

**STATE OF MINNESOTA  
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

Katie Sieben	Chair
Joseph Sullivan	Vice Chair
Hwikwon Ham	Commissioner
Audrey Partridge	Commissioner
John Tuma	Commissioner

In the Matter of the Application of Northern States Power Company, d/b/a Xcel Energy, for Authority to Increase Rates for Electric Service in the State of Minnesota

DOCKET NO. E-002/GR-24-320

**OFFICE OF THE ATTORNEY GENERAL  
– RESIDENTIAL UTILITIES DIVISION’S  
MOTION TO TAKE OFFICIAL NOTICE**

Pursuant Minnesota Rules part 7829.0410 and Minnesota Statutes section 14.60, subdivision 4, the Office of the Attorney General – Residential Utilities Division (OAG) hereby moves the Minnesota Public Utilities Commission to take official notice of the 2025 and 2026 indirect wildfire-mitigation expenses reflected in Xcel’s April 14, 2026 compliance filing in Docket No. E-002/AI-25-245, attached as Exhibit A to this motion, and the costs incurred in 2025 for Xcel’s extreme weather reconnection program reflected in Xcel’s April 1, 2026 compliance filing in Docket No. E-002/M-26-27, attached as Exhibit B to this motion.

Any party wishing to contest this motion must file a written response and serve copies on all parties within 14 days of receiving service of the motion. The OAG understands that no party opposes the Commission taking notice of Xcel’s compliance filing in Docket No. 25-245; however, Xcel stated that its lack of opposition does not imply agreement to any financial adjustment related to the issue of indirect wildfire-mitigation expenses.

**GROUND FOR THE MOTION AND RELIEF SOUGHT**

Minnesota Statutes section 14.60, subdivision 4, provides that the Commission “may take notice of judicially cognizable facts and in addition may take notice of general, technical, or scientific facts within [its] specialized knowledge.” Minnesota district courts may take judicial

notice of a fact that is “not subject to reasonable dispute” because it is “capable of accurate and ready determination by resort to sources whose accuracy cannot reasonably be questioned.”<sup>1</sup>

## **I. XCEL’S ALLOCATED INDIRECT WILDFIRE-MITIGATION EXPENSES**

In this case, Xcel used a method called the “total plant ratio” to assign Minnesota a share of “indirect” wildfire-mitigation costs incurred at the service company.<sup>2</sup> The OAG and the Department opposed Xcel’s use of the total plant ratio but were unable to determine appropriate 2025 and 2026 indirect wildfire-mitigation expense amounts because Xcel refused to provide the impact of their preferred allocation method.<sup>3</sup>

After this case was submitted to the ALJ, the Commission addressed the allocation of indirect wildfire-mitigation costs in another docket.<sup>4</sup> The Commission found Xcel’s total-plant-ratio method unreasonable and ordered Xcel to make a compliance filing providing the financial impact, for the 2025 and 2026 test years, of using the OAG and the Department’s method, which allocates indirect wildfire-mitigation expenses in proportion to each jurisdiction’s direct wildfire-mitigation costs.<sup>5</sup> Xcel made this compliance filing on April 14, 2026, a copy of which is attached as Exhibit A.

The indirect wildfire-mitigation expenses that Xcel calculated pursuant to the Commission order in Docket No. 25-245 are not subject to reasonable dispute; they are reflected in Xcel’s own filing in another Commission docket. The amounts calculated by Xcel bear directly on a live issue in the case, and the information is only missing from the record here because Xcel failed to

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<sup>1</sup> Minn. R. Evid. 201.

<sup>2</sup> Findings of Fact, Conclusions of Law, and Recommendation ¶ 529 (Apr. 29, 2026) [hereinafter ALJ Report].

<sup>3</sup> ALJ Report ¶ 531; Ex. OAG-5 at 29 (Lee Direct).

<sup>4</sup> See *In the Matter of Xcel Energy’s Petition for Approval of Its 2025 Annual Administrative Service Agreement*, Docket No. E-002/AI-25-245, Order Approving Modifications of Service Agreement and Requiring Compliance Filing (Apr. 1, 2026).

<sup>5</sup> *Id.* at 4.

adequately respond to the Department's discovery.<sup>6</sup> The Department and the OAG contested this issue in Docket No. 25-245, and the Commission required the compliance filing so that the appropriate adjustments could be made to final rates in this case.<sup>7</sup> Because of the high probative value of Xcel's compliance filing and its reliability, the Commission should take official notice of its contents.

## II. XCEL'S 2025 EXTREME WEATHER RECONNECTION PROGRAM COSTS

In Xcel's 2025 annual service quality docket, the Commission ordered Xcel to implement a reconnection program where Xcel will temporarily reconnect service for economically vulnerable ratepayers during extreme heat events and when the Air Quality Index is 151 or higher.<sup>8</sup> The Commission also ordered Xcel to provide a summary of the costs of implementing the program in future annual-service-quality-docket compliance filings.<sup>9</sup>

In rebuttal testimony in this rate case, Xcel requested recovery of estimated costs arising from this reconnection program.<sup>10</sup> Xcel alleged that the estimated costs of the program would include a \$404,000 addition to its rate base in 2025, a \$1,600,000 addition to rate base in 2026, and \$1,893,000 in operating expenses in 2026,<sup>11</sup> amounting to a \$28,000 revenue deficiency in 2025 and a \$2,445,000 revenue deficiency in 2026.<sup>12</sup>

Xcel has now filed the summary of actual 2025 reconnection program costs that the Commission ordered it to file in its latest annual service quality docket, a copy of which is attached

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<sup>6</sup> See ALJ Report ¶¶ 529–45; Ex. OAG-7 at 22–23 (Lee Surrebuttal).

<sup>7</sup> See March 3, 2026 Agenda Meeting Video Recording at 2:02:10–:07:59, [https://minnesotapuc.granicus.com/player/clip/2648?view\\_id=2&redirect=true](https://minnesotapuc.granicus.com/player/clip/2648?view_id=2&redirect=true) (discussing how to get impact of Commission's decision into rate-case evidentiary record).

<sup>8</sup> ALJ Report ¶ 425.

<sup>9</sup> *In re N. States Power Co. d/b/a Xcel Energy's 2024 Annual Safety, Reliability, and Service Quality Report*, Docket No. E-002/M-25-27, Order at 2 (Jul. 25, 2025).

<sup>10</sup> Ex. Xcel-19 at 20 (Halama Rebuttal).

<sup>11</sup> ALJ Report ¶ 426.

<sup>12</sup> Ex. OAG-3 at 46 (Hinderlie Surrebuttal).

as Exhibit B.<sup>13</sup> Xcel states there that it actually incurred \$63,309 in 2025, which is much lower than its 2025 test year estimate.<sup>14</sup>

Xcel's actual 2025 costs for the reconnection program are highly probative of the reasonableness of Xcel's rate request, not only for the 2025 test year but also for the 2026 plan year, and are appropriately considered this case. They are also not subject to reasonable dispute. Xcel introduced its request to recover the costs of the program for the first time in rebuttal with less than a page of supporting testimony, limiting the development of the evidentiary record regarding the basis for its cost estimates. Xcel's statement of its actual 2025 costs incurred provides crucial additional information for the Commission in assessing the accuracy and reasonableness of Xcel's request. Because of the highly probative value of Xcel's statement of its actual 2025 costs, and its reliability, the Commission should take official notice of this fact.

For the foregoing reasons, the OAG respectfully requests that the Commission grant its motion to take official notice.

Dated: May 15, 2026

Respectfully submitted,

KEITH ELLISON  
Attorney General  
State of Minnesota

/s/ Peter G. Scholtz

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<sup>13</sup> *In re N. States Power Co. d/b/a Xcel Energy's 2025 Annual Safety, Reliability, and Service Quality Report*, Docket No. E-002/M-26-27, Xcel Energy's Service Quality Annual Report Part III at 116 (Apr. 1, 2026).

<sup>14</sup> *Id.*

ATTORNEYS FOR OFFICE OF  
THE ATTORNEY GENERAL—  
RESIDENTIAL UTILITIES DIVISION



414 Nicollet Mall  
Minneapolis, MN 55401

April 14, 2026

—Via Electronic Filing—

Sasha Bergman  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, MN 55101

RE: COMPLIANCE FILING-WILDFIRE MITIGATION  
2025 ANNUAL REPORT – ADMINISTRATIVE SERVICE AGREEMENT  
DOCKET NO. E,G002/AI-25-245

Dear Ms. Bergman:

Northern States Power Company, doing business as Xcel Energy, submits this compliance filing pursuant to the Minnesota Public Utilities Commission's (Commission) April 1, 2026 ORDER APPROVING MODIFICATIONS OF SERVICE AGREEMENT AND REQUIRING COMPLIANCE FILING in Docket No. E002/AI-25-245. Order Point 2 states:

- 2. By April 15, 2026, Xcel must make a compliance filing in this docket (E-002/AI-25-245) that provides the financial impact of the wildfire mitigation service function for the 2025 and 2026 test years, reflecting any allocation changes proposed in this docket that are approved by the Commission.*

Using the direct wildfire mitigation costs allocated to each of Xcel Energy's four operating companies, the Company has calculated that 17.8 percent of indirect costs should be allocated to Northern States Power Company-Minnesota in 2025 and 21.5 percent of indirect costs in 2026. Table 1 below provides the annual indirect costs to be allocated to our Minnesota Electric jurisdictions.<sup>1</sup> All costs shown are operation and maintenance costs.

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<sup>1</sup> Minnesota's electric utility is allocated 87.0 percent of Northern States Power Company-Minnesota's costs.

**Table 1**  
**Minnesota Electric Allocated Wildfire Mitigation Costs**

<b>Year</b>	<b>Annual Indirect Costs</b>
2025	\$950,393
2026	\$1,253,901

Attachment A to this Compliance Filing includes the calculation of the indirect costs included in Table 1 above and the financial impact of the wildfire mitigation service function for the 2025 and 2026 test years.

We have electronically filed this document with the Minnesota Public Utilities Commission, and copies have been served on the parties on the attached service list. Please contact Brandon Kirschner at [Brandon.M.Kirschner@xcelenergy.com](mailto:Brandon.M.Kirschner@xcelenergy.com) or (612) 215-5361 or Lynnette Sweet at [Lynnette.M.Sweet@xcelenergy.com](mailto:Lynnette.M.Sweet@xcelenergy.com) or (612) 321-3159 if you have any questions regarding this filing.

Sincerely,

/s/

AMBER HEDLUND  
MANAGER, REGULATORY AFFAIRS

Enclosure  
cc: Service List

Northern States Power Company

Docket No. E,G002/AI-25-245  
Compliance Filing-Wildfire Mitigation  
Attachment A - Page 1 of 1

**Indirect Cost Allocation Calculation**

	<u>2025</u>	<u>2026</u>
Total Indirect Wildfire Mitigation Costs	\$ 6,124,424	\$ 6,698,777
NSPM Allocation Percentage based on Direct Costs	17.8300%	21.5071%
Indirect Wildfire Mitigation Costs Allocated to NSPM	\$ 1,091,985	\$ 1,440,711
NSPM-Electric Utility Allocator	87.0335%	87.0335%
As Ordered Indirect Wildfire Mitigation Costs Allocated to Minnesota-Electric	<b>\$ 950,393</b>	<b>\$ 1,253,901</b>
24-320 Indirect Wildfire Mitigation Costs Allocated to Minnesota-Electric*	\$ 1,703,658	\$ 1,850,808
24-320 Test Year Adjustment	\$ (753,265)	\$ (596,907)

*\*Docket No. E002/GR-24-320, Xcel Exhibit-95 at 15 (Doyle Rebuttal)*

**NSPM Cost Allocator Calculation**

	<u>2025</u>	<u>2026</u>
NSPM Direct Assigned Wildfire Mitigation Costs	1,833,767	2,790,835
Total XES Direct Assigned Wildfire Mitigation Costs	10,284,727	12,976,360
NSPM Allocation Percentage based on Direct Costs	<b>17.8300%</b>	<b>21.5071%</b>

STATE OF MINNESOTA  
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John A. Tuma	Commissioner

IN THE MATTER OF NORTHERN STATES  
POWER COMPANY’S ANNUAL REPORT  
ON SAFETY, RELIABILITY, AND SERVICE  
QUALITY FOR 2025; AND PETITION FOR  
APPROVAL OF ELECTRIC RELIABILITY  
STANDARDS FOR 2026

DOCKET No. E002/M-26-27

**ANNUAL REPORT AND PETITION**

**INTRODUCTION**

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission the attached Annual Report on our safety, reliability, and service quality performance for 2025. We make this filing pursuant to Minn. R. 7826.0400, 7826.0500, and 7826.1300. This filing also includes our Petition for approval of the Company’s proposed reliability standards for the year 2026, as required under Minn. R. 7826.0600. In addition, the Annual Report contains several compliance items from various dockets.

We respectfully request that the Commission accept our annual report for 2025, approve our proposed reliability standards for 2026, and approve our request for restoration of the variance to Minn. Rule 7820.2500.

**I. DESCRIPTION AND PURPOSE OF FILING**

**A. Background**

Legislation passed in 2001 required that the Commission establish safety, reliability, and service quality standards for electric distribution utilities. After a rulemaking process, the Commission adopted rules that became effective on January 28, 2003. These rules contain both performance standards and reporting requirements. Additionally, the rules require individual utilities to propose electric reliability

standards each year for approval by the Commission. Over time, the Commission added additional compliance obligations through various Order Points.

We have separated the Annual Report, as laid out in Minnesota Rules, Chapter 7826, Electric Utility Standards, into three parts. Part I contains Safety and Service Quality standards. Part II contains the Reliability metrics and proposed standards. Part III separately addresses, for ease of review by parties and the Commission, Order Points in the Commission's January 13, 2025 Order in Docket No. E002/M-24-27 that represent new requirements not part of prior annual reports.

In this Petition, we request the Commission take three actions:

- Accept the Company's Annual Report for 2025,
- Approve our proposed reliability standards for 2026, and
- Approve our request for restoration of the variance to Minn. Rule 7820.2500.

Each of these are discussed in more detail below.

#### **B. Accept the Company's Annual Report for 2025**

Attached to this Petition is the Company's Annual Report, detailing the Company's safety, reliability and service quality performance for 2025. The Company's Annual Report, and its attachments, are consistent with the Minnesota service quality reporting rules found in Minn. R. Ch. 7826, as well as the various Commission Order Points adopted over the years. In addition to responding to the new compliance obligations ordered from the 2017 through 2024 Annual Reports, the Company has included a compliance matrix to assist our stakeholders to find the information they are looking for within the Annual Report. We respectfully request the Commission accept the Company's Annual Report for 2025.

#### **C. Approve Proposed Reliability Standards for 2026**

Minn. R. 7826.0600, subp. 1, requires the Company to propose 2026 standards for System Average Interruption Frequency Index (SAIFI), System Average Interruption Duration Index (SAIDI), and Customer Average Interruption Duration Index (CAIDI). The Company proposes setting the 2026 standards based on the Institute of Electrical and Electronics Engineers (IEEE) benchmarking results as follows:

- Statewide reliability: IEEE second quartile for large utilities;

- Metro East and Metro West work centers: IEEE second quartile for large utilities; and
- Southeast and Northwest work centers: IEEE second quartile for medium utilities.

In its March 27, 2026 Order in Docket No. E002/M-25-27, the Commission adopted a modification to the method used in earlier years that has required utilities to make a SRSQ docket supplemental filing late in the year, after IEEE releases its annual reliability benchmarking data. The Commission directed that:

*5. Xcel's 2025 statewide reliability standard is set at a five-year mean of the IEEE benchmarking second Quartile for large utilities (2020-2024 data). Xcel's Southeast and Northwest work center reliability standards are set at a five-year mean of the IEEE benchmarking second quartile for medium utilities (2020-2024 data). Xcel's Metro East and Metro West work center reliability center standards are set at a five-year mean of the IEEE benchmarking second quartile for large utilities (2020-2024 data).<sup>1</sup>*

Consistent with the above Order language, the Company proposes 2026 reliability standards using the 2021–2025 five-year mean values for the applicable utility size classifications as follows: (1) second quartile for our Metro East and Metro West work centers where our peers are other large utilities; and (2) second quartile for our Southeast and Northwest work centers where our peers are medium utilities.

**D. Approve our request for a variance to Minn. Rule 7820.2500.**

Minn. Rule 7820.2500 states that

*Service may be disconnected only in conjunction with a personal visit by a representative of the utility to the address where the service is rendered and an attempt to make personal contact with the customer at the address. If the address is a building containing two or more dwelling units, the representative shall make a personal visit to the door of the customer's dwelling unit within the building. If security provisions in the building preclude free access on the part of the representative, the representative shall attempt to gain access to the building from the caretaker, for the purpose of attempting to make personal contact with the customer. The representative of the utility shall at all times be capable of receiving payment, if nonpayment is the cause of*

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<sup>1</sup> March 27, 2026 ORDER ACCEPTING REPORTS AND SETTING ADDITIONAL REQUIREMENTS. *In the Matter of Xcel Energy's 2024 Annual Safety, Reliability, and Service Quality Report.* Docket No. E002/M-25-27. Order Point 4.

*the disconnection of service, or the representative shall be able to certify that the cause of disconnection has been remedied by the customer.*

The deployment of AMI provides the Company with the ability to remotely manage customer disconnections and reconnections. We believe this technology, together with the use of calls, voicemails, and one additional method of electronic communication where the customer has provided consent to do so,<sup>2</sup> represents the most effective means of communication with customers prior to service disconnection.

In its March 27, 2026 Order in Docket No. E002/M-25-27, the Commission denied an extension of the existing variance to Minn. Rule 7820.2500.<sup>3</sup> In this filing, the Company proposes restoration of the Minn. Rule 7820.2500 variance at the earliest opportunity, or when the Commission meets to consider the Company's 2025 SRSQ annual report, along with approval of a portfolio of measures designed to address the underlying causes of disconnections. Supporting this request, we propose a temporary cap on disconnection rate (the percent of customers eligible for disconnection who are actually disconnected) while the proposed measures to bring down disconnections take effect.

## **V. EFFECT OF CHANGE UPON XCEL ENERGY REVENUE**

Approval of our Annual Report and the reliability performance standards proposed in this Petition will not result in any changes to Xcel Energy's revenue.

### **CONCLUSION**

Xcel Energy is committed to providing our customers with safe, reliable and high quality customer service. We appreciate this opportunity to report our performance to the Commission, and respectfully request that the Commission accept our Annual Report on safety, reliability, and service quality. We also request that the Commission approve our proposed reliability standards for 2026 as detailed in this Petition and approve our request for a variance to Minn. Rule 7820.2500.

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<sup>2</sup> Per the Commission's January 13, 2025 Order in Docket No. E-002/M-24-27, Order Point 19. See Part III of our annual report.

<sup>3</sup> March 27, 2026 ORDER ACCEPTING REPORTS AND SETTING ADDITIONAL REQUIREMENTS. *In the Matter of Xcel Energy's 2024 Annual Safety, Reliability, and Service Quality Report*. Docket No. E002/M-25-27. Order Points 14 and 15.

Dated: April 1, 2026

Northern States Power Company

**PUBLIC DOCUMENT  
NOT-PUBLIC DATA HAS BEEN EXCISED**

EXHIBIT B  
Page 6 of 40

STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION

Katie J. Sieben	Chair
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IN THE MATTER OF NORTHERN STATES  
POWER COMPANY'S ANNUAL REPORT ON  
SAFETY, RELIABILITY, AND SERVICE  
QUALITY FOR 2024; AND PETITION FOR  
APPROVAL OF ELECTRIC RELIABILITY  
STANDARDS FOR 2026

DOCKET No. E002/M-26-27

**ANNUAL REPORT AND PETITION**

**SUMMARY OF FILING**

Please take notice that on April 1, 2026 Northern States Power Company, doing business as Xcel Energy, filed with the Minnesota Public Utilities Commission a Petition requesting approval of its 2024 Electric Annual Service Quality Performance Report, requesting the Commission approve our proposed reliability standards for 2026, and requesting a variance to Minn. Rule 7820.2500.

**Xcel Energy's  
Service Quality Annual Report  
Part III**

January 13, 2025 Order Compliance

April 1, 2026  
Docket No. E002/M-26-27

## VI. JANUARY 13, 2025 ORDER COMPLIANCE

The Commission's January 13, 2025 Order in Docket No. E-002/M-24-27 included many new requirements that were not part of earlier Safety, Reliability, and Service Quality (SRSQ) annual reports. In the Company's SRSQ Annual Report for 2024, we addressed those new requirements in a separate Part III for ease of review by parties and the Commission. We retain that structure for this Annual Report for 2025, but where a particular requirement of the January 13, 2025 Order was fulfilled in the 2024 annual report, we simply note that briefly and do not repeat that information here.

### A. SERVICE TIMELINES

*Order Point No. 15. Xcel must report service extension timelines by work center in future safety, reliability, and service quality reports.*

Part I, Section III.D details Service Extension Response Times. Attachment Q provides extension timelines by work center.

### B. REQUEST FOR VARIANCE TO MINN. RULE 7820.2500

In its March 27, 2026 Order accepting the Company's 2024 SRSQ annual report, the Commission denied an extension of the existing variance to Minn. Rule 7820.2500, which requires a personal visit by a Company employee prior to disconnecting a customer.<sup>1</sup> This means, beginning on March 27, 2026, disconnections can only occur with a field visit. While we understand and share the Commission's goal to reduce disconnections, the Company believes denial of the variance is too blunt a tool. This will drive disconnections down – since the Company has only two permanent field collectors, and contractual barriers to hiring seasonal collectors – but will do nothing to address, and may in fact exacerbate, the root causes of disconnection. Suppressing disconnections will provide short-term relief to the customers who would otherwise be disconnected – but at the cost of long-term negative impacts, both to those same customers (accumulation of past-due balances they will struggle to pay off), to all other customers (increased operation & maintenance costs, overall arrears, and bad debt), and to employee safety. We propose the Commission restore the variance at the earliest opportunity, or when it meets to consider the Company's 2025 SRSQ annual report. Supporting this request, we propose a portfolio of measures designed to address the underlying causes of disconnections, about which the Commission is

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<sup>1</sup> March 27, 2026 ORDER ACCEPTING REPORTS AND SETTING ADDITIONAL REQUIREMENTS. *In the Matter of Xcel Energy's 2024 Annual Safety, Reliability, and Service Quality Report*. Docket No. E002/M-25-27. Order Points 14 and 15.

rightfully concerned. We also propose a temporary cap on disconnection rate (the percent of customers eligible for disconnection who are actually disconnected) while the proposed measures to bring down disconnections take effect.

1. *Background*

Minn. Rule 7820.2500 specifies that:

*MANNER OF DISCONNECTION. Service may be disconnected only in conjunction with a personal visit by a representative of the utility to the address where the service is rendered and an attempt to make personal contact with the customer at the address... The representative of the utility shall at all times be capable of receiving payment, if nonpayment is the cause of the disconnection of service, or the representative shall be able to certify that the cause of disconnection has been remedied by the customer.<sup>2</sup>*

The Commission first granted a variance to Minn. Rule 7820.2500 in its March 22, 2023 Order in Docket No. E-002/M-22-233, stipulating that the variance would be reevaluated annually until made permanent or terminated.<sup>3</sup> It extended the variance in its January 13, 2025 Order in the Company's 2023 SRSQ annual report, retroactively from the expiration of the previous variance on April 22, 2024 and until the Commission issued a decision on the variance request in the 2024 SRSQ annual report.<sup>4</sup> The Minn. Rule 7820.2500 variance thus expired on March 27, 2026. While in place, the variance has allowed the Company to conduct remote disconnections and reconnections (RCD) using Advanced Metering Infrastructure (AMI), provided we have reached the customer via other contact methods. For those customers we are unable to reach via other methods, the Company still conducts a field visit.

The decision to grant the variance was partly in recognition that RCD provides significant cost savings – as shown in Table 11 of Part I to this SRSQ report, in 2025 this difference was \$22.37 per RCD vs. \$180.09 per manual disconnect/reconnect, or a roughly eightfold cost savings – as well as safety benefits for employees.

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<sup>2</sup> See <https://www.revisor.mn.gov/rules/7820.2500>.

<sup>3</sup> March 22, 2023 ORDER APPROVING PETITION AS MODIFIED AND REQUIRING FILINGS. *In the Matter of a Petition by Northern States Power Company Requesting Approval of Changes to its Tariff an Indefinite Variance to Commission Rules Regarding Disconnection of Service*. Docket No. E-002/M-22-233.

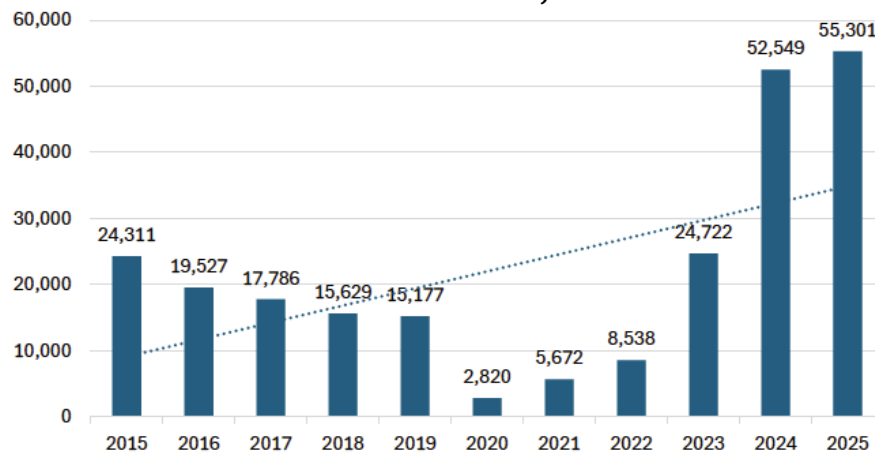
<sup>4</sup> January 13, 2025 ORDER ACCEPTING REPORTS AND SETTING ADDITIONAL REQUIREMENTS. *In the Matter of Xcel Energy's 2023 Annual Safety, Reliability and Service Quality Report*. Docket E-002/M-24-27. Order Points 16, 17 and 18.

In addition, the Company has found that field visits are an ineffective means of reaching customers, with contact made roughly four percent of the time. Phone, Interactive Voice Response (IVR), and voicemail are much more effective, and the Company has now implemented additional contact methods of email and/or text.<sup>5</sup> Field visits are both more costly and less effective than these other methods.

2. *Drivers of Increased Disconnections*

The primary concern discussed in the February 19, 2026 agenda meeting on the Company’s 2024 SRSQ annual report was a sharp increase in residential disconnections since about 2023, as shown in Graph 26. The increase coincides with the aftermath of the 2020-21 COVID disconnection moratorium, when arrears grew significantly, along with AMI deployment in 2023 through 2025. This has led some to argue AMI makes it “too easy” for the Company to disconnect customers remotely. Reimposing the field visit requirement, by this logic, would reduce disconnections by halting RCD and giving customers another point of contact to enter a payment plan and avoid disconnection.

**Graph 26**  
**Annual Disconnections, 2015-2025<sup>6</sup>**



However, the drivers of disconnection numbers during and after the COVID pandemic are in fact more complex. In 2018-2019 prior to the pandemic, as well as in 2023 prior to AMI deployment, the Company had a “disconnection rate” (proportion of those eligible for disconnection who were actually disconnected) of only about 6-7 percent. With AMI, the disconnection rate has increased to 17 percent in 2024 and 25 percent in 2025. That is, even with our recent practices, we have only been

<sup>5</sup> January 13, 2025 ORDER, Order Point 19.

<sup>6</sup> February 19, 2026. Staff Briefing Papers – Volume 3: Xcel Energy’s Initiatives. *In the Matter of Xcel Energy’s 2024 Annual Safety, Reliability, and Service Quality (SRSQ) Report*. Docket E-002/M-25-27. Page 13.

disconnecting 17 to 25 percent of customers who are eligible for disconnection. So, while the disconnection rate has increased, it remains a small minority of the customers eligible for disconnection.

The COVID disconnection moratorium in 2020-2021, followed by the very low disconnection rate in 2021-2023 prior to AMI deployment, meant that non-payment did not lead to disconnection for the vast majority of customers in arrears. This likely led some customers to believe they can postpone paying their utility bill indefinitely without consequence. In the post-pandemic years, as customers' financial struggles continued, they may have continued to prioritize other expenses over paying their utility bill, with reasonable confidence their power would not be disconnected. This resulted in arrears continuing to grow, not only during but also after the disconnection moratorium, since disconnection rates remained low.

AMI deployment in 2023-2025 then allowed the Company to disconnect a slightly larger share of those eligible for disconnection. This meant more customers who had not seen non-payment lead to disconnection were in fact disconnected.

A crucial point, however, is that disconnection can also lead to more contact with customers, enabling the Company to offer flexible payment arrangements, energy and medical assistance, etc. and restore power quickly. This is seen in Table 26, which shows the number of calls to Personal Account Representatives (PARs) before, during and after the COVID pandemic disconnection moratorium. Table 26 shows that during the moratorium in 2020-2021, those calls abruptly dropped to less than half of what they had been in 2018-2019. They remained low through 2022, since – though the disconnection moratorium was no longer in place – disconnection rates remained very low. With slightly higher disconnection rates in 2024-2025, calls to PARs returned to approximately the pre-pandemic level. Customer calls to PARs to restore service are a key opportunity to offer flexible payment arrangements and connect customers with federal/state energy assistance, the Company's own affordability programs, and in some cases arrearage forgiveness.

**Table 26**  
**Number of Calls to Personal Account Representatives and Disconnection Rate, 2018-2025**

Year	Number of calls to PARs <sup>7</sup>	Disconnection rate <sup>8</sup>
2018	51,975	7%
2019	51,276	6%
2020	24,256	1%
2021	24,397	2%
2022	24,715	3%
2023	43,812	7%
2024	48,930	17%
2025	46,886	25%

As the Company saw disconnections begin to increase in 2024, we implemented a broad range of new measures beginning in early 2025 to help customers avoid disconnection. These included lower payment plan down-payments, more time prior to implementing a disconnection, higher past-due balances prior to disconnection, more flexibility for household financial circumstances and extenuating circumstances, and more outreach to connect customers to energy assistance.<sup>9</sup> Those changes appear to have helped: while disconnections have remained high in absolute terms in 2024 and 2025, the rate of increase has notably slowed. Disconnections increased 189% from 2022 to 2023, 113% from 2023 to 2024, and only 5% from 2024 to 2025. This suggests the new measures implemented in 2025 are beginning to be successful in “turning the curve” on disconnections.

AMI, while it may be the tool for disconnection, is clearly not its cause; the underlying cause of the volume of disconnections in 2023-2025 is the number of customers who have been unable to enter into a payment arrangement due to continuing post-pandemic financial struggles, as well as accumulated arrears from the pandemic and subsequent years. In that context, requiring the resumption of field visits – while it will certainly force disconnections down, simply due to staffing constraints – will not address the underlying causes of economic difficulties and high arrears. Nor will it be an effective way to connect customers with payment arrangements, energy assistance and medical protections, since field visits only successfully reach a customer about

<sup>7</sup> Based on data filed in annual Electric Safety, Reliability and Service Quality Performance Reports in Docket Nos. E002/M-26-27, E002/M-25-27, E002/M-24-27, E002/M-23-73, E002/M-22-162, E002/M-21-237, E002/M-20-406, E002/M-19-261.

<sup>8</sup> Percent of customers eligible for disconnection who were actually disconnected.

<sup>9</sup> See *Minnesota Disconnection Process* at <https://mn.my.xcelenergy.com/s/billing-payment/energy-assistance/pay-arrangements>.

four percent of the time. In fact, we would expect to see customer contacts, and hence opportunities to connect customers with assistance, decrease again as shown in Table 26.

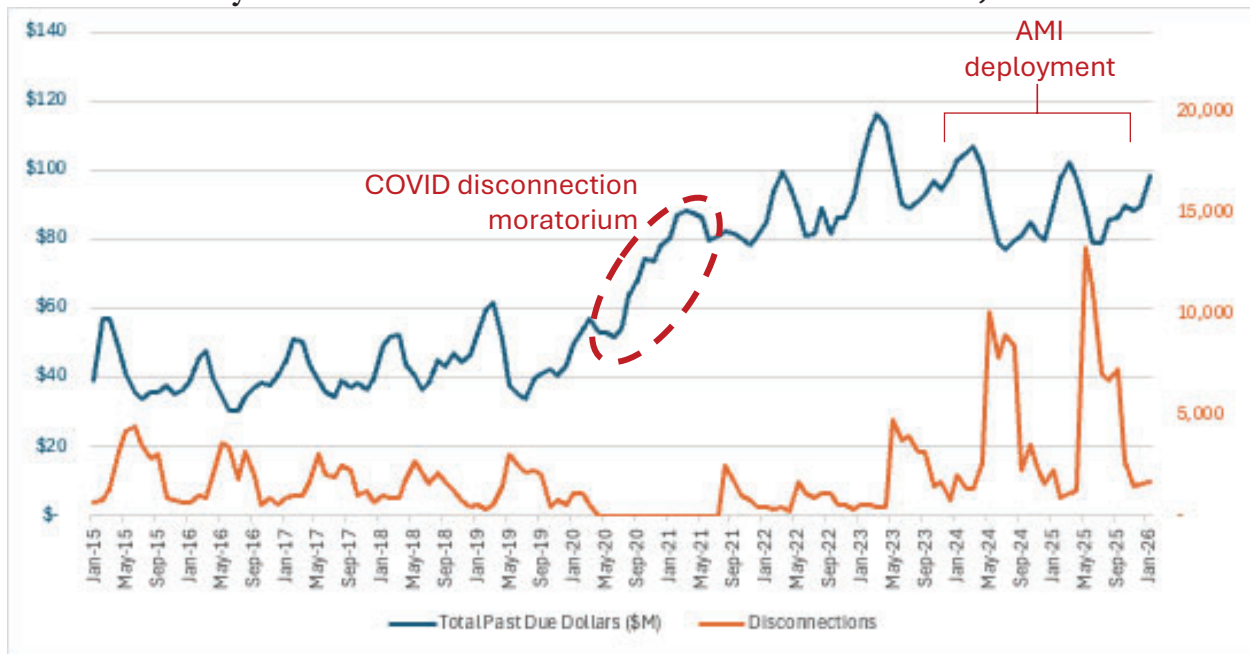
The Company believes continuing the measures we implemented starting early 2025, along with the additional measures proposed below in Section d.2, will be more effective at addressing the root causes of disconnection than the blunt tool of a field visit that increases the cost of our service to all customers.

### 3. *Expected Impacts of Field Visit Requirement*

Denial of the variance will have significant operational, staffing, and financial impacts. With the full deployment of AMI, the Company has decreased the number of Minnesota field collection staff working on credit orders from ten to two, and shifted many field staff to the time-consuming work of reading opt-out meters. Our current labor agreements no longer allow us to hire seasonal collectors – a decision we made based on the Commission’s approval of our AMI investment and approval of our variance for several years. Unless we are able to modify those agreements and hire seasonal collectors, we estimate our two field collectors would be able to perform a very small number of disconnections each year. The Company will, in the near term, return to disconnecting a very small percent of those eligible for disconnection. And while we are working to address the underlying causes of disconnection, those efforts are not guaranteed to reduce disconnections in the immediate term to a level that could be practically handled with just two field collectors. Moreover, even if they were, given the very limited effectiveness of field visits that reach customers less than 5 percent of the time, the costs of these field visits are an unnecessary expense.

Assuming the Company’s efforts to address the underlying causes of disconnection are not immediately completely successful, as disconnections fall back to very low levels, we would expect arrears to grow. During the COVID disconnection moratorium (March 2020 – July 2021), total arrears grew from \$57 million to \$81 million, a 42 percent increase as shown in Graph 27. If a comparable increase occurs during an extended denial of the Minn. Rule 7820.2500 variance, arrears could quickly grow again to over \$100 million. This would not only have impacts on all customers – via increased bad debt and potential impacts on the Company’s cost of credit – but also harm the very customers being sheltered from disconnection, since many will then accrue past-due balances they cannot realistically pay off. We would expect this to be a long-lasting impact; as shown in Graph 27, it has been six years since the start of the pandemic disconnection moratorium, and arrears still have not returned to pre-pandemic levels.

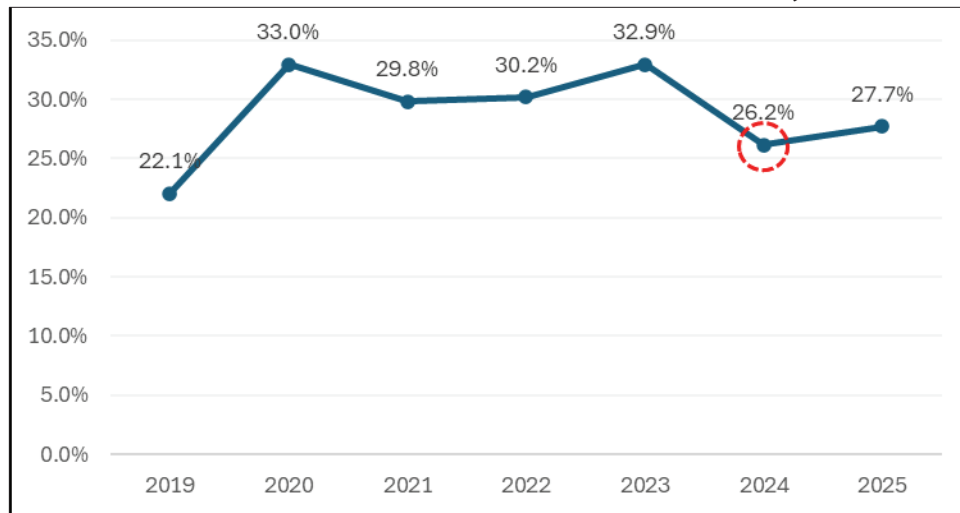
**Graph 27**  
**Monthly Disconnections and Total Residential Arrears, 2015-2026**



Another metric of persistently high arrears is the percent of accounts receivable in arrears, as shown in Graph 28. In 2017-2019, prior to the pandemic, 20-22% of active accounts receivable were in arrears. During COVID this increased to 33% in 2020, and remained near this level through 2023. Implementation of RCD in 2024 helped bring accounts receivable in arrears down to 26-27% in 2024-25.<sup>10</sup> Denial of the Minn. Rule 7820.2500 variance will likely drive the percent of accounts receivable in arrears back up, which may again take several years to bring back down.

<sup>10</sup> The \$175m interim rate refund in 2024 may also have contributed to a lower percent accounts receivable in arrears that year.

**Graph 28**  
**Percent of Active Accounts Receivable in Arrears, 2019-2025**



With a very low disconnection rate – in essence, an expectation that non-payment will not lead to disconnection, as during the COVID disconnection moratorium and subsequent years – we anticipate that again, fewer customers will engage with the Company to set payment arrangements. This is demonstrated by the data on calls to PARs in Table 26, above. Table 27 below provides another view, focusing on number of customers setting payment arrangements. In 2018-2019, this number was significantly higher than during the years of the COVID disconnection moratorium. The number dropped sharply from 2019 to 2020, when customers faced no risk of disconnection; many customers simply stopped communicating with the Company to discuss payment arrangements. This also meant we could not connect them with available energy assistance, the Company’s own affordability programs, and arrearage forgiveness. Beginning in 2023 when AMI deployment allowed a slightly higher rate of disconnection, more customers engaged with us to set payment arrangements – an average of 41 percent more frequently than in 2018 and 2019, and 61 percent more than they did during the years of the disconnection moratorium. As the Company returns to likely single-digit disconnection rates with the field visit requirement in 2026, we are likely to see another drop-off in the numbers of customers engaging with the Company.

**Table 27**  
**Count of Payment Arrangements Entered by Minnesota Residential Customers, 2018-2025**

Minnesota - Residential		
	Arrangement Count	
2018	100,144	
2019	95,348	
2020	48,228	Pandemic-related disconnection notice/field disconnect moratorium greatly impacted customer interaction.
2021	81,373	
2022	150,810	
2023	174,253	
2024	152,689	
2025	170,506	

We expect that a much lower disconnection rate and resulting growth of arrears will also lead to increased bad debt, which – although lagged in time – eventually must be recovered in a future rate case and translates into higher costs for all customers. Conservative estimates of incremental bad debt range from \$375,000 (if the percent of active accounts receivable in arrears increases to 29 percent) to \$1.5 million (if the percent of active accounts receivable in arrears increases to 33 percent, as it was during COVID). These are estimated increases relative to 2025 and are conservative. The impacts could be larger, as larger balances would eventually lead to larger write-offs. We will monitor bad debt to determine how quickly and by how much it increases following the field visit requirement and lower disconnection rates.

Finally, the ongoing fear in some communities in the aftermath of Operation Metro Surge makes 2026 seem like challenging timing to recommence sending Xcel Energy employees to knock on the door of customers who are not expecting a visitor and may still be experiencing fear and anger from the recent operations. This could pose additional risks to both employees and customers.

#### 4. *Proposal for Restoration of Variance*

In view of the long-term impacts discussed above, we propose the Commission restore the Minn. Rule 7820.2500 variance at the earliest opportunity, or when it meets to consider the Company’s 2025 SRSQ annual report. That said, we acknowledge the importance of bringing disconnections down. Although the rate of increase in disconnections slowed markedly in 2025, disconnections have not yet declined in absolute terms, and we agree it is important to accelerate that decline. We propose here a temporary cap on disconnection rate, along with a multi-pronged strategy to address the root causes of disconnection and bring disconnections down in a sustainable way.

Restoration of the variance, provided the Company can show progress in reducing disconnections, appears consistent with the language of the Commission’s March 27, 2026 Order, which reads:

*Based on the record presented, the Commission is not persuaded that the requirements for granting Xcel a rule variance to Minn. R. 7820.2500 are satisfied, particularly when continuing to grant the variance could further contribute to the increasing level of customer disconnections. The Commission will, therefore, deny Xcel’s variance request. As understanding around this issue develops over time, however, it may become appropriate to grant Xcel a variance in a future docket.<sup>11</sup>*

a. Temporary Cap on Disconnections

To begin, we propose a temporary cap on disconnection rate while the measures discussed Section d.2 take effect. To be clear, a cap is an artificial measure –temporary in nature, designed to give the other measures time to be instituted and show results. The Company’s long-term goal is to reduce the population of customers *eligible for disconnection*, not merely the number disconnected.

The cap would be based on disconnection rate, i.e. the customers actually disconnected, as a percentage of customers eligible for disconnection. Table 28 shows the disconnection rate for 2023-2025.

**Table 28**  
**Disconnection Rate for Minnesota Residential Customers, 2023-2025**

	Eligible for disconnection	Disconnected	Percentage
2018	229,687	15,908	7%
2019	234,572	14,556	6%
2020	405,379	2,846	1%
2021	409,937	6,189	2%
2022	300,886	9,441	3%
2023	367,454	24,721	7%
2024	314,082	52,414	17%
2025	225,463	56,490	25%
2025*	225,463	<b>38,329</b>	17%

\* Disconnected number, if using 2024 percentage

<sup>11</sup> March 27, 2026 ORDER ACCEPTING REPORTS AND SETTING ADDITIONAL REQUIREMENTS. *In the Matter of Xcel Energy’s 2024 Annual Safety, Reliability, and Service Quality Report.* Docket No. E002/M-25-27. Page 7.

If disconnections in 2025 had been capped at the actual disconnection rate of 2024 – 17 percent – only 38,329 would have been disconnected, as opposed to the 56,490 disconnected in 2025. We would propose, on that basis, to institute a 17 percent cap on disconnection rate for the years 2026 and 2027.

We draw the Commission’s attention to an important dynamic shown in Table 28. When the disconnection rate was very low – prior to the pandemic in 2018-2019, as well as in 2021-2023, when the pandemic disconnection moratorium had concluded but disconnection rates remained very low prior to AMI – the total population of customers eligible for disconnection remained quite high: over 400,000 in 2020-2021, and still over 300,000 in 2024. This is because, with non-payment not leading to disconnection for most customers, many did not engage with the Company to set payment arrangements and access affordability assistance, and arrears remained high.

With a higher disconnection rate of 17 percent in 2024, due to AMI and the field visit variance, the Company was able to shrink the population eligible for disconnection by almost 90,000 customers between 2024 and 2025. Disconnection, while a last resort, is often the action that motivates a customer to contact the Company and seek assistance. That enabled the Company to offer types of assistance – federal/state energy assistance, the Company’s own affordability programs, medical protections, payment plan flexibility, low down-payments, arrearage forgiveness, and a plan to work off their past-due balance – that helped almost 90,000 customers catch up on bills and leave the population of customers eligible for disconnection between 2024 and 2025. Indeed, this should be the goal: not just lower disconnections, but a lower overall number of customers *eligible for* disconnection.

On that basis, the Company proposes a temporary 17 percent cap on disconnection rate in 2026 and 2027. We believe this strikes the right balance: many customers eligible for disconnection will still not be disconnected, but the pool of those eligible for disconnection will, we believe, continue to shrink. Setting a disconnection rate cap lower than 17 percent could lead to the population eligible for disconnection beginning to grow again.

To implement this proposal, the Company would focus disconnections on those balances with the oldest arrears that meet the current agreed upon disconnection thresholds (\$180 past due balance prior to disconnection notice and \$300 prior to disconnection),<sup>12</sup> while ensuring we do not exceed the temporary disconnection rate cap of 17 percent.

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<sup>12</sup> See *Minnesota Disconnection Process* at <https://mn.my.xcelenergy.com/s/billing-payment/energy-assistance/pay-arrangements>.

b. Portfolio of Measures to Address the Root Causes of Disconnection

We outline here a portfolio of measures designed to bring disconnections down and, still more importantly, continue shrinking the population of customers eligible for disconnection.

First, there are several measures the Company already undertakes on an ongoing basis and will continue and/or expand during 2026-2027:

- *Enhanced outreach.* In recent years, the Company has expanded outreach campaigns to make customers aware of federally funded energy assistance, the Company's own affordability programs, payment flexibility (Flexible Payment, Budget Billing, Custom Due Date), free/low-cost energy efficiency measures, and available medical protections. Our representatives are exploring new methods such as community events as well as "concierge" style campaigns that help customers who have begun the LIHEAP enrollment process to complete enrollment.
- *Launch of RED Truck in Minnesota.* In Colorado the Company has been successful with our Resources – Education – Delivered (RED) Truck campaign, a mobile resource center that brings qualified Personal Account Representatives into communities to provide one-stop, accessible assistance on account issues, bill explanations, enrollment in energy assistance and affordability programs, and low- and no-cost energy efficiency measures. The focus is on bringing this type of assistance to communities, rather than asking customers to reach out to us.<sup>13</sup> RED Truck had a soft launch in Minnesota in late 2025 and has hired two full-time Specialists to continue these efforts into 2026 and beyond. Additionally, our RED Truck process will involve more engagement with community organizations to partner and collaborate on in-person events, wherever they will be most useful to our customers.
- *Auto-enrollment in affordability programs.* One of the barriers to greater participation in utility affordability programs is the burden of completing an extra application. In 2023, the Company instituted auto-enrollment of LIHEAP-enrolled gas customers in our Gas Affordability Program (GAP) and has seen participation in GAP increase over 100 percent. When auto-enrolling for GAP, we also auto-enroll combination gas/electric customers in the PowerOn program.
- *Use of QSP underperformance payments for arrearage forgiveness.* In 2024 and 2025, the Company incurred penalties in the Quality of Service Plan (QSP) docket and

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<sup>13</sup> See <https://stories.xcelenergy.com/stories/what-drives-the-red-truck>.

used those penalties (\$1 million in 2024 and \$2 million in 2025) to help pay down arrears for customers with large past-due balances. We awarded \$500 bill credits to customers (2,000 in 2024 and 4,000 in 2025) with the largest arrears.<sup>14</sup> Recognizing that high arrears are often an obstacle to entering into a payment arrangement and avoiding disconnection, the Company would support continuing to use QSP penalties, if any, in this way should the Commission so direct. We anticipate incurring one penalty for 2025, to be disbursed in 2026.

Second, there are several new measures the Company has proposed in other dockets, focused on expanding affordability assistance, helping customers pay down arrears and avoid disconnection:

- *Auto-enrollment of electric-only customers in PowerOn.* In the Company's current Minnesota electric rate case, we have proposed to auto-enroll electric-only, LIHEAP-enrolled customers in PowerOn. We estimated this change – simply by removing a separate application step – could lead to around 40 percent increased enrollment in PowerOn.<sup>15</sup>
- *Raising the LUAC usage threshold.* The Company's Low Usage Affordability Credit (LUAC) program provides a 35 percent discount per kilowatt hour (kWh) to customers who use less than 300 kWh per month on average and have income at or below 50 percent of State Median Income. LUAC auto-enrolls customers who are LIHEAP-enrolled, and allows customers who are not enrolled in LIHEAP to qualify by self-attesting to income or to current enrollment in one or more other income-qualified programs ("categorical eligibility"). In our current Minnesota electric rate case, the Company proposed raising the LUAC low-usage threshold to 500 kWh/month to more rapidly grow enrollment to reach the originally targeted numbers.<sup>16</sup>
- *The Residential Arrears Management Program (RAMP).* In our Minnesota electric rate case, the Company proposed a new arrearage forgiveness program funded by late payment charges. High arrears are directly linked to the risk of disconnection, and RAMP is designed to help customers reduce arrears and avoid disconnection. The program would provide arrearage forgiveness to any active customer who has income up to 80 percent of Area Median Income for their county and household size, has not received LIHEAP assistance, and has

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<sup>14</sup> Northern States Power Company, doing business as Xcel Energy. INFORMATIONAL FILING. *Order Distributing Underperformance Penalties and Opening New Docket*. Docket Nos. E,G002/CI-02-2034 and E,G002/M-12-383. January 23, 2026.

<sup>15</sup> Rebuttal Testimony of Diedra K. Howard. *In the Matter of the Application of Northern States Power Company for Authority to Increase Rates for Electric Service in Minnesota*. Docket No. E-002/GR-24-320. October 10, 2025. Pages 14-16.

<sup>16</sup> *Ibid.* at page 20.

a past-due balance greater than \$300, making them eligible for disconnection. RAMP is designed to help families who may make too much to be eligible for LIHEAP but still struggle to stay current on bills. It would be available year-round, including in the LIHEAP off-season, when disconnections tend to increase.<sup>17</sup>

- *New eligibility methods to make affordability program enrollment easier.* In Docket No. E,G-999/CI-25-281, the Company has proposed to use new methods for eligibility determination – made possible by the 2025 amendments to Minn. Stat. § 216B.16, subd. 1b – to lower enrollment barriers and bring more customers into our affordability programs. That statute now allows utilities to propose other methods to qualify customers, potentially including self-attestation of income, categorical eligibility, and geographic targeting, in addition to current income verification methods. The Company has proposed making broader use of those methods, which are currently only used in our LUAC and Automatic Bill Credit Pilot programs.<sup>18</sup>

#### 5. *Commitment to Collaboration*

While we believe the portfolio of measures described above is a strong starting point, the Company does not suggest we have all the answers on how best to reduce the population of customers eligible for disconnection. As such, we propose one or more workshops with key stakeholders to explore additional ideas. We would invite key intervenors to this docket – the Department of Commerce, Office of the Attorney General - Residential Utilities Division, Citizens Utility Board, and Energy CENTS Coalition – but also community partners and energy assistance implementers who have direct experience with the populations who most frequently face a risk of disconnection. Consensus measures emanating from this workshop series could be brought forward in future SRSQ dockets or rate cases.

#### 6. *Robust Tracking of Disconnection and Arrearage Metrics*

Finally, while working to reduce disconnections and provide customers with more options to avoid disconnection, it will also be important to continue robust tracking

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<sup>17</sup> Supplemental Direct Testimony of Nora C. Lindgren *In the Matter of the Application of Northern States Power Company for Authority to Increase Rates for Electric Service in Minnesota*. Docket No. E-002/GR-24-320. March 17, 2025.

<sup>18</sup> Northern States Power Company, doing business as Xcel Energy. INITIAL COMMENTS *In the Matter of an Investigation into Assistance Program Eligibility Considering Changes to Minnesota Law and Potential Changes to Federal Assistance Programs*. Docket No. E,G-999/CI-25-281. December 19, 2025. See also Rebuttal Testimony of Nicholas F. Martin *In the Matter of the Application of Northern States Power Company for Authority to Increase Rates for Electric Service in Minnesota*. Docket No. E-002/GR-24-320. October 10, 2025.

of key disconnection-related metrics. These could include the following – many of which are already tracked and reported:

- Disconnections (monthly and annual)
- Disconnection rate (percent of customers eligible for disconnection who are disconnected)
- Number and percent of customers eligible for disconnection who enroll in a payment arrangement
- Number and percent of disconnected customers reconnected within 24 hours
- Total arrears
- Average amount and age of arrears
- Percent of active accounts receivable in arrears
- Bad debt. Note that bad debt tends to lag behind an increase in customer arrears, so the impacts of eliminating the Minn. Rule 7820.2500 variance on bad debt may not be evident until later than 2026.
- Whether reduced disconnections result in reduced customer contacts, payment plan enrollment, and energy assistance contacts
- Number of customers protected from disconnection and reconnected via the new heat/AQI program that launches in May 2026

We note that, with a field visit requirement and current staffing, disconnections are likely to be low in summer 2026. This may translate into low numbers of customers reconnected during extreme heat and poor air quality, and protected from disconnection due to those factors, simply because disconnections will already be low. Those results, if they occur, should not be interpreted as an unsuccessful launch of the heat/AQI program. They would simply signify the program's launch year coincided with artificially suppressed disconnections. In future years reconnections may be higher, and accordingly, numbers of reconnections (and overall costs of the heat/AQI program) will likely be higher than in 2026.

### **C. METHODS FOR FINAL CONTACT PRIOR TO DISCONNECTION**

*Order Point No. 19. The Commission increases the existing threshold of final contact for disconnection by requiring Xcel to use two methods of electronic communication, including either text message or email in addition to voicemail where the Company has received customer consent to do so.*

These additional methods for final contact were implemented beginning April 2025, as addressed in the SRSQ Annual Report for 2024, Part III.

#### D. ENHANCED OUTREACH FOR ENERGY ASSISTANCE

*Order Point No. 20. The Commission approves Xcel's proposal to identify customers throughout its service territory that have not received LIHEAP assistance and are carrying past due balances and approve the Company's proposal to perform targeted outreach to the identified customers.*

*Order Point No. 21. Xcel must perform additional outreach throughout its service territory with the goal of increasing participation in affordability programs that reduce bad debt.*

Enhanced outreach for energy assistance (both LIHEAP assistance and the Company's own affordability programs) was implemented beginning in 2025, as described in the SRSQ Annual Report for 2024, Part III, and will continue on an ongoing basis.

In 2025 the Company's Personal Accounts organization that manages our energy assistance and affordability programs completed 43 outreach campaigns – a 26 percent increase relative to 2024 – which included automated dials, emails, manual dials, mailers, bill inserts, social media, and in-person events. Throughout 2025, we also continued training for our contact center teams to reinforce the need to provide additional energy assistance information to customers calling in for help.

In addition, the Company conducted a soft launch in Minnesota in 2025 of the Resources - Education - Delivered (RED) Truck campaign that has been successful in our Colorado jurisdiction. RED Truck is a mobile resource center that brings qualified personal account representatives into communities to provide one-stop, accessible assistance on account issues, bill explanations, enrollment in energy assistance and affordability programs, and low- to no-cost energy efficiency measures. The focus is on bringing this type of assistance to communities, rather than asking customers to reach out to us.<sup>19</sup>

We also looked for additional ways to increase our community presence at area events, reaching over 25 events in 2025. Our Customer Policy and Assistance team is placing a larger focus on in-person events and has hired two additional Personal Account Specialists in Minnesota that will assist with staffing in-person events. In addition, the Customer Policy and Assistance team is working on developing a new role to manage, promote, schedule, and facilitate all needs for in-person events. This role will be responsible to work as a customer and community relations liaison for our income-qualified partners in Minnesota.

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<sup>19</sup> See <https://stories.xcelenergy.com/stories/what-drives-the-red-truck>.

**E. ENHANCED ACCESS TO INFORMATION ON DISCONNECTION**

*Order Point No. 22. Xcel must publish its disconnection and payment agreement policies and practices on its website. Subject to technical feasibility, Xcel shall make the edits discussed in ECC/CUB's September 12, 2024 comments to its payment agreement webpage.*

As reported in our SRSQ Annual Report for 2024, Part III, the Company met this requirement by posting the “Minnesota Disconnection Process” document developed for Order Point 23, along with the language proposed in ECC/CUB's September 12, 2024 comments, on our website.<sup>20</sup>

*Order Point No. 23. Xcel must make a filing in the instant docket and Docket E,G-999/PR-24-02 detailing its current disconnection policies and practices, and require Xcel to submit additional filings in Docket E,G-999/PRYR-02 when there are changes to those policies and practices within 20 days of the Order.*

As reported in our SRSQ Annual Report for 2024, Part III, the Company met this requirement through compliance filings on January 31 and March 3, 2025.<sup>21</sup> There have been no changes to those policies and practices since that time.

**F. RECONNECT PREVIOUSLY DISCONNECTED CUSTOMERS DURING EXTREME HEAT AND HIGH AIR QUALITY INDEX EVENTS**

The Company proposed, in our 2024 SRSQ Annual Report, a new program to suspend disconnections during high air quality index (AQI) events, and to use the capabilities of AMI to reconnect previously disconnected customers during extreme heat and high AQI events. The Commission approved this program in its July 25, 2025 Order in Docket No. E002/M-25-27, which directs the Company to:<sup>22</sup>

- 1. Approved Xcel Energy's proposal to remotely reconnect disconnected customers with Advanced Metering Infrastructure (AMI) during extreme heat events.*
- 2. Required Xcel Energy to suspend remote disconnections for customers with AMI when Air Quality Index (AQI) reaches 151 or higher.*

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<sup>20</sup> See <https://mn.my.xcelenergy.com/s/billing-payment/energy-assistance/pay-arrangements> and <https://mn.my.xcelenergy.com/s/billing-payment/manage-bill>.

<sup>21</sup> *Corrected Compliance Filing*, Xcel Energy, March 3, 2025, Docket Nos. E002/M-24-27 and E,G002/PR-24-02.

<sup>22</sup> *Commission Orders*, Docket Nos. E002/M-25-27 (July 25, 2025).

3. *Required Xcel Energy to remotely reconnect disconnected customers when AQI reaches 151 or higher.*
4. *Required Xcel to consult with the Minnesota Department of Health (MDH) and the Minnesota Pollution Control Agency (MPCA) about whether AQI changes or advancements in the understanding of health impacts from air pollution and extreme heat might warrant modification of protection thresholds. Required Xcel to report on these discussions in future Safety, Reliability and Service Quality (SRSQ) reports, together with any modifications proposed by Xcel Energy or agencies.*
5. *Required the consultation described in paragraph 4 above to include the appropriate number of hours in which the extreme heat or AQI above 151 occurs and/or is forecasted before the suspension of disconnections and reconnection obligation is triggered.*
6. *Required Xcel Energy to suspend remote disconnections during extreme heat events and when the AQI reaches 151 or higher, beginning on May 1, 2026.*
7. *Required Xcel Energy to begin remote reconnections during extreme heat events and when the AQI reaches 151 or higher, starting on May 1, 2026.*
8. *Required Xcel Energy to allow customers to verify safety precautions prior to reconnection by responding to a text message or email, clicking a box on MyAccount, or receiving an automated Interactive Voice Response call and responding with touch tone. The customer requirements for reconnection shall not be greater than what is required after a reconnection with a payment plan.*
9. *Required Xcel Energy to inform the Commission's Consumer Affairs Office (CAO) when an event has been forecasted by the national Weather Service or the MPCA, and Xcel Energy is planning to reconnect customers. Required Xcel Energy to inform the CAO when the event has concluded, and Xcel Energy is planning to re-disconnect customers.*
10. *Required Xcel Energy to notify customers of a reconnection event via notification to the customer's preferred contact method (e.g. text, email). Required Xcel to notify customers of disconnection at the conclusion of the event including information about entering into payment agreements and energy assistance.*
11. *Required Xcel Energy to post on its website an overview of extreme heat and air quality protections and the steps customers must take to secure reconnection of service.*
12. *Required Xcel Energy to consult with the CAO on development of all customer communications related to the heat and AQI plans.*

13. Required Xcel Energy to include in its annual 2026 and all future SRSQ reports, both in aggregate and by county, the following data:

- a. The number of extreme heat and air quality events.
- b. Each event where disconnection suspensions or reconnection were triggered.
- c. The date(s) and length of each event.
- d. The counties impacted by the event.
- e. The number of customers eligible for extreme heat and air quality protections during each event.
- f. The number of customers whose disconnections are suspended or were reconnected during each event.

14. Required Xcel Energy to include in its annual SRSQ report a summary of costs incurred to implement the heat and AQI event plans in the previous year.

15. Required Xcel Energy to update its tariff sheets to include the expanded heat events and AQI event protections approved herein including the proposed hours resulting from the consultation described in ordering paragraph 5 above.

We discuss relevant details regarding Order Points 4, 5, 14 and 15 in the following sections.

1. *Meetings with State Agencies Regarding Extreme Heat and Air Quality Index Alert Events Program*

As required by Order Point 4, the Company met on August 11, 2025 with the Minnesota Pollution Control Agency (MPCA) and the Minnesota Department of Health (MDH) to discuss implementation of Xcel Energy's program to suspend disconnections and commence reconnections for residential customers with AMI during extreme heat events and during periods when the AQI reaches 151 or higher.

During the meeting we discussed the appropriate number of hours for which a heat or AQI event is forecast before the suspension of disconnections and reconnection requirements are triggered. We also discussed whether health impacts from air pollution and extreme heat might warrant modification to the thresholds listed in the Order.

Additional discussions took place regarding the MPCA's AQI forecast process, the notification process, data sources and updated health impacts information.

a. AQI Threshold Level Trigger for Reconnection

The parties specifically discussed the AQI threshold level which should trigger Program implementation, and as required by Order Point 4 whether advancements in the understanding of health impacts from air pollution and extreme heat might warrant modification of the protection thresholds ordered by the Commission. The MDH noted that AQI levels of 101 or higher are considered unhealthy for sensitive subgroups and that sensitive subgroups would benefit if the Program was implemented when the AQI is greater than 100.

While acknowledging the public health benefits that implementing the Program at lower AQI levels would offer, the Company noted that implementing reconnection for all remotely disconnected residential customers at AQI levels of 101 or higher could significantly increase costs to all other customers, since it could significantly increase the number, duration and geographic scope of triggering events each year. It is unknown by how much costs would increase, since it is inherently very difficult to predict AQI events at any given threshold, considering the increasing impacts of climate change and wildfire. The number, duration and geographic scope of AQI events at any particular threshold in past years may not reflect the number, duration and geographic scope in future years.

In addition, we shared information about the “Medically Necessary Equipment” tariff language<sup>23</sup> for customers who rely on medical equipment that requires electricity. This option is available to all customers with a written notification from a health care provider. This offers another layer of protection for sensitive individuals, ensuring that any customer with health conditions requiring electricity for medical equipment is protected from disconnection, and hence would not rely on the new reconnection policies to be protected during a heat or AQI event.

The Company will therefore adhere to the Commission’s direction to implement reconnection at AQI levels of 151 or higher unless we receive other direction from the Commission. However, we are open to continued conversations with MPCA and MDH about the costs and benefits of different possible thresholds, both to the customers receiving the reconnection protection and to all other customers.

b. Duration Trigger for Reconnection

The Company also discussed with MPCA and MDH the duration of events that should trigger reconnection during extreme heat and poor air quality events. The

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<sup>23</sup> Minnesota Electric Rate Book - Section No. 11, Original Sheet No. 3.

agencies noted that, generally speaking, AQI events occur for minimum periods of eight hours and that events are generally forecast 24 hours in advance. They also noted that AQI notifications commence when levels are forecast to be at 101 or greater.

MPCA noted that AQI events are generally forecast the day before, if feasible; that AQI events due to elevated ozone levels typically have a minimum duration of eight hours; and that AQI events due to elevated levels of particulate matter (PM) typically have a minimum duration of 24 hours. The Company noted that suspension of disconnections for a heat or AQI event can occur immediately, once we are aware of a forecasted event, so no minimum event duration is needed for suspension of disconnection. However, we explained that prior to reconnection for both heat and AQI events, for safety reasons, Xcel Energy will need to not only reach out to each affected customer, but also receive their acknowledgement that they are ready for power to be restored, that it is safe to do so and that they agree to reconnection requirements — a process that we expect will take time. This process will commence once an extreme heat event or AQI of 151 or higher has been forecast.

While MPCA and MDH noted that in the abstract it might be beneficial to implement reconnections for heat/AQI events regardless of duration, we discussed with the Agencies that a balance must be struck between the time required to communicate with and receive acknowledgement from customers, and the expected duration of events. It would not make sense to implement reconnections if the expected duration of an event is too short to give customers adequate time to make the required acknowledgement before the event was over; this could lead to customers initially offered reconnection being told they cannot be reconnected after all, resulting in customer confusion and frustration. On the other hand, for the process to have its intended health benefits, it would be important that the minimum duration for reconnection not be longer than the shorter of typical AQI events (ozone). The MDH also noted that it would be beneficial to allow for a cooling down period prior to re-connecting customers after a heat event has concluded.

With that balance in mind, the Company has proposed that events forecast to last eight hours or longer would trigger implementation of reconnection. This minimum duration is driven by the shorter AQI events (ozone), but the Company would implement reconnection for any qualifying event that is expected to last eight hours or longer, whether linked to ozone, another pollutant, or a heat event.<sup>24</sup> MDH and MPCA indicated that it was reasonable to implement the Program for events forecast

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<sup>24</sup> Compliance Filing, *In the Matter of Northern States Power Co. d/b/a Xcel Energy's 2024 Annual Safety, Reliability, and Service Quality Report* Docket No. E002/M-25-27 (December 31, 2025).

to last eight hours or longer.<sup>25</sup> Regarding MDH’s suggested “cooling down” period, the Company will not commence re-disconnecting customers after the conclusion of a heat or AQI event for a minimum of two hours. This will allow for a cooling down period as suggested by MDH and will also allow additional time for customers to set up payment arrangements to avoid re-disconnection.

c. Public Communications

The Agencies also noted that it would be beneficial to communicate about the new protections with healthcare providers, and offered to explore further possibilities to use their own communication channels to make customers aware. The Company appreciates the conversation with the Agencies and the input received.

2. *2025 Implementation Costs*

Xcel Energy began work to implement business requirements for the Program in 2025. As required by Order Point 14, the total spend in 2025 on Program implementation was \$63,309. The majority of the work to build the heat/AQI Program infrastructure will take place in 2026, so significantly higher costs are expected to be reported in the 2026 SRSQ annual report.

3. *Tariff Language*

In accordance with Order Point 15, the Company submitted proposed tariff language for Commission review on December 31, 2025.<sup>26</sup>

The filing of the proposed tariff changes fulfilled the requirement of Order Point 15 to update tariff sheets to include expanded extreme heat event protections and to establish AQI event protections for events when the AQI reaches 151 or higher. The proposed modified tariff language included details to incorporate expanded heat event protections and new AQI event protections as ordered.

The Company proposed that beginning May 1, 2026, we would offer three additional protections, as described in the proposed additions to tariff sheets 3 and 3.1:

- Section 1.6: Reconnect previously disconnected residential customers with Advanced Metering Infrastructure (AMI) who have been remotely

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<sup>25</sup> Email from K. Raab, MDH to P. Leaf, Xcel Energy (January 26, 2026).

<sup>26</sup> Compliance Filing, *In the Matter of Northern States Power Co. d/b/a Xcel Energy's 2024 Annual Safety, Reliability, and Service Quality Report* Docket No. E002/M-25-27 (December 31, 2025).

disconnected in affected counties during heat advisories or extreme heat warnings issued by the National Weather Service, when an event is forecast to last eight hours or longer

- Section 1.7: Suspend disconnections of residential customers with AMI in affected areas during periods when the AQI issued by the MPCA is forecasted to be 151 or higher.
- Section 1.7: Reconnect previously disconnected residential customers with AMI who have been remotely disconnected in affected areas during periods when the AQI issued by the MPCA is forecasted to be 151 or higher for a duration of eight hours or longer and that
- Customers will be reconnected based upon existing tariff language as noted in the General Rules & Regulations, section 1.2, inclusive of reconnection fees.

The proposed tariff language was approved in the Commission's March 27, 2026 Order in Docket No. E002/M-25-27.<sup>27</sup> However, the Commission directed the Company to implement tariff revisions to remove reconnection fees for customers reconnected under the heat/AQI Program, as follows:

*1.6 DISCONNECTION AND RECONNECTION DURING EXTREME HEAT*

*5. Temporary reconnections during extreme heat are not subject to the reconnection charge. Customers will be reconnected based upon existing tariff language as noted in the General Rules & Regulations, Section 1.2, inclusive of reconnection fees.*

*1.7 DISCONNECTION AND RECONNECTION DURING HIGH AIR QUALITY EVENTS*

*5. Temporary reconnections during high air quality events are not subject to the reconnection charge. Customers will be reconnected based upon existing tariff language as noted in the General Rules & Regulations, Section 1.2, inclusive of reconnection fees.<sup>28</sup>*

Revised tariff language incorporating these changes will be submitted as required by the Commission's March 27, 2026 Order in Docket No. E002/M-25-27.

**G. ENHANCED OUTREACH TO MEDICALLY VULNERABLE CUSTOMERS**

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<sup>27</sup> March 27, 2026 ORDER ACCEPTING REPORTS AND SETTING ADDITIONAL REQUIREMENTS. *In the Matter of Xcel Energy's 2024 Annual Safety, Reliability, and Service Quality Report.* Docket No. E002/M-25-27. Order Point 12.

<sup>28</sup> March 27, 2026 ORDER ACCEPTING REPORTS AND SETTING ADDITIONAL REQUIREMENTS. *In the Matter of Xcel Energy's 2024 Annual Safety, Reliability, and Service Quality Report.* Docket No. E002/M-25-27. Order Point 13.

*Order Point No. 25. Xcel must conduct additional outreach and provide customers with information about how to request medical protections if they are particularly vulnerable to poor air quality.*

Enhanced outreach for to medically vulnerable customers was implemented beginning in 2025, as described in the SRSQ Annual Report for 2024, Part III, and will continue on an ongoing basis. The Company is currently adding medical certification education information to all of our energy assistance campaigns, of which 43 such campaigns were completed in 2025, including more than 25 in-person events. We have trained our customer service representatives on available protections and assistance, and they provide this information to customers as they call in for assistance. Additionally, the Company is continuing to pursue opportunities to provide this information to customers at in-person events and through our dedicated team in the Personal Accounts department.

As our RED Truck program rolls out in Minnesota, the Company has already hired two additional staff members based out of the Minnesota office to attend in-person events. In addition to these two new staff members that will work the events, the Company is working to develop an additional position dedicated to customer and community relations in the income-qualified space. Information will be shared at these in-person events about medical protections that are available for customers who are sensitive to poor air quality or extreme heat. We have provided our customers with a mechanism to provide medical certification of their vulnerability and be provided with protection from disconnection.<sup>29</sup>

#### **H. MITIGATING DISCONNECTIONS: REDUCED DOWN PAYMENTS, HIGHER THRESHOLDS, AND LONGER ADVANCE NOTICE**

The January 13, 2025 Order in Docket No. E-002/M-24-27, at Order Points 26, 28, 29 and 30, required the Company to modify its disconnection and payment agreement practices. The Company implemented these changes in early 2025 and reported on them in our SRSQ Annual Report for 2024, Part III. These changes are also summarized in the *Minnesota Disconnection Process* document filed in Docket Nos. E002/M-24-27 and E,G002/PR-24-02, and posted to the Xcel Energy website.<sup>30</sup>

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<sup>29</sup> Xcel Energy Medical Protection Form: [Medically Necessary Equipment & Emergency Certification Form.pdf](#)

<sup>30</sup> See <https://mn.my.xcelenergy.com/s/billing-payment/energy-assistance/pay-arrangements> and <https://mn.my.xcelenergy.com/s/billing-payment/manage-bill>.

**I. AVERAGE DOWN PAYMENTS RECEIVED FROM CUSTOMERS**

*Order Point No. 27. Xcel must detail in its annual safety, reliability, and service quality report the average down-payment amount received from customers—both as a percentage of arrears and as a total dollar value—during CWR and non-CWR months. Xcel shall also explain how it has implemented the statutorily required consideration of both financial and extenuating circumstances during CWR and non-CWR months.*

The data in Tables 29 and 30 below is provided in response to Order Point 27 for both the percentage of arrears and total dollar value during Cold Weather Rule months and non-Cold Weather Rule months.

**Table 29  
CWR Deferred Payment Arrangement (DPA) Data**

DPA Arrangement Month	Number of DPAs	Down-payment Amount	Average Down-payment Amount	Percentage
January	8,662	\$1,146,835	\$132	19%
February	8,424	\$1,286,022	\$153	20%
March	11,699	\$2,238,020	\$191	19%
April	16,066	\$3,820,327	\$238	18%
October	15,999	\$2,024,423	\$127	15%
November	10,966	\$1,374,878	\$126	16%
December	10,162	\$1,323,503	\$130	17%

**Table 30  
Non-CWR Deferred Payment Arrangement (DPA) Data**

DPA Arrangement Month	Number of DPAs	Down-payment Amount	Average Down-payment Amount	Percentage
May	19,288	\$5,882,244	\$305	20%
June	15,259	\$3,393,264	\$222	20%
July	15,983	\$3,634,103	\$227	18%
August	18,347	\$3,504,345	\$191	17%
September	19,650	\$3,523,462	\$179	18%

As mentioned in response to Order Points 26 and 27, the Company considers the individual household financial or extenuating circumstances in negotiating payment

arrangements with customers. Here are the ways in which the Company has in the past addressed and currently addresses those considerations during all customer-facing communications:

- a. Immersive training is provided to all customer service agents on potential arrangement offers for customers and rules surrounding requirements during and outside of cold weather rule months.
- b. Agents are trained to engage customers in conversation about what is affordable for them to pay and have the guidelines allowed for down payments, depending upon a customer's circumstances. Agents are informed that these guidelines are available, but have the ability to go outside those guidelines for customers who have expressed a need of any kind.
- c. The Company has a quick-reference guide and payment arrangement tool that guide agents through appropriate arrangement offers for customers and provides real-time data, based on relative state rules, taking into account a customer's current balance. Agents have the ability to tailor any arrangement to the needs of the customer.

**J. EVALUATION OF POSSIBLE ADDITIONAL MEASURES RELATED TO DISCONNECTION, RECONNECTION, AND ENERGY ASSISTANCE**

The January 13, 2025 Order in Docket No. E-002/M-24-27, at Order Point 31, required the Company to evaluate several additional potential policies and report on the results of those evaluations. The Company reported on these in our SRSQ Annual Report for 2024, Part III.

**K. PROPOSED NEW CUSTOMER ASSISTANCE PROGRAM FUNDED FROM LATE PAYMENT CHARGES**

The January 13, 2025 Order in Docket No. E-002/M-24-27, at Order Point 33, required the Company to file in supplemental direct testimony to its rate case filed November 1, 2024 in Docket E002/GR-24-320 proposing a program similar to its offering in Colorado where interest payments and fees from late bill payments are donated to low-income customer assistance programs or the elimination of late fees and interest. The Company made this filing in March 2025, proposing the Residential Arrears Management Program (RAMP).<sup>31</sup> A Commission decision on RAMP remains

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<sup>31</sup> Supplemental Direct Testimony of Nora C. Lindgren *In the Matter of the Application of Northern States Power Company for Authority to Increase Rates for Electric Service in Minnesota*. Docket No. E-002/GR-24-320. March 17, 2025.

pending in Docket E002/GR-24-320.

**L. LANDLORD FAILURE TO PAY**

The January 13, 2025 Order in Docket No. E-002/M-24-27, at Order Point 34, required the Company to provide a discussion in its next safety, reliability, and service quality report on how it manages disconnections due to a landlord's failure to pay, consistent with the requirements in Minn. R. 7820.1400. The Company provided this discussion in our SRSQ Annual Report for 2024, Part III.

**M. INFORMATION AND TRAINING ON RACIAL DISPARITIES**

The January 13, 2025 Order in Docket No. E-002/M-24-27, at Order Points 35 and 36, required the Company to inform affected personnel of racial disparities in electric service and to file a compliance report with its annual safety, reliability, and service quality filing on which employees received the training and what information was provided.

The Company discussed in our SRSQ Annual Report for 2024, Part III our planned approach to this training. The training will build on the existing "Microaggressions and Unconscious Bias" training offered to all Xcel Energy employees, which addresses inadvertent racial and other biases and how to avoid them. However it will also include more targeted training, building on the results of the third-party evaluation under Order Point 46 (described in section S below). In 2025 the Company ran a Request for Proposals process and selected the team of Three Cubed, Fisher Sheehan and Colton, and the University of Tennessee to conduct this third-party evaluation. We plan to use the findings of the evaluation to inform development of a targeted training on service quality disparities for external-facing employees responsible for outage management and restoration (to address potential disparities in CELI-12) and employees who interact with customers to offer payment arrangements (to address potential disparities in disconnections).

We believe it is important for the training to be informed by the third-party evaluator's work, for three reasons. First, the Pradhan/Chan and TRC studies cited in the 2024 annual report found correlations but did not explore causation. The third-party evaluator's work may provide additional information on causes. Second, data on disparities evolves over time; for example, the Company's analysis of CELI-12 disparities, included in our SRSQ Annual Report for 2024, found that those disparities can be largely explained by the short (three year) analysis period used in the studies, and unusually severe weather events in those years impacting the 27 Census Block Groups where CELI-12 disparities were found. An updated and broader analysis may

no longer show the same disparities in the same areas.<sup>32</sup> Third, the third-party evaluator's work may point to mitigation options and adjustments to Company practices that might be most effective to reduce disparities, if they still exist. In that way the staff training, rather than simply pointing to the study findings, can also point to possible solutions.

#### **N. TARIFF REVISIONS**

The January 13, 2025 Order in Docket No. E-002/M-24-27, at Order Point 37, required the Company to file necessary revised tariffs. The Company complied via its February 12, 2025 tariff filing.<sup>33</sup>

#### **O. ADDITIONAL DATA LAYERS ADDED TO INTERACTIVE SERVICE QUALITY MAP**

The January 13, 2025 Order in Docket No. E-002/M-24-27, at Order Points 39, 40 and 41, required the Company to add several new data layers to its existing Minnesota electric interactive service quality map. We addressed the addition of those data layers in our SRSQ Annual Report for 2024, Part III. The new data layers are now part of the Minnesota Service Quality – Electric interactive map at:

[Xcel Energy 2025 MN Electric Service Quality Interactive Map](#)

#### **P. WORKGROUP ON AFFORDABILITY PROGRAM REPORTING**

The January 13, 2025 Order in Docket No. E-002/M-24-27, at Order Point 42, reads:

*Order Point No. 42. The Commission delegates authority to the Executive Secretary to work with Xcel and stakeholders to develop a proposal for what affordability and associated service quality data is reported in safety, reliability, and service quality report and what data continues to be reported in other dockets.*

The Affordability Reporting Workgroup process continued throughout 2025. The Company's January 22, 2026 Letter summarizes the process, including two workgroup meetings and a December 4, 2025 Memo from Commission staff reporting on the

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<sup>32</sup> Northern States Power Company, doing business as Xcel Energy. 2024 ANNUAL REPORT AND PETITION - SAFETY, RELIABILITY AND SERVICE QUALITY PERFORMANCE AND PROPOSED RELIABILITY MEASURES. Docket no. E002/M-25-27. April 1, 2025. Part III, pages 116-125.

<sup>33</sup> Northern States Power Company, doing business as Xcel Energy. COMPLIANCE FILING. *In the Matter of Northern States Power Company d/b/a Xcel Energy's 2023 Annual Safety, Reliability, and Service Quality Report*. Docket No. E002/M-24-27. February 12, 2025.

outcomes of the process.<sup>34</sup> In our January 22, 2026 Letter, the Company addressed the feasibility of adding five additional possible data layers to the Minnesota Service Quality – Electric interactive map:

- Energy burden
- Distribution capital spending per customer
- Households in a managed EV charging program
- Age of distribution infrastructure
- Outage response time and spending per customer/Census Block Group

The Company first cautioned that each data layer added to the map represents a significant effort to compile and annually update. New data layers may be useful to evaluate performance on affordability, reliability, or other aspects of service quality, but any additions should consider resource costs vs. benefits. We also cautioned that as more data layers are added, at some point the map will become cluttered, slow to load, and difficult to use for analysis.

With that caveat, we concluded that of the five proposed new data layers, two – energy burden (electric and gas, shown separately) and households in a managed EV charging program – are feasible to add to the interactive maps if the Commission believes the benefits justify the resource costs. Three others – distribution capital spending per customer, age of distribution infrastructure, and outage restoration time and spending – are not feasible to add and could in fact be misleading. However, for two of these we provided suggested alternatives. As an alternative to age of distribution infrastructure, the average age of homes and percent overhead vs. underground distribution assets were new data layers added to the map in 2025, and remain adequate proxies for age of distribution infrastructure. As an alternative to outage response time, it would be feasible to add CAIDI at the Census Block Group level as a suitable proxy.<sup>35</sup>

The Commission in its March 27, 2026 Order in Docket No. E002/M-25-27 directed that only one additional layer, energy burden, should be added at this time.<sup>36</sup> This layer has not yet been added, since the Order was issued only five days before the due date

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<sup>34</sup> December 4, 2025 Memorandum Re: Summary of 25-27 Reporting Workgroup Meeting #2. Docket No. E002/M-25-27.

<sup>35</sup> Northern States Power Company, doing business as Xcel Energy. LETTER - WORKGROUP ON ADDITIONAL AFFORDABILITY REPORTING REQUIREMENTS. *Xcel Energy's 2024 Annual Report and Petition on Service Quality Performance and Proposed Reliability Measures*. Docket No. E002/M-25-27. January 22, 2026.

<sup>36</sup> March 27, 2026 ORDER ACCEPTING REPORTS AND SETTING ADDITIONAL REQUIREMENTS. *In the Matter of Xcel Energy's 2024 Annual Safety, Reliability, and Service Quality Report*. Docket No. E002/M-25-27. Order Point 11.

of this SRSQ annual report, but will be added as soon as feasible. As discussed in our January 22, 2026 Letter, electric and gas energy burden will be separately represented on the respective electric and gas interactive service quality maps, since there are many customers to whom Xcel Energy provides only electric service and has no data on gas or other heating fuel bills, as well as some customers to whom Xcel Energy provides only gas service and has no data on electric bills. Only for customers receiving both electric and gas service from Xcel Energy would their full energy burden be reflected across the two maps.

**Q. PERIODIC REPLICATION OF DISPARITIES STUDIES**

The January 13, 2025 Order in Docket No. E-002/M-24-27, at Order Point 43, requires the Company to conduct a study similar to the TRC Service Quality and Demographics Analysis on a three-year cycle, with the next report due on April 1, 2027, with its safety, reliability, and service quality report. This requirement will be addressed in the Company's SRSQ report for 2026, filed on April 1, 2027.

**R. FURTHER ANALYSIS OF DISPARITIES IN LONG OUTAGES (CELI-12)**

The January 13, 2025 Order in Docket No. E-002/M-24-27, at Order Points 38, 44, and 45, required additional analysis of the causes of CELI-12 disparities to inform a proposal for targeted undergrounding, enhanced vegetation management, or replacement of older distribution equipment. The Company provide a detailed analysis in our SRSQ Annual Report for 2024, Part III, at pages 116-125. This analysis informed our proposal, further described in the Company's 2025 Integrated Distribution Plan, for targeted undergrounding.<sup>37</sup>

**S. THIRD-PARTY EVALUATION OF PRACTICES AND POLICIES FOR CAPITAL INVESTMENT PLANNING, OUTAGE RESTORATION, AND DISCONNECTIONS**

*Order Point No. 46. Xcel must hire an independent third-party evaluator with expertise in evaluating racial disparities to conduct a one-year study that will evaluate Xcel's practices and policies related to capital investment planning, outage restoration practices, and shutoff practices to better understand the causes of these discrepancies in shutoff rates and service reliability. Xcel must engage interested stakeholders to participate and collaborate with the independent third-party evaluator.*

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<sup>37</sup> Northern States Power Company, doing business as Xcel Energy. 2025 INTEGRATED DISTRIBUTION PLAN. Docket No. E002/M-25-142. October 31, 2025. See Chapter 2, section II.C, Targeted Undergrounding Plan.

Xcel Energy worked with internal and external stakeholders to develop a Scope of Work for the study envisioned in Order Point 46 and issued a Request for Proposals (RFP) for third-party evaluators with expertise in evaluating racial disparities. Bids were received and reviewed by internal subject matter experts as well as external stakeholders who recommended and supported a third-party evaluation in this docket. The internal and external reviewers reached consensus on the top bid, and the review panel selected the team of Three Cubed (Three<sup>3</sup>), Fisher Sheehan and Colton, and the University of Tennessee to conduct the third-party evaluation required by Order Point 46. That team's work is now well underway.

The tasks outlined in the Scope of Work are as follows:

- Task 1: Collect information on existing Xcel Energy practices and policies related to capital investment planning, outage restoration practices, and disconnections.
- Task 2: Evaluate whether current Xcel Energy practices and policies related to capital investment planning, outage restoration practices, and disconnections may be contributing to disparities identified in the Pradhan/Chan and TRC studies.
- Task 3: Coordinate with interested stakeholders and Xcel Energy on proposed changes to existing policies and practices.
- Task 4: Prepare a Final Report to be delivered to the Minnesota Public Utilities Commission

Design and implementation of the study have included engagement with interested stakeholders, which includes parties to this docket as well as others recommended by the Evaluator.

As of the filing of this annual report, the third-party evaluator has completed Task 1 and is currently working through Tasks 2 and 3. They have prepared the following summary of their work to date and the next steps toward completing their evaluation, which we provide here without edits.

#### **Xcel Energy Disparities Evaluation – Progress Report March 2026**

Three<sup>3</sup>, the University of Tennessee, Knoxville, and Mr. Roger Colton are assessing reasons for disparities in electricity disconnections and power outages in Xcel Energy's Minnesota service territory. The team meets regularly with Xcel Energy staff and visited the Twin Cities March 10-12, 2026. This progress report first addresses work with respect to disconnections and then summarizes work related to power outages. The project timeline concludes this piece.

Disconnections – The team has undertaken these tasks:

- Focus Group – A focus group meeting was held on March 11, 2026, at the Community Action Partnership of Ramsey and Washington Counties (CAPRW). A dozen individuals were engaged in discussions about Xcel Energy’s utility affordability programs. Three to four additional focus groups will be scheduled in the coming months.
- Interviews – During the trip, Three<sup>3</sup> staff conducted six in-person interviews with stakeholders. The team has spoken with another six stakeholders via video conferencing. The team has also spoken with Xcel Energy staff who work in the areas of customer service and accounts management. Additional interviews with stakeholders and Xcel Energy staff will be conducted in the coming months.
- Disconnections Disparities Survey – Several versions of a survey of Xcel Energy customers that will collect data to help assess reasons for disparities in access to energy assistance and Xcel Energy utility affordability programs have been developed. The survey will undergo further revision and will be ready for administration in the May 2026 time frame. The team is working on a sampling plan.
- Document Review – The Three<sup>3</sup> team has been reviewing the many documents provided by Xcel Energy on its utility affordability programs. It is expected that the team will request additional documents as the assessments progress.

Long Outages – The team has undertaken these tasks:

- Data Analysis and Mapping – The team has received data from Xcel Energy about power outages, the distribution system, and demographics. The team is working through data and Geographic Information Systems (GIS) issues to explore several research questions, including whether long-term power outage disparities can be attributed to differences in vegetation trimming schedule, the age of home structures, more dense urban neighborhoods, household income level, distribution system infrastructure architecture, investments in distribution system construction and maintenance, and repair crew scheduling in large-scale outages.
- Interviews – The team has had ready access to Xcel Energy staff who work in the areas of electricity distribution system management and planning, accounts management, and GIS. It is anticipated that the team will talk with other Xcel Energy staff who work in power outage response, and distribution system investments.
- Document Review – The team has reviewed the many documents provided by Xcel Energy. It is expected that the team will request additional documents as the assessments progress.

Data Analysis and Final Report – After the team has concluded its data collection activities, the data will be analyzed, and a draft final report of findings will be available for review by Xcel Energy and stakeholders in mid-to-late July 2026. A final report will be delivered in mid-to-late August 2026.

The Company will file the Three<sup>3</sup> final report to the instant docket, with an estimated timeframe of September 2026.

In its March 27, 2026 Order in Docket No. E002/M-25-27, the Commission directed the Company to include the Environmental Law & Policy Center, Cooperative Energy Futures, and Vote Solar stakeholder groups in any outreach by its third-party evaluator.<sup>38</sup> The Company can confirm that Three Cubed has already spoken with these three stakeholders and we will continue to keep them informed of the process.

## **T. CONCLUSION**

Xcel Energy is committed to providing our customers with quality, reliable service. We appreciate this opportunity to report our performance to the Commission and respectfully request that the Commission accept our annual report on safety, reliability, and service quality.

The Company requests restoration of the temporary variance to Minn. Rule 7820.2500 at the earliest opportunity, or when the Commission meets to consider the Company's 2025 SRSQ annual report, along with approval of a portfolio of measures in Section VI.B.2 designed to address the underlying causes of increased disconnections and continue to reduce the number of customers eligible for disconnection.

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<sup>38</sup> March 27, 2026 ORDER ACCEPTING REPORTS AND SETTING ADDITIONAL REQUIREMENTS. *In the Matter of Xcel Energy's 2024 Annual Safety, Reliability, and Service Quality Report*. Docket No. E002/M-25-27. Order Point 10.