

**STATE OF MINNESOTA  
BEFORE THE PUBLIC UTILITIES COMMISSION**

Katie Sieben	Chair
Joseph Sullivan	Vice-Chair
Audrey Partridge	Commissioner
Hwikwon Ham	Commissioner
John Tuma	Commissioner

In the Matter of the Application of Northern States Power Company, dba Xcel Energy, for Authority to Increase Rates for Electric Service in the State of Minnesota

Docket No. E002/GR-21-630

**Initial Comments of the Citizens Utility Board of Minnesota**

The Citizens Utility Board of Minnesota (“CUB”) respectfully submits these comments in response to the Minnesota Public Utilities Commission’s (“Commission”) Notice of Comment issued on July 28, 2025 in the above-referenced matter.<sup>1</sup>

**I. INTRODUCTION**

On October 25, 2021, Northern States Power Company d/b/a Xcel Energy (“Xcel” or the “Company”) filed a multi-year rate plan (“MYRP”) seeking to raise gross revenues by \$396.0 million (12.2 percent) in 2022, followed by incremental increases of \$150.2 million (4.8 percent) and \$131.2 million (4.2 percent) in 2023 and 2024, respectively.<sup>2</sup> Xcel’s Application included a request to recover compensation paid to the Company’s top-ten highest paid executives, with the Minnesota jurisdictional amount totaling \$7.05 million in 2022, \$7.57 million in 2023, and \$7.88 million in 2024.<sup>3</sup>

Critically, in submitting its Application Xcel neglected to file statutorily required information separately itemizing the compensation paid and expenses reimbursed for the Company’s ten highest paid officers and employees.<sup>4</sup> This information was not provided to the Commission or stakeholders until the second day of the Commission’s hearing on the matter, after the Commission identified the

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<sup>1</sup> *In the Matter of the Application of Northern States Power Company dba Xcel Energy for Authority to Increase Rates for Electric Service in the State of Minnesota*, Docket No. E002/GR-21-630, Notice of Comment Period on Executive Compensation (July 28, 2025) (hereinafter Notice of Comment Period).

<sup>2</sup> *In the Matter of the Application of Northern States Power Company dba Xcel Energy for Authority to Increase Rates for Electric Service in the State of Minnesota*, Docket No. E002/GR-21-630, Xcel Application Vol. 1, Notice of Change in Rates at 3 (Oct. 25, 2021).

<sup>3</sup> *In the Matter of the Application of Northern States Power Company dba Xcel Energy for Authority to Increase Rates for Electric Service in the State of Minnesota*, Docket No. E002/GR-21-630, Findings of Fact, Conclusions, and Order at 20 (July 17, 2023) (hereinafter Xcel Rate Case Order).

<sup>4</sup> Minn. Stat. § 216B.16, Subd. 17(5).

omission and directed Xcel to correct it.<sup>5</sup> However, due to the late submission Xcel was unable to provide any rationale on the record to justify recovery of those costs, and intervening parties to the rate case were correspondingly unable to evaluate or respond to the late-submitted schedules. The only additional information provided on the record related to the Company's top-ten executives' compensation was reflected in public comments, over 20 of which referenced Xcel's Chief Executive Officer's ("CEOs") earnings and/or generally "express[ed] dissatisfaction with the high level of compensation paid to Xcel's executives."<sup>6</sup>

Based on the record then before it, the Commission concluded Xcel had not met its burden to show full recovery of executive compensation would result in just and reasonable rates. The Commission thereafter set a \$150,000 recovery threshold for each of the Company's top-ten highest-paid executives based on the salary paid to "Minnesota's highest executive officer—its Governor."<sup>7</sup> In setting a \$1.5 million cap each year, the Commission effectively disallowed \$18 million in ratepayer recovery of executive compensation over the term of the MYRP.<sup>8</sup>

On August 7, 2023, Xcel filed a petition seeking, in part, reconsideration of the Commission's treatment of executive compensation, which was subsequently denied.<sup>9</sup> The Company appealed this decision with the Minnesota Court of Appeals on June 14, 2024. On January 21, 2025, the Court of Appeals released its decision affirming the treatment of executive compensation in part, reversing in part, and remanding the issue back to the Commission for further proceedings.<sup>10</sup>

On March 6, 2025, the Commission issued a Notice of Comment Period seeking input on the appropriate procedural process by which the Commission should make decisions on the remanded issues of prepaid pension and executive compensation, and whether the record should be reopened to allow for additional findings to be made.<sup>11</sup> CUB, the Department of Commerce (the "Department"), Xcel, Xcel Large Industrials ("XLI") and the Office of the Attorney General—Residential Utilities Division ("RUD") filed comments, and on June 26, 2025 the matter came before the Commission. On July 23, 2025, the Commission issued its Order Authorizing Notice and Comment Period After Remand, determining the record should be reopened as it relates to Xcel's prepaid pension asset but not

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<sup>5</sup> See *In the Matter of the Application of Northern States Power Company dba Xcel Energy for Authority to Increase Rates for Electric Service in the State of Minnesota*, Docket No. E002/GR-21-630, Errata Filing (May 24, 2023).

<sup>6</sup> Xcel Rate Case Order at 22.

<sup>7</sup> *Id.* at 23.

<sup>8</sup> *Id.*

<sup>9</sup> *In the Matter of the Application of Northern States Power Company dba Xcel Energy for Authority to Increase Rates for Electric Service in the State of Minnesota*, Docket No. E002/GR-21-630, Petition for Reconsideration (Aug. 7, 2023); Order Denying Petition for Reconsideration, Denying Petition for Clarification, and Granting Clarification (Oct. 6, 2023).

<sup>10</sup> *In the Matter of the Application by Northern States Power Company d/b/a Xcel Energy for Authority to Increase Rates for Electric Service in the State of Minnesota*, No. A23-1672 (Minn. App. 2025) (hereinafter Court of Appeals Decision).

<sup>11</sup> *In the Matter of the Application of Northern States Power Company dba Xcel Energy for Authority to Increase Rates for Electric Service in the State of Minnesota*, Docket No. E002/GR-21-630, Notice of Comment Period (Mar. 6, 2025).

reopened on the issue of executive compensation.<sup>12</sup> In making its decision, the Commission noted that the Court of Appeals agreed that denial of Xcel's requested executive compensation expense "accorded with the Commission's statutory mandate and was not contrary to law."<sup>13</sup> Rather, the court's opinion specifically faulted the Commission for failing to adequately explain why the Minnesota Governors' salary is an appropriate proxy for limiting Xcel's executive compensation recovery.<sup>14</sup> Accordingly, the Commission determined its revised decision should be based on the existing evidentiary record, with input and argument from parties based on the information therein.

Subsequently, the Commission issued the instant Notice for Comment on Executive Compensation on July 28, 2025, requesting stakeholder input on what disallowance, if any, the Commission should make for top ten executive compensation in the 2021 Xcel Electric rate case based on the existing record and the Court of Appeals order.<sup>15</sup>

Based on the current record, CUB recommends the Commission disallow Xcel's request to recover compensation for its ten highest-paid executives in its entirety. As described in detail below, Xcel failed to provide record evidence to establish that compensation to the Company's ten highest-paid executives is needed to provide adequate utility service to ratepayers. Because Xcel failed to meet its burden of proof, the Commission and stakeholders did not have sufficient information with which to evaluate the reasonableness of Xcel's request, and denial of recovery in the instant rate case will not impact Xcel's ability to meet the cost of furnishing electric service, Xcel's request to recover any of the \$22.5 million for executive compensation should be denied.

## **II. LEGAL STANDARD**

### **A. Burden of Proof**

Under Minnesota law, the utility seeking a rate increase bears the burden of proving that the proposed rate change is just and reasonable.<sup>16</sup> Any doubt as to reasonableness should be resolved in favor of the consumer.<sup>17</sup> This fundamental tenet of Minnesota utility law places a heavy burden on the Company. Not only must the utility prove by a preponderance of the evidence that the "facts [it] present[s] are accurate, but that the costs [it] seeks to recover are rate recoverable, that the rate recovery mechanisms [it] propose[s] are permissible, and that the rate design [it] advocate[s] is equitable." The Minnesota Supreme Court has historically applied this standard strictly, explaining that "by merely showing that [the utility] has incurred, or may hypothetically incur, expenses, the utility

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<sup>12</sup> *In the Matter of the Application of Northern States Power Company dba Xcel Energy for Authority to Increase Rates for Electric Service in the State of Minnesota*, Docket No. E002/GR-21-630, Order Authorizing Notice and Comment Period After Remand at 3 (July 23, 2025).

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

<sup>15</sup> Notice of Comment Period at 1.

<sup>16</sup> Minn. Stat. § 216B.16, subd. 4.

<sup>17</sup> Minn. Stat. § 216B.03.

does not necessarily meet its burden of demonstrating that it is just and reasonable that the ratepayers bear the costs of those expenses.”<sup>18</sup>

### **B. Evidence on the Existing Record**

After receiving the report of the Administrative Law Judge, the Commission is directed to “make its final decision in accordance with Minnesota Statutes, sections 14.61 and 14.62.”<sup>19</sup> Pursuant to Minn. Stat. § 14.61, the “contested case record must close upon the filing of exceptions to the report and presentation of argument . . . or upon expiration of the deadline for doing so.”<sup>20</sup> No factual information or evidence can be considered in the Commission’s determination of the case unless it is part of the record.<sup>21</sup>

### **III. ANALYSIS**

Minnesota law explicitly identifies executive compensation as an area requiring close scrutiny by the Commission. Under Minn. Stat. § 216B.16, subd. 17, the Commission “may not allow” certain employee expenses that “the commission deems unreasonable and unnecessary for the provision of utility service.”<sup>22</sup> It is within this context that public utilities are required to file separately itemized compensation and expense reimbursement data for the ten highest paid employees:

In order to assist the commission in evaluating . . . [those] related employee expenses that may be allowed . . . a public utility filing a general rate case petition shall include a schedule separately itemizing all travel, entertainment, and related employee expenses . . . including but not limited to . . . expenses for the ten highest paid officers and employees, including and separately itemizing all compensation and expense reimbursements.<sup>23</sup>

The Minnesota Legislature recognized not only that the topic of executive compensation requires careful review, but that in order to sufficiently evaluate a utility’s request for recovery additional information separately itemizing such costs must be examined. By not providing this information until the Commission’s hearing on the matter, and by offering no evidence or explanation in the record as to why these costs are reasonable, Xcel failed to meet its requisite burden of proof to justify recovery. Moreover, the numerous public comments expressing concerns about affordability and dissatisfaction with Xcel’s executive compensation practices raise substantial questions about the reasonableness of the Company’s requested recovery. Because disallowing recovery of executive

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<sup>18</sup> *In the Matter of the Petition of Northern States Power Company for Authority to Change its Schedule of Rates for Electric Service in Minnesota*, 416 N.W.2d 719, 722-23 (Minn. 1987).

<sup>19</sup> Minn. R. 1400.8200.

<sup>20</sup> Minn. Stat. § 14.60, subd. 2.

<sup>21</sup> *Id.*; see also Minn. Rules 1400.7300, subp. 2; 1400.8100, subp. 1.

<sup>22</sup> Minn. Stat. § 216B.16, subd. 17.

<sup>23</sup> Minn. Stat. § 216B.16, subd. 17(5).

compensation costs in the instant case will not have an impact on Xcel's ability to furnish electric service, CUB recommends the Commission deny recovery of all costs.

**A. Xcel failed to provide record evidence that recovery of its requested executive compensation costs from ratepayers is just or reasonable.**

Xcel has the burden to show not only that it will incur executive compensation expenses, but "that it is just and reasonable that the ratepayers bear the costs of those expenses."<sup>24</sup> By providing insufficient information about compensation paid to its top-ten executives—and by neglecting to submit statutorily required information in a timely and appropriate manner—the Company failed to meet that burden. Any doubt about the reasonableness of rates must be resolved in favor of consumers.<sup>25</sup> When costs are inaccurate or invalid, imprudent or unreasonable, or inconsistent with the public interest, the Commission may disallow rate recovery.<sup>26</sup>

As an initial matter, it wasn't until after the first day of oral argument—19 months after the Company's initial rate case filing and only after being directed to do so by the Chair of the Commission—that Xcel filed statutorily mandated disclosures detailing the compensation received by top executives and paid for by Minnesota ratepayers.<sup>27</sup> By excluding required disclosures on executive compensation from the record until oral argument, Xcel's Application was materially deficient for nearly the entire pendency of the rate case. That the Company finally supplied such information at the urging of the Commission does not, alone, justify those expenditures.

Moreover, while the Company is entitled to recover "necessary, on-going expenses incurred in the business of providing utility service,"<sup>28</sup> it must still show that the incurrence of such expenses is reasonable and prudent. Xcel Witness Lowenthal provided general testimony that the Company sets employee compensation based on market comparisons with other corporate employers, and that its exempt non-bargaining employee compensation was "in line with the market median."<sup>29</sup> However, this analysis did not specifically address the compensation levels for its ten highest-paid executives, and the Company provided no such focused analysis throughout the record.<sup>30</sup>

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<sup>24</sup> *N. States Power*, 416 N.W.2d at 723 (Minn. 1987).

<sup>25</sup> Minn. Stat. § 216B.03.

<sup>26</sup> *In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy for Authority to Increase Rates for Electric Service in Minnesota*, Docket No. E002/GR-10-971, Findings of Fact, Conclusions, and Order, at 4 (May 14, 2012).

<sup>27</sup> The Company first filed its application to increase rates on October 25, 2021. Schedules 4 and 5 of Volume 3 of the Application detailed board and executive compensation and were not filed until after the first day of oral argument on May 23, 2023.

<sup>28</sup> *In the Matter of the Request of Interstate Power Co. for Auth. to Change its Rates for Gas Serv. in Minnesota*, 559 N.W.2d 130, 134 (Minn. Ct. App. 1997), *aff'd*, 574 N.W.2d 408 (Minn. 1998).

<sup>29</sup> *In the Matter of the Application of Northern States Power Company dba Xcel Energy for Authority to Increase Rates for Electric Service in the State of Minnesota*, Docket No. E002/GR-21-630, Lowenthal Direct Testimony at 58 (Oct. 25, 2021).

<sup>30</sup> Court of Appeals Decision at 24.

Witness Lowenthal's testimony also contained little discussion about how executive goals align with or stand in opposition to ratepayer interests, and never sought to justify why ratepayers, rather than shareholders, should cover the millions of dollars of executive compensation requested in the rate case. Although Xcel did not seek recovery for certain portions of its executives' Long-Term Incentive ("LTI") program that tie compensation to shareholder earnings, these payment structures nevertheless inform the work and objectives of those employees, which are focused more on shareholder benefits than the interests of ratepayers.<sup>31</sup> Beyond these incentive structures, a significant portion of executive compensation is awarded in the form of XEI stock.<sup>32</sup> These stock awards substantially exceed base salaries and non-equity components of compensation.<sup>33</sup> Executives therefore financially benefit from increased earnings and higher returns on equity, which produce value for existing shareholders at the expense of customers.<sup>34</sup> Thus, even if executive compensation is calculated based on market comparisons,<sup>35</sup> the Company failed to prove the reasonableness of charging ratepayers for the salaries of officers whose work does not necessarily advance ratepayers' interests.

**B. Public Comments in the record suggests Xcel's request for executive compensation is unjust and unreasonable.**

Although Xcel failed to provide evidence on the record justifying recovery of executive compensation expenses, a number of public comments submitted to the docket argued such costs were unreasonably burdensome from the ratepayer perspective.

For example, each of the statements below capture testimonial opinions of Xcel ratepayers that the Commission should evaluate when considering whether ratepayer funding of executive salaries is appropriate:

"They need to decrease executive compensation, and not balance their budget on the backs of poor people. Tell them to get their executive compensation under control . . . Please consider those of us who are victims to this heartless monopoly."<sup>36</sup>

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<sup>31</sup> See Lowenthal Direct at 5.

<sup>32</sup> See *In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy for Authority to Increase Rates for Electric Service in Minnesota*, Docket No. E002/GR-21-630, Vol. 3 Part 2 of 25 Required Information (Oct. 25, 2021) (incorporating by reference Xcel's 2021 Schedule 14A Proxy Statements, available at <https://www.sec.gov/Archives/edgar/data/72903/000007290321000021/a2021xcelproxycombined.htm>).

<sup>33</sup> See *id.*, Proxy Statements at 48.

<sup>34</sup> See, e.g., *In the Matter of the Application of Northern States Power Company dba Xcel Energy for Authority to Increase Rates for Electric Service in the State of Minnesota*, Docket No. E002/GR-21-630, Kihm Direct Testimony at 42-44 (Oct. 3, 2022) (stating that "the only investors who can benefit from an increased return on equity are those who already own the stock" and "executives . . . seek higher returns on equity to make their existing shareholders wealthier").

<sup>35</sup> See Lowenthal Direct at 14.

<sup>36</sup> *In the Matter of the Application of Northern States Power Company dba Xcel Energy for Authority to Increase Rates for Electric Service in the State of Minnesota*, Docket No. E002/GR-21-630, Public Comment of RH Peterman (Jan. 25, 2022).

"Xcel executive pay continues to soar AND they are requesting a 20% rate hike . . . ?!  
. . . Stop the executive greed and do your job to advocate and reduce costs for average  
Minnesotans."<sup>37</sup>

"Perhaps a closer look at how they reimburse their top executives will give a better  
picture of where their money goes. Making a profit is fine for companies, but not on  
the backs of its customers."<sup>38</sup>

"From a moral perspective this will inflict great cost and hardship on those who are  
already struggling with the effects of inflation with little belt tightening on Xcel's part  
. . . . With third quarter profits already up . . . from last year, . . . and with measures to  
increase executive compensation in its rate increase proposal, it would appear to be  
just the opposite."<sup>39</sup>

"This request is flat-out outrageous. At a time when inflation is high and many families  
are struggling with their utility bills, it would be utterly unconscionable to approve this  
increase to further line the pockets of [Xcel's] executives and increase their profits.  
This wealth transfer from those that can least afford it to those that least need it must  
not be allowed to stand."<sup>40</sup>

The filing of public comments is the method of participation most available to ratepayers served by the Company and plays a fundamental role in ensuring customer voices are heard. Indeed, the ALJ recognized that "[m]embers of the public need not become formal parties to participate in this matter. Members of the public may participate in the public hearings and may offer oral and written testimony and exhibits."<sup>41</sup> Despite requesting \$22.5 million in executive compensation, Xcel included no meaningful consideration of how such costs would benefit ratepayers, even when faced with the number of public comments voicing affordability concerns directly linked to executive pay. That such public commenters were not direct parties to the case does not reduce the import of their contributions, nor does it prevent the Commission from giving such testimony due weight. In conjunction with Xcel's failure to meet its burden of proof, the evidence provided on the record by

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<sup>37</sup> *In the Matter of the Application of Northern States Power Company dba Xcel Energy for Authority to Increase Rates for Electric Service in the State of Minnesota*, Docket No. E002/GR-21-630, Public Comment of Eric VanderVoste (Feb. 23, 2023).

<sup>38</sup> *In the Matter of the Application of Northern States Power Company dba Xcel Energy for Authority to Increase Rates for Electric Service in the State of Minnesota*, Docket No. E002/GR-21-630, Public Comment of Lydia McAnerny (Oct. 27, 2022).

<sup>39</sup> *In the Matter of the Application of Northern States Power Company dba Xcel Energy for Authority to Increase Rates for Electric Service in the State of Minnesota*, Docket No. E002/GR-21-630, Public Comment of Robert Frank (Nov. 29, 2022).

<sup>40</sup> *In the Matter of the Application of Northern States Power Company dba Xcel Energy for Authority to Increase Rates for Electric Service in the State of Minnesota*, Docket No. E002/GR-21-630, Public Comment of Tracy Kugler (Dec. 5, 2022).

<sup>41</sup> *In the Matter of the Application of Northern States Power Company, dba Xcel Energy, for Authority to Increase Rates for Electric Service in the State of Minnesota*, MPUC Docket No. E002/GR-21-630, OAH Docket No. 22-2500-37994, First Prehearing Order at 2 (Jan. 19, 2022).

public comments further justifies disallowance of Xcel's requested executive compensation in its entirety.

**C. Denial of Xcel's request to recover executive compensation costs in the instant rate case will not impact the Company's ability to meet the cost of furnishing electric service.**

In reviewing a utility's request to increase rates, the Commission must determine what is "just and reasonable," giving "due consideration to the public need for adequate, efficient, and reasonable service and to the need of the public utility for revenue sufficient to enable it to meet the cost of furnishing the service."<sup>42</sup> This requires not only determining the "accuracy and validity of the claimed costs," but also the "prudence and reasonableness" of the claimed expenses and their "compatibility . . . with the public interest."<sup>43</sup> When costs are inaccurate or invalid, imprudent, or unreasonable, or inconsistent with the public interest, the Commission "itself may compute a hypothetical capital structure that will afford an ultimate determination of a reasonable and just rate."<sup>44</sup> Any doubt as to reasonableness must be resolved in favor of consumers.<sup>45</sup>

As previously discussed, Xcel failed to meet its burden to prove the reasonableness of ratepayer recovery of executive compensation. The Commission's decision to deny Xcel's proposed expense amount was therefore upheld by the Court of Appeals as being in accordance with law.<sup>46</sup> Under these circumstances, the Commission may—and did—consider setting some level of recovery below Xcel's requested amount. By focusing on ratepayer impacts when setting recovery at the governor's salary, however, the Court of Appeals ruled that the Commission neglected to consider whether the allowed expense was sufficient to enable Xcel to meet its cost of service.<sup>47</sup> After reviewing "the needs of the ratepayer *and* the utility,"<sup>48</sup> CUB believes full disallowance of executive compensation is appropriate because it will not impact the Company's ability to meet the cost of furnishing electric service.

Witness Lowenthal asserts that under-recovery of Xcel's requested costs for the total rewards program could ultimately affect the Company's ability to attract and retain talented employees.<sup>49</sup> However, this purported impact is not specific to Xcel's highest-paid executives, and is only discussed in relation to the costs for all employee compensation. CUB fundamentally disagrees that this rationale applies to Xcel's ability to attract executives in the same way limiting ratepayer contributions to compensation may impact other positions at the Company. Xcel is always free to compensate its employees at levels in excess of the authorized rate of recovery if it chooses to do so. Indeed, Xcel

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<sup>42</sup> Minn. Stat. § 216B.16, subd. 6.

<sup>43</sup> *In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy for Authority to Increase Rates for Electric Service in Minnesota*, Docket No. E002/GR-10-971, Findings of Fact, Conclusions, and Order, at 4 (May 14, 2012).

<sup>44</sup> *N. States Power*, 416 N.W.2d at 726 (Minn. 1987).

<sup>45</sup> Minn. Stat. § 216B.03.

<sup>46</sup> Court of Appeals Decision at 21.

<sup>47</sup> *Id.* at 26.

<sup>48</sup> *Id.*

<sup>49</sup> Lowenthal Direct Testimony at 56-57.

regularly seeks to recover only a portion of the total compensation paid to its top-ten executives, the remainder of which is funded largely by shareholders. For example, in 2020 Xcel's Chairman and CEO Ben Fowke's total actual compensation amount was \$16,805,588, yet the Minnesota jurisdiction amount recovered from ratepayers was only \$1,933,858.<sup>50</sup> In the instant rate case, Xcel similarly requested only a portion of its top-ten executives' total compensation package.<sup>51</sup> With such a significant portion of the top-ten executives' total compensation coming from sources other than customer rates, there is no evidence Xcel's inability to recover the ratepayer-funded portion will have any impact on the Company's ability to furnish electric service.

Should the Commission move forward with fully disallowing ratepayer recovery of executive compensation, the outcome would have a limited impact on the Company. In such a situation, shareholders would bear the cost of compensating executives, which would reduce net income attributable to Northern States Power's Minnesota operations. Xcel's request to recover \$7.05 million in executive compensation for the 2022 test year equates to less than 1.4 percent of the Company's estimated net income, prior to any rate case modifications.<sup>52</sup> In the 2023 and 2024 plan years, the \$7.57 and \$7.88 million reductions in estimated net income would result in similarly limited impacts of 1.7 and 2.0 percent, respectively. Given the negligible impacts on Xcel and its shareholders, we do not believe denial of ratepayer recovery will impact the Company's ability to attract and retain talent or capital.

Lastly, CUB emphasizes that this determination does not impact Xcel's future ability to recover costs for executive compensation. The Commission's determination applies only to the Company's recovery of costs until its next rate case filing wherein Xcel will have the opportunity to provide evidence justifying the reasonableness of those costs.

#### **IV. CONCLUSION**

CUB appreciates the opportunity to provide comments on the issue of executive compensation recovery on remand. Because Xcel failed to meet its burden of proof to show the Company's ten highest-paid executives' compensation is a reasonable expense to be borne by ratepayers, the Commission should deny recovery of those costs in the instant rate case. CUB intends to review the initial comments of other parties and provide any additional recommendations in reply.

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<sup>50</sup> *In the Matter of the Application of Northern States Power Company dba Xcel Energy for Authority to Increase Rates for Electric Service in the State of Minnesota*, Docket No. E002/GR-21-630, Xcel Errata Filing Letter at 5 (May 24, 2023).

<sup>51</sup> Lowenthal Direct Testimony at 5.

<sup>52</sup> *In the Matter of the Application of Northern States Power Company dba Xcel Energy for Authority to Increase Rates for Electric Service in the State of Minnesota*, Docket No. E002/GR-21-630, Halama Direct Testimony at 8, Schedule 3 at 3 (Oct. 25, 2021).

Respectfully submitted,

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