

BEFORE THE MINNESOTA OFFICE OF ADMINISTRATIVE HEARINGS
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FOR THE MINNESOTA PUBLIC UTILITIES COMMISSION
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Katie Sieben	Chair
Joseph K. Sullivan	Vice-Chair
Audrey Partridge	Commissioner
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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

**SUBURBAN RATE AUTHORITY EXCEPTIONS FILING ON THE
RECOMMENDATIONS OF THE ADMINISTRATIVE LAW JUDGE**

May 15, 2026

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INTRODUCTION

The Suburban Rate Authority (“SRA”) respectfully submits this Exceptions filing, which raises a limited number of items that require clarification or reconsideration among the thorough and detailed Findings of Fact, Conclusions of Law, and Recommendations (“Report”) issued by the by Administrative Law Judge Joseph C. Meyer (“ALJ”) regarding the issues raised by the SRA.

CLARIFICATIONS TO REPORT SECTIONS DETAILING THE INCREASES BORNE BY LOW WATTAGE OVERHEAD STREETLIGHTING FIXTURES

The SRA respectfully clarifies that the discussion in paragraph 1166, minimizing the actual impacts of rates when comparing increases to rates in the terms of dollars compared to percentage, does not reflect the record evidence. The total proposed dollar increase for low wattage overhead fixtures on rate A30 is significantly larger than the increases to other fixture types. The Company’s proposal is not a scenario where the increases to different fixture types are reflected with significantly different percentages due to one having a lower cost basis but where the dollar impacts are the same.. Table 1 below shows the current and proposed monthly charges for fixtures on the A30 streetlighting rate.¹

Table 1

		Proposed Rates from Initial Filing			Monthly Increases vs Present	
Fixture Description	Fixture Type	Present Rates (\$/mo)	2025 Rates (\$/mo)	2026 Rates (\$/mo)	2025 vs Present (\$/mo)	2026 vs Present (\$/mo)
Overhead	OH40LED	\$12.36	\$14.61	\$15.53	\$2.25	\$3.17
	OH75LED	\$13.09	\$15.34	\$16.04	\$2.25	\$2.95
	OH165LED	\$16.61	\$18.17	\$18.10	\$1.56	\$1.49
	OH250LED	\$20.33	\$21.40	\$20.55	\$1.07	\$0.22
Underground	UG40LED	\$23.91	\$25.09	\$25.96	\$1.18	\$2.05
	UG75LED	\$24.64	\$25.82	\$26.47	\$1.18	\$1.83
	UG165LED	\$27.87	\$28.66	\$28.54	\$0.79	\$0.67

¹ Ex. Xcel-4 Application – Volume 2E, Proposed Tariffs.

Table 1 shows that the dollar increase to low wattage overhead fixtures is much larger than the increase to other fixture types in dollar terms. Given this record evidence, the concern raised by the SRA cannot be dismissed as an occurrence of the percentage increase appearing larger for low wattage overhead fixtures due to a lower reference point for present rates.

THE DEMAND PORTION OF TRANSMISSION COST ALLOCATION SHOULD BE BASED ON SUMMER PEAKS, NOT 12 MONTHLY COINCIDENT PEAKS

Company Witness Barthol, Department of Commerce (DOC) Witness Zajicek, and XLI Witness Ly all provide persuasive arguments in favor of the demand component of the transmission allocator being based on summer peak demand. The SRA requests that the Commission reconsider the conclusion in paragraph 1029 of the Report.

Company witness Barthol explains that the transmission system has to serve multiple purposes that are driven by peak power demand and if the system was sized based on the average peaks in all 12 months, it would be undersized and inadequate to meet summer peaks. Giving equal weight to all 12 months conflicts with how the system is planned.² DOC Witness Zajicek also endorsed this reasoning as supporting use of a demand allocator based on peak demands on the system.³ XLI Witness Ly pointed to record evidence showing that the Xcel system is summer peaking and observed that:

“if NSPM planned its transmission system to meet the average of the 12CPs during the 2025 test year, it would only install enough transmission to serve 6,798 MW of load. However, the summer peak loads for the months of June through September average 8,381 MW. Therefore, the lights would go out since NSPM would be unable to meet approximately 20% of its peak load if it planned to meet only the average of the 12CPs”.⁴

² Ex. Xcel-73 at 22-24 (Barthol Direct)

³ Ex. DOC-16 at 34-35 (Zajicek Direct)

⁴ Ex. XLI-3 at 19-20 (Ly Direct)

XLI witness Ly in rebuttal notes that inclusion of additional hours outside of peak system demands in the demand allocator are irrelevant and inaccurate for the purposes of reflecting cost causation since loads in those hours are not reflective of peak conditions.⁵

The record evidence and rate making principle that costs should be allocated based on cost causing activities support using the D10S allocator, or another allocator that is based on summer peak demands, for the demand component of transmission cost allocation. Both the 8760 allocator and 12 CP demands are based on average year round usage and demands, respectively and fail to capture the summer peak demands that the transmission system must be sized to accommodate. In essence, the 8760 and 12 CP demand allocators both measure the year-round usage in a slightly different way and are therefore duplicative. The Commission should adopt a summer peaking allocator for this demand component so that weather sensitive customer classes pay for transmission in a way that reflects their contribution to the peak summer sizing requirement and the costs associated with building infrastructure to serve this peak. The Company, DOC, XLI, and SRA⁶ are all aligned that the demand component of the transmission cost allocation should be based on summer peak demand. Accordingly, the SRA recommends that the Commission adopt the use of a summer peak demand instead of the 12 CP allocator.

CONCLUSION

The SRA appreciates the opportunity to participate in this case and the efforts put forth by all parties and the ALJ. For the foregoing reasons, the SRA respectfully requests the Commission consider the direct record evidence regarding the A30 rate and utilize the summer peak demand for the 70% demand portion of the transmission cost allocator.

⁵ Ex. XLI-6 at 10 (Ly Rebuttal)

⁶ SRA Initial Brief at 6-9.

Respectfully submitted,

Dated: May 15, 2026

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