

The Commission met on **Thursday, December 4, 2025**, with Acting Chair Sullivan and Commissioners Partridge and Tuma present.

The following matters were taken up by the Commission:

**E, G-002/CI-02-2034; E, G-002/M-12-383**

**In the Matter of an Investigation & Audit of Service Quality Reporting – Fraudwise Report; In the Matter of the Petition of Northern States Power Company 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**

Commissioner Partridge moved that the Commission:

1. Accept Xcel Energy’s annual 2024 Quality of Service Plan report.
2. Require Xcel Energy to use the entire \$1,000,000 Customer Complaints under performance payment for \$500 bill credits to 2,000 customers who have a past-due balance, have not otherwise received energy assistance, have received a disconnection notice, and made a payment on their account in the last 90 days, in order of largest to smallest outstanding balance.
3. Require Xcel Energy to report on the findings of its Live Chat pilot.
4. Require Xcel Energy to use the entire \$1,000,000 Telephone Response Time under performance payment for \$500 bill credits to 2,000 customers who have a past-due balance, have not otherwise received energy assistance, have received a disconnection notice, and made a payment on their account in the last 90 days, in order of largest to smallest outstanding balance.
5. Require Xcel Energy to implement proactive educations and communication to mitigate potential increases in customer complaints related to wildfires.
6. Require Xcel Energy to work with the Commission’s Consumer Affairs Office on all written customer outreach materials related to wildfires.
7. Require Xcel Energy to report Telephone Response Time in future annual Quality of Service Plan reports and future annual Electric SRSQ reports as follows:

- a. Percentage of calls to the Company’s call center or business office answered in 20 seconds or less excluding calls responded to by IVR.
  - b. Percentage of calls to the Company’s call center or business office answered in 20 seconds or less including calls responded to by IVR.
  - c. Average customer wait time for calls not answered in 20 seconds or less to the extent possible.
8. Authorize the Executive Secretary to open a new docket under the Commission’s authority in Minn. Stat. § 216B.16, subdivision 19, paragraph (h) to establish a performance-based regulatory framework focused solely on improving Xcel Energy’s customer service performance. The framework must incorporate the metrics included in Xcel Energy’s Quality of Service Plan, as laid out in the following table:

**Xcel’s QSP Metrics**

<b>Metrics</b>		<b>Metric Standards</b>
<b>1</b>	<b>Customer complaint to PUC</b>	≤383 complaints*
<b>2</b>	<b>Telephone response time (% of calls answered in ≤ 20 secs.)</b>	≥80%
<b>3</b>	<b>Electric reliability – SAIDI</b>	≤133.23 mins.
<b>4</b>	<b>Electric reliability – SAIFI</b>	≤1.21 outage events
<b>5</b>	<b>Gas emergency average response time</b>	≤60 mins.
<b>6</b>	<b>Accurate invoices</b>	≥99.3%
<b>7</b>	<b>Invoice adjustment timelines</b>	≤2.35 billing periods

This new docket must also incorporate the compliance filings and performance of Xcel Energy in the Commission Investigation of the significant increase in billing error complaints from residential customers of Xcel Energy in Docket E,G-002/CI-25-341.

In addition to other topics deemed appropriate to notice for comment by the Executive Secretary, the notice establishing the docket shall request comments on whether the Department’s three-tier penalty structure proposed in the Department’s August 15, 2025 reply comments in this docket, is an appropriate starting point for incentives under the customer service performance framework.

The metrics established in this new docket will be considered in Docket No. 17-401 to align or remove customer service metrics as appropriate.

The Commission directs staff to bring this new docket to an agenda meeting at the same time as the next QSP docket.

9. Within 30 days of the issuance of the Order in this matter, Xcel Energy shall submit a detailed explanation of how the 2024 data provided for the Accurate Invoices and Invoice Adjustment Timelines metrics in the current docket correspond and reflect the data and issues identified in the Commission investigation into recent increase in residential billing errors committed by Xcel Energy in Docket No. E, G-002/CI-25-341. The explanation should be filed in this docket and Docket No. E, G-002/25-341.

The motion passed 3-0.

**E-017/GR-25-359**

**In the Matter of the Application of Otter Tail Power Co. for Authority to Increase Rates for Electric Service in Minnesota**

Commissioner Tuma moved that the Commission:

1. Accept the Petition of Otter Tail for authority to increase rates as being in proper form and substantially complete as of October 31, 2025.
2. Find the Commission has insufficient time to make a final determination within a 10-month period because of the need to make final determinations in other pending cases involving changes in general rates. Suspend the rates in this case for an additional 90 days plus accept the Company's proposal to suspend rates for an additional approximately 3 months, until February 23, 2027.
3. Refer the matter to the Court of Administrative Hearings for a contested case. Request the Administrative Law Judge's (ALJ) report at least three months before the deadline for the Commission's decision. If, for any reason, the statutory deadline for the Commission's decision is extended at any point during this proceeding, request the ALJ's report at least three months before the extended deadline for the Commission's decision.
4. Identify the following issues requiring development of a complete record in this case.
  - a. The standard rate case issues.
  - b. Reasons for the significant changes of the following costs since the last rate case.
    - Net Plant in Service – 31 % increase
    - Materials & Supplies – 121 % increase
    - Prepayments – 2742% increase
    - Cash Working Capital – 311%increase
    - Production Expense – 51.8% increase
    - Distribution Expense – 48.3% increase
    - Sales Expense – 93.3% increase
    - Administration and General Expenses – 37.1% increase

- Charitable Contributions – 126.8% increase
  - Depreciation Expense – 49.9% increase
- c. Whether the proposed Top Ten executive pay compensation is appropriate.
  - d. Is Otter Tail in compliance with the Commission Order dated May 9, 2002, regarding the Company's petition to transfer operational control of certain transmission facilities to the Midcontinent Independent System Operator (MISO)? If no, what remedy should be applied? Should the Commission deny recovery of MISO Schedule 10 costs or any other MISO-related costs?
  - e. A thorough review of jurisdictional allocation with South Dakota and North Dakota.
  - f. Whether the Company's proposed assignment of undepreciated plant balance expense for Coyote Station exclusively to Minnesota ratepayers is just and reasonable.
5. Pursuant to Minn. Stat. § 216B.62, subd. 8, determine that it is necessary to conduct an investigation of public utility operations, practices, or policies requiring specialized technical professional investigative services for the inquiry, and request that the Commissioner of the Department of Commerce seek authority from the Commissioner of Management and Budget to incur costs for the specialized services to develop and evaluate the record on the Company's rate case, including but not limited to, claimed prepaid pension asset and the Company's wildfire mitigation costs.
  6. Authorize Otter Tail to implement interim rates for service rendered on and after January 1, 2026.
  7. Authorize Otter Tail to waive its right under the interim rate statute to put interim rates into effect on December 30, 2025 and authorize Otter Tail to actually implement interim rates for service rendered on and after January 1, 2026.
  8. Approve Otter Tail's proposal to increase Uplift credits for January through April 2026.
  9. Require Otter Tail to exclude \$3,216,579 in incremental Coyote Station depreciation resulting in an annual interim rate revenue deficiency of \$28,576,429.
  10. If the Commission requires Otter Tail to adjust its interim rate revenue deficiency and rates to something different than proposed, then direct Otter Tail to file revised financial schedules and calculations (interim rate base, income statement, cost of capital, and revenue summary) and class revenue schedules reflecting the Commission's modifications within 5 calendar days of this meeting.
  11. Approve Otter Tail's proposed interim cost of capital for setting interim rates.

12. Approve Otter Tail's request to collect the interim rate increase as a uniform percentage interim rate adjustment to the base rate portion of customer bills. And to display the interim rate increase on customer bills using a single, line-item interim rate adjustment.

13. In the Notice and Order for Hearing, require the following:

- a. The Company shall mail copies of the order resulting from this decision to all municipalities, counties, and local governing bodies in its Minnesota service area.
- b. The Administrative Law Judge shall convene public hearings in this matter at locations within the service area of the Company.
- c. The Company shall file draft notices of the evidentiary and public hearings, file them for Commission approval, and, after filing for approval, disseminate them as follows:
  - i. Individual written notice to each customer, which may be in the form of a bill insert, to be served at least 10 days before the first day of hearings.
  - ii. Written notice to the governing bodies of all municipalities, counties, and local governing bodies in the area affected and to all parties in the Company's last two rate cases, to be mailed at least 10 days before the first day of hearings.
  - iii. Advertisements in legal newspapers of affected counties and other newspapers of general circulation within the Company's Minnesota service area, to appear at least 10 days before the first day of hearings. These advertisements shall include the heading RATE INCREASE NOTICE, which shall appear in bold face type no smaller than 30 points.

14. In the Order Setting Interim Rates require the following:

- a. Order the Company to file with the Commission and the Department of Commerce-Division of Energy Resources interim rate tariff sheets and supporting documentation reflecting the decisions herein. The Company's filing should also include the notice to customers, approved by the Executive Secretary, regarding the rate change under the interim rate schedule.
- b. Order the Company to keep such records of sales and collections under interim rates as would be necessary to compute a potential refund. Any refund should be made within 120 days of the effective date of the Commission's final order in a manner approved by the Commission.
- c. Order the Company to include with each customer's first bill under the interim rate schedule a notice of the rate change, approved by the Executive Secretary. Upon completion of this task, the Company shall certify this fact to the Commission.

- d. Require Otter Tail to maintain records of Energy Conservation and Optimization (ECO) Program costs and collection through the interim period so that it can be ascertained that recoveries dedicated to the ECO program are properly recorded.

Delegate authority to the Executive Secretary to approve notices, bill inserts, electronic notice, and bill format, and to extend deadlines and modify timelines for the duration of this proceeding.

15. Order Otter Tail in consultation with CAO to provide electronic notice to ratepayers in addition to the required bill insert and newspaper publications. Order the Company to include the following in the electronic notice: (1) a description of the proposed rate increase and its impacts on utility bills; (2) a description of interim rates and associated bill impacts; (3) the primary drivers of the rate change, including the proposed increase to the utility's return on equity; (4) information about how to file a public comment; and (5) live links to the Commission's webpage on how to submit a public comment, Otter Tail's webpage on the rate request, and the Commission's webpage on general rate cases and/or the Company's specific proposal. This is limited to those customers with emails on file.

16. CUB's petition to intervene, as agreed to by Otter Tail Power, is approved.

The motion passed 3-0.

#### **U-999/PR-25-16**

#### **In the Matter of Commission Subcommittee Delegations under Minn. Stat. 216A.03, subd. 8**

Commissioner Sullivan moved that the Commission:

1. Reaffirm the Commission's delegation for Regional Transmission Operator (RTO) subcommittees under Minn. Stat. § 216A.03, subd. 8, and delegate authority to the subcommittees to approve actions on behalf of the full Commission on RTO-related activities consistent with the Commission's RTO Approval Subcommittees Policy and Operating Procedure.
2. Reappoint Commissioner Joseph Sullivan to the Midcontinent Independent System Operator (MISO) subcommittee.
3. Reappoint Commissioner John Tuma to the Southwest Power Pool (SPP) subcommittee.

4. Delegate authority to the Executive Secretary to be the Minnesota PUC proxy for North American Electric Reliability Corporation (NERC) voting ballots consistent with the RTO Subcommittees.

The motion passed 3-0.

There being no further business, the meeting was adjourned.

**APPROVED BY THE COMMISSION: February 4, 2026**

A handwritten signature in black ink that reads "Sasha Bergman". The signature is written in a cursive style with a long horizontal flourish extending to the right.

---

**Sasha Bergman, Executive Secretary**