

November 5, 2025

**VIA ELECTRONIC FILING**

Sasha Bergman, Executive Secretary  
Minnesota Public Utilities Commission  
121 East Seventh Place, Suite 350  
Saint Paul, MN 55101

**Re: In the Matter of Northern States Power Co.'s d/b/a Xcel Energy's, Petition for Approval of Large General Time of Day Service and Large Peak Controlled Time of Day Service Tariffs;  
MPUC Docket No. E-002/M-25-289**

Dear Ms. Bergman:

Please find attached for filing with the Minnesota Public Utilities Commission ("Commission") the Reply Comments of CloudHQ LLC in the above-referenced case.

Please contact me if you have any questions.

Sincerely,

SPILMAN THOMAS & BATTLE, PLLC

By */s/ Carrie H. Grundmann*  
Carrie H. Grundmann  
(NC Bar No. 52711)

*Counsel to CloudHQ LLC*

CMH:sds  
Attachments  
cc: Certificate of Service

**STATE OF MINNESOTA  
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

Katie Sieben  
Hwikwon Ham  
Audrey Partridge  
Joseph K. Sullivan  
John Tuma

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

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In the Matter of Northern States Power Co.'s  
d/b/a Xcel Energy's, Petition for Approval of  
Large General Time of Day Service and Large  
Peak Controlled Time of Day Service Tariffs

MPUC Docket No. E-002/M-25-289

**REPLY COMMENTS OF  
CLOUDHQ LLC**

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Pursuant to the Minnesota Public Utilities Commission's ("Commission") Notice of Comment Period issued on July 29, 2025, and the Notice of Extended Comment Period issued on September 19, 2025, CloudHQ LLC ("CloudHQ") respectfully submits these Reply Comments in the above-captioned proceeding.

**ARGUMENT**

CloudHQ appreciates the opportunity to participate in this proceeding and the Commission's and other parties' diligent consideration of the issues raised by the Petition of Northern States Power Company, d/b/a Xcel Energy ("Company" or "Xcel") for approval of new sub-classes and tariffs for new large loads taking service under the Large General Time of Day Service ("LG-TODS") tariff or the Large Peak Controlled Time of Day Service tariff (the "Petition"). CloudHQ will not reiterate the arguments made in its Initial Comments filed on October 13, 2025; however, CloudHQ stands by its Initial Comments. CloudHQ looks forward to responding to any positions parties may take with respect to its Initial Comments in the Supplemental Comments to be filed on December 5, 2025.

For purposes of these Reply Comments, CloudHQ addresses the following:

1. The revisions to the Electric Service Agreement ("ESA") proposed by Tract Capital Management, LP ("Tract"), regarding contract assignment as a matter of right; and
2. The position taken by multiple parties, including Citizens Utility Board ("CUB") and the Attorney General that advocate for assigning all "incremental costs" to large customers.

CloudHQ otherwise adopts and supports the Reply Comments of the Data Center Coalition ("DCC") being filed today in the above docket.

**A. The Commission Should Revise the ESA to Permit Assignment of Right Beyond the Categories Recommended by Tract.**

In its Initial Comments, Tract proposed revisions to the reassignment language in the ESA; specifically, when a customer can reassign the ESA as a matter of right.<sup>1</sup> As a general premise, CloudHQ supports expanding the scope of this provision, but it believes additional and/or different language from that proposed by Tract is necessary. Specifically, CloudHQ believes that contract assignment should be permitted as a matter of right as follows:

*(i) to an assignee with an equal or better credit rating; (ii) to an assignee if the credit support obligation of the ESA ~~are~~ is guaranteed by ~~a parent business~~ **an entity** with an appropriate credit rating; ~~or~~ (iii) due to a merger or consolidation where the large load customer's assets are being assigned to a party with a credit rating equal to or greater than the customer's; (iv) **to the customer's lenders (or a collateral agent on behalf the customer's lenders);** or (v) **to an affiliate of the customer taking ownership of title from the customer if the credit support obligation under the ESA continues to be satisfied.**<sup>2</sup>*

First, CloudHQ recommends revising proposed subpart (ii) to make it consistent with CloudHQ's Initial Comments and its recommendation to expand acceptable guarantors to include third parties other than a corporate parent or other affiliate of the customer, provided the third-

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<sup>1</sup> See Initial Comments of Tract Capital Management, LP ("Tract Initial Comments"), pp. 9-10.

<sup>2</sup> CloudHQ used the language proposed by Tract in its Initial Comments and then proposed revisions to it. Bolded language reflects additions to the language proposed by Tract in its Initial Comments, and any words struck through are words/language that CloudHQ proposes to strike.

party guarantor meets the applicable credit requirements.<sup>3</sup> Quite simply, reassignment should be permitted as a matter of right if a sufficient guaranty – not just a parental guaranty – is in place.

Second, CloudHQ also proposes to add subpart (iv) to recognize the reality of commercial lending governing large load projects such as those that would be governed by the at-issue tariffs. Specifically, for any loan where the subject project serves as collateral, the lenders will insist on taking collateral assignment of the ESA, which will always be among the most important contracts for the project, with the right to take assignment if the lenders enforce their collateral takeover rights. No project will be able to secure financing if lenders cannot take assignment of the ESA by right. Thus, it is important that the ESA recognize this commercial reality by expressly authorizing reassignment by right to a customer's lender where the project serves as collateral.

Finally, CloudHQ proposes a new subpart (v) to authorize reassignment as a matter of right to an affiliate of the customer, regardless of creditworthiness of the customer, so long as the credit support obligations under the ESA remain satisfied, whether by a parental guaranty, the guaranty of some other appropriate third-party, or some other authorized method. Again, if the credit support is met, it should not matter that the ESA is reassigned to another party.

**B. Any Attempt to Allocate Costs to Large Customers Must Fully Recognize All Benefits Accruing to Other Customers.**

The Company's proposed tariffs include an Incremental Cost Test ("ICT") to evaluate system costs associated with serving a new large load customer to ensure that such costs are borne by the customer as required by Minn. Stat. § 216B.1622, subd. 2, and the Commission's Order dated April 21, 2025.<sup>4</sup> As to the appropriateness of the ICT, CloudHQ supports the arguments set forth in DCC's Reply Comments, and CloudHQ will not reiterate those arguments here.

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<sup>3</sup> CloudHQ Initial Comments, pp. 4-5.

<sup>4</sup> *In the Matter of Xcel Energy's 2024-2040 Upper Midwest Integrated Resource Plan*, Docket No. E-002/RP-24-67, and *In the Matter of Xcel Energy's Competitive Resource Acquisition Process for up to 800 Megawatts of Firm*

Instead, in these Reply Comments, CloudHQ addresses the arguments made by CUB and the Attorney General that seem to ask the Commission to go further than the ICT proposed by the Company. For example, CUB argues that Xcel's proposed tariffs should make clear that "any system modifications, upgrades, or expansions necessitated by the service provided to very large customers will be borne solely by those entities, and not other ratepayer classes."<sup>5</sup> Likewise, the Attorney General suggests there are additional costs beyond those proposed by Xcel for inclusion in the ICT that will not be – but should be – recovered from very large customers.<sup>6</sup>

CloudHQ's concern with the comments of CUB and the Attorney General (as well as the ICT) is that they do not appear to mention, let alone recognize, the benefits provided by these large customers. For example, assume a transmission line is built, in part to serve new large-load customers. Is it CUB's and the Attorney General's contention that only those large load customers should bear the cost of that transmission line, even if other, non-large-load customers could be connected as a result? What if the upgrade results in improvements in reliability metrics to the benefit of all customers? The push to allocate costs to large customers without recognizing and reflecting benefits is asymmetric and unfair. CloudHQ believes it is important to look at large-load additions holistically. To the extent the Commission wants to assess any "costs" flowing from large load additions, CloudHQ respectfully requests that the Commission evaluate the costs net of any benefits, including benefits that accrue to other customers.

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*Dispatchable Generation*, Docket No. E-002/CN-23-212, Order Approving Settlement Agreement with Modifications (issued Apr. 21, 2025), eDockets ID No. 20254-217941-01.

<sup>5</sup> CUB Initial Comments, p. 8.

<sup>6</sup> Attorney General Initial Comments, pp. 26-31.

**CONCLUSION**

CloudHQ appreciates the ongoing opportunity to participate in this process, and it looks forward to filing Supplemental Comments on December 5, 2025, addressing the issues raised by the parties in their Reply Comments.

Respectfully submitted,

SPILMAN THOMAS & BATTLE, PLLC

By /s/ Carrie H. Grundmann

Carrie H. Grundmann (NC Bar No. 52711)

110 Oakwood Drive, Suite 500

Winston-Salem, NC

Phone: (336) 725-4710

Fax: (336) 725-4476

E-mail: [cgrundmann@spilmanlaw.com](mailto:cgrundmann@spilmanlaw.com)

Dated: November 5, 2025

**STATE OF MINNESOTA  
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

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MPUC Docket No. E-002/M-25-289

**CERTIFICATE OF SERVICE**

I, Carrie H. Grundmann, hereby certify that on the 5<sup>th</sup> day of November, 2025, I e-filed with e-Dockets the attached Reply Comments on CloudHQ LLC and served a true and correct copy of the same upon all parties on the attached service list by email, electronic submission, and/or first-class mail.

*/s/ Carrie H. Grundmann*

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Carrie H. Grundmann

Dated: November 5, 2025