

BEFORE THE MINNESOTA COURT OF ADMINISTRATIVE HEARINGS
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FOR THE MINNESOTA PUBLIC UTILITIES COMMISSION
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In the Matter of the Application of Xcel
Energy for Authority to Increase Rates for
Electric Service in Minnesota

MPUC DOCKET NO. E-002/GR-24-320
CAH DOCKET NO. 28-2500-40515

**INITIAL BRIEF OF THE
SUBURBAN RATE AUTHORITY**

January 28, 2026

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INTRODUCTION

The Suburban Rate Authority (“SRA”) respectfully submits this initial brief in support of its record supported and state energy policy-based proposals. SRA testimony from James Bride and other intervenors in the proceeding lay out well-reasoned and unchallenged or Xcel supported, rate design positions regarding the streetlighting and municipal pumping rate classes. They include:

1. Approving the Company’s proposed class revenue apportionment that results from its Class Cost of Service Study (CCOSS) because doing so preserves gradualism and rate continuity;
2. Supporting the use of the D10S allocator to ensure that transmission cost responsibility is shared fairly across customer classes based on the highest summer peak demand of the year;
3. Opposing a reduction in the Company’s proposed vegetation management spending to allow the Company to catch up on postponed vegetation management work.
4. The SRA and Company both agree that the Company has complied with the follow-up items detailed in the Joint Stipulation from the previous rate case.
5. The Company’s proposed rate increase for low wattage overhead Light Emitting Diode (LED) fixtures on rate A30 is sufficiently high to constitute rate shock; but a cost based adjustment to the premium for underground service from 50% as proposed by the Company to 55% results in a more fair intra-class apportionment and partially addresses the rate shock that would otherwise occur for low wattage overhead fixtures.

6. The SRA supports the 26 reductions to the rate increase proposed for MYRP years 2025 and 2026 that are already reflected in the updated revenue deficiency and supports additional reductions, as warranted, to ensure affordable and reasonable rates.
7. As municipal customers of Xcel and cities with residential and small and large business and institutional end users, the SRA supports the collective testimony of Department of Commerce (DOC), the Office of the Attorney General (OAG), Citizens Utility Board (CUB), and Large Industrials (XLI) witnesses opposing Xcel's level of requested revenue requirements and return on equity;

Record and policy support for these proposals or positions are set forth below and will be the subject of proposed findings and conclusions in the SRA's Reply brief.

ARGUMENT

I. Legal Standards

The law places the burden on the petitioning utility to show that it is entitled to a rate increase by the preponderance of the evidence. Minn. Stat. § 216B.16, subd. 4. "Preponderance of the evidence' is defined for ratemaking proceedings as 'whether the evidence submitted, even if true, justifies the conclusion sought by the petitioning utility when considered together with the Commission's statutory responsibility to enforce the state's public policy that retail consumers of utility services shall be furnished such services at reasonable rates.'"¹ All doubts as to

¹ *In the Matter of the Petition of Minnesota Power & Light company, d.b.a. Minnesota Power, for Authority to Change its Schedule of Rates for Electric Utility Service Within the State of Minnesota*, 435 N.W.2d 550, 554 (Minn. 1989) (citing *In the Matter of the Petition of Northern States Power Company for Authority to Change its Schedule of Rates for Electric Service in Minnesota*, 416 N.W.2d 719, 722 (Minn. 1987)).

reasonableness must be resolved in favor of the consumer and encourage energy conservation to the “maximum extent possible.”²

In the Commission’s most recent Xcel Energy rate case, Docket GR-21-630, it noted that Minnesota Statutes, Section 216B.16 provides broad guidance only “leaving to the Commission the tasks of determining (a) the accuracy and validity of [the utility’s] claimed costs; (b) the prudence and reasonableness of claimed costs; and (c) the compatibility of claimed costs with the public interest.”³ The Commission has further observed that when acting in its quasi-legislative capacity in rate design utilities must prove not only that their costs are accurate and rate recoverable but that the rate design is “equitable.”⁴

II. The Commission Should Preserve Gradualism and Rate Continuity in Setting Xcel’s Electric Rates by Approving the Company’s Class Revenue Apportionment Proposal

The SRA supports the Company’s proposed class revenue apportionment that results from its Class Cost of Service Study (CCOSS). This revenue apportionment, in combination with the rate mitigation feature where classes are moved closer to actual cost of service annually by 20% of the difference between the average increase and the required increase to deliver full cost of service, avoids rate shock for the lighting and other rate classes while balancing the multiple factors considered by the Commission in revenue apportionment. The Company’s proposal achieves this balance by striving to reach a full cost of service for each class over time through incremental

² Minn. Stat. § 216B.03.

³ *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*, MPUC Docket No. E-002/GR-21-630, Findings of Fact, Conclusions, and Order, p 4 (July, 17 2023), citing *In re Interstate Power Co.*, 574 N.W.2d 408, 411 (Minn. 1998).

⁴ *Id.*, MPUC Docket No. GR-21-630, p 5; citing *In re Minn. Power and Light Co.*, 435 N.W.2d 550, 554 (Minn. App. 1989).

annual movement towards cost and avoids abrupt rate changes that would be disruptive to customers.⁵

Multiple parties offer support for this proposal. Walmart fully supports the Company's proposal, and the Department of Commerce (DOC) partially supports it, recommending that the Company's proposed 2025 revenue apportionment be applied to both rate multiyear rate plan (MYRP) years (2025 and 2026).⁶ The Office of the Attorney General (OAG) supports the adoption of the Company's revenue apportionment for the lighting class, with OAG Witness Scharber explicitly acknowledging that the Lighting Class's movement toward costs should be moderated to avoid rate shock.^{7, 8} These positions reflect broad recognition that rate continuity is necessary when moving classes toward cost-based rates.

The Commission has explained that, the first step in developing a cost-based rate design is to use the revenue apportionment process to determine the share of Xcel's revenue requirement to be recovered from each class of customers. In apportioning the utility's revenue requirement, the Commission considers the utility's cost of serving each customer class based on the results of acceptable CCOSS methods, and a number of non-cost concerns including: equity, justice, and reasonableness; the avoidance of discrimination, unreasonable preference, and unreasonable prejudice; continuity with prior rates to avoid rate shock; revenue stability; economic efficiency;

⁵ Ex. Company-____, pp. 10-12 (Paluck Direct).

⁶ See Xcel 77, p. 3 (Paluck Rebuttal); Ex. WAL-1, pp. 18-19 (Austin Direct); Ex. DOC-19, pp. 29-30 (Bahn Direct).

⁷ Ex. OAG-8, p. 43 (Scharber Direct).

⁸ OAG did take a different approach to revenue apportionment for other classes, using its own CCOSS as a baseline and adjusting each rate class as needed per Witness Scharber's judgement. See OAG- 9, p. 41-44 (Scharber Direct).

encouragement of energy conservation; customers' ability to pay; and ease of understanding and administration.⁹

The Company's revenue apportionment method transparently establishes class-level responsibilities for the revenue requirement while preserving rate continuity and other factors considered by the Commission. As explained by Witness Paluck, he began with the results of the CCOSS,¹⁰ and then calculated whether a rate class can tolerate a full retail cost increase using a 20 percent threshold.¹¹ For rate classes that cannot tolerate a full retail cost increase, he adjusted the class's apportionment to ensure a 20 percent movement to full cost of service. The result is a balanced approach that delivers a material movement towards a cost-based revenue apportionment.

By contrast, the Xcel Large Industrials (XLI) proposes a revenue apportionment method that fails to embody rate continuity, and that is based on flawed CCOSS methods. As Witness Paluck explained, if adopted, XLI's proposal would result in an 18.3% increase to the Residential and Lighting classes while limiting the increase for the Commercial and Industrial class to just 6.9%.¹² This would impose disproportionate impacts on the Lighting Class even with adjustments to the revenue requirement. XLI's proposal is also deficient because it uses the AED-4CP method

⁹ *In the Matter of the Application of Northern States Power Company, dba Xcel Energy, for Authority to Increase Rates for Electric Service in the State of Minnesota*, MPUC Docket No. E-002/GR-21-630, FINDINGS OF FACT, CONCLUSIONS, AND ORDER, p. 111 (July 17, 2023).

¹⁰ The CCOSS study, sponsored by Company Witness Christopher J. Barthol, used several methods that deploy class-level allocation factors to estimate class-level responsibility for the Company's costs. See Xcel-73, p. 4 Barthol Direct).

¹¹ Ex. Xcel-76, pp. 10-12 (Paluck Direct).

¹² Ex. Xcel-77, p. 4 (Paluck Rebuttal).

to allocate production-related costs, which is a methodology that was previously rejected by the Commission, as noted by the OAG Witness Scharber and Company Witness Barthol.^{13, 14}

For these reasons, SRA supports adoption of the Company's proposed class revenue apportionment. Alternatively, SRA does not oppose selecting a single year of the Company's apportionment proposal to apply to both 2025 and 2026 MYRP years.

III. In Light of the Record Developed in This Proceeding, the Commission Should Approve the Company's Proposal to Use the D10S Allocator for Transmission Demand Because It Best Reflects Cost Causation.

SRA supports the collective position of the Company, XLI, and Department that demand-related transmission costs should be allocated using a D10S allocator rather than a 12CP allocator. As these parties explain that the transmission system is constructed to meet the single highest summer peak demand of the year – not the average of 12 monthly peaks.¹⁵ It is this annual peak demand that drives transmission investments and their resulting costs. Therefore, an allocator based on class contribution to peak summer demand is required to ensure that that transmission cost responsibility is shared fairly across customer classes.¹⁶ The allocator that achieves that end is the D10S allocator, which identifies a customer class's contribution to demand during the summer MISO peak, as required by the Commission.¹⁷ In contrast, the 12CP allocator relies on an average of 12 monthly coincident peaks, which dilutes the significance of the system peak that actually drives transmission costs. Therefore, the use of the 12CP allocator does not align with cost causation.

¹³ Ex. OAG-9, p. 26 (Scharber Rebuttal).

¹⁴ Ex. Xcel-74, p. 9 (Barthol Rebuttal).

¹⁵ See Ex. Xcel-73, p. 25 (Barthol Direct); Ex. Xcel-74, p. 21 (Barthol Rebuttal); Ex. DOC-16, pp. 34-35 (Zajicek Direct), pp. 34-35; Ex. Xcel-63, pp. 13-14 (Ly Rebuttal).

¹⁶ Ex. Xcel-73, p. 25 (Barthol Direct).

¹⁷ Ex. Xcel-73, p. 18 (Barthol Direct); see also *In the Matter of the Application of Northern States Power Company for Authority to Increase Rates for Electric Service in the State of Minnesota*, Docket No. E-002/GR-15-826, Findings of Fact, Conclusions, and Order at 46 (June 12, 2017).

As explained below, in this proceeding the Company has provided additional clarification that merits the Commission's reconsideration of its prior determination that use of the 12CP allocator is appropriate for transmission demand. Second, the Commission's determination that a 70/30 split of transmission costs into transmission-demand and energy-related transmission costs respectively already captures the energy-related characteristics of transmission. The Commission should not adopt the OAG's recommendations to approve the application of an energy-focused allocator such as the 12CP allocator to transmission demand in this proceeding. This would result in an allocation that underestimates the amount of transmission costs that are driven by system peak usage.

a. Wholesale Transmission Revenue Collection Methods Should Not Drive Allocation Methods for Transmission Demand

The Commission's prior rate case order determined that the 12CP allocator should be applied to transmission demand based on how transmission revenue is collected. In this case, however, the Company has provided additional, helpful clarification that demonstrates that method of revenue collection from wholesale load serving entities that use the Company's transmission system is not relevant to state jurisdictional retail rate design nor is it persuasive regarding cost causation.¹⁸ Company Witness Barthol explains, "[t]he purpose of the CCOSS is to identify cost causation principles, and classify and allocate costs based on those principles. The arguments from the Company's prior rate case that led to the adoption of the 12CP allocator for transmission demand mix up transmission revenues with transmission costs. While transmission revenues are generated, in part, based on demand charges that are calculated monthly, the transmission costs are based on the need to meet customer demands at the single highest peak of the year, not an average peak across twelve months. The transmission system serves multiple functions that are

¹⁸ See Ex. Xcel-73, pp. 23-26 (Barthol Direct).

driven by peak demand . . .”.¹⁹ Therefore, contrary to the OAG’s arguments, an allocator such as the 12CP allocator which is based on monthly averages does not align with the actual cost drivers here – peak usage of the transmission system.

Respectfully, the wholesale transmission revenue collection methods should not drive allocation methods for transmission demand.

b. The 70/30 Transmission Cost Split Already Captures Energy-Related Benefits Associated with Transmission

The Commission’s prior rate case order determined that transmission assets should be categorized as 70% demand related and 30% energy-related, an outcome that preserves cost-causation. In fact, this split captures energy-related benefits and/or functions of the transmission system that the OAG now argues justify the use of the 12CP allocator to transmission demand. Specifically, the OAG argues that the 12CP method should be applied to the 70% transmission demand-related costs on the notion that adequate transmission capacity is a function of both demand and resource availability; system vulnerabilities can occur during peak or off-peak times when generators are out of service (planned or unplanned); transmission investment is driven by the need for reliability and resilience across multiple periods and seasons.... and is a function not only of total generation load but also of which generators are operating at different times and their distance from the load centers.²⁰

While the OAG’s statements regarding transmission investment are true, they do not justify the use of a 12CP allocator for the demand component of transmission cost allocation, and instead, served as part of the basis for adoption of the 70/30 split. In the Company’s last rate case, the Commission recognized it was appropriate to categorize 30% of transmission costs as energy-

¹⁹ *Id.*, p. 23.

²⁰ Ex. OAG-8, pp. 17-18 (Scharber Direct).

related costs because the transmission system provides year-round benefits such as access to lower cost energy and sales of surplus energy into the wholesale market in addition to the transmission-related benefits of meeting peak demand.²¹ The 70/30 split already captures these characteristics of generation by characterizing 30% of transmission costs as energy-related.²²

IV. SRA Supports the Company's Proposed Vegetation Management Spending

The SRA did not sponsor witness testimony on vegetation management but the SRA recognizes that a robust vegetation management program is essential to the reliability and safety of Xcel's system, and is therefore supportive of the Company's requested increase in its 2025 and 2026 Vegetation Management budget, which are tempered by decreases in other areas of its Distribution O&M budget.²³ Department Witness Uphus' recommendations in reductions to the Company's proposed vegetation management budget \$5.8 million for the 2025 test year and \$8.3 million for the 2026 plan year are concerning.²⁴ The DOC bases its recommended reductions on an argument that the 2025 and 2026 budget levels are too high, in comparison to recent historical spending. The Company has provided a sizeable list of compelling reasons to justify the increased budget for 2025 and 2026, in comparison to its actual spend in 2021-2023. These reasons include: additional tree-trimming miles, increased contractor costs, inflation, and increased vegetation due to heavier rainfall.²⁵

²¹ *In the Matter of the Application of Northern States Power Company, dba Xcel Energy, for Authority to Increase Rates for Electric Service in the State of Minnesota*, MPUC Docket No. E-002/GR-21-630, FINDINGS OF FACT, CONCLUSIONS, AND ORDER, p. 101 (July 17, 2023).

²² Ex. Xcel-73, p. 21 (Barthol Direct).

²³ As the Witness Mensen points out, the Company's overall Distribution O&M expense budget for 2025 represents a 2.4 percent increase from 2024 actuals, and an increase of 4.0 percent from the 2025 budget to the 2026 budget. Ex. Xcel-35, p. 44 (Mensen Rebuttal).

²⁴ Ex. DOC-7, p. 20 (Uphus Direct).

²⁵ Id, p. 44.

The Company provided a candid explanation for its need to expand its vegetation management work in 2025 and 2026. In mid-2023, it postponed routine maintenance work to allow crews to focus on higher priority work that was required to maintain safety, support outage restoration, and respond to high priority customer requests.²⁶ It will catch up in 2025 and 2026. Further, it explained that higher than average rainfall resulted in higher-than-average tree growth. Additional time will be necessary to prune the additional vegetation.²⁷

The SRA supports efficient vegetation management budgets that are adequate to keep up with vegetation growth proximate to Company infrastructure. Based on the materials put into the record by Company Witness Mensen, the 2025 and 2026 vegetation management budgets appear to be well supported and necessary to catch up to vegetation growth that poses a reliability risk. However, metrics such as areas planned for tree trimming that were actually completed and cost per mile by section should be explored in the next rate case.

V. Rate A30 Customers with Overhead Low Wattage LED Fixtures are Subject to a Rate Shock That Can be Partially Addressed by an Adjustment to the Underground Premium²⁸

In the prior rate case, the Company and the SRA entered into a Joint Stipulation that required the Company to take the following actions prior to the filing of the present rate case: revise the rate design workpapers to more clearly identify direct assignment of costs to streetlighting customers, and system demand and energy costs; identify general lighting costs in FERC account 373 applicable to all lighting customers and segments of lighting customers, operations and maintenance costs by fixture type or lighting customer segment; and provide

²⁶ Ex. Xcel-34, p. 153 (Mensen Direct).

²⁷ Ex. Xcel-34, p. 45 (Mensen Direct).

²⁸ The SRA believes the issue regarding direct assignment of pole costs to the lighting class has been fully resolved based on the Company's surrebuttal testimony: Ex. Xcel-78, pp. 2-3 (Paluck Surrebuttal); and Ex. Xcel-75, pp. 2-3 (Barthol Surrebuttal).

support for the differential between Overhead and Underground distribution line rates.^{29,30} The Company and the SRA witness agree that the Company has complied with the follow-up items detailed in the Joint Stipulation.^{31, 32, 33}

SRA Witness Bride has argued that the rate increase for low wattage overhead Light Emitting Diode (LED) fixtures on rate A30 is sufficiently high to constitute a rate shock.^{34, 35, 36} The Company has refuted this assertion and claimed that the percentage increase for the low wattage overhead fixtures is higher because of the “base effect”, where the same dollar increase applied to overhead and underground fixtures will result in a larger percentage increase to overhead fixtures due to the reference point being the current rates for overhead fixtures which are lower.^{37, 38} The “base effect” cited by Company Witness Paluck does not address the fact that the Company’s proposed increases from current rates to 2025 rates for A30 overhead LED customers are materially higher in dollar terms than the increases for A30 underground fed LED customers.³⁹ While the “base effect” does explain the proposed rate A30 increases from 2025 to 2026, which are similar in dollar terms for both overhead and underground fed LED fixtures of similar wattages,

²⁹ *In the Matter of the Application of Northern States Power Company, dba Xcel Energy, for Authority to Increase Rates for Electric Service in the State of Minnesota*, MPUC Docket No. E-002/GR-21-630, JOINT STIPULATION OF SUBURBAN RATE AUTHORITY AND XCEL ENERGY, p. 2 (March 24, 2023).

³⁰ *In the Matter of the Application of Northern States Power Company, dba Xcel Energy, for Authority to Increase Rates for Electric Service in the State of Minnesota*, MPUC Docket No. E-002/GR-21-630, FINDINGS OF FACT, CONCLUSIONS, AND ORDER, p. 128-129 (July 17, 2023).

³¹ Ex. Xcel-76, p. 25 (Paluck Direct).

³² Ex. SRA -1, p. 5 (Bride Direct).

³³ Ex. SRA -2, pp. 3-4 (Bride Surrebuttal).

³⁴ Ex. SRA -1, pp. 5-7 (Bride Direct).

³⁵ Ex. SRA -2, pp. 6-7 (Bride Rebuttal).

³⁶ Ex. SRA -4, pp. 3-4 (Bride Surrebuttal).

³⁷ Ex. Xcel-77, pp. 21-22 (Paluck Rebuttal).

³⁸ Ex. Xcel-78, pp. 3-4 (Paluck Surrebuttal).

³⁹ Ex. SRA -1, Table 1 (Bride Direct).

it cannot explain the percentage and dollar differences between current rates and proposed 2025 rates for A30 LED lighting customers.

SRA Witness Bride's claims of rate shock are supported by fixture count data that show that overhead 40 watt LED fixtures make up over 40% of the rate A30 fixture population and are twice as prevalent as the next most popular fixture.⁴⁰ As a result, the following statement by Company Witness Paluck is not supported by the record: *"the impacts he points to are limited to a small number of Street Lighting wattages. But Street Lighting customers typically include service on a range of wattage and services and therefore a typical lighting customer bill tracks closer to the average increase for the lighting service or lighting class increase. In other words, a larger increase in one wattage does not necessarily result in a correspondingly large overall bill."*⁴¹ For a municipality with a majority of overhead streetlights, this statement is not true and is not supported by the rate A30 fixture counts.

The intent of the Joint Stipulation in the prior case was to arrive at more transparent and cost based streetlighting rates. The filings in this rate case have made significant progress towards that goal and the rate shock experienced by low wattage overhead fixtures can be addressed, at least partially, but a cost-based adjustment to the underground premium.

The Company provided a robust calculation of the premium for a new underground fed streetlighting installation versus an overhead one, but recommended an underground premium of half of the calculated value without a clearly articulated rationale for why this value was selected.^{42, 43} The SRA witness calculated a cost weighted underground premium based on component service lives and then recommended that the underground premium be set at 55% of

⁴⁰ Ex. SRA-5, pp. 5-6 (Bride Rebuttal – NOT PUBLIC).

⁴¹ Ex. Xcel-78, pp. 3-4 (Paluck Surrebuttal).

⁴² Ex. Xcel-76, p. 25 (Paluck Direct).

⁴³ Ex. SRA-5, pp. 4-5 (Bride Surrebuttal – NOT PUBLIC).

the Company calculated value, instead of the 50% proposed by Company. SRA Witness Bride explained how this cost based adjustment to the underground premium would result in intra-class cost shifts that would partially ameliorate the rate shock for overhead low wattage LED A30 customers.⁴⁴

As demonstrated in the record, this adjustment to the premium for underground service recommended by SRA Witness Bride is cost based, aligned with the intent of the Joint Stipulation from the prior case to established cost based and transparent rates for streetlighting, and results in a more fair intra-class apportionment of the streetlighting revenue requirement since the large step-change in rates for low wattage overhead fixtures will be reduced. The SRA recommends that this revised underground premium of 55% of the Company calculated value be adopted.

VI. The Commission Should Ensure Rates Are as Affordable for Lighting Class and Other Customers as Possible

The SRA appreciates the Company's updated revenue deficiency, which reflects a net \$125 million reduction in combined rate increase for MYRP years 2025 and 2026. Elements of this reduction are the result of litigation activities over the course of this proceeding, and exemplifies the importance of scrutiny over any utility company's rate increase to ensure that rates are as affordable as possible, for the Lighting Class and all other rate classes. The magnitude of this reduction underscores the critical role of Commission oversight.

As Company Witness Halama explains in rebuttal testimony, the updated revenue deficiency reflects 26 separate adjustments, including revisions to the sales forecast.⁴⁵ The cumulative impact of the 26 updated revenue deficiency elements is compared to the original revenue deficiency and updated revenue deficiencies are compared in the table below.

⁴⁴ See *Id.*, pp. 6-8.

⁴⁵ Ex. Xcel-17, pp. 4-26 (Halama Rebuttal).

**2025-2026 Revenue Requests - Minnesota Jurisdictional
Deficiency Net of Interchange (\$M)**

MYRP Year	2025	2026
Incremental Annual Deficiency (\$)		
Original	\$353.30	\$137.50
Updated	\$208.40	\$156.90
Incremental Annual Deficiency (%)⁴⁶		
Original	9.60%	3.60%
Updated	5.80%	4.20%

The Commission should envelope the Company’s reduced revenue deficiency in final rates while also evaluating whether further reductions are warranted to ensure affordable and reasonable rates.

VII. SRA Supports Intervenor Testimony for Reduced Revenue Requirements and Return on Equity

The SRA did not sponsor witness testimony on revenue requirement or return on equity sought by Xcel in this multi-year rate petition. As customers of Xcel and cities that have witnessed the challenging and sometimes hardship impacts on residents and businesses of escalating electricity rates, SRA cities urge the ALJ and Commission to adopt a lower revenue requirement and return on equity as collectively argued by DOC, OAG, CUB Walmart, and XLI witnesses.

CONCLUSION

The record evidence developed in this proceeding supports the use of the Company’s CCOSS revenue apportionment and the use of the D10S allocator for the demand component of transmission costs. Approval of both items will result in rate continuity and ensure that transmission cost responsibility is aligned to cost causation.

⁴⁶ Incremental Annual Deficiency is calculated using the annual revenue request over the forecasted present revenues in each applicable year, less prior year(s).

The SRA opposes reductions in the Company's vegetation management spending since the Company has justified its spending levels in the proceeding record, which should be approved. Mr. Bride's testimonies support a cost based adjustment to the premium for underground service from 50% as proposed by the Company to 55%.

In addition, the SRA supports testimonies and positions that result in reductions to the Company's return on equity.

Respectfully submitted,

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Dated: January 28, 2026

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