

Staff Briefing Papers

Meeting Date July 1, 2025

Agenda Item **4

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

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

Issues Should the Commission approve Xcel's proposals on remote reconnection on disconnected customers during extreme heat events and air quality alerts?

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✓ **Relevant Documents**

Date

Xcel Energy Annual 2024 SRSQ Report	April 1, 2025
Minnesota Department of Commerce Initial Comments	May 9, 2025
Office of the Attorney General Initial Comments	May 9, 2025
Citizens Utility Board of Minnesota, Legal Services Advocacy Project, and Energy CENTS Coalition Joint Initial Comments	May 9, 2025
Minnesota Department of Health Initial Comments	May 30, 2025
Xcel Energy Reply Comments	June 3, 2025
Office of Attorney General Reply Comments	June 3, 2025
Citizens Utility Board of Minnesota, Legal Services Advocacy Project, and Energy CENTS Coalition Joint Reply Comments	June 3, 2025
Minnesota Department of Commerce Reply Comments	June 3, 2025

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

I. Statement of the Issue

Should the Commission approve Xcel's proposals on remote reconnection on disconnected customers during extreme heat events and air quality alerts?

II. Background

Xcel Energy (Xcel or the Company), as well as Minnesota Power and Otter Tail Power, submit annual Electric Safety, Reliability, and Service Quality (SRSQ) Reports. Standards and reporting requirements are set under Minnesota Rules chapter 7826 and in Commission Orders.

At the November 7, 2024 agenda meeting, the Commission heard the 2023 Annual SRSQ reports. The January 13, 2025 Order set additional reporting requirements for the utilities in their Annual SRSQ reports about 2024 service.¹ Xcel was required to make two. See Order Points 24 and 32 regarding proposals for utilizing its Advanced Metering Infrastructure (AMI):

- 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.
- 32. Xcel must propose a plan, as part of its with 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.

III. Xcel's Proposal

Xcel submitted a proposal for remote reconnection during extreme heat events and high air quality alerts in its April 1, 2025 SRSQ report. Xcel first shared its plans for each type of emergency, outlining the criteria by which it would declare, for reconnection purposes, a heat or air quality emergency. Then, since remotely reconnecting customers involves similar steps, Xcel addressed both reconnection processes together.

A. Heat Event Plan and Criteria

In accordance with Minn. Stat. § 216B.0975, Xcel already halts residential disconnections in affected counties when an excessive heat watch, heat advisory, or excessive heat warning issued by the National Weather Service (NWS) is in effect.² The three categories are summarized below:

¹ Docket Nos. E-002/M-24-27, E-015/M-24-29, and E-017/M-24-30 Commission ORDER ACCEPTING REPORTS AND SETTING ADDITIONAL REQUIREMENTS, January 13, 2025.

² Minn. Stat. § 216B.0975 Disconnection During Extreme Heat Conditions.

Table 1: NWS Heat Alerts³

Type of Alert	Description of Alert
Excessive Heat Watch Now known as an <u>extreme</u> heat watch ⁴	Issued when <u>dangerous</u> heat is possible within the next 24-72 hours
Heat Advisory	Issued within 12 hours of <u>extremely dangerous</u> heat conditions, generally defined as daytime temperatures expected to be <u>100°F</u> or higher for at least 2 days and nighttime temperatures not dropping below 75°F
Excessive Heat Warning Now known as an <u>extreme</u> heat warning	Issued within 12 hours of <u>extremely dangerous</u> heat conditions, generally defined as daytime temperatures expected to be <u>105°F</u> or higher for at least 2 days and nighttime temperatures not dropping below 75°F

The Company proposed to reconnect customers, as it is able, during heat advisories or excessive heat warnings as demonstrated in Table 1 above that were issued by NWS by county (**Decision Option 1**). Once the NWS heat alert has been issued, currently disconnected customers with an AMI meter will be reconnected. Once the heat alert concludes, the customers will be disconnected again.

B. Air Quality Index (AQI) Alert Plan & Criteria

Xcel notes that there is no current Minnesota Statute or Rule addressing suspending disconnection during air quality alerts like in Minn. Stat. § 216B.0975.

The air quality index (AQI), as published by the Minnesota Pollution Control Agency (MPCA). The MPCA's AQI has color-coded categories between Good and Hazardous to indicate the potential health concerns for different geographic areas, based on different levels of air quality. Xcel proposed to use the MPCA's AQI as a guide for its reconnection policy, as shown in Figure 1.

³ 25-27 Xcel SRSQ Report, Pt. 1 - Service Quality, April 1, 2025, p. 95. Differences between types of alerts are marked in italics and underlined.

⁴ https://www.weather.gov/media/notification/pdf_2023_24/scn24-88_heat_haz_simp.pdf.

Figure 1: AQI Alerts⁵

Air Quality Index (AQI) Values	Levels of Health Concern
<i>When the AQI is in this range:</i>	<i>..air quality conditions are:</i>
0 to 50	Good
51 to 100	Moderate
101 to 150	Unhealthy for Sensitive Groups
151 to 200	Unhealthy
201 to 300	Very Unhealthy
301 to 500	Hazardous

Xcel proposed to suspend disconnection of any customers in affected geographies when the AQI is *151 or greater*, or “Unhealthy” (**Decision Option 2**). Xcel also proposed to reconnect customers who have AMI meters and live in affected geographies when the AQI is *201 or greater*, or “Very Unhealthy” (**Decision Option 4**).

C. Process Steps

Reconnection will only be available to customers: 1) with a communicating AMI meter who have been remotely disconnected; and 2) have responded to the Company’s request that the necessary safety protocols have been taken. Reconnection is only available during the event. If the customer is not reconnected by the time the event has concluded, the customer will no longer have their service reconnected.⁶ Customers that have been disconnected due to safety concerns or tampering of Xcel’s equipment will be excluded from consideration of reconnection during an event.

1. System Preparation

Xcel proposed a process to prepare its system to reconnect customers during extreme heat and poor air quality:

- 1) *Determine a timeline for reconnection based on when the event is forecast to occur.*
- 2) *Integrate county data of the affected areas to Xcel’s internal systems and incorporate this information into its billing system for future reference, disconnection, and reporting by event.*

⁵ <https://news.climate.columbia.edu/2018/06/26/air-quality-alerts-pollution/>

⁶ 25-27 Xcel SRSQ Report, Pt. 1 - Service Quality, April 1, 2025, p. 97.

- 3) *Develop, approve, and record calling scripts to notify impacted customers of the heat or high AQI event.*
- 4) *Determine additional staffing required for event.*

Xcel anticipates hiring additional agents.

Xcel has not yet estimated the cost of hiring additional agents, which will include basic staffing and overtime requirements for both reconnections and disconnections.

- 5) *Notify contact center agents of pending reconnections. Prepare talking points and system actions required for incoming customer calls prior to reconnection.*

For safety reasons, Xcel said that customers must have their electric breakers off before the Company remotely reconnects the customer for safety reasons. Xcel's proposal necessitates that contact center agents perform manual phone calls to customers prior to reconnection. Xcel would require customers to respond to the Company's manual phone call and confirm that their breakers are turned off. Xcel would record verbal communication with customer, indicating that customer performed the breakers-off requirement prior to issuing a reconnection. The Company would only perform remote reconnection during events if the customer verbally confirmed that their breakers are off.

- 6) *Conclusion of air quality or heat event and determination of re-disconnection.*

Within 24 hours of an event's conclusion, all customers that had been reconnected due to the event will be disconnected again, unless a previously disconnected customer has since established a payment arrangement to avoid being disconnected again.

Based on their chosen method, customers will be notified of the impending disconnection (e.g., email, phone call, or text message).⁷

2. Customer Reconnection Process

Xcel then shared the process to reconnect during an actual event:

- 1) Within 24 hours of a projected event, Xcel would query all accounts in the affected areas to determine which customers can be remotely reconnected. Impacted county information must be overlayed in Xcel's internal systems to determine impacted customers as heat events and AQI alerts are issued on a l
- 2) The final customer list would be integrated with the billing system so that Xcel is able to verify those customers that have responded to our calls and have confirmed their breakers are off and can be safely reconnected.
- 3) Xcel would use developed scripts for customer contact.

⁷ 25-27 Xcel SRSQ Report, Pt. 1 - Service Quality, April 1, 2025, pp. 97-98.

D. Xcel's Identified Areas of Concern

1. Safety

Xcel cannot remotely reconnect a customer if their breakers are on. Xcel said that for example, if a stove or another appliance is inadvertently left on, it could be a dangerous situation for the customer. The Company needs to secure confirmation from the customer has turned off their breakers. Xcel said that this increases the need for more live agents and “additional updates to current technology to ensure the ability to record this information from customers.”⁸

2. System Limitations

Only customers that have an AMI meter that has been remotely disconnected can be reconnected during these events. Full AMI deployment is not expected to be completed until “late 2025.”⁹ Therefore, the plans cannot be deployed territory-wide until the AMI transition is complete.

The Company reported that as of September 30, 2024, it had installed a total of approximately 1,050,000 AMI meters in Minnesota; this represents 75% of the total expected deployment. Additional meters were expected to be deployed in 2024 and 2025 as shown in Table 2.¹⁰ AMI deployment is anticipated to be complete in 2025.

Table 2: AMI Meter Deployment Schedule

<i>Year</i>	Actual Deployment (# of meters)	Deployment Target (# of meters)
2022	128,000	
2023	537,000	
2024	382,500 (as of Sep 30, 2024)	527,000
2025		208,350
Total		1,400,350

3. Increased Complaints and Customer Wait Times

Xcel suspects that customers “are likely to have questions about this activity, which will likely lead to additional calls to the Customer Care line and complaints.”¹¹ Xcel says that the difficulty

⁸ 25-27 Xcel SRSQ Report, Pt. 1 - Service Quality, April 1, 2025, p. 99.

⁹ 25-27 Xcel SRSQ Report, Pt. 1 - Service Quality, April 1, 2025, p. 99.

¹⁰ Docket No. E002/M-24-371 Xcel compliance filing, November 1, 2024, pp. 9-11.

¹¹ 25-27 Xcel SRSQ Report, Pt. 1 - Service Quality, April 1, 2025, pp. 99-100.

of quickly staffing for events may lead to increased wait times. Xcel also has concerns about whether more customer complaints could lead to it being more difficult to meet the Customer Complaints threshold in its Quality of Service Plan (QSP).¹²

4. Bad Debt

Xcel notes that there will likely be a portion of customers that are either not disconnected or temporarily reconnected that do not ultimately pay for the electricity consumed during the heat and AQI events. Xcel has not yet quantified the bad debt impact of these plans but said that there would “certainly be an increase in bad debt.”¹³

E. Cost Estimates

Presuming that the events impact 19,000 customers, Xcel provides high-level estimates in Table 3:

Table 3: Cost Estimates for Implementing Heat Events and AQI Plans¹⁴

<i>Activity</i>	<i>Estimated Cost</i>
<i>Development, recording, and delivery of messaging to customers, upfront system enhancements, and annual enhancements</i>	\$360,000
<i>Staff requirements per event</i>	\$160,000
<i>Reconnection costs per event</i>	TBD

F. Timing

1. Timeline for System Enhancements

Xcel says that the system enhancements will take 72 weeks or 16 months from issuance of Commission Order.¹⁵

2. Assumptions

Xcel is operating under the assumption that there will be five heat events each year based on prior years. Likewise, Xcel is also assuming that there will be five days of Very Unhealthy AQI events.

Xcel recognizes that with a changing climate and increased wildfires, there may be more frequent heat events and AQI alerts in the future.

¹² See Docket Nos. 02-2034 and 12-383.

¹³ 25-27 Xcel SRSQ Report, Pt. 1 - Service Quality, April 1, 2025, p. 100.

¹⁴ 25-27 Xcel SRSQ Report, Pt. 1 - Service Quality, April 1, 2025, p. 101.

¹⁵ 25-27 Xcel SRSQ Report, Pt. 1 - Service Quality, April 1, 2025, p. 101.

IV. Party Comments

A. Department of Commerce

The Department of Commerce (Department) recommends denial of Xcel's proposals on remote reconnection of disconnected customers during extreme heat events and poor air quality.

1. Plans & Criteria

Instead, the Department recommends further record development (**Decision Option 5**). Specifically, the Department recommends that Xcel work with the Minnesota Pollution Control Agency (MPCA) and the Minnesota Department of Health (MDH) to establish:

- 1) Common terminology and definitions regarding poor air quality and extreme heat; and
- 2) Appropriate thresholds related to poor air quality and extreme heat.¹⁶

The Department says that determination of what would be a reasonable expansion of Xcel's current processes should be substantiated with public health expertise.

The Department surmises that Xcel is "trying to gauge which AQI threshold would be sufficiently 'high' to fulfill Order Point 32 of the Commission's Order."¹⁷ However, the Department says that it is concerned about the health and safety of Minnesota's most vulnerable populations and that a lower threshold will benefit the greatest number of customers, which is why they find it most appropriate to consult with public health experts.

2. System Preparation

The Department recognizes that Xcel must implement system enhancements for the updated processes to function correctly. To allow Xcel the time necessary to review its implementation plan in more detail, the Department suggests that the start date be spring 2026 or 2027 (**Decision Options 10 or 11**).

3. Customer Reconnection Process & Communications

It is commonplace to utilize a bill insert or email to notify customers of policy or rate changes. Thus, the Department recommends that the Commission require Xcel to notify customer of the policy change via bill insert or email, according to their bill delivery preference (**Decision Option 14**). Further, similar to notifications for demand response events, a notification via the customer's preferred contact method is appropriate. Therefore, during a reconnection event, the Department recommends the Commission require Xcel to notify reconnected customers via their preferred contact method (**Decision Option 15**).

¹⁶ Department initial comments, May 9, 2025, p. 3.

¹⁷ Department initial comments, May 9, 2025, p. 4.

4. Cost Estimates

The Department says that the “estimated cost of \$520,000 might be reasonable if it were correctly calculated,” but notes that the total does not attempt to estimate the health benefit that the proposed change would provide from a societal perspective.¹⁸

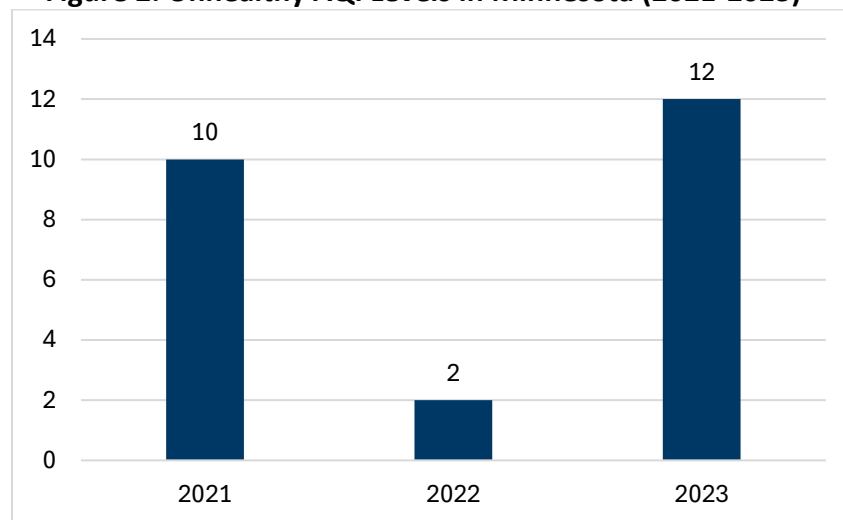
B. Office of the Attorney General

The OAG recommends a modification of Xcel’s proposed remote reconnection plans.

1. Plans & Criteria

In response to Xcel’s plan to suspend disconnections when the AQI reaches 151 and reconnect customers when the AQI has reached 201, the OAG notes that there have only ever been three days in Minnesota’s history where the AQI reached 201. Instead, the OAG proposes that Xcel both suspend disconnections and reconnect customers when the AQI is 151 or above (**Decision Options 2 and 3**).¹⁹ The OAG says that reconnecting at the “Unhealthy” level (151-200) is manageable, because there have been 24 days in the past three years, as demonstrated below:

Figure 2: Unhealthy AQI Levels in Minnesota (2021-2023)²⁰



Additionally, many of the days were consecutive, meaning that Xcel would not have to disconnect and then reconnect service between poor air quality event days. Further, since Xcel is proposing to use alerts at the county level, the Company’s entire service territory will not be affected for every AQI event.

2. Customer Reconnection Process & Communications

The OAG notes that Xcel’s requirement for voice contact with a customer prior to reconnection

¹⁸ Department initial comments, May 9, 2025, p. 6.

¹⁹ OAG initial comments, May 9, 2025, p. 3.

²⁰ OAG initial comments, May 9, 2025, p. 5.

is a departure from a statement in its 2023 SRSQ Report:

...we can reach out to AMI customers via their preferred channel, i.e. phone call, email, or MyAccount...²¹

In response to Department IRs, Xcel said that it had not “determined an alternative to this process to verify that it is safe to reconnect a customer’s electricity.”²²

Further, the OAG says that alternative methods of communication may reduce development and per-event costs when under the current proposal, Xcel says it will cost \$60,000 to build out call recording retention and \$7.50 per call to each disconnected customer.

The OAG says that customers in arrears are more likely to engage with text, apps, and emails and are more hesitant to answer the phone in case it is from collection agencies. Therefore, the OAG supports **Decision Option 15** requiring the Company to use the customer’s preferred method of contact before reconnection.

3. Cost Estimates

The OAG is concerned at the unnecessarily high-cost estimate provided in Xcel’s proposal. For reference, see the Department’s IR No. 2 which provides a more detailed breakdown of Xcel’s estimated costs; more, the OAG explains that fewer customers than anticipated by Xcel would likely be reconnected during air or heat events:

Table 4: One-Time Start-Up Costs²³

<i>Task</i>	<i>Costs</i>
<i>Development and deployment of two full call streams for call routing and modifications to the IVR to ensure customers are served correctly</i>	\$180,000
<i>Required outbound dial work</i>	\$45,000
<i>Build out capacity for call recording retention for customer verification of safe retention per internal corporate requirement</i>	\$60,000
<i>Initial training for contact center staff to understand, process, and manage this process</i>	\$25,000
<i>Additional work related to the meter, AMI, forecast and notifications process work</i>	\$50,000
Total	\$360,000

²¹ OAG initial comments, May 9, 2025, p. 7.

²² OAG initial comments, May 9, 2025, Attachment A, IR No. 9.

²³ OAG initial comments, May 9, 2025, Attachment B, IR No. 2.

Table 5: Per-Event Costs²⁴

Task	Costs
<i>Costs associated with a direct agent call to confirm it is safe to reconnect</i>	\$143,000
<i>Revised inbound costs</i>	\$3,800
<i>Campaign set-up costs</i>	\$36.50/event
<i>Meter and field employee costs</i>	\$7,000
Total	\$157,000

Xcel is operating under the assumption that 19,000 customers would be affected per event. The OAG cites Xcel's reporting in Docket No. 24-2 (Cold Weather Rule reporting) demonstrated a maximum of 11,017 customers disconnected in July 2024. Particularly for AQI-triggered reconnections, it is "unlikely that the full number, whatever that may be, of Xcel's disconnected customers would be contacted for reconnection each event," due to Xcel's large service territory.²⁵

However, the OAG says that the Commission does not need to make a determination on whether the preliminary cost estimates are reasonable.

This is not a cost recovery proceeding and stakeholders have not had sufficient time to scrutinize Xcel's "high-level" "preliminary estimates," nor has Xcel provided sufficient information to allow for such scrutiny.²⁶

Instead, the OAG recommends a 30-day negative check-off reporting filing (**Decision Option 25**). The OAG recommends that the Commission require Xcel to make a compliance filing within 30 days of the Order with more developed and supported cost estimates. Then the Commission should allow interested persons to review the cost proposals and file an objection within 30 days of Xcel's filing.²⁷

4. Timing

The OAG stated that 16 months estimated by Xcel to prepare its system for customer reconnections makes it "unlikely that the plans would protect customers prior to Summer 2027."²⁸ The OAG states that customers in financial distress should not suffer health impacts any longer than necessary and that the Commission should require the Company to implement

²⁴ OAG initial comments, May 9, 2025, Attachment B, IR No. 2.

²⁵ OAG initial comments, May 9, 2025, p. 16.

²⁶ OAG initial comments, May 9, 2025, p. 12.

²⁷ OAG initial comments, May 9, 2025, p. 21.

²⁸ OAG initial comments, May 9, 2025, p. 10.

the plans sooner unless Xcel comes up with a valid reason it should not do so.

C. Citizens Utility Board of Minnesota, Legal Service Advocacy Project, and Energy CENTS Coalition

Like the OAG, The Citizens Utility Board of Minnesota (CUB), the Legal Service Advocacy Project (LSAP), and the Energy CENTS Coalition (ECC) (together, Joint Commenters) are in support of Xcel's remote reconnection proposals (**Decision Options 1, 2 and 3**) with some modifications. The Joint Commenters demonstrated the need for both plans:

Between 2000 and 2023, exposure to excessive heat results in 77 deaths in Minnesota and nearly 1,800 hospitalizations. In 2023, the [MPCA] also reported the highest number of air quality alerts in Minnesota history, with heavy wildfire smoke resulting in air quality alerts covering 52 days.²⁹

1. Plans & Criteria

The Joint Commenters find that Xcel's proposal of waiting until the AQI has reached 201 would limit the protections for customers. Instead, like the OAG, they recommend that the Commission require Xcel to both suspend disconnections and remotely reconnect customers once an AQI of 151 has been reached (**Decision Options 2 and 3**).

2. Customer Reconnection Process & Communications

To ensure that customers, stakeholders, and organizations are informed of extreme heat and air quality protections, the Joint Commenters recommends that Xcel's communications should include community engagement through clear channels, annual notices, website revisions, and direct customer contact in multiple languages. The Joint Commenters also recommend that the Commission require Xcel to communicate with customers via a second form of contact – whether that be text or email – whenever permission has been granted to do so (**Decision Option 16**). Further, the Joint Commenters recommend that information about assistance resources and how to set up payment arrangements be included in the outreach materials.

The messaging should detail “the steps customers must take – and who to contact – prior to reconnection, or even develop a process for digitally confirming safety precautions have been taken,”³⁰ as well as what to do after the event has concluded. Finally, the Joint Commenters recommend that the Commission require Xcel to submit a compliance filing within 60 days of the publication of the Commission's Order detailing how the Company intends to inform customers of the new protections (**Decision Option 20**).

3. Timing

The Joint Commenters “respectfully disagree with Xcel's start date of 16 months from the

²⁹ Joint Commenters initial comments, May 9, 2025, pp. 2-3.

³⁰ Joint Commenters initial comments, May 9, 2025, pp. 5-6.

Commission’s Order for implementing extreme heat and air quality reconnections.”³¹ Assuming an Order is issued by mid-year 2025, the Company’s proposed timeline would result in protections being rolled out at the start of 2027. While the Joint Commenters acknowledge that steps need to be implemented, delays “would prolong the amount of time customers remain without life-saving protections.”³² The Joint Commenters recommend that Xcel be immediately ordered to suspend disconnections during unhealthy air quality event with an AQI of 151 or higher (**Decision Option 2**). They state that no system enhancements are necessary for Xcel to suspend disconnections.

Likewise, the Company should be directed to implement reconnection during extreme heat events as soon as feasible. Therefore, the Joint Commenters recommend that remote reconnection of disconnected customers during extreme heat and poor air quality begin by May 1, 2026 (**Decision Option 10**).

4. Updates to Tariffs and Reporting

In its current tariffs, the Company details the statutory requirement that it not disconnect customers during excessive heat. The Joint Commenters recommend that the tariffs be updated to include language about the expanded protections that the Commission requires (**Decision Option 26**).

Furthermore, it is the Joint Commenters’ understanding that the Company will be able to track the number of customers qualifying for reconnection and the number of reconnections performed. The Joint Commenters recommend that the Commission require Xcel to include in its annual SRSQ reports (Docket Nos. YR-27) the following items both in aggregate and at the county level (**Decision Option 23**):³³

- The number of customers qualifying for reconnection
- The number of reconnections ultimately carried out
- More granular data in Xcel’s service quality map detailing where the protections were triggered
- A description of how many events were called and how many disconnections were suspended

D. Department of Health

On May 30, 2025, the Minnesota Department of Health (MDH) filed comments and offered valuable insights into the issues confronted in this docket.

MDH says that global climate changes have led to extreme heat, which had the following health consequences: heat exhaustion; heat stroke; respiratory distress; pregnancy complications;

³¹ Joint Commenters initial comments, May 9, 2025, p. 6.

³² Joint Commenters initial comments, May 9, 2025, p. 6.

³³ Joint Commenters initial comments, May 9, 2025, p. 7.

adverse birth outcomes; and exacerbation of underlying conditions like cardiovascular disease, asthma, COPD, kidney disease, and mental health conditions like schizophrenia and bipolar disorder. Since 2010, Minnesota averaged 800 heat-related emergency room visits each year. Between 2000-2023, there were 77 deaths in Minnesota due to extreme heat. Climate projections show that by 2045, parts of Minnesota may reach a heat index of 135 degrees F for multiple days in the summer.

Increased extreme heat leads to poor air quality in Minnesota due to hot weather trapping pollutants close to the ground. Exposure to ground-level ozone can cause harmful cardiopulmonary health effects like lung irritation, breathing difficulties, reduced lung capacity, aggravated asthma, susceptibility to bronchitis, and increased risk of hospitalizations and death for conditions like cardiovascular disease, respiratory diseases, and diabetes. Hot temperatures and dry conditions lead to a frequency and intensity in wildfires. The hazardous smoke from Canadian wildfires that affect Minnesota contains fine particulate matter (or PM2.5), which enters the bloodstream and causes inflammation, worsens chronic lung disorders, heart attacks, stroke, and various mental health conditions.

MDH clarifies that the NWA provides heat advisory categories that reflect regional differences. The thresholds should be based on the best available data at the local community level.

1. Plans & Criteria

MDH finds that establishing a single threshold AQI value for suspending disconnections and initiating reconnections may be inadequate.

Many states are considering reevaluating AQI thresholds used to indicate dangerous conditions, especially for outdoor workers.³⁴

Certain populations are more vulnerable to extreme heat or poor air quality – adults over age 65, pregnant people, children, people with preexisting health conditions, and people with disabilities.

MDH says that “access to residences with adequate insulation, air conditioning, and air filtration is a critical measure to protect human health from extreme heat and air pollution.”³⁵ Air conditioning prevented an estimated 195,000 deaths for people ages 65 and over nationwide since 2019. Air conditioning protects against hospitalizations and mortality.

MDH links this issue to equity saying that historically marginalized communities that experience systemic racism and health inequities are disproportionately impacted by pollution exposure and other environmental hazards. Regarding low-income Minnesotans, MDH says:

These communities may also experience income disparities making them more vulnerable to the cost burdens of electric power, and thus, more likely to benefit from policies initiating electrical power reconnections and suspending

³⁴ MDH comments, May 30, 2025, p. 4.

³⁵ MDH comments, May 30, 2025, p. 3.

disconnections during extreme heat and poor air quality events.³⁶

MDH supports the Department's recommendation to require Xcel Energy to work with MDH and the Minnesota Pollution Control Agency (MPCA) on establishing common terminology and definitions and appropriate thresholds regarding poor air quality and extreme heat (**Decision Option 5**).³⁷ MDH commits to doing this work.

V. Reply Comments

A. Xcel Energy

As of the Company's reply comments, it believes that the key question before the Commission is not whether AMI can be used during emergencies, "but rather the details of implementation, and how to weigh the benefits to customers who would be reconnected and/or avoid being disconnected, against the costs to all customers of implementing those plans."³⁸

1. Plans & Criteria: AQI

Xcel Energy notes that the Commission's Order Point 32 uses the term "*high* air quality index alerts." However, there is no MPCA-issued AQI level labeled "high." Xcel interpreted Order Point 32 as the Company being required to propose a threshold for suspending disconnections and implementing reconnections.

In their SRSQ report, Xcel proposed suspending disconnections when AQI is 151 or higher (Unhealthy level) and restoring customers' service when the AQI is 201 or higher (Very Unhealthy) (**Decision Options 2 & 4**). As of the Company's reply comments filed on June 3, 2025, Xcel is willing to use the AQI threshold of 151 or greater for both disconnection suspension and reconnection (**Decision Option 3**).

The Company has no issue with further consultation with MPCA and MDH if the record is not yet sufficient (**Decision Option 5**). However, if the Commission adopts **Decision Options 2 & 3**, then further consultation with PCA and MDH may not be necessary. Xcel notes that "delaying a Commission decision would delay the start of the implementation timeframe..."³⁹

2. Customer Reconnection Process & Communications

The Company has no objection to the Department's proposed notification methods (**Decision Option 14**). The Joint Commenters asked for more extensive customer notifications (**Decision Options 16 – 18**). Xcel can commit to **Decision Options 16 – 18**, but it notes that any additional communications would increase costs. They include:

- Cost per bill insert: \$37,000 plus postage

³⁶ MDH comments, May 30, 2025, p. 4.

³⁷ MDH comments, May 30, 2025, p. 1.

³⁸ Xcel reply comments, June 3, 2025, p. 2.

³⁹ Xcel reply comments, June 3, 2025, p. 7.

- Cost per bill onsert: \$0.02357/onsert
- Additional staff time for coordination with community-based organizations and participation in community events
- Translation costs
- Printing costs for material distributed at community events

The Company will contact customers regarding pending reconnection via their preferred notification route (**Decision Option 15**) and will contact customers via a secondary, alternative method if they have one on file (**Decision Option 16**).

Xcel says that its likely that customers would be unaware of events and not expecting power to be restored. Also, customers may not read bill inserts or onserts. Even if they did, they “may not be monitoring the National Weather Service for heat events or MPCA’s alerts for AQI events.”⁴⁰ Xcel says it is crucial that there be a quick, effective mechanism for customer acknowledgement. Xcel is willing to receive customer acknowledgement by text, email, MyAccount, or Interactive Voice Response (IVR) (**Decision Option 12**).

The Company also agrees to the Joint Commenters recommendation of editing the pre-event communications should inform customers that they will be disconnected again at the conclusion of the event, how to enter into a payment arrangement, and energy assistance resources (**Decision Option 15**). Xcel notes that customers who were disconnected “did not take the opportunity throughout the Company’s nine-week outreach process to enter into a payment arrangement or access energy assistance to avoid disconnection.”⁴¹ Xcel says that its unrealistic to expect a large proportion of customers to do so.

3. Timing

Xcel does not anticipate being able to implement these plans by spring 2026. At its quickest, it could implement suspension of disconnection for AQI events by that time and reconnection by spring 2027. The implementation timeline is as follows:

- Months 1-10: Upgrade current IVR and complete pending/required releases
- Months 11-14: Phase 1 (IVR modifications and updating general customer billing and data management systems)
- Months 15-17: Phase 2 (Rewriting call flows with vendor and agent training)
- Month 18: Agent rollout/training and business/customer education

Xcel estimated a minimum of 18 months to complete a viable and safe customer product. Therefore, Xcel maintains that suspension could be implemented by 2026 (**Decision Option 9**),

⁴⁰ Xcel reply comments, June 3, 2025, p. 9.

⁴¹ Xcel reply comments, June 3, 2025, p. 9.

but reconnection could not be implemented before 2027 (**Decision Option 11**).

4. Cost Estimates

Xcel maintains that since future weather events are uncertain, calculating the estimated number of affected customers is challenging. Therefore, the Company offers a range of cost estimates by how many customers could potentially be reconnected:

Table 6: Estimated Affected Customers and Estimated Costs⁴²

Estimate	# of Residential and Commercial Customers	Basis for Xcel's Estimate	One-Time Costs to Set Up System	Total Per Event Variable Costs
Low-end	4,479	May 1, 2024 <i>Non-CWR month in 2024 with lowest number of residential and commercial customers of record in a disconnected status</i>	\$360,000	\$38,608
Mid-range	12,453	July 18, 2024 <i>Non-CWR month in 2024 with highest number of residential and commercial customers of record in a disconnected status</i>	\$360,000	\$107,345
High-end	19,000	<i>Conservative estimate assuming a higher number of disconnected customers at time heat/AQI event occurs</i>	\$360,000	\$163,780

Although the Company predicts that it would incur bad debt by performing the reconnections during events, none of the estimates include bad debt. Xcel says that bad debt impacts are particularly difficult to forecast due to the following reasons:

- 1) Frequency of heat events and AQI events in the future
- 2) Duration of each type of event
- 3) Extent to which heat event days and AQI event days will coincide
- 4) Number of customers who would otherwise be disconnected during those events that will not be disconnected and for how long
- 5) Number of customers in a currently disconnected status who would be reconnected during these events and for how long
- 6) Proportion of the not disconnected and reconnected customers who would not ultimately pay the costs of electric service during events⁴³

⁴² Xcel reply comments, June 3, 2025, pp. 15-16.

⁴³ Xcel reply comments, June 3, 2025, p. 18.

5. Updates to Tariffs & Reporting

Since the Company will not have more certainty on the six variables listed above within a month, Xcel opposes the OAG and Department's compliance filing within 30 days of the Commission's Order. Instead, Xcel "will evaluate the reasonableness of our actual costs at a later time, likely in a future rate case or other appropriate docket."⁴⁴

Xcel has no issue with the Joint Commenters' recommendation that the Company's tariff sheets be updated to include the expanded heat and AQI event protections (**Decision Option 26**).

Xcel can track and report in its SRSQ annual reports the number of disconnections suspended, number of customers qualifying for reconnection, and the number of reconnections carried out, both in aggregate and at the county level (**Decision Option 21**), as proposed by the Joint Commenters and a similar recommendation by the Department. However, adding the data to its Service Quality – Electric interactive map (**Decision Option 22**) would be more difficult for the following two reasons:

- 1) Many additional data layers were recently added to the map after the Commission's January 13, 2025 Order in Docket No. 24-27, and the more layers make the map more difficult to use.
- 2) Heat events from the NWA are alerted at the county level. AQI events from the PCA are alerted at the county, city, or regional level. The map uses Census Block Group (CBG) levels.

Xcel says that "neither of these difficulties are insurmountable, but the Commission should weigh whether the added benefit outweighs these disadvantages."⁴⁵

6. Quality of Service Plan Impacts

Xcel predicts that customer complaints will increase after every event when reconnected customers are again disconnected, which will affect its Quality of Service Plan (QSP).⁴⁶

B. Department of Commerce

1. Plans & Criteria

The Department supports Xcel's plan to reconnect customers with AMI capability during heat advisories or excessive heat warnings issued by the NWS and to inform the Consumer Affairs

⁴⁴ Xcel reply comments, June 3, 2025, p. 19.

⁴⁵ Xcel reply comments, June 3, 2025, pp. 19-20.

⁴⁶ Xcel's QSP was borne out of a settlement in Docket No. E,G-002/M-02-2034 in which Xcel had to maintain its performance in a number of categories, one of which is customer complaints. The Commission's August 12, 2013 Order in Docket No. E,G-002/M-12-383 requires Xcel Energy to keep its customer complaints under a threshold based on its total customer count, which is currently at ≤ 0.2059 complaints per 1,000 customers, or risk a monetary penalty.

Office and customers of its plan to temporarily restore service (**Decision Option 13**).

The Department supports reconnection and disconnection suspension at 151 AQI (**Decision Options 2 & 3**), saying that it “concludes that an AQI of 151 is a reasonable threshold to qualify as “high” as ordered in the Commission’s 2023 SRSQ Order.”⁴⁷ Originally, the Department thought that 151 would be too high to capture Xcel’s most vulnerable customers, because 101-150 is titled “Unhealthy for Sensitive Groups.” Given that customers can also apply for protections with the Company’s “Medically Necessary Equipment & Emergency Certification Form,” which makes the Department more comfortable supporting an AQI level of 151. The Department agrees with the Joint Commenters and OAG that it does not support Xcel’s proposal to suspend disconnections at one level and restore service at another level.

The Department recommends that the Company suspend disconnections and perform reconnections when air quality exceeds an AQI of 150. In the meantime, “given the severity of potential consequences of poor air quality and extreme heat on Xcel’s most vulnerable customers,”⁴⁸ the Department maintains that Xcel should work with MDH, MPCA, and parties to the docket on future record development towards a permanent AQI threshold (**Decision Options 6 – 8**), specifically:

- 1) Establishing common terminology and definitions regarding poor air quality and extreme heat;
- 2) Establishing appropriate thresholds related to poor air quality and extreme heat; and
- 3) Revise its proposals based on those determinations.

After the recommended stakeholder group has concluded, Xcel could propose revised thresholds to the Commission.

2. Timing

The Department finds that “Xcel’s proposed implementation timeline is unreasonable.”⁴⁹ The Department recommends that the Commission require Xcel to implement its excessive heat and air quality protections, including initiating reconnections and suspending disconnections by May 1, 2026 (**Decision Options 9 & 10**).

3. Customer Reconnection Process & Communications

When power is restored, the Department recommends that Xcel to inform CAO and customers (**Decision Options 13 & 15**).

The Department shares the Joint Commenters’ concerns over Xcel’s communication and outreach plans. The Department recommends that the Commission require Xcel to submit a compliance filing within 60 days of Commission Order in 25-27 detailing the communication

⁴⁷ Department reply comments, June 3, 2025, p. 3.

⁴⁸ Department reply comments, June 3, 2025, p. 4.

⁴⁹ Department reply comments, June 3, 2025, p. 5.

and outreach strategies, including availability of the “Medically Necessary Equipment & Emergency Certification Form” (**Decision Option 20**).

4. Updates to Tariffs & Reporting

Additionally, the Department supports the OAG’s recommendation to make a compliance filing within 30 days of Commission Order with more developed and supported cost estimates, including all the metrics in the OAG’s initial comments (**Decision Option 25**).

Finally, the Department recommends the Commission require Xcel to perform the reporting as proposed by the Joint Commenters in future annual SRSQ reports (**Decision Option 21**).

C. Office of the Attorney General

1. Plans & Criteria

The OAG supports the recommendation that Xcel should immediately suspend involuntary disconnections during air quality events (**Decision Option 9**) and that Xcel should file annual reports (**Decision Option 21**).

The OAG has proposed possible procedural pathways to refine Xcel’s AQI and heat event plans and criteria:⁵⁰

1) Procedural Pathway A

The Commission could provisionally authorize the Company’s proposed plan filed on April 1, 2025 subject to Xcel, Commerce, and MDH making a compliance filing detailing the results of the consultation and proposing any needed changes to the program. The filing could either be followed by a comment period or be subject to a negative check-off (**Decision Option 6**).

2) Procedural Pathway B

The Commission could approve the Company’s proposed plan filed on April 1, 2025 but refer to the Executive Secretary to establish a timeline to reexamine certain aspects of Xcel’s plans, such as the air quality conditions that trigger reconnection (**Decision Option 7**). This would allow time for Xcel to consult with state agencies, for example, on developing understandings of the health impacts of wildfire smoke and any other items the state agencies believe were not appropriately considered in Xcel’s proposal.

3) Procedural Pathway C

The Commission could approve the proposal and order Xcel to consult with the relevant state agencies on the specifics of the program and provide a compliance filing within a specified time on the progress of the consultation (**Decision Option 8**). Should the

⁵⁰ OAG reply comments, June 3, 2025, pp. 2-3. *The OAG also offered a Procedural Pathway D (The Commission can modify Xcel’s proposal based on comments of state agencies that weigh in prior to the close of the current comment period.). Given that neither MDH nor MPCA filed reply comments before the end of the comment period, Procedural Pathway D is now moot and is not included in the Decision Options.*

consultation and reporting demonstrate a need for changes to the proposal that would require Commission approval, the Commission can make changes at a later date. In the meantime, Xcel could begin implementing aspects of the program that are not implicated by the state agencies' concerns.

The OAG prefers any of the above procedural pathways to an outright denial of the Company's proposal if the Commission finds that more record development with the MDH and MPCA is necessary.

The OAG supports the Joint Commenters' recommendation to immediately require Xcel to suspend disconnections during air quality alerts of 151 AQI or higher (**Decision Option 9**). Regardless of the Commission adopting any of the OAG's procedural pathways, the OAG still believes that the Commission should adopt **Decision Option 10** – reconnecting during events, because there will be minimal process changes needed to modify Xcel's criteria to suspend disconnections, and no customer communications are needed.

2. Updates to Tariffs & Reporting

The OAG agrees with the Joint Commenters' recommendation to require Xcel to report certain information annually (**Decision Option 21**). However, the OAG has provided modifications, requiring reporting for the year and by the event (**Decision Option 23**), which would "give the Commission more visibility into where Xcel has been effective at reconnecting customers than would annual numbers alone."⁵¹ See the following reporting metrics:

- 1) Each event where disconnection suspensions or reconnections were triggered
- 2) The date(s) and length of the event
- 3) The counties impacted by the event
- 4) The number of disconnections suspended during each event
- 5) The number of customers eligible for reconnection during each event
- 6) The number of customers reconnected for each extreme heat event
- 7) The number of customers reconnected for each air quality event

D. Citizens Utility Board of Minnesota, Legal Service Advocacy Project, and Energy CENTS Coalition

1. Plans & Criteria

The Joint Commenters disagree with the Department's suggestion in initial comments to delay the Company's proposal until consultation with MDH and MPCA has occurred. The Joint Commenters "do not believe further delaying the implementations of these protections is

⁵¹ OAG reply comments, June 3, 2025, p. 5.

warranted.⁵²

The Joint Commenters concurs with MDH, saying that “while the definitions employed by NWS are broadly applicable across the country, the criteria for issuing warnings varies by locality.”⁵³ The Joint Commenters recommend Xcel’s suggestion that the thresholds for extreme heat events already employed in Minn. Stat. § 216B.0975 be used.⁵⁴

The Joint Commenters continue to recommend an AQI threshold of 151 or higher for both suspension of disconnection and reconnection (**Decision Options 2 & 3**).

The Joint Commenters addressed Xcel’s medical certification process. They see medical certification to protect customers that have sensitivities to extreme heat or poor air quality as operating in tandem with the reconnection process.

MDH notes that other states are reevaluating AQI thresholds. The Joint Commenters state that if changes are made to the AQI thresholds, then it would be appropriate to revisit the thresholds at this time. At this time, the Joint Commenters recommend an AQI threshold of 151 or higher for both pausing disconnections and reconnecting customers.

2. Customer Reconnection Process & Communications

In initial comments, Xcel said that it would need to manually call customers before reconnection during an event. The Joint Commenters argue that:

Our understanding is that the Company does not currently call customers when initiating reconnection, so this proposed practice is entirely new.⁵⁵

The Joint Commenters appreciate the need to develop reasonable reconnection parameters but finds calling all customers to be burdensome. The Joint Commenters strongly support the OAG’s recommendation to allow customers to perform confirmations by signing an electronic form, responding by text or email, clicking a box on MyAccount or Xcel’s website, or receiving an automated call and responding via touch tone (**Decision Option 12**).

If high AQI and extreme heat events coincide, the Joint Commenters recommend that Xcel use combined messaging (**Decision Option 17**), which avoids duplications.

3. Updates to Tariffs & Reporting

The Joint Commenters recommend that Xcel be required to submit an additional compliance filing detailing its expenses after accounting for any changes ordered by the Commission (**Decision Option 24**). Since many of the steps Xcel laid out in response to a Department information request applied to both extreme heat and air quality protections, the calculation

⁵² Joint Commenters initial comments, June 3, 2025, p. 2.

⁵³ Joint Commenters initial comments, June 3, 2025, p. 3.

⁵⁴ Joint Commenters initial comments, June 3, 2025, Table 1, p. 4.

⁵⁵ Joint Commenters initial comments, June 3, 2025, p. 8.

may be overstated. The communication steps for both can be overlapped. The Joint Commenters agree with the OAG's recommendation that Xcel justify its numbers.

The Joint Commenters support the OAG's proposal that the Commission require Xcel to submit updated cost estimates in a compliance filing within 30 days of the Commission Order (**Decision Option 25**).

The Joint Commenters recommend that Xcel file a compliance filing with the Company's outreach and communication strategies within 30 days of the Commission Order as well (**Decision Option 20**). The Joint Commenters encourage Xcel to engage with MDH and MPCA in the development of its communications.

VI. Staff Analysis

A. Two Main Areas of Disagreement

Two main areas of current disagreement amongst the parties after reply comments have been submitted are:

- 1) Whether Xcel should consult with the MDH and the MPCA before the Company begins remote reconnection
- 2) Whether remote reconnection should begin on May 1, 2026 or May 1, 2027

Staff lays out the decision options for the substantial areas of disagreement between the parties in Table 7 below:

Table 7: Decision Options for Substantial Areas of Disagreement

Decision Option Number	Decision Option Description	Parties that Support	Parties that Do Not Support
Consultation with MDH and MPCA			
5	Delay decision to consult with MDH and MPCA	Department (in initial comments) and MDH	Xcel, OAG, Joint Commenters
6 – 8 <i>Includes 3 procedural pathways recommended by OAG</i>	Make decision and continue to consult with MDH and MPCA	Xcel, Department, OAG, Joint Commenters	MDH
Reconnection Timeline			
10	Begin reconnecting customers on May 1, 2026	Department, OAG, Joint Commenters	Xcel
11	Begin reconnecting	Xcel	Department, OAG,

	customers on May 1, 2027		Joint Commenters
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B. Plans & Criteria

The Company and parties to the docket have coalesced around an AQI level. All commenters have agreed to both suspending disconnections and performing remote reconnections when the AQI is 151 or more (Unhealthy) (**Decision Options 2 – 3**).

1. Delaying Decision vs. Making Decision

In initial comments, the Department recommended delaying a decision on remote reconnection until the Company has consulted with MDH and MPCA so that the proper AQI level is chosen (**Decision Option 5**). MDH filed comments in the docket supporting the Department's recommendation. MDH's concern was borne out of uncertainty around the proper level AQI at which customers should be reconnected.

The OAG instead recommended adopting the reconnection plan. Then, while Xcel begins performing disconnection suspensions and reconnections during weather events, the Company could simultaneously consult with MDH and MPCA (**Decision Options 6 – 8**). This will allow Xcel to continually improve the program. Should the AQI level at which disconnect suspension and reconnection occurs need to be updated as climate change continues, Xcel will be able to make an educated proposal. The OAG offered three different procedural pathways for the Commission to choose from. Each includes a consultation with the Department, MPCA, and MDH. Below, Staff underlines the main differences between them:

- **Decision Option 6:** Require Xcel to consult with the Department, MPCA, MDH and file a compliance filing with the results of the conversation and propose needed changes to the program. Establish a 30-day negative check-off for the filing.
- **Decision Option 7:** Executive Security will first set a timeline and issue a Notice of Comment Period (including two proposed questions). Require Xcel to consult with Department, MPCA, MDH before filing comments.
- **Decision Option 8:** Require Xcel to consult with the Department, MPCA, MDH and then Xcel will first make a compliance filing with the results of the conversation and propose needed changes to the program. After Xcel makes a compliance filing, the Executive Secretary will issue a Notice of Comment Period.

All parties in reply comments (excepting MDH, which did not file reply comments) support moving forward with the reconnection plan during extreme heat events and AQI events that are 151 or higher. However, a consultation with the experts at MDH and MPCA may be prudent, especially in light of ever-changing climate crises. The OAG's proposals fill the gap between delaying the reconnections further and not performing consultation whatsoever.

Staff finds that the most streamlined of the pathways is Decision Option 6, followed by Decision Option 7, and Decision Option 8 as the option that would take the most time. A negative-check

process (**Decision Option 6**) could lead to a Notice of Comment Period regardless of other parties having objections to the filing but has the potential to incorporate any needed changes as soon as possible. **Decision Option 7** establishes a set timeline for the consultation process. It is most balanced of the three offered procedural pathways. **Decision Option 8** leaves the timeline for the consultation process. This could lead to the most robust conversations but could also take the most time.

C. Timing

The second major area of disagreement is around the timeline of the reconnection plan. Xcel maintains that it is not able to start reconnecting customers until May 1, 2027 (**Decision Option 11**). The Company says that there are too many process steps to complete and thus, event-based reconnection is not possible before summer 2027.

Meanwhile, all other parties maintain that Xcel needs to provide the customer protections as soon as possible. The Department, OAG, and Joint Commenters support **Decision Option 10** where the Company would begin reconnections during events by May 1, 2026.

Staff notes that the remote reconnection capabilities of Xcel's AMI allow for greater consumer protections. The Commission may want to leverage Xcel's AMI as soon as possible, or it may want to wait to ensure that all of Xcel's process steps are completed before going ahead with the reconnection plan.

Note that all parties already agreed to suspension of remote disconnections during AQI levels of 151 or greater beginning May 1, 2026 (**Decision Option 2**).

D. Customer Reconnection Process & Communications

1. Reconnection Process

Another initial sticking point in the docket is whether Xcel's disconnected AMI customers must have a live phone call with an agent that their breakers are off before remote reconnection can occur. In its SRSQ report, Xcel said that the live call was necessary. The OAG proposed that customers should be able to confirm that their breakers are off by performing confirmations by signing an electronic form, responding by text or email, clicking a box on MyAccount or Xcel's website, or receiving an automated call and responding via touch tone. The Joint Commenters concurred. Staff agrees with the OAG and Joint Commenters that confirming safety precautions by live call would be burdensome for the customer and result in far fewer reconnections overall.

In its reply comments, Xcel conceded that it could perform confirmation that breakers are off by the following methods: 1) responding to a text message or email, 2) clicking a box on MyAccount, or 3) receiving an automated IVR call and responding with touch tones (**Decision Option 12**).

Staff agrees with the OAG and Joint Commenters that confirming safety precautions by live call

would be burdensome for the customer and result in far fewer reconnections overall and appreciates the simpler options available to customers in **Decision Option 12**.

2. Customer Communications

The Department, the OAG, and the Joint Commenters, the parties have recommended a robust suite of customer communication ideas (Decision Options 14 – 18). They include:

- Notifying customers of the policy change via bill insert or email, according to the customer's bill delivery preference.
- Notifying customers of reconnection via notification to the customer's preferred contact method (e.g. text, email).
- Using two methods of communication when notifying customers of a reconnection event (e.g. phone call, text, and/or email).
- Developing a combined communication for instances in which both extreme heat and air quality event reconnection occur.
- Posting on Xcel's website an overview of extreme heat and air quality protections and the steps customers must take to secure reconnection of service.

Since it was recommended in the Joint Commenters' reply comments, the only item that the Company did not explicitly agree to was to develop a combined communication when both extreme heat and air quality events occur at the same time (**Decision Option 17**).

The Department recommended that the Company communicate with the CAO when an event begins (**Decision Option 13**). Staff offered a suggestion that Xcel also notify CAO when the event ends. Staff also offered **Decision Option 19**, which would require Xcel to work with CAO on any communications to customers.

Xcel says that reconnecting and then re-disconnecting customers will drive their complaints up, which will in turn affect their QSP. If Xcel thoroughly trains its customer care agents to negotiate payment plans for customers that call after being re-disconnected, fewer customers will go to the CAO for relief. Close communication with the CAO will ensure that the Commission's Consumer Mediators are able to assist Xcel's customers and provide them with the most up-to-date information.

In its reply comments, Xcel said that the more communications it is required to do, the higher the program price will be (See Table 6). Staff notes that there may be an initial push to make customers aware of the program, but the campaign would not last forever. That being said, in years to come, customers should continue to be given notification when an event begins and the information on how to sign up for a payment plan, so they can retain electric service after the event ends.

E. Updates to Tariff & Reporting

Decision Options 21 – 25 require Xcel Energy to perform various types of reporting on the program as proposed by the Department, OAG, and the Joint Commenters. Staff notices that there are some incongruencies around data collection. The NWS uses counties to identify weather events. However, the Commission does not commonly accept data by county, opting instead to use Census Block Groups (CBGs) or zip codes. Although the two decision options ask for different reporting metrics, **Decision Option 23** from the OAG asks for the Company to provide reporting by county, while **Decision Option 22** asks for Xcel to incorporate data into its service quality map, which uses CBGs. That being said, the Commission may want to consider adopting all reporting decision options to get an expansive view of what is happening in the program.

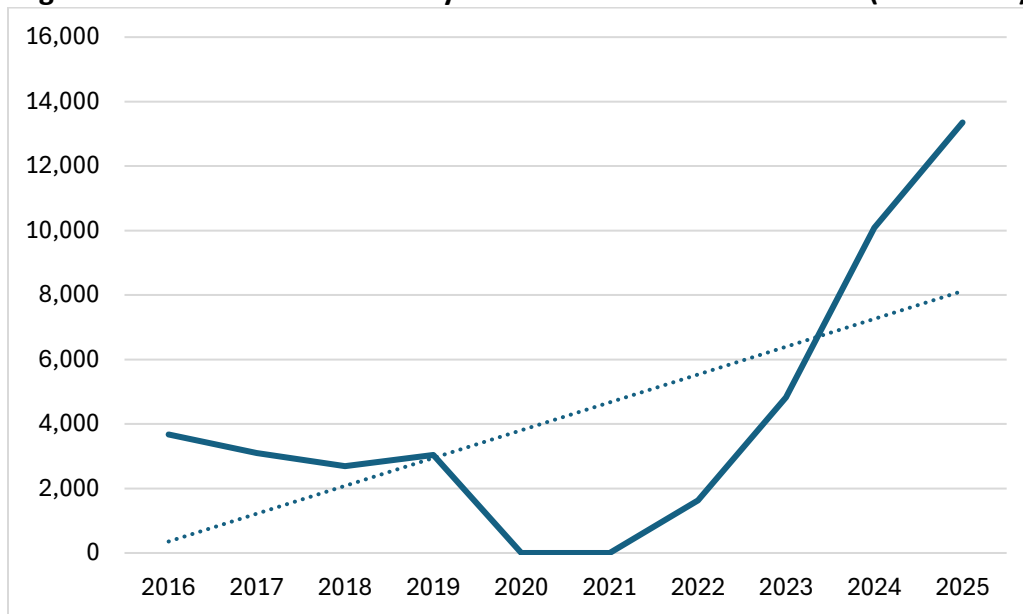
1. Cost Estimates

Xcel says that it cannot provide solid cost estimates at this time, because the program is subject to weather events, which cannot be predicted.

Instead, it provided three ranges of cost estimates from low to high (See Table 6). At the very high end, the Company said that it would have to reconnect 19,000 customers. In addition to weather patterns, the cost estimates are also subject to how many customers are currently disconnected.

In its May 2025 Cold Weather Rule report in Docket No. 25-2, Xcel reported that it had involuntarily disconnected 13,353 customers for non-payment. For background, the CWR season ends on April 30, so May traditionally sees high disconnection numbers from all utilities once the heating season protections have ended. However, in the past couple of years, Xcel's disconnections have been notably high, as indicated below.

The following table displays the number of involuntarily disconnects the Company has performed in May of each year. Prior to the COVID-19 pandemic, the Company would have disconnected approximately 3,000-4,000 households. After the COVID-19 disconnection moratorium (wherein no utilities were able to disconnect for non-payment in 2020 and 2021), Xcel resumed the post-CWR disconnections, and the number of disconnects returned to approximately the same as before the pandemic. However, since the AMI build-out, disconnections have become simpler for the Company to perform, and therefore, more prevalent.

Figure 3: Customers Involuntarily Disconnected at Close of CWR (2016-2025)

Since Xcel says that it is more expensive to reconnect more customers, the cost estimates for this program will likely continue to grow as its disconnections grow as shown in the trend line in Figure 2 above.

VII. Decision Options

Plans & Criteria

1. Approve Xcel Energy's proposal to remotely reconnect disconnected customers with AMI during extreme heat events. *(Xcel, DOC, OAG, CUB, LSAP, ECC)*
2. Require Xcel Energy to suspend remote disconnections for customers with AMI when AQI reaches 151 or higher. *(Xcel, DOC, OAG, CUB, LSAP, ECC)*
3. Require Xcel Energy to remotely reconnect disconnected customers when AQI reaches 151 or higher. *(Xcel in reply comments, DOC, OAG, CUB, LSAP, ECC)*

[OR]

4. Require Xcel Energy to remotely reconnect disconnected customers with AMI during AQI levels of 201 or higher. *(Xcel in initial comments)*

Delaying Decision for Agency Consultation

5. Deny Xcel Energy's proposals without prejudice and require Xcel Energy to consult with the Minnesota Pollution Control Agency (MPCA) and the Minnesota Department of Health (MDH) on the following objectives and to file revised proposals based on these consultations: *(DOC in initial comments, MDH)*

- a. Establish common terminology and definitions regarding poor air quality and extreme heat.
- b. Establish appropriate thresholds related to poor air quality and extreme heat.

Making Decision with Continuing Agency Consultation—If the Commission wishes to approve any of the remote disconnection/reconnection plans from Decision Options 1–4 but also require follow-up agency consultation or an opportunity to reexamine aspects of the plans following approval, the Commission may select one of the OAG’s alternative procedural pathways from Decision Options 6–8 below in conjunction with any of Decision Options 1–4.

- 6. Require Xcel to consult with the Department, the MPCA, and the MDH regarding the details of the remote disconnection and reconnection proposals and to make a compliance filing by a date agreed to by the parties detailing the results of the consultation and proposing any needed changes to the program. Delegate authority to the Executive Secretary to approve the filing, including any proposed changes, if no party or participant files an objection within 30 days of the Company’s filing. If a party or participant files an objection within 30 days, the Executive Secretary will issue a notice of comment period on the disputed issues. *(Staff interpretation of OAG Procedural Pathway A)*
- 7. Delegate authority to the Executive Secretary to establish a timeline and issue a notice of comment period to reexamine the aspects of Xcel’s plans identified below. Require Xcel Energy to consult with the Department, the MPCA, and the MDH in preparing its response to the notice on these issues. *(Staff interpretation of OAG Procedural Pathway B)*
 - a. Terminology and definitions regarding poor air quality and extreme heat.
 - b. Thresholds for disconnection and reconnection requirements related to poor air quality and extreme heat.
- 8. Require Xcel to consult with MDH and MPCA on the specifics of the remote reconnection and disconnection suspension programs and provide a compliance filing at a date agreed to by the parties on the progress of the consultation. If the compliance filing proposes changes to the approved programs, the Executive Secretary will open a comment period. *(Staff interpretation of OAG Procedural Pathway C)*

Timing

- 9. Require Xcel Energy to suspend remote disconnections during the events identified above beginning on May 1, 2026. *(Xcel, DOC, OAG, CUB, LSAP, ECC)*
- 10. Require Xcel Energy to begin remote reconnections during the events identified

above on May 1, 2026. (*DOC, OAG, CUB, LSAP, ECC*)

[OR]

11. Require Xcel Energy to begin remote reconnections during the events identified above on May 1, 2027. (*Xcel*)

Customer Reconnection Process & Communication

12. Require Xcel Energy to allow customers to verify safety precautions prior to reconnection by responding to a text message or email, clicking a box on MyAccount, or receiving an automated IVR call and responding with touch tone. (*Xcel, OAG, CUB, LSAP, ECC*)
13. Require Xcel Energy to inform the Commission's Consumer Affairs Office when an event has been forecasted by the NWA or the MPCA, and the Company is planning to reconnect customers. Require Xcel Energy to inform the Consumer Affairs Office when the event has concluded, and the Company is planning to re-disconnect customers. (*DOC, Staff suggestion*)
14. Require Xcel Energy to notify customers of the policy change via bill insert or email, according to the customer's bill delivery preference. (*Xcel, DOC*)
15. Require Xcel Energy to notify customers of a reconnection event via notification to the customer's preferred contact method (e.g. text, email). Require Xcel to notify customers of disconnection at the conclusion of the event include information about entering into payment agreements and energy assistance. (*Xcel, DOC, OAG*)
16. Require Xcel Energy to use two methods of communication when notifying customers of a reconnection event (e.g. phone call, text, and/or email). (*Xcel, CUB, LSAP, ECC*)
17. Require Xcel Energy to develop a combined communication for instances in which both extreme heat and air quality event reconnection occur. (*CUB, LSAP, ECC*)
18. Require Xcel Energy to post on its website an overview of extreme heat and air quality protections and the steps customers must take to secure reconnection of service. (*Xcel, CUB, LSAP, ECC*)
19. Require Xcel Energy to consult with the CAO on development of all customer communications. (*Staff addition*)

Updates to Tariff & Reporting

20. Require Xcel Energy to file a compliance filing within 60 days of the Order detailing its communication and outreach strategies for informing customers of extreme heat

and air quality protections, including availability of the “Medically Necessary Equipment & Emergency Certification Form.” (*DOC, CUB, LSAP, ECC*)

21. Require Xcel Energy to include in its annual 2025 and all future Safety, Reliability, and Service Quality (SRSQ) reports, both in aggregate and by county, the following data: (*DOC, CUB, LSAP, ECC*)

- a. The number of extreme heat and air quality events.
- b. The number of customers eligible for extreme heat and air quality protections during each event.
- c. The number of customers whose disconnections are suspended or were reconnected during each event.

[If Decision Option 21 is adopted, Decision Option 22 may also be adopted.]

22. Require Xcel Energy to incorporate the data identified in Decision Option 21 into its service quality map to the extent feasible. (*CUB, LSAP, ECC*)

23. Require Xcel Energy to report both in aggregate and by county the following measures: (*OAG*)

- a. Each event where disconnection suspensions or reconnections were triggered.
- b. The date(s) and length of the event.
- c. The counties impacted by the event.
- d. The number of disconnections suspended during each event.
- e. The number of customers eligible for reconnection during each event.
- f. The number of customers reconnected for each extreme heat event.
- g. The number of customers reconnected for each air quality event.

24. Require Xcel Energy to submit a compliance filing detailing all costs incurred to comply with the Order. (*CUB, LSAP, ECC*)

25. Require Xcel Energy to provide a compliance filing within 30 days of the Order with detailed cost estimates and budget proposals including the details outlined in the OAG’s May 9, 2025 comments. Delegate authority to the Executive Secretary to approve the compliance filing if no party or participant files an objection within 30 days of the Company’s filing. If a party or participant files an objection within 30 days, the Executive Secretary will issue a notice of comment period on the disputed

issues. *(OAG)*

26. Require Xcel Energy to update its tariff sheets to include the expanded heat events and AQI event protections approved herein. *(Xcel, CUB, LSAP, ECC)*