

**BEFORE THE MINNESOTA COURT OF ADMINISTRATIVE HEARINGS
600 NORTH ROBERT STREET
ST. PAUL, MINNESOTA 55101**

**FOR THE MINNESOTA PUBLIC UTILITIES COMMISSION
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Katie Sieben	Chair
Joseph Sullivan	Vice Chair
Hwikwon Ham	Commissioner
Audrey Partridge	Commissioner
John Tuma	Commissioner

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

CAH File No. 21-2500-40336

MPUC Docket No. E-002/AA-22-179

**REPLY BRIEF OF THE MINNESOTA
DEPARTMENT OF COMMERCE**

January 8, 2026

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INTRODUCTION

The Minnesota Public Utilities Commission should require Xcel Energy to refund at least \$40.1 million plus interest to its customers. As the Department of Commerce established in its initial brief, Xcel's modeling is unreliable. And its offsets are speculative, unsupported, or otherwise inconsistent with past Commission decisions. After more than two years of delay and excuses, it is time for Xcel's Minnesota customers to be made whole.

ARGUMENT

Nothing in Xcel's initial brief should cause the Commission to deviate from ordering at least a \$40.1 million refund. Given that the Department's initial brief fully addresses Xcel's claims, the Department focuses on two narrow issues in Xcel's initial brief here.¹ First, Xcel's unsupported claim that real-world conditions are consistent with its modeling assumptions. Second, Xcel's convoluted argument that Prairie Island's performance was "strong" during the relevant period and should be considered in crafting any customer refund. As discussed below, neither argument is persuasive.

I. XCEL'S PLEXOS MODEL RELIES ON AN UNSUPPORTED ASSUMPTION, RENDERING THE RESULTS UNRELIABLE.

As the Department explained in its initial brief, Xcel cannot establish by a preponderance of the evidence that its PLEXOS model produces reliable results. On the contrary, Xcel's PLEXOS model does not adequately reflect real-world conditions because it relies on contradictory assumptions. Xcel assumed both that Locational Marginal Prices ("LMPs") were unchanged by

¹ For the remainder of issues, the Department rests on its initial brief. In taking this limited approach, the Department does not waive any arguments in its initial brief or testimony that are not repeated here. Nor does the Department admit that any portion of Xcel's initial brief that has not been expressly responded to is accurate.

Prairie Island's unavailability and that the company's own generator units increased output to pick up the slack, even though it would be uneconomic. To reconcile this conflict, Xcel claims that transmission congestion would have forced its own higher-cost generation units to operate.² But after being pressed with MISO market congestion data establishing that Xcel overstates the impact of congestion,³ the utility notably fails to cite any independent data to support its position.

To rebut market data establishing minimal congestion, Xcel relies on the hearing testimony of its witness.⁴ Although Xcel asserts that its witness' statements are supported by relevant facts and data, the utility did not offer any exhibits or other evidence to corroborate its witness' claims. Although "bare testimony" from a single witness can sustain a finding of fact, it is far less likely to be sufficient where there is contradictory evidence in the record.⁵ This is particularly true in cases, such as this one, where the witness is testifying in her or his expert capacity and not as a lay fact witness. Indeed, expert witnesses customarily identify the facts or data supporting their opinions and produce exhibits summarizing or supporting their claims.⁶ Yet on the critical and disputed point of whether Xcel's PLEXOS model accurately reflects real-world transmission congestion, the utility failed to offer more than unsupported testimony. It would be unreasonable to find that Xcel's bare testimony is more likely than not to be true despite conflicting with undisputed MISO market data to the contrary.

Given these deficiencies, the Judge should find that Xcel has failed to establish by a preponderance of evidence that its PLEXOS modeling relies on reasonable inputs or that the modeling results are reliable.

² Ex. XCEL-9 at 10 (Detmer Rebuttal).

³ Ex. DOC-3 at 7-13 (Rakow Surrebuttal) (eDocket no. 20259-223100-03).

⁴ Xcel Initial Br. at 26-29 (citing Evid. Hrg. Tr. at 54, 56-57 (Detmer)).

⁵ See *Quinn v. LMC NE Minneapolis Holdings, LLC*, 972 N.W.2d 881, 889 (Minn. Ct. App. 2022).

⁶ See Minn. R. Civ. P. 26.01(b)(2)(B), (C).

II. XCEL OVERSTATES PRAIRIE ISLAND’S HISTORIC PERFORMANCE AND IS WELL COMPENSATED FOR OPERATING THE PLANT ANYWAY.

Xcel claims that the Commission should consider Prairie Island’s “strong” performance in calculating a refund. Xcel’s argument, however, relies on three flawed premises. First, as the Department explained in its initial brief, Xcel may not “bank” prudence as a matter of law.⁷ Second, Xcel asserts that Prairie Island’s performance was “strong” despite record evidence to the contrary. And third, Xcel’s claim ignores that the utility is already generously compensated for operating Prairie Island.

Even if Prairie Island’s historic performance was relevant to a refund determination, the Commission should reject Xcel’s elaborate attempts to portray the plant’s performance as a “strong.”⁸ Even Xcel acknowledges, albeit in elliptical prose, that Prairie Island’s performance “exceeded the industry-median outage hours,” but not by “100 percent.”⁹ Put in plain language, Xcel is saying that Prairie Island’s performance was worse than the middle performing nuclear plant, but that it was not the worst performing plant. Xcel’s point appears to be that because Prairie Island’s performance was not the absolute worst, it should get extra credit. That is like a child, after receiving a poor grade, telling his parents that it was a “strong performance” because it was better than his peers who failed. Divorced from Xcel’s contortions, the data – as shown below – establishes that Prairie Island underperformed its peers.¹⁰

⁷ DOC Initial Br. at 18-21 (explaining that Xcel may not “bank” prudence as a matter of law).

⁸ Xcel Initial Br. at 43.

⁹ Ex. DOC-2 at 5 (Golden Surrebuttal).

¹⁰ *Id.*

Years	Prairie Island	Industry-Wide	Difference
2018-2022	94.94%	92.76%	2.18%
2013-2017	84.56%	91.88%	-7.32%
2008-2012	85.08%	89.64%	-4.56%
2005-2022	88.35%	91.23%	-2.88%
2005-2024	86.39%	91.37%	-4.98%

Assuming for argument that Prairie Island’s performance was strong, Xcel is already well-compensated for operating the plant. In 2023, for example, Xcel collected about \$174.14 million from customers purely for operating Prairie Island.¹¹ Moreover, as the Department’s initial brief explained, recent capital improvements – that customers already compensate Xcel for making – are responsible for improving Prairie Island’s performance in recent years.¹² In short, Xcel is seeking to be compensated twice for the same performance. Once through the traditional rate-making process. And then again by withholding a refund owed to customers. The Commission should not grant Xcel such a windfall.

In sum, Prairie Island’s historic performance is legally and factually irrelevant to a refund calculation. The Judge should reject Xcel’s historic performance adjustment in its entirety.

CONCLUSION

For the reasons articulated above and the Department’s initial brief, the Commission should order Xcel to refund at least \$40.1 million plus interest to its customers. It is time for the

¹¹ *In re Xcel Energy’s Appl. for Auth. To Increase Rates for Elec. Serv. in Minn.*, Docket No. E-002/GR-21-630, Final Rates Compliance Filing – Sch. 1A (Oct. 17, 2023) (eDocket no. [202310-199663-01](#)) (providing approved 2023 rate of return of 6.91%); *In re Xcel Energy’s Appl. for Auth. To Increase Rates for Elec. Serv. in Minn.*, Docket No. E-002/GR-21-630, Direct Testimony of Xcel Witness Mark P. Moeller – Sch. 6 at 2 (p. 169) (Oct. 25, 2021) (eDocket no. [202110-179121-09](#)) (stating the Prairie Island’s rate base value in 2023 was \$2,520,225,404). The approved rate of return and rate base value can be used to determine Prairie Island’s rate impact: \$2,520,225,404 x 6.91% = \$174,147,575.

¹² Ex. DOC-1 at 17 (Golden Direct) (eDocket No. [20257-220600-02](#)).

Commission to end Xcel's delays and excuses. Customers should not be required to subsidize Xcel's undisputed imprudence any longer.

Dated: January 8, 2026

Respectfully submitted,

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