

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Katie J. Sieben  
Hwikwon Ham  
Joseph K. Sullivan  
John A. Tuma

Chair  
Commissioner  
Commissioner  
Commissioner

In the Matter of Xcel Energy’s Petition for  
Approval of its 2023 Annual Fuel Forecast  
and Monthly Fuel Cost Charges

ISSUE DATE: January 31, 2025

DOCKET NO. E-002/AA-22-179

ORDER DENYING PETITION FOR  
RECONSIDERATION AND  
GRANTING REQUEST FOR  
CLARIFICATION

**PROCEDURAL HISTORY**

On March 1, 2024, Northern States Power Company, d/b/a Xcel Energy (Xcel or the Company) filed its Annual Fuel Clause True-Up and Compliance Report for fuel forecast and fuel-cost charges approved for the 2023 calendar year.

The Commission solicited comments on Xcel’s filing, and after holding a hearing on September 19, 2024, the Commission issued its order Approving 2023 Fuel-Clause True-Up Report, Requiring Additional Filings, Finding Imprudence, and Notice of and Order for Hearing on November 15, 2024 (the Order).

On December 5, 2024, Xcel filed a petition requesting reconsideration of the Order and the Department of Commerce – Division of Energy Resources (the Department) filed a request for clarification of the Order.

On December 16, 2024, Xcel filed an answer to the Department’s clarification request, and the Department and the Citizens Utility Board of Minnesota (CUB) filed answers to Xcel’s reconsideration request. The Office of the Attorney General – Residential Utilities and Antitrust Division (OAG) filed an answer to Xcel’s reconsideration request and the Department’s clarification request.

On January 23, 2025, the Commission met to consider the petition for reconsideration and request for clarification.

## FINDINGS AND CONCLUSIONS

### I. Petition for Reconsideration Denied

The Commission has reviewed the entire record and the arguments of the parties. Based upon this review, the Commission finds that Xcel's petition does not raise new issues, does not point to new and relevant evidence, does not expose errors in the order issued on November 15, 2024, and does not otherwise persuade the Commission that it should rethink the decisions set forth in its Order. The Commission concludes that its decisions are consistent with the facts, the law, and the public interest, and will therefore deny the petition for reconsideration.

### II. Request for Clarification Granted

#### A. Positions of the Parties

The Department requested that the Commission amend the Order to clarify that the scope of the issues the Commission referred to the contested case proceeding is limited to the amount of any refund owed ratepayers for costs that flow through the fuel-clause adjustment report. The Department requested further clarification that the Commission did not intend that the contested case in this docket develop a record related to all potential outage-related costs (such as the outage's impacts on capacity costs and insurance costs), and these issues should be addressed in Xcel's general rate case. The Department contended that granting its clarification request would decrease the potential for parties to engage in potentially lengthy and resource-intensive disputes over procedural issues.

The Department proposed that the Commission incorporate the following amendments to the Order to grant its clarification request:

#### V. Issues to be Addressed

Over the course of this case, the Commission expects the parties will thoroughly develop a full record, addressing, ~~at a minimum,~~ the appropriate refund amount due to ratepayers for replacement power costs in 2023 and 2024 stemming from the lack of prudence regarding the October 2023 outage at PINGP.

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#### ORDER

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6. The Commission refers this matter to the Minnesota Office of Administrative Hearings for a contested case to determine the appropriate refund amount due to customers for replacement power costs in 2023 and 2024 due to Xcel's lack of prudence regarding the October 2023 outage at Prairie Island.

7. The Commission will address other appropriate cost adjustments related to the October 2023 outage at Prairie Island, such as the impact of de-rating on capacity costs and insurance costs, in Xcel's

currently pending general rate case for electric service, Docket 24-320.

In the alternative, if the Commission intended the contested case to address all potential costs that may have resulted from Xcel's imprudence, the Department requested clarification of the Order to explicitly state the Commission's intended scope of the contested case.

The OAG agreed with the reasons that the Department articulated in support of clarifying the Order and recommended that the Commission grant the Department's request.

Xcel generally supported the Department's clarification request. The Company stated that the contested case should have a limited focus on determining the appropriate refund, if any, that Xcel should provide for replacement power costs associated with the October 2023 outage. The Company asserted that its rate case would provide a more appropriate venue to address other types of costs that the outage may implicate such as replacement capacity and insurance costs.

Xcel expressed concern about the Department's proposed language, noting that it may be interpreted as requiring the contested case to simply develop a record on replacement power costs and limit the Company's ability to demonstrate customer benefits or other offsets that should be considered when determining any appropriate ratepayer refund amount. To avoid this result, Xcel recommended that the Commission include clarifying language stating that the contested case will also consider any benefits and offsets in determining the appropriate refund and consider whether imprudence by Xcel resulted in customers paying more for power than they otherwise would have paid such that a refund of power costs is appropriate.

The Department did not oppose the further clarification proposed by Xcel on this issue.

## **B. Commission Action**

The Commission finds that granting the Department's request to clarify the November 15, 2024 order will help avoid potential confusion about the intended scope of the issues developed through the contested case in this matter. Therefore, the Commission will clarify that it expects that the contested case will develop a record related to replacement power costs and the appropriate amount of any refund of costs that flow through the fuel-adjustment mechanism. The Commission will also clarify that the contested case may develop the record on whether any customer benefits or offsets should be considered in the determination of any appropriate refund amount.

Parties should address other outage-related cost adjustments that are not eligible for recovery through the fuel-clause adjustment process in Xcel's pending general rate case.

## **ORDER**

1. The Commission denies Xcel's petition for reconsideration of the Commission's November 15, 2024 order.

2. The Commission grants the Department’s request for clarification and adopts the amendments to the November 15, 2024 order shown on pages 5–6 of the Department’s December 5, 2024 filing, clarifying that the contested case issues are limited to the refund owed to ratepayers for costs that flow through the fuel-clause adjustment report. In addition, the Commission also clarifies that parties should address other appropriate cost adjustments related to the October 2023 outage at Prairie Island, such as the impact of de-rating on capacity costs and insurance costs, in Xcel’s currently pending general rate case for electric service, Docket E-002/GR-24-320.
3. The Commission further clarifies that the contested case shall also consider any benefits and offsets in determining the appropriate refund and consider whether imprudence by Xcel Energy resulted in customers paying more for power than they otherwise would have paid such that a refund of power costs is appropriate
4. This order shall become effective immediately.

BY ORDER OF THE COMMISSION



Will Seuffert  
Executive Secretary



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## **CERTIFICATE OF SERVICE**

I, Robin Benson, hereby certify that I have this day, served a true and correct copy of the following document to all persons at the addresses indicated below or on the attached list by electronic filing, electronic mail, courier, interoffice mail or by depositing the same enveloped with postage paid in the United States mail at St. Paul, Minnesota.

**Minnesota Public Utilities Commission  
ORDER DENYING PETITION FOR RECONSIDERATION AND GRANTING  
REQUEST FOR CLARIFICATION**

Docket Numbers: **E-002/AA-22-179**

Dated this **31st** day of **January, 2025**

/s/ Robin Benson

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