

Staff Briefing Papers – Volume 0 – Introduction & General Housekeeping

Meeting Date June 11, 2026 (Oral Arguments) **Agenda Item 1*****
June 18, 2026 (Deliberations)

Company Northern States Power Co. d/b/a Xcel Energy

Docket No. E-002/GR-24-320

In the Matter of the Application by Xcel Energy for Authority to Increase Rates in the State of Minnesota

Issues

1. Should the Commission adopt the recommendations in the ALJ Report
2. If not, what level of revenue is appropriate for Xcel Energy during the test year?
3. How should that revenue be collected from customers?

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The attached materials are work papers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless noted otherwise.

✓ Relevant Documents

Issues Matrix

Date

January 23, 2026 &
February 18, 2026
(Addendum)

Initial Briefs

Northern States Power Company d/b/a Xcel Energy (Errata –
Clean and Redline)

January 29, 2026

Department of Commerce Division of Energy Resources

January 28, 2026

Walmart, Inc.

January 28, 2026

Xcel Large Industrials

January 28, 2026

Citizens Utility Board of Minnesota

January 28, 2026

Office of the Attorney General Residential Utilities Division

January 28, 2026

Joint Intervenors

January 28, 2026

Suburban Rate Authority

January 28, 2026

Reply Briefs & Proposed Findings of Fact

Northern States Power Co. d/b/a Xcel Energy

February 25, 2026

Office of the Attorney General Residential Utilities Division

February 25, 2026

Suburban Rate Authority

February 25, 2026

Xcel Large Industrials

February 25, 2026

Joint Intervenors

February 25, 2026

Citizens Utility Board of Minnesota

February 25, 2026

Department of Commerce Division of Energy Resources

February 25, 2026

Court of Administrative Hearing - Proposed Findings of Fact, Conclusions of Law, and Recommendations

April 29, 2026

Northern States Power Co. d/b/a Xcel Energy – Financial Schedules
reflecting ALJ Report (as Amended May 20)

May 11, 2026 & May
20, 2026

Exceptions

Department of Commerce Division of Energy Resources

May 15, 2026

Office of the Attorney General Residential Utilities Division

May 15, 2026

Citizens Utility Board of Minnesota

May 15, 2026

Joint Intervenors

May 15, 2026

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✓ **Relevant Documents**

Xcel Energy

Date

May 15, 2026

Xcel Large Industrials

May 15, 2026

Suburban Rate Authority

May 15, 2026

Motions to Take Official Notice

Department of Commerce Division of Energy Resources

May 15, 2026

Office of the Attorney General Residential Utilities Division

May 15, 2026

Contents

BACKGROUND	2
DISCUSSION.....	5
I. Burden of Proof.....	5
A. Legal Standard.....	5
B. Motions to take Official Notice.....	8
C. Public Comments	9
II. Disputed Issues	12
A. Energy Justice.....	13
B. Energy Affordability & Elimination of Energy Insecurity	16
C. Disconnection Moratorium.....	17
D. Statutory Affordability Goal & Alternate Rate Proposal.....	21
E. Wildfire Mitigation & Integrated Distribution Plan	24
III. Settled or Non-Disputed Issues	26
A. Multi-Year Rate Plan – Term.....	26
B. PowerOn Program Enrollment.....	26
IV. General Housekeeping and Compliance Issues	27
A. General Housekeeping and Compliance Decision Options	28
DECISION OPTIONS	30
V. Decision Options	30
I. Legal Standard Decision Options	30
A. Energy Justice.....	31
B. Energy Affordability	31
C. Disconnection Moratorium & Study.....	31
D. Statutory Affordability Goal.....	32
E. Wildfire Mitigation Plan.....	32
F. Settled Issues	32
II. Appendix – References to the Record	35

BACKGROUND

On September 27, 2024, Northern States Power Co. d/b/a Xcel Energy (Xcel Energy, Xcel, NSPM, or the Company) filed a Sales Forecast in anticipation of filing its rate case. Xcel then filed a multi-year rate plan (MYRP) with the Minnesota Public Utilities Commission (Commission or PUC) in PUC Docket E-002/GR-24-320 on November 1, 2024. Xcel requested a net increase in revenues of \$353.3 million, or 9.6%, for 2025, and an additional \$137.5 million, or 3.6%, in 2026. The total two-year increase would be \$490.7 million.

During the course of the proceeding, Xcel Energy made several adjustments to its request. By the time briefs were filed, Xcel had reduced its request by \$135.4 million over two years as shown in Table 1.

Table 1 – Xcel Energy Request

(\$ in Millions)	2025	2026	Total
Initial Request	\$353.3 9.6%	\$137.4 3.6%	\$490.7 13.2%
Supplemental Direct	\$344.3 9.4%	\$129.4 3.3%	\$473.7 12.7%
Rebuttal Request	\$208.4 5.8%	\$156.9 4.2%	\$365.3 10.0%
Additional Adjustments in Briefs	\$2.3	-\$12.1	-\$9.8
Total Request in Briefs	\$210.7 5.9%	\$144.8 4.0%	\$355.5 9.9%

For Interim Rates, Xcel requested a net increase of \$223.8 million, or 6.1% relative to present revenues, in 2025, and an additional \$138.8 million, or 3.7%, in 2026.

On December 12, 2024, the Commission approved interim rates and referred this case to the Court of Administrative Hearings for a contested case. In its Notice for Hearing and Order of December 30, 2024, the Commission recommended that the ALJ require Xcel to file supplemental testimony to address its peak-time rebate rate proposal and other options for load flexibility. The Commission also approved specialized technical services for the Department of Commerce to address prepaid pension assets and wildfire mitigation. In addition, the Commission suspended final rates¹ and approved Xcel's request for interim rates, with approximately \$64.3 million in capital costs and \$28.3 million in O&M costs for wildfire mitigation being disallowed as not being costs of the same nature and kind as previously approved in a prior rate case. The Commission also deferred decision on an interim rate increase for the second year of the multi-year rate plan.

¹ Order Accepting Filing and Suspending Rates, December 30, 2025.

On January 22, 2025, Administrative Law Judge Joseph C. Meyer convened a prehearing conference and set the following schedule for the case through the First Prehearing Order of January 27, 2025:

Table 2 – Rate Case Schedule

Event	Due Date
Supplemental Direct Testimony – Xcel	March 17, 2025
Direct Testimony – Intervenors	August 22, 2025
Rebuttal Testimony	October 10, 2025
Surrebuttal Testimony	November 25, 2025
Evidentiary Hearing	December 17-19, 2025
Initial Briefs	January 28, 2026
Reply Briefs	February 25, 2026
ALJ Report	April 30, 2026
Exceptions to ALJ Report ²	May 15, 2026
Commission Order ³	July 31, 2026

The following parties intervened in the case:

- Department of Commerce, Division of Energy Resources (Department or DOC)
- Office of the Attorney General, Residential Utilities Division (OAG)
- Xcel Large Industrials (XLI), representing Flint Hills Resources Pine Bend, LLC, Marathon Petroleum Corporation, and USG Interiors, Inc.
- Walmart, Inc.
- Energy Cents Coalition (ECC)
- Citizens Utility Board of Minnesota (CUB)
- Suburban Rate Authority, representing approximately 30 member cities in the State of Minnesota
- Joint Intervenors, consisting of:
 - Cooperative Energy Futures
 - Environmental Law & Policy Center
 - Minnesota Interfaith Power & Light
 - Vote Solar

In addition, the Commission has received 7308 public comments.

On March 17, 2025, Xcel Energy filed supplemental direct testimony, covering Wildfire expenses, and making modifications to its original requested revenue requirement in five areas:

² The ALJ Included this date consistent with the schedule agreed to by parties, but the timing of Exceptions is within Commission jurisdiction.

³ Per Commission Notice of and Order for Hearing, December 30, 2025. This date includes the statutory ten-month deadline for rate cases, two statutory extensions of 90 days each, for existing pending rate cases and the multi-year rate plan, and an additional five-month extension agreed to by Xcel Energy.

- Wildfire Expense
- Employee Expense
- Interchange Revenue and Expense
- Residential Arrears Management Program (removal of late payment fees to fund RAMP)
- Transmission Cost Recovery (TCR) O&M (Reallocation of costs)

On August 19, 2025, the ALJ held a motion hearing regarding Motions to Compel Discovery filed by the OAG and Department. On August 29, 2025, the ALJ ordered Xcel to produce certain documents, and allowed Xcel to redact certain personal information from Performance reviews and mark Performance Reviews as Highly Confidential/Trade Secret (HCTS).

On August 22, 2025, the Department of Commerce, Xcel Large Industrials, Office of the Attorney General, Joint Intervenors, Citizens Utility Board of Minnesota, Energy Cents Coalition, Walmart, Joint Intervenors, and the Suburban Rate Authority filed Direct Testimony in response to Xcel’s petition. On August 27, 2025 and September 29, 2025, Xcel Large Industrials filed errata testimony.

Public Hearings were held on the following dates:

Table 3 – Public Meetings

Date	Location	Format	Participants
September 15, 2025	Stillwater, MN	In-Person	12
September 16, 2025	St. Paul, MN	Virtual (Web-Ex)	10
September 16, 2025	St. Cloud, MN	In-Person	8
September 17, 2025	St. Paul MN	In-Person	6
September 22, 2025	Faribault, MN	In-Person	1
September 23, 2025	Edina, MN	In-Person	13
September 23, 2025	St. Paul, MN	Virtual (Web-Ex)	14
September 24, 2025	Minneapolis, MN	In-Person	5
September 25, 2025	Welch, MN	In-Person	2

On October 10, 2025, the OAG, Department, Joint Intervenors, Xcel Large Industrials, Xcel Energy, and Suburban Rate Authority filed rebuttal testimony. On October 21, 2025, the OAG filed a motion to strike certain testimony contained in Rebuttal from Xcel Energy, on the grounds that it violated the first prehearing order requirement that rebuttal testimony not address new issues. On November 5, 2025, the ALJ held a Motion Hearing on this issue, and ruled on November 12, 2025, denying the motion but preserving the right of parties to argue that the late-presented evidence interfered with parties’ right to fully review the issues included in that testimony.

On November 25, 2025, the OAG, Department, XLI, Joint Intervenors, Xcel Energy, CUB, Energy Cents Coalition, and SRA filed surrebuttal testimony. On December 15-17, 2025, the ALJ held evidentiary hearings. Initial Briefs were filed on January 28, 2026 by Xcel Energy, SRA, CUB,

OAG, XLI, Walmart, the Department, Joint Intervenors, and OAG. On February 25, 2026, Xcel, SRA, OAG, XLI, Joint Intervenors, CUB, and the Department filed Reply Briefs and Proposed Findings of Fact and Conclusions.

On April 29, 2026, the ALJ submitted his Findings of Fact and Recommendation.

On May 15, 2026, the Department, OAG, CUB, Xcel, Xcel Large Industrials, Joint Intervenors, and Suburban Rate authority submitted objections to the ALJ Report.

DISCUSSION

I. Burden of Proof

A. Legal Standard

The burden of proof to show that any rate change is just and reasonable falls on the utility, under Minn. Stat. 216B.16 Subd. 4. To meet the standard, the utility must show, not only that a cost has been incurred, but that it is just and reasonable that ratepayers bear that cost. The utility may recover necessary, ongoing expenses incurred in delivery of retail electric service, with any ambiguity resolved in favor of ratepayers.

The Administrative Law Judge laid out her interpretation of the burden of proof, including in Findings of Fact 85-93 and alluded to burden of proof in 1088.

1. Exceptions

a. Office of the Attorney General

The Office of the Attorney General took exception to part of the description of the burden of proof in the ALJ Report, specifically in Finding of Fact 1088. Finding of Fact 1088 states:

1088. Rate design, in contrast to the determination of the revenue requirement, is a quasi-legislative function. This step of the ratemaking process largely involves policy decisions to be made by the Commission.

The OAG interpreted this Finding to imply that determination of the revenue requirement is entirely a quasi-judicial function. The OAG also noted Finding of Fact 91:

91. A “utility is entitled to recover necessary, ongoing expenses incurred in the business of providing utility service”.⁴

⁴ Cited to “*In the Matter of a Request of Interstate Power Company for Authority to Change its Rates for Gas Service in Minnesota*, 559 N.W. 2d 130, 134 (Minn. App. 1997, affirmed 574 N.W. 2d 408 (Minn. 1998))”

The OAG argued that this quote is taken out of context to imply that a utility need only prove that it has incurred an expense to recover it. This is incorrect, as the Commission also must determine whether the ratepayers or shareholders should bear that cost. The OAG noted that this ruling, and its affirmation at the Supreme Court, both clearly state that revenue requirement is both quasi-judicial and quasi legislative, noting that the Supreme Court held:

[T]he MPUC’s responsibility was to balance the needs of the customers and the shareholders, the risk to the fiscal integrity of the utility, the fairness of current charges for past environmental harm, the prudence and reasonableness of the utility’s actions, and the societal goal of environmental remediation—clearly policy determinations to be resolved by the MPUC acting in a legislative capacity.⁵

The OAG dismissed any notion that the findings in *In re N. States Power Co.*, 2025 WL 249995, at *4 n.2 (Minn. Ct. App. Jan. 21, 2025) might put this in question, noting that said decision failed to refer to *In re Interstate Power*, and that in any event the Court of Appeals has no authority to overrule a holding of the Minnesota Supreme Court, and the decision in *In re N. States Power Co.* was marked as ‘non-precedential.’

The OAG recommended that Finding of Fact 91 be struck and Finding of Fact 1088 be amended to remove the phrase “in contrast to the determination of the revenue requirement.”

b. Citizens Utility Board

CUB also took partial exception to the statement of the burden of proof in the ALJ Report. CUB specifically argued that the ALJ excluded standards relevant to burden of proof. CUB noted that the ALJ failed to include any statement consistent with the statutory requirement that ability to pay be considered in setting rates.⁶ CUB cited *Permian Basin Area Rate Cases*⁷ as stating that the Commission is required to:

assess the requirements of the broad public interests entrusted to its protection” at each step of the balancing process to reach a reasoned and well-supported outcome.⁸

This public interest analysis requires consideration of both cost and non-cost factors that:

⁵ *In re Request of Interstate Power Co.*, 574 N.W.2d 408, 413 (Minn. 1998).

⁶ Minn. Stat. § 216B.16, Subd. 15.

⁷ *Permian Basin Area Rate Cases*, 390 U.S. (1968) 747.

⁸ *Ibid* at 747, 791.

may be reflected only imperfectly by producers' costs; a regulatory method that exclude[s] as immaterial all but current or projected costs [can] not properly serve the consumer interests placed under the Commission's protection.⁹

CUB argued that the Commission is “not bound to the service of any single regulatory formula,” and is entitled to make “pragmatic adjustments which may be called for by particular circumstances.”¹⁰

Consideration of ability to pay, weighing cost and non-cost factors, and making pragmatic adjustments as necessary to protect the public interest is essential, in CUB's view, to reaching an end result that reasonably balances shareholder and consumer interests. CUB recommended that the Commission adopt additional findings commemorating these factors.

2. Staff Analysis

Staff interpreted the ALJ's Finding of Fact 1088 as stating that rate design is PRIMARILY a quasi-legislative function, as opposed to determining the revenue requirement, which balances quasi-judicial and quasi-legislative functions. Staff also does not believe that the ALJ intended Finding of Fact 91 to mean that the utility need only prove it spent the money – the quote listed does note that expenses must be both necessary to the provision of utility service and ongoing. Staff does not, however, oppose the OAG's recommended changes, as modifying 1088 would potentially improve clarity, and Finding 91, though true, may be construed as an incomplete statement of the burden of proof.

3. Decision Options

1001. Do not adopt the ALJ's Finding of Fact 91. (OAG)

1002. Modify Finding of Fact 1088 to exclude the phrase “, in contrast to the determination of the revenue requirement”. (OAG)

1088. Rate design, ~~in contrast to the determination of the revenue requirement,~~ is a quasi-legislative function. This step of the ratemaking process largely involves policy decisions to be made by the Commission.

1003. Adopt the following modifications and additions to the ALJ Report as proposed in CUB's exceptions to the ALJ Report: *(See also Findings recommended by CUB in Volume 2 (Cost of*

⁹ Ibid, 815.

¹⁰ Permian Basin cases, 777 (quoting FPC v. Natural Gas Pipeline, Co., 315 US. 575, 586 (1942)).

Capital))

- A. Modified and new findings 853–868 related to late payment fees.
- B. Modified and new findings 1137–1142c related to Xcel’s RAMP proposal.
- C. Modified and new findings 874–882 related to reconnection fees.

B. Motions to take Official Notice

In their Exceptions, the Department of Commerce and Office of the Attorney General filed Motions to take Official Notice of two recent filings, which are included in the Motions.

1. The Department of Commerce Motion

The Department filed a motion to take official notice of Xcel Energy Inc.’s Form 8-K filing with the Securities and Exchange Commission (SEC). The Department argued that Form 8-K showed Xcel has had strong financial performance and had robust access to capital at its existing rates and return on equity. Form 8-K showed that Xcel has increased its dividends, had share price increases, and rising earnings per share, other than the effects of the Prairie Island outage refund. Filing 8-K was submitted to the SEC on April 30, 2026, after the closing of the record for the ALJ Report, but prior to the Commission hearing.

The Department argued that this document supports its case that Xcel’s claim that existing rates are insufficient to meet its needs are overstated. The Department suggested that the 8-K is evidence that the opposite is true – that the increase requested by Xcel would force ratepayers to incur unnecessarily inflated rates.

The Department cited the rules related to contested case rulings as allowing the Commission to take ‘notice’ of judicially cognizable facts within Commissioner’s specialized knowledge, the facts of which are not in reasonable dispute. The Department argued that the Form 8-K, as a sworn filing by Xcel as to facts, is within that definition.

Form 8-K includes information on Xcel’s quarterly earnings, earnings per share, and financial statements at the holding company level. It also includes information on capital structure, credit ratings, and other information of value to evaluate the overall financial health of the holding company.

2. The Office of Attorney General Motion

The Office of the Attorney General filed a motion to take official notice of Xcel’s April 14, 2026 compliance filings in Docket E-002/AI-25-245 of wildfire-related expenses, and its April 1, 2026 filing in Docket E-002/M-26-27 related to costs incurred in 2025 for Xcel’s extreme weather reconnection program.

The OAG cited the rules related to contested case rulings as allowing the Commission to take ‘notice’ of judicially cognizable facts within Commissioner’s specialized knowledge, the facts of which are not in reasonable dispute.

Regarding the filing in Docket E-002/AI-25-245, the OAG noted that Xcel had previously not provided the OAG with information on the impact of Xcel’s preferred allocation method, and so the OAG had been unable to determine appropriate 2025 and 2026 expenses in this category. After closing of the record, the Commission made final ruling in that docket regarding this issue, and so the calculations provided in this filing by Xcel bear directly on a live issue, which Xcel had failed to provide in response to the Department’s discovery requests previously.

Regarding the filing in Docket E-002/M-26-27, the OAG noted that Xcel has actually incurred in 2025 far lower expenses for the reconnection program than were included in its rate request. Actual costs are highly probative of the reasonableness of Xcel’s request, and the data was not previously available to parties. This filing is not of reasonable dispute, as it reflects Xcel’s best available accounting of the costs of this program. This information, in OAG’s view, is crucial to properly assessing the accuracy and reasonableness of Xcel’s requested recovery for this program.

3. Responses to the Motions

No parties filed responses to the motions.

4. Decision Options

1004. Grant the motion of the Department to take notice of and admit into the record Xcel’s 2025 SEC Form 8-k as attached to the Department Motion. (Department)

1005. Deny the Department’s motion to take official notice.

1006. Grant the Motion of the OAG to take notice of and admit Xcel’s filing in Docket E-002/AI-25-245 into the record in this docket. (OAG)

1007. Grant the Motion of the OAG to take notice of and admit Xcel’s filing in Docket E-002/M-26-27 into the record in this docket. (OAG)

1008. Deny the OAG’s motion to take official notice.

C. Public Comments

The ALJ summarized thousands of public comments a set of 46 Findings of Fact in Attachment

A.¹¹

Most comments expressed concern about the rate increases and recommended either decreasing or outright disallowing all rate increases. There were several themes present in comments.

Many comments expressed concern with economic or financial hardship due to rate increases. A large subgroup of comments specifically argued that the rate increases were funding executive salaries and compensation and shareholder profits, or the shifting of the burden of financial risk from the company to ratepayers. Others asked that the Commission look at Xcel's safety, transparency, and customer service.

Financial and economic hardship concerns were couched in terms of economic conditions, the effect of the rate increases exacerbating current economic conditions due to Federal policies, COVID-19, recent inflationary pressure, and the costs of other needs. Some comments cited the difficult decisions that ratepayers would have to make between these other needs and electric service.

Some comments addressed disconnections, supporting moratoriums or otherwise reconsidering Xcel's relatively high level of disconnections in the last couple of years. Comments cited the effects rate increases would have on specific industries, or on decisions regarding relocation from Minnesota, either by employers or individual customers. Others noted that specific industries or small businesses would be harmed by rate increases.

A set of comments which argued that rate increases interfered with or otherwise offset conservation decisions, noting that either the sales true-up or the rate increases themselves offset or took back savings customers had or would achieve through efficiency or conservation. Some commenters suggested that, rather than increasing rates, Xcel should look internally for cost savings, including recommending cuts to executive compensation, advertising, labor inefficiency, or reducing the excess paper used in billing. Several noted that Xcel has recently announced high profits, and that Xcel should reinvest or otherwise repurpose those profits rather than raising rates.

Comments on renewable energy were mixed, with some arguing that renewable energy was driving up rates, while others argued that renewable energy was cheaper, and should result in lower rates.

Comments on increasing the customer charge for residential customers were generally unfavorable, citing either the negative effect on low-income households or the negative effect on conservation that collecting more from the customer charge would entail.

Several customers expressed concern or dismay about the frequent rate increases that Xcel

¹¹ ALJ Report, pp. 202-213, Findings of Fact Attachment A 1 to 46.

implements. Others noted the large number of riders and additional charges on the bills, including the ‘affordability’ charge. Some customers specifically cited that other power providers in their area had not raised rates to the degree or with the frequency that Xcel has.

Safety and customer service were common themes, with some commenters objecting to cost recovery for nuclear costs or cleanup from various leaks that are attributed to Xcel, arguing that Xcel should pay for these. Others suggested that rate increases could be attributed to weather and fire events in other parts of Xcel’s service territory and objected to paying for events in Texas or Colorado.

Comments on Xcel’s choices about fuel mix were varied, with some customers recommending increasing nuclear generation, and comments in favor of and opposed to renewable energy.

Several customers cited customer service issues, either related to inability to contact or receive service from Xcel, outages, and aging transformers leading to fires and service outages. Commenters cited personal costs due to outages, such as spoiled food and backup generators, and noted up to 14 outages in the last year. Customers in rural areas specifically complained about lack of service, either due to long lag times for routine maintenance or reduction or elimination of maintenance in certain areas entirely.

Some customers noted billing issues, ranging from Xcel’s contractors for billing providing poor service, to perceived favorable treatment of commercial customers in billing. At least one customer cited having attempted to pay their bill and having Xcel not be able to accept the payment, resulting in additional late or service fees. One customer noted not receiving a bill for three months due to a system error. A business group cited that 23 of its members had seen billing errors or delays, including misapplied or lost payments, and that Xcel had been slow to respond to requests for assistance, or made escalation to higher levels of customer service difficult. Customers noted that power outages did not result in bill credits for the lost service. Tying rate increases to improvements in customer service was suggested as a solution.

Customers expressed concern with data centers and other large load additions potentially increasing rates, noting that these new loads would require significant infrastructure, including transmission, distribution and generation to serve, and that all customers would end up paying for the new equipment to serve these customers.

There were issues with the comment process. Some commenters had difficulty either with the virtual hearing or online comment process in e-Dockets. Others noted that the times for some of the public hearings were inconvenient for people who work, noting specifically that 11:30 is a bad time for a public hearing. Notices for hearings were described as late or non-existent, with some customers claiming they didn’t hear about either the hearings or the rate increases until the last minute. Certain commenters expressed concern that their comments would either be ignored by the Commission or not reach the Commissioners. A few expressed dismay that the comment sheets from the Commission did not include a prepaid postage envelope.

1. Objections to Public Comment Summary – CUB

CUB objected to one of the public comments' summaries. Finding of Fact (Attachment A) 23 quoted Richard J. Kolkmann as believing the ROE request to be excessive but did not mention that Mr. Kolkmann is a former Xcel employee who held the position of Managing Director of Investor Relations. CUB believed that this fact provides significant credibility and weight for Mr. Kolkmann's statement, which should be commemorated in this finding.

2. Decision Options

1009. Modify ALJ (Attachment A) Finding of Fact 23 as follows (CUB):

Modified. 23. Many commenters specifically objected to Xcel citing shareholder profits, ROE, or overall rate of return as a basis for the rate increases. The vast majority of these commenters stated customer rates should not contribute to shareholder profits and found Xcel's focus on the issue inappropriate or concerning.¹² Richard J. Kolkmann, who previously held the role of Managing Director of Investor Relations at Xcel Energy, Inc., believes Xcel's requested ROE to be excessive and explained that he found testimony in favor of the requested ROE to contain "significant inaccuracies" and to be misleading after analyzing the numbers presented.¹³

II. Disputed Issues

There are several issues raised by various parties during this rate case which fall outside the scope of a normal rate case proceeding. Staff will address these issues here, rather than elsewhere in the Briefing Papers, as they either do not fit within the standard cost-based ratemaking process or may carry broader policy implications for decision-making throughout the rest of the proceeding.

The issues Staff has identified as being either higher level or outside the scope of a normal rate proceeding include:

- Energy Justice
- Energy Affordability
- Moratorium on Disconnection
- Statutory Affordability Goal
- Wildfire Mitigation and Integrated Distribution Plan

¹² See, e.g., Minneapolis 1:30 p.m. Tr. at 24-26 (Sep. 24, 2025) (Elis Bradshaw); Minneapolis 1:30 p.m. Tr. at 26-28 (Sep. 24, 2025) (Josh Zimmerman); Comment by Alexander Roth (Sep. 24, 2025) (eDocket No. 20259-223296-02).

¹³ Edina 6:00 p.m. Tr. at 20-25, 50-55 (Sep. 23, 2025) (Richard J. Kolkmann).

In addition, there are a few issues where there is not significant dispute, but which warrant development are placed here. These include:

- Term of the MYRP
- PowerOn Automatic Enrollment

A. Energy Justice

1. Parties Arguments

a. Joint Intervenors

Joint Intervenors recommended that the Commission adopt a definition of Energy Justice or should establish a proceeding to develop such a definition, to apply to its decision making across a broad spectrum of issues in this and other cases. Joint Intervenors relied on a definition provided by the Institute for Energy Justice which the Commission recognized in its last rate case¹⁴ which defined Energy Justice as consisting of four factors:

- Recognition Justice – understanding the history and context of energy decisions that have created inequitable benefits and burdens in the past and in the present. This focuses on identifying and advocating for communities that are ignored or misrepresented in energy decisions.
- Procedural Justice – meaningful and equitable participation and representation in energy decision making.
- Distributional Justice – ensuring benefits and burdens are equitably distributed.
- Restorative Justice – facilitating healing and harmony by improving conditions within communities and providing for remediation of legacy harms.

Joint Intervenors noted that at least 235 filings in 67 dockets, and five Commission Orders, have since recognized “Energy Justice” in some form. Joint Intervenors also noted that both the Department and Xcel recognized that the Commission has also appeared to adopt a working definition of Equity, as:

Equity refers to a fair and just, but not necessarily equal, allocation intended to mitigate disparities in benefits and burdens. Equity in a regulatory framework means providing inclusive and equitable service to all customers, so that all

¹⁴ Docket E-002/GR-21-630, *In the Matter of the Application of Northern States Power Co, dba Xcel Energy for Authority to Increase Rates for Electric Service in the State of Minnesota*, Findings of Fact, Conclusions of Law, and Order at 137-138. (July 17, 2023).

customers have equitable opportunities, access, and results, and both benefits and burdens of the provision of energy are fairly distributed across all community groups. Some individuals or communities may need different levels of support to gain equitable service.¹⁵

Joint Intervenors recommended that the Commission formally adopt the Institute for Energy Justice definition of “Energy Justice”, or in the alternative, create a proceeding to create such a definition. Joint Intervenors did warn that, if an alternative proceeding is undertaken, that the Commission should act to ensure that less-resourced groups can meaningfully participate. This would include establishing a reasonable timeframe for the proceeding, and creating procedural guardrails to protect the ability of those groups to participate. Joint Intervenors further recommended that the Commission investigate and/or engage with stakeholders from other state commissions that have already adopted definitions of energy justice, noting specifically the Washington Utilities and Transportation Commission adoption of such a definition in 2022.¹⁶

b. Xcel Energy

Xcel Energy stated that it did not believe that it is necessary for the Commission to create a definition of Energy Justice at this time. Xcel suggested that, if the Commission chooses to create a proceeding, that it focus on the definition of Equity noted above, rather than the topic of Energy Justice. Xcel found that definition to be more intuitive in application to regulated utility practices.

c. Department of Commerce

The Department noted the definition of equity in its testimony, and requested clarification of certain points from Xcel, but did not make any definitive recommendations to the Commission.

d. Citizens Utility Board

CUB recommended that the Commission consider ‘equity’ as defined above in setting rates, but took no specific position on setting a definition.

2. Administrative Law Judge Report

The ALJ recommended that the Commission initiate a stakeholder process to develop a formal definition of Energy Justice. The ALJ also recommended that the Commission also consider the

¹⁵ Public Utilities Commission, Memorandum To: All Commission Staff From, Recommended Terms Related to Race, Equity, and other DEI Issues, Date: October 13, 2021 (Updated December 19, 2023)

¹⁶ Order at PP. 56, 225-26, *WUTC vs. Cascade Natural Gas Corporation*, Docket UG-210755.

Joint Intervenors’ parameters to ensure that this proceeding is broadly accessible to interested stakeholders.¹⁷

3. Exceptions to the ALJ Report

None

4. Staff Comments

According to its website, the Institute of Energy Justice defines “Energy Justice” as

the goal of achieving equity in both the social and economic participation in the energy system, while also remediating social, economic, and health burdens on those historically harmed by the energy system (“frontline communities”). Energy justice explicitly centers the concerns of marginalized communities and aims to make energy more accessible, affordable, clean, and democratically managed for all communities. The practitioner and academic approaches to energy justice emphasize these process-related and distributive justice concerns.¹⁸

Staff believe that the Commission has not adopted a specific definition of “Energy Justice” but has in recent years begun to approach its work with the principles included in the Institute of Energy Justice definition.

If the Commission believes defining “Energy Justice” to be useful for future decision-making, Staff is willing to lead a broad stakeholder group under a Commission investigation but cautions such a docket could consume scarce resources of participants, ratepayers, and the Commission. Staff concurs with the Joint Intervenors and the ALJ that a stakeholder group made up of community members, activists, and organizations would be most effective at developing a thoroughly vetted definition of “energy justice”.

5. Decision Options

1010. Initiate a stakeholder process to develop a formal definition of Energy Justice. (ALJ, Joint Intervenors (alternative), Xcel (alternative))

1011. Adopt the Institute for Energy Justice’s definition of Energy Justice. (Joint Intervenors Primary)

1012. Reject the ALJ’s recommendation in Finding 1218 to initiate a stakeholder process to

¹⁷ ALJ Report - Finding of Fact 1218.

¹⁸ <https://iejusa.org/energy-justice-101-what-is-energy-justice/>

develop a formal definition of Energy Justice, and deny the Joint Intervenors' request to adopt a definition. (Staff interpretation of Xcel Primary, Department)

B. Energy Affordability & Elimination of Energy Insecurity

1. Parties Arguments

a. Joint Intervenors

Joint Intervenors argued that access to affordable energy and reducing energy-insecurity should be treated as a public good. Joint Intervenors noted that, when these customers fail to pay or otherwise cannot bear their burden, this creates costs for other customers. Reducing insecurity improves community vitality and resilience, reduces health and safety risks, creates a more productive workforce, and helps ensure safety of children, in addition to reducing utility collection costs.

Joint Intervenors compared this kind of broad public interest in affordability to wildfire mitigation. Many of the benefits accrue to parties other than the utility, and so the Commission should consider these public benefits in addition to the utility-specific costs and benefits.

Joint Intervenors recommended that the Commission should recognize Energy Affordability and the elimination of energy security as being in the public interest. The Commission should further allow for the costs of guaranteeing universal affordability, when justified, to be allocated to customers broadly based on energy justice principles.

b. Citizens Utility Board

CUB suggested that the Commission review Xcel's records regarding arrearages and disconnections, and take consideration of energy affordability when setting rates, especially with regard to the Return on Equity, noting many public comments opposing the rate increase based on affordability concerns.

c. Xcel Energy

Xcel noted that the Commission already considers non-cost factors, including these, in its decision making. Affordability and ability to pay are factors the Commission already considers for all rate classes. As such, there is no need for formal Commission action on this point.

2. Administrative Law Judge Report

The ALJ found that affordability and eliminating of energy burden are important regulatory goals and stated that these goals are reflected throughout the Report through consideration of ability to pay, and the recommendation to initiate a proceeding to evaluate a low-income rate. However, the ALJ recommended no further action on this recommendation.

3. Exceptions to the ALJ Report

None

4. Decision Options

1013. Find that universal energy affordability and the elimination of energy insecurity are in the public interest. (Joint Intervenors)

1014. Take no further action on the Joint Intervenors' recommendation to recognize affordability and elimination of energy burden. (ALJ Report, Xcel)

C. Disconnection Moratorium

1. Parties Arguments

a. Joint Intervenors

Joint Intervenors noted that disconnections in the Xcel service territory have increased dramatically. Joint Intervenors further noted the racial and financial demographics of those most affected by these disconnections. Joint Intervenors argued that there is little evidence on the record which would allow a finding that Xcel's disconnection policy has done anything to meaningfully reduce arrearages or the number of customers in arrears. Joint Intervenors specifically pointed out that arrearages and number of customers past-due have changed very little or reduced slightly, yet disconnections are far higher than pre-COVID. Joint Intervenors counter Xcel's arguments attributing disconnections to COVID moratoriums by pointing out that the actual dollar volume of arrearages does not reflect any recovery to pre-COVID norms either in number of customers or total dollars. If COVID and the moratorium were to blame, Joint Intervenors would expect a steady reduction of bad debt toward pre-COVID amounts, rather than the stable, high levels on the record.

Joint Intervenors argued that this record of stubbornly high arrearages despite high disconnection rates is evidence that Xcel's approach to arrearage is not working. Joint Intervenors thus recommended that Xcel be ordered to discontinue disconnections until it can show that the benefits of disconnection outweigh the costs.

Alternatively, or in addition, Joint Intervenors recommended that a randomized controlled study be implemented to study alternate approaches to high past-due balances. This study, which Joint Intervenors recommended be conducted by a third party, could be used to evaluate alternate approaches to past-due balances. Approaches recommended by Joint Intervenors included Extended Grace Period and enhanced outreach, a disconnection moratorium, and a control group using current practice. Outcomes to be measured would include financial, household stability, equity and harm reduction, along with qualitative measures.

Joint Intervenors recommends a 24-month timeframe, with 12 months at a minimum. Joint Intervenors argued that no customer would receive treatment under this study, which is more punitive than the current policy of disconnection and would not change any statutory requirements. Joint Intervenors also suggested that third-party administration and randomization help ensure compliance with statutory prohibition on unreasonable preferences or discrimination by preventing arbitrary distinctions or assignment of customers preferentially to groups, and that an Institutional Review Board and Commission-appointed advisory committee oversee and support this project, suggesting the Environmental Justice Accountability Board as a potential option.

Joint Intervenors noted that statute bans “unreasonable” preference or advantage – this study might advantage or prefer certain (randomized) customers, but it would be reasonable – the critical purpose of establishing best practice for all customers would justify the variation. It would also be short-term window for any preference or advantage, as Xcel would presumably be ordered to adopt the most effective practice at the end of the study.

b. Energy Cents Coalition

Energy Cents proposed that the Commission, in lieu of the proposed study, develop a factual record to determine which interventions reduce arrears, protect customers from harm, and improve stability, without the need to segment customers. In order to do that, ECC suggested that utility reporting on disconnection be augmented to include:

- The number of customers who have experienced disconnections over a five year period, disaggregated by income proxy or low-income program enrollment to the degree possible.
- The average level of arrears for customers at each frequency level.

Energy Cents suggested that this analysis should show reductions in past-due balances and reduced disconnections after the first, if disconnection is an effective method of mitigating past-due balances.

c. Xcel Energy

Xcel opposed both the moratorium and the experimental model. In Xcel’s view, the experimental approach runs afoul of Minnesota Statute 216B.07 requirement that “[n]o public utility shall, as to rates or service, make or grant any unreasonable preference or advantage to any person or subject any person to any unreasonable prejudice or disadvantage. Customers assigned to various treatments would not differ materially from customers in the control group, and so any differential treatment, even on a short-term basis, would grant an unreasonable preference or advantage based on an arbitrary distinction.

2. Administrative Law Judge Report

The ALJ found that the current disconnect policy is unambiguously permitted by Minnesota

Rule 7820.1000, so long that notice complies with the requirements of Minn. R. 7820.2400.¹⁹ Neither a moratorium nor a Randomized Controlled trial would be consistent with those rules, and neither should be ordered by the Commission.²⁰ The implied purpose of such a study – to evaluate whether a randomized controlled trial could have value if the Commission to consider amending Minn. R. 7820.1000, but it is not appropriate to order one here, and the ALJ also found that a randomized controlled study would violate Minn. Stat.216B.07. The argument that the study leaves customers no worse off is of no consequence, as the statute prohibits both unreasonable prejudices and advantages.

3. Exceptions to the ALJ Report

Joint Intervenors had exceptions to the ALJ Report in this area. Joint Intervenors noted that disconnections in the Xcel service territory are 2.4 times higher than the sixteen years prior to COVID. They argued that the Commission has noticed the problem, citing the action to prevent Xcel from undertaking remote disconnections in Docket E-002/M-25-27. Joint Intervenors also cited racial inequities in disconnections, noting that its witness' research had identified a significant correlation between presence of racial minorities in a neighborhood and disconnections, even controlling for other socioeconomic factors.

Joint Intervenors argued that Xcel did not provide evidence of the efficacy of disconnections in providing motivation for customers to pay bills, or any other benefit to ratepayers, including lower arrears, higher payment rates, lower bad-debt expense, or lower ratepayer costs. Joint Intervenors proposed either 1) a moratorium on disconnections or 2) a randomized controlled study of the effectiveness of disconnections. Joint Intervenors argued that the existence of a racial disparity in disconnections violates Minnesota ratepayers' statutory right to equal service.

Joint Intervenors also disagree with the ALJ that a study would violate the right to equal service, continuing to cite that study participants would, at worst, be treated the same as they are now. Joint Intervenors argue that, though certain participants would be advantaged, that advantage would not be unreasonable, as it serves a valid public policy purpose – of determining the efficacy of Xcel's existing disconnect policy. Joint Intervenors argued that inclusion of oversight by an Institutional Review Board would mitigate the risks and guarantee that any advantages are in compliance with relevant standards, with the same ethical standards used in medical research.

Joint Intervenors further argue that Xcel's current practices are already unreasonable due to the prejudicial outcomes for racial minorities.

Joint Intervenors also cited the fact that Xcel will be reducing disconnections relative to the levels it would undertake due to staffing, and argued that this, itself, results in preferential treatment, as some customers will be disconnected while others, in the same circumstance,

¹⁹ ALJ Report – Findings of Fact 1186 and 1187.

²⁰ ALJ Report - Findings of Fact 1191 and 1192.

would not, entirely due to Xcel’s staffing issues. Creating this study would at least lend some value to this inequity, by collecting data on disconnection efficacy on one group relative to the effect of discontinuing disconnections for the other.

4. Staff Comments

a. Disconnection Moratorium

Staff and CAO recognize some customers struggle to overcome arrears accumulated during the COVID-19 moratorium, along with COVID-19 economic impacts on Minnesota households that are still being affected today. Staff believes that there are other strategies, including the ones proposed here in the rate case, that could positively impact customers more so than an indefinite disconnection moratorium.

b. Randomized Control Trial (RCT)

Staff notes there are already many ongoing investigations into the cause of customer non-payment, including but not limited to a required third-party study that would mimic the Pradhan-Chan study (see the Joint Intervenor’s exceptions for more details), the addition of the energy burden layer to Xcel’s interactive map, possible increased reporting in YR-2 (the Cold Weather Rule docket), and much more Commission work.

Minn. R. 7820.1000 states:

7820.1000 PERMISSABLE SERVICE DISCONNECTION WITH NOTICE

With notice a utility may disconnect service to any customer for any reason stated below. Notice must comply with the requirements of part 7820.2400:

- A. for failure of the customer to pay a bill for utility service, but only when the amount of the customer's outstanding bill equals or exceeds the amount of the customer's deposit;
- B. for failure of the customer to meet the utility's deposit and credit requirements;
- C. for failure of the customer to make proper application for service;
- D. for customer's violation of any of the utility's rules on file with the commission;
- E. for failure of the customer to provide the utility reasonable access to its equipment and property;
- F. for customer's breach of the contract for service between the utility and the customer;
- G. for failure of the customer to furnish such service, equipment, and/or rights-of-way necessary to serve the

- customer as shall have been specified by the utility as a condition of obtaining service;
- H. when determined by the commission as prescribed by relevant state or other applicable standards or after individual hearing upon application of any person that customer is willfully wasting service through improper equipment; or
 - I. when necessary for the utility to comply with any order or request of any governmental authority having jurisdiction.

Though a randomized controlled study of the effects of different disconnect policies could be useful in the context of changing the above rule, a review of other states' policies first may be more cost effective, but only in the context of a review of the above rule, and not in the current rate case.

Staff takes no position on the consistency of such a randomized controlled study or a moratorium with rules and statute and defers to Counsel to consider this question, other than to state the rule above. Modification of the existing rule would be an administratively challenging and a lengthy process. To do so would be a large project for the Commission to undertake.

5. Decision Options

- 1015. Require Xcel to cease disconnection of customers until its next rate case is fully litigated. (Joint Intervenors)
- 1016. Deny the proposed disconnection moratorium. (Staff interpretation of ALJ, Xcel)
- 1017. Require Xcel to undertake a randomized control trial to study of the effects of disconnection in consultation with Joint Intervenors and other intervening and other parties interested in the study. (Joint Intervenors Alternate)
- 1018. Deny the proposed randomized control trial. (Staff interpretation of ALJ, Xcel)

D. Statutory Affordability Goal & Alternate Rate Proposal

1. Parties Arguments

a. Joint Intervenors

Joint Intervenors requested that the Commission establish a process to create a low-income rate, not establish any specific rate structure at this time. The process to study and implement such a rate should incorporate questions about affordability raised by several parties, and the implementation concerns of Xcel. This proposal is further addressed in Volume 5 (Rate Design).

In addition, Joint Intervenors asked the Commission to find that Xcel's March 31, 2025 compliance filing from its last rate case in Docket No. E-002/CI-24-115 with respect to Ordering Paragraph 77 in its last rate case (Docket No. E-002/GR-21-630) is not in compliance with the ruling.

This Ordering Paragraph required that:

77. Xcel must in the advanced rate design docket, include an analysis on its compliance with Minnesota's goal for rates to be 5 percent lower than the national average, Minn. Stat. 216C.05, subd. 2(4), including a minimum of the following issues:

- The impact of its proposed rate increase on compliance with the statutory goal.
- The impact of conservation on bills and its relevance to the statutory goal.
- Strategies that could be employed to improve compliance with the statutory goal.
- An alternate rate increase proposal that would be in compliance with the statutory goal, and Xcel's justifications for proposing any rate increases in excess of the alternate plan.

The Company stated in that filing that its rates were 6.8% below national system average, and so an alternate rate proposal was not required.

Joint Intervenors argued that the filing failed to comply with the ordering paragraph, because it did not treat rates on a class by class basis, inconsistent with statute, Xcel only compared its rates to other Investor Owned Utilities, and not to all utilities, and it made adjustment to rates to account for certain statutorily required programs, an adjustment not found in the order.

Joint Intervenors presented countering data that used unadjusted rates for residential customers, and showed that Xcel's rates were higher than the national average for residential rates.

Joint Intervenors asked that the Commission find that the filing was not consistent with the order, and that the Commission again require Xcel to develop and file, in this docket or the Advanced Rate Design docket, an alternate rate proposal that is in compliance with the affordability goal, and provide its justifications for proposing rate increases in excess of the alternate proposal.

b. Xcel Energy

Xcel noted that the filing in Docket 24-115 is not part of this rate case, and that the Commission did not take action on that filing in the relevant docket. As such, Xcel asks that the Commission not require it to make further administratively burdensome additional findings here, as the Commission did not appear to find the original filing to be useful in that docket nor did it take action there to require Xcel to file additionally.

2. Administrative Law Judge Report

The Administrative Law Judge found that ruling on the compliance filing in Docket 24-115 is not within scope of this proceeding.²¹ The ALJ did recommend that Xcel be required to file an updated version of the report in this docket, suggesting that the Commission clarify that the “statutory goal” is to be understood in terms of retail rates, not total bills, for each customer class.

3. Exceptions to the ALJ Report

None

4. Staff Comments

Staff notes that the filing in Docket 24-115, though out of scope for this proceeding, may be of interest for further review. Staff does note that the statutory goal is simply that, a goal, and that this entire rate case is intended to justify the entirety of Xcel’s rate structure, including any amount over 5% below the national average.

5. Decision Options

1019. Order Xcel to file an updated version of the filing in Docket No. E-002/CI-24-115 including the results of this rate case, and an alternate rate proposal in Docket 24-115, including a justification of rates by class which are not at least 5% below the national average for the respective Residential, Commercial, and Industrial classes of customers as defined in EIA Report-861, or a similar appropriate classification of customers. (Joint Intervenors, ALJ)

A. Clarify that the statutory goal is to be understood and interpreted as applying to the average retail rate for each customer class, and not to total bills. (ALJ)

1020. Do not require Xcel to file an updated version of the filing in Docket No. E-002/CI-24-115. (Xcel)

²¹ ALJ Report, Finding of Fact 1201.

E. Wildfire Mitigation & Integrated Distribution Plan

1. Parties Arguments

a. Joint Intervenors

Joint Intervenors recommended that Xcel be required to conduct a comprehensive and detailed assessment of the relative risks, costs, and benefits of its wildfire mitigation plan, including an analysis of the comparative effectiveness of various mitigations strategies and technologies it intends to deploy. Such an analysis would provide the Commission with a more complete record for reviewing the prudence of the new wildfire mitigation proposal by Xcel. Joint Intervenors proposed that Xcel specifically address comparative fire risk for Minnesota relative to Xcel's Colorado and Texas territories, complete a Minnesota-specific risk assessment for its territory here, and integrate the findings into its next Integrated Distribution Plan (IDP). Through the IDP stakeholder process, Xcel would be able to create a plan with specific, justified investment proposals for a future rate case. Joint Intervenors was concerned that, by moving forward with its plan without such an analysis, Xcel would 'grandfather in' less efficient technology choices in its highest risk fire areas. Such an approach would be more transparent as well as resulting in a more robust and cost-effective fire mitigation proposal.

Joint Intervenors also noted a very large increase in distribution capacity spending, of nearly \$100 million. ²²They recommended that Xcel also review and justify this spending through the IDP process. JI initially opposed the spending increases, but with further testimony from the Company, Joint Intervenors now support the spending increases for both wildfire mitigation and distribution capacity for THIS rate case, conditional on further scrutiny of these costs in the IDP process.

Joint Intervenors specifically noted Xcel's targeted underground plan as being under-justified. JI appreciated the attention to the needs of underserved communities but argued that Xcel has failed to fully justify the expense and disruption of undergrounding lines in neighborhoods affected. Nor has Xcel provided evidence that underground deployment is the most cost-effective approach to meeting the goals of this initiative, and JI worry that the disruption and likely impact of an undergrounding program on traffic and property would exceed the value of the project to affected communities. Joint Intervenors thus recommended that the Commission order a transparent, comprehensive analysis of targeted undergrounding in its IDP prior to approving financing for this program. Though JI acknowledges the information filed by Xcel in its SRSQ, JI argued that the IDP is the best place for this analysis to be completed and reviewed.

Similarly, Joint Intervenors recommended that Xcel explore least-cost approaches to Discrete Capacity projects in its IDP process. JI recommended that Xcel be instructed to consider non-wires solutions to discrete capacity.

²² JIN-1 at 12

b. Xcel Energy

Xcel disagreed with Joint Intervenors on its approach to the IDP process. In Xcel’s view, the purpose of the IDP process is to provide the Commission and stakeholders with information about the Company’s distribution strategy and goals, not to review and approve specific projects. The IDP addresses planning processes, historical and budgeted expenditures, and forecasted levels of distributed energy resources and electrification, not the specific approach to meeting those needs. As such, reviewing undergrounding projects within the IDP would be outside current functions for the IDP. The discrete capacity projects were reviewed, in the 2023 IDP, as updated in 2024, and so have already received the Commission scrutiny proposed by Joint Intervenors.

Were the Commission to order changes to the IDP process, Xcel did not believe they would apply to the current IDP project. They would, instead, apply to a future IDP.

Xcel also disagreed that it had not provided adequate information regarding its capacity and undergrounding projects. Each of the discrete capacity projects were included in the 2023 IDP or its 2024 update, and so have already been vetted by the Commission. Xcel noted that the fluctuations in capacity project costs noted by Joint Intervenors are normal – discrete capacity investment may be lower in some years, supporting distribution investment elsewhere – and higher in others when the Company is working on major projects and/or those projects are placed in service. The increase in 2026 over 2025 simply reflects the planned work necessary to meet the needs of the system.

2. Administrative Law Judge Report

The Administrative Law Judge found that the recommendations of Joint Intervenors are reasonable to ensure that the Commission is able to effectively evaluate additional projects in future rate case proceedings, and the Commission should adopt the Joint Intervenors’ recommendations to:

- Complete its Minnesota-specific wildfire risk assessment
- Conduct a comparative risk analysis that evaluates wildfire risk both a) in relation to Xcel’s other jurisdictions, such as Colorado and Texas, where urgent mitigation investments may be more pressing, and b) relative to safety and reliability risks in Minnesota’s distribution system.
- Incorporate those findings into its 2025 IDP or its next IDP as appropriate
- Engage stakeholders through the Commission’s IDP process, and;
- Seek future cost recovery with specific, justified investment proposals supported by its analysis.²³

²³ ALJ Report – Findings of Fact 1225-1227

3. Exceptions to the ALJ Report

No parties filed exceptions.

4. Staff Comments

The Department, supported by Joint Intervenors, has proposed an extensive set of recommendations in Xcel Energy's 2025 Integrated Distribution Plan (Docket E-002/M-25-142) related to the development of a Wildfire Mitigation Plan that would be reviewed as part of future IDPs. The Department's IDP recommendations encompass Joint Intervenors' recommendations here.

Therefore, Staff recommends that the Commission modify Joint Intervenors' recommendation to adopt development of a wildfire mitigation plan for Xcel, but direct development of the contents of the plan to Xcel's 2025 IDP instead of the rate case to avoid unnecessary duplication between processes. The IDP is expected to be before the Commission later this summer.

5. Decision Options

1021. Require Xcel to develop a Wildfire Mitigation Plan, the details of which shall be decided as part of Xcel Energy's 2025 Integrated Distribution Plan. Require the Company to use its Wildfire Mitigation Plan to justify future wildfire investment proposals. (Staff modification of Joint Intervenors.)

III. Settled or Non-Disputed Issues

A. Multi-Year Rate Plan – Term

1. Parties Arguments

Xcel proposed a 2-year multi-year rate plan. No party took issue with or filed testimony on either the multi-year nature of the proposal or the length of the plan.

2. Administrative Law Judge Report

The ALJ found the 2-year plan to be reasonable and recommended approval.

3. Decision Options

1022. Approve a 2-year multi-year rate plan.

B. PowerOn Program Enrollment

PowerOn is an energy affordability program which offers affordable monthly payments and past-due bill forgiveness for eligible low-income households who are facing disconnection or otherwise having difficulty paying their bills. The program is administered by Energy Cents

Coalition. LIHEAP customers are eligible, as are certain customers participating in the Energy Assistance Program. The program requires that customers accept a level-payment plan and make required monthly payments.

1. Parties Arguments

a. Energy Cents Coalition

Energy Cents proposed automatically enrolling in PowerOn all customers with Low-Income Home Assistance Energy Program (LIHEAP) eligibility or otherwise deemed eligible for program participation. The program currently is targeted to customers for whom LIHEAP is insufficient to reduce electricity burden to 3% or less of household income.

b. Citizens Utility Board

CUB supported Energy Cents Coalition’s proposal.

c. Xcel Energy

Xcel also supported Energy Cents proposal. Xcel estimated that this approach could increase participation by up to 14,000 with a potential incremental spend of \$10-11 million.²⁴

2. Administrative Law Judge Report

The ALJ recommended approval of Energy Cents Coalition’s proposal to automatically enroll LIHEAP eligible customers and others determined to be eligible.²⁵

3. Decision Options

1023. Approve automatic enrollment of LIHEAP-eligible customers and others determined to be eligible in PowerOn. (ECC, CUB, Xcel, ALJ)

IV. General Housekeeping and Compliance Issues

Staff notes that, starting with 9001, all compliance filing requirements in the decision alternatives are standard rate case compliance items. These requirements ensure that Xcel files various financial and rate design schedules that reflect the Commission’s decision, revised tariff sheets, a customer notice draft and, if applicable, an interim rate refund plan.

Staff also recommends the Commission’s Order require Xcel to include a set of financial summaries for Xcel that includes: a schedule showing the calculation of Xcel’s authorized cost of capital, a rate base summary, an operating income statement summary, a gross revenue

²⁴ Howard Rebuttal at 15-16

²⁵ ALJ Report Findings of Fact 296-301

deficiency calculation, and a statement of total allowed revenues.

A. General Housekeeping and Compliance Decision Options

9001. If revised summary financial schedules are needed to reflect the Commission's final decision, require Xcel Energy to prepare and provide to Commission staff summary financial schedules including: a calculation of Xcel Energy's authorized cost of capital, a rate base summary, an operating income statement summary, a gross revenue deficiency calculation, and a statement of the total allowed revenues.

9002. Require Xcel Energy to make the following compliance filings within 30 days of the order:

- A. Revised schedules of rates and charges reflecting the revenue requirement and the rate design decisions herein, along with the proposed effective date, and including the following information:
 - i. Breakdown of Total Operating Revenues by type;
 - ii. Schedules showing all billing determinants for the retail sales (and sale for resale) of electricity. These schedules shall include but not be limited to:
 1. Total revenue by customer class;
 2. Total number of customers, the customer charge and total customer charge revenue by customer class; and
 3. For each customer class, the total number of energy and demand related billing units, the per unit of cost of energy and cost of demand and the total energy and demand related sales revenues.
 - iii. Revised tariff sheets incorporating authorized rate design decisions.
 - iv. Proposed customer notices explaining the final rates, the monthly basic service charges, and any and all changes to rate design and customer billing.
- B. A summary listing of all other rate riders and charges in effect, and continuing, after the date final rates are implemented.
- C. If final authorized rates are lower than interim rates, a proposal to make refunds of interim rates, including interest to affected customers.

9003. Require that any comments on compliance filings be filed within 30 days of the compliance filing. Delegate authority to the Executive Secretary to modify this comment

deadline via notice.

9004. Where not otherwise specified within the Commission Order, adopt the Administrative Law Judge's April 30, 2026 Findings of Fact, Conclusions of Law, and Recommendations.

DECISION OPTIONS

V. Decision Options

I. Legal Standard Decision Options

Legal Standard

1001. Do not adopt the ALJ’s Finding of Fact 91. (OAG)

1002. Modify Finding of Fact 1088 to exclude the phrase “, in contrast to the determination of the revenue requirement”. (OAG)

1088. Rate design, ~~in contrast to the determination of the revenue requirement,~~ is a quasi-legislative function. This step of the ratemaking process largely involves policy decisions to be made by the Commission.

1003. Adopt the following modifications and additions to the ALJ Report as proposed in CUB’s exceptions to the ALJ Report: *(See also Findings recommended by CUB in Volume 2 (Cost of Capital))*

A. Modified and new findings 853–868 related to late payment fees.

B. Modified and new findings 1137–1142c related to Xcel’s RAMP proposal.

C. Modified and new findings 874–882 related to reconnection fees.

Motion to Take Notice

1004. Grant the motion of the Department to take notice of and admit into the record Xcel’s 2025 SEC Form 8-k as attached to the Department Motion. (Department)

1005. Deny the Department’s motion to take official notice.

1006. Grant the Motion of the OAG to take notice of and admit Xcel’s filing in Docket E-002/AI-25-245 into the record in this docket. (OAG)

1007. Grant the Motion of the OAG to take notice of and admit Xcel’s filing in Docket E-002/M-26-27 into the record in this docket. (OAG)

1008. Deny the OAG’s motion to take official notice.

Public Comments

1009. Modify ALJ (Attachment A) Finding of Fact 23 as follows (CUB):

Modified. 23. Many commenters specifically objected to Xcel citing shareholder profits, ROE, or overall rate of return as a basis for the rate increases. The vast majority of these commenters stated customer rates should not contribute to shareholder profits and found Xcel’s focus on the issue inappropriate or concerning.²⁶ Richard J. Kolkman, who previously held the role of Managing Director of Investor Relations at Xcel Energy, Inc., believes Xcel’s requested ROE to be excessive and explained that he found testimony in favor of the requested ROE to contain “significant inaccuracies” and to be misleading after analyzing the numbers presented.²⁷

A. Energy Justice

1010. Initiate a stakeholder process to develop a formal definition of Energy Justice. (ALJ, Joint Intervenors (alternative), Xcel (alternative))

1011. Adopt the Institute for Energy Justice’s definition of Energy Justice. (Joint Intervenors Primary)

1012. Reject the ALJ’s recommendation in Finding 1218 to initiate a stakeholder process to develop a formal definition of Energy Justice, and deny the Joint Intervenors’ request to adopt a definition. (Staff interpretation of Xcel Primary)

B. Energy Affordability

1013. Find that universal energy affordability and the elimination of energy insecurity are in the public interest. (Joint Intervenors)

1014. Take no further action on the Joint Intervenors’ recommendation to recognize affordability and elimination of energy burden. (ALJ Report, Xcel)

C. Disconnection Moratorium & Study

1015. Require Xcel to cease disconnection of customers until its next rate case is fully litigated.

²⁶ See, e.g., Minneapolis 1:30 p.m. Tr. at 24-26 (Sep. 24, 2025) (Elis Bradshaw); Minneapolis 1:30 p.m. Tr. at 26-28 (Sep. 24, 2025) (Josh Zimmerman); Comment by Alexander Roth (Sep. 24, 2025) (eDocket No. 20259-223296-02).

²⁷ Edina 6:00 p.m. Tr. at 20-25, 50-55 (Sep. 23, 2025) (Richard J. Kolkman).

(Joint Intervenors)

1016. Deny the proposed disconnection moratorium. (Staff interpretation of ALJ, Xcel)
1017. Require Xcel to undertake a randomized control trial to study of the effects of disconnection in consultation with Joint Intervenors and other intervening and other parties interested in the study. (Joint Intervenors Alternate)
1018. Deny the proposed randomized control trial. (Staff interpretation of ALJ, Xcel)

D. Statutory Affordability Goal

1019. Order Xcel to file an updated version of the filing in Docket No. E-002/CI-24-115 including the results of this rate case, and an alternate rate proposal in Docket 24-115, including a justification of rates by class which are not at least 5% below the national average for the respective Residential, Commercial, and Industrial classes of customers as defined in EIA Report-861, or a similar appropriate classification of customers. (Joint Intervenors)
1020. Do not require Xcel to file an updated version of the filing in Docket No. E-002/CI-24-115. (ALJ)

E. Wildfire Mitigation Plan

1021. Require Xcel to develop a Wildfire Mitigation Plan, the details of which shall be decided as part of Xcel Energy's 2025 Integrated Distribution Plan. Require the Company to use its Wildfire Mitigation Plan to justify future wildfire investment proposals. (Staff modification of Joint Intervenors.)

F. Settled Issues

1022. Approve a 2-year multi-year rate plan. (All parties)
1023. Approve automatic enrollment of LIHEAP-eligible customers and others determined to be eligible in PowerOn. (ECC, CUB, Xcel, ALJ)

General & Housekeeping Decision Options

9001. If revised summary financial schedules are needed to reflect the Commission's final decision, require Xcel Energy to prepare and provide to Commission staff summary financial schedules including: a calculation of Xcel Energy's authorized cost of capital, a rate base summary, an operating income statement summary, a gross revenue deficiency calculation, and a statement of the total allowed revenues.
9002. Require Xcel Energy to make the following compliance filings within 30 days of the order:
- D. Revised schedules of rates and charges reflecting the revenue requirement and the rate design decisions herein, along with the proposed effective date, and including the following information:
 - v. Breakdown of Total Operating Revenues by type;
 - vi. Schedules showing all billing determinants for the retail sales (and sale for resale) of electricity. These schedules shall include but not be limited to:
 - 4. Total revenue by customer class;
 - 5. Total number of customers, the customer charge and total customer charge revenue by customer class; and
 - 6. For each customer class, the total number of energy and demand related billing units, the per unit of cost of energy and cost of demand and the total energy and demand related sales revenues.
 - vii. Revised tariff sheets incorporating authorized rate design decisions.
 - viii. Proposed customer notices explaining the final rates, the monthly basic service charges, and any and all changes to rate design and customer billing.
 - E. A summary listing of all other rate riders and charges in effect, and continuing, after the date final rates are implemented.
 - F. If final authorized rates are lower than interim rates, a proposal to make refunds of interim rates, including interest to affected customers.
9003. Set a comment period of 30 days for compliance filings. Delegate authority to the Executive Secretary to modify this comment deadline via notice.

9004. Where not otherwise specified within the Commission Order, adopt the Administrative Law Judge's April 30, 2026 Findings of Fact, Conclusions of Law, and Recommendations.

II. Appendix – References to the Record

1. Burden of Proof – Legal Standard

Xcel Energy - Initial Briefs pp. 14-19
CUB – Initial Briefs pp. 3-9
Suburban Rate Authority – Initial Briefs pp. 2-3
Office of the Attorney General – Initial Briefs pp. 2-3
Joint Intervenors – Initial Briefs pp. 3-4
ALJ Report – Findings of Fact 85-93, 1085-1088
Exceptions to the ALJ Report – CUB pp. 1-3
Exceptions to the ALJ Report – Xcel Large Industrials pp. 5-8
Exceptions to the ALJ Report – Office of the Attorney General pp. 1-4

2. Motions to take Official Notice

OAG – Motion to take Official Notice
Department of Commerce – Motion to take Official Notice

3. Public Comments

ALJ Report – Appendix
CUB - Exceptions to the ALJ Report – pp. 8-16

4. Energy Justice

Xcel-70 (Martin Direct) at 7-9
Xcel 71 (Martin Rebuttal at 44-64
Joint Intervenors-2 at 3, 22-25 (Chan Direct)
Joint Intervenors – Initial Brief at 8-11
CUB – Initial Brief at 9-14
Xcel Energy – Reply Brief pp. 143-144
ALJ Report – Findings of Fact 1213-1218

5. Energy Affordability

Joint Intervenors-2 at 3, 26-30 (Chan Direct)
Joint Intervenors Initial Brief at 11-18
Xcel Reply Brief at 144-145
ALJ Report Findings of Fact 1219-1224

6. Disconnection Moratorium

Xcel-71 (Martin Rebuttal) at 44-64
Xcel-72(Martin Surrebuttal) at 12-14
ECC-2 (Shardlow Surrebuttal) at 6-8
Joint Intervenors-2 (Chan Direct) at 3-11
Joint Intervenors 3 (Chan Rebuttal), entire
Joint Interventors-5 (Chan Surrebuttal) at 2-13
Joint Intervenors Initial Brief at 18-25
Joint Intervenors Reply Brief at 11-13
Joint Intervenors Exceptions at 14-19
ALJ Report Findings of Fact 1179-1192

7. Statutory Affordability Goal and Alternate Rate Proposal

Joint Intervenors-2 (Chan Direct) at 30-41
Joint Intervenors-5 (Chan Surrebuttal at 23-38
DOC-22 (Schmitz Rebuttal)
Xcel-76 (Paluck Direct) at 27-28
Xcel-77 (Paluck Rebuttal) at 15-19
Xcel-71 (Martin Rebuttal) at 53-64
Xcel-78 (Martin Surrebuttal) at 2-12
Xcel-81 (Howard Rebuttal) at 17-20
Joint Intervenors Initial Brief at 25-33
Joint Intervenors Reply Brief at 2-10
Xcel Initial Brief at
ALJ Report – Findings of Fact 1143-1161
Xcel Energy – Exceptions pp. 79-81

8. Wildfire Mitigation Plan

Joint Intervenors-1 (Kenworth Direct) at 15-23, 46
Joint Intervenors Initial Brief at 33-42
Joint Intervenors-4 (Kenworthy Surrebuttal at 18-22
ALJ Report Findings of Fact 1225-1227

9. Multi-Year Rate Plan

Xcel-15 (Liberkowski Direct) at 2-5
ALJ Report Findings 265-267

10. Power On Program Enrollment

ECC-1 (Shardlow Direct) at 11-13
ECC 2 (Shardlow Surrebuttal) at 1-2
CUB-8 (Levenson-Falk Surrebuttal) at 14-15
Xcel-77 (Paluck Rebuttal) at 18-19
Xcel-71 (Martin Rebuttal) at 36-41
Xcel-81 (Howard Rebuttal) at 14-16
ALJ Report Findings 296-301