

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of the Application of Xcel  
Energy for Authority to Increase Rates for  
Electric Service in the State of Minnesota

ISSUE DATE: July 23, 2025

DOCKET NO. E-002/GR-21-630

ORDER AUTHORIZING NOTICE AND  
COMMENT PERIOD AFTER REMAND

**PROCEDURAL HISTORY**

On January 21, 2025, the Minnesota Court of Appeals issued an opinion that reversed the Commission's decisions expressed in the Commission's July 17, 2023 order on the issues of prepaid pension asset and executive compensation in Northern States Power Company d/b/a Xcel Energy's (Xcel) general rate case. The court's order remanded these issues for further proceedings.

On March 6, 2025, the Commission issued a Notice of Comment asking how the Commission should procedurally handle the Court of Appeals' remand of the prepaid pension asset and executive compensation issues.<sup>1</sup>

On April 7, 2025, Xcel, the Department of Commerce (Department), the Office of the Attorney General (OAG), Xcel Large Industrials (XLI), and the Citizens Utility Board of Minnesota (CUB) filed comments.

On April 15, 2025, Xcel and XLI filed reply comments.

On June 26, 2025, the Commission met to consider this matter.

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<sup>1</sup> On June 26, 2024, all parties to Xcel's gas utility rate case in Docket No. G-002/GR-23-413 memorialized a settlement in that case, with the recognition that, should the pending appeal in Xcel's 2021 electric rate case result in a reversal or modification of the Commission Order regarding the prepaid pension asset, the revenue requirement in the settled gas rate case should be adjusted accordingly. The settlement has a provision for executive compensation that is not limited based on the outcome of the appeal.

## **FINDINGS AND CONCLUSIONS**

### **I. Positions of the Parties**

The Department recommended that the Commission provide an opportunity for further record development of both the prepaid pension asset and executive compensation issues. The Department stated that the parties did not originally address these issues in the manner contemplated by the court of appeals opinion. As an example, the Department noted that its original position on the prepaid pension asset issue was that Xcel did not have a prepaid pension asset, so participants in the contested case did not thoroughly evaluate considerations such as the size of the purported asset, the level of legally required contributions by the utility, or potentially appropriate allocation of any amounts between ratepayers and shareholders. Similarly, while the contested case participants addressed various compensation-related costs, they did not explicitly address the appropriate levels of executive compensation paid by Minnesota ratepayers.

If the Commission does reopen the record, the Department requested authorization to seek technical assistance to evaluate the prepaid pension asset issue. The Department anticipated that a technical consultant could help it address issues such as determining how any prepaid pension asset should be calculated, determining the applicable minimum contribution requirements, or whether Xcel established that its prepaid pension asset was funded solely through investor capital.

The Department asserted that while the Commission had authority to send this matter to the Office of Administrative Hearings for contested case proceedings, doing so now is not necessary—prepaid pension and executive compensation can be adequately addressed through notice and comment.

The other parties stated that the Commission should not reopen the record on either issue. These parties asserted that additional record development was unnecessary for the Commission to articulate a decision consistent with the opinions expressed by the court of appeals.

Xcel opposed the Department's proposal to hire an expert to assist in the evaluation of prepaid pension asset issues because the schedule proposed by the Department would unnecessarily lengthen the process. But if the Commission finds that an outside expert would assist in resolving this issue, Xcel recommended aligning the initial comment period in this docket with the filing of direct testimony in its pending general rate case given the likely subject matter overlap. On both issues, Xcel recommended a short comment period for parties to express their positions on how to apply the opinion of the court of appeals.

On prepaid pension asset, XLI asserted that the Commission should again deny Xcel's requested rate-base treatment but supplement the original decision by providing additional findings and explaining its reasoning more fully. Similarly, XLI, the OAG, and CUB recommended that the Commission make a decision on executive compensation based on the existing record.

No party requested, recommended, or supported further record development through a contested case proceeding.

## **II. Commission Action**

In its decision remanding this issue back to the Commission, the court agreed that denial of Xcel's requested executive compensation expense accorded with the Commission's statutory mandate and was not contrary to law. The court's opinion faulted the Commission's decision for authorizing recovery at a level based on the approximate salary of the Minnesota Governor and failing to adequately explain why that compensation level was the appropriate measure to meet the needs of both ratepayers and the utility. Accordingly, the Commission will make its decision on this issue based on the existing evidentiary record with input from parties after the conclusion of a notice and comment period and without additional record development.

In consideration of the opinion of the court of appeals on the prepaid pension asset issue, the Commission concludes that the Department's recommendation to supplement the record through a notice and comment period generally provides the best procedural path forward to resolve the issue on remand. In contrast to executive compensation, the court's opinion noted that the evaluation of prepaid pension assets involves technical and complicated accounting issues in a ratemaking proceeding. The Department stated that it would seek authorization to hire a technical expert to assist with its evaluation of this issue on remand.

Given the technical and complicated accounting issues inherent in the evaluation of this issue, the Commission will request that the Department seek authority from the commissioner of management and budget to incur costs of specialized technical assistance in evaluating the treatment of Xcel's claimed prepaid pension asset. The Commission will reopen the record on this issue to allow parties to address considerations raised by the opinion of the court of appeals, including whether Xcel has met its burden to prove the size and source of the prepaid pension asset, contributions required by federal law, and possible allocation between ratepayers and shareholders.

The Commission will authorize the Executive Secretary to set schedules for comment, reply comment, and response comment on the issues of prepaid pension asset and executive compensation.

### **ORDER**

1. The Commission reopens the record related to prepaid pension asset to address whether the Company has met its burden to prove the size and source of the prepaid pension asset, contributions required by federal law, and possible allocation between ratepayers and shareholders.
2. Pursuant to Minn. Stat. § 216B.62, subd. 8, the Commission requests that the Commissioner of the Department of Commerce seek authority from the Commissioner of Management and Budget to incur costs for specialized technical professional investigative services to assist with evaluating the prepaid pension issue.
3. The Commission will not reopen the record on the issue of executive compensation and will decide the issue based on the existing record and direction from the court of appeals.

4. This order shall become effective immediately.

BY ORDER OF THE COMMISSION

*Michael Bull*

Mike Bull  
Acting Executive Secretary



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## **CERTIFICATE OF SERVICE**

I, Anne Redmond, 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 AUTHORIZING NOTICE AND COMMENT PERIOD AFTER REMAND**

Docket Number **E-002/GR-21-630**

Dated this 23rd day of July, 2025

/s/ Anne Redmond



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| 15 | Richard    | Dornfeld  | richard.dornfeld@ag.state.mn.us |                                                    | Office of the Attorney General - Department of Commerce | Minnesota Attorney General's Office 445 Minnesota Street, Suite 1800 Saint Paul MN, 55101 United States | Electronic Service |                           | No                | 21-630Official    |
| 16 | Brian      | Edstrom   | briane@cubminnesota.org         | Citizens Utility Board of Minnesota                |                                                         | 332 Minnesota St Ste W1360 Saint Paul MN, 55101 United States                                           | Electronic Service |                           | No                | 21-630Official    |
| 17 | Rebecca    | Eilers    | rebecca.d.eilers@xcelenergy.com | Xcel Energy                                        |                                                         | 414 Nicollet Mall - 401 7th Floor Minneapolis MN, 55401 United States                                   | Electronic Service |                           | No                | 21-630Official    |
| 18 | John       | Farrell   | jfarrell@ilsr.org               | Institute for Local Self-Reliance                  |                                                         | 2720 E. 22nd St Institute for Local Self-Reliance Minneapolis MN, 55406 United States                   | Electronic Service |                           | No                | 21-630Official    |
| 19 | Sharon     | Ferguson  | sharon.ferguson@state.mn.us     |                                                    | Department of Commerce                                  | 85 7th Place E Ste 280 Saint Paul MN, 55101-2198 United States                                          | Electronic Service |                           | No                | 21-630Official    |
| 20 | Lucas      | Franco    | lfranco@liunagroc.com           | LIUNA                                              |                                                         | 81 Little Canada Rd E Little Canada MN, 55117 United States                                             | Electronic Service |                           | No                | 21-630Official    |
| 21 | Edward     | Garvey    | garveyed@aol.com                | Residence                                          |                                                         | 32 Lawton St Saint Paul MN, 55102 United States                                                         | Electronic Service |                           | No                | 21-630Official    |
| 22 | Allen      | Gleckner  | agleckner@elpc.org              | Environmental Law & Policy Center                  |                                                         | 35 E. Wacker Drive, Suite 1600 Suite 1600 Chicago IL, 60601 United States                               | Electronic Service |                           | No                | 21-630Official    |
| 23 | Matthew B  | Harris    | matt.b.harris@xcelenergy.com    | XCEL ENERGY                                        |                                                         | 401 Nicollet Mall FL 8 Minneapolis MN, 55401 United States                                              | Electronic Service |                           | No                | 21-630Official    |
| 24 | Shubha     | Harris    | shubha.m.harris@xcelenergy.com  | Xcel Energy                                        |                                                         | 414 Nicollet Mall, 401 - FL 8 Minneapolis MN, 55401 United States                                       | Electronic Service |                           | No                | 21-630Official    |
| 25 | Amber      | Hedlund   | amber.r.hedlund@xcelenergy.com  | Northern States Power Company dba Xcel Energy-Elec |                                                         | 414 Nicollet Mall, 401-7 Minneapolis MN, 55401 United States                                            | Electronic Service |                           | No                | 21-630Official    |

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| 27 | Katherine  | Hinderlie        | katherine.hinderlie@ag.state.mn.us |                                      | Office of the Attorney General - Residential Utilities Division | 445 Minnesota St Suite 1400<br>St. Paul MN, 55101-2134<br>United States       | Electronic Service |                           | No                | 21-630Official    |
| 28 | Michael    | Hoppe            | lu23@ibew23.org                    | Local Union 23, I.B.E.W.             |                                                                 | 445 Etna Street Ste. 61<br>St. Paul MN, 55106<br>United States                | Electronic Service |                           | No                | 21-630Official    |
| 29 | Geoffrey   | Inge             | ginge@regintl.com                  | Regulatory Intelligence LLC          |                                                                 | PO Box 270636<br>Superior CO, 80027-9998<br>United States                     | Electronic Service |                           | No                | 21-630Official    |
| 30 | Alan       | Jenkins          | aj@jenkinsatlaw.com                | Jenkins at Law                       |                                                                 | 2950 Yellowtail Ave.<br>Marathon FL, 33050<br>United States                   | Electronic Service |                           | No                | 21-630Official    |
| 31 | Richard    | Johnson          | rick.johnson@lawmoss.com           | Moss & Barnett                       |                                                                 | 150 S. 5th Street Suite 1200<br>Minneapolis MN, 55402<br>United States        | Electronic Service |                           | No                | 21-630Official    |
| 32 | Sarah      | Johnson Phillips | sjphillips@stoel.com               | Stoel Rives LLP                      |                                                                 | 33 South Sixth Street Suite 4200<br>Minneapolis MN, 55402<br>United States    | Electronic Service |                           | No                | 21-630Official    |
| 33 | Michael    | Krikava          | mkrikava@taftlaw.com               | Taft Stettinius & Hollister LLP      |                                                                 | 2200 IDS Center<br>80 S 8th St<br>Minneapolis MN, 55402<br>United States      | Electronic Service |                           | No                | 21-630Official    |
| 34 | Carmel     | Laney            | carmel.laney@stoel.com             | Stoel Rives LLP                      |                                                                 | 33 South Sixth Street Suite 4200<br>Minneapolis MN, 55402<br>United States    | Electronic Service |                           | No                | 21-630Official    |
| 35 | Peder      | Larson           | plarson@larkinhoffman.com          | Larkin Hoffman Daly & Lindgren, Ltd. |                                                                 | 8300 Norman Center Drive Suite 1000<br>Bloomington MN, 55437<br>United States | Electronic Service |                           | No                | 21-630Official    |
| 36 | Annie      | Levenson Falk    | annielf@cubminnesota.org           | Citizens Utility Board of Minnesota  |                                                                 | 332 Minnesota Street, Suite W1360<br>St. Paul MN, 55101<br>United States      | Electronic Service |                           | No                | 21-630Official    |
| 37 | Ryan       | Long             | ryan.j.long@xcelenergy.com         |                                      |                                                                 | 414 Nicollet Mall<br>401 8th Floor<br>Minneapolis MN, 55401<br>United States  | Electronic Service |                           | No                | 21-630Official    |
| 38 | Alice      | Madden           | alice@communitypowermn.org         | Community Power                      |                                                                 | 2720 E 22nd St<br>Minneapolis                                                 | Electronic Service |                           | No                | 21-630Official    |

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| 39 | Kavita         | Maini                          | kmaini@wi.rr.com                     | KM Energy Consulting, LLC            |                                                                 | 961 N Lost Woods Rd<br>Oconomowoc WI, 53066<br>United States                                | Electronic Service |                           | No                | 21-630Official    |
| 40 | Mary           | Martinka                       | mary.a.martinka@xcelenergy.com       | Xcel Energy Inc                      |                                                                 | 414 Nicollet Mall<br>7th Floor<br>Minneapolis MN, 55401<br>United States                    | Electronic Service |                           | No                | 21-630Official    |
| 41 | Erica          | McConnell                      | emcconnell@elpc.org                  | Environmental Law & Policy Center    |                                                                 | 35 E. Wacker Drive, Suite 1600<br>Chicago IL, 60601<br>United States                        | Electronic Service |                           | No                | 21-630Official    |
| 42 | Greg           | Merz                           | greg.merz@ag.state.mn.us             |                                      | Office of the Attorney General - Department of Commerce         | 445 Minnesota Street Suite 1400<br>St. Paul MN, 55101<br>United States                      | Electronic Service |                           | No                | 21-630Official    |
| 43 | Joseph         | Meyer                          | joseph.meyer@ag.state.mn.us          |                                      | Office of the Attorney General - Residential Utilities Division | Bremer Tower, Suite 1400<br>445 Minnesota Street<br>St Paul MN, 55101-2131<br>United States | Electronic Service |                           | No                | 21-630Official    |
| 44 | Stacy          | Miller                         | stacy.miller@minneapolismn.gov       | City of Minneapolis                  |                                                                 | 350 S. 5th Street<br>Room M 301<br>Minneapolis MN, 55415<br>United States                   | Electronic Service |                           | No                | 21-630Official    |
| 45 | David          | Moeller                        | dmoeller@allte.com                   | Minnesota Power                      |                                                                 |                                                                                             | Electronic Service |                           | No                | 21-630Official    |
| 46 | Andrew         | Moratzka                       | andrew.moratzka@stoel.com            | Stoel Rives LLP                      |                                                                 | 33 South Sixth St Ste 4200<br>Minneapolis MN, 55402<br>United States                        | Electronic Service |                           | No                | 21-630Official    |
| 47 | Christa        | Moseng                         | christa.moseng@state.mn.us           |                                      | Office of Administrative Hearings                               | P.O. Box 64620<br>Saint Paul MN, 55164-0620<br>United States                                | Electronic Service |                           | No                | 21-630Official    |
| 48 | David          | Niles                          | david.niles@avantenergy.com          | Minnesota Municipal Power Agency     |                                                                 | 220 South Sixth Street<br>Suite 1300<br>Minneapolis MN, 55402<br>United States              | Electronic Service |                           | No                | 21-630Official    |
| 49 | Carol A.       | Overland                       | overland@legalelectric.org           | Legalelectric - Overland Law Office  |                                                                 | 1110 West Avenue<br>Red Wing MN, 55066<br>United States                                     | Electronic Service |                           | No                | 21-630Official    |
| 50 | Generic Notice | Residential Utilities Division | residential.utilities@ag.state.mn.us |                                      | Office of the Attorney General - Residential Utilities Division | 1400 BRM Tower<br>445 Minnesota St<br>St. Paul MN, 55101-2131<br>United States              | Electronic Service |                           | Yes               | 21-630Official    |
| 51 | Kevin          | Reuther                        | kreuther@mncenter.org                | MN Center for Environmental Advocacy |                                                                 | 26 E Exchange St, Ste 206                                                                   | Electronic Service |                           | No                | 21-630Official    |

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| 52 | Amanda     | Rome           | amanda.rome@xcelenergy.com        | Xcel Energy                       |                                                                    | 414 Nicollet Mall FL 5<br>Minneapolis MN, 55401<br>United States                | Electronic Service |                           | No                | 21-630Official    |
| 53 | Joseph L   | Sathe          | jsathe@kennedy-graven.com         | Kennedy & Graven,<br>Chartered    |                                                                    | 150 S 5th St Ste 700<br>Minneapolis MN, 55402<br>United States                  | Electronic Service |                           | No                | 21-630Official    |
| 54 | Elizabeth  | Schmiesing     | eschmiesing@winthrop.com          | Winthrop & Weinstine,<br>P.A.     |                                                                    | 225 South Sixth Street<br>Suite 3500<br>Minneapolis MN, 55402<br>United States  | Electronic Service |                           | No                | 21-630Official    |
| 55 | Peter      | Scholtz        | peter.scholtz@ag.state.mn.us      |                                   | Office of the Attorney General -<br>Residential Utilities Division | Suite 1400 445<br>Minnesota Street<br>St. Paul MN, 55101-2131<br>United States  | Electronic Service |                           | No                | 21-630Official    |
| 56 | Christine  | Schwartz       | regulatory.records@xcelenergy.com | Xcel Energy                       |                                                                    | 414 Nicollet Mall, MN1180-07-MCA<br>Minneapolis MN, 55401-1993<br>United States | Electronic Service |                           | No                | 21-630Official    |
| 57 | Janet      | Shaddix Elling | jshaddix@janetshaddix.com         | Shaddix And Associates            |                                                                    | 7400 Lyndale Ave S Ste 190<br>Richfield MN, 55423<br>United States              | Electronic Service |                           | No                | 21-630Official    |
| 58 | Joshua     | Smith          | joshua.smith@sierraclub.org       |                                   |                                                                    | 85 Second St FL 2<br>San Francisco CA, 94105<br>United States                   | Electronic Service |                           | No                | 21-630Official    |
| 59 | Ken        | Smith          | ken.smith@districtenergy.com      | District Energy St. Paul Inc.     |                                                                    | 76 W Kellogg Blvd<br>St. Paul MN, 55102<br>United States                        | Electronic Service |                           | No                | 21-630Official    |
| 60 | Beth       | Soholt         | bsoholt@cleangridalliance.org     | Clean Grid Alliance               |                                                                    | 570 Asbury Street Suite 201<br>St. Paul MN, 55104<br>United States              | Electronic Service |                           | No                | 21-630Official    |
| 61 | Byron E.   | Starns         | byron.starns@stinson.com          | STINSON LLP                       |                                                                    | 50 S 6th St Ste 2600<br>Minneapolis MN, 55402<br>United States                  | Electronic Service |                           | No                | 21-630Official    |
| 62 | Scott      | Strand         | sstrand@elpc.org                  | Environmental Law & Policy Center |                                                                    | 60 S 6th Street Suite 2800<br>Minneapolis MN, 55402<br>United States            | Electronic Service |                           | No                | 21-630Official    |
| 63 | James M    | Strommen       | jstrommen@kennedy-graven.com      | Kennedy & Graven,<br>Chartered    |                                                                    | 150 S 5th St Ste 700<br>Minneapolis MN, 55402<br>United States                  | Electronic Service |                           | No                | 21-630Official    |
| 64 | Joseph     | Windler        | jwindler@winthrop.com             | Winthrop & Weinstine              |                                                                    | 225 South Sixth Street,<br>Suite 3500<br>Minneapolis                            | Electronic Service |                           | No                | 21-630Official    |

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| 65 | Kurt       | Zimmerman | kwz@ibew160.org       | Local Union #160, IBEW |        | 2909 Anthony Ln<br>St Anthony Village MN, 55418-3238<br>United States | Electronic Service |                           | No                | 21-630Official    |
| 66 | Patrick    | Zomer     | pat.zomer@lawmoss.com | Moss & Barnett PA      |        | 150 S 5th St #1200<br>Minneapolis MN, 55402<br>United States          | Electronic Service |                           | No                | 21-630Official    |