MINNESOTA
PUBLIC UTILITIES COMMISSION

Staff Briefing Papers – Volume 3: Xcel Energy's Initiatives

Meeting Date	**February 19, 2026**	**Agenda Item ***6**
Company	Northern States Power Company d/b/a Xcel Energy	
Docket No.	E-002/M-25-27 **In the Matter of Xcel Energy's 2024 Annual Safety, Reliability, and Service Quality (SRSQ) Report.**	
Issues	1) Should the Commission approve Xcel Energy's request for a continued variance to Minn. Rule 7820.2500 to perform disconnections without a site visit? 2) Should the Commission accept Xcel Energy's reporting requirements of the Commission's January 13, 2025 Order?	
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✓ **Relevant Documents**	**Date**
Xcel Energy Service Quality Annual Report – Part III: Order Compliance	April 1, 2025
Department of Commerce Initial Comments	July 11, 2025
Environmental Law & Policy Center, Cooperative Energy Futures, and Vote Solar Initial Comments	July 11, 2025
Xcel Energy Reply Comments	August 8, 2025
Public Comment	August 14, 2025
Citizens Utility Board of Minnesota and Legal Services Advocacy Project Initial Comments	September 22, 2025
Public Comments – 2	September 23, 2025
Public Comment	October 21, 2025
Public Comment	October 29, 2025
Department of Commerce – Division of Energy Resources Reply Comments	November 6, 2025
Department of Commerce – Division of Energy Resources Supplemental Comments	December 15, 2025

✓ **Relevant Documents**	**Date**
Ex Parte Communication between PUC Staff and Xcel Energy	January 27, 2026

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BACKGROUND

Xcel Energy (Xcel) submitted its annual Safety, Reliability, and Service Quality (SRSQ) report on April 1, 2025. Unlike the other two electric utilities – Minnesota Power and Otter Tail Power Co., Xcel was required to file containing additional specific reporting requirements.

Volume 1 of the briefing papers will address safety and reliability. Volume 2 will address service quality. This set of the briefing papers, Volume 3, will cover Xcel's Minn. Rule 7820.2500 variance request and the reporting requirements in the Commission's January 13, 2025 Order. All three volumes end with an identical set of decision options.

RELEVANT DECISIONS

Regarding Xcel's initiatives as filed in its 2024 electric service quality report and as displayed in Volume 3, the necessary decisions are thus:

1) Whether to approve the Company's current variance to Minn. Rule 7820.2500, which allows for remote disconnections without a field visit to the premises (**Decision Options 10 and 11**); and

2) Whether to accept the additional reporting requirements from the Commission's January 13, 2025 Order (**Decision Option 13**).

The Department recommends adoption of the variance in **Decision Option 10**. No other parties addressed whether the Commission should approve the variance.

Both the Department and Commission Staff recommend adoption of **Decision Option 13**, accepting the reporting requirements.

PARTIES

The following parties commented in the docket:

- Department of Commerce – Division of Energy Resources ("Department")
- Environmental Law & Policy Center, Cooperative Energy Futures, and Vote Solar ("ELPC/CEF/VS")
- Citizens Utility Board of Minnesota and Legal Services Advocacy Project ("CUB/LSAP")

VARIANCE TO MINN. RULE 7820.2500

I. Background of Variance

Xcel has updated 1.42 million customers from legacy Cellnet Automated Meter Reading (AMR) meters to an updated Advanced Metering Infrastructure (AMI) meter, making AMI deployment virtually complete. As of January 5, 2026, there were 6,137 meters remaining to deploy, or

0.4%. Those 6,137 represent meters where Xcel has had challenges getting access – in some cases because the customer is refusing access to the meter, in some cases other reasons – and will continue to dwindle over the coming weeks and months.[1]

On March 22, 2023, in Docket No. 22-233, Xcel was granted a variance to Minn. Rule 7820.2500, which states that electric service must be disconnected by a personal visit of a Company representative to the residence or business. The Commission continued this variance in 2024 for Xcel's Residential Service, Residential Time of Day Service, Small General Service, or Small General Time of Day Service customer classes.[2] Given Xcel's deployment of AMI, the Company requests a continued variance to this Rule and states that it plans to do so for the foreseeable future. **Decision Option 10** grants Xcel's continued variance request.[3]

Xcel states that it believes it provides sufficient communication to customers to justify the remote disconnections; once a customer's bill is past due, Xcel uses phone calls/voicemails, emails or text messages (where the customer has given permission), U.S. Mail, and a past due notice on their bills over a nine-week period before performing a remote disconnection. Note that Xcel counts a voicemail that was successfully left for the customer as a phone call. See the figure below, which lays out the customer communication process:

Figure 1: Xcel's 9-week Remote Disconnection Customer Contact Process[4]

Tactic	Missed Payment	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9 Current	Week 9 Phase 1	Week 9 Phase II
		Email				Email	Email		Email			
					Disconnect Notice							
		Call	Call	Call	Call	Call	Call	Call	Call	Call	Call	
					Bill Displaying Past Due Charges				Bill Displaying Past Due Charges			
										Door Knock Disconnect at meter Reconnect at meter	Door Knock Disconnect via mobile app Reconnect remotely	Phone Call Disconnect remotely Reconnect remotely

[1] Ex Parte Communication between PUC Staff and Xcel, January 27, 2026.

[2] Docket No E002/M-22-233, *In the Matter of a Petition by Northern States Power Company Requesting Approval of Changes to its Tariff an Indefinite Variance to Commission Rules Regarding Disconnection of Service*, Order (March 22, 2023), Order Point 1; E-002/M-24-27, *In the Matter of Xcel Energy's 2023 Annual Safety, Reliability and Service Quality Report,* Order (January 13, 2025), Order Point 16-18.

[3] Minn. Rule 7820.2500 Manner of Disconnection.

[4] 22-233 Xcel Energy Initial Filing, May 20, 2020, Figure 1, p. 9.

II. Granting a Variance

Under Minn. R. 7829.3200, the Commission shall grant a variance when the following conditions are met:

A. Enforcement of the rule would impose an excessive burden upon the applicant or others affected by the rule;

B. Granting the variance would not adversely affect the public interest; and

C. Granting the variance would not conflict with standards imposed by law.[5]

Subp. 2 of the Rule states that the variance may be granted contingent upon compliance with conditions imposed by the Commission. While other consumer protection requirements have been imposed upon the Company that are not related to the variance, no conditions have been required as contingent to granting of the variance other than some annual reporting, which is provided below.

Subp. 3 requires variances to automatically expire in one year unless the Commission orders otherwise. In the Commission's 2023 SRSQ Order, the variance was extended until the Commission issues a decision in the instant 2024 SRSQ proceedings. Xcel is requesting a similar expiration condition in this proceeding (**Decision Option 11**).

The Department agrees that the Commission should approve the continued variance to this rule for one additional year, citing the cost and time savings of both remote disconnection and reconnection, as well as the decrease in personal safety risk to Xcel field agents who would otherwise need to manually disconnect and reconnect customers on-site. The Department states that it also believes that additional customer protections and programs ordered by the Commission in the 2023 SRSQ docket provide sufficient safeguards for customers at risk of disconnection.[6]

Staff notes that if the Commission were to not grant another one-year variance, the Commission must revise Xcel's current tariffs. In the 22-233 Order, the Commission approved Xcel's proposed revisions to the Manual Meter Reading Service Rider and the Service Reconnection Tariff in its Electric Rate Book. Therefore, Staff offers **Decision Option 12**, which would require Xcel to revert its tariff sheets to their previous versions.[7]

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[5] Minn. Rule 7829.3200 Other Variances.

[6] Department Initial Comments, p. 3, referencing: Docket No. E002/M-24-27, *In the Matter of Xcel Energy's 2024 Safety, Reliability and Service Quality Standards Report*, Order (January 13, 2025), Order Points 19, 22-24, 26-30, and 34.

[7] 22-233 Xcel Errata to August 30, 2022 Reply Comments, Letter (September 8, 2022), Attachment B, Manual Meter Reading Service Rider, Section No. 5, Original Sheet Nos. 148 and General Service Rules, Section No. 5, 3rd Revised Sheet No. 3.

III. Variance Reporting

In order to further monitor the effects of Xcel using AMI to remotely disconnect customers, the Commission ordered Xcel during its 22-233 Disconnection Variance proceeding to report on the following metrics in its 2023, 2024, and 2025 SRSQ reports.[8]

Table 1: Xcel Energy Reporting Requirements from Commission Order in Docket 22-233

Order Point	Reporting Requirements
5	Xcel Energy shall file a report on the following evaluation metrics in its service quality reports for 2023, 2024 and 2025:
5a	Meter-related complaints for advanced metering infrastructure.
5b	The percentage of customers flagged for disconnection who pay their disconnection amount in full in the current process versus after the variance has been implemented.
5c	The number of field visits required when the Company is unable to reach the customer (speaking to the customer or leaving a voicemail).
5d	The length of time for reconnecting each customer, and the method for reconnecting the customer.
5e	Re-analysis of actual costs for disconnection/reconnection requiring in-person visits and those performed remotely.
5f	Detailed cost information and subsequent analysis of costs as opposed to the Company's proposed language stating adjustments to costs can be following the first year of reporting.
5g	Progress exploring texting capabilities for customer contact and progress on an automated process for reconnection
5h	Progress adding a direct link on its website to submit the Medically Necessary Equipment & Emergency Certification Form.
5i	Feedback from the Department of Commerce, Energy Assistance Unit regarding remote disconnection.
5j	Compliance with all consumer protection measures ordered in this proceeding.
5k	Detailed information on the number of customers opting out of AMI meter installation and demand-billed customers compared to customers with AMI meters installed.
5l	A proposal for using the capacity of its advanced metering infrastructure to restore electric service to customers during periods of extreme heat.

The Department says (and Staff concurs) that Xcel has met the reporting required in the 22-233

[8] Docket No E002/M-22-233, *In the Matter of a Petition by Northern States Power Company Requesting Approval of Changes to its Tariff an Indefinite Variance to Commission Rules Regarding Disconnection of Service*, Order (March 22, 2023), Order Point 5.

Order.

A. Meter Reading Complaints from Customers with AMI Meters

Order Point 5a. Meter-related complaints for advanced metering infrastructure.

Xcel states that it received 16 complaints specific to opting out of AMI in 2024. Note that none of these were related to customer concerns of disconnection or credit-related activity.[9]

B. Customers Flagged for Disconnection Who Pay in Full

Order Point 5b. The percentage of customers flagged for disconnection who pay their disconnection amount in full in the current process versus after the variance has been implemented.

Xcel states that the number of AMI customers who became eligible for disconnection in 2024 was 375,049, of which 2,757 then paid their account in full (0.7%).[10]

C. Field Visits Required when Company is Unable to Reach Customers

Order Point 5c. The number of field visits required when the Company is unable to reach the customer (speaking to the customer or leaving a voicemail).

If after Xcel's 9-week customer contact procedure, the customer has not been able to be reached by either phone call or voicemail, Xcel field staff will perform an in-person visit to the premises and perform a physical disconnection at the meter. Xcel states that it was unable to reach customers via final call or voicemail 7% of the time when they became eligible for remote disconnection.

Table 2: Customers Eligible for Disconnection and Ability to Reach by Call/Voicemail (2024)[11]

Process	Number	Percentage
Able to make final contact via phone or voicemail	44,349	93%
Unable to reach through final call or voicemail	3,309	7%
Total Number of AMI Disconnection Orders Placed	47,658	100%

Xcel states that, when no final call or voicemail contact is able to be made, the account is placed in queue to be disconnected, and that queue is prioritized based on dollar amount. Xcel stated that, if the account where no phone contact was made has a remote capable meter, a

[9] For details about all customer complaints, refer to Vol. 2 of these briefing papers at p. 31.
[10] Xcel SRSQ Report, Part 1 of 3, April 1, 2025, p. 22.
[11] Xcel Petition, Part 1, p. 23

field employee attempts to make contact at the door before remotely disconnecting the meter.[12]

D. Length of Time for Reconnecting each Customer and Method for Reconnecting the Customer

Order Point 5d. The length of time for reconnecting each customer, and the method for reconnecting the customer.

Xcel states that the longest manual reconnection process in 2024 took 2,522 hours for a residential customer (105 days), with the average being almost 50 hours. For remote residential customers, the longest was 829 hours (35 days), but the average was .46 hours.[13]

Table 3: Average Time to Reconnect

	Remote Reconnects	Manual Reconnects
Residential Customers	28 minutes	50 hours
Commercial Customers	31 minutes	49 hours

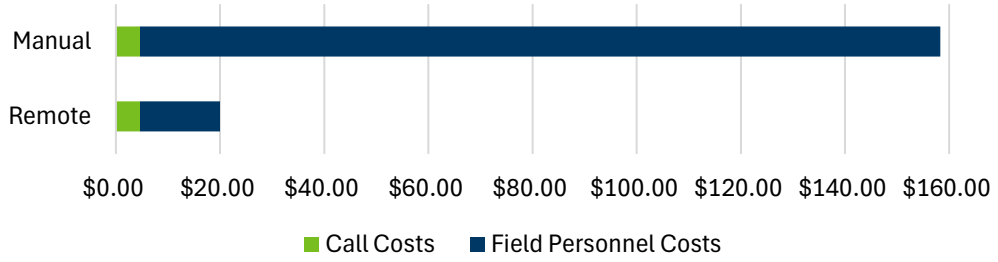
E. Actual Costs of Disconnection/Reconnection for Manual vs. Remote

Order Point 5e. Re-analysis of actual costs for disconnection/reconnection requiring in-person visits and those performed remotely.

Order Point 5f. Detailed cost information and subsequent analysis of costs as opposed to the Company's proposed language stating adjustments to costs can be following the first year of reporting.

Xcel provides data that compares remote and physical disconnect/reconnect costs for 2024 in the filing. Figure 2 displays that data:

Figure 2: Costs to Disconnect/Reconnect Remotely vs. Manually (2024)[14]



[12] Xcel SRSQ Report, Part 1 of 1, April 1, 2025, p. 23.
[13] Xcel SRSQ Report, Part 1 of 3, April 1, 2025, p. 24.
[14] Xcel SRSQ Report, Part 1 of 3, April 1, 2025, p. 25. All costs include labor and benefits. Note that remote disconnects still contain labor costs, because if Xcel is not able to contact the customer, field personnel must visit the premises.

Xcel also states that a remote disconnect/reconnect costs approximately $19.96, while a manual disconnect/reconnect costs $158.31.[15] Performing remote disconnections/reconnections is a significant cost savings for the Company.

F. Texting Capabilities

Order Point 5g. Progress exploring texting capabilities for customer contact and progress on an automated process for reconnection.

As of its April 1, 2025 SRSQ report, Xcel states that it is currently prioritizing setting up texting for reconnection. Xcel's extreme heat and Air Quality Index (AQI) reconnection program was heard under the instant docket on July 1, 2025, and the Commission ordered Xcel to use texting to communicate with customers who are to be reconnected in extreme heat or AQI events, beginning on May 1, 2026.[16] Xcel says that it is reallocating resources to this program and its near-term deadline.[17] In its December 31, 2025 compliance filing, Xcel confirmed that by May 1, 2026 it will be able to text customers when an event is forecast to occur and confirm that it is safe to reconnect service when the event ends.[18]

G. Direct Link on Website to Submit the Medically Necessary Equipment & Emergency Certification Form

Order Point 5h. Progress adding a direct link on its website to submit the Medically Necessary Equipment & Emergency Certification Form.

In its March 22, 2023 order in Docket No. E-002/M-22-233 regarding Xcel's variance to the disconnection rules, the Commission required Xcel to report in its 2023, 2024, and 2025 SRSQ on its progress adding a direct link on its website to submit the Medically Necessary Equipment & Emergency Certification Form, which allows a customer to request EMA status.[19]

Xcel states that, while it has researched feasibility and cost of embedding a direct link to submit the EMA forms, it has been unable to secure a solution at a reasonable cost.[20] While it had understood the directive from the Commission to be an interactive medical form that customers could fill out and submit directly, Xcel notes that the form must be filled out by a medical professional, and that most medical offices continue to prefer fax due to Health

[15] Xcel Petition Part 1, p. 25 and Attachment H

[16] Docket No. E-002/M-25-27, *In the Matter of Northern States Power Co. d/b/a Xcel Energy's 2024 Annual Safety, Reliability, and Service Quality Report*, Order (July 25, 2025), Order Point 8.

[17] Xcel Reply Comments, August 8, 2025, p. 8.

[18] Xcel Letter, December 31, 2025, p. 4.

[19] Docket No. E-002/M-22-233, *In the Matter of a Petition by Northern States Power Company Requesting Approval of Changes to its Tariff an Indefinite Variance to Commission Rules Regarding Disconnection of Service*, Order (March 22, 2023), Order Point 5h.

[20] Xcel SRSQ Report, April 1, 2025, Part 1 of 3, pp. 25-26.

Insurance Portability and Accountability (HIPAA) standards.[21]

Instead, Xcel has now made the form downloadable on its website so that customers can email or fax the form to the Personal Accounts Department (PAR).[22] Xcel also states that it participated in 18 community outreach events in 2024, as well as met with the Minnesota Medical Association and done outreach to community organizations identified by Energy CENTS Coalition (ECC), AARP, and the Office of the Attorney General (OAG) to increase awareness of the EMA program.

While the Company awaits the update to its website platform, the Department recommends **Decision Option 14**, which would require Xcel to evaluate whether it could allow a customer to complete its Medically Necessary Equipment & Emergency Certification form and indicate that Xcel may reach out to their medical provider to confirm their need for medically necessary service within it next annual SRSQ report, to be filed April 1, 2026. However, the Department admits that it is not an expert on HIPPA regulations and is unsure if the utility reaching out to a medical provider for confirmation that the customer needs medically necessary service would constitute a HIPPA violation.[23]

For more information about Xcel's Emergency Medical Account status data, see Vol. 2 of the briefing papers, starting at p. 27.

H. Feedback from the Department's Energy Assistance Unit

Order Point 5i. Feedback from the Department of Commerce, Energy Assistance Unit regarding remote disconnection.

Xcel provided comments from its 24-27 docket to demonstrate Department support for remote disconnection. The Department continued to support Xcel's use of remote disconnection on the basis of cost and time savings in this docket:

> Given the: 1) extensive customer safeguards the Commission has required to protect customers facing involuntary disconnection in response to the Company's request for a remote reconnection variance; 2) improvement in employee safety resulting from the approval of the variances; 3) the operational benefits of remote disconnect/reconnects and 4) the lower cost of remote disconnect/reconnects compared to physical disconnects, the Department recommends that the Commission approve the Company's request for a variance from Minn. R. 7820.2500 for another year.[24]

[21] Xcel Reply Comments, August 8, 2025, p. 7.
[22] Medical Electric Affordability Program (MEAP).
[23] Department Reply Comments, November 6, 2025, pp. 7-8.
[24] Department Initial Comments, July 11, 2025, p. 82.

I. Compliance with Consumer Protection Measures

Order Point 5j. Compliance with all consumer protection measures ordered in this proceeding.

The Company submitted the required consumer protection compliance filing 30 days after the March 22, 2023 Order in Docket 22-233.[25]

J. Customers Opting Out of AMI

Order Point 5k. Detailed information on the number of customers opting out of AMI meter installation and demand-billed customers compared to customers with AMI meters installed.

Approximately 0.5% of its customers chose to opt out of receiving an AMI meter in 2024.[26]

K. Restoring Service During Periods of Extreme Heat

Order Point 5l. A proposal for using the capacity of its advanced metering infrastructure to restore electric service to customers during periods of extreme heat.

Details of the July 2025 proceeding regarding Xcel using remote reconnection capabilities during extreme heat and AQI alerts is located at p. 18 of this volume of the briefing papers.

IV. Staff Analysis

A. Time and Cost Savings

Remote reconnections are much faster than manual reconnects. The Company is able to reconnect customers remotely within 30 minutes on average; manual reconnects take more than two days. For customers that have taken the steps to contact Xcel and either pay their bill in full or set up a payment arrangement, it is equitable to reconnect their service as soon as possible.

Remote disconnections and reconnections are significantly less expensive for the Company. Remote disconnects/reconnects cost approximately $20, while manual costs approximately $160.

Moreover, they are also less expensive for involuntary disconnected customers. These customers are largely financially strained anyway. Before the Commission approved remote disconnections in 22-233, the service reconnection charge was $50. Now residential customers with an AMI meter are charged a $13.50 service reconnection fee.

[25] Xcel SRSQ Report, Part 1 of 3, April 1, 2025, p. 27.
[26] Department Initial Comments, July 11, 2025, p. 66.

B. Safety of Field Staff

One of the reasons for utilizing remote disconnects and reconnects is the safety of Xcel's field staff. By avoiding having to disconnect and reconnect service at the meter, field staff is able to avoid dangerous situations like disgruntled customers and aggressive dogs.

In comparison, in Docket No. 22-494, the Commission granted a similar Rule variance to Dakota Electric Association (DEA) twice to disconnect and reconnect service remotely but only if there is a known safety concern at the premises.[27] DEA has only used it sparingly thus far; only two disconnections were performed remotely in 2024 due to safety concerns.[28]

C. Effectiveness of Customer Contact

Xcel says that field visits are relatively ineffective, and in fact less effective than voicemail, as a final means of connecting with customers. In its cost calculations for calls prior to disconnections, Xcel assumes that 10% of their calls are answered or result in a call back from the customer.[29] Meanwhile, as of April 1, 2024, Xcel said that 4% of its field visits see a customer at the premises.[30]

The Commission ordered Xcel to increase communication with customers prior to disconnection, including either text or email in addition to voicemail. Xcel began doing so in April 2025.

Xcel did not provide data on how many customers have given consent to receive disconnection notices via email or text nor how successful these strategies have been. The Commission may wish to require reporting on the efficacy of email and text communication strategies in its 2025 SRSQ report due on April 1, 2026.

Also, Order Point 5g requires Xcel to use either email or text. It is unclear whether Xcel uses both email and text if the customer signs off on both. The Commission may wish to require Xcel to perform communication via both email and text if the customer has given permission to Xcel to use both.

Following the Commission proceedings during summer 2025 in the instant docket on reconnects during extreme heat and AQI events, Xcel is working on setting up the ability for customers to text or email to confirm that their home is safe for reconnection of service. Staff is curious as to whether Xcel could further these capabilities to allow customers the ability to set up a payment plan over text message, instead of requiring customers to call. The Commission

[27] Docket No. E-111/M-22-494 Commission Order, *In the Matter of a Petition to Modify Dakota Electric Association's Member Service Information - Disconnection of Service Tariff and Request for Variance to Minnesota Rules*, Order (December 16, 2022).

[28] 22-494 Compliance Filing, March 14, 2025, p. 2.

[29] Xcel SRSQ Report, Part 1 of 3, April 1, 2025, Attachment H, p. 5 of 11.

[30] 24-27 Xcel Reply Comments, June 24, 2024, Table 2, p. 4. Note that this data has not been provided for the remainder of 2024 or 2025.

may wish to require Xcel to explore this option in its 2025 SRSQ report due on April 1, 2026.

D. Uncertainty of Government Programs

In spring 2025, the entire federal LIHEAP staff was laid off. The US Department of Health and Human Services' (HHS) FY2026 budget proposal eliminated LIHEAP funding.[31] This is unprecedented for programs like LIHEAP that have achieved decades of bipartisan support. Since utilities use LIHEAP participation as the qualifier for their programs and with impending possible discontinuation of LIHEAP, the Minnesota Legislature granted the Commission the authority to establish alternative pathways for verifying eligibility.[32]

On July 11, 2025, the Commission initiated an investigative docket (25-218) to explore alternative methods to establish low-income eligibility for utility affordability programs if LIHEAP is discontinued, with the clear understanding that these alternative methods would only come into play in that event. Stakeholders – representing utilities, agencies, and non-profits – have provided feedback on the strengths and challenges of various alternative methods. As of the filing of these briefing papers, 25-218 has an open comment period.

E. Economic Strain

Many American households are currently experiencing economic strain, especially low- and middle-income households who carry a higher energy burden. Energy burden is the percentage of a household's income it spends on energy bills. Anything over 6% is considered a high burden.

The Company does not track customers' incomes, other than those that participate in affordability programs. Table 4 compares average incomes against annual bills to display energy burdens for PowerON and Medical Electric Affordability Program (MEAP) participants:

Table 4: 2025 Average Energy Burdens for PowerON and MEAP Participants[33]

	PowerON	MEAP
Average annual income	$18,746	$21,927
Average annual bill	$1,269	$1,045
Average energy burden	6.9%	4.8%

Increased disconnections cause greater economic strain on customers. To be reconnected, a customer must pay a portion of their bill or pay in full, in addition to a reconnection fee.

[31] Administration for Children Families and Communities Congressional Justification.

[32] Note that the entirety of the FFY26 LIHEAP funds have been released to Minnesota for the 2025-2026 heating season and are being disbursed to applicants.

[33] 04-1956 and 10-854 Xcel Affordability Program Reporting. This is only electric energy burden and does not include natural gas energy burden.

If a customer is up for disconnection, they have also incurred late fee charges. Xcel assesses a late payment charge on unpaid amounts two working days after the due date. The late payment charge is 1.5% monthly or $1, whichever is greater. No late payment charge will be assessed if the unpaid amount is less than $10.[34]

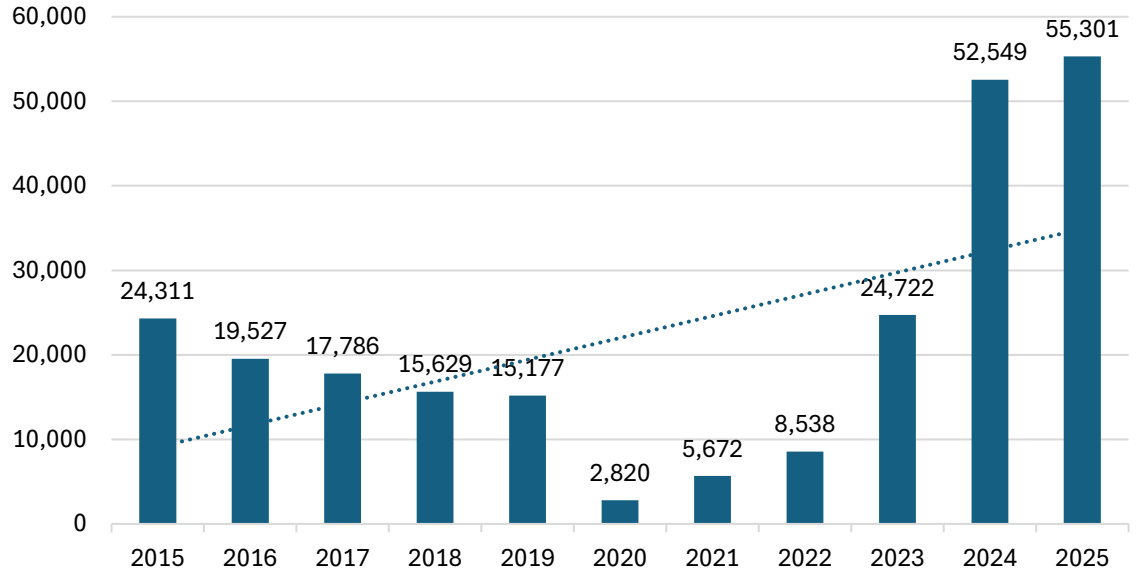
F. Increased Disconnections

The most obvious concern around the variance is increased disconnections. By the Company's own admission, it is disconnecting more eligible customers after the implementation of AMI due to the ease of disconnection. Prior to AMI, only 6% of eligible customers were disconnected.[35]

> With the current variance to this rule, which allows voicemail and other modes of electronic communication in lieu of a field visit, a larger proportion – though still less than 20 percent of those eligible for disconnection – are being disconnected.[36]

Xcel began remotely disconnecting customers in February 2024. 90.1% of disconnections were performed remotely in 2024, as compared to 97.3% in 2025.[37]

Figure 3: Xcel's Disconnections (2015-2025)[38]



Disconnections doubled between 2023 and 2024. While there was a slight increase in 2025, disconnections did not at least double again.

[34] Customer support article: What are your late fee charges?
[35] Xcel SRSQ Report, Part 1 of 3, April 1, 2025, p. 9.
[36] 12-383 Xcel 2024 QSP Report, May 15, 2025, p. 4.
[37] Note that Staff included 2025 disconnection data for context. This proceeding is not covering the 2025 SRSQ reports.
[38] YR-2 CWR Reporting.

If the Commission were to approve the variance, Staff cautions that involuntary disconnections are likely to continue to increase or at least stay steady at approximately 20% of eligible customers.

2023 ADDITIONAL SRSQ REPORTING REQUIREMENTS

The Department states that Xcel Energy met all of the reporting requirements in Commission Order from the 2023 reporting year proceedings.[39] Table 5 lays out the reporting requirements from the January 13, 2025 Order in 24-27:

Table 5: Xcel Energy Reporting Requirements from 2023 SRSQ Commission Order

Order Point	Reporting Requirements
14	Xcel must include an analysis and summary data based on the data points below for 2024 with its next safety, reliability, and service quality report due April 1, 2025 report to better determine if there are areas for improvement in shortening service timelines. A) Type of new service request (based on Request Type such as Service, Extension, Relocate/Lower Facilities, etc. and Value Characteristic such as Commercial Retail, Other Building, etc.); B) Date of new service request; C) Requested new in-service date; D) Date of meter installation; and E) Date of service connection.
15	Xcel must report service extension timelines by work center in future safety, reliability, and service quality reports.
19	The Commission increases the existing threshold of final contact for disconnection by requiring Xcel to use two methods of electronic communication, including either text message or email in addition to voicemail where the Company has received customer consent to do so.
20	The Commission approves Xcel's proposal to identify customers throughout its service territory that have not received LIHEAP assistance and are carrying past due balances and approve the Company's proposal to perform targeted outreach to the identified customers.
21	Xcel must perform additional outreach throughout its service territory with the goal of increasing participation in affordability programs that reduce bad debt.
22	Xcel must publish its disconnection and payment agreement policies and practices on its website. Subject to technical feasibility, Xcel shall make the edits discussed in ECC/CUB's September 12, 2024 comments to its payment agreement webpage.
23	Xcel must make a filing in the instant docket and Docket E,G-999/PR-24-02 detailing its current disconnection policies and practices, and require Xcel to submit additional filings in Docket E,G-999/PRYR-02 when there are changes to those policies and practices within 20 days of the Order.
24	Xcel must propose a plan, in its 2024 safety, reliability, and service quality report due April 1, 2025, to restore power for involuntarily disconnected customers with AMI

[39] E-002/M-24-27, *In the Matter of Xcel Energy's 2023 Annual Safety, Reliability and Service Quality Report,* Order (January 13, 2025), Order Point 14-15, 19-36, 38-43, and 46.

	during a heat advisory or excessive heat warning, issued by the National Weather Service and to inform the Commission's consumer affairs office and customers of its plans to restore power for involuntarily disconnected customers with AMI during extreme heat events.
25	Xcel must conduct additional outreach and provide customers with information about how to request medical protections if they are particularly vulnerable to poor air quality.
26	Xcel must reduce its down payment requirements and modify its disconnection and payment agreement practices to include consideration of individual household financial circumstances. Xcel must offer the down payment percentage amounts as shown in the table above but may offer lower down payment plans as warranted by consideration of individual household circumstances.
27	Xcel must detail in its annual safety, reliability, and service quality report the average down-payment amount received from customers—both as a percentage of arrears and as a total dollar value—during Cold Weather Rule (CWR) and non-CWR months. Xcel shall also explain how it has implemented the statutorily required consideration of both financial and extenuating circumstances during CWR and non-CWR months.
28	Xcel must not send disconnection notices until a customer's balance reaches $180 past due.
29	Xcel must not disconnect customers with a past due balance below $300.
30	Xcel must wait at least 10 days after sending a disconnection notice before disconnecting a customer.
31	Xcel must evaluate implementing the following policies and to file the evaluation by April 1, 2025 in its 2024 safety, reliability, and service quality report. • Setting the reconnection fee at $0. The evaluation shall include an estimate of the costs of waiving reconnection fees and how the Company would propose to recover those costs. • A proposal to increase the number of customers receiving pre-weatherization, weatherization, and energy efficiency improvements, including deep retrofits to create greater energy savings, in areas within the Company's service territory with high energy burden. The proposal should include year over year targets designed to increase the number of people receiving energy efficiency measures. • A more robust hot-weather rule to prevent disconnections in months with the highest cooling energy burden. • Creating an off-season LIHEAP program to help income-qualified residents clear their arrears by self-attesting to their income level.
32	Xcel must propose a plan, as part of its 2024 safety, reliability, and service quality report due on April 1, 2025, to restore power for involuntarily disconnected customers with AMI when high air quality index alerts have been issued.
33	Xcel must file in supplemental direct testimony to its rate case filed November 1, 2024 in Docket E002/GR-24-320 a program similar to its offering in Colorado where interest payments and fees from late bill payments are donated to low-income customer

	assistance programs or the elimination of late fees and interest.
34	Xcel must provide a discussion in its next safety, reliability, and service quality report on how it manages disconnections due to a landlord's failure to pay, consistent with the requirements in Minn. R. 7820.1400.
35	Xcel must inform affected personnel of racial disparities in electric service.
36	Xcel must file a compliance report with its annual safety, reliability, and service quality filing on which employees received the training and what information was provided.
38	Xcel must perform additional analysis as outlined in decision options below prior to developing a proposal for targeted undergrounding or enhanced vegetation management.
39	Xcel must add the following data to its interactive service quality map by census block group by April 1, 2025: • Municipal Boundaries • Premise counts by census block group • Percentage of underground electric assets • Percent of electric premises disconnected for 24 hours or more • Average age of arrears for disconnected premises • Per premises energy costs
40	Xcel must add to its interactive service quality map the average age of homes by Census Block Group by April 1, 2025.
41	Xcel must add to its interactive service quality map the average amount of arrears for disconnected premises by April 1, 2025.
42	The Commission delegates authority to the Executive Secretary to work with Xcel and stakeholders to develop a proposal for what affordability and associated service quality data is reported in safety, reliability, and service quality report and what data continues to be reported in other dockets.
43	Xcel must conduct a study similar to the TRC Service Quality and Demographics Analysis on a three-year cycle with the next report due on April 1, 2027, with its safety, reliability, and service quality report. Xcel must use five years of data for future analyses.
46	Xcel must hire an independent third-party evaluator with expertise in evaluating racial disparities to conduct a one-year study that will evaluate Xcel's practices and policies related to capital investment planning, outage restoration practices, and shutoff practices to better understand the causes of these discrepancies in shutoff rates and service reliability. Xcel must engage interested stakeholders to participate and collaborate with the independent third-party evaluator.

I. Two Methods of Electronic Communication

Order Point 19. The Commission increases the existing threshold of final contact for disconnection by requiring Xcel to use two methods of electronic communication, including either text message

or email in addition to voicemail where the Company has received customer consent to do so.

The Company states that, as of April 2025, it has begun implementing this.[40]

II. Identify Customers and Target Outreach

Order Point 20. The Commission approves Xcel's proposal to identify customers throughout its service territory that have not received LIHEAP assistance and are carrying past due balances and approve the Company's proposal to perform targeted outreach to the identified customers.

Order Point 21. Xcel must perform additional outreach throughout its service territory with the goal of increasing participation in affordability programs that reduce bad debt.

Xcel states that its team had conducted 34 outreach campaigns to assist customers in accessing LIHEAP and reducing bad debt.[41] While Xcel states that this was fewer campaigns than the year before, it notes that its team had delayed some outreach pending lack of clarity on LIHEAP in the first quarter of 2024. In addition, Xcel states that it had worked with Hennepin County to complete a "concierge"-style campaign that identified customers who were already engaged in the LIHEAP enrollment process, and that it achieved greater overall conversion with those customers (over 10%) than with a typical campaign (4-6%).[42]

Xcel states that it utilized automated dials, emails, manual dials, mailers, bill onserts, social media, and in-person events in 2024. Xcel has been required to implement text message notices in the January 13, 2025 Order in 24-27 and July 25, 2025 Order in 25-27. The Commission may wish to require Xcel to utilize text messages to perform LIHEAP and affordability program outreach to customers that have given the necessary permissions to the Company.

III. Publishing Disconnection and Payment Agreement Policies and Practices

Order Point 22. Xcel must publish its disconnection and payment agreement policies and practices on its website. Subject to technical feasibility, Xcel shall make the edits discussed in ECC/CUB's September 12, 2024 comments to its payment agreement webpage.

Xcel published its disconnection and payment agreement policies on the following pages:[43]

- Payment Arrangements
- Manage Your Bill

The first link includes language in ECC/CUB's September 12, 2024 comments, and Xcel stated

[40] Xcel SRSQ Report, Part 3 of 3, April 1, 2025, 2025, p. 93.
[41] Xcel SRSQ Report, Part 3 of 3, April 1, 2025, p. 93.
[42] Xcel Reply Comments, August 8, 2025, pp. 11-12.
[43] Xcel SRSQ Report, Part 3 of 3, April 1, 2025, p. 94.

that it made further clarifications to language after discussion with CUB.[44] Each page includes a link to a document titled Minnesota Disconnection Process, which reflects all modifications from this Order.[45]

IV. Remote Reconnections During Extreme Heat and AQI Alerts

Order Point 24. Xcel must propose a plan, in its 2024 safety, reliability, and service quality report due April 1, 2025, to restore power for involuntarily disconnected customers with AMI during a heat advisory or excessive heat warning, issued by the National Weather Service and to inform the Commission's consumer affairs office and customers of its plans to restore power for involuntarily disconnected customers with AMI during extreme heat events.

Order Point 32. Xcel must propose a plan, as part of its 2024 safety, reliability, and service quality report due on April 1, 2025, to restore power for involuntarily disconnected customers with AMI when high air quality index alerts have been issued.

The Commission took up this issue in an earlier proceeding in the instant docket in July 2025 and ordered the Company to begin remotely reconnecting and suspending disconnections for customers during certain heat and air quality events.[46] On December 31, 2025, Xcel filed a compliance filing. As ordered, Xcel consulted with the Minnesota Department of Health (MDH) and the Minnesota Pollution Control Agency (PCA). Beginning on May 1, 2026, the Company will offer three additional consumer protections:[47]

1) Remotely reconnect previously disconnected residential customers in affected counties during heat advisories or extreme heat warnings as issued by the National Weather Service (NWS) when an event is forecast to last eight hours or longer.
2) Suspend disconnections of residential customers with AMI in affected areas during periods when the Air Quality Index (AQI) issued by the MPCA is forecasted to be 151 or higher.
3) Reconnect previously disconnected residential customers with AMI who have been remotely disconnected in affected areas during periods when the AQI issued by the MPCA is forecasted to be 151 or higher for a duration of eight hours or longer.

The Company will provide customer information and alert customers and CAO of disconnection suspensions and reconnections. This proceeding is currently ongoing.

V. Adjusting Down Payment Amounts

Order Point 26. Xcel must reduce its down payment requirements and modify its disconnection

[44] Xcel SRSQ Report, Part 3 of 3, April 1, 2025, pp. 93-94.
[45] Minnesota Disconnection Process.
[46] E-002/M-24-27, *In the Matter of Xcel Energy's 2023 Annual Safety, Reliability and Service Quality Report,* Order (July 25, 2025), Order Points 1-3.
[47] 25-27 Xcel Compliance Filing, December 31, 2025, pp. 1-2.

and payment agreement practices to include consideration of individual household financial circumstances. Xcel must offer the down payment percentage amounts as shown in the table [below] but may offer lower down payment plans as warranted by consideration of individual household circumstances.

Table 6: Graduated Down Payment Arrangement

Payment Arrangement Offered	1st	2nd	3rd	4th	5th	6th
Normal Payment Agreements (% down)	10%	25%	35%	50%	50%	50%
Extenuating Circumstances Payment Agreements (% down)	10%	15%	25%	40%	50%	50%

Xcel states that its staff was trained on this new down payment schedule and began implementing it with customers in December 2024.[48,49] Xcel confirms that it had added information about this plan to the "Minnesota Disconnection Process" document available on its website.[50]

Order Point 27. Xcel must detail in its annual safety, reliability, and service quality report the average down-payment amount received from customers—both as a percentage of arrears and as a total dollar value—during CWR and non-CWR months. Xcel shall also explain how it has implemented the statutorily required consideration of both financial and extenuating circumstances during CWR and non-CWR months.

Xcel provided the following data about average down payments:

Table 7: Deferred Payment Arrangement (DPA) Data during CWR (2024)

Months	Number of DPAs	Average Down Payments	Percentage of Total Past Due
January	8,584	$131	15%
February	8,627	$150	16%
March	9,477	$179	17%
April	15,778	$239	17%
October	11,677	$153	20%
November	9,072	$149	23%
December	7,258	$140	22%

[48] Xcel SRSQ Report, Part 3 of 3, April 1, 2025, pp. 102-103.
[49] Xcel SRSQ Report, Part 3 of 3, April 1, 2025, pp. 106-107.
[50] Minnesota Disconnection Process.

Table 8: Deferred Payment Arrangement (DPA) Data during Non-CWR (2024)

Months	Number of DPAs	Average Down Payments	Percentage of Total Past Due
May	14,549	$427	28%
June	12,079	$370	27%
July	13,374	$315	27%
August	13,870	$277	26%
September	12,600	$199	23%

The Department concluded that Xcel complied with this reporting requirement and had no further conclusions or recommendations.[51]

Staff notices that there were far more payment arrangements made during non-CWR months. This is likely because Xcel performs disconnections after CWR ends. However, if a customer makes a payment arrangement during CWR, the average down payment is far more affordable, and therefore, is the best option.

CAO has seen that the smaller utilities – MP and OTP – are better at setting up payment arrangements with their customers. MP and OTP's CSR teams are all located in the Midwest, as compared to Xcel's CSRs in Texas. The Texas CSRs in particular have demonstrated they are not as knowledgeable of Minnesota laws.

CUB/LSAP commented on numerous continuing concerns they have about Xcel and how it sets payment plans. CUB/LSAP provides observations that it had heard from customers, including:

1) Xcel agents are sometimes unwilling to offer payment agreement terms that are affordable for the household and/or properly considering extenuating circumstances, including medically affected households.
2) CSRs did not offer the option to speak with a PAR team representative and escalate their concerns.
3) Xcel is not consistently referring qualified individuals to available assistance resources.[52]

CAO has continued to hear similar accounts from Xcel's customers since the January 2025 Order, requiring Xcel to offer more flexible payment arrangements. CAO informed Staff of additional situations it has encountered with Xcel in the past year:

1) Xcel continues to refuse to offer flexible payment arrangements during the heating season. CAO's experience is that Xcel agents are not well trained in offering the graduated payment arrangements in Tables 7 and 8 as ordered by the Commission.

[51] Department Initial Comments, July 11, 2025, p. 63.
[52] CUB/LSAP Initial Comments, September 22, 2025, p. 2.

Additionally, Xcel does not ask for a customers' income data to formulate a payment plan that works for the household as is described in the CWR statute – MN. Stat. § 216B.096.

2) CSRs, as well as Xcel's advocate teams who work directly with CAO, refer to CWR as a disconnection moratorium, which promotes a lack of urgency from customers.
3) Xcel has placed holds on customers' accounts until April 30, 2026, even customers without a payment arrangement.
4) Although CAO does require the customer's permission, CSRs refusing to work with customers' relatives when the customers is disabled or impaired in some manner that does not allow them to create a payment arrangement on their own.
5) Xcel does not require customers with medically necessary flags on their account to set a payment arrangement, thereby allowing them to rack up large past due amounts. Moreover, medical protection lapses after one year, and the customer must fill out a new form with their medical provider. If the protection lapses, late fees resume. CAO finds that the Company's outreach to keeping accounts medically protected is questionable.

Staff posits that continued training for CSRs is imperative, and CAO concurs. Xcel hired 30% more CSRs between April 2024 and April 2025.[53] It is possible that these CSRs have not yet received enough training, particularly in soft skills for the Company's payment-challenged customers. Xcel states that its CSRs are trained over an eight-week period when they are hired and receive refresher training sessions before CWR season.[54] The Commission may wish to require Xcel Energy to provide additional continued training on providing payment arrangements, escalating calls when necessary, and referring customers to available assistance.

In January 2005, the Commission initiated an investigation into CenterPoint Energy (CPE)'s administration of CWR. As a result of Docket G-008/CI-04-2001, CPE is required to work with the PUC on its CWR scripts and training. In practice, CPE annually submits CWR scripts to CAO for edits, and CAO attends CWR training with customer service staff before the heating season begins. The Commission may wish to consider authorizing the Executive Secretary to work with Xcel Energy on its CWR scripts and attend an annual training course with CSRs prior to CWR season.

Also, CAO reports rarely have received CWR appeal forms from Xcel's customers. In many cases, CAO has had to demand an appeal form be provided to the customer.

Under Minn. Stat. § 216B.096 Subd. 8, utilities are required to provide customers or third-parties with a Commission-approved written notice of the right to appeal the CWR payment

[53] 12-383 Xcel Initial Comments, July 22, 2025, p. 7.
[54] 24-2 Xcel IR No. 1 Response, January 29, 2025.

arrangement the utility presented to the customer.[55] CPE customers consistently work with CAO on CWR appeals.

IR No. 5 in the 25-2 proceedings asked Xcel why its customers did not submit CWR appeal forms to CAO like CPE's customers did. Xcel states that it provides a script to its CSRs about the CWR appeal process,[56] but then also states that its "negotiations process with customers allows the Company and its representatives additional opportunities to work with customers in determining an agreeable payment plan" and cites instances when customers may change their mind on the payment plan later. Staff found that the Company did not completely explain why they did not utilize the CWR appeal process. CAO reports that Xcel has continued to not share appeal forms with their customers during the 2025-26 heating season, which does not allow CAO to decide what is a reasonable payment plan. The Commission may also wish to consider requiring Xcel to appropriately utilize the CWR appeals process per Minn. Stat. § 216B.096, Subd. 8.

VI. Disconnection Limitations

Order Point 28. Xcel must not send disconnection notices until a customer's balance reaches $180 past due.

Order Point 29. Xcel must not disconnect customers with a past due balance below $300.

Order Point 30. Xcel must wait at least 10 days after sending a disconnection notice before disconnecting a customer.

Xcel confirms that Order Points 28-30 have all been formalized in its practices and that both thresholds are stated in the "Minnesota Disconnection Process" document available on its website.[57] The Department concurs that Xcel had complied with this requirement.[58] While the Department requested information on whether Xcel had measured the outcome of these changes, Xcel stated that it would need 12 months of data to provide any analysis.

VII. Policy Evaluations of Potential Consumer Protections

Order Point 31. Xcel must evaluate implementing the following policies and to file the evaluation by April 1, 2025 in its 2024 safety, reliability, and service quality report.

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[55] Minn. Stat. § 216B.096 Cold Weather Rule; Public Utility.
Subd. 8. Disputes; customer appeals.
(a) A utility must provide the customer and any designated third party with a commission-approved written notice of the right to appeal:
(1) a utility determination that the customer's household income is more than 50 percent of state median household income; or
(2) when the utility and customer are unable to agree on the establishment or modification of a payment agreement.

[56] 24-2 Xcel IR No. 4 Response, January 29, 2025.

[57] Xcel SRSQ Report, Part 1 of 3, April 1, 2025, pp. 103-105.

[58] Department Initial Comments, July 11, 2025, pp. 62-63.

a. *Setting the reconnection fee at $0. The evaluation shall include an estimate of the costs of waiving reconnection fees and how the Company would propose to recover those costs.*

Xcel stated that setting the reconnection fee at $0 would amount to $485,000, which would be added to base rates at an approximate $0.40 per residential customer.[59] Xcel made this assumption based on its current reconnection fee of $13.50 and an estimate of 36,000 reconnections in 2025. The Department did not specifically recommend acceptance of the reporting on Order Point 31a. Staff notes that neither the Company nor the Department recommended acceptance of this policy.

b. *A proposal to increase the number of customers receiving pre-weatherization, weatherization, and energy efficiency improvements, including deep retrofits to create greater energy savings, in areas within the Company's service territory with high energy burden. The proposal should include year over year targets designed to increase the number of people receiving energy efficiency measures.*

Xcel provides a list of existing programs designed to meet these goals that it expects to grow year over year, which it argues met the goal of this order point. Those programs are within the Income Qualified Segment, which include Affordable Efficient New Home Construction, Home Energy Savings Program, Low Income Home Energy Squad, Low Income Multifamily Building Efficiency, and Workforce Development. Xcel provided data on health and safety outcomes from these programs. Over twelve health and safety measures, including furnace and boiler replacements and insulation, Xcel made improvements in 286 units over 259 buildings for a total of $402,753 in 2024.[60]

Xcel states, in response to the Department's conclusion that it has not met this Order Point, that it believes that its ECO docket is the most appropriate place to file new proposals on these themes. In Xcel's 2027-2029 ECO triennial filing, the Company will provide year-over-year targets. In its ECO triennial, Xcel may propose new programs or modifications to existing programs to better target areas with high energy burden. Additionally, an upcoming decision in the ECO financial incentive framework docket (08-133) may lead to utilities having more incentive to increase low-income ECO spending. Xcel says it would file a proposal in its next ECO Triennial Plan on June 1, 2026, as well as its Natural Gas Innovation Plan.[61] The Department says that it would review the proposed plans in these two dockets.[62] Staff will continue to consult on Xcel's ECO filings with regard to low-income customers.

c. *A more robust hot-weather rule to prevent disconnections in months with the highest cooling energy burden.*

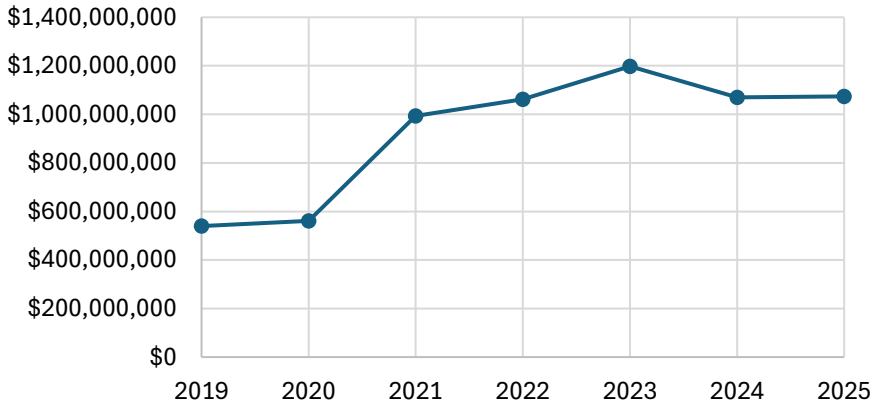
[59] Xcel SRSQ Report, Part 3 of 3, April 1, 2025, p. 107.
[60] Xcel SRSQ Report, Part 3 of 3, April 1, 2025, pp. 107-110.
[61] Xcel Reply Comments, August 8, 2025, p. 14.
[62] Department Reply Comments, November 6, 2025, p. 12.

Xcel identified July and August as typically the hottest months of the year but disagreed that it would benefit customers to add two additional months of disconnection moratorium on top of the months covered by the CWR.[63] Xcel argues that a Hot Weather Rule (HWR) would likely exacerbate arrears and bad debt, rather than helping customers for the following reasons:

1) The 18-month pandemic disconnection moratorium demonstrated that customers were less likely to pay down arrears when credit disconnection was not an option, and that this led to 50% growth in arrears over pre-pandemic levels.
2) At the time of reporting, there was a potential elimination of LIHEAP funds for the 2025-26 heating season, limiting the amount of energy assistance customers can apply towards their bills.
3) Xcel contends that an additional two months without disconnections would make it more difficult to reach customers with information about energy assistance, thereby, shrinking the number of months where customers are required to pay to avert disconnection would limit the amount of time that the customers, in effect, must contact Xcel, and therefore receive information about energy assistance.[64]

Staff concurs with Xcel that arrears would continue to grow if, for only three months out of the year, the Company would disconnect customers. The number of customers in arrears stayed steady from before to after the pandemic at approximately 2.1 million customers. Instead of more customers being in arrears, these 2.1 million customers' arrears have approximately doubled. Due to the COVID-19 disconnection moratorium and the economic strain from the pandemic, arrears grew from approximately $550 million in 2019 to more than $1 billion in 2021, which has stayed steady since.

Figure 4: Arrears of All Residential Customers (2019-2025)[65]



Instead, Xcel voluntarily treats CWR season as a disconnection moratorium. Note the Company is not required to do so by Minnesota Statute, Rule, or Commission Order, so Xcel is within its

[63] Xcel SRSQ Report, Part 3 of 3, April 1, 2025, p. 110.
[64] Xcel Reply Comments, August 8, 2026, p. 15.
[65] YR-2 CWR Reporting.

rights during CWR season to perform disconnections if the appropriate protections are in place.

While it continues to send out disconnection notices, Xcel customers have been informed by CSRs that their electric provider's practice is not to disconnect during the winter months, and therefore, have little to no immediate incentive to prevent disconnections, instead using any remaining money on hand for more immediate needs like housing, transportation, food, or medicine.

Then, Xcel performs mass disconnections in May at the close of CWR. The Company stated that, if the Commission were to order an HWR, it would only perform credit disconnections three months out of the year – May, June, and September. A HWR would likely result in another round of mass disconnections in September and would only allow customers a single month to catch up on past due bills.

d. Creating an off-season LIHEAP program to help income-qualified residents clear their arrears by self-attesting to their income level.

Xcel says that this reporting requirement had been fulfilled by its reporting on Order Point 33, in the following section of the briefing papers.

VIII. Program Similar to Offering in Colorado

Order Point 33. Xcel must file in supplemental direct testimony to its rate case filed November 1, 2024 in Docket E002/GR-24-320 a program similar to its offering in Colorado where interest payments and fees from late bill payments are donated to low-income customer assistance programs or the elimination of late fees and interest.

Xcel proposed a new year-round program in its rate case – Residential Arrears Management Program (RAMP), modeled off a similar program in Colorado, which would apply a pre-determined benefit to eligible customers with past due balances, with the goal of mitigating credit activity and potential disconnection.[66] Through this program, a customer would be allowed to self-attest income as one aspect of eligibility. RAMP would be funded by late fees paid by past due customers.

The Department did not provide a position on the RAMP in the instant docket, but in Xcel's rate case, Department witness Bahn recommended the RAMP with modifications.[67] CUB witness Levenson-Falk opposed RAMP, and instead of using late fees to fund a program, CUB

[66] Xcel SRSQ Report, Part 3 of 3, April 1, 2025, p. 111; Docket No. E-002/GR-24-320, *In the Matter of the Application of Northern States Power Company for Authority to Increase Rates for Electric Service in Minnesota*, Supplemental Direct Testimony of Nora C. Lindgren (March 17, 2025); Rebuttal Testimony of Diedra K. Howard (October 10, 2025).

[67] Docket No. E-002/GR-24-320, *In the Matter of the Application of Northern States Power Company for Authority to Increase Rates for Electric Service in Minnesota*, Surrebuttal Testimony of Andy Bahn (November 25, 2025).

recommended that the Commission require Xcel to waive late payment charges.[68]

CAO has also suggested removing late fees for customers that are behind on their bills, because late fees are one of the main causes of customer arrears, especially once Xcel puts disconnection holds on an account (like during CWR). Per MN. Stat. § 216B.096, Subd. 7(b), the utility is allowed to charge late fees to any customer who has entered into a payment agreement.[69]

Note that RAMP will be decided upon in the Xcel rate case; a decision about RAMP will not be determined in this proceeding.

IX. Managing Disconnections Due to a Landlord's Failure to Pay

Order Point 34. Xcel must provide a discussion in its next safety, reliability, and service quality report on how it manages disconnections due to a landlord's failure to pay, consistent with the requirements in Minn. R. 7820.1400.

Xcel confirms that, to comply with Minn. Rule 7820.1400,[70] in the case where a known landlord-tenant relationship exists, and the landlord has filed to pay the bills on behalf of a tenant, Xcel posts on all accessible doors a notice of intent to disconnect and includes the number the tenant can call to transfer service to their name.[71]

X. Additional Service Extension Data

Order Point 14. Xcel must include an analysis and summary data based on the data points below for 2024 with its next safety, reliability, and service quality report due April 1, 2025 report to better determine if there are areas for improvement in shortening service timelines.

- *Type of new service request (based on Request Type such as Service, Extension, Relocate/Lower Facilities, etc. and Value Characteristic such as Commercial Retail, Other Building, etc.):*
- *Date of new service request*
- *Requested new in-service date*
- *Date of meter installation*
- *Date of service connection*

Order Point 15. Xcel must report service extension timelines by work center in future safety,

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[68] Docket No. E002/GR-24-320, *In the Matter of the Application of Northern States Power Company for Authority to Increase Rates for Electric Service in Minnesota*, Direct Testimony of Annie Levenson-Falk (August 22, 2025).

[69] MN. Stat. § 216B.096, Subd. 7. Prohibitions and requirements.

(b) A utility may not charge a deposit or delinquency charge to a customer who has entered into a payment agreement or a customer who has appealed to the commission under subdivision 8.

[70] Minn. Rule 7820.1400 Landlord-Tenant Rule.

[71] Xcel SRSQ Report, Part 3 of 3, April 1, 2025, pp. 111-112.

reliability, and service quality reports.

In response to Order Points 14 and 15, the Department acknowledges that Xcel provided complete data on all service extensions.[72]

For more details on service extensions, see p. 20 in Vol. 2 of the briefing papers.

XI. Conducting Studies

Order Point 43. Xcel must conduct a study similar to the TRC Service Quality and Demographics Analysis on a three-year cycle with the next report due on April 1, 2027, with its safety, reliability, and service quality report. Xcel must use five years of data for future analyses.

In the 2023 SRSQ docket, two studies on racial and class disparities in electric service delivery were discussed: the Pradhan-Chan Study, and the Xcel-TRC Study. The key findings from the Pradhan-Chan study were:

- There is a correlation between People of Color (POC) households and a higher number of disconnections.
- Disadvantaged communities and high POC neighborhoods have higher long outages (CELI-12).[73]
- There is a higher hosting capacity in disadvantaged and high POC communities.

The key findings from the TRC Study were:

- Disconnections were higher in neighborhoods (Census Block Groups or CBG) with a higher percentage of POC households. Percent of POC households had the strongest impact on disconnections (after controlling for other variables).
- CELI-12 were higher in neighborhoods with a higher percentage of POC, but only in neighborhoods with older homes.
- After controlling for other variables, there was no clear pattern between CEMI[74] and high POC census blocks.

Parties and Xcel worked on several proposals to continue to address and remedy these disparities in those proceedings. Xcel says that the findings of these studies informed the efforts of conducting a similar study in its 2026 SRSQ report to be filed on April 1, 2027, as discussed below.

[72] Xcel SRSQ Report, Part 1 of 3, April 1, 2025, Attachments Q, R, and S.

[73] CELI-12 (Customers Experiencing Lengthy Interruptions) is defined as any electric premise that experienced an outage of 12 hours or more in one year.

[74] CEMI is defined as any electric premise that has experienced multiple outages in one year.

XII. Interactive Service Quality Map

Order Point 40. Xcel must add to its interactive service quality map the average age of homes by Census Block Group by April 1, 2025.

Order Point 41. Xcel must add to its interactive service quality map the average amount of arrears for disconnected premises by April 1, 2025.

While not summarized in this briefing paper, previous briefing papers for prior decisions in Docket E-002/M-20-406 contain in-depth explanations of how stakeholders have considered and helped to shape the data available in the Minnesota Electric Interactive Service Quality (ISQ) Map.[75] All data in the ISQ map is presented by CBG.

In the 2024 SRSQ docket, the Commission ordered Xcel to add the following additional data points to its ISQ Map:

1) Municipal boundaries
2) Premise counts by CBG
3) Percentage of underground electric assets
4) Percent of electric premises disconnected for 24 hours or more
5) Average age of arrears for disconnected premises
6) Per premises energy costs
7) Average age of homes by CBG
8) Average amount of arrears for disconnected premises

The Company states that it added six of these layers at the time of filing its report in April and expected to complete the additions by end of September 2025.[76] Staff confirms that all of the layers have been added except for one. The Company states that it no longer found it feasible to add "age of arrears" from Order Point 39 to its map, citing that debt is tracked at the account level, so a customer could have different sets of arrears within their account or could have moved across different CBGs with different levels of arrears.

For more details about possibly adding additional layers to the ISQ map following the reporting workgroup, see p. 32 of this volume of the briefing papers.

XIII. Third-Party Evaluation

Order Point 46. Hire an independent third-party evaluator with expertise in evaluating racial disparities to conduct a one-year study that will evaluate Xcel's practices and policies related to

[75] Xcel's ISQ map.
[76] Xcel Reply Comments, August 8, 2025, p. 17.

capital investment planning, outage restoration practices, and shutoff practices to better understand the causes of these discrepancies in shutoff rates and service reliability. Xcel must engage interested stakeholders to participate and collaborate with the independent third-party evaluator.

The Company states that it had collected responses to its RFP for an evaluator, and that it hoped to file the results of this report in its April 1, 2026 SRSQ report.[77]

The Environmental Law & Policy Center, Cooperative Energy Futures, and Vote Solar (together ELPC/CEF/VS) comments that they were pleased to learn about the progress on this item, as well as Xcel's intent to file the study with its next SRSQ report. ELPC/CEF/VS stated that they were interested in engaging in the evaluation on proposed changes to existing policies and practices and requested that Xcel include them in any outreach about this opportunity.[78] Staff offers **Decision Option 15**, requiring Xcel to engage with stakeholders on the study.

XIV. CELI-12 Additional Analysis

Order Point 38. Xcel must perform additional analysis as outlined in decision options below prior to developing a proposal for targeted undergrounding or enhanced vegetation management.

Order Point 44. Xcel must develop its data collected on causes of CELI-12 outages to inform which causes predominantly affect CBGs currently showing increased CELI-12. Xcel must then analyze whether the primary causes emerging in census block groups with increased CELI-12 are caused by overhead assets.

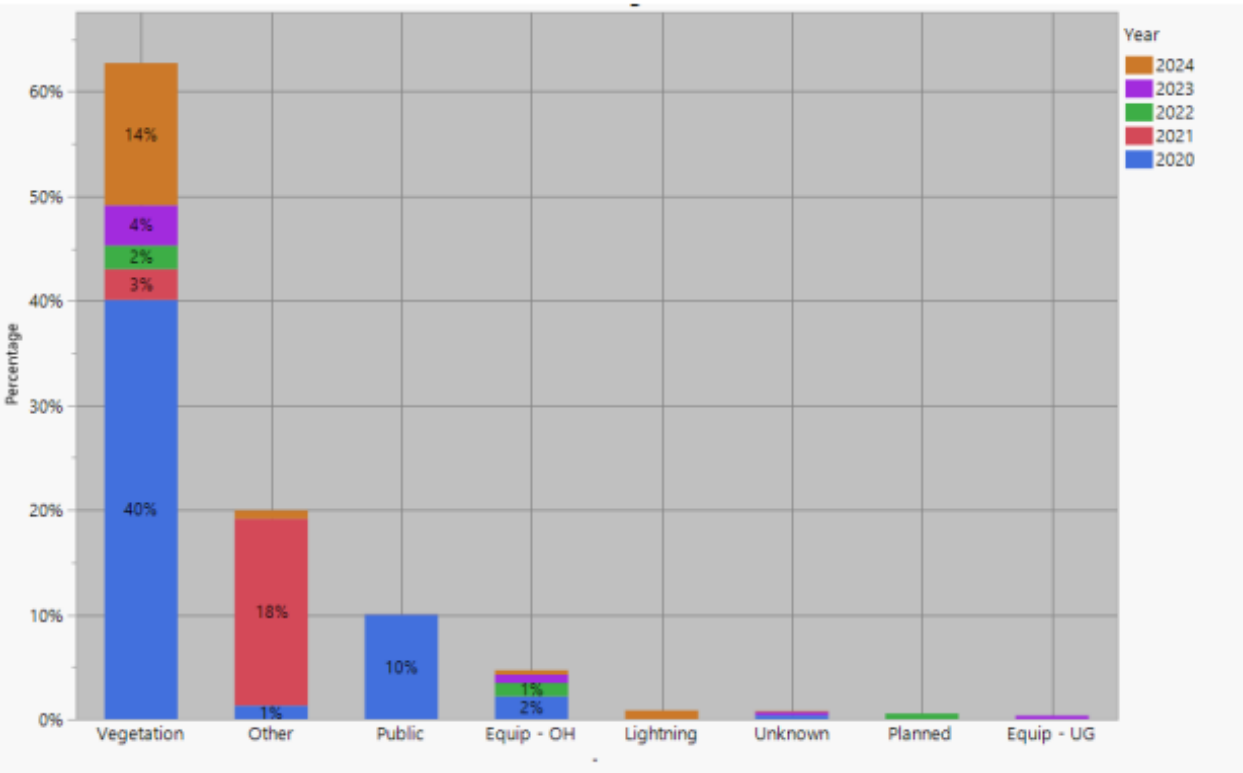
Order Point 45. Xcel must provide an analysis of distribution equipment vintages in the affected CELI-12 communities and analyze whether upgrading this equipment would be cost effective.

In the 2023 SRSQ proceeding, there was discussion between Xcel and parties about whether vegetation management would lead to improvements in extended outages (CELI-12). In its 2024 filing, Xcel provided a five year (2020-2024) non-normalized CELI-12 analysis across 27 CBGs showing increased CELI-12, as identified in the TRC Study. Xcel found that there were 76 vegetation-related outages that accounted for 63% of CELI-12 affected customers over the five-year period.[79] Xcel claims that this demonstrates that:

> [V]egetation interactions with overhead assets are the predominant cause of outages affecting CBGs currently showing increased CELI-12. During the five-year period, the affected CBGs had a collective 8.33 percent CELI-12 rate compared with 4.19 percent for the overall Minnesota service territory.[80]

[77] Xcel Reply Comments, August 8, 2025, pp. 19-20.
[78] ELP/CEF/VS Joint Initial Comments, July 11, 2025, pp. 4-5.
[79] Xcel SRSQ Report, Part 3 of 3, April 1, 2025, p. 117.
[80] Xcel SRSQ Report, Part 3 of 3, April 1, 2025, p. 18.

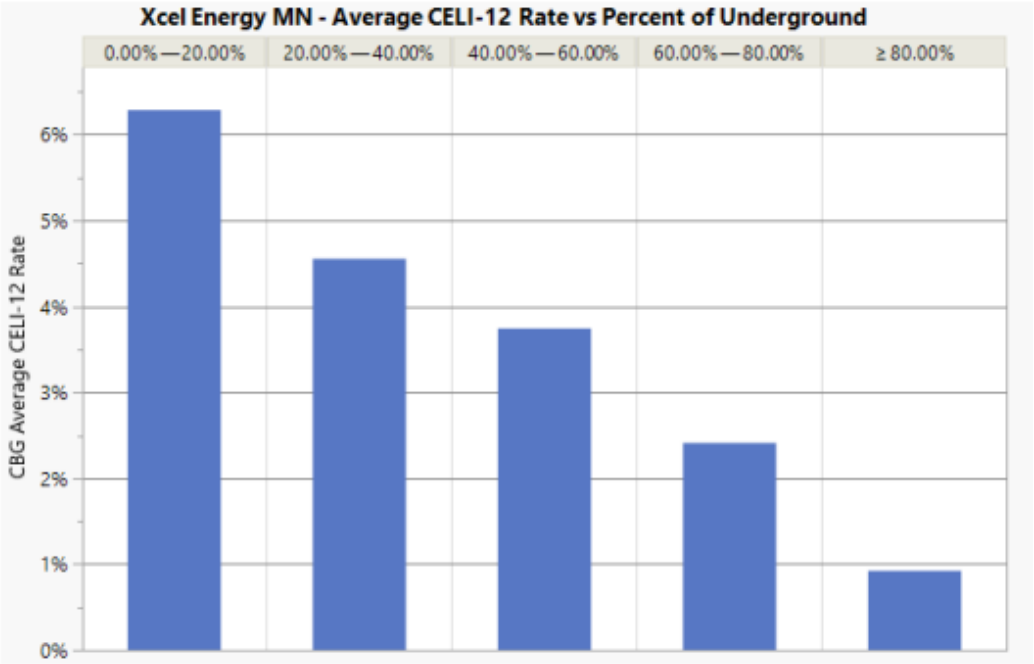
Figure 5: Top Eight Causes of Outage in CBGs with Higher CELI-12[81]



Xcel observes that the distribution equipment in the 27 CBGs showing increased CELI-12 is approximately 90% overhead and 10% underground, compared to its statewide system (55.9% overhead and 44.1% underground). Because of this, Xcel stated that undergrounding distribution lines could be a promising solution for lowering CELI-12s (as opposed to other strategies, such as replacing poles, which yielded less impactful correlation and potential results in analysis).[82]

[81] Xcel SRSQ Report, Part 3 of 3, April 1, 2025, p. 119.
[82] Xcel SRSQ Report, Part 3 of 3, April 1, 2025, pp. 120-122.

Figure 6: Average CELI-12 Rate vs. Percent of Underground Lines Across MN Service Territory[83]



Xcel provides Figure 6 to illustrate the correlation between CBGs with more undergrounded distribution lines and lower CELI-12 rates, thus laying the groundwork for more targeted undergrounding distribution lines. Xcel states that it expects to provide data over a 10-year historical period for a more "comprehensive evaluation of reliability performance by smoothing out short-term anomalies and better capturing the variability introduced by extreme weather events."[84]

ELPC/CEF/VS supports Xcel's plan to submit additional plan details in its Integrated Distribution Plan (IDP) but raised concerns about the potential cost of undergrounding. ELPC/CEF/VS pointed to Xcel's admission of risk in this strategy, given "uncertainty in the current cost estimate due to currently limited quantity of comparable past overhead to underground conversion projects."[85] ELPC/CEF/VS recommends Xcel provide additional information in the IDP filing about ongoing operations and maintenance costs and impact to property and roads/traffic during construction. This recommendation will be taken up in Xcel's IDP proceedings in Docket 25-142.

[83] Xcel SRSQ Report, Part 3 of 3, April 1, 2025, p. 124.
[84] Xcel Reply Comments, August 8, 2025, p. 19 .
[85] ELPC/CEF/VS Initial Comments, September 22, 2025, p. 3, referencing Xcel SRSQ Report, Part 3 of 3, April 1, 2025, p. 125.

XV. Information and Training on Racial Disparities

Order Point 35. Xcel must inform affected personnel of racial disparities in electric service.

Order Point 36. Xcel must file a compliance report with its annual safety, reliability, and service quality filing on which employees received the training and what information was provided.

Xcel states that, in addition to a training on "Microaggressions and Unconscious Bias" for all employees, it is developing additional training on "overcoming intended bias in customer interactions during service interruptions," which incorporate relevant findings from the third-party evaluator's report.

XVI. Tariff Revisions

Order Point 37. Where not otherwise noted, Xcel must file any necessary revised tariff changes within 30 days of the date of this order.

Xcel filed the necessary tariff revisions on February 12, 2025.

XVII. Workgroup on Affordability Program Reporting

Order Point 42. The Commission delegates authority to the Executive Secretary to work with Xcel and stakeholders to develop a proposal for what affordability and associated service quality data is reported in safety, reliability, and service quality report and what data continues to be reported in other dockets.

Before the workgroup began, Staff, the Company, and parties compiled a complete listing of various affordability and service quality reporting across various dockets. Two workgroup meetings were held. The conversations in the meetings turned from adding additional data sets to the annual SRSQ reports to adding additional layers in Xcel's ISQ map. Stakeholders identified five data sets that they would like added to the ISQ map. All the data reported on the map is at the CBG level. Xcel filed a letter in the docket on January 22, 2026, addressing the data stakeholders had requested:

Table 9: Revised Affordability Program Reporting[86]

Proposal	Xcel's Finding	Decision Option
Energy burden	Energy burden can be added to both its electric and gas maps, but the data will only be approximate. Xcel's electric-gas combination customers and electric customers with gas service at a different utility will not have their entire energy burden captured.	**16a**
Distribution capital spending per customer	Xcel did not view distribution capital spending per customer as a meaningful metric, because the location of	**16b**

[86] Xcel Letter, January 22, 2026.

	spending is often different from where the benefit of the spending occurs.	
Households in a managed Electric Vehicle (EV) charging program	A new data layer on the map can be added, but customers move in and out of premises and enroll/unenroll in EV programs, so the data will only reflect a snapshot in time.	**16c**
Age of distribution infrastructures	Xcel does not possess accurate age data for all its equipment, so the metric would be challenging and likely misleading.	**16d**
Outage response time and spending per customer/CBG	Outage response time is not available in a format that is feasible to report by CBG. Xcel recommended using Customer Average Interruption Duration Index (CAIDI), which is currently reported on the map. Spending per customer/CBG can be misleading as equipment located within a CBG does not always serve that CBG.	**16e**

Xcel notes adding more layers to the map will become cluttered, slow to load, and difficult to use for analysis. Additionally, stakeholders have continued to request additional map layers across various dockets.

Staff notes that no stakeholder recommended adoption of additional map layers in their written comments to the docket, rather they were discussed in the workgroup meetings and only introduced to the record through Xcel Energy's January 22, 2026 Letter.

Staff reasons that adding a layer depicting energy burden could be useful and was within the scope of the stakeholder meetings (**Decision Option 16a**).

However, the other four potential map layers are either outside the scope of service quality reporting or have already been discussed in prior proceedings. Staff notes there is a separate workgroup focused on Distribution Grid Data that originated out of Xcel Energy's 2023 IDP[87] that covered the topics listed above. Additionally, the Commission addresses reporting and data related to electric vehicles as part of Xcel's Transportation Electrification Plan.[88] Staff recommends that stakeholders interested in distribution data raise those points in the Distribution Data Workgroup. Staff takes no position on **Decision Options 16a-16e**.

XVIII. Periodic Replications of Disparities Studies

Order Point 43. Xcel must conduct a study similar to the TRC Service Quality and Demographics Analysis on a three-year cycle with the next report due on April 1, 2027, with its safety, reliability,

[87] Docket E-002/M-23-452*, In the Matter of Northern States Power Company d/b/a Xcel Energy's 2023 Integrated Distribution Plan*, Order (September 16, 2024), Order Point 13.

[88] Xcel's most recent Transportation Electrification Plan is in Docket E-002/M-25-142.

and service quality report. Xcel must use five years of data for future analyses.

The Commission will examine the study in the SRSQ proceedings in 2027.

DECISION OPTIONS

1. Accept Otter Tail Power's, Minnesota Power's, and Xcel Energy's 2023 Safety, Reliability, and Service Quality reports. (*Xcel, MP, OTP, Department*)

Volume 1 Decision Options

Staff note: Classically a supplemental filing is required after the IEEE benchmarking data is posted, as that does not happen until after the April 1 filing deadline, however, this year, MP and OTP have proposed an alternative that removes the need for a supplemental filing requirement. Decision Options 2-4 allows for this shift for OTP and MP while maintaining the same IEEE benchmarking comparisons (e.g. second quartile and utility size) for the utilities' reliability standards and a supplemental filing for Xcel. Decision Option 5 would also negate the need for a Xcel supplemental filing, aligning with OTP and MP.

2. Set Minnesota Power's 2025 statewide Reliability Standard at a five-year mean of the IEEE benchmarking second quartile for medium utilities (2020-2024 data). Set Minnesota Power's work center reliability standards at a five-year mean of the IEEE benchmarking second quartile for small utilities (2020-2024 data). (*Minnesota Power, Department*)

3. Set Otter Tail Power's 2025 statewide Reliability Standard at a five-year mean of the IEEE benchmarking second quartile for medium utilities (2020-2024 data). Set Otter Tail's work center reliability standards at a five-year mean of the IEEE benchmarking second quartile for medium utilities (2020-2024 data). (*Otter Tail Power, Department*)

4. Set Xcel Energy's 2025 statewide Reliability Standard at the IEEE benchmarking second Quartile for large utilities. Set Xcel Energy's Southeast and Northwest work center reliability standards at the IEEE benchmarking second quartile for medium utilities. Set Xcel's Metro East and Metro West work center reliability center standards at the IEEE benchmarking second quartile for large utilities. Require Xcel Energy to file a supplement to its 2025 SRSQ report 30 days after IEEE publishes the 2025 benchmarking results, with an explanation for any standards the utility did not meet. (*Xcel, Department)*

[OR]

5. Set Xcel Energy's 2025 statewide Reliability Standard at a five-year mean of the IEEE benchmarking second Quartile for large utilities (2020-2024 data). Set Xcel Energy's Southeast and Northwest work center reliability standards at a five-year mean of the IEEE benchmarking second quartile for medium utilities (2020-2024 data). Set Xcel's

Metro East and Metro West work center reliability center standards at a five-year mean of the IEEE benchmarking second quartile for large utilities (2020-2024 data). (*Staff proposed alternative to above DO)*

Volume 2 Decision Options

6. Require Xcel Energy to file Call Center Response Time data in the format used in the July 11, 2025 Department of Commerce comments at page 40 in future safety, reliability, and service quality reports – broken out between agents (with subcategories), IVR (with subcategories), and totals. *(Staff recommendation)*

7. Require Xcel Energy, Minnesota Power, and Otter Tail Power to provide the following information regarding electronic utility-customer interaction for the next three reporting cycles to build baselines for web-based service metrics, beginning in the 2025 safety, reliability, and service quality reports to be filed on April 1, 2026: *(Department)*

Percentage Uptime		[To second decimal]
	General Website	XX.XX%
	Payment Services	XX.XX%
	Outage map &/or Outage Info page	XX.XX%
Error Rate Percentage		[To third decimal]
	Payment Services*	XX.XXX%

*****If more granular data on Payment Services is available, the report shall break down the error rate for unexpected errors, errors outside of the customer's control (i.e. how often online payments fail for reasons other than insufficient funds or expired payment methods), and/or some other meaningful categorization.

[AND]

8. Require Xcel Energy, Minnesota Power, and Otter Tail Power to provide information on electronic utility-customer interaction for the next three reporting cycles, such that baseline data is collected on: *(Department)*
    a. Yearly total number of website visits.
    b. Yearly total number of logins via electronic customer communication platforms.
    c. Yearly total number of emails or other customer service electronic communications received.
    d. Categorization of email subject, and electronic customer service communications by subject, including categories for communications related to assistance programs and disconnections as part of reporting under Minn. Rule 7826.1700.

9. Require Xcel Energy, Minnesota Power, and Otter Tail Power to provide SRSQ data in

.xslx format. *(Staff recommendation)*

Volume 3 Decision Options

Variance to Minn. Rule 7820.2500

10. Approve Xcel Energy's request for temporary extension of the variance to Minn. Rule 7820.2500 regarding AMI remote disconnection. *(Xcel, Department)*

[AND]

11. Extend Xcel Energy's variance until the Commission issues a decision on the variance request as presented in the 2025 Safety, Reliability, and Service Quality report to be filed on April 1, 2026 in Docket E-002/M-26-27. *(Xcel, Department)*

[If Decision Option 10 is not chosen, the Commission must choose Decision Option 12.]

12. Require Xcel Energy to revise its Manual Meter Reading Service Rider and Service Reconnection Tariff in its Electric Rate Book to the language in Xcel's Errata Letter to the August 30, 2022 Reply Comments in Docket E-002/M-22-233. *(Staff recommendation)*

Reporting Requirements from the Commission's Order in 24-27

13. Accept Xcel Energy's reporting as required by the Commission's January 13, 2025 Order in Docket No. E-002/M-24-27. *(Xcel, Department)*

Various Consumer Protections

14. Require Xcel Energy to evaluate whether the Company could allow a customer to complete its Medically Necessary Equipment & Emergency Certification form and indicate that Xcel Energy may reach out to the customer's medical provider to confirm their need for medically necessary service in its next annual SRSQ report, to be filed on April 1, 2026. *(Department)*

15. Require Xcel Energy to include stakeholder groups in any outreach related to its third-party evaluator's work. *(ELPC/CEF/VS)*

16. Require Xcel Energy to add layers to its ISQ map:
    a. Energy burden. (*Staff)*
    b. Distribution capital spending per customer.
    c. Households in a managed EV charging program.
    d. Age of distribution infrastructure.
    e. Outage response time and spending per customer/CBG.