MINNESOTA
PUBLIC UTILITIES COMMISSION

Staff Briefing Papers

Meeting Date	May 21, 2020	Agenda Item 8*
Company	Northern States Power Company d/b/a Xcel Energy (Xcel, Company)	
Docket Nos.	**E-002/M-20-180 and E-002/GR-15-826** In the Matter of Northern States Power Company's 2019 Annual Revenue Decoupling Mechanism Pilot Program Report	
Issues	• Should the Commission accept Xcel's annual revenue decoupling report for the period ended December 31, 2019, and approve Xcel's revenue decoupling rate adjustments?	

Staff	Jorge Alonso	jorge.alonso@state.mn.us	651-201-2258
	Ray Hetherington	raymond.hetherington@state.mn.us	651-201-2203

✓ **Relevant Documents**	**Date**
Xcel Energy – 2019 Decoupling Evaluation Report (Year 4)	January 31, 2020
PUC – Order Approving True-ups and Requiring Xcel to Withdraw Its Notice of Change in Rates and Interim Rate Petition[1]	March 13, 2020
Minnesota Department of Commerce - Comments	March 31, 2020
City of Minneapolis – Comments	April 10, 2020

[1] Docket E-002/M-19-688.

✓ **Relevant Documents**	**Date**
Fresh Energy – Reply Comments	April 10, 2020
Xcel Energy – Reply Comments	April 10, 2020

Table of Contents

I. Statement of the Issues

Should the Commission accept Xcel's annual revenue decoupling report for the period ended December 31, 2019, and approve Xcel's revenue decoupling rate adjustments?

II. Introduction

This is the Commission's fourth and final annual review of Xcel's full revenue decoupling pilot program. Xcel's pilot was allowed to expire on December 31, 2019. After that, effective January 1, 2020, the Commission's March 13, 2020 Order in Docket E-002/M-19-688 authorized Xcel to include the decoupled classes in the Company's 2020 sales true-up.

In its March 31, 2020 comments, the Minnesota Department of Commerce (Department, DOC) recommended approval of the Company's proposed annual revenue decoupling rate adjustments. Additionally, the Department requested that, within this docket, Xcel compare its 2019 Conservation Improvement Program (CIP) performance to that in the three-year decoupling period of 2013-2015, when performance results are available.[2] Further, the Department implicitly recommended approval of Xcel's Revenue Decoupling Evaluation Report (Report) for the one-year time period ending on December 31, 2019.

On April 10, 2020, Xcel filed the 2019 CIP comparison requested by the Department.

On April 10, 2020 Fresh Energy and the City of Minneapolis encouraged Xcel and the Department to continue discussions on how revenue decoupling and beneficial electrification can concurrently be pursued.

III. Background

A. Minn. Stat. § 216B.2412, Decoupling of Energy Sales from Revenues

According to Minn. Stat. § 216B.2412, the objective of revenue decoupling is to:

1. Reduce Xcel's disincentive to promote energy efficiency by making the Company's revenue less dependent on energy sales,
2. Achieve energy savings, and
3. Not harm ratepayers.

B. Pilot Revenue Decoupling Program

On May 8, 2015, the Commission issued its Findings of Fact, Conclusions of Law, and Order (2015 Order) in Xcel's 2013 General Rate Case.[3] In this Order, the Commission authorized, effective January 1, 2016, a three year pilot "full" revenue decoupling mechanism (RDM) that

[2] Xcel's Annual CIP Report is due to be filed by May 1, 2020.

[3] Docket No. E-002/GR-13-868.

applies to the Residential, Residential with Space Heating and Small Commercial and Industrial (Non-Demand) Classes. To coordinate with rates approved in Xcel's 2015 General Rate Case (Docket No. E-002/GR-15-826) the original three year program was extended for a fourth year and will run through December 31, 2019.

Among the 2015 Order's RDM requirements, the Commission instructed Xcel to file an annual revenue decoupling report by February 1st of each year. This is the Company's fourth annual report encompassing the period of January 1 to December 31, 2019.

IV. Parties' Comments

A. Xcel's Annual Decoupling Report

Xcel's revenue decoupling program was a four-year pilot for residential and small business customers that began in the 2016 calendar year and was allowed to expire on December 31, 2019. Included in Xcel's "stay-out" filing in Docket No. E-002/M-19-688 was a proposal to allow the decoupling pilot to expire and, effective January 1, 2020, add the decoupled classes[4] into the Company's annual sales true-up. The Commission approved Xcel's request in its March 13, 2020 Order.[5]

The full revenue decoupling mechanism (RDM) accounts for all differences between approved sales and actual sales, including those caused by weather. The RDM adjustment is calculated by subtracting actual electric revenue for each customer class from the revenue approved by the Commission for that customer class. This may result in a surcharge (actual revenue below approved revenue) or a credit (approved revenue below actual revenue). Surcharges are capped at 3% and can only be implemented if Xcel achieves energy savings of 1.2%. This calculation is performed once per year and the resulting adjustments are reflected on customer bills beginning the following April and remain in effect for a 12-month period.

For the 2019 calendar year, Xcel reported revenues that were $27.0 million below the baseline and, as shown in Table 1, will result in surcharges to all three decoupled classes. The Company attributed the shortfall to a "decrease in 2019 actual sales as compared to the baseline sales."[6]

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[4] Xcel's decoupled classes are: 1) residential non-space heating, 2) residential space heating, and 3) C&I non-demand.

[5] ORDER APPROVING TRUE-UPS AND REQUIRING XCEL TO WITHDRAW ITS NOTICE OF CHANGE IN RATES AND INTERIM RATE PETITION, *In the Matter of Northern States Power Company d/b/a Xcel Energy for Approval of True-Up Mechanisms*, Docket No. E-002/M-19-688

[6] Petition, January 31, 2020, page 2.

Table 1: Total Over- or Under-Collection of Allowed Revenues by Customer Class[7]
Based on Calendar-Year 2019 Actual Sales and Actual Customer Counts

		($ Millions)				
RDM Class	**Total RDM Surcharge/ (Refund)**	**Carry-Over Balance[8]**	**Estimated Surcharge Cap**	**2019 Class Impact[9]**	**Avg. Monthly Customer Surcharge/ (Refund)**	**RDM Rate ($/kWh) April 2020 – March 2021**
Residential	$28.2	($1.2)	$25.6	$24.4	$1.79[10]	$0.003069
Residential with Space Heating	$0.3	($0.1)	$0.9	$0.2	$0.45[11]	$0.000512
Small Commercial Non-Demand	$2.8	($0.1)	$2.5	$2.4	$2.31[12]	$0.002849
Total	$31.2			$27.0		

Table 2 shows a summary of revenue impacts under no RDM, partial RDM, and full RDM scenarios.

Table 2: 2019 Revenue Impacts under RDM Scenarios[13]
($ Millions)

Customer Class	No RDM	Partial RDM	Full RDM[14]
Residential	$0.0	$27.4	$28.2
Residential with Space Heating	$0.0	$0.9	$0.3
Small Commercial Non-Demand	$0.0	$2.8	$2.8
Total	$0.0	$31.1	$31.2

Note: (Refund) or Surcharge

[7] Northern States Power Company's 2019 Annual Revenue Decoupling Mechanism Pilot Program Report (Year 4), January 31, 2020, page 6.

[8] Carry-over (over/under-collection) balance from 2018 decoupling deferrals.

[9] Includes the Total RDM surcharge and carry-over balance.

[10] Based on average usage per customer of 583 kWh per month.

[11] Based on average usage per customer of 887 kWh per month.

[12] Based on average usage per customer of 812 kWh per month.

[13] Northern States Power Company's 2019 Annual Revenue Decoupling Mechanism Pilot Program Report (Year 4), January 31, 2020, page 8.

[14] Does not include carry-over balances from 2018 deferrals.

In terms of energy savings, Xcel stated that preliminary results from its 2019 portfolio of CIP programs showed positive results by saving approximately 530 million kWh[15] or 1.84% of sales. This represents 117 percent of Xcel's approved energy savings goal of 452 million kWh.[16]

Below is a table listing Xcel's 2019 CIP programs.

Business	**Residential**
Business New Construction	Efficient New Home Construction
Commercial Efficiency	Energy Efficient Showerheads
Commercial Refrigeration Efficiency	Energy Feedback
Computer Efficiency	Home Energy Squad
Cooling Efficiency	Home Lighting
Custom Efficiency	Insulation Rebate
Data Center Efficiency	Refrigerator Recycling
Efficiency Controls	Residential Cooling
Fluid Systems Optimization	Residential Heating (Heating Rebate)
Foodservice Equipment	School Education Kits
Heating Efficiency	Water Heater Rebate
Lighting Efficiency	Whole Home Efficiency
Motor and Drive Efficiency	Residential Saver's Switch
Multi-Family Building Efficiency	Consumer Education
Process Efficiency	Home Energy Audit
Recommissioning	Residential Lamp Recycling
Self-Direct	**Low Income**
Turn Key Services	Home Energy Savings
Saver's Switch for Business	Low-Income Home Energy Squad
Electric Rate Savings	Multi-Family Energy Savings
Business Education	
Small Business Lamp Recycling	

[15] In 2019, energy savings for the Business Segment were 336 million kWh and for the Residential and Low-Income Segments they were 194 million kWh.

[16] Achievement results based on the CIP standard for energy savings as defined in Minn. Stat. § 216B.241, subd. 1a(b).

According to the Company, sales are influenced by growth in their customer base and customer operations, actions customers take that impact their energy they usage and the economy. However, of all the possible factors, weather has the biggest impact on sales.

2019 weather conditions were colder than normal during both the winter and summer seasons. Compared to the baseline (normal) year, winter weather, as measured by Heating Degree Days (HDD), was 6.8% colder which resulted in *more* electricity sales than normal. Summer weather, as measured by Cooling Degree Days (CDD), was 5.2% colder than usual which resulted in *less* electricity sales than normal.

Xcel estimated 2019 weather impacts to account for $0.8 million in surcharges to the Residential without Space Heating class and $0.7 million in credits to the Residential with Space Heating and Small Commercial and Industrial Non-Demand classes.

B. Department of Commerce - Comments

The Department's analysis of Xcel's 2019 Annual Report includes a review of:

- Xcel's ability to surcharge customers for 2019 deferrals;
- Xcel's compliance with Commission reporting requirements;
- Xcel's 2019 Conservation Improvement Program (CIP) achievements;
- Xcel's 2019 deferral calculation; and
- Xcel's discussion of regulatory policy changes that may help the State meet its greenhouse gas reduction goals.

1. Xcel's Ability to Surcharge Customers

The Commission's May 8, 2015 Order in Docket No. E-002/GR-13-868 (2015 Order) prohibited Xcel from making an upward rate adjustment through revenue decoupling following a year where it fails to achieve energy savings equal to 1.2 percent of its retail sales. The Department noted that, although Xcel's 2019 CIP Status Report had not been evaluated, the Company claimed first year energy savings of over 530 million kWH or approximately 1.84% of retail sales. Therefore, the Department believes that, beginning April 1, 2020, Xcel is able to implement its RDM surcharge.

2. Xcel's Reporting Requirements

The 2015 Order established reporting requirements[17] that Xcel must meet before it can implement its RDM adjustment factor. After reviewing Xcel's filing, the Department concluded that Xcel complied with the reporting requirements.

3. Xcel's 2018 Energy Savings

The Department noted that Minnesota Statutes § 216B.241, Subdivision 3 states, in part:

[17] Order Point 40e, numbers i through ix.

> Each pilot program must utilize the criteria and standards established in subdivision 2 and be designed to determine whether a rate-decoupling strategy achieves energy savings.

In Table 4, the Department compared Xcel's 2018 (the third year of its RDM Rider deferral) CIP achievements to three years of the Company's pre-decoupling achievements. Table 4 and Figures 1 and 2 show CIP achievements for the residential (including low-income) customer class and the business customer class (including the Center for Energy and Environment's (CEE) One-Stop Efficiency Shop).

Table 4: Xcel's 2018 CIP Achievements Compared to Pre-Decoupling (2013-2015) CIP Achievements (in kWH)

	Business	Residential	Total
2013	326,172,990	167,072,321	493,245,311
2014	342,313,567	136,265,278	478,578,845
2015	326,406,491	173,987,045	500,393,536
2013-2015 Average	331,631,016	159,108,215	490,739,231
2016	359,412,589	191,286,634	550,699,223
2017	463,172,254	192,898,330	656,070,584
2018	478,637,852	201,810,597	680,448,449
2018 % Difference from 2013-2015 Average	44%	27%	39%
2018 % Difference from 2017	3%	5%	4%

Figure 1: Comparing Xcel's 2018 Business First-Year Energy Savings to Average Pre-Decoupling (2013-2015) Business First-Year Energy Savings

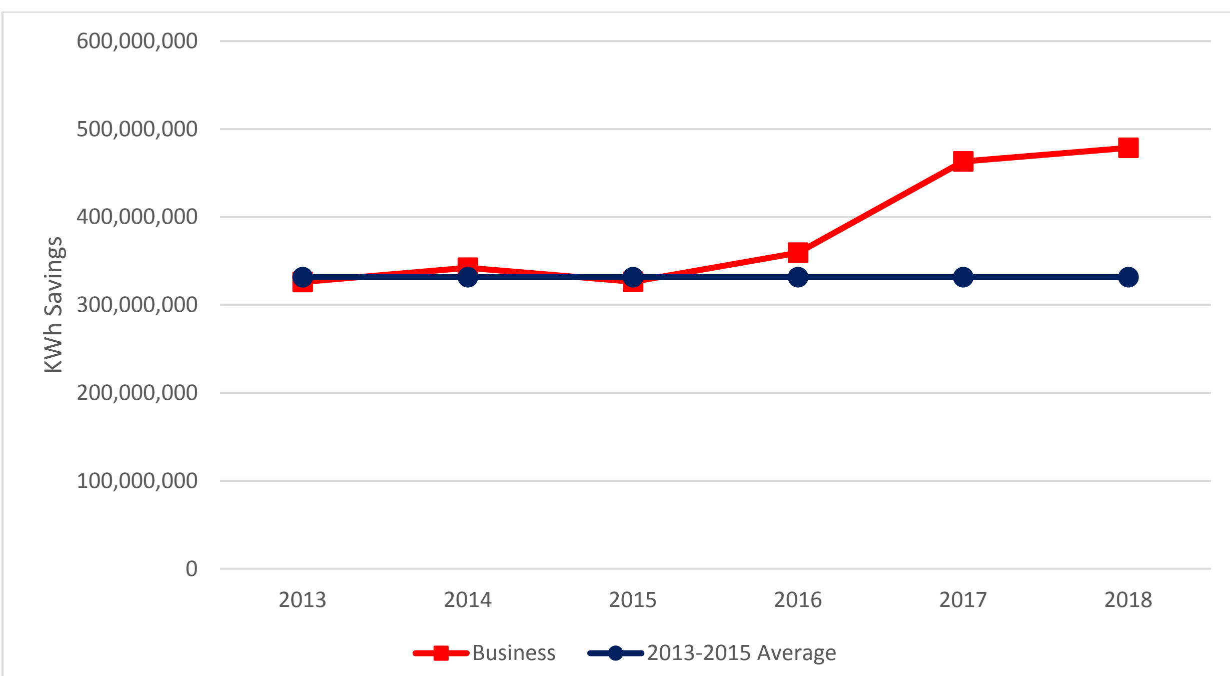
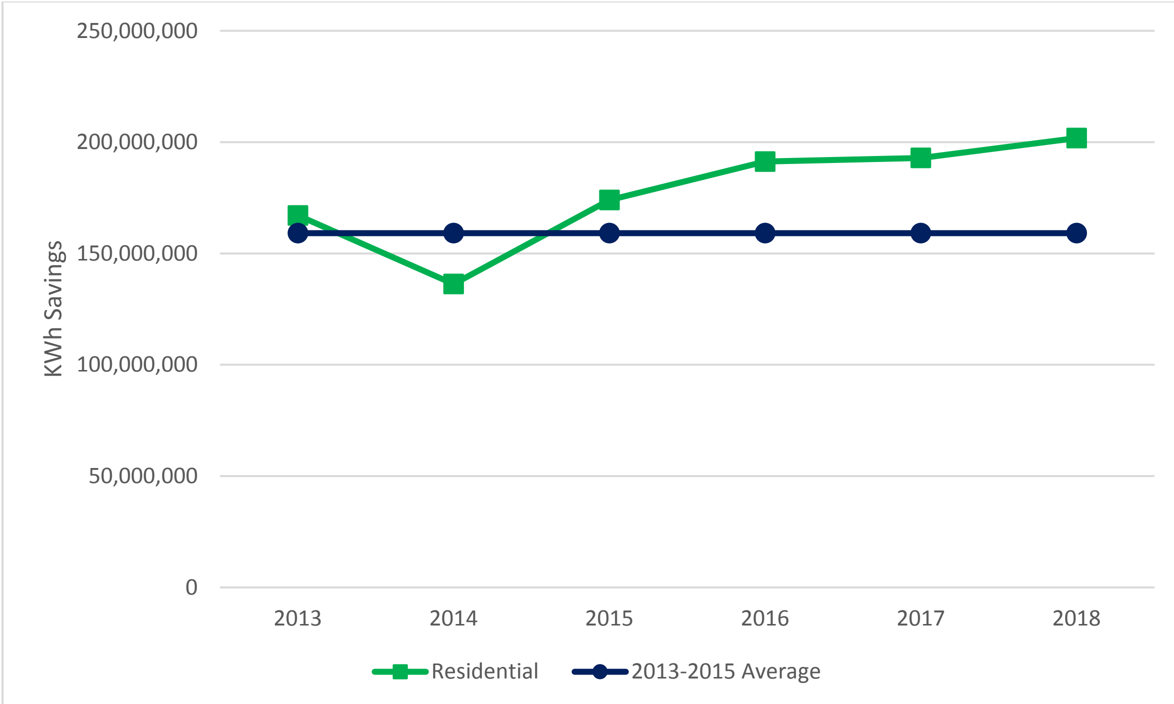


Figure 2: Comparing Xcel's 2018 Residential First-Year Energy Savings to Average Pre-Decoupling (2013-2015) Residential First-Year Energy Savings



The Department noted that, in its 2019 Revenue Decoupling Report, Xcel did not separate CIP achievements for its non-demand metered Small General Service customers from its much larger Business customer segment. However, a review of Table 4 and Figure 1 indicate that the Company's 2018 Business segment energy savings were 3% higher than the Company's 2017 Business segment savings and 44% higher than the average of its 2013-2015 Business segment energy savings.

Xcel's 2018 Residential segment energy savings were 5% higher than the Company's 2017 Residential segment savings and 27% higher than the average of its 2013-2015 residential segment energy savings.

Overall, Xcel's 2018 total energy savings were 4% higher than the Company's 2017 total energy savings and 39% higher than the average of its 2013-2015 total energy savings.[18] Thus, energy savings in both the Business and Residential CIP portfolios have increased significantly since Xcel initiated its RDM. However, given that other state policies such as the Shared Savings DSM financial incentive mechanism were in place during 2018, the increase in energy savings cannot be directly attributed to Xcel's decoupling pilot.

[18] Staff notes that percentages discussed in the Department's comments were not consistent with the calculations shown in Table 4; therefore, to align both, Staff has made minor corrections to the Department's comments. Staff does not consider the corrections to have an impact on the Department's analysis or conclusions.

4. Xcel's 2019 Deferral Calculation

As shown in Table 5, due to over-collection of revenues in 2018, Xcel's decoupling deferral calculations resulted in refunds for each of its decoupling customer classes for the period April 1, 2019 through March 31, 2020. The Department concluded that Xcel correctly calculated its RDM factors.

Table 5: Xcel's Calculation of its April 2020 - March 2021 RDM Factors

	Residential Without Space Heating ($/kWh)	Residential With Space Heating ($/kWh)	Small General Service (non-demand) ($/kWh)
Under/(Over) Collection in 2017	$25,578,172	$267,689	$2,451,228
Carry Over Balance	($1,209,070)	($65,248)	($52,288)
Total	$24,369,102	$202,441	$2,398,940
April 2020-March 2021 Sales	7,941,316,397	395,009,621	841,882,676
RDM Factor – Surcharge/(Refund)[19]	**$0.003069**	**$0.000512**	**$0.002849**

The Department recommended that the Commission approve Xcel's RDM factors as shown in Table 5 above, for implementation April 1, 2020 through March 31, 2021. The Department also tacitly recommended approval of Xcel's Revenue Decoupling Evaluation Report for the year ending on December 31, 2019.

5. Use of Regulatory Tools to Promote Cost-Effective Electrification that Reduces Greenhouse Gases

The Department noted that Xcel's report stated:

> To achieve the deep GHG reductions contained in statute across Minnesota's economy by 2050, it will be necessary for transportation and other sectors outside of the electric sector to also achieve CO2 reductions. Realizing this long-term transformation in a cost-effective manner requires early, sustained and coordinated action by many parties. It is generally recognized that the electricity sector can help enable CO2 reductions in other sectors through supporting deployment of electric vehicles (EVs) and other forms of beneficial electrification (such as building and industrial electrification).

and

> Absent specific program and policies, utilities lack direct incentives to support market transformation and GHG savings beyond the electricity sector that are needed to meet

[19] The Department's comments accidentally showed the adjustment factors as negative which would represent refunds instead of surcharges are due. Staff has made the appropriate corrections. Xcel's April 10, 2020 Reply Comments confirm the correction.

> the state's long-term climate goals. Coordination among programs within the regulatory framework will be needed to drive the transformation. This may include removal of the utility disincentive through decoupling, actively incentivizing through performance incentive mechanisms, and encouraging customer adoption through appropriate price signals, among other things.

The Department believes that a rigorous analysis of different regulatory policies and how they interact is needed to inform the discussion of how Minnesota's greenhouse gas goals can be reached at a least cost or reasonable cost basis.

Going forward, the Department recommended that such analysis rigorously consider:

- Where changes in regulatory policy may be needed, differentiating between short term and long term.
- How different regulatory policies may interact.
- The potential costs of the regulatory policies under a variety of future assumptions.
- Short-term and long-term forecasts of potential changes in emissions.
- How other states have designed regulatory policies that promote greenhouse gas reductions at a minimal cost.

Based on its experience with Minnesota's Shared Savings DSM Financial Incentive Mechanism (Docket No. E,G999/CI-08-133), the Department recommended that, if the Commission considers any additional financial incentives, the Commission should err on the side of caution and start with small pilots with reasonably sized incentives. Minnesota's conservation performance incentive has been the highest in the country for years and it has been very difficult to reduce these incentives, partly due to the vested interests of the investor-owned utilities to maximize incentives for their shareholders.

Going forward, the Department recommended that the Commission consider these important lessons learned about the need for greater ratepayer protections in future proceedings regarding incentives and/or removal of disincentives for energy conservation.

6. Future of Xcel's RDM

Xcel's current RDM pilot expired at the end of 2019. For 2020, the Commission approved a Sales True-Up mechanism, in Docket No. E-002/M-19-688. According to the Department, Xcel anticipates proposing an RDM in the Company's next rate case. The Department and Xcel plan to meet to discuss whether any improvements can be made to the Company's RDM pilot, if it is to continue.

7. Department's Recommendations

The Department recommended that the Commission approve Xcel's RDM factors shown in Table 5, for implementation April 1, 2020 through March 31, 2021. The Department also tacitly recommended approval of Xcel's Revenue Decoupling Evaluation Report for the year ending on December 31, 2019.

Additionally, the Department requested that, in this docket, Xcel provide a comparison of its 2019 CIP achievements to the pre-decoupling (2013-2015) period. At a minimum, the comparison should include comparisons at the total CIP level and at the Business and Residential portfolio levels.

C. Xcel Energy – Reply Comments

As shown in Table 6, Xcel provided the updated CIP achievements requested by the Department

Table 6: Xcel's 2019 CIP Achievements Compared to Pre-Decoupling (2013-2015) CIP Achievements (in kWH)

	Business	Residential	Total
2013	326,172,990	167,072,321	493,245,311
2014	342,313,567	136,265,278	478,578,845
2015	326,406,491	173,987,045	500,393,536
2013-2015 Average	331,631,016	159,108,215	490,739,231
2016	359,412,589	191,286,634	550,699,223
2017	463,172,254	192,898,330	656,070,584
2018	478,637,852	201,810,597	680,448,449
2019	334,192,418	194,707,041	528,899,459
2019 % Difference from 2013-2015 Average	1%	22%	8%

D. City of Minneapolis – Reply Comments

The City of Minneapolis (City) expressed concerned that there may be unintended consequences that inhibit beneficial electrification. The City stated that excluding electric vehicle (EV) charging from decoupling should allow the Company to promote transportation electrification. However, for EV charging energy sales to be exempt from decoupling, customers must participate in an EV charging program. To the extent that Xcel EV customers are not widely opting in to EV programs, it creates a disincentive for the Company to promote electrification.

The City supported the Department's recommendation for additional analysis in response to Xcel's observations about decoupling impacts on beneficial electrification and agreed with the Department's caution regarding the creation of additional financial incentives to encourage beneficial electrification.

E. Fresh Energy – Reply Comments

Fresh Energy noted that the Commission's June 25, 2019 Order in Docket No. E-002/M-19-127, required Xcel to discuss whether to renew their decoupling program, potential modifications, and whether the program should be modified to better reflect the value of electric vehicles and beneficial electrification. The Next Generation Energy Act (NGEA) established criteria and parameters for Minnesota utilities to develop and implement revenue decoupling mechanisms that support energy conservation efforts.[20] The NGEA set a greenhouse gas emission goal of 80% reduction by 2050 compared to 2005 levels. While the state's electric sector is on the right decarbonization path to meet this goal, other sectors of the economy are not on track. Electrifying more of the economy is increasingly seen as a viable option to significantly reduce carbon emissions and lower customer costs (i.e. beneficial electrification).

Fresh Energy pointed out that, since decoupling adjusts for both under- and over-collection of utility revenues, there have been concerns that beneficial electrification and decoupling may not be compatible as increased sales from electrification would be negated by decoupling adjustments. Fresh Energy suggested that, as implementation strategies are better understood, utilities, regulators, and other stakeholders can mitigate decoupling concerns by:

- Planning ahead and incorporating load growth from beneficial electrification efforts into forecasts used when determining rates. With this growth embedded in the underlying rate structure, decoupling will adjust to anticipated increases in sales due to electrification.
- Monitoring the level and direction of decoupling adjustments annually to ensure that the underlying rate structure is accurately reflecting utilities' revenue needs.
- Avoiding extended periods of time between utility rate cases. Having regular rate cases can ensure that rates reflect utility needs, incorporate beneficial electrification, and minimize the magnitude of decoupling adjustments.

V. Staff Analysis

Staff agrees with the Department's analysis and supports their recommendations. However, Staff does have comments on four additional issues.

A. Xcel's 2019 CIP savings

Staff makes the following observations regarding Xcel's 2019 CIP savings shown on Tables 6:

- 2019 Business savings were 1% higher than the 2013-2015 average. This is the lowest of all four-years in the pilot's history, and they were 30% lower than 2018's savings.
- 2019 Residential savings were 22% higher than the 2013-2015 average. This is almost the same as the other three years in the pilot's history, and they were 3.5% lower than 2018's savings.
- 2019 Total savings were 8% higher than the 2013-2015 average. Total savings were the lowest of all four-years in the pilot's history, and were 22% lower than 2018's savings.

Xcel's CIP savings will be addressed in a separate filing.

[20] Minnesota Statute, Section 216B.2412

B. Full-Decoupling Compared to Partial Decoupling

Staff notes that, in addition to the full-decoupling calculations, Xcel has been ordered to provide, as part of the Report and for informational purposes only, partial-decoupling calculations. Partial decoupling is based on actual sales that are weather-normalized.

As shown in Tables 7, for 2019, the combined full decoupling total was $0.1 million higher than the partial decoupling total. For Residential, partial decoupling would have resulted in a $0.8 million lower surcharge. For Residential with Space Heating, full decoupling saved them $0.6 million. And for Small C&I (Non-Demand), the surcharge would have been the same under both scenarios.

Table 7: Comparison, Xcel's 2019 Full-Decoupling and Partial-Decoupling Amounts (in S Millions) [21]

Class	Full Decoupling	Partial Decoupling	Difference
Residential	$28.2	$27.4	$0.8
Residential with Space Heating	$0.3	$0.9	($0.6)
Small C&I (Non-Demand)	$2.8	$2.8	$0.0
Total	$31.2	$31.1	$0.1

C. Final Decoupling Adjustments

If approved, Xcel's decoupling adjustments will be in effect from April 1, 2020 through March 31, 2021. Since recovery is on a volumetric basis, at the end of the current recovery period, there will be a remaining true-up amount. For this reason, the Commission may want to require Xcel to make a compliance filing, no later than December 1, 2020, explaining how it intends to extinguish any decoupling balance that remains as of March 31, 2021.

D. Xcel's Use of Bill Onserts

For its revenue decoupling pilot program, Xcel has been allowed to use a bill onsert instead of a bill insert to communicate information about this program to its customers. The RDM bill onsert appears on the customer bill as a single sheet of paper. There does not appear to be any other information on the RDM page of the customer bill. As such, it appears to be a reasonable way to communicate information about this program.

However, it appears from an anecdotal review of Xcel customer bills, that Xcel uses onserts for communicating other information. Some of this information appears to be public service related. Some of this information also appears to be more prominently displayed than other information. And in some bills, the envelope contains bill inserts in addition to information onserted on the customer bill. It is also unclear how Xcel customers that receive electronic bills receive bill insert and bill onsert information.

[21] Note: Decoupling amounts only, without Carry-Over Balance from previous period.

Staff has asked Xcel on several occasions to provide whatever studies and independent research Xcel has that demonstrate that onserts are an effective way to communicate with customers. For example, studies that show higher levels of information retention after exposure to the information. Because Xcel seems very committed to using bill onserts, the Commission way want to better understand how effective they are compared to alternatives, and ask Xcel to provide a compliance filing within 60 days with the independent research and studies that Xcel explain effectiveness of bill onserts as a communication tool. The Commission may also want to ask Xcel to explain how it uses bill onserts and for its own corporate purposes compared to public interest related purposes, how Xcel decides whether to use a bill inserts or a bill onsert, and the criteria Xcel uses to design effective bill onserts.

VI. Decision Alternatives

2019 Annual Revenue Decoupling Evaluation Report (Pilot Program Year 4)

1. Accept Xcel's 2019 (Year 4) revenue decoupling evaluation report. (Xcel, DOC)

2. Reject Xcel's 2019 (Year 4) revenue decoupling evaluation report.

2020 Annual Revenue Decoupling RDM Factors (Pilot Program Year 4)

3. For implementation beginning on April 1, 2020, approve Xcel's revenue decoupling rate adjustment factors. (Xcel, DOC)

4. Reject Xcel's revenue decoupling rate adjustment factors and determine alternative adjustment factors.

Final Decoupling Adjustments

5. Order Xcel to make a compliance filing, no later than December 1, 2020, explaining how it intends to extinguish any decoupling balance that remains as of March 31, 2021. (Staff)

Use of Bill Onsert

6. Require Xcel to provide a compliance filing within 60 days that includes

   a. any independent research or studies Xcel has on the effectiveness of communicating with consumers using bill onserts compared to bill inserts and direct mail,
   b. an explanation of the criteria Xcel uses to decide whether to use a bill insert or bill onsert when it is communicating information for its own purposes
   c. any research Xcel has on how effective it is for consumers to receive information in the same mailing in the form of bill inserts and bill onserts and what criteria Xcel uses to design bill onserts to make them effective, and
   d. an explanation of how Xcel provides bill insert and onsert and bill message information to electronic bill customers and why Xcel considers this effective.