

September 9, 2025

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

**RE: Joint Proposed Decision Options in the Matter of a Commission Evaluation of Changes to Natural Gas Utility Regulatory and Policy Structures to Meet State Greenhouse Gas Reduction Goals**

**Docket Number: G999/CI-21-565**

Mr. Bull,

Center for Energy and Environment (CEE), Xcel Energy, LIUNA Minnesota and North Dakota (LIUNA), and Energy CENTS Coalition submit joint proposed decision options regarding the Commission's proceeding on gas utility line extension tariffs in Docket No. G999/CI-21-565. While each party has submitted separate supplemental comments or letters, those comments support the proposed decision options listed below.

We appreciate the opportunity to provide comments on this matter and are available to answer any questions.

Sincerely,

/s/ Will Nissen  
Director of Policy  
Center for Energy and Environment

/s/ Lisa Peterson  
Director, Regulatory Pricing & Analysis  
Xcel Energy

/s/ Kevin Pranis  
Marketing Manager  
LIUNA Minnesota and North Dakota

/s/ George Shardlow  
Executive Director  
Energy CENTS Coalition

**Joint Proposed Decision Options from CEE, Xcel Energy, LIUNA, and Energy CENTS  
Coalition in Docket No. G999/CI-21-565**

1. For rate-regulated natural gas utilities that include footage allowances in line extension tariffs, establish maximum distances of 75 feet for service lines and 80 feet for mains as the portion of installation costs not charged to the customer, unless the utility can demonstrate that a greater maximum distance is consistent with the public interest.
2. Require rate-regulated natural gas utilities that include a footage allowance in their line extension tariffs following the Commission's decision in this matter to file a new or amended single-family new construction ECO program with the Department by June 1, 2026, that includes the components listed below. Utilities may include provisions in their filing to monitor the ongoing impact of these requirements and propose modifications if needed, consistent with ECO procedures and protocols.
  - Require participating homes to achieve minimum energy savings of at least 10 percent better than Minnesota's residential building code requirements.
  - Require installation of an air source or ground source heat pump in lieu of a central air conditioner to be eligible to participate in the program.
  - Do not require installation of specific natural gas appliances to be eligible for the program and do not make rebate levels contingent on installation of specific natural gas appliances.
  - Provide a bonus rebate for homes with a UA threshold that is better than Minnesota's residential building code requirements.
3. Require that rate-regulated natural gas utilities filing a rate case or new or modified line extension tariffs demonstrate that the proposed tariff has considered the following:
  - How does the tariff consider Minnesota's greenhouse gas emission reduction goals?
  - How does the tariff consider the utility's efforts and actions taken by the Commission and the Department in other proceedings, including but not limited to Gas Integrated Resource Plans, Natural Gas Innovation Act Plans, Energy Conservation and Optimization Plans, and other utility pilots, programs, and rate design offerings?
  - How does the tariff consider affordability and ratepayer protections related to both existing and new customers?

- How does the tariff consider the differences in serving various customer types, such as whether service is being extended to new structures or existing structures without gas service?
  - How does the tariff consider the viability and affordability of alternative heating fuels?
  - How does the tariff consider economic development and local job impacts?
4. Xcel Energy will review and evaluate dual fuel models, including the Hydro-Quebec Énergir model. In its first gas IRP due on July 1, 2026, Xcel Energy will discuss potential implementation challenges and propose a next step, such as an analysis, roadmap, pilot, etc., toward considering greater collaboration and integration in dual fuel system planning in an area where the Company's electric and gas service territories overlap, or explain why the examined models lack applicability in Minnesota if necessary.
  5. Within 30 days of the Commission's Order, all rate-regulated gas utilities shall file a compliance filing with updated line extension tariffs reflecting the changes made through the Commission's decision in this matter. The compliance filing does not need to include new considerations for line extension tariffs approved by the Commission in this proceeding.
  6. Delegate authority to the Executive Secretary to, [at a relevant future date] in an appropriate docket or proceeding, issue a notice of comment period to consider modifications to the line extension considerations due to significant changes in Minnesota's policy or technology landscape.