Xcel Energy

414 Nicollet Mall
Minneapolis, MN 55401

August 14, 2025

—Via Electronic Filing—

Mike Bull
Acting Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

RE: REPLY COMMENTS
IN THE MATTER OF NORTHERN STATES POWER COMPANY D/B/A XCEL ENERGY'S 2024 ANNUAL REPORT ON QUALITY OF SERVICE PLAN (QSP) TARIFF
DOCKET NOS. E,G002/CI-02-2034 AND E,G002/M-12 383

Dear Mr. Bull:

Northern States Power Company, doing business as Xcel Energy, submits these Reply Comments in response to initial comments in the above-referenced docket from the Department of Commerce (Department), Office of the Attorney General – Residential Utilities Division (OAG-RUD), Citizens Utility Board of Minnesota (CUB), and Energy CENTS Coalition (ECC).

We have electronically filed this document with the Minnesota Public Utilities Commission, and copies have been served on the parties on the attached service list. Please contact Jemar Lee at Jemar.w.lee@xcelenergy.com or contact me at 612-330-6255 or Nicholas.F.Martin@xcelenergy.com with questions regarding this filing.

Sincerely,

/s/

NICHOLAS MARTIN
DIRECTOR, STRATEGIC OUTREACH AND ADVOCACY

Enclosures
cc: Service List

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

Katie J. Sieben	Chair
Hwikwon Ham	Commissioner
Audrey C. Partridge	Commissioner
Joseph K. Sullivan	Commissioner
John A. Tuma	Commissioner

IN THE MATTER OF NORTHERN STATES POWER COMPANY D/B/A XCEL ENERGY'S 2024 ANNUAL REPORT ON QUALITY OF SERVICE PLAN (QSP) TARIFF	DOCKET NOS. E,G002/CI-02-2034 AND E,G002/M-12-383 **REPLY COMMENTS**

INTRODUCTION

Northern States Power Company, doing business as Xcel Energy, submits these Reply Comments in response to initial comments in the above-referenced docket from the Department of Commerce (Department), Office of the Attorney General – Residential Utilities Division (OAG-RUD), Citizens Utility Board of Minnesota (CUB), and Energy CENTS Coalition (ECC).

In these Reply Comments, we:

- Thank parties for their support of the Company's proposal to use 50 percent of the 2024 Customer Complaints underperformance payment to pay down arrears for customers facing the threat of disconnection. We believe using the Customer Complaints underperformance payment in this way directly ties to the issue of increased disconnections and disconnection-related complaints, and will help 1,000 customers with large arrears to enter into a payment plan to avoid disconnection.
- Reiterate our view that using 50 percent of the Telephone Response Time underperformance payment to accelerate the deployment of a Live Chat function is a reasonable investment to improve customer satisfaction and restore the Company's ability to answer 80 percent of calls in 20 seconds or

less. We provide estimates of the ongoing costs to maintain the Live Chat function and how those costs would be recovered.

- Provide statutory support for our proposed clarification of the definition of "Customer Complaint" in the QSP Tariff, which requires that complaints must first be brought to the Company for resolution. We also clarify that the customer retains their right, if they are dissatisfied with the Company's proposed resolution, to file a complaint with the Commission's Consumer Affairs Office (CAO).
- Provide further support for the Company's proposal to update the Customer Complaints standard to reflect fundamental changes in our business, new Commission requirements, and changed external conditions beyond the Company's control that have occurred since the 2005-2011 period on which the Complaints standard remains based. Our proposed, updated standard would still be very challenging to meet, providing a strong incentive to reduce and resolve complaints, but would be achievable with sustained effort, making it a more effective performance incentive mechanism.
- Oppose an inflation adjustment to the underperformance payments. Today Xcel Energy is the only Minnesota utility subject to a service quality tariff with financial penalties (and no corresponding financial incentives). In the only other contemplated settlement, penalties of $250,000 per service quality metric are deemed sufficient to motivate strong performance for another Minnesota utility, making it difficult to understand why four times that amount would not suffice for Xcel Energy. QSP underperformance payments are designed to motivate improved performance, not track inflation or provide unchanged purchasing power for those receiving the benefits of those payments.

I. DISPOSITION OF 2024 UNDERPERFORMANCE PAYMENTS

A. Customer Complaints

The Company proposed in our May 14, 2025 Quality of Service Plan Tariff Annual Report ("QSP Annual Report") to use one half of the $1 million Customer Complaints underperformance payment to provide a $500 bill credit to 1,000 customers who:

1. Have a past-due balance greater than $2,000;
2. Have not otherwise received energy assistance;
3. Are working to pay off their bill, as demonstrated by a payment on their account in the last 90 days;

4. Have received a notice of potential disconnection.[1]

This proposal builds on one supported by parties and approved by the Commission for the 2023 Customer Complaints underperformance payment, with two small changes. First, the Company proposes not to apply a geographic criterion, used for the 2023 underperformance payment, that awarded bill credits "within specified low-income census block groups starting with the census blocks with the lowest income."[2] As noted in our QSP Annual Report, the combination of several customer-specific criteria and ranking Census Block Groups (CBGs) by household income resulted in the 1,000 customers who received $500 bill credits being spread across 498 CBGs. Adding this geographic criterion, while it complicated and slowed the process of getting bill credits out to customers, did not succeed in concentrating those bill credits in a small number of low-income CBGs.[3] The Company has therefore proposed not to apply this geographic criterion for the 2024 underperformance payment.

All parties appear to agree on eliminating the geographic criterion. OAG-RUD notes that "the customer complaint threshold is triggered broadly, and no information is reported regarding the location of the customers that file complaints. While the OAG believes that focusing on low-income CBGs for relief can be an appropriate method to attempt to address energy inequities, several of the most energy-burdened CBGs in Xcel's service territory are now receiving bill credits through the Automatic Bill Credit pilot. Applying the $500 credit more broadly will reasonably provide this relief to the customers with the highest past due balances, regardless of geography."[4] The Department agrees, also pointing to the ABC Pilot, which "…permits bill credit layering. As one of the primary objectives of ABC is to provide bill payment assistance to specific CBGs facing high levels of energy burden, the Department believes that removing the geographic restriction for penalty payment bill credits could allow for customers who would not already qualify for ABC to also receive bill

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[1] Northern States Power Company, doing business as Xcel Energy. 2024 ANNUAL REPORT - QUALITY OF SERVICE PLAN (QSP) TARIFF. ("QSP Annual Report"). Docket Nos. E,G-002/CI-02-2034 and E,G-002/M-12-383. May 15, 2025. Page 8.

[2] October 9, 2024 ORDER ON DISTRIBUTION OF UNDERPERFORMANCE PENALTY. Docket Nos. E,G-002/CI-02-2034 and E,G-002/M-12-383. Order Point 1.

[3] QSP Annual Report at 9. See also Northern States Power Company, doing business as Xcel Energy. *Monthly Report #4* under the October 9, 2024 ORDER ON DISTRIBUTION OF UNDERPERFORMANCE PENALTY. Docket Nos. E,G-002/CI-02-2034 and E,G-002/M-12-383. February 7, 2025.

[4] July 22, 2025 INITIAL COMMENTS OF THE OFFICE OF THE ATTORNEY GENERAL— RESIDENTIAL UTILITIES DIVISION ("OAG-RUD Comments"). *In the Matter of an Investigation and Audit of Service Quality Reporting – Fraudwise Report* and *In the Matter of the Petition of Northern States Power Co. d/b/a Xcel Energy for Approval of Amendments to its Natural Gas and Electric Service Quality Tariffs Originally Established in Docket No. E, G-002/CI-02-2034*. Docket Nos. E, G-002/CI-02-2034 and E, G-002/M-12-383. Pages 7-8.

assistance."[5] CUB also agrees, proposing that "given the Company's findings that bill credits are not likely to be concentrated in a small area, we likewise agree that the geographic criterion used for the 2023 payment is no longer necessary. The other requirements retained by Xcel will still ensure arrearage forgiveness credits are provided to customers in need of assistance."[6] ECC also agrees.[7]

The second change is the addition of criterion #4, requiring customers to have received a notice of potential disconnection. Recent high numbers of involuntary disconnections have been a concern discussed across several dockets: the electric Safety, Reliability & Service Quality docket E-002/M-25-27, the Residential Customer Status Reporting/Cold Weather Rule docket E/G-999/PR-25-2, and the QSP Tariff dockets. To focus QSP Tariff-funded bill credits squarely on the objective of helping customers with high arrears to avoid disconnection, we propose to include a selection criterion specific to disconnection.

The Department, CUB and ECC voice no opinion on the addition of criterion #4. OAG-RUD does not oppose it, but notes that it is "unsure from Xcel's petition of the purpose of this criterion or the timeframe of when customers would need to receive the notice to qualify. The OAG requests that Xcel provide further explanation on these points in reply comments."[8] The purpose of this added criterion is to target arrears forgiveness directly at the issue of elevated disconnections – helping customers who have a high past-due balance to bring down their balance, making it more feasible for them to enter into a payment plan and avoid disconnection. Regarding timeframe, the Company proposes that customers with an active disconnection notice as of the date of the Commission's Order in this docket, and meeting the other three criteria, would be eligible for a bill credit.

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[5] July 22, 2025 COMMENTS OF THE MINNESOTA DEPARTMENT OF COMMERCE ("Department Comments"). *In the Matter of an Investigation and Audit of Service Quality Reporting – Fraudwise Report* and *In the Matter of the Petition of Northern States Power Co. d/b/a Xcel Energy for Approval of Amendments to its Natural Gas and Electric Service Quality Tariffs Originally Established in Docket No. E, G-002/CI-02-2034*. Docket Nos. E, G-002/CI-02-2034 and E, G-002/M-12-383. Page 6.

[6] July 22, 2025 INITIAL COMMENTS OF THE CITIZENS UTILITY BOARD OF MINNESOTA ("CUB Comments"). *In the Matter of an Investigation and Audit of Service Quality Reporting – Fraudwise Report* and *In the Matter of the Petition of Northern States Power Co. d/b/a Xcel Energy for Approval of Amendments to its Natural Gas and Electric Service Quality Tariffs Originally Established in Docket No. E, G-002/CI-02-2034*. Docket Nos. E, G-002/CI-02-2034 and E, G-002/M-12-383. Page 3.

[7] July 22, 2025 INITIAL COMMENTS OF THE ENERGY CENTS COALITION ("ECC Comments"). *In the Matter of an Investigation and Audit of Service Quality Reporting – Fraudwise Report* and *In the Matter of the Petition of Northern States Power Co. d/b/a Xcel Energy for Approval of Amendments to its Natural Gas and Electric Service Quality Tariffs Originally Established in Docket No. E, G-002/CI-02-2034*. Docket Nos. E, G-002/CI-02-2034 and E, G-002/M-12-383. Page 2.

[8] OAG-RUD Comments at 8.

CUB notes that the Company "has not identified a process for who will receive the credit if more than 1,000 customers meet the eligibility criteria. For this reason, we recommend the Commission direct Xcel to apply the credits in order of oldest outstanding balance first."[9] This is possible, but potentially more complex to implement than simply ordering the 1,000 customers from largest past-due balance to the smallest past-due balance (that still exceeds $2,000). Ranking by past-due balance would allow customers with very large past-due balances – even if they are not among the oldest outstanding balances – to receive bill credits. The Company would prefer the latter approach, but is open to Commission guidance on this point.

In summary, the Company's proposal to use the Customer Complaints underperformance payment for arrearage forgiveness appears to have support of all parties. CUB and ECC would prefer that the full $1 million Customer Complaints underperformance payment be used for this purpose.[10] The Company appreciates this suggestion. However, the QSP Tariff specifies that 50 percent of any underperformance payment should be applied as a refund to all customers and the other 50 percent "added to the amount budgeted for the maintenance and repair of the Company's natural gas and electric distribution system." In its September 19, 2024 agenda meeting in the QSP docket, the Commission questioned how meaningful the first purpose is – returning $500,000 as a refund to all Minnesota customers, which may amount to just a few cents on one monthly bill – but did not question the value of using 50 percent for maintenance and repair of the distribution system. The Company thus maintains its proposal to use 50 percent of the Customer Complaints underperformance payment for arrears forgiveness, rather than for a small general refund to all Minnesota customers, while investing the other 50 percent in maintenance and repair of the electric distribution system.

To implement our proposal, the Company would first create a list of all customers meeting the four criteria. The number of customers meeting each criterion fluctuates daily, so we found it necessary in the case of the 2023 underperformance payment to choose a non-arbitrary "snapshot" date at which to query our customer database. We proposed to make this snapshot the Commission's Order date in that docket, to which no parties objected.[11] We propose to do the same here. We would establish the full population of customers meeting all four criteria as of the date of the Commission's Order on our 2024 QSP Annual Report. If there are more than 1,000 customers in this population, we would order the list from the largest past-due

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[9] CUB Comments at 3.

[10] CUB Comments at 3; ECC Comments at 2.

[11] Northern States Power Company, doing business as Xcel Energy. *Proposed Approach to Bill Credits* under the October 9, 2024 ORDER ON DISTRIBUTION OF UNDERPERFORMANCE PENALTY. Docket Nos. E,G-002/CI-02-2034 and E,G-002/M-12-383. October 30, 2024.

balance to the smallest and provide a $500 bill credit to the first 1,000 customers in the population. This could be done relatively quickly following a Commission Order, since we would not apply a geographic criterion. If there are fewer than 1,000 customers in this population, we could (as CUB suggests[12]) lower the past-due balance criterion #1 until a population of at least 1,000 customers is reached.

B. Telephone Response Time

The Company proposed in our QSP Annual Report to use one half of the $1 million Telephone Response Time underperformance payment to accelerate deployment of a Live Chat function for customer assistance. This deployment would build on a Live Chat pilot implemented in 2025 that has shown very high (over 90 percent) customer satisfaction, enabled Customer Service Representatives to improve efficiency in handling inquiries, and shifted to Live Chat some inquires that would have otherwise been calls to agents. We believe investing $500,000 in Live Chat deployment would be helpful in restoring performance on the Telephone Response Time standard to more than 80 percent of calls answered in 20 seconds or less. This seems to us a well-tailored strategic investment in improving performance on this metric.

Commenters generally opposed this proposal. The Department notes that "interactions on this platform take more time to complete, due to the need for both the customer and the agent to type responses. The Department notes that this slower interaction time raises questions as to whether expansion of the Live Chat function is an appropriate solution to address response time shortfalls. While the Department recognizes that the Live Chat function is a pilot program, there is concern that diverting resources to a less efficient communication channel may fail to reduce customer complaints."[13] This misses the second half of the Company's reasoning: that Live Chat allows agents to complete two chats simultaneously, offsetting the greater time per interaction. We believe the overall impact of deploying Live Chat will be greater efficiency, shifting some of the volume of customer inquiries to Live Chat, and improving customer experience for those customers who prefer online interaction to telephone.

The Department also asks how the Company would fund the ongoing costs of Live Chat. Once fully deployed, ongoing costs would be primarily labor for the agents deployed to Live Chat. Recent developments in proposed budgeting efficiency and analysis around our Live Chat function allow us to pare down our original proposal to ensure we remain within a $400,000 to $500,000 budget for this functionality in 2026.

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[12] CUB Comments at 3.

[13] Department Comments at 7.

We intend to do this by keeping the number of deployed full time Customer Care representatives working on this project to current staffing levels for at least the next 18 months. We will continue to evaluate how our Live Chat function impacts our telephone response time and whether we will seek to increase staffing in the future.

OAG-RUD opposes our proposal, arguing that since it is currently in pilot phase, the Company should be required first to complete the pilot and "provide record evidence that the Live Chat program will be a reasonable use of ratepayer funds."[14] But the underperformance payments are not ratepayer funds; per the QSP Settlement Agreement, those payments come from the Company's shareholders. What the Company is proposing here is to use shareholder funds to accelerate the full deployment of a system that will benefit customers by helping restore performance on Telephone Response Time.

OAG-RUD also inquires how ongoing costs of Live Chat would be funded and worries that deploying Live Chat using underperformance payments could "create a funding gap in future years that would be made up by ratepayers."[15] The cost of fielding customer calls is already recovered from customers as part of the standard operating budget of the Customer Care organization. Live Chat would not expose customers to costs they would not otherwise incur; it would simply shift a portion of those calls to a new platform, improving efficiency and providing customers a new option to interact with a Customer Care representative.

CUB mentions "concerns about the potential for double-recovery,"[16] but provides no further explanation about how they envision double-recovery could occur, making it difficult to address this concern. If underperformance payments are used for Live Chat deployment, that expense will be borne by shareholders, not recovered from the Company's customers. Ongoing costs beyond the deployment phase would be recovered from customers, as part of the regular Customer Care organization budget included in the revenue requirements calculation for a future rate case, and subject to the regular scrutiny applied to rate cases to ensure no double recovery.

CUB also "questions how this [underperformance] payment will factor into the jurisdictional cost allocation for Live Chat development if the Company intends to roll out this feature beyond Minnesota."[17] If a Live Chat function developed in part using Minnesota underperformance payment funding were to be used for customer interactions in other states – we assume this to be CUB's concern, though it is not

[14] OAG-RUD Comments at 9.
[15] OAG-RUD Comments at 9.
[16] CUB Comments at 8.
[17] CUB Comments at 8.

described beyond the single sentence quoted above – then we can affirm that Customer Care agents' time (whether answering calls, staffing Live Chat, or other functions) is tracked and allocated by jurisdiction so that no time spent serving customers in other states would be recovered from Minnesota customers.

Finally, the Company appreciates CUB's perspective on the inclusion of calls sent to Interactive Voice Response (IVR) in the calculation of the percent of calls answered in 20 seconds or less.[18] The Company continues to see a large proportion of customers choosing to use IVR to transact business with the Company, which originates from a customer placing a telephone call to us. As such, the Company maintains that including IVR response time in telephone metrics is relevant. Removing IVR calls from the calculation, when the customer has chosen IVR, would skew the calculation by artificially inflating the percent of calls that take longer to reach a live agent.

ECC opposes the use of underperformance payments for Live Chat, but does not articulate a rationale beyond that ECC believes "those funds could be better applied to providing relief to customers facing significant arrears."[19] We appreciate this perspective. The Company did not propose to use the Telephone Response Time underperformance payment for arrears forgiveness primarily because we do not see as clear a link between customer arrears and Telephone Response Time as exists between customer arrears and Customer Complaints. In each case, we proposed using underperformance payments for an action that corresponds to the reason the metric was exceeded, and/or helps to restore performance on that metric. Using part of the Telephone Response Time underperformance payment to accelerate Live Chat has that clear link, since full deployment of Live Chat can shift some telephone calls to Live Chat and help restore our ability to answer 80 percent or more of the remaining calls in under 20 seconds.

II. Clarifying the QSP Definition of Customer Complaint to Align to Statute

In our QSP Annual Report, the Company proposed clarifying the definition of Customer Complaint used in the QSP Tariff by adding the red text below:

> *7.* *"Customer Complaint"* is defined as any complaint submitted, in writing, by US Mail, e-mail, or by fax, registered by the Minnesota Public Utilities Commission's Consumer Affairs Office to the Company, regarding a complaint submitted by an Xcel Energy customer in which the customer states a grievance related to the

[18] CUB Comments at 5-7.
[19] ECC Comments at 2.

> Company's provision of service to that customer, provided that the complaint has first been submitted to the Company and the customer has been unsuccessful resolving the complaint with the Company. General inquiries to the Consumer Affairs Office, where the customer has not requested to register a complaint, shall not be counted as Customer Complaints.

Some of the commenting parties interpreted this text as attempting to limit customers' ability to register a complaint with CAO. This was not the Company's intent. We here clarify, and at the end of this section provide revised wording.

All utility customers have a statutory right under *Minn. Stat. § 216B.172* to register a complaint with CAO if they cannot obtain satisfaction from their utility. A complaint is defined in that statute as "an allegation submitted to the consumer affairs office by a complainant that a public utility's or a landlord's action or practice regarding billing or terms and conditions of service," and a complainant is "an individual residential customer or a tenant who files with the consumer affairs office a complaint against a public utility or a landlord of a shared-metered residential building."[20] However, the statute is also explicit that complainants must first attempt to resolve their complaint with the utility:

> Subd. 2. **Complaint resolution procedure**. *A complainant must first attempt to resolve a dispute with a public utility or a landlord. If a complainant is dissatisfied with the proposed resolution by the public utility or the landlord, the complainant may seek assistance of the commission to resolve the dispute by filing a complaint with the consumer affairs office.*[21]

OAG-RUD maintains that customers should not have to contact the Company before CAO registers a complaint on their behalf and counts it toward the QSP complaint tally.[22] As the only utility in Minnesota currently subject to financial penalties when an increasingly difficult Customer Complaints standard is exceeded, we believe the Company must be given the opportunity to attempt to resolve complaints before they become the basis for financial penalties. We take this position for consistency with *Minn. Stat. § 216B.172, subd. 2*, but also in keeping with the core logic of performance incentive mechanisms. We believe all parties to this docket would agree that the goal of performance incentive mechanisms is to improve performance. If some complaints are counted against the annual QSP tally before the Company even has an opportunity to resolve them, this fundamentally undermines the incentive to resolve complaints. We would still work to do so, simply to improve customer experience and satisfaction, but doing so would not help us avoid a financial penalty. This is contrary

[20] Sec. 216B.172 MN Statutes, Subd. 1.
[21] Sec. 216B.172 MN Statutes, Subd. 2.
[22] OAG-RUD Comments at 16.

to the logic of the performance mechanism.

The Company's Customer Care staff work diligently to resolve customer complaints, and are able to resolve the vast majority of them within required timeframes when the scope of the complaint and subsequent response remain focused on the original request. What is more difficult and time-consuming are situations where the original scope of the complaint is expanded to include adjacent topics or data requests that can take weeks to prepare and provide a response to, or when a customer has not sought to work through their concerns with the utility prior to filing a complaint. We bring this matter forward simply to clarify that, consistent with statute, complaints should be filed with CAO only after the customer has attempted to resolve the dispute with the Company and been dissatisfied with the Company's proposed resolution.

OAG-RUD does raise one legitimate concern with our proposed language: they note that "whether the customer was 'unsuccessful in resolving the Complaint' with Xcel is up to the customer, not Xcel. Including such a qualification in a tariff allows Xcel to second guess the customer's determination about the propriety of contacting a regulator to seek assistance and is inappropriate."[23] The Company did not intend "has been unsuccessful resolving the complaint" to imply the Company would make that determination; that is up to the customer. If a customer attempts to resolve their complaint with the Company and is dissatisfied with the Company's proposed resolution, they retain their right under *Minn. Stat. § 216.172, subd. 2* to seek assistance from CAO. Below, we modify our proposed wording in the QSP Tariff to make this more clear, aligning to that same statutory language:

7. *"Customer Complaint"* is defined as any complaint submitted, in writing, by US Mail, e-mail, or by fax, registered by the Minnesota Public Utilities Commission's Consumer Affairs Office to the Company, regarding a complaint submitted by an Xcel Energy customer in which the customer states a grievance related to the Company's provision of service to that customer, provided that the complaint has first been submitted to the Company and the customer ~~has been unsuccessful resolving the complaint with the Company~~ *is dissatisfied with the resolution proposed by the Company*. General inquiries to the Consumer Affairs Office, where the customer has not requested to register a complaint, shall not be counted as Customer Complaints.

We retain the language that general inquiries do not constitute complaints. It is our understanding that the CAO does not generally register inquiries as complaints, and as a general practice directs customers making inquiries to reach out to the Company with their concerns. This added sentence simply makes that practice clear and aligns

[23] OAG-RUD Comments at 15.

with the *Minn. Stat. § 216B.172, subd. 2* text that a complainant may seek to resolve a dispute "by filing a complaint [not an inquiry] with the consumer affairs office."

This revision is shown in Attachment A, which shows the revised language on Section 6, Sheet No. 7.2 of our Minnesota Electric Rate Book and Minnesota Gas Rate Book, respectively. Attachment A also includes the revisions to Section 6, Sheet 7.7, updating the Customer Complaints standard, which are unchanged from our May 14, 2025 QSP Annual Report filing.

III. UPDATING THE CUSTOMER COMPLAINTS STANDARD TO REFLECT CHANGED CIRCUMSTANCES SINCE 2005

In our QSP Annual Report, the Company proposed an adjustment to the Customer Complaints standard to reflect changed circumstances – changes in our business, new Commission requirements, and external conditions beyond the Company's control – since the 2005-2011 period on which the standard is currently based. We proposed to retain the current method of setting the standard – 1.5 standard deviations based on seven years of actual complaints – but to update the "basis years" from 2005-2011 to 2018-2024. This would change the Customer Complaints standard to $\leq$0.649 complaints per 1,000 customers, or one complaint for every 1,211 customers. This revised standard would still be very challenging to achieve in the coming years, considering the new conditions we discuss below, but potentially achievable with sustained effort, which we argue is central to the logic of any performance incentive. The changed circumstances we discussed in our QSP Annual Report include:

- A dramatic increase in the diversity and complexity of products, services, and rates available to our customers – changes that, while positive in offering customers new options, have also led to types of complaints unknown in 2005-2011. Those include AMI meters, customer-sited solar, electric vehicles, and a much greater diversity of electric rate options. All of these did not exist, or existed to only a limited extent, in 2005-2011.

- The ongoing economic effects of a once-in-a-century pandemic, which has resulted in increased complaints related to disconnections and payment plans. While the Company is committed to continuing to help our customers through these economic challenges – by reducing down payments, increasing allowable past-due balances prior to disconnection, streamlining access to the Company's affordability programs, and many other measures – these post-pandemic conditions are in no way reflected in the 2005-2011 basis years of the complaints standard, and it is in our view unreasonable to ignore them.

- New Commission requirements to reconnect customers during periods of extreme heat and poor air quality. Those policies – still proposals at the time of our QSP Annual Report, but since approved by the Commission[24] – will go into effect by May 2026. They are positive for our vulnerable customers, and the Company supports them. They are also very likely to lead to new complaints because customers are today unfamiliar with the policies, and a subset of the reconnected customers are likely to file complaints when disconnected again after an extreme heat or poor air quality event. The conditions that cause extreme heat and poor air quality – including climate change and wildfires in Canada and the Western U.S. – while not absent in 2005-2011, were significantly less severe and frequent at that time than today. Those conditions are expected to become still more severe and more frequent in coming years. Of course, the reconnection policies also did not exist in the 2018-2024 period on which the Company proposes to base an updated standard, so there is no precedent for this type of complaint, but updating the standard to more recent years would at least provide some buffer to absorb those new complaints and stay below an increasingly challenging threshold.

- Additional policies driven by increasing wildfire risk, including Wildfire Safety Operations (WSO) and Public Safety Power Shutoffs (PSPS), that are likewise very likely to lead to new complaints until customers become more accustomed to those conditions. These fire risk mitigation measures will cause outages customers do not expect, and longer restoration times to ensure safety. Some customers not expecting WSO and PSPS are likely to file complaints with CAO. Again, neither today's wildfire conditions, nor the new risk mitigation measures, existed in 2005-2011. They also did not exist in 2018-2024, but updating the standard as proposed would at least provide some buffer to absorb those new complaints.

It is neither reasonable nor consistent with the logic of performance incentive metrics to treat the Customer Complaints standard as – to use the Department, OAG-RUD, and CUB's own words – a "set it and forget it construct" that ignores fundamental changes in the Company's business and in external conditions. As the agencies and CUB note, "is important that changes to [performance incentive mechanisms] occur at a frequency that balances the need to provide Xcel with regulatory certainty while

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[24] July 25, 2025 ORDER *In the Matter of Northern States Power Co. d/b/a Xcel Energy's 2024 Annual Safety, Reliability, and Service Quality Report.* Docket No. E-002/M-25-27.

ensuring PIMs continue to incentivize behavior that is in the ratepayer interest."[25] We agree. Performance metrics must be re-evaluated at intervals to ensure they remain effective to incentivize improved performance. An unachievable metric ceases to be a performance incentive and becomes simply a punishment.

The commenting parties appear to dismiss these concerns. CUB opposes revising the standard, noting that "the current complaint threshold ratchets upward or downward based on the number of customers served," which has resulted in 37 additional complaints allowed in 2024 relative to 2013.[26] This is correct, but misleading. Thirty-seven additional complaints for the 184,650 customers added during those years does represent an adjustment for customer count – but does nothing to reflect the changed circumstances we discuss above, that result in more complaints *per customer* today than in 2005-2011. CUB maintains that "modifying the customer complaint threshold in this way will erode service quality standards and lessen Xcel's incentive to rectify performance issues."[27] We disagree. A new standard of 0.649 complaints per 1,000 customers will still be very challenging to achieve and provide the Company a strong incentive to improve customer service performance. But unlike the current standard, it would be achievable, and thus function as a *more* effective performance incentive mechanism.

OAG-RUD employs some of the same flawed arguments. First, like ECC and CUB, they characterize the Company's proposed adjustment as a "three-fold increase" in the number of allowed complaints.[28] This is mathematically correct – but only highlights the obvious point that any very small number, tripled, will still be a very small number. A more appropriate framing for the Commission would be: does a standard of 0.649 complaints per 1,000 customers – or just over 1,200 complaints for over 1.8 million electric and gas customers as of 2024 – provide the Company a strong incentive to deliver improved customer service and resolve complaints? Does it, in the Department, OAG-RUD, and CUB's words, "balance the need to provide Xcel with regulatory certainty while ensuring PIMs continue to incentivize behavior that is in the ratepayer interest"? We believe it does.

Second, OAG-RUD argues that the fact that the standard automatically reflects

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[25] Joint Comments of the Minnesota Department of Commerce, Division of Energy Resources, the Office of the Attorney General, and the Citizens Utility Board of Minnesota *In the Matter of the Petition of Northern States Power Company d/b/a/ Xcel Energy for Approval of the Transmission Cost Recovery (TCR) Rider Revenue Requirements for 2023 and 2024, Tracker True-Up, and Revised Adjustment Factors*. July 31, 2024. Docket No. E-002/M-23-467. Page 20.
[26] CUB Comments at 4.
[27] CUB Comments at 4.
[28] OAG-RUD Comments at 10.

increased customer count is sufficient to make it not a "set it and forget it" construct.[29] Again, updating for number of customers does nothing to reflect the changed conditions, some of them entirely beyond the Company's control, that are leading to more complaints *per customer*. OAG-RUD is silent on the crux of the Company's argument for revising the standard to reflect those changed conditions.

Third, OAG-RUD notes that Billing & Credit is currently the chief category of complaints.[30] The increase in Billing & Credit complaints – often from customers who feel they have been wrongly disconnected – in fact reflects some of the changed circumstances since 2005-2011. The lingering economic effects of COVID-19, the 18-month disconnection moratorium during that time that allowed some customers to accrue very large arrears, and the ability with AMI to disconnect a slightly larger proportion – though still a small minority – of those eligible for disconnection, have all led to more disconnections and more Billing & Credit complaints. The other factors we highlighted – accelerating climate change and wildfire conditions; a new requirement to reconnect customers during extreme heat and poor air quality, likely leading to new complaints on re-disconnection; and new fire risk mitigation measures, likely leading to new complaints about outages and outage restoration times – are all likely to generate complaints in this same Billing & Credit category. Those external conditions, Commission requirements, and risk mitigation measures are all absent in the 2005-2011 basis years on which the complaints threshold is based.

Finally, OAG-RUD proposes a new "benchmark structure that will more effectively incentivize Xcel Energy to reduce complaints. For example, because the current complaint threshold is triggered at a specific number of complaints, once that number is exceeded each year, the penalty may no longer incentivize Xcel Energy to reduce complaints for the remaining months of the year. Instead of having a flat threshold with one penalty, a penalty that 'steps-up' upon exceeding a threshold may be more appropriate to protect customers. The OAG would appreciate Xcel Energy's consideration of such a mechanism and response in reply comments as to whether it would be better incentivized by such a penalty mechanism."[31] The Company would not support such a structure, since OAG-RUD proposes that the standard remain unreasonably low and based on years that do not reflect the conditions we face today. Under OAG-RUD's proposal the Customer Complaints metric would become even more punishing: it would likely be exceeded despite the Company's best efforts, and for the remainder of the year the penalty would grow.

[29] OAG-RUD Comments at 11.
[30] OAG-RUD Comments at 11.
[31] OAG-RUD Comments at 13.

The Department takes a more nuanced position on the Complaints standard, and ultimately refrains from making a recommendation in its Initial Comments. The Department first notes that the majority of 2024 complaints were in the Billing & Credit category, not related to solar or electric vehicle programs.[32] This is correct. We note that solar interconnection complaints are explicitly excluded from the complaints for which Minnesota Power would face a financial penalty under a proposed Settlement Stipulation related to the acquisition of its parent Allete, which the Department supports.[33] They have been included in the Company's tally, and were the primary cause of exceeding the Customer Complaints standard in 2019. This seems inequitable to us. Regardless, we do not propose solar-related complaints as a primary rationale for adjusting the complaints standard; they are just one of a long list of changed circumstances that, taken together, justify the need for a complaints standard reflecting the conditions the Company faces today.

Second, the Department notes that many Billing & Credit complaints are related to the introduction of AMI, and focus on disconnections and reconnection payment plans.[34] AMI is only the mechanism, not the cause, of disconnection. It is a customer's inability to pay, including the inability to enter into a payment plan or take advantage of energy assistance, that can lead to disconnection. AMI merely enables the Company to disconnect a slightly larger proportion of the customers eligible for disconnection. Prior to the use of AMI for remote disconnection and reconnection, the Company generally disconnected around five percent of those customers; with AMI, Company-wide we are now disconnecting around 15 percent of customers eligible for disconnection. "Eligible for disconnection" in this context means customers who – after an approximately nine-week process in which the Company reaches out to offer assistance, connect them with available state and Company affordability programs, educate on available medical protections, and offer payment arrangements appropriate to their household financial conditions and extenuating circumstances – have been unable or unwilling to enter into a payment arrangement. The root cause of increased disconnections, and hence disconnection-related complaints, is not AMI but the ongoing post-pandemic economic challenges that our

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[32] Department Comments at 8-9.

[33] July 11, 2025 SETTLEMENT STIPULATION BETWEEN THE MINNESOTA DEPARTMENT OF COMMERCE, ALLETE, INC. D/B/A MINNESOTA POWER, CANADA PENSION PLAN INVESTMENT BOARD, AND GLOBAL INFRASTRUCTURE PARTNERS. *In the Matter of the Petition of Minnesota Power for Acquisition of ALLETE by Canada Pension Plan Investment Board and Global Infrastructure Partners.* MPUC Docket No. E015/PA-24-198 and CAH Docket No. 25-2500-40339. See page 12, where clause 1.64 a) counts only "non-MN DIP" service complaints in the total for which Minnesota Power would face an underperformance payment. MN DIP is the State of Minnesota Distributed Energy Resource Interconnection Process; see Interconnection / Public Utilities Commission.

[34] Department Comments at 8-9.

customers face and that the Company discussed in our QSP Annual Report.[35]

The Department next addresses those economic challenges, which they acknowledge may be contributing to disconnections. The Department points to two changes – the Automatic Bill Credit (ABC) Pilot, which is designed to reduce disconnections in the eligible Census Block Groups (CBGs), and new measures enacted in the 2023 Safety, Reliability & Service Quality (SRSQ) docket to reduce disconnections – and concludes "it would be more prudent to gauge the impact of already approved programs that are meant to address the same concern, rather than increase the customer complaint threshold."[36] The ABC Pilot is indeed intended to provide bill assistance that the Company hopes will reduce disconnections, help customers stay current on their bills, help them afford other household expenses, and generally reduce energy burden and energy insecurity in the target CBGs. However, that Pilot is providing bill credits to about 17,000 households, or about 1.2 percent of the Company's Minnesota electric customers. Even if the Pilot were to entirely eliminate complaints from those 17,000 customers, this would have a negligible impact on the overall achievability of the Customer Complaints standard.

The changes enacted in the 2023 SRSQ docket – summarized in our *Minnesota Disconnection Process* document[37] – will be available service territory-wide, and the Company hopes will reduce disconnections over time. These are among the changes that the Company hopes will make a revised standard of around 1,200 complaints per year achievable – still challenging, but achievable with sustained effort. The Company proactively worked with CUB and ECC to reach agreement on those changes and bring them forward for Commission approval in the 2023 SRSQ docket, because we were deeply concerned with the ongoing economic struggles of our customers and rising number of disconnections, and looking for ways to make it possible for more customers to enter into and maintain a payment arrangement. To now cite these changes, and the ABC Pilot, as a rationale not to update the complaints standard seems to us the quintessential punishment for good deeds.

Next the Department "recognizes that the new practice of reconnecting disconnected customers during extreme heat or poor air quality could lead to a short-term increase in complaints once disconnections resume, if customers are unaware of or undereducated about the program," but urges the Company to focus on limiting complaints by communicating to customers about the new policies.[38] We agree on the need for customer outreach and education – both to all customers about the new

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35 QSP Annual Report at 14.

36 Department Comments at 9-10.

37 See *Minnesota Disconnection Process* at Manage Your Bill | Billing & Payment | Xcel Energy.

38 Department Comments at 10-11.

policies, and to currently disconnected customers in advance of any heat/air quality event triggering reconnection – and in our Reply Comments in that docket, we agreed with the Department's suggestions for outreach. We also went further, committing to post information about the new policies to our website, provide information at community events in collaboration with our community-based organization partners, translate materials into our customers' main languages, and notify customers of pending reconnection via their preferred notification method and a secondary method if we have the customer's consent.[39] Despite all these efforts, we expect that some customers will remain unaware of the new policies and will lodge new complaints when their power is re-disconnected at the conclusion of an extreme heat or air quality event. These policies did not exist in 2005-2011 so are not reflected in the current Customer Complaints standard.

Finally, the Department acknowledges the risk posed by wildfires, but is skeptical to what extent wildfires affected the reliability of Xcel Energy's Minnesota system in 2024. In response to an Information Request from the Department, the Company noted there were 457 wildfires within its Minnesota service territory in 2024, and no outages resulting from these wildfires. To be clear, the Company did not base our argument on 2024 (or any past year) wildfires, but rather on the possibility that *future* wildfires – which most climate models project will continue to increase in frequency and severity – may lead to new risk mitigation measures including WSO and PSPS. Those measures, while in the public interest, are likely to be unknown to customers and to lead to additional complaints because they will result in unexpected outages and likely longer restoration times to maintain safety. We agree with the Department that customer education and communication around WSO and PSPS will be crucial, but as with the new reconnection policies, we expect that in spite of the Company's efforts some customers will remain unaware of the new policies and will lodge complaints with CAO. Wildfire risk was significantly lower, and WSO and PSPS were non-existent, in 2005-2011, so these types of complaints are also not reflected in the current Customer Complaints standard.

The Department ultimately refrains from making a recommendation on the Company's proposed update to the Customer Complaints standard, noting that it "is not against updating the standard to better incentivize positive utility performance and to incentivize minimizing customer complaints. The Department has requested additional information from Xcel to inform a potential revision to the standard or a potential tiered approach to the penalty structure. The Department will draft a formal

[39] Northern States Power Company, doing business as Xcel Energy. June 3, 2025 Reply Comments *In the Matter of Northern States Power Company d/b/a Xcel Energy's 2024 Annual Safety, Reliability, and Service Quality Report*. Pages 7-8.

recommendation in its reply comments after receiving the requested information from Xcel."[40] The Company looks forward to reviewing the Department's proposal.

IV. INFLATION ADJUSTMENT TO UNDERPERFORMANCE PAYMENTS

In our QSP Annual Report, the Company discussed the possibility of an inflation adjustment to the QSP Tariff underperformance payments, raised by Commission staff in the Briefing Papers for the Commission's September 19, 2024 agenda meeting. No parties had proposed an inflation adjustment in comments, so this issue was not explored in the 2024 record in this docket. Staff estimated that inflation-adjusted payments would equal about $1.35 million per QSP metric today.[41]

The Company discussed with the other Parties to the QSP Settlement Agreement, and maintains our position today, that we do not think an inflation adjustment is justified for several reasons. First, the QSP Tariff underperformance payments are not designed to cover specific expenses that have increased due to inflation. Instead, they are a performance incentive mechanism, set at a level deemed sufficient to motivate improved performance. That logic has not changed today.

Second, Xcel Energy remains the *only* utility in Minnesota today that is subject to a service quality tariff with financial penalties (and notably, no financial incentives).

Third, in the only other case where such penalties are contemplated – the proposed Settlement Stipulation between the Minnesota Department of Commerce, Allete, Inc. d/b/a Minnesota Power, Canada Pension Plan Investment Board, and Global Infrastructure Partners – the proposed underperformance payments are $250,000 for each of seven SRSQ performance metrics.[42] While this Settlement Stipulation has not yet come to the Commission for a decision, it is instructive that in that context, the settling parties all agree that $250,000 per metric provides sufficient incentive to incent Minnesota Power's performance on safety, reliability and service quality. If $250,000 is sufficient in 2025 for Minnesota Power, the Company struggles to understand why $1 million, *four times* Minnesota Power's penalty amount, is insufficient for Xcel Energy.

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[40] Department Comments at 12.
[41] STAFF BRIEFING PAPERS for the September 19, 2024 Agenda Meeting. Docket Nos. E,G-002/CI-02-2034 and E,G-002/M-12-383. Page 19.
[42] July 11, 2025 SETTLEMENT STIPULATION BETWEEN THE MINNESOTA DEPARTMENT OF COMMERCE, ALLETE, INC. D/B/A MINNESOTA POWER, CANADA PENSION PLAN INVESTMENT BOARD, AND GLOBAL INFRASTRUCTURE PARTNERS. *In the Matter of the Petition of Minnesota Power for Acquisition of ALLETE by Canada Pension Plan Investment Board and Global Infrastructure Partners.* MPUC Docket No. E015/PA-24-198 and CAH Docket No. 25-2500-40339. Pages 12-13.

The Department supports the Company's position and "does not find it necessary to require an inflation adjustment to the underperformance penalty per the Commission's October 9, 2024, Order. As Xcel indicated in its 2024 Annual Report, the payments are not tied to specific expenses but are penalties intended to improve Xcel's performance. The Department does not recommend that the Commission require an inflation adjustment to the underperformance penalty per the Commission's October 9, 2024 Order."[43]

OAG-RUD advocates an inflation adjustment. OAG-RUD first provides the example of a $1,000 payment set in 1974 being ineffective to motivate improved performance today[44] – but this is a straw man; no parties are proposing a $1,000 underperformance payment. Moreover OAG-RUD's position is internally inconsistent: while opposing a reasonable adjustment to the Customer Complaints threshold to reflect change in the Company's business and in external conditions since 2005, OAG-RUD seems to find it intolerable to go without an inflation adjustment for a lesser passage of time.

CUB also "recommends that a modification to the underperformance penalty be made to incentivize compliance with safety, reliability, and service quality standards," arguing that "the purchasing power associated with that penalty has decreased as inflation has risen."[45] Again, the purpose of the QSP performance metrics is to motivate performance, not to maintain "purchasing power" for whoever receives the benefits of the underperformance payment.

CUB then narrates how the performance penalty prior to 2013 started at half the current amount ($500,000 per metric) but "ratcheted upwards or downwards based on performance in the prior year, with a potential maximum penalty of $30 million—over $41 million in 2025 dollars when adjusted for inflation—if the Company failed to meet all service quality metrics." The fact that the QSP penalties were, or could be, higher in the past is not in itself a relevant argument for making them higher now. Again, Xcel Energy is the only Minnesota utility facing such penalties, and in the one other example where they are contemplated, parties to the Settlement Stipulation have agreed that penalties of $250,000 – one quarter the Company's penalties – are sufficient to motivate strong performance on similar SRSQ metrics.

Finally, CUB "recommend(s) that the Commission employ an inflation adjustment or another mechanism to ensure the Company remains motivated to make investments

[43] Department Comments at 14.
[44] OAG Comments at 17.
[45] CUB Comments at 8.

necessary to maintain or improve its service quality and reliability"[46] – but then opposes one of the Company's proposals to do just that, investing in Live Chat to improve Telephone Response Time.

ECC supports "updating the static QSP penalty to reflect inflation and changes in utility scale" and "tying penalties to the Consumer Price Index to preserve deterrence value over time" – but first suggests a stakeholder process to evaluate these and other potential reforms.[47] While we appreciate ECC's suggestion of a stakeholder process – rather than, as OAG-RUD and CUB do, simply asking the Commission to order an inflation adjustment – we note that decisions related to the QSP Settlement Agreement can only be agreed to by parties to that Agreement. Meanwhile, tying the QSP underperformance payments to the Consumer Price Index is not in our view consistent with the logic and intent of a performance incentive mechanism, which is not designed to ensure penalties refunded to customers track consumer prices or are sufficient to purchase the same goods as when the penalties were established.

V. CONCLUSION

The Company appreciates the opportunity to provide these Reply Comments on our QSP Annual Report. We largely adhere to our positions reflected in the Annual Report, providing additional support in some places, while offering some clarifications to address misunderstandings of our proposal.

Dated: August 14, 2025

Northern States Power Company

[46] CUB Comments at 9.
[47] ECC Comments at 2-3.

Electric

Redline

1.9 SERVICE QUALITY (Continued)

A. Definitions (continued)

5. *"Average Number of Customers"* [in the context of measuring SAIDI and SAIFI] is defined as the annual average of the monthly electric meter count from the Company's outage management system. ~~T DT D~~

6. *"Customer"*

   A. For purposes of calculating SAIDI and SAIFI, "Customer" is defined as an electric service meter. ~~T D~~

   B. For purposes of Customer Complaints, "Customer" is defined as an electric or a natural gas customer that receives a bill for utility service from the Company or a representative of that customer. A representative includes an individual designated with Power of Attorney for the Customer, an attorney retained to represent the Customer, or an individual authorized by the Customer to act on his/her account. ~~T N N N N D T T~~

7. *"Customer Complaint"* is defined as any complaint submitted, in writing, by US Mail, e-mail, or by fax, registered by the Minnesota Public Utilities Commission's Consumer Affairs Office to the Company, regarding a complaint submitted by an Xcel Energy customer in which the customer states a grievance related to the Company's provision of service to that customer, provided that the complaint has first been submitted to the Company and the customer is dissatisfied with the resolution proposed by the Company. General inquiries to the Consumer Affairs Office, where the customer has not requested to register a complaint, shall not be counted as Customer Complaints. C C C C C

   Customer Complaints will be reported in the following categories:
   - Billing & Credit
   - Customer Service
   - Meter Reading
   - Trouble Orders
   - Reliability Duration
   - Reliability Frequency
   - Other

   This is calculated by dividing the total number of Customer Complaints in the performance year by the product of the total number of Minnesota customers, as reported in the Company's electric and gas jurisdictional reports, divided by 1,000. ~~N T~~

8. *"Customer Minutes"* [in the context of measuring SAIDI and SAIFI] is defined as the total number of minutes of a service interruption multiplied by the total number of Customers experiencing the interruption. Customer Minutes include Step Restoration. ~~D DN D~~

(Continued on Sheet No. 6-7.3)

1.9 SERVICE QUALITY (Continued)

E. Under Performance Measures

1. Customer Complaints
This metric measures the number of Customer Complaints submitted by the Commission's Consumer Affairs Office. An under performance payment will be assessed in any year in which the number of complaints exceeds ~~0.2059~~0.649 complaints per 1,000 customers. ~~T~~ ~~TN~~ ~~ND~~C

Exclusions
Customer complaints will be recorded and reported with no exclusions. The Company may request exclusion of Customer Complaints that the Company can demonstrate are the result of an event beyond the Company's control, which the Company took reasonable steps to address. ~~N~~ ~~N~~

2. Telephone Response Time
This metric measures the Company's time to answer customer calls directed to the Company's call center or to its business office. The benchmark is 80 percent of the calls are answered within 20 seconds. The under performance payment will be assessed in any performance year in which less than 80 percent of calls are answered within 20 seconds. ~~T~~ ~~T~~

Exclusions
Telephone Response Time will be recorded and reported with no exclusions. The Company may request exclusion of certain calls that the Company can demonstrate are the result of an event beyond the Company's control, which the Company took reasonable steps to address. ~~D~~ ~~T~~ ~~N~~ ~~N~~ ~~D~~

(Continued on Sheet No. 6-7.8)

Clean

1.9 SERVICE QUALITY (Continued)

A. Definitions (continued)

5. *"Average Number of Customers"* [in the context of measuring SAIDI and SAIFI] is defined as the annual average of the monthly electric meter count from the Company's outage management system.

6. *"Customer"*

   A. For purposes of calculating SAIDI and SAIFI, "Customer" is defined as an electric service meter.

   B. For purposes of Customer Complaints, "Customer" is defined as an electric or a natural gas customer that receives a bill for utility service from the Company or a representative of that customer. A representative includes an individual designated with Power of Attorney for the Customer, an attorney retained to represent the Customer, or an individual authorized by the Customer to act on his/her account.

7. *"Customer Complaint"* is defined as any complaint submitted, in writing, by US Mail, e-mail, or by fax, registered by the Minnesota Public Utilities Commission's Consumer Affairs Office to the Company, regarding a complaint submitted by an Xcel Energy customer in which the customer states a grievance related to the Company's provision of service to that customer, provided that the complaint has first C
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Company. General inquiries to the Consumer Affairs Office, where the customer has not requested to C
register a complaint, shall not be counted as Customer Complaints. C

   Customer Complaints will be reported in the following categories:
   - Billing & Credit
   - Customer Service
   - Meter Reading
   - Trouble Orders
   - Reliability Duration
   - Reliability Frequency
   - Other

   This is calculated by dividing the total number of Customer Complaints in the performance year by the product of the total number of Minnesota customers, as reported in the Company's electric and gas jurisdictional reports, divided by 1,000.

8. *"Customer Minutes"* [in the context of measuring SAIDI and SAIFI] is defined as the total number of minutes of a service interruption multiplied by the total number of Customers experiencing the interruption. Customer Minutes include Step Restoration.

(Continued on Sheet No. 6-7.3)

1.9 SERVICE QUALITY (Continued)

E. Under Performance Measures

1. Customer Complaints
This metric measures the number of Customer Complaints submitted by the Commission's Consumer Affairs Office. An under performance payment will be assessed in any year in which the number of complaints exceeds 0.649 complaints per 1,000 customers. C

Exclusions Customer complaints will be recorded and reported with no exclusions. The Company may request exclusion of Customer Complaints that the Company can demonstrate are the result of an event beyond the Company's control, which the Company took reasonable steps to address.

2. Telephone Response Time
This metric measures the Company's time to answer customer calls directed to the Company's call center or to its business office. The benchmark is 80 percent of the calls are answered within 20 seconds. The under performance payment will be assessed in any performance year in which less than 80 percent of calls are answered within 20 seconds.

Exclusions
Telephone Response Time will be recorded and reported with no exclusions. The Company may request exclusion of certain calls that the Company can demonstrate are the result of an event beyond the Company's control, which the Company took reasonable steps to address.

(Continued on Sheet No. 6-7.8)

Gas

Redline

1.9 SERVICE QUALITY (Continued)

A. Definitions (Continued)

5. *"Average Number of Customers"* [in the context of measuring SAIDI and SAIFI] is defined as the annual average of the monthly electric meter count from the Company's outage management system. ~~T~~ ~~TD~~

6. *"Customer"* ~~T~~

A. For purposes of calculating SAIDI and SAIFI, "Customer" is defined as an electric service meter. ~~DT~~

B. For purposes of Customer Complaints, "Customer" is defined as an electric or a natural gas customer that receives a bill for utility service from the Company or a representative of that customer. A representative includes an individual designated with Power of Attorney for the Customer, an attorney retained to represent the Customer, or an individual authorized by the Customer to act on his/her account. ~~T~~ ~~T~~ ~~N~~ ~~N~~ ~~N~~ ~~N~~

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Customer Complaints will be reported in the following categories: ~~N~~
- Billing & Credit
- Customer Service
- Meter Reading
- Trouble Orders
- Reliability Duration
- Reliability Frequency
- Other

This is calculated by dividing the total number of Customer Complaints in the performance year by the product of the total number of Minnesota customers, as reported in the Company's electric and gas jurisdictional reports, divided by 1,000. ~~N~~

8. *"Customer Minutes"* [in the context of measuring SAIDI and SAIFI] is defined as the total number of minutes of a service interruption multiplied by the total number of Customers experiencing the interruption. Customer Minutes include Step Restoration. ~~T~~ ~~D~~ ~~N~~

(Continued on Sheet No. 6-7.2a)

1.9 SERVICE QUALITY (Continued)

E. Under Performance Measures

1. Customer Complaints
This metric measures the number of Customer Complaints submitted by the Commission's Consumer Affairs Office. An under performance payment will be assessed in any year in which the number of complaints exceeds ~~0.2059~~0.649 complaints per 1,000 customers. ~~T~~ ~~TN~~ ~~ND~~ C

Exclusions
Customer complaints will be recorded and reported with no exclusions. The Company may request exclusion of Customer Complaints that the Company can demonstrate are the result of an event beyond the Company's control, which the Company took reasonable steps to address. ~~N~~ ~~N~~

2. Telephone Response Time
This metric measures the Company's time to answer customer calls directed to the Company's call center or to its business office. The benchmark is 80 percent of the calls are answered within 20 seconds. The under performance payment will be assessed in any performance year in which less than 80 percent of calls are answered within 20 seconds. ~~T~~ ~~T~~ ~~D~~

Exclusions
Telephone Response Time will be recorded and reported with no exclusions. The Company may request exclusion of certain calls that the Company can demonstrate are the result of an event beyond the Company's control, which the Company took reasonable steps to address. ~~T~~ ~~N~~ ~~N~~ ~~D~~

(Continued on Sheet No. 6-7.8)

Clean

1.9 SERVICE QUALITY (Continued)

A. Definitions (Continued)

5. *"Average Number of Customers"* [in the context of measuring SAIDI and SAIFI] is defined as the annual average of the monthly electric meter count from the Company's outage management system.

6. *"Customer"*

   A. For purposes of calculating SAIDI and SAIFI, "Customer" is defined as an electric service meter.

   B. For purposes of Customer Complaints, "Customer" is defined as an electric or a natural gas customer that receives a bill for utility service from the Company or a representative of that customer. A representative includes an individual designated with Power of Attorney for the Customer, an attorney retained to represent the Customer, or an individual authorized by the Customer to act on his/her account.

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   - Reliability Duration
   - Reliability Frequency
   - Other

   This is calculated by dividing the total number of Customer Complaints in the performance year by the product of the total number of Minnesota customers, as reported in the Company's electric and gas jurisdictional reports, divided by 1,000.

8. *"Customer Minutes"* [in the context of measuring SAIDI and SAIFI] is defined as the total number of minutes of a service interruption multiplied by the total number of Customers experiencing the interruption. Customer Minutes include Step Restoration.

(Continued on Sheet No. 6-7.2a)

1.9 SERVICE QUALITY (Continued)

E. Under Performance Measures

1. Customer Complaints
This metric measures the number of Customer Complaints submitted by the Commission's Consumer Affairs Office. An under performance payment will be assessed in any year in which the number of complaints exceeds 0.649 complaints per 1,000 customers. C

Exclusions
Customer complaints will be recorded and reported with no exclusions. The Company may request exclusion of Customer Complaints that the Company can demonstrate are the result of an event beyond the Company's control, which the Company took reasonable steps to address.

2. Telephone Response Time
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Exclusions
Telephone Response Time will be recorded and reported with no exclusions. The Company may request exclusion of certain calls that the Company can demonstrate are the result of an event beyond the Company's control, which the Company took reasonable steps to address.

(Continued on Sheet No. 6-7.8)

CERTIFICATE OF SERVICE

I, Marie Horner, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

xx by depositing a true and correct copy thereof, properly enveloped with postage paid in the United States mail at Minneapolis, Minnesota

xx electronic filing

DOCKET NOS. E,G002/CI-02-2034
E,G002/M-12-383

Dated this 14th day of August 2025

/s/

____

Marie Horner
Regulatory Administrator

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
1	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	2-2034
2	Olivia	Carroll	oliviac@cubminnesota.org	Citizens Utility Board of Minnesota		332 Minnesota St W1360 St. Paul MN, 55101 United States	Electronic Service		No	2-2034
3	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	2-2034
4	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		Yes	2-2034
5	Kim	Havey	kim.havey@minneapolismn.gov	City of Minneapolis		350 South 5th Street, Suite 315M Minneapolis MN, 55415 United States	Electronic Service		No	2-2034
6	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	2-2034
7	Joseph L	Sathe	jsathe@kennedy-graven.com	Kennedy & Graven, Chartered		150 S 5th St Ste 700 Minneapolis MN, 55402 United States	Electronic Service		No	2-2034
8	Christine	Schwartz	regulatory.records@xcelenergy.com	Xcel Energy		414 Nicollet Mall, MN1180-07-MCA Minneapolis MN, 55401-1993 United States	Electronic Service		No	2-2034
9	Russ	Stark	russ.stark@ci.stpaul.mn.us	City of St. Paul		Mayor's Office 15 W. Kellogg Blvd., Suite 390 Saint Paul MN, 55102 United States	Electronic Service		No	2-2034
10	James M	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered		150 S 5th St Ste 700 Minneapolis MN, 55402 United States	Electronic Service		No	2-2034
11	Rebecca S.	Winegarden	beckwine@msn.com	Unknown		10555 Union Terrace Ln N Maple Grove MN, 55369-2622 United States	Electronic Service		No	2-2034

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
1	Michael	Allen	michael.allen@allenergysolar.com	All Energy Solar		721 W 26th st Suite 211 Minneapolis MN, 55405 United States	Electronic Service		No	12-383Official
2	Laura	Beaton	beaton@smwlaw.com	Shute, Mihaly & Weinberger LLP		396 Hayes Street San Francisco CA, 94102 United States	Electronic Service		No	12-383Official
3	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	12-383Official
4	Olivia	Carroll	oliviac@cubminnesota.org	Citizens Utility Board of Minnesota		332 Minnesota St W1360 St. Paul MN, 55101 United States	Electronic Service		No	12-383Official
5	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	12-383Official
6	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	12-383Official
7	Allen	Gleckner	agleckner@elpc.org	Environmental Law & Policy Center		35 E. Wacker Drive, Suite 1600 Suite 1600 Chicago IL, 60601 United States	Electronic Service		No	12-383Official
8	Kim	Havey	kim.havey@minneapolismn.gov	City of Minneapolis		350 South 5th Street, Suite 315M Minneapolis MN, 55415 United States	Electronic Service		No	12-383Official
9	Craig	Johnson	cjohnson@lmc.org	League of Minnesota Cities		145 University Ave. W. Saint Paul MN, 55103-2044 United States	Electronic Service		No	12-383Official
10	Cliff	Kaehler	cliff.kaehler@novelenergy.biz	Novel Energy Solutions LLC		4710 Blaylock Way Inver Grove Heights MN, 55076 United States	Electronic Service		No	12-383Official
11	William	Kenworthy	will@votesolar.org			1 South Dearborn St Ste 2000 Chicago IL, 60603 United States	Electronic Service		No	12-383Official
12	Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP		33 South Sixth St Ste 4200 Minneapolis MN, 55402 United States	Electronic Service		No	12-383Official
13	Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us		Office of the Attorney General - Residential	1400 BRM Tower 445 Minnesota St	Electronic Service		Yes	12-383Official

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
					Utilities Division	St. Paul MN, 55101-2131 United States				
14	Joseph L	Sathe	jsathe@kennedy-graven.com	Kennedy & Graven, Chartered		150 S 5th St Ste 700 Minneapolis MN, 55402 United States	Electronic Service		No	12-383Official
15	Christine	Schwartz	regulatory.records@xcelenergy.com	Xcel Energy		414 Nicollet Mall, MN1180-07-MCA Minneapolis MN, 55401-1993 United States	Electronic Service		No	12-383Official
16	George	Shardlow	george@energycents.org	Energy CENTS Coalition		823 E. 7th Street Saint Paul MN, 55106 United States	Electronic Service		No	12-383Official
17	Bria	Shea	bria.e.shea@xcelenergy.com	Xcel Energy		414 Nicollet Mall Minneapolis MN, 55401 United States	Electronic Service		No	12-383Official
18	James M	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered		150 S 5th St Ste 700 Minneapolis MN, 55402 United States	Electronic Service		No	12-383Official