

August 13, 2025

Mike Bull
Interim 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, Division of Energy Resources
Docket Nos. E002/M-24-371

Dear Mr. Bull:

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

In the Matter of Northern States Power Company d/b/a Xcel Energy's Petition for Approval of the 2025 Transmission Cost Recovery Rider (TCR) Revenue Requirements and the Resulting Revised Adjustment Factors by Customer Class

Reply Comments were filed by Xcel Energy on April 14, 2025.

The Department recommends that the Minnesota Public Utilities Commission (Commission) approve Xcel Energy's 2025 TCR revenue requirements and resulting revised adjustment factors by customer class.

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

Sincerely,

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

MJ/MB/ad
Attachment



Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket Nos. E002/M-24-371

I. PROCEDURAL HISTORY AND BACKGROUND

On November 1, 2024, Xcel filed the instant Petition in Docket No. E002/M-24-371 (Petition)¹ requesting approval of the 2025 Transmission Cost Recover Rider (TCR) revenue requirements and resulting adjustment factors by customer class.

On December 9, 2024, the Department filed a letter in Xcel's 2025 TCR Rider Petition recommending approval of Xcel's provisional rate reduction to begin January 1, 2025.² In addition, the Department stated that it was still reviewing Xcel's Petition and would submit full comments regarding Xcel's Petition at a later date.

On December 19, 2024, the Commission issued its Order approving Xcel's provisional rate reduction in this proceeding.³

On April 3, 2025, the Department filed comments on the Petition and recommending additional information be filed by Xcel. The Department recommended that Xcel provide the approved costs and Commission Orders approving the Brookings Second Circuit, Bayfront to Ironwood, and MISO LRTP2 Alexandria to Big Oaks transmission projects in reply comments. In addition, the Department recommend Xcel explain in reply comments whether any of its HCA costs included in the 2025 forecasted revenue requirements in the current Petition exceed the values included in Department Table 5.⁴

On April 14, 2025, Xcel Energy filed reply comments to include the information requested by the Department.⁵

II. DEPARTMENT ANALYSIS

A. *Transmission Projects*

Xcel provided the following table in response to the Department's request to provide additional information on the approved costs and Commission Orders approving the three new transmission projects: Brookings Second Circuit, Bayfront to Ironwood, and MISO LRTP2 Alexandria to Big Oaks.

¹ November 1, 2024, TCR Petition. [efiling](#)

² Dec. 9, 2024, DOC Letter. [efiling](#)

³ Dec. 17, 2024, PUC Order. [efiling](#).

⁴ April 3, 2025, comments of the DOC. [efiling](#)

⁵ April 14, 2025, reply comments of Xcel. [efiling](#)

Table 1⁶
Approved Costs

Project	Initial Forecast	2025 TCR Petition Forecast	Variance %	Commission Order
Bookings Second Circuit	\$102.0 Million	\$99.2 Million	-3%	August 15, 2023; E002/CN-23-2002
Bayfront To Ironwood	\$132.0 Million	\$167.3 Million	27%	Certificate of Public Convenience and Necessity on April 15, 2022 in PSCW Docket No. 4220-CE-183.
MISO LRTP2 Alexandria to Big Oaks	\$134.6 - \$143 Million	\$133.8 Million	-1%	October 30, 2024 in Docket Nos. E002,E017,ET2,E015,ET10/ CN-22-538 and E002,E017,ET2,E015,ET10/ CN-23-159; MISO approval July 2022 (MTEP 21)

Xcel noted two of the projects, Bookings Second Circuit and MISO LRTP2 Alexandria to Big Oaks, are forecasted to be completed under the approved forecasted costs. However, the Bayfront to Ironwood project is now forecast to be higher.⁷

Xcel states the costs related to the Bayfront to Ironwood project are increasing due to cost increases, scope changes, and schedule delays to the project. Xcel provided a revised cost estimated of \$199.5 million to the Public Service Commission of Wisconsin (PSCW), and is awaiting a final decision by the PSCW. Xcel will provide an updated on the PSCW's decision in Xcel's next TCR filing. However, Xcel noted that these additional costs are not reflected in the current 2025 revenue requirement where the capital costs remain below the approved \$132 million forecast.

The Department has reviewed the information provided by Xcel and finds the information to be sufficient. The Department finds no issue with the Brookings Second Circuit and the MISO LRTP2 Alexandria to Big Oaks. Additionally, since the increased estimated costs for the Bayfront to Ironwood project costs are not included for recovery in the 2025 TCR revenue requirements, the Department agrees the costs included for recovery at this time are reasonable. Xcel stated they will provide an update of the PSCW's decision on the Bayfront to Ironwood project in Xcel's next TCR filing.

B. Hosting Capacity Analysis (HCA) Costs

In the Department's April 3, 2025, comments, the Department requested Xcel to explain if any of the HCA costs exceeded the values in Department Table 5⁸. Xcel stated while they do not track spending by the line-by-line items on Department Table 5, they are able to verify the HCA costs in the 2025

⁶ April 14, 2025, reply comments of Xcel, p. 2. [efiling](#)

⁷ April 14, 2025, reply comments of Xcel, p. 2. [efiling](#)

⁸ April 3, 2025, comments of the DOC, p. 12. [efiling](#)

forecasted revenue requirements do not exceed the total in Department Table 5.⁹ Xcel also noted that the HCA project was completed and placed in-service in December 2024, and the final cost was less than the project cost included in Xcel's 2022 Hosting Capacity Program Report. Xcel stated they will provide the final cost of the HCA project and impact to the TCR in its next TCR filing.

The Department reviewed the HCA information provided by Xcel, and is satisfied with the response and concludes the costs included for recovery are reasonable at this time.

III. DEPARTMENT CONCLUSIONS AND RECOMMENDATIONS

The Department has reviewed the additional information provided by Xcel in its reply comments and finds the information to be sufficient. The Department finds no issue with the Brooking Second Circuit and the MISO LRTP2 Alexandria to Big Oaks. Also, since the increased estimated costs for the Bayfront to Ironwood project costs are not included for recovery in the 2025 TCR revenue requirements, the Department agrees the costs included for recovery at this time are reasonable. Xcel stated they will provide an update of the PSCW's decision on the Bayfront to Ironwood project in Xcel's next TCR filing.

The Department reviewed the HCA information provided by Xcel and is satisfied with the response and concludes the costs included for recovery are reasonable at this time.

The Department recommends the Commission approve Xcel's 2025 TCR rider revenue requirements and resulting revised adjustment factors by customer class.

⁹ April 14, 2025, reply comments of Xcel, p. 3. [efiling](#)

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-24-371

Dated this **12th** day of **August 2025**

/s/Sharon Ferguson

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
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2	Mike	Bull	mike.bull@state.mn.us		Public Utilities Commission	121 7th Place East, Suite 350 St. Paul MN, 55101 United States	Electronic Service		Yes	M-24-371
3	John	Coffman	john@johncoffman.net	AARP		871 Tuxedo Blvd. St. Louis MO, 63119-2044 United States	Electronic Service		No	M-24-371
4	Generic	Commerce Attorneys	commerce.attorneys@ag.state.mn.us		Office of the Attorney General - Department of Commerce	445 Minnesota Street Suite 1400 St. Paul MN, 55101 United States	Electronic Service		Yes	M-24-371
5	Riley	Conlin	riley.conlin@xcelenergy.com	Northern States Power Company dba Xcel Energy-Elec		414 Nicollet Mall, 401 8th Floor Minneapolis MN, 55401 United States	Electronic Service		No	M-24-371
6	George	Crocker	gwillc@nawo.org	North American Water Office		5093 Keats Avenue Lake Elmo MN, 55042 United States	Electronic Service		No	M-24-371
7	Christopher	Droske	christopher.droske@minneapolismn.gov	Northern States Power Company dba Xcel Energy-Elec		661 5th Ave N Minneapolis MN, 55405 United States	Electronic Service		No	M-24-371
8	John	Farrell	jfarrell@ilsr.org	Institute for Local Self-Reliance		2720 E. 22nd St Institute for Local Self-Reliance Minneapolis MN, 55406 United States	Electronic Service		No	M-24-371
9	Sharon	Ferguson	sharon.ferguson@state.mn.us		Department of Commerce	85 7th Place E Ste 280 Saint Paul MN, 55101-2198 United States	Electronic Service		No	M-24-371
10	Adam	Heinen	aheinen@dakotaelectric.com	Dakota Electric Association		4300 220th St W Farmington MN, 55024 United States	Electronic Service		No	M-24-371
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12	Alan	Jenkins	aj@jenkinsatlaw.com	Jenkins at Law		2950 Yellowtail Ave. Marathon FL, 33050 United States	Electronic Service		No	M-24-371
13	Richard	Johnson	rick.johnson@lawmoss.com	Moss & Barnett		150 S. 5th Street Suite 1200 Minneapolis	Electronic Service		No	M-24-371

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15	Peder	Larson	plarson@larkinhoffman.com	Larkin Hoffman Daly & Lindgren, Ltd.		8300 Norman Center Drive Suite 1000 Bloomington MN, 55437 United States	Electronic Service		No	M-24-371
16	Kavita	Maini	kmairi@wi.rr.com	KM Energy Consulting, LLC		961 N Lost Woods Rd Oconomowoc WI, 53066 United States	Electronic Service		No	M-24-371
17	Stacy	Miller	stacy.miller@minneapolismn.gov	City of Minneapolis		350 S. 5th Street Room M 301 Minneapolis MN, 55415 United States	Electronic Service		No	M-24-371
18	David	Moeller	dmoeller@allete.com	Minnesota Power			Electronic Service		No	M-24-371
19	Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP		33 South Sixth St Ste 4200 Minneapolis MN, 55402 United States	Electronic Service		No	M-24-371
20	David	Niles	david.niles@avantenergy.com	Minnesota Municipal Power Agency		220 South Sixth Street Suite 1300 Minneapolis MN, 55402 United States	Electronic Service		No	M-24-371
21	Carol A.	Overland	overland@legalelectric.org	Legalelectric - Overland Law Office		1110 West Avenue Red Wing MN, 55066 United States	Electronic Service		No	M-24-371
22	Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	1400 BRM Tower 445 Minnesota St St. Paul MN, 55101-2131 United States	Electronic Service		Yes	M-24-371
23	Kevin	Reuther	kreuther@mncenter.org	MN Center for Environmental Advocacy		26 E Exchange St, Ste 206 St. Paul MN, 55101-1667 United States	Electronic Service		No	M-24-371
24	Christine	Schwartz	regulatory.records@xcelenergy.com	Xcel Energy		414 Nicollet Mall, MN1180-07-MCA Minneapolis MN, 55401-1993 United States	Electronic Service		No	M-24-371
25	Ken	Smith	ken.smith@districtenergy.com	District Energy St. Paul Inc.		76 W Kellogg Blvd St. Paul MN, 55102 United States	Electronic Service		No	M-24-371
26	Byron E.	Starns	byron.starns@stinson.com	STINSON LLP		50 S 6th St Ste 2600 Minneapolis MN, 55402 United States	Electronic Service		No	M-24-371

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28	Carla	Vita	carla.vita@state.mn.us	MN DEED		Great Northern Building 12th Floor 180 East Fifth Street St. Paul MN, 55101 United States	Electronic Service		No	M-24-371
29	Joseph	Windler	jwindler@winthrop.com	Winthrop & Weinstine		225 South Sixth Street, Suite 3500 Minneapolis MN, 55402 United States	Electronic Service		No	M-24-371
30	Kurt	Zimmerman	kwz@ibew160.org	Local Union #160, IBEW		2909 Anthony Ln St Anthony Village MN, 55418-3238 United States	Electronic Service		No	M-24-371
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