

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

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

In the Matter of an Investigation and Audit of
Service Quality Reporting – Fraudwise Report

DOCKET NO. E, G-002/CI-02-2034

In the Matter of the Petition of Northern States
Power Co. d/b/a Xcel Energy for Approval of
Amendments to its Natural Gas and Electric
Service Quality Tariffs Originally Established
in Docket No. E, G-002/CI-02-2034

DOCKET NO. E, G-002/M-12-383

**INITIAL COMMENTS OF THE OFFICE
OF THE ATTORNEY GENERAL—
RESIDENTIAL UTILITIES DIVISION**

INTRODUCTION

The Office of the Attorney General—Residential Utilities Division (OAG) respectfully submits the following initial comments in response to the Public Utilities Commission’s Notice of Comment Period issued on June 6, 2025. Xcel’s 2024 Annual Quality of Service Plan (QSP) report shows Xcel’s customers’ significant concerns about its service quality—particularly regarding billing and credit issues. Xcel reports that it exceeded the 2024 customer complaint threshold by over 1,000 complaints. Xcel’s claim this is due to the standard being “unachievable” does not pan out. Xcel should look to improve its customer service to reduce the number of complaints submitted to the Commission’s Consumer Affairs Office (CAO), rather than attempt to dilute the standard by changing the definition of “complaint” or using years with substandard performance to reset the threshold. The OAG also offers several other recommendations in response to the noticed issues.

BACKGROUND

Xcel is subject to service quality standards detailed in its rate book.¹ These service quality standards were developed over time as the result of several unique events. In 1998, following an investigation of Xcel's meter-reading and billing practices, the Commission approved the first version of the QSP.² In 2000, the Commission conditioned the merger of Northern States Power Company with New Century Energies, Inc., now Xcel, on an expanded service-quality plan.³ The Commission imposed a \$100,000 underperformance payment if Xcel failed to meet various thresholds.⁴ In 2004, the Commission significantly stepped up the amount of underperformance payments—up to \$10 million annually—after a Commission investigation into the impacts of the financial difficulties of an unregulated Xcel affiliate on the Minnesota utility.⁵

After many more years of service quality audits between 2004 and 2012, the Commission updated the QSP in 2013 to the current framework.⁶ The current framework establishes seven thresholds that Xcel must meet. If Xcel fails to meet a threshold it must pay a \$1 million underperformance penalty. Fifty percent, or \$500,000, of any underperformance penalty is to be

¹ See [Xcel Electric Rate Book](#), Sec. 6 (Section 1.9); [Xcel Gas Rate Book](#), General Rules and Regulations, Sec. 6 (Section 1.9).

² *In re Petition of the Office of Attorney General for an Investigation of Northern States Power Company's Meter Reading and Billing Practices*, Docket No. E,G-002/CI-97-863, Order Accepting Stipulation and Settlement (March 3, 1998).

³ *In re Application of N. States Power Co. for Approval to Merge with New Century Energies, Inc.*, Docket No. E,G-002/PA-99-1031, Order Approving Merger, as Conditioned (June 12, 2000).

⁴ *Id.*

⁵ Order Accepting Settlement Agreement, As Modified at 6 (Mar. 10, 2004). Unless otherwise noted, citations are to documents in Docket No. E, G-002/CI-02-2034. Documents before 2009 are housed in .tif format in eDockets and, as such, are not hyperlinked.

⁶ [Order Approving Amendments to Service-Quality Tariff](#) (Aug. 12, 2013).

applied to customer bills. The other fifty percent is added to the amount budgeted for the maintenance and repair of Xcel's natural gas and electric distribution system.⁷

The two unmet thresholds in Xcel's 2024 report are summarized below:⁸

- **Customer Complaints:** Any year in which the number of complaints to the Commission's Consumer Affairs Office (CAO) exceeds 0.2059 complaints per 1,000 customers will trigger an underperformance penalty.
- **Telephone Response Time:** An underperformance penalty will be assessed if 80 percent of calls directed to Xcel's call center or to its business office are not answered within 20 seconds.⁹

The customer complaint threshold was set based on 1.5 standard deviations from Xcel's 7-year average performance. The Commission believed that period was reasonable because Xcel "met or exceeded the benchmarks set for it" during that timeframe.¹⁰ The telephone response time threshold is set in Commission rule, but the penalty is unique to Xcel as part of its QSP tariff.¹¹

For the customer complaint threshold, from 2013 to 2017, Xcel met the standard every year.¹² Since 2018, over a seven year period, Xcel has not met the customer complaint threshold three times.¹³ Xcel's complaint numbers since 2018 along with the complaint number needed to trigger the underperformance penalty are provided below:

⁷ [Xcel Electric Rate Book](#), General Rules and Regulations, Sec. 6, 3rd Revised Sheet No. 7.6 (Section 1.9 C); [Xcel Gas Rate Book](#), General Rules and Regulations, Sec. 6, 2nd Revised Sheet No. 7.6 (Section 1.9 C).

⁸ [Xcel Petition](#) at 6 (Mar. 27, 2013) (adopted by Commission in [Order Approving Amendments to Service-Quality Tariff](#) (Aug. 12, 2023)).

⁹ [Xcel Electric Rate Book](#), General Rules and Regulations, Section No. 6, 3rd Revised Sheet No. 7.7 (Section 1.9 E); [Xcel Gas Rate Book](#), General Rules and Regulations, Sec. No. 6, 2nd Revised Sheet No. 7.6 (Section 1.9 E).

¹⁰ [Order Approving Amendments to Service-Quality Tariff](#) at 3 (Aug. 12, 2013).

¹¹ *See* Minn. R. 7826.1200.

¹² [Xcel 2013 Annual Report](#) at 2 (half year report); [Xcel 2014 Annual Report](#) at 2 (115 out of 349 complaints); [Xcel 2015 Annual Report](#) at 1 (129 out of 350 complaints); [Xcel 2016 Annual Report](#) at 1 (102 out of 354 complaints); [Xcel 2017 Annual Report](#) at 1 (113 out of 357 complaints).

¹³ Attach. 1 (Xcel Response to OAG IR No. 25-5).

Table 1 – Xcel Compliance with Complaint Threshold 2018 to 2024¹⁴

Year	Standard	Complaints	Compliance
2018	<360	248	Yes
2019	<363	396	No
2020	<367	239	Yes
2021	<371	257	Yes
2022	<375	329	Yes
2023	<380	759	No
2024	<383	1468	No

Note that because the complaint threshold is per 1,000 customers, it fluctuates annually depending on the number of customers on Xcel’s system. That is, the threshold is designed to self-update to account for any growth or decreases in Xcel’s customer base. Although Xcel exceeded the standard in 2019, it did so by only 33 complaints. This contrasts with the past two years where Xcel exceeded the complaint threshold by almost double in 2023, and by almost four times in 2024.

In its 2023 report, Xcel acknowledged that it exceeded the customer complaint threshold and it must make a \$1 million underperformance payment—exceeding the 2023 standard of approximately 380 complaints with 759 complaints.¹⁵ Xcel reported that that many complaints were related to disconnections, which rose significantly in 2023.¹⁶ The Commission modified the standard distribution of payments to use \$500,000 of the underperformance penalty to provide a \$500 direct credit, in order of oldest outstanding balance first, to accounts of customers unable to participate in Xcel’s proposed pilot program in Docket No. 24-27, have a past due balance greater than \$5,000, have not otherwise received energy assistance, and have made a payment within the last 90 days.¹⁷ Xcel was also directed to limit credits to customers that “live within specified low-

¹⁴ Compiled from data in Attach. 1 (Xcel Response to OAG IR No. 25-5).

¹⁵ [Xcel 2023 Annual Report](#) at 1.

¹⁶ *Id.*

¹⁷ [Order on Distribution of Underperformance Penalty](#) at 5 (Oct. 9, 2024).

income census block groups [CBGs] starting with the census block groups with the lowest income.”¹⁸

Xcel subsequently requested guidance on how best to follow the Commission’s order after Xcel determined that it would not be able to disburse the full penalty amount under the Commission’s criteria.¹⁹ The Commission agreed with Xcel’s proposed modification and lowered the past-due balance qualifying amount from \$5,000 to \$2,000.²⁰ In a compliance filing detailing the CBGs to which the bill credits were paid out, Xcel observed that “the count of customers receiving bill credits was not more concentrated in the very lowest-income CBGs primarily because, in order to be eligible, a customer had to meet four other criteria.”²¹

In its 2024 report, Xcel acknowledges that it again exceeded the customer complaint threshold and the telephone response time threshold. While the telephone response time threshold was exceeded by a small amount, Xcel reported almost four times as many complaints as the annual threshold with 1,468 complaints.²² Xcel reports that 1,083, or 74 percent, of the complaints relate to Billing & Credit issues.²³ Xcel proposes to distribute the underperformance penalties in ways that seek to address underlying issues in service quality.

Along with its annual report, Xcel proposes to modify its QSP tariff regarding customer complaints in two ways: (1) by modifying the threshold before which Xcel must pay an underperformance penalty; and (2) by modifying the definition of “complaint” to require that

¹⁸ *Id.*

¹⁹ [Xcel Letter – Proposed Approach to Bill Credits](#) (Oct. 30, 2024).

²⁰ [Notice Granting Revised Distribution of Underperformance Penalty Bill Credits](#) (Dec. 13, 2024).

²¹ [Xcel Monthly Report #4](#) at 4 (Feb. 7, 2025).

²² Xcel 2024 Annual Report at 3.

²³ *Id.*, Attach. B.

customers must first contact Xcel and be unsuccessful in resolving the complaint with the utility before their complaint to the Commission's Consumer Affairs Office (CAO) will be counted.²⁴

ANALYSIS

The Commission's notice asks commenters to address the following questions on issues embedded within Xcel's 2024 Annual Report and Tariff Modification Request:

- I. Should the Commission find that Xcel Energy exceeded the customer complaint threshold and telephone response time threshold as set by its QSP Tariff?
- II. Should the Commission accept Xcel Energy's 2024 Annual QSP report?
- III. Should the Commission approve Xcel Energy's proposal to use 50% of the Customer Complaint underperformance penalty for bill credits to past due customers?
- IV. Should the Commission approve Xcel Energy's proposal to use 50% of the Telephone Response Time underperformance penalty for deployment of its Live Chat function?
- V. Should the Commission approve Xcel Energy's proposal to update the customer complaints standard to ≤ 0.649 complaints per 1,000 customers?
- VI. Should the Commission approve Xcel Energy's proposal to update the definition of 'Customer Complaint' in its Electric Rate Book, Section No. 6, Service Quality?
- VII. Should the Commission require an inflation adjustment to the underperformance penalty per the Commission's October 9, 2024 Order?
- VIII. Are there other issues or concerns related to this matter?

The OAG responds to the Commission's individual questions in the sections below.

I. THE COMMISSION SHOULD FIND THAT XCEL EXCEEDED THE CUSTOMER COMPLAINT AND TELEPHONE RESPONSE TIME THRESHOLDS.

Xcel acknowledges that it exceeded its QSP tariff standards in 2024 for customer complaints and telephone response time, and this will result in \$2 million in underperformance penalties.²⁵ Regardless of whether the Commission grants Xcel's request to amend its service quality standards going forward, Xcel exceeded the standards that were in effect for 2024. The

²⁴ Xcel 2024 Annual Report at 12-16.

²⁵ *Id.* at 3.

Commission should find that Xcel exceeded the Customer Complaint and Telephone Response Time thresholds for 2024 and order Xcel to pay \$2 million in underperformance penalties.

II. IF THE COMMISSION ACCEPTS XCEL’S 2024 ANNUAL REPORT, IT SHOULD CLARIFY THAT IT IS REJECTING XCEL’S PROPOSED TARIFF MODIFICATIONS, WHICH ARE INTERTWINED WITH THE REPORT.

Xcel submitted its 2024 Annual QSP report on May 15, 2025. The annual report, however, is combined with, and is indistinguishable from, Xcel’s request to modify its QSP tariff. The OAG does not currently have any objection to the accuracy of Xcel’s reporting, but the OAG recommends the Commission clarify that it is rejecting Xcel’s proposed modifications to its QSP tariff for the reasons discussed below.

III. THE COMMISSION SHOULD APPROVE XCEL’S PROPOSAL TO USE 50% OF THE CUSTOMER COMPLAINT UNDERPERFORMANCE PAYMENT FOR BILL CREDITS TO PAST DUE CUSTOMERS.

For the customer complaint underperformance penalty, Xcel proposes that it use \$500,000 of the underperformance credit for \$500 bill credits for customers meeting the following criteria: (1) have a past-due balance greater than \$2,000, (2) have not otherwise received energy assistance, (3) are working to pay off their bill—as demonstrated by a payment on their account in the last 90 days, and (4) have received notice of potential disconnection.²⁶ Xcel proposes not to apply the criteria from the 2023 underperformance penalty to prioritize customers who “live within specified low-income census block groups starting with the census blocks with the lowest income.”²⁷ The criteria that customers must have received a notice of potential disconnection, however, appears to be a new criteria not applied to the 2023 bill credits.

The OAG agrees with Xcel’s proposal to forgo the geographic requirements applied for the 2023 underperformance penalty bill credits. The customer complaint threshold is triggered

²⁶ Xcel 2024 Annual Report at 1.

²⁷ *Id.* at 8.

broadly, and no information is reported regarding the location of the customers that file complaints. While the OAG believes that focusing on low-income CBGs for relief can be an appropriate method to attempt to address energy inequities, several of the most energy-burdened CBGs in Xcel's service territory are now receiving bill credits through the Automatic Bill Credit pilot.²⁸ Applying the \$500 credit more broadly will reasonably provide this relief to the customers with the highest past due balances, regardless of geography.

Xcel also appears to be proposing an additional criterion that the Commission did not require for the 2023 underperformance payment—that eligible customers must have received a notice of potential disconnection.²⁹ The OAG is unsure from Xcel's petition of the purpose of this criterion or the timeframe of when customers would need to receive the notice to qualify. The OAG requests that Xcel provide further explanation on these points in reply comments.

IV. THE COMMISSION SHOULD NOT ALLOW XCEL TO USE THE UNDERPERFORMANCE PAYMENT FOR A LIVE CHAT FUNCTION.

Xcel proposes to use 50 percent of its underperformance payment for exceeding the call response time threshold to “accelerate deployment of a Live Chat function.”³⁰ However, Xcel's Live Chat function is currently in the pilot phase, and the Commission should not authorize the use of underperformance payments to accelerate deployment until the pilot is completed and permanent implementation is shown to be reasonable. The OAG recommends the Commission deny Xcel's request to use \$500,000 to accelerate deployment of its Live Chat pilot, unless Xcel

²⁸ Although the 2023 underperformance payment would have excluded these CBGs, the OAG is unsure of how this was applied by Xcel given that the CBGs eligible to participate in the ABC pilot were not determined at the time the refund was applied. *See* Docket No. 22-266, Xcel Letter Update (Feb. 18, 2025) (describing rerunning the “screens” ordered by the Commission to more directly focus on energy burdened CBGs and reducing the number of eligible CBGs from 77 to 65).

²⁹ Xcel 2024 Annual Report at 8.

³⁰ *Id.* at 2.

completes the pilot, reviews the pilot's results, and provides record evidence that the Live Chat program will be a reasonable use of ratepayer funds.

Xcel should provide the results of its Live Chat pilot program before using underperformance payments to fund its acceleration. Xcel states that it has a small pilot that it has been operating with "high customer satisfaction results" that support the use of funds for this purpose. According to Xcel's report, the pilot "launched in April [2025], so the program is still in its infancy and data is limited."³¹ Xcel acknowledged in an information request response on May 22 that "[t]he impact to inbound telephone calls (and hence the Telephone Response Time metric) via the addition of a live agent chat option will not be available until the pilot progresses for several more weeks, but is assumed to be an overall reduction because a portion of customers who would otherwise call will choose the convenience of chat."³² The OAG is skeptical that Xcel can reasonably draw these conclusions at such an early stage of the pilot. Further, Xcel acknowledges several drawbacks, including that resolving customer concerns takes longer via chat than via phone.³³ Xcel should wait to complete its pilot program and evaluate it, prior to accelerating Live Chat to full deployment using underperformance penalty funds.

The OAG is also concerned that using the underperformance penalty to fund a program that would have ongoing costs that would create a funding gap in future years that would be made up by ratepayers. Fifty percent of the QSP penalty, or \$500,000, would make up only slightly more than half of Xcel's stated \$950,000 for full deployment of the pilot.³⁴ There would also likely be ongoing costs for continued training and staffing of Live Chat in future years, and the OAG is not

³¹ Xcel 2024 Annual Report at 10.

³² Attach. 2 (Xcel Response to DOC IR no. 12).

³³ Xcel 2024 Annual Report at 10.

³⁴ Attach. 2 (Xcel Response to DOC IR no. 12).

clear on whether and how these costs are currently accounted for in Xcel's rates. The OAG requests that Xcel clarify how the pilot and potential acceleration are currently funded and how Xcel would ensure that any penalty amounts are paid by Xcel's shareholders—not ratepayers.

While the OAG appreciates Xcel exploring new methods for its customers to engage with Xcel's representatives, it is not clear that using \$500,000 of the telephone response time underperformance penalty to "accelerate deployment" of its Live Chat is reasonable. Xcel should provide further explanation and analysis in reply comments, or if it cannot do so, Xcel should either return the \$500,000 to ratepayers as contemplated by the QSP tariff or discuss a more targeted proposal with stakeholders.

V. Commission Should Not Allow Xcel to Dilute Customer Complaint Threshold.

Xcel requests that the Commission update the baseline for calculating the customer complaint threshold from 0.2059 per 1,000 customers to 0.649 per 1,000 customers. Based on Xcel's current customer counts, this change would increase the threshold from 383 complaints to 1,207 complaints—an over three-fold increase.³⁵ While Xcel acknowledges that the current threshold automatically reflects increases to number of customers, Xcel argues the threshold "has become essentially unachievable and as such, is no longer providing an effective incentive for the Company to improve performance in this area."³⁶ The OAG is alarmed by Xcel's statement that it is no longer incentivized to decrease the number of complaints that the Commission's CAO receives through a \$1 million penalty. The solution to Xcel's stated lack of incentive is not, however, to dilute the standard. Instead, the Commission could revisit the mechanism to ensure

³⁵ Xcel 2024 Annual Report at 12-13.

³⁶ *Id.* at 12.

that Xcel is appropriately incentivized to provide adequate customer service even after it may have exceeded the customer complaint threshold in a specific year.

Xcel argues that the threshold should be updated because it was set in 2013 and is “essentially unachievable.”³⁷ Xcel claims, incorrectly, that the “Customer Complaint standard has been treated as a ‘set it and forget it’ construct for over a decade.”³⁸ To be clear, Xcel’s complaint threshold is designed to update with changes in Xcel’s customer counts. As Xcel explained in 2012, when proposing what became this mechanism, “because the metric is a ‘count’ rather than average performance over the period like the other metrics” the threshold should “be based on the number of complaints per 1,000 customers.”³⁹ Xcel continued that this approach ensures that its “performance is measured in relation to our total customer base, incorporating natural customer base fluctuations.”⁴⁰ While acknowledging that the current threshold of 0.2059 per 1,000 customer is self-updating, Xcel now states “this has added just 37 complaints to the standard since 2013, while the Company added 184,650 customers during those same years.”⁴¹ Not coincidentally, 0.2059 times 184.65⁴² is 38.01. That is, the threshold is updating precisely as contemplated.

Also, Xcel’s argument that this threshold has become “essentially unachievable” does not track with Xcel’s complaint history. Until 2023, Xcel achieved, or nearly achieved, the complaint

³⁷ *Id.*

³⁸ [Xcel 2023 Annual Report](#) at 14.

³⁹ [Xcel 2012 Petition](#) at 8.

⁴⁰ *Id.*

⁴¹ Xcel 2024 Annual Report at 13.

⁴² Customer complaint threshold is in thousands.

threshold in every year but 2019.⁴³ In 2019, Xcel exceeded the threshold by 33 complaints.⁴⁴ Only in recent years have Xcel's complaints skyrocketed. In 2023, Xcel exceeded the threshold by approximately 100% (759 complaints), and in 2024 Xcel's complaints were nearly four-times the threshold (1,468 complaints). Rather than concluding the standard is now "unachievable," the more logical conclusion is that changes in Xcel's service quality in the past two years have caused complaints to increase rapidly. The solution is not to sanction this decrease in service quality by making the threshold more lenient but for Xcel to pinpoint the cause of the increased complaints and come up with solutions to better serve its customers.

Xcel also argues that the threshold is outdated, in part because "the Company today offers many more products and services, and the overall complexity of the electric system and technologies has grown dramatically."⁴⁵ But this Xcel argument does not match Xcel's stated reasons for the high number of complaints. Billing and Credit complaints are far and away the chief concerns of complaints—indeed complaints in just this category would be almost three times Xcel's current complaint threshold.⁴⁶ These are core components of utility service, not novel products or new technologies. Even if complaints were related to more complex products, many of which Xcel has proposed, this is not a reason to dilute the standards. Instead, Xcel should provide satisfactory service quality regardless of the product it offers.

⁴³ See Attach. 1 (Xcel Response to OAG IR No. 25-5) (2018 through 2024—noting deficiencies in 2018, 2023, and 2024); [Xcel 2013 Annual Report](#) at 2 (half year report); [Xcel 2014 Annual Report](#) at 2 (115 out of 349 complaints); [Xcel 2015 Annual Report](#) at 1 (129 out of 350 complaints); [Xcel 2016 Annual Report](#) at 1 (102 out of 354 complaints); [Xcel 2017 Annual Report](#) at 1 (113 out of 357 complaints).

⁴⁴ Attach. 1 at Attach. A at 2 (Xcel Response to OAG IR No. 25-5) (showing 396 complaints with a 363 complaint threshold).

⁴⁵ Xcel 2024 Annual Report at 12.

⁴⁶ See *id.*, Attach. B.

In addition, Xcel’s proposed complaint threshold is flawed in that it uses several years of data where Xcel provided substandard service to “reset” the threshold. Resetting the threshold using complaint numbers that were substandard would go against the Commission’s reasoning when it set the current threshold in 2013. In that year, the Commission found it reasonable to set the complaint threshold based on 1.5 standard deviations from Xcel’s 7-year average performance, because during those years “the Company met or exceeded the benchmarks set for it.”⁴⁷ The Commission should reject Xcel’s request to reset the threshold based on years when it did not always meet the threshold, and in the case of the past two years, did not even come close.

The current customer complaint threshold has functioned well. There are many years where Xcel has met the standards and only a handful (three) where Xcel has failed to meet the standard since the current threshold was set. Far from showing a standard that is “essentially unachievable,” both the abruptness and scale with which Xcel has exceeded the threshold in 2023 and 2024 is a red flag that Xcel must provide better service.

While the OAG urges the Commission to reject Xcel’s current proposal to dilute its complaint threshold, the OAG acknowledges that there may be a benchmark structure that will more effectively incentivize Xcel to reduce complaints. For example, because the current complaint threshold is triggered at a specific number of complaints, once that number is exceeded each year, the penalty may no longer incentivize Xcel to reduce complaints for the remaining months of the year.⁴⁸ Instead of having a flat threshold with one penalty, a penalty that “steps-up” upon exceeding a threshold may be more appropriate to protect customers. The OAG would

⁴⁷ [Order Approving Amendments to Service-Quality Tariff](#) at 3 (Aug. 12, 2023).

⁴⁸ To be clear, the OAG is not saying that Xcel has *no* incentive to reduce complaints once the annual threshold is exceeded, simply that the underperformance penalties are no longer providing an incentive independent of business best practices and other incentives utilities have to provide adequate service.

appreciate Xcel's consideration of such a mechanism and response in reply comments as to whether it would be better incentivized by such a penalty mechanism.

VI. THE COMMISSION SHOULD NOT ACCEPT XCEL'S REWRITE OF THE DEFINITION OF COMPLAINT.

Xcel proposes to change the definition of "customer complaint" to effectively reduce the threshold for compliance with its service quality metrics. Xcel argues that it "should have the opportunity to attempt to resolve any customer complaint before it is brought to the CAO and added to the annual tally."⁴⁹ Xcel therefore proposes to amend its tariff to modify the definition of "customer complaint" as follows:

7. *"Customer Complaint"* is defined as any complaint submitted, in writing, by US Mail, e-mail, or by fax, registered by the Minnesota Public Utilities Commission's Consumer Affairs Office to the Company, regarding a complaint submitted by an Xcel Energy customer in which the customer states a grievance related to the Company's provision of service to that customer, provided that the complaint has first been submitted to the Company and the customer has been unsuccessful resolving the complaint with the Company. General inquiries to the Consumer Affairs Office, where the customer has not requested to register a complaint, shall not be counted as Customer Complaints.

The Commission should reject Xcel's proposed tariff modification. This is not the first time that Xcel has sought to modify the definition of "customer complaint," and the Commission has already limited the definition of complaint in Xcel's QSP tariff. Xcel's definition would also require burdensome review for either CAO or Xcel. Finally, the last sentence in the tariff modification proposed by Xcel is duplicative of other tariff provisions and would create ambiguity.

The Commission has already limited the definition of "customer complaint," in response to a previous request from Xcel. In 2012, Xcel proposed to amend the definition to only include "unique" complaints that were "registered" with the CAO, and require the customer to state a

⁴⁹ Xcel 2024 Annual Report at 16.

“specific” grievance related to the Company’s provision of service to that customer.⁵⁰ Xcel also requested that it be allowed to challenge the CAO on whether specific complaints could be excluded from future tallies.⁵¹ While denying some of the requests, the Commission allowed Xcel to modify its tariff to include only “registered” complaints, which Xcel stated “includes any complaints that come via phone, fax, mail etc. that are documented by the Commission.”⁵² Most consumers that are dissatisfied with the service provided by a business will not take the extraordinary step of contacting the business’s regulator for assistance. The limitations in Xcel’s current tariff to only those complaints reported to, and registered by, CAO do not need to be further restricted.

Further, it is not clear how Xcel would verify that the customer had contacted Xcel prior to contacting the CAO and been “unsuccessful” in resolving their complaint. First, this would require significant review to determine. It is not clear to the OAG how Xcel would perform this review and how this review could be audited to confirm that Xcel was not improperly excluding complaints on this basis. Second, whether the customer was “unsuccessful in resolving the complaint” with Xcel is up to the customer, not Xcel. Including such a qualification in a tariff, allows Xcel to second guess the customer’s determination about the propriety of contacting a regulator to seek assistance and is inappropriate.

Last, the final sentence that Xcel seeks to include in the definition is either duplicative of current language or would unreasonably restrict it. Xcel proposes to add the limitation that “[g]eneral inquires to the Consumer Affairs Office, where the customer has not requested to

⁵⁰ See [Xcel 2012 Petition](#) at Proposed Redline Tariffs, Sec. 6, 3rd Revised Sheet No. 7.2 (Apr. 16, 2012).

⁵¹ *Id.*

⁵² [Xcel 2013 Petition Following Settlement](#) at 7 (Mar. 27, 2023).

register a complaint, shall not be counted as Customer Complaints.” But the current definition already requires that the “customer states a grievance related to the Company’s provision of service to that customer.” The current definition, therefore, already excludes “general inquiries” to CAO. The OAG is concerned that by including this duplicative limitation in the definition, Xcel would be able to contest whether a customer had specifically articulated to CAO that they “wish to register a complaint.” Such a magic-language requirement is not appropriate for a service quality standard that seeks to gauge consumers’ concerns with the utility from which they are required to purchase an essential service.

The complaint definition should not require customers to attempt to hash out a dispute with Xcel prior to filing a complaint before their complaint is counted for service-quality incentives. The current definition of “customer complaint” in Xcel’s QSP tariff is already very limited. Government agencies, such as CAO, see only a small fraction of complaints from the most engaged or frustrated consumers. Often those consumers have attempted to work out the issue with the subject of the complaint, but they should not be required to—particularly if the customer has had a bad experience attempting to resolve complaints in the past. The OAG believes the current definition of customer complaint, while reasonable, is lenient and should not be further qualified.

VII. THE COMMISSION SHOULD UPDATE THE UNDERPERFORMANCE PENALTIES FOR INFLATION.

The Commission requested parties to address the propriety of an inflation adjustment to Xcel’s underperformance penalty. Xcel argues that it should not be required to update the underperformance penalty for inflation because doing so would not “motivate improved performance,” and because it would be inequitable given that no other utilities have similar

underperformance penalties.⁵³ Xcel’s arguments are illogical. The Commission has authority to update the underperformance penalties to account for inflation and should do so.

Xcel states that an inflation adjustment is inappropriate because its underperformance penalties “are not designed to cover specific expenses that have increased due to inflation; rather they are performance penalties, set at a level deemed sufficient to motivate improved performance.”⁵⁴ But the fact that the penalties are incentives does not divorce them from the effects of inflation. The penalties are borne by Xcel’s shareholders, and the opportunity cost of paying those penalties, versus shareholders’ receiving the funds as profit, changes with inflation. As such, inflation could certainly temper Xcel’s motivation to improve performance if the penalty is too low. For example, a \$1,000 penalty may have incentivized a utility in 1974, but now could have minimal impact in-and-of itself.⁵⁵ While the difference in motivation between the current \$1 million underperformance penalty and Commission Staff’s estimate of \$1.35 million⁵⁶ is not so stark, at some point inflation may mute Xcel’s motivation.

Xcel also argues that an inflation adjustment would be “inequitable,” because other utilities do not have underperformance penalties. However, the difference between Xcel and other utilities is with the fact that Xcel faces penalties for not meeting specific service-quality standards, not whether the penalties are adjusted for inflation. Far from being “inequitable,” Xcel’s service quality standards in Xcel’s QSP tariff have arisen from a long-history of service-quality and data

⁵³ Xcel 2024 Annual Report at 12.

⁵⁴ *Id.*

⁵⁵ *See, e.g.,* Minn. Stat. § 216B.57, which has been set since 1974 without adjustment. However, the Minnesota Statutes, unlike Xcel’s underperformance penalty, has a per violation component and continuing violation provision that can make these penalties larger. *See Id.*; Minn. Stat. § 216B.59.

⁵⁶ [Staff Briefing Papers for Docket No. E-002,G-002/CI-02-2034 and E-002,G-002/M-12-383](#) at 19 (Sept. 11, 2024).

management concerns. The first version of the tariff was approved in 1998, after an investigation into Xcel's billing practices.⁵⁷ In 2000, the Commission conditioned the merger of Northern States Power Company with New Century Energies, Inc., now Xcel, on an expanded service-quality plan.⁵⁸ Then in 2002, the Commission ordered Xcel to submit to an audit regarding how it accounted for outages.⁵⁹ The auditing firm, Fraudwise, subsequently identified several serious deficiencies in Xcel's service quality reporting and data integrity.⁶⁰ Subsequent audits were performed by multiple auditors between 2002 and 2008, wherein the auditors raised various concerns and worked through issues with Xcel.⁶¹ In 2009, the Commission ordered Xcel to continue reporting on its implementation of the auditor's recommendations.⁶² Xcel's tariff continues to require that it pay for periodic audits of its outage duration data.⁶³ This history is why Xcel has underperformance penalties and other electric utilities currently do not. Should similar concerns be raised with other utilities, the OAG is confident that the Commission would require similar incentives to motivate those utilities to improve performance.

The Commission has the authority to adjust Xcel's QSP tariff either by resetting it at a specific amount to account for inflation since 2013 or to include a tariff provision that would auto-update for inflation.⁶⁴ The Commission may do so with or without Xcel's agreement.

⁵⁷ *In re Petition of the Office of Attorney General for an Investigation of Northern States Power Company's Meter Reading and Billing Practices*, Docket No. E,G-002/CI-97-863, Order Accepting Stipulation and Settlement (March 3, 1998).

⁵⁸ *In re Application of N. States Power Co. for Approval to Merge with New Century Energies, Inc.*, Docket No. E,G-002/PA-99-1031, Order Approving Merger, as Conditioned (June 12, 2000).

⁵⁹ [Order Accepting Independent Audi Report and Requiring Additional Information](#) at 1 (Sept. 2, 2009).

⁶⁰ *Id.*

⁶¹ *Id.* at 2-4.

⁶² *Id.*

⁶³ [Xcel Gas Rate Book](#), General Rules and Regulations, Sec. 6, 2nd Revised Sheet No. 7.5; [Xcel Electric Rate Book](#), General Rules and Regulations, Sec. 6, 3rd Revised Sheet No. 7.5.

⁶⁴ *See, e.g.*, Minn. Stat. §§ 216A.05, subd. 2(2); 216B.04, .05, .09.

CONCLUSION

For all the reasons above, the OAG recommends the Commission deny Xcel's request to modify its QSP tariff to weaken the complaint reporting threshold. Instead of attacking the standard, Xcel should focus on solving the root cause of its high-number of complaints.

Dated: July 22, 2025

Respectfully submitted,

KEITH ELLISON
State of Minnesota
Attorney General

/s/ **Katherine Hinderlie**

KATHERINE HINDERLIE
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ATTORNEYS FOR MINNESOTA OFFICE
OF THE ATTORNEY GENERAL—
RESIDENTIAL UTILITIES DIVISION

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Xcel Energy	Information Request No.	25-5
Docket No.:	E,G002/CI-02-2034, E,G002/M-12-383	
Response To:	Minnesota Office of the Attorney General	
Requestor:	Katherine Hinderlie	
Date Received:	July 7, 2025	

Question:

Reference: 2024 Annual Report at 13: “In discussions with the State Parties, we proposed retaining the same method (1.5 standard deviations) and number of years (seven) but updating the calculation to reflect the most recent seven years.”
2024 Annual Report, Attachment B

Request:

For each year, 2018-2024, that Xcel proposes to include in its updated calculation, provide the information provided in Attachment B.

Response:

Please see Attachment A to this response.

Preparer: Matthew Morse
Title: Principal Rate Analyst
Department: NSPM Regulatory
Telephone: 612-216-8167
Date: July 17, 2025

**Minnesota Public Utilities Commission
Consumer Affairs Office
121-7th Place East
St. Paul, MN 55101-2147**

XCEL ENERGY TARIFF SERVICE QUALITY PLAN**SUMMARY OF CUSTOMER COMPLAINTS**

For the period of January 01, 2018 to December 31, 2018

Filed in accordance with Docket No. E,G002/CI-02-2034 & E,G002/M-12-383

Name of Utility: Northern States Power Company, a Minnesota Corporation**Address:** 3115 Centre Pointe Drive, Roseville, MN 55113**Prepared by:** Jeff Eden , Senior Customer Advocate Analyst,
Customer Care 303-294-2214

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18		
													Total	Standard
Customer Complaints to PUC														
Billing & Credit	8	6	10	37	18	10	15	16	23	16	12	2	173	
Customer Service	2	0	1	3	1	1	4	2	1	3	3	1	22	
Meter Reading	0	0	0	0	0	0	0	0	0	0	0	0	0	
Reliability-Duration	0	0	0	0	0	1	0	0	0	0	0	0	1	
Reliability-Frequency	0	0	0	0	0	1	0	2	0	0	1	0	4	
Trouble Orders	0	0	0	0	0	0	1	0	0	0	0	0	1	
Other	2	1	4	2	5	1	7	8	7	6	2	2	47	
Monthly	12	7	15	42	24	14	27	28	31	25	18	5	248	
YTD	12	19	34	76	100	114	141	169	200	225	243	248		<360

**Minnesota Public Utilities Commission
Consumer Affairs Office
121-7th Place East
St. Paul, MN 55101-2147**

XCEL ENERGY TARIFF SERVICE QUALITY PLAN**SUMMARY OF CUSTOMER COMPLAINTS**

For the period of January 01, 2019 to December 31, 2019

Filed in accordance with Docket No. E,G002/CI-02-2034 & E,G002/M-12-383

Name of Utility: Northern States Power Company, a Minnesota Corporation**Address:** 3115 Centre Pointe Drive, Roseville, MN 55113**Prepared by:** Jeff Eden, Customer Advocate Analyst, Customer Care (303) 294-2214

	1	2	3	4	5	6	7	8	9	10	11	12	Total	Standard
Customer Complaints to PUC														
Billing & Credit	5	5	7	25	25	23	17	15	23	7	17	3	172	
Customer Service	4	2	3	0	5	2	1	1	1	1	0	11	31	
Meter Reading	0	0	0	0	0	0	0	0	0	1	0	0	1	
Reliability-Duration	0	0	0	0	0	0	2	0	0	0	0	0	2	
Reliability-Frequency	0	1	1	1	0	0	2	1	0	1	2	0	9	
Trouble Orders	0	0	0	0	0	1	0	0	0	0	0	0	1	
Other	0	4	4	5	7	3	10	4	3	10	3	127	180	
Monthly	9	12	15	31	37	29	32	21	27	20	22	141	396	
YTD	9	21	36	67	104	133	165	186	213	233	255	396		<363

*Distributed Generation (DG) are included in the "Other", "Customer Service" and "Billing and Credit" Complaint Types. In 2019 we had approximately 139 complaints from the CAO related to DG.

Minnesota Public Utilities Commission
Consumer Affairs Office
121-7th Place East
St. Paul, MN 55101-2147

XCEL ENERGY TARIFF SERVICE QUALITY PLAN
SUMMARY OF CUSTOMER COMPLAINTS
For the period of January 01, 2020 to December 31, 2020
Filed in accordance with Docket No. E,G002/CI-02-2034 & E,G002/M-12-383

Name of Utility: Northern States Power Company, a Minnesota Corporation
Address: 3115 Centre Pointe Drive, Roseville, MN 55113
Prepared by: Jeff Eden, Customer Advocate Analyst, Customer Care (303) 294-2214

	1	2	3	4	5	6	7	8	9	10	11	12	Total	Standard
Customer Complaints to PUC														
Billing & Credit	7	14	9	6	2	3	3	2	3	4	6	4	63	
Customer Service	1	3	0	2	2	4	2	2	4	4	3	2	29	
Meter Reading	0	0	0	0	0	0	0	0	0	0	0	0	0	
Reliability-Duration	0	0	0	1	0	0	1	0	10	1	0	0	13	
Reliability-Frequency	0	0	0	0	1	2	5	6	2	3	0	0	19	
Trouble Orders	0	0	0	0	0	0	0	0	0	0	2	0	2	
Other	10	8	14	6	6	8	7	10	11	18	11	4	113	
Monthly	18	25	23	15	11	17	18	20	30	30	22	10	239	
YTD	18	43	66	81	92	109	127	147	177	207	229	239		<367

Minnesota Public Utilities Commission**Consumer Affairs Office****121-7th Place East****St. Paul, MN 55101-2147****XCEL ENERGY TARIFF SERVICE QUALITY PLAN****SUMMARY OF CUSTOMER COMPLAINTS**

For the period of January 01, 2021 to December 31, 2021

Filed in accordance with Docket No. E,G002/CI-02-2034

Name of Utility: Northern States Power Company, a Minnesota Corporation**Address:** 3115 Centre Pointe Drive, Roseville, MN 55113**Prepared by:** Jeff Eden, Customer Advocate Analyst, Customer Care (303) 294-2214

	1	2	3	4	5	6	7	8	9	10	11	12	Total	Standard
Customer Complaints to PUC														
Billing & Credit	5	1	2	1	2	0	7	30	18	9	13	8	96	
Customer Service	0	4	3	1	3	2	6	0	2	2	3	6	32	
Meter Reading	1	0	0	0	0	0	0	0	1	0	1	0	3	
Reliability-Duration	0	0	1	1	0	0	0	0	0	0	0	0	2	
Reliability-Frequency	0	2	0	0	1	2	2	0	8	8	3	2	28	
Trouble Order	0	0	0	0	0	0	0	0	0	0	0	1	1	
Other	5	7	12	7	11	5	11	6	10	6	7	8	95	
Monthly	11	14	18	10	17	9	26	36	39	25	27	25	257	
YTD	11	25	43	53	70	79	105	141	180	205	232	257		<371

*In 2021 we had approximately 26 complaints from the CAO related to Distributed Generation (DG).

Minnesota Public Utilities Commission
Consumer Affairs Office
121-7th Place East
St. Paul, MN 55101-2147

XCEL ENERGY TARIFF SERVICE QUALITY PLAN
SUMMARY OF CUSTOMER COMPLAINTS

For the period of January 01, 2022 to December 31, 2022

Filed in accordance with Docket No. E,G002/CI-02-2034 & E,G002/M-12-383

Name of Utility:
Address:
Prepared by:

Northern States Power Company, a Minnesota Corporation
3115 Centre Pointe Drive, Roseville, MN 55113
Jeff Eden, Customer Advocate Analyst, Customer Care (303) 294-2214

	1	2	3	4	5	6	7	8	9	10	11	12	Total	Standard
Customer Complaints to PUC														
Billing & Credit	4	3	11	9	8	12	10	16	13	14	21	12	133	
Customer Service	4	5	6	3	2	2	4	3	4	0	1	1	35	
Meter Reading	0	0	1	0	2	1	1	2	1	3	0	0	11	
Reliability-Duration	0	0	1	0	1	0	1	1	1	0	0	1	6	
Reliability-Frequency	1	0	1	0	1	3	5	8	2	1	1	1	24	
Trouble Orders	0	0	0	1	0	1	0	1	0	0	0	0	3	
Other	8	6	14	9	11	5	8	15	24	5	5	7	117	
Monthly	17	14	34	22	25	24	29	46	45	23	28	22	329	
YTD	17	31	65	87	112	136	165	211	256	279	307	329		<375

*In 2022 we had aproximately 59 complaints from the CAO related to Distributed Generation (DG).

Minnesota Public Utilities Commission
Consumer Affairs Office
121-7th Place East
St. Paul, MN 55101-2147

XCEL ENERGY TARIFF SERVICE QUALITY PLAN
SUMMARY OF CUSTOMER COMPLAINTS
For the period of January 01, 2023 to December 31, 2023
Filed in accordance with Docket No. E,G002/CI-02-2034 & E,G002/M-12-383

Name of Utility: Northern States Power Company, a Minnesota Corporation
Address: 3115 Centre Pointe Drive, Roseville, MN 55113
Prepared by: Robert Duenes, Customer Advocate Analyst, Customer Care
(806) 513-1493

	1	2	3	4	5	6	7	8	9	10	11	12	Total	Standard
Customer Complaints to PUC														
Billing & Credit	5	2	12	2	39	52	57	79	71	105	46	20	490	
Customer Service	4	5	3	3	9	8	3	7	4	5	0	3	54	
Meter Reading	2	0	4	0	0	2	3	1	2	3	3	1	21	
Reliability-Duration	0	1	0	0	2	1	0	4	1	4	0	1	14	
Reliability-Frequency	1	1	0	0	0	0	0	0	0	0	0	0	2	
Trouble Orders	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other	13	7	5	18	15	16	21	17	23	12	21	10	178	
Monthly	25	16	24	23	65	79	84	108	101	129	70	35	759	
YTD	25	41	65	88	153	232	316	424	525	654	724	759		<380

Minnesota Public Utilities Commission
Consumer Affairs Office
121-7th Place East
St. Paul, MN 55101-2147

XCEL ENERGY TARIFF SERVICE QUALITY PLAN
SUMMARY OF CUSTOMER COMPLAINTS
For the period of January 01, 2024 to December 31, 2024

Filed in accordance with Docket No. E,G002/CI-02-2034 & E,G002/M

Name of Utility: Northern States Power Company, a Minnesota Corporation
Address: 3115 Centre Pointe Drive, Roseville, MN 55113
Prepared by: Robert Duenes, Customer Advocate Analyst, Customer Care (806) 513-1493

	1	2	3	4	5	6	7	8	9	10	11	12	Total	Standard
Customer Complaints to PUC														
Billing & Credit	28	31	32	49	139	187	144	120	83	131	73	66	1083	
Customer Service	5	9	6	7	5	12	2	2	3	1	2	4	58	
Meter Reading	1	0	0	1	2	1	0	4	0	2	2	1	14	
Reliability-Duration	0	1	0	0	0	0	3	2	1	0	0	1	8	
Reliability-Frequency	0	0	1	0	2	4	4	24	6	1	5	3	50	
Trouble Orders	0	0	0	2	0	2	1	1	0	0	0	0	6	
Other	16	8	17	19	25	20	21	39	27	21	19	17	249	
Monthly	50	49	56	78	173	226	175	192	120	156	101	92	1468	
YTD	50	99	155	233	406	632	807	999	1119	1275	1376	1468		<383

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Xcel Energy	Information Request No.	12
Docket Nos.:	E,G002/CI-02-2034 and E,G002/M-12-383	
Response To:	Minnesota Department of Commerce	
Requestor:	John Kundert	
Date Received:	May 22, 2025	

Question:

Topic: Live Chat implementation

Reference(s): Docket No: E,G002/M-12-383 - QSP 2024 Annual Compliance Filing, filed May 15, 2025 , page 5

1. Please provide all information regarding program costs (capital and expense) and the current timeline for implementation of the Live Chat function.
2. Provide support for the statement:
 - a. “Time underperformance payment to accelerate deployment of the Live Chat function, should allow the Company to restore performance on this metric”.

Response:

1. Page 9-10 of the filing details the Company’s proposal for 50 percent of the Telephone Response Time underperformance payment and includes an estimate of \$950,000 for the operating and maintenance costs to train agents and expand the small pilot described in our QSP annual report into full deployment for the last six months of 2025. As of May 27, the Company is two months into implementation of the pilot, and customer satisfaction results continue the positive trend observed right after it began. Customer Care’s labor expenses associated with training agents to prepare for the live agent chat pilot as well as staffing agents for the three months of the pilot are approximately \$91,000. Deployment with 31 agents to handle chat contacts for July-December 2025 is estimated to cost an additional \$861,000. None of the estimated costs outlined in this response are considered capital.
2. The impact to inbound telephone calls (and hence the Telephone Response Time metric) via the addition of a live agent chat option will not be available until the pilot progresses for several more weeks, but is assumed to be an overall reduction because a portion of customers who would otherwise call will choose the convenience of chat. An anticipated benefit of this shift in customer contact channels will be improvements in employee satisfaction and agent retention from

2024 levels due to lower call volumes for agents to manage. The associated impacts will be shorter, more effective calls, as well as reductions in hiring replacement agents as staffing supply more appropriately matches call demand. The Company anticipates successfully deploying the live agent chat option will enable customers to choose a contact method that is convenient to them and will allow the Company to address recent staffing and recruiting shortfalls and restore the telephone response time performance metric to pre-2024 levels.

Preparer: Jason Perreira
Title: Sr. Mgr., Analytics and Work Force Management
Department: Customer Care Analytics and Work Force
Telephone: 651-639-4502
Date: June 2, 2025