

October 27, 2025

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

RE: Comments of the Minnesota Department of Commerce

Docket No. E002/M-23-524

Dear Ms. Bergman:

Attached are the reply comments of the Minnesota Department of Commerce (Department) in the following matter:

In the Matter of the Petition of Northern States Power Company, dba Xcel Energy, for Approval of a Residential Time of Use Rate Design

The Petition was filed by Xcel Energy (Xcel or the Company) on August 14, 2025.

The Department recommends approval of Xcel's Petition and is available to answer any questions the Minnesota Public Utilities Commission (Commission) may have.

Sincerely,

/s/ Dr. SYDNIE LIEB
Assistant Commissioner of Regulatory Analysis

AB/RW/KB/ad Attachment

Comments of the Minnesota Department of Commerce

Docket No. E002/M-23-524

I. INTRODUCTION

The Minnesota Department of Commerce, Division of Energy Resources (Department) provides its reply comments on Xcel's petition filed in Docket No. E002/M-23-524.

On August 15, 2025, Xcel filed a the 90-day Compliance Plan as required in the Commission's May 15, 2025 Order. Pursuant to the Order, Xcel's Plan should provide a detailed marketing, education, and outreach plan for the approved time-of-rate rollout. Specifically, the plan must address all listed requirements, including but not limited to:

- Implementation Plan
- Marketing, Education, and Outreach
- Proposed Tariff Changes
- Implementation Budget and Cost Recovery
- Proposed Reporting Requirements³

Xcel also proposes tariff modifications to its Residential Time-of-Use (TOU) Rates, Space Heating Rates, and Net Metering Rates.⁴

The Department requested Xcel provide in reply comments all the data and calculations used for determining its proposed TOU net-metering rates. ⁵ After further analysis, the Department maintains its initial findings and recommends the Commission accept Xcel's Compliance Plan and the related tariff modifications. ⁶

¹ In the Matter of the Petition of Northern States Power Company, dba Xcel Energy, for Approval of a Residential Time of Use Rate Design, Order Approving Revised Opt-In Proposal and Setting Reporting Requirements, May 15, 2025, Docket No. E002/M-23-534, (eDockets) 20255-218995-01, (hereinafter "TOU Order").

² *Id.* at 8.

³ In the Matter of the Petition of Northern States Power Company, dba Xcel Energy, for Approval of a Residential Time of Use Rate Design, Notice of Comment Period, September 5, 2025, Docket No. E002/M-23-534, (eDockets) 20259-222724-01, (hereinafter "NOC").

⁴ In the Matter of the Petition of Northern States Power Company, dba Xcel Energy, for Approval of a Residential Time of Use Rate Design, Xcel, Compliance Filing, August 14, 2025, Docket No. E002/M-23-534, (eDockets) 20258-222108-01, at 22 (hereinafter "Compliance Plan").

⁵ Department Comments at 20.

⁶ Comments, Department, October 7, 2025, Docket No. E002/M-23-524, (eDockets) <u>202510-223644-01</u>, (hereinafter "Department Comments").

II. PROCEDURAL BACKGROUND

December 22, 2023	Xcel files its proposal to implement a residential TOU rate for all its residential customers. ⁷
August 16, 2024	Xcel files its Supplemental Letter with a revised TOU proposal. ⁸
May 15, 2025	The Public Utilities Commission (Commission) issues an Order of approval of an opt-in proposal with an on-peak period of 6:00 p.m. and 9:00 p.m. and requires Xcel to file a 90-day Compliance Plan. ⁹
August 15, 2025	Xcel files its 90-day Compliance Plan. 10
September 5, 2025	The Commission posts a notice of comment period for the petition. ¹¹
October 6-7, 2025	Minnesota Solar Energy Industries Association (MNSEIA), ¹² Center for Energy and Environment (CEE), ¹³ Joint Comments from Office of Attorney General (OAG) and Citizens Utility Board (CUB) ¹⁴ and the Department, filed Comments in response to the Commission's notice of comment period and Xcel's Petition.
October 17, 2025	Xcel files reply comments. 15

Topic(s) open for comment:

- Should the Commission approve, modify, or deny Xcel Energy's revised methodology for participation in the Time-of-Use (TOU) rate by Net Metering customers?
- Does Xcel's Compliance Plan address all of the requirements listed in the Commission's TOU
 Order, including but not limited to:
 - o Implementation Plan
 - Marketing, Education, and Outreach

⁷ Petition of Northern States Power Company, d/b/a Xcel Energy for Approval of Residential Time-of Use Rates, Xcel Energy, Initial Filing, December 22, 2023, Docket No. E002/M-23-534, (eDockets) 202312-201532-01, (hereinafter "TOU Petition").

⁸ In the Matter of the Petition of Northern States Power Company, d/b/a Xcel Energy, for Approval of a Residential Time of Use Rate Design, Supplement Letter, August 16, 2024, Docket No. E002/M-23-524, (eDockets) 20248-209568-01 (hereinafter: "Revised TOU Proposal")

⁹ TOU Order.

¹⁰ Compliance Plan.

¹¹ NOC.

¹² Comments, MNSEIA, October 6, 2025, Docket No. E002/M-23-524, (eDockets) 202510-223607-01

¹³ Comments, CEE, October 7, 2025, Docket No. E002/M-23-524, (eDockets) 202510-223633-01

¹⁴ Comments, OAG & CUB, October 7, 2025, Docket No. E002/M-23-524, (eDockets) 202510-223650-01

¹⁵ Reply *Comments*, Xcel, October 17, 2025, Docket No. E002/M-23-524, (eDockets) <u>202510-224073-01</u>, (hereinafter "Xcel Reply Comments").

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Analyst(s) assigned: Andrew Bahn, Rachel Wiedewitsch, Krystal Binversie

- Proposed Tariff Changes
- Implementation Budget and Cost Recovery
- Proposed Reporting Requirements
- Are there other issues or concerns related to this matter?

III. DEPARTMENT ANALYSIS

A. TOU NET-METERING RATES

Xcel provided the data and calculations for the TOU net-metering rates and noted that it is not asking for approval of the presented TOU net-metering rates, but for approval of the calculation methodology. Xcel explained that the rates presented in its Revised TOU proposal are 2025 rates and these rates will not be effective before 2026. Xcel plans to include TOU net-metering calculations in its 2026 Cogeneration and Small Power Production Report and Petition due January 2, 2026 and the effectiveness of those rates would be contingent on Commission approval of the methodology in this proceeding. ¹⁶

The Department has reviewed the data and calculations provided by Xcel for determining the proposed TOU net-metering rates in its Petition. The Department recommends the Commission approve Xcel's Compliance Plan and revised methodology for determining the TOU net-metering rates.

B. TARIFF MODIFICATIONS

The Department reviewed the tariff modifications proposed by Xcel in its Compliance Plan and found the modifications to be consistent with Xcel's implementation plan. The Department also reviewed the additional tariff modifications proposed by Xcel in its Reply Comments. The additional modifications are immaterial and mostly correct missing rate codes for the new TOU compensation rate codes, as discussed by Xcel. The Department recommends the Commission approve Xcel's proposed tariff modifications.

IV. DEPARTMENT RECOMMENDATIONS

- The Department recommends the Commission approve Xcel's Compliance Plan and revised methodology for determining the TOU net-metering rates.
- The Department recommends approval of the implementation budget subject to review and approval in Xcel's current rate case.
- The Department recommends the Commission approve Xcel's proposed tariff modifications.

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¹⁶ Xcel Reply Comments at 2.

¹⁷ Compliance Plan at Attachment E.

¹⁸ Xcel Reply Comments at Attachment D.

¹⁹ Xcel Reply Comments, at 7.

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

Minnesota Department of Commerce Comments

Docket No. E002/M-23-524

Dated this **27**th day of **October 2025**

/s/Sharon Ferguson

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