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Xcel Energy	Information Request No.	1
Docket No.:	E002/M-23-524	
Response To:	Minnesota Public Utilities Commission	
Requestor:	Tera Dornfeld	
Date Received:	November 14, 2025	

Question:

Ordering Paragraph #4 of the Commission’s Order Approving Revised Opt-In Proposal and Setting Reporting Requirements issued May 15, 2025 in Docket No. E002/M-23-524 required the following information from Xcel Energy:

Revised methodology for solar customers to participate in TOU rate and a compensation rate and explanation of how the methodology complies with Minn. Stat. § 216B.164, subd. 3(d) and Minn. R. 7835.0100, subp. 2a.

The Company provided a revised methodology but did not include in its public filing how the method complies with applicable Statute and Rule, as listed in the ordering paragraph.

Staff requests that the Company provide that explanation of compliance.

Response:

The referenced statute and rule require that the compensation rates be set at the average retail utility energy rate. Minn. Stat. § 216B.164, subd. 3(d) defines the average retail utility energy rate as “the average of the retail energy rates, exclusive of special rates based on income, age, or energy conservation, according to the applicable rate schedule of the utility for sales to that class of customer.” Minn. R. 7835.0100, subp. 2a defines the average retail utility energy rate as “for any class of utility customer, the quotient of the total annual class revenue from sales of electricity minus the annual revenue resulting from fixed charges, divided by the annual class kilowatt-hour sales.”

The methodology for the new A60 Rate Code complies with these requirements and is the same as that used for the existing Excess Generation – Average Retail Utility Energy Service (Rate Code A50). Using the Residential Time of Use Service class billing data, we calculate the Total Class Revenue, which includes energy, fuel, rider, and customer charge revenue. The revenue is split into on-peak, mid-peak, and off-peak periods for the summer and winter seasons. We then remove the associated

Fixed Charge (i.e., the customer charge) revenue and divide by the annual kWh sales for the time period and season to get the Average Retail Energy Rates.

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