

**25-289 Proposed Decision Options –  
Office of the Attorney General—Residential Utilities Division (OAG)**

*Incremental Cost Test*

- OAG 1: Require Xcel to submit information with each Incremental Cost Test submission sufficient to allow for interpretation and replication of the results, including but not limited to the following:
- a. the EnCompass analysis used to determine resources required;
  - b. the sources, assumptions, and methods used to arrive at all cost and revenue estimates; and
  - c. upper and lower bound ranges for all estimates.
- OAG 2: For any values and calculations identified as protected data in the Incremental Cost Test, Xcel must provide specific explanations of why protected status is necessary.
- OAG 3: Require Xcel to report costs and revenues in the Incremental Cost Test over the full useful life of any generation assets included in the Incremental Cost Test, including
- a. Estimated generation costs and revenues by year for each year of useful life of any relevant generation assets, with costs disaggregated by the generation-related rate base and expense categories used in Xcel’s CCOSSES;
  - b. All estimated costs and revenues by year for each year of useful life of any relevant generation assets, with costs disaggregated by Xcel’s proposed categories of generation/capacity costs, energy costs, MISO costs, and transmission costs; and
  - c. Net present value estimates of net revenues over relevant generation asset lifetimes, for at least the following scenarios: (1) the customer takes service throughout the useful life of relevant generation assets; (2) the customer takes service through the end of the contract term; (3) the customer takes service through the end of the contract term, but the customer reduces load to the minimum billing demand after the ramp period; and (4) the customer terminates the contract after five years and pays the exit fee.
- OAG 4: Require Xcel to submit updated Incremental Cost Tests annually.
- OAG 5: Require Xcel to include an appropriate share of embedded system costs in the Incremental Cost Test and rename it the Very Large Customer Cost Test to reflect this change.

*Key Terms/Rate Design*

- OAG 6: Set a minimum ESA term of 15 years, exclusive of an optional 5-year ramp period, with the option for a longer term if the Commission deems it appropriate.

- OAG 7: Require Xcel to use a minimum of 85 percent of contract capacity to calculate the minimum bill and the exit fee with potentially higher minimums if the Commission deems it appropriate.
- OAG 8: Find that customers taking service under the proposed tariffs are not eligible for the competitive response rider (CRR).

*Class Cost of Service / Cost Attribution*

- OAG 9: Require Xcel to create a separate very large customer class for cost allocation and rate design purposes.
- OAG 10: Require Xcel to assign the incremental costs of capacity built or procured to serve very large customers to the very large customer class.
- OAG 11: Require that each very large customer taking service under the proposed tariffs register with MISO as a separate commercial pricing node and require Xcel to pass through locational marginal price-based charges associated with that node directly to the customer.
- OAG 12: Require Xcel to ensure that class cost allocators incorporate very large customer demand by
- a. Constructing demand allocators using the greater of a very large customer's actual forecasted demand or its minimum billing demand,
  - b. Updating Transmission Cost Recovery Rider allocation factors with recent forecast data in each Transmission Cost Recovery Rider filing, and
  - c. Allocating Renewable Energy Standard Rider costs analogously to how those costs are allocated in Xcel's CCOSSES.

*Procedural Issues and Reporting Filings*

- OAG 13: Require Xcel to file multiple CCOSSES and revenue requirement proposals in subsequent rate cases representing different treatments of the very large customer class, including ones in which
- a. Very large customers are included as part of the C&I Demand class for cost allocation and rate design purposes and all resources are treated as system resources (Xcel's preferred version),
  - b. Very large customers are treated as a separate class for cost allocation and rate design purposes and all resources are treated as system resources, and
  - c. Very large customers are treated as a separate class for cost allocation and rate design purposes and costs attributable to very large customers, including but not limited to incremental costs, are directly assigned to this class.