

BEFORE THE MINNESOTA COURT OF ADMINISTRATIVE HEARINGS  
600 North Robert Street  
P.O. Box 64620  
St. Paul, MN 55164-0620

FOR THE MINNESOTA PUBLIC UTILITIES COMMISSION  
121 Seventh Place East, Suite 350  
St. Paul, MN 55101-2147

Katie Sieben	Chair
Joseph K. Sullivan	Vice-Chair
John Tuma	Commissioner
Hwikwon Ham	Commissioner
Audrey Partridge	Commissioner

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

**REPLY BRIEF OF THE  
SUBURBAN RATE AUTHORITY**

**February 25, 2026**

## **I. SRA SUPPORTS ADOPTION OF THE COMPANY'S AMENDED REVENUE APPORTIONMENT PROPOSAL**

The SRA files this reply brief to clarify that the SRA supports Xcel's revenue apportionment proposal as amended by the surrebuttal of Witness Paluck and clarified further in its initial brief. As indicated in its initial brief, the SRA understands and appreciates that the direct assignment of pole costs to the Street Lighting Class has been fully resolved based on Xcel's surrebuttal testimony.<sup>1</sup> Xcel confirmed in its initial brief that it agreed with this adjustment and explained that a full re-run of the class cost of service study (CCOSS) to implement this change is not possible at this stage of the proceeding. Xcel explained stated that it made a *post hoc* adjustment to its rate design proposal that ended up moving classes 19 percent towards cost in order to ensure that this change was appropriately incorporated into rates.<sup>2,3</sup>

This change to move classes 19 percent towards cost of service instead of 20 percent is necessary to implement Witness Bride's recommendations regarding direct assignment of pole costs, and results in a one percent decrease in the amount that classes are moved to cost of service. This is reasonable and appropriate for the reasons outlined in the SRA's initial brief, Xcel's initial brief, and this reply.

## **II. THE SRA'S PROPOSED ADJUSTMENT TO THE UNDERGROUND PREMIUM SHOULD BE ADOPTED**

Xcel opposes the SRA's proposed adjustment to the underground premium for A30 streetlighting customers because it was introduced in Surrebuttal testimony.<sup>4,5</sup> While this is true, the incremental development of the record and discovery requests on this issue continued through

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<sup>1</sup> Ex. Xcel-78, pp. 2-3 (Paluck Surrebuttal); and Ex. Xcel-75, pp. 2-3.

<sup>2</sup> Xcel Initial Brief, p. 264.

<sup>3</sup> For reference, the Company provided a comparison of the change to the original revenue apportionment proposal in Table 1 of Witness Paluck's surrebuttal testimony. See Ex. Xcel-78, p. 3 (Paluck Surrebuttal).

<sup>4</sup> Xcel Initial Brief, pp. 282-283.

<sup>5</sup> Ex. SRA-5, Bride Surrebuttal p. 5-8.

Surrebuttal. Although it was raised later in the proceeding, Xcel could have utilized Hearings to further question witness Bride to review or verify the proposal and it elected not to do that. The SRA contends that its proposal for adjustment of the underground premium is the only cost supported value in the record and recommends that the Commission approve it.

Respectfully submitted,

Dated: February 25, 2026

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and

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