FAA announced Wednesday that it would freeze flight reductions at the current 6% level, citing a rapid improvement in controller staffing. Transportation Secretary Sean Duffy said air traffic controllers will get a lump sum payment equal to 70% of their back pay within 48 hours of the shutdown ending.

The agency says it will continue to assess "whether the system can gradually return to normal operations."

Airlines and aviation regulators have warned that flight disruptions are likely to continue once the government reopens. Airlines had to adjust their schedules to reduce flights, and those changes can take time to reverse.

"It's going to take a bit to unwind, and the responsibility is not going to fall completely on the air traffic control operation," former FAA administrator Randy Babbitt told NPR's *All Things Considered* on Tuesday. "A good deal of responsibility will be the carriers getting their schedules and the aircraft and personnel back in the right positions to resume normal flying."

Air travel experts have told NPR that even after the shutdown, lingering impacts could potentially complicate Thanksgiving travel — which is always a hectic time to fly.

National Parks start to "pick up the pieces"



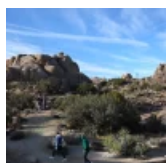
A sign posted by the National Park Service warns of closures at the Benjamin Rush Gardens in Philadelphia during the government shutdown earlier this month.

Matthew Hatcher/Getty Images

Most national parks stayed at least partially open during the shutdown, but with significantly reduced staffing (since thousands of National Park Service employees were furloughed) and limited services like visitor centers and trash pickup.

The National Parks Conservation Association (NPCA), a nonprofit that advocates for national parks, said in a statement that it could take months for returning staff to address the damage.

"For 43 days, many national parks were left open, vulnerable and unprotected," said Kristen Brengel, senior vice president of government affairs at NPCA. "The National Park Service, already pushed to its breaking point after losing 25% of permanent staff, is left to pick up the pieces."



NATIONAL

As visitors flock to parks, deep cuts leave rangers and wildlife at risk

National parks were already feeling the strain before the shutdown, forced by federal funding cuts to cancel ranger programs, close visitors centers and pause maintenance and research.

During the shutdown, parks were unable to collect millions of dollars in entrance and recreational fees, which Brengel says could delay construction projects and other visitor services. And nonprofits which diverted resources to help parks stay operational have depleted their budgets in the process, Brengel says, leaving them "unsure if they will ever fully recover those funds."

Congress' bill funds the National Park Service through January. But Brengel calls it "only a short-term reprieve," warning that another government shutdown could dampen the busy season by affecting the hiring of seasonal rangers for next spring and summer.

The IRS is looking ahead to tax filing season

The IRS furloughed nearly half of its approximately 74,000 workers and tried to lay off roughly 1,400 others — though those cuts were reversed as a result of the bill reopening the government.

The agency's operations were limited during the shutdown. It generally did not pay tax refunds during this period, scaled back its live telephone customer service supports, closed walk-in Taxpayer Assistance Centers and cancelled appointments

related to cases with the Independent Office of Appeals and Taxpayer Advocate Service — which it says will be rescheduled once the government reopens.

Tax deadlines and laws remain in effect, and the IRS says it has continued critical operations related to next year's tax-filing season.



ECONOMY

Here are 6 'Beautiful Bill' tax changes that will benefit wealthy Americans

But some experts worry that the effects of the shutdown — on top of thousands of IRS job cuts enacted earlier this year — could make for a messy 2026 tax season.

In an October letter to Treasury Secretary Scott Bessent, the American Institute of CPAs (AICPA) urged the IRS to take steps like pausing notice and collection activities during the shutdown. It wrote that since taxpayers can only respond to those by mail, the understaffed agency may not see their letters in time to fix errors or address issues — and will have to deal with an unwieldy backlog when the government reopens.

"This burden has the real potential to delay the 2026 filing season due to the increased stresses to our entire tax system," the accountants wrote.

Such disruptions have happened before.

The 2018-2019 shutdown left the IRS with over 5 million pieces of unprocessed mail, 80,000 unaddressed responses to Fiscal Year 2018 Earned Income Tax Credit audits and 87,000 amended returns waiting to be processed, according to a report by the National Taxpayer Advocate (an independent agency within the IRS).

And years earlier, the 16-day government shutdown in October 2013 delayed billions of dollars of tax refunds and created a backlog of 1.2 million income and Social Security number verification requests, according to the Committee for a Responsible Budget.



A 'We're Hiring' sign is taped to the window of a business in Miami, Florida. Federal jobs reports were delayed by the government shutdown.

Joe Raedle/Getty Images

Delayed economic reports may never be released

The shutdown could leave permanent gaps in economic data.

The Labor Department's Bureau of Labor Statistics typically releases employment reports on the first Friday of each month, a practice that was paused in October and November. Even with the government reopening, their future is uncertain.

White House press secretary Karoline Leavitt told reporters on Wednesday that October's inflation and jobs reports will "likely never [be] released and all of that economic data released will be permanently impaired." She blamed Democrats for the shutdown, which she said "may have permanently damaged the federal statistical system."

The Bureau of Labor Statistics has not commented publicly on the status of the reports or updated its calendar of upcoming release dates. Economists expect the bureau to release its September jobs report (which was nearly ready when the government shut down on Oct. 1) first, and say it's an open question when — or whether — any October reports will be published.

Correction

Nov. 13, 2025

An earlier version of this story featured a photo with incorrect caption information. The first photo was taken at the U.S. Capitol, not Reagan Washington National Airport.

[government shutdown](#) [federal workers](#) [snap](#) [smithsonian](#)

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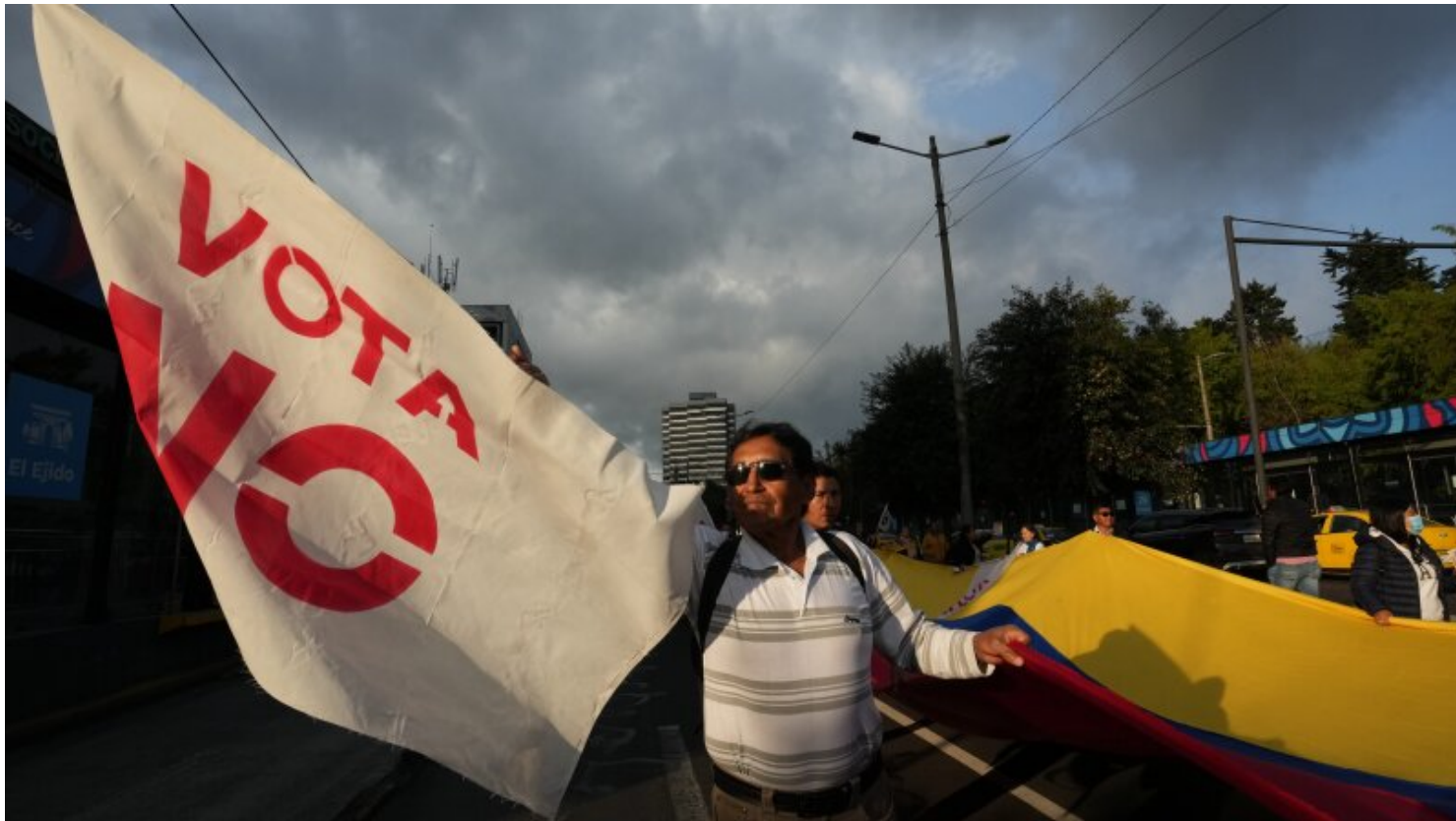
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POLITICS

Republicans promised health care negotiations after the shutdown, but Democrats are wary



BY MARY CLARE JALONICK

Updated 6:31 PM CST, November 13, 2025

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WASHINGTON (AP) — Now that the [government shutdown is over](#), House and Senate Republicans say they will negotiate with Democrats on whether to extend COVID-era tax credits that help tens of millions of Americans afford their health care premiums. But finding bipartisan agreement could be difficult, if not impossible, before the subsidies expire at the end of the year.

The shutdown ended this week after a small group of Democrats [made a deal](#) with Republican senators who promised a vote by mid-December on extending the [Affordable Care Act subsidies](#). But there is no guaranteed outcome, and many Republicans have made clear they want the credits to expire.

House Speaker Mike Johnson, R-La., called the subsidies a “boondoggle” immediately after the House voted Wednesday to end the shutdown, and President Donald Trump said the Obama-era health overhaul was a “disaster” as he signed the reopening bill into law.

It is far from the outcome that Democrats had hoped for as they kept the government closed for 43 days, demanding that Republicans negotiate with them on an extension before premiums sharply increase. But

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Weekend session gets off to slow start in Senate as lawmakers look for a way out of shutdown

"It remains to be seen if they are serious," said House Democratic leader Hakeem Jeffries of New York. But he said Democrats "are just getting started."

Government shutdown

The AP has journalists around the country covering the shutdown of the federal government. [What questions do you have for them?](#)

Republicans have been meeting privately to discuss the issue. Some want to extend the subsidies, with changes, to avoid the widespread increases in premiums. Others, like Johnson and Trump, want to start a new conversation about overhauling "Obamacare" entirely — a redo after a similar effort in 2017 failed.

Democrats push for extension

Health care has long been [one of the most difficult issues on Capitol Hill](#), marked by deep ideological and political divides. Partisan disagreement over the 2010 law has persisted for more than a decade, and relationships are already strained from weeks of partisan tensions over the shutdown.

Connecticut Rep. Rosa DeLauro, the top Democrat on the House Appropriations Committee, said that while Republicans have promised negotiations and a Senate vote, Democrats are wary. She noted that Johnson has not committed to anything in the House.

"Do I trust any of them? Hell no," DeLauro said.

If the two sides cannot agree, as many as 24 million people who get their health care from the exchanges created by the law could [see their premiums go up Jan. 1](#). New Hampshire Sen. Jeanne Shaheen, one of the Democrats who struck a deal with Senate Majority Leader John Thune, R-S.D., to reopen the government, said she thinks an agreement on the tax credits is possible.

During the talks that led to the shutdown's end, Shaheen said she and other [moderate Democrats](#) sat across from Thune and "looked him eye to eye" as he committed to a serious effort.

"We're going to have a chance to vote on a bill that we will write by mid-December, in a way that gives us a chance to build — hopefully build — bipartisan support to get that through," Shaheen said.

While Democrats would like to see a permanent extension of the tax credits, most realize that is unlikely. Just before the shutdown ended, Senate Democratic leader Chuck Schumer of New York proposed a one-year extension and a bipartisan committee to address Republican demands for changes to the ACA. But Thune said that was a "nonstarter" as the government remained shut down.

In the House, Democrats have suggested a three-year extension.

What Republicans want

While Republicans have long sought to scrap Obamacare, they have had challenges over the years in figuring out what would replace it. That problem plagued the 2017 effort, when then-Sen. John McCain, R-Ariz., cast the deciding vote to kill a bill on the Senate floor that was short on detail.

Republican Sen. Bill Cassidy of Louisiana, chairman of the Senate Health Education Labor and Pensions Committee, and Sen. Rick Scott, R-Fla., have proposed overhauling the law to create accounts that would direct the money to individuals instead of insurance companies. Those are ideas that Trump echoed as he signed the funding bill Wednesday evening.

"I want the money to go directly to you, the people," Trump said.

It is unclear exactly how that would work, and scrapping the law in its current form would take months, if not years, to negotiate, even if Republicans could find the votes to do it.

Thune has suggested that Republicans would like to see stricter income limits and an end to zero-cost premiums if the subsidies are extended. But those changes may not be enough for some in his conference who want to see the subsidies eliminated.

Slow start to negotiations

Some moderate Republicans in the House have said they want to work with Democrats to extend the subsidies before the deadline, which is only weeks away. In a letter to Thune and Schumer on Wednesday, Pennsylvania Rep. Brian Fitzpatrick, the Republican co-chair of the Bipartisan Problem Solvers Caucus, encouraged negotiations.

"Our sense of urgency cannot be greater," Fitzpatrick wrote. "Our willingness to cooperate has no limits."

So far, though, Senate Republicans have been meeting on their own to figure out their own differences.

"Right now, it's just getting consensus among ourselves," Sen. Thom Tillis, R-N.C., said Monday after GOP members of the Senate Finance Committee met to discuss possible ways forward.

Tillis is supportive of extending the tax credits, but said lawmakers also need to find a way to reduce costs. If the two sides cannot eventually agree, Tillis said, Republicans may have to try and figure out a way to do it on their own, potentially using budget maneuvers that enabled them to pass [Trump's "Big Beautiful Bill"](#) this summer without any Democratic votes.

"We should have that in our back pocket too," Tillis said.

Another shutdown?

Some House Democrats have raised the possibility that there could be another shutdown if they are unable to win concessions on health care. The bill signed by Trump will fully fund some parts of the government, but others will run out of money again at the end of January if Congress does not act.

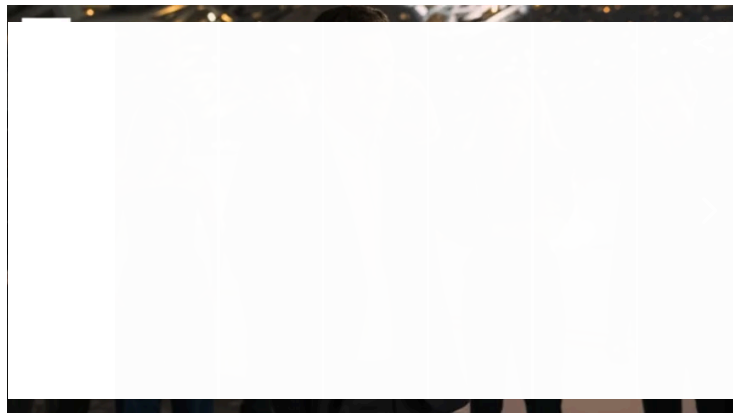
"I think it depends on the vulnerable House Republicans who are not going to be able to go back to their constituents without telling them that they've done something on health care," said Rep. Pramila Jayapal, D-Wash.

"We'll just have to see" if there could be another shutdown, said Rep. Mark Takano, D-Calif.

Rep. Jim McGovern, D-Mass., said he is "not going to vote to endorse their cruelty" if Republicans do not extend the subsidies.

DeLauro said that Republicans have wanted to repeal the ACA since it was first enacted. "That's where they're trying to go," she said.

"When it comes to January 30 we'll see what progress has been made," she said.



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