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Xcel Energy		Information Request No.	10
Docket No.:	E002/M-25-142		
Response To:	Minnesota Public Utilities Commission		
Requestor:	Hanna Terwilliger, Sophie Nikitas		
Date Received:	May 4, 2026		

Question:
In its April 23, 2026 Reply Comments, the Department proposed a new recommendation that the Commission delegate authority to the Executive Secretary to issue a Notice of Comment Period in each IDP docket to discuss the appropriate value of reliability, including the following topics:

a. The valuation of the cost of unserved energy;
b. The use of price caps for the cost of unserved energy;
c. Forecasting methodologies for reliability benefits;
d. Appropriate uses cases for the value of reliability; and
e. The potential to employ different values of reliability by customer class.

The Department also suggested that Xcel refrain from any targeted undergrounding projects until this comment period has closed.

What is Xcel's position on this recommendation?

Response:
The Company does not oppose a comment period for valuation of reliability benefits. We clarify, however, that the Commission has previously explored or acted on some of the identified topics – and many of the topics identified by the Department were previously addressed through stakeholder discussions conducted in 2025 regarding cost-benefit analysis methodologies. Those discussions included consideration of the valuation of unserved energy, and stakeholders reached agreement that the Lawrence Berkeley National Laboratory (LBNL) Interruption Cost Estimate (ICE) calculator is the most appropriate available tool for estimating the monetary value of reliability benefits. No alternative valuation methodologies or price caps were proposed through that process.

With respect to the Department's suggestion that different values of reliability could be applied by customer class, the Company notes that applying differentiated reliability values would increase the relative valuation of service to non-residential customers compared to residential customers. This approach would be a significant shift from prior Commission direction. For example, in Order Point No. 6 of the

Commission's December 5, 2023 Order in Docket No. E002/M-23-73, the Commission directed the Company to "discuss how to lower the differences in SAIDI, SAIFI, and CAIDI between feeders associated with the different customer classes in their 2024 filing." The proposal is both a significant change from prior Commission guidance and has impacts relating to equity in service quality. Therefore, the Company's position is that if the Commission determines it is appropriate to revisit its 2023 guidance, a consolidated docket for all Minnesota electric utilities would be more appropriate than exploring the topic separately in each individual utility's IDP docket.

The Company opposes the Department's recommendation to refrain from any targeted undergrounding projects until its proposed comment period closes. The Company's targeted undergrounding projects currently in active development were reviewed and approved for near-term implementation through the Company's Multi-Year Rate Case proceeding in Docket No. E002/GR-24-320, including review of scope and cost recovery. The Commission has previously affirmed that Integrated Distribution Plans (IDP) are informational. As such, an IDP is not the proper procedural forum to alter or suspend projects authorized in a rate case. Pausing approved projects that are already in routing, design, permitting, and/or construction is not in the public interest and would increase costs and delay reliability improvements for customers experiencing elevated rates of CEMI-6 and CELI-12.

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Date:	May 18, 2026