

June 10, 2021

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

RE: Comments of the Minnesota Department of Commerce, Division of Energy Resources
Docket No. E111/M-21-314

Dear Mr. Seuffert:

On May 11, 2021, the Minnesota Public Utilities Commission (Commission) issued a *Notice of Comment Period* seeking comment on Dakota Electric Association's (DEA or the Association) proposal to offer a Limited Arrearage Forgiveness Program. The Minnesota Department of Commerce, Division of Energy Resources (Department) offers the following comments.

The Department is available to answer any questions the Commission may have.

Sincerely,

/s/ SUSAN L. PEIRCE
Rate Analyst Coordinator

SLP/ja
Attachment



Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. E111/M-21-314

I. BACKGROUND INFORMATION

On April 30, 2021, Dakota Electric Association (DEA or the Association) filed a petition for approval of a Limited Arrearage Forgiveness Program as part of its transition plans to assist cooperative members with past due bills.

II. SUMMARY OF THE FILING

In its Docket No. E,G999/CI-20-375, the Commission has addressed consumer protections to assist customers impacted by the COVID-19 pandemic, and in particular assistance that may be provided to customers with past due accounts once the prohibition on disconnection has been lifted.

In this filing, DEA proposes to offer a Limited Arrearage Forgiveness Program to customers with past due balances of 91 days and greater. The Program will provide up to \$1 million in funding for monthly credits on member bills beginning in June 2021 through October 15, 2022 or as long as funds remain available. DEA proposes to credit members making payments on their past due balances an amount equal to 25 percent of their past due payment. For example, if the member is paying \$40 per month toward their arrearage balance, they would receive a \$10 credit to their arrearage balance.

II. DEPARTMENT ANALYSIS

The Department supports DEA's proposed Limited Arrearage Forgiveness Program. DEA's proposal differs from arrearage forgiveness programs offered by other utilities in its limited time and financial offering. As a cooperative, DEA's customers are its member owners. In response to Commission staff, DEA stated it has approximately 4,500 members with past due bills greater than 90 days.

DEA proposes to fund its arrearage forgiveness program from its operating margins. The Association states it expects to be able to reduce its operating margins without affecting service quality or reliability, as well as continue to meet the financial requirements of its lenders. In addition, the Association proposes to apply a member customer's discounted capital credits¹ to its arrearage forgiveness. By applying a member's capital credits to their past due balances, DEA hopes to maximize

¹ Discounted capital credits reflect a member's equity in the cooperative. The credits are discounted to account for the time value of money, and to account for the fact that the member will be 'collecting' on these credits before they are normally eligible. Typically, members collect on their capital credits in the cooperative if they are: an estate, seniors, or are members who move out of DEA serving territory or no longer take service from DEA.

the credits available to assist in arrearage reduction. Finally, the Association asks customers to the extent eligible and available.

Because it's a cooperative, DEA's ability to assist its member customers with past due bills without further increasing the bills of member customers without arrearages is limited. While the Department generally supports ongoing efforts to assist customers through arrearage forgiveness plans, DEA's limited Arrearage Forgiveness Program meets a subset of its member customers without further increasing all customer bills. The Department recommends approval.

The Department also recommends DEA file a compliance filing on June 1, 2022 detailing the implementation of its Limited Arrearage Forgiveness Program including the number of customers assisted, the amount of past due bills paid, and the amount of arrearages forgiven.

III. DEPARTMENT RECOMMENDATION

The Department recommends the Commission approve DEA's Limited Arrearage Forgiveness Program, and order the Association to submit a compliance filing on June 1, 2022 detailing its implementation of the Program, the number of customers assisted, the amount of past due bills paid by customers and the amount of arrearages forgiven.

/ja

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
Comments**

Docket No. E111/M-21-314

Dated this 10th day of June 2021

/s/Sharon Ferguson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Kristine	Anderson	kanderson@greatermngas.com	Greater Minnesota Gas, Inc. & Greater MN Transmission, LLC	1900 Cardinal Lane PO Box 798 Faribault, MN 55021	Electronic Service	No	OFF_SL_21-314_M-21-314
Gabriel	Chan	gabechan@umn.edu	University of Minnesota	130 Hubert H. Humphrey Center 301 19th Ave S Minneapolis, Minnesota 55455	Electronic Service	No	OFF_SL_21-314_M-21-314
Christopher	Clark	Christopher.B.Clark@xcelenergy.com	Xcel Energy	414 Nicollet Mall 5th Floor Minneapolis, MN 55401	Electronic Service	No	OFF_SL_21-314_M-21-314
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_21-314_M-21-314
Hillary	Creurer	hcreurer@allete.com	Minnesota Power	30 W Superior St Duluth, MN 55802	Electronic Service	No	OFF_SL_21-314_M-21-314
Bridget	Dockter	Bridget.Dockter@xcelenergy.com		N/A	Electronic Service	No	OFF_SL_21-314_M-21-314
Theodore T.	Eidukas	Theodore.Eidukas@wecenergygroup.com	MERC	N/A	Electronic Service	No	OFF_SL_21-314_M-21-314
Ron	Elwood	relwood@mnlisap.org	Mid-Minnesota Legal Aid	2324 University Ave Ste 101 Saint Paul, MN 55114	Electronic Service	No	OFF_SL_21-314_M-21-314
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_21-314_M-21-314
Bruce	Gerhardson	bgerhardson@otpc.com	Otter Tail Power Company	PO Box 496 215 S Cascade St Fergus Falls, MN 565380496	Electronic Service	No	OFF_SL_21-314_M-21-314
Bill	Grant	billgrant@minncap.org	Minnesota Community Action Partnership	MCIT Building 100 Empire Dr Ste 202 St. Paul, MN 55103	Electronic Service	No	OFF_SL_21-314_M-21-314

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Carly	Haiby	chaiby@otpc.com	Otter Tail Power Company	215 S Cascade St Fergus Falls, MN 56537	Electronic Service	No	OFF_SL_21-314_M-21-314
Meghan K	Hassett	mhassett@ucsusa.org	Union of Concerned Scientists	1 N Lasalle Ave CHICAGO, IL 60602	Electronic Service	No	OFF_SL_21-314_M-21-314
Adam	Heinen	aheinen@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	Yes	OFF_SL_21-314_M-21-314
Travis	Jacobson	travis.jacobson@mdu.com	Great Plains Natural Gas Company	400 N 4th St Bismarck, ND 58501	Electronic Service	No	OFF_SL_21-314_M-21-314
Jack	Kegel	jkegel@mmua.org	MMUA	3025 Harbor Lane N Suite 400 Plymouth, MN 55447-5142	Electronic Service	No	OFF_SL_21-314_M-21-314
Collin	Kremeier	ckremeier@otpc.com	Otter Tail Power Company	PO Box 496 Fergus Falls, MN 56538-0496	Electronic Service	No	OFF_SL_21-314_M-21-314
Allen	Krug	allen.krug@xcelenergy.com	Xcel Energy	414 Nicollet Mall-7th fl Minneapolis, MN 55401	Electronic Service	No	OFF_SL_21-314_M-21-314
Amber	Lee	Amber.Lee@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-314_M-21-314
Annie	Levenson Falk	annielf@cubminnesota.org	Citizens Utility Board of Minnesota	332 Minnesota Street, Suite W1360 St. Paul, MN 55101	Electronic Service	No	OFF_SL_21-314_M-21-314

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	OFF_SL_21-314_M-21-314
Maria	McCoy	maria@ilsr.org	Institute for Local Self-Reliance	2720 E 22nd St. Minneapolis, MN 55406	Electronic Service	No	OFF_SL_21-314_M-21-314
Joseph	Meyer	joseph.meyer@ag.state.mn.us	Office of the Attorney General-RUD	Bremer Tower, Suite 1400 445 Minnesota Street St Paul, MN 55101-2131	Electronic Service	No	OFF_SL_21-314_M-21-314
Gregory C.	Miller	gmiller@dakotaelectric.com	Dakota Electric Association	4300 220th Street West Farmington, MN 55024	Electronic Service	No	OFF_SL_21-314_M-21-314
Darrick	Moe	darrick@mrea.org	Minnesota Rural Electric Association	11640 73rd Ave N Maple Grove, MN 55369	Electronic Service	No	OFF_SL_21-314_M-21-314
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	No	OFF_SL_21-314_M-21-314
Audrey	Partridge	apartridge@mncee.org	Center for Energy and Environment	212 3rd Ave. N. Suite 560 Minneapolis, Minnesota 55401	Electronic Service	No	OFF_SL_21-314_M-21-314
Ben	Passer	Passer@fresh-energy.org	Fresh Energy	408 St. Peter Street Ste 220 Saint Paul, MN 55102	Electronic Service	No	OFF_SL_21-314_M-21-314
Joyce	Peppin	joyce@mrea.org	Minnesota Rural Electric Association	11640 73rd Ave N Maple Grove, MN 55369	Electronic Service	No	OFF_SL_21-314_M-21-314
Jennifer	Peterson	jjpeterson@mnpower.com	Minnesota Power	30 West Superior Street Duluth, MN 55802	Electronic Service	No	OFF_SL_21-314_M-21-314

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Kevin	Pranis	kpranis@liunagroc.com	Laborers' District Council of MN and ND	81 E Little Canada Road St. Paul, Minnesota 55117	Electronic Service	No	OFF_SL_21-314_M-21-314
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_21-314_M-21-314
Delaney	Russell	mdelaneyrussell@gmail.com	Just Solar Coalition	4407 E Lake Street Minneapolis, MN 55407	Electronic Service	No	OFF_SL_21-314_M-21-314
Garret	Senger	garret.senger@mdu.com	Great Plains Natural Gas Company	705 West Fir Ave PO Box 176 Fergus Falls, MN 56538-0176	Electronic Service	No	OFF_SL_21-314_M-21-314
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th Pl E Ste 350 Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_21-314_M-21-314
Richard	Stasik	richard.stasik@wecenergygroup.com	Minnesota Energy Resources Corporation (HOLDING)	231 West Michigan St - P321 Milwaukee, WI 53203	Electronic Service	No	OFF_SL_21-314_M-21-314
Kristin	Stastny	kstastny@taftlaw.com	Taft Stettinius & Hollister LLP	2200 IDS Center 80 South 8th St Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-314_M-21-314
Eric	Swanson	eswanson@winthrop.com	Winthrop & Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_21-314_M-21-314
Lynnette	Sweet	Regulatory.records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_21-314_M-21-314

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Laurie	Williams	laurie.williams@sierraclub.org	Sierra Club	Environmental Law Program 1536 Wynkoop St Ste 200 Denver, CO 80202	Electronic Service	No	OFF_SL_21-314_M-21-314