



June 10, 2021

VIA ELECTRONIC FILING

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

Re: In the Matter of Dakota Electric Association's Petition to Implement a Limited Arrearage Forgiveness Program
Docket No. E111/M-21-314

Dear Mr. Sueffert:

Please find the attached Comments of the Energy CENTS Coalition in the above-referenced matter. If you have questions about these comments, please call me at 651-470-4500.

Sincerely,

Pam Marshall

Executive Director
Energy CENTS Coalition

**State of Minnesota
Before the Public Utilities Commission**

Katie Sieben	Chair
Valerie Means	Commissioner
Matthew Schuerger	Commissioner
Joseph Sullivan	Commissioner
John Tuma	Commissioner

In the Matter of Dakota Electric Association’s Petition
to Implement a Limited Arrearage Forgiveness Program

Docket No. E111/M-21-314

Comments of the Energy CENTS Coalition

INTRODUCTION

The Energy CENTS Coalition (“ECC”) respectfully submits the following comments in this matter. ECC appreciates Dakota Electric Association’s (“DE” or “Dakota Electric” or “the Company”) efforts to assist past-due customers by offering an Arrearage Forgiveness Program.

PROGRAM DESIGN

ECC generally supports the program design described in DE’s petition. Specifically, ECC supports the following proposed program design elements:

- 1) Proposed eligibility criteria (customers who are 91+ days past-due)
- 2) Program funding source
- 3) Program funding level
- 4) Targeted outreach to eligible customers

Eligibility

ECC supports the proposed eligibility requirement because customers who have missed three or more months’ electric bill payments are most likely experiencing financial hardship. For three primary reasons, ECC also supports DE’s position that no other qualifying criteria should be required for customers to participate. First, renters in smaller dwellings may have lower past-due dollar amounts but, they may also be disproportionately low-income and should not be excluded from participation in the program. Second, ECC agrees that DE should not impose an income-eligibility criteria—many people who were not low-income before the COVID-19 Pandemic may be struggling financially because of the

public health crisis and its economic affect. Third, as in any program with limited funding, DE's proposal to offer the program on a "first-come, first-served" basis is reasonable.

Proposed funding source and funding level

ECC supports the proposed \$1 million program funding level, particularly since non-participating customers are not required to pay for the program. DE has stated that the proposed funding from their operating margin will not adversely impact service quality or reliability and that they are confident that they will still meet financial obligations to lenders.¹ Further, the use of customer capital credits will partially offset (approximately one-fifth of the operating margin funding) program spending. Therefore, ECC supports the funding source for the program.

Outreach

Dakota Electric proposes to inform all the eligible customers about the program at the same time. ECC believes this is a reasonable and equitable outreach approach. The Company has indicated that they will also provide information to qualified customers who have an existing payment arrangement. ECC assumes that DE will expand outreach efforts (follow-up e-mails, phone-calls, member newsletter announcements) if participation in the program is insufficient.

ADDITIONAL COMMENTS

While ECC does have some concerns about DE's proposed program, ECC respectfully recommends, with minor changes, Commission approval of the program. ECC's concerns and recommended changes are discussed below.

Relationship of proposed program to LIHEAP

For several reasons, ECC does not believe that DE's proposal to require customers to first apply for LIHEAP is reasonable.² First, the Company is not limiting the program to LIHEAP-eligible customers so, requiring customers to apply for LIHEAP will potentially undermine participation in the proposed program. Second, if over-income customers apply for LIHEAP only to be denied that assistance, the Company's proposal delays the ability of the customer to participate in the proposed arrearage forgiveness program. Third, if customers are required to apply for LIHEAP, the Commission should reject DE's proposal to allow customers only one week to do so. LIHEAP agencies can not approve LIHEAP applications and determine the amount of a LIHEAP benefit in a week or less. Fourth, it is unrealistic to expect that the estimated 4,500 customers who are 91+ days past due will all apply for LIHEAP within a week.³

¹ Dakota Electric, Initial Filing in the Present Docket, April 30, 2021.

² ECC did work with Dakota Electric to establish many of the terms of the program but, ECC was not aware of the Company's intention to **require** customers to receive LIHEAP as a condition for participation in the arrearage forgiveness program.

³ May 12, 2021, Public Ex Parte Communication File in this Docket.

Finally, it is not in either the customer's or the company's financial interest to impose this restriction and ECC recommends the Commission reject it. Instead, ECC suggests that DE refer all customers to LIHEAP but not make participation in the arrearage forgiveness program contingent on applying for LIHEAP. For customers who receive a LIHEAP benefit, at any point during the program term, the Company should simply apply the LIHEAP benefit amount to that customer's past due balance and adjust that customer's payment plan accordingly.

Proposed Credit Amount

While ECC believes that DE's proposed application of a 25% credit to a monthly past-due balance payment may be insufficient to encourage sustained customer payments, ECC still recommends the Commission approve the program. ECC recommends that DE report three months after program implementation to review participation and spending levels and to, potentially, increase the credit amount. ECC further recommends that if increasing the credit percentage is the only program modification that DE proposes, the Executive Secretary should be granted authority to approve that change without further comment or Commission action.

Dakota Electric offered the following (monthly) example in their initial filing:

Current customer bill	\$100
Past due balance payment	\$ 40
Arrearage credit	\$ 10
Required monthly payment	\$130

In discussions with DE, ECC recommended that the Company target those customers most significantly past due and provide them with a higher credit amount. However, ECC does believe that any assistance program should begin as soon as possible and, with the potential for a credit amount increase recommended at the three-month interval, still recommends the Commission approve DE's proposed program.

Commission Staff raised a concern about basing the amount of arrearage forgiveness on a percentage match of monthly payments toward past-due balances, stating that "this practice will serve to reward more dollars to customers who are able to pay more towards their bill and that "other utilities' programs, conversely, have targeted those customers with low incomes or the highest balances who are threatened with falling permanently behind on their bills."⁴ However, Xcel Energy's Payment Plan Credit Program is not limited to low-income customers. While Xcel's program limits participation to customers with past-due amounts of \$1,000-\$4,000, the program still provides greater credit amounts to customers who can afford to pay more.

In DE's case, customers who are more than 91 days past due are the most likely customers to have larger past due balances and are most at risk for service disconnection. There is no material difference, therefore, between basing a program on a past due amount or the number of days past due. ECC does not believe, as Staff state, that DE's program is based on "ability to pay off debt" any more than Xcel's

⁴ *Id.*

program is. The Commission approved Xcel's program and ECC believes DE's program should also be approved.

Proposed Program Duration

Dakota Electric proposes to begin this program as soon as possible (and ECC agrees with this objective) and to continue the program through October 15, 2022. The Company states that this timeframe allows for the possibility of three LIHEAP cycles.⁵ However, in October of 2022, customers will have only from October 1, 2022 (beginning of the federal fiscal year) until October 15, 2022 to apply for LIHEAP. ECC recommends extending the program until December 1, 2022, to allow more customers enrolled in the program to obtain LIHEAP assistance in the third, overlapping, LIHEAP cycle.

Review and Reporting

In addition to the three-month credit level review (expedited) discussed above, ECC recommends that DE report the following information nine months (approximately one-half of ECC's recommended 17-month program duration) after implementation:

1. Number of enrolled program participants
2. Program spending to date
3. Average past due balance of participants
4. Average monthly payment requested (current bill + arrearage installment payment)
5. Average credit amount
6. Number of participants receiving LIHEAP
7. Number of customers remaining enrolled at 3 and 6 months
8. Customers removed for non-payment
9. Overall retention rate

CONCLUSION

ECC respectfully recommends the Commission:

- 1) Approve Dakota Electric's proposed Arrearage Forgiveness Program, including the funding level and funding source and the eligibility criteria (91+ days past-due)
- 2) Require Dakota Electric to report the number of program participants, spending levels, and any proposed credit percentage modification, three months after program implementation
- 3) Allow the Executive Secretary to approve a program modification limited to increasing the percentage credit match
- 4) Require Dakota Electric to expand outreach efforts (e.g. follow-up e-mails, phone-calls, member newsletter announcements) if participation in the program is insufficient
- 5) Reject the Company's proposal to require program participants to apply for LIHEAP

⁵ *Id.*

- 6) Require the Company to extend the program duration until December 1, 2022
- 7) Nine months after implementation, require Dakota Electric to report the following information:
 - a) Number of enrolled program participants
 - b) Program spending to date
 - c) Average past due balance of participants
 - d) Average monthly payment requested (current bill + arrearage installment payment)
 - e) Average credit amount
 - f) Number of participants receiving LIHEAP
 - g) Number of customers remaining enrolled at 3 and 6 months
 - h) Customers removed for non-payment
 - i) Overall retention rate

Respectfully submitted,

June 10, 2021



Pam Marshall
Energy CENTS Coalition

AFFIDAVIT OF SERVICE

Pam Marshall certifies that on the 10th day of June 2021, she served, by electronic filing, Energy CENTS Coalition Comments In the Matter of Dakota Electric Association's Petition to Implement a Limited Arrearage Forgiveness Program, Docket No. E111/M-21-314, to the individuals on the attached service list.

Pam Marshall

Pam Marshall

KMS

Kristen Syverud

Subscribed and sworn to before me
this 10th day of June 2021



Notary Public

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	jppeterson@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