

The Commission met on **Thursday, December 11, 2025**, with Chair Sieben and Commissioners Ham and Tuma present.

The following matters were taken up by the Commission:

E-111/GR-24-400

In the Matter of the Application by Dakota Electric Association for Authority to Increase Rates for Electric Service in Minnesota

Commissioner Tuma moved that the Commission:

1. Adopt the Administrative Law Judge's Findings of Fact, Conclusions of Law and Recommendations, and approve the Settlement.
2. Require Dakota Electric to prepare summary financial schedules including: a calculation of Dakota Electric's authorized cost of capital, a rate base summary, an operating income statement summary, a gross revenue deficiency calculation, and a statement of the total allowed revenues. Require Settlement Parties to work with commission staff to prepare such schedules for inclusion in the order, should modifications be necessary to reflect the commission's final decision.
3. Require Dakota Electric to file the following within 30 days of the order:
 - a. Revised schedules of rates and charges reflecting the revenue requirement and the rate design decisions herein, along with the proposed effective date, and including the following information:
 - i. Breakdown of Total Operating Revenues by type;
 - ii. Schedules showing all billing determinants for the retail sales (and sale for resale) of electricity. These schedules shall include but not be limited to:
 1. Total revenue by customer class;
 2. Total number of customers, the customer charge and total customer charge revenue by class; and
 3. For each customer class, the total number of energy and demand related billing units, the per unit energy and demand cost of energy, and the total energy and demand related sales revenues.

- iii. Revised tariff sheets incorporating authorized rate design decisions;
 - iv. Proposed customer notices explaining the final rates, the monthly basic service charges, and any and all changes to rate design and customer billing.
- b. A revised base cost of energy supporting schedules, and resource and tax adjustment tariffs to be in effect on the date final rates are implemented.
 - c. A summary listing of all other rate riders and charges in effect, and continuing, after the date final rates are implemented.
 - d. If final authorized rates are lower than interim rates, a proposal to make refunds of interim rates consistent with the Commission's decision in this proceeding, to affected customers.
4. Require that any comments on compliance filings be filed within 30 days of the compliance filing. Delegate authority to the Executive Secretary to modify this comment deadline via notice.

The motion passed 3-0.

G-002/M-25-259

In the Matter of Xcel Energy's Petition Requesting Reaffirmation of Affiliate Interest Arrangement Accounting Treatment

Chair Sieben moved that the Commission:

1. Prohibit Xcel from seeking recovery of any of the costs for the pilot from residential and small commercial customers, consistent with the Commission ordered cost allocation for the pilot in Xcel's NGIA plan.
2. Require Xcel to include all fuel related cost information by fuel source as separate line items in its annual affiliate compliance filing.
3. Require Xcel to notify the Commission within 30 days of receipt of notice from its industrial customer that the customer plans to discontinue its contract with Xcel to purchase steam. Within 120 days of receipt of this notice from the industrial customer, Xcel is required to file a proposal for alternate use(s) of the electrolyzer and propose a method for cost recovery for any remaining outstanding costs of owning and operating the electrolyzer for the purposes of this pilot, including depreciation and operation and maintenance.

4. At the conclusion of its first NGIA plan, Xcel is required to provide in its final report an updated analysis and discussion of use of the electrolyzer in light of the closure of the Sherco coal facilities, including but not limited to:
 - a. Physical layout and offtaker(s) for continued operation of the hydrogen electrolyzer;
 - b. Financial implications to the Company and ratepayers of:
 - i. The maximum, average, and minimum hydrogen production capacity of the electrolyzer.
 - ii. Hydrogen storage capacity, steam supply capacity, and quantity demanded of hydrogen and natural gas for the continued supply of steam to third-party off-takers.
 - iii. The Sherco building heating relative to the pilot.
 - c. Any possible cogeneration opportunities.
 - d. The estimated total demand for steam from the offtaker(s).

The analysis and discussion shall also be included in the annual affiliated interest agreement compliance filing.

The motion passed 3-0.

G-002/M-23-518

In the Matter of Xcel Energy’s Natural Gas Innovation Plan

Chair Sieben moved that the Commission approve Xcel’s compliance filing and allow Xcel to proceed with the pilot.

The motion passed 3-0.

G-002/M-25-403

In the Matter of the Application of Xcel Energy’s Petition for Approval of Gas State Energy Policy Rider Recovery with True-Up Mechanisms

Commissioner Tuma moved that the Commission deny Xcel’s proposed SEP Rider Recovery to establish a baseline of \$44,894,635 effective January 1, 2026, subject to true-up to actual 2026 expenses.

The motion passed 3-0.

G-002/GR-25-356

In the Matter of the Application of Northern States Power Company for Authority to Increase Rates for Natural Gas Service in Minnesota

Commissioner Ham moved that the Commission:

1. Accept the petition of Xcel Energy for authority to increase rates as being in proper form and substantially complete as of October 31, 2025.
2. Find the Commission has insufficient time to make a final determination within a 10-month period because of the need to make final determinations in other pending cases involving changes in general rates. Accordingly, suspend the proposed rates in this case for an additional 90 days, until November 26, 2026.
3. Refer the matter to the Office of Administrative Hearings for a contested case proceeding.
4. Request the ALJ's report on or before August 25, 2026. If the deadline for the Commission's decision is extended beyond ten months plus ninety days at any point during this proceeding for any reason (e.g., settlement discussions, waiver, etc.) request the ALJ's report at least three months before the extended deadline for the Commission's decision. And, request that the ALJ refer any all-issues, all-parties settlement back to the Commission on an expedited basis.
5. Identify issues requiring development of a complete record in this case:
 - a. The standard rate case issues;¹
 - b. Whether the base cost of gas proposed in Docket No. G-002/MR-25-357 needs to be updated;
 - c. Reasons for the significant changes of the following costs since the last rate case:
 - Cost of Gas - Increased by 24.1%
 - Gas Distribution - Increased by 30.2%
 - Customer Service – Increased by 28.7%
 - Administrative & General – Increased by 25.4%

¹ The standard rate case issues are: 1) Is the test year revenue increase sought by the Company reasonable or will it result in unreasonable and excessive earnings by the Company? 2) Is the rate design proposed by the Company reasonable? and 3) Are the Company's proposed capital structure and return on equity reasonable? Notice and Order for Hearing, In the Matter of the Application of Minnegasco, a Division of NorAm Energy Company, for Authority to Increase Natural Gas Rates in Minnesota, Docket No. G-008/GR-95-700, p. 3, October 4, 1995.

- Depreciation – Increased by 24.3%
 - Amortization – Increased by 410.5%
 - Property Tax– Increased by 57.8%
- d. Whether the proposed Top Ten executive pay compensation is appropriate.
 - e. As Xcel adopts an electrification-first focus to 2030, How does the company expect the new strategy to maintain its alignment with its goal to be a net-zero energy provider by 2050? What the cost recovery mechanisms or rate design changes are being considered to support long-term investment in electrification infrastructure?
 - f. With greater than expected use of Efficient Fuel Switching (EFS), what adjustments are being made to reflect potential revenue shifts, stranded asset risks, changes in cost allocations, or other financial impacts?
6. Request that the Department seek authorization under Minn. Stat. § 216B.62 from the Commissioner of Management and Budget to incur costs for specialized technical professional investigative services to develop and evaluate the record on the Company's rate case, including but not limited to, proposal to include in rate base its prepaid pension asset and its accrued retiree medical and post-employment benefit liability.
 7. Authorize Xcel Energy to waive its right under the interim rate statute to put interim rates into effect on December 31, 2025, and authorize Xcel Energy to implement interim rates for service rendered on and after January 1, 2026.
 8. Approve an annual interim rate revenue deficiency of \$51.47 million, or 6.8%.
 9. Approve Xcel Energy's proposed interim cost of capital for setting interim rates.
 10. Approve Xcel Energy's request to collect the approved interim rate increase as a uniform percent interim rate adjustment to the base rate portion of customer bills, (i.e., basic service charge, delivery charge, and demand charge). Require the Company to display the interim rate increase on customer bills using a single, line-item interim rate adjustment.
 11. Approve Xcel Energy's request to forgo collection of the interim rate increase from its negotiated transportation service customers, and to not seek recovery of the difference from its other customers.
 12. In the Notice of and Order for Hearing, require the following:
 - a. The Company shall mail copies of the order resulting from this decision to all municipalities, counties, and local governing bodies in its Minnesota service area.
 - b. The Administrative Law Judge shall convene public hearings in this matter at locations within the service area of the Company.

- c. The Company shall file draft notices of the evidentiary and public hearings, file them for Commission approval, and, after receiving approval, disseminate them as follows:
 - i. Individual written notice to each customer, which may be in the form of a bill insert, to be served at least ten days before the first day of hearings.
 - ii. Written notice to the governing bodies of all municipalities, counties, and local governing bodies in the area affected and to all parties in the Company's last two rate cases, to be mailed at least ten days before the first day of hearings.
 - iii. Advertisements in legal newspapers of affected counties and other newspapers of general circulation within the Company's Minnesota service area, to appear at least ten days before the first day of hearings. These advertisements shall include the heading RATE INCREASE NOTICE, which shall appear in bold face type no smaller than 30 points.

13. In the Order Setting Interim Rates, require the following:

- a. The Company shall file with the Commission and the Department interim rate tariff sheets and supporting documentation reflecting the decisions herein. The Company's filing shall also include the notice to customers, approved by the Executive Secretary, regarding the rate change under the interim rate schedule.
- b. The Company shall maintain such records of sales and collections under interim rates as would be necessary to compute a potential refund. Any refund shall be made within 120 days of the effective date of the Commission's final order in a manner approved by the Commission.
- c. The Company shall include with each customer's first bill under the interim rate schedule a notice of the rate change, approved by the Executive Secretary. Upon completion of this task, the Company shall certify this fact to the Commission.
- d. The Company shall maintain records of Energy Conservation and Optimization (ECO) Program costs and collection through the interim period so that it can be ascertained that recoveries dedicated to the ECO program are properly recorded.

14. Delegate authority to approve notices, bill inserts, including email notices and bill format to the Commission's Executive Secretary for the duration of this proceeding.

15. Delegate authority to the Executive Secretary to extend deadlines and modify timelines throughout the duration.

16. Order Xcel to notify its customers by email of its proposed rate increase and provide them a live link providing instructions on how to file public comments on the rate case.

G-002/GR-25-357

In the Matter of the Petition of Xcel Energy for Approval of a New Base Gas Cost for Interim Rates

Commissioner Ham moved that the Commission:

1. Approve Xcel Energy's Base Cost of Gas as filed.
2. Require Xcel Energy to file updated information on the commodity cost of gas both in this proceeding and in the general rate case in Docket No. G-002/GR-25-356. Direct the Company to work with the Department and Commission Staff to determine the appropriate timing for providing this information and whether this updated information should be applied to Xcel Energy's base cost of gas.

The motion passed 3-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: April 15, 2026

A handwritten signature in black ink, appearing to read "Sasha Bergman", with a long horizontal flourish extending to the right.

Sasha Bergman, Executive Secretary