

December 5, 2025

**VIA ELECTRONIC FILING**

Sasha Bergman, Executive Secretary  
Minnesota Public Utilities Commission  
121 East Seventh Place, Suite 350  
Saint Paul, MN 55101

**Re: In the Matter of Northern States Power Co.'s d/b/a Xcel Energy's, Petition for Approval of Large General Time of Day Service and Large Peak Controlled Time of Day Service Tariffs;  
MPUC Docket No. E-002/M-25-289**

Dear Ms. Bergman:

Please find attached for filing with the Minnesota Public Utilities Commission ("Commission") the Supplemental Comments of CloudHQ LLC in the above-referenced case.

Please contact me if you have any questions.

Sincerely,

SPILMAN THOMAS & BATTLE, PLLC

By */s/ Carrie H. Grundmann*  
Carrie H. Grundmann  
(NC Bar No. 52711)

*Counsel to CloudHQ LLC*

CMH:sds  
Attachments  
cc: Certificate of Service

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

Katie Sieben  
Hwikwon Ham  
Audrey Partridge  
Joseph K. Sullivan  
John Tuma

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

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In the Matter of Northern States Power Co.'s  
d/b/a Xcel Energy's, Petition for Approval of  
Large General Time of Day Service and Large  
Peak Controlled Time of Day Service Tariffs

MPUC Docket No. E-002/M-25-289

**SUPPLEMENTAL COMMENTS OF  
CLOUDHQ LLC**

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Pursuant to the Minnesota Public Utilities Commission's ("Commission") Notice of Comment Period issued on July 29, 2025, the Notice of Extended Comment Period issued on September 19, 2025, and the Notice of New Supplemental Comment Period issued on October 21, 2025, CloudHQ LLC ("CloudHQ") respectfully submits these Supplemental Comments in the above-captioned proceeding.

**ARGUMENT**

In its Reply Comments, Northern States Power Company, d/b/a Xcel Energy ("Company" or "Xcel") addressed numerous issues raised by CloudHQ in its Initial Comments, including (1) CloudHQ's request that the Company accept third-party guarantees to satisfy the proposed financial security and collateral provisions; and (2) certain bridge period proposals related to capacity reductions and exit fees. CloudHQ responds to the Company's position on these issues herein. CloudHQ also responds to the Incremental Cost Test ("ICT") that has been addressed by multiple parties in this proceeding.

**1. Additional Electric Service Agreement ("ESA") Revisions are Needed to Reflect the Company's Agreement to Accept Third-Party Guarantees.**

First, CloudHQ very much appreciates Xcel's willingness to allow guarantees from third parties in addition to parent entities.<sup>1</sup> CloudHQ believes that additional revisions to the ESA and its attachments may be necessary to accurately reflect Xcel's willingness to accept third-party guarantees. While the Company notes that it has edited Attachment A to reflect the acceptance of a third-party guaranty, the Company does not specify where those changes can be found. It appears, however, that the Company has proposed redlines to Section 14.1 of the ESA. For purposes of clarity, CloudHQ believes the word "Parent" should be stricken from the heading of Paragraph 14.1. Similarly, the word "Parent" should be stricken from the title of Exhibit G.

**2. The Xcel Tariff Should Authorize Some Level of Capacity Reduction Without Incurring a Penalty.**

In its Initial Comments, CloudHQ recommended that customers be allowed to reduce their capacity by a certain percentage (CloudHQ recommended 20 percent) without penalty.<sup>2</sup> Xcel's Reply Comments do not address this recommendation from CloudHQ; however, inclusion of such a term would be commercially reasonable. Indeed, just two weeks ago on November 25, 2025, the Virginia State Corporation Commission approved a large load tariff for Virginia Electric and Power Company, the jurisdiction with the largest concentration of data centers in the country, that authorized a reduction in contract capacity "by up to 20% at no cost."<sup>3</sup> The Commission in this case should require the Company to amend its ESA to permit some level – CloudHQ recommends

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<sup>1</sup> Xcel Reply Comments, p. 10.

<sup>2</sup> CloudHQ Initial Comments, pp. 7-8.

<sup>3</sup> *Application of Virginia Electric and Power Co. for a 2025 biennial review of the rates, terms and conditions for the provision of generation, distribution and transmission services pursuant to § 56-585.1 A of the Code of Virginia*, Virginia State Corporation Commission Case No. PUR-2025-00058, Final Order (issued Nov. 25, 2025), p. 27.

20 percent similar to the recent approval in Virginia – of contract capacity reduction without incurring a penalty.

**3. The Bridge Period(s) Proposed by CloudHQ Does Not Harm the Company or Other Ratepayers.**

For further capacity reductions (unless the Commission authorizes no capacity reductions as a matter of right, then all capacity reductions), or for terminations, CloudHQ recommended in its Initial Comments a 12-month Bridge Period prior to the Company imposing the full Capacity Reduction Fee.<sup>4</sup> The Company opposed this recommendation claiming that "[t]he ESA provides 24 months' notice prior to capacity reduction or termination."<sup>5</sup> This statement from the Company is inaccurate, at least with respect to capacity reductions. A review of Section 3.1.2 of the ESA provides for "contract capacity reductions" upon "twelve months' notice."<sup>6</sup> A 24-month notice is only required for contract terminations.<sup>7</sup> Regardless of the amount of notice required by the Company, CloudHQ continues to believe that a Bridge Period would be helpful to data center customers in the event they require capacity reductions or contract terminations, which trigger penalties under the ESA. Moreover, approving a Bridge Period as proposed by CloudHQ does not harm other customers or the utility.

Under CloudHQ's Bridge Period proposal, for 12 months *after* the notice period – whether 12 months for capacity reductions or 24 months for termination – CloudHQ proposes that a customer be given an *additional* 12 months where, rather than paying the lump sum payment required by Section 16.2 or 16.3 of the ESA, the Customer instead pays "the current effective

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<sup>4</sup> *Id.* at 8.

<sup>5</sup> Xcel Reply Comments, p. 12.

<sup>6</sup> *See id.* at Attachment A, Section 3.1.2.

<sup>7</sup> *Id.* at Attachment A, Section 16.1

Tariff rates for on peak-demand charges in Exhibit C multiplied by (iii) seventy-five percent" for 12 months.<sup>8</sup> At the conclusion of that 12-month period, one of three outcomes is possible:

1. An offtaker is identified who steps into the exiting customer's shoes, fully mitigating the need for the exiting customer's payment of the exit or contract capacity reduction fee;
2. An offtaker is identified who partially offsets the costs owed by the exiting customer, reducing the amount the exiting customer would owe for its capacity reduction or exit fee; or
3. No offtaker is identified, and the full remaining amount of exit fees or contract capacity reduction fees are owed.

CloudHQ is not proposing to pay less than the Company proposes; it merely proposes to shift how and when those payments are made to provide additional time for an offtaker to be identified, thereby mitigating the amounts owed by the exiting customer. Section 16.4 of the ESA already obligates the Company (and customer) to mitigate the "costs, damages, and charging arising out of a termination or Customer Contract Capacity Reduction."<sup>9</sup> CloudHQ's Bridge Period proposal is just an additional element of mitigation that allows the exiting customer additional time to secure an offtaker before having to pay an up-to 10-year penalty as a lump sum payment. The Company has articulated no harm flowing from CloudHQ's proposal nor has the Company identified any inability to implement this change. For this reason, CloudHQ continues to support its Bridge Period proposals as described in its Initial Comments.

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<sup>8</sup> See, e.g., *id.* at Attachment A, Section 16.1.

<sup>9</sup> *Id.* at Attachment A, Section 16.4.

#### 4. **The ICT Should Not Result in Large Customers Subsidizing Other Customers.**

The issue with the ICT proposed by the Company is that the "devil is in the details." Historically, a utility's costs, except those localized to a customer (like a line to connect a customer or a substation) were socialized because all customers benefitted from – and therefore should share in the costs of – those resources. CloudHQ is concerned that the ICT proposed by the Company represents a fundamental shift from this long-standing precedent. While it may be true that new load necessitates the need for new resources (whether generation or transmission), it does not necessarily mean that only those customers will benefit from the addition of those resources. As CloudHQ understands the Company's proposal with respect to the ICT, the Company is focused solely on the costs a customer causes; it is unclear whether any consideration is given to how other customers will benefit. The Commission should ensure that the costs *and benefits* of all new resources are considered when assessing the ICT proposed by the Company. It would be unfair if large load customers were subsidizing the cost of resources that benefit other customers.

#### **CONCLUSION**

CloudHQ respectfully requests that the Commission:

1. Adopt changes in the ESA to enable a large load customer to bring forward a third-party guaranty to satisfy the financial security and collateral provisions in the ESA;
2. Authorize a customer to reduce its contract capacity by up to 20 percent without penalty;
3. Approve a Bridge Period to allow a customer exiting the system or reducing its capacity time to secure an offtaker that may mitigate any damages owed under the ESA;

4. Ensure that, to the extent it approves an ICT as recommended by the Company, it properly accounts for any benefits accruing to all customers; and
5. For such other and further relief as the Commission deems appropriate.

Respectfully submitted,

SPILMAN THOMAS & BATTLE, PLLC

By /s/ Carrie H. Grundmann

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Dated: December 5, 2025

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

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MPUC Docket No. E-002/M-25-289

**CERTIFICATE OF SERVICE**

I, Carrie H. Grundmann, hereby certify that on the 5<sup>th</sup> day of December, 2025, I e-filed with e-Dockets the attached Supplemental Comments on CloudHQ LLC and served a true and correct copy of the same upon all parties on the attached service list by email, electronic submission, and/or first-class mail.

*/s/ Carrie H. Grundmann*

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Carrie H. Grundmann

Dated: December 5, 2025