ENVIRONMENTAL LAW & POLICY CENTER

June 17, 2026

VIA E-Filing

Sasha Bergman
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

Re: ***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

Dear Ms. Bergman:

Joint Intervenors file this letter to address the Residential Arrearage Management Program (RAMP) funding proposal offered by Energy CENTS Coalition (ECC) and Xcel Energy via letters filed yesterday, June 16, 2026. After reading these letters, Joint Intervenors understand that Xcel Energy has offered approximately $8 million in shareholder resources through 2028 towards its proposed RAMP in exchange for ECC's support of a 9.6 percent authorized return on equity (ROE) for the Company. Joint Intervenors oppose this exchange.

Joint Intervenors appreciated the June 11, 2026 discussion between Commissioner Partridge and parties regarding concerns with using late fees to fund RAMP, and parties' subsequent efforts to develop alternative funding mechanisms. Although Joint Intervenors continue not to take a position on RAMP, we share the concerns expressed by the Citizens Utility Board (CUB) about relying on late fees to fund the program—in sum, that such a funding approach may harm the customers that RAMP is intended to support.[1] Xcel Energy's use of shareholder funds for arrearage forgiveness would temporarily avoid those concerns.

However, Joint Intervenors strongly oppose using such shareholder contribution to justify increasing Xcel Energy's authorized ROE from 9.25 percent to 9.6 percent. As both the Department of Commerce and CUB noted in their letters filed on June 16 and 17, 2026, respectively, this increase would translate to over $34 million in additional costs for ratepayers every year. This is a bad deal for customers.

[1] *See, e.g.*, Ex. CUB-3 at 19-20 (Levenson-Falk Direct).

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Moreover, the record does not support such an increase. CUB, the Department, and other parties have provided ample justification for an authorized ROE no higher than 9.25 percent. Joint Intervenors underscore our recommendation that the Commission give primacy to ensuring affordability in its determination of ROE.[2] *Federal Power Commission v. Hope Natural Gas Co.* affirms the Commission's discretion to consider social policy considerations, such as affordability and equity, when setting ROE, so long as the end result is just and reasonable.[3] There is a robust record in this case regarding ongoing affordability challenges for Xcel Energy's customers, further justifying no increase to the Company's ROE.

For these reasons, Joint Intervenors recommend the Commission reject the proposed exchange of temporary shareholder funding of RAMP for a 9.6 percent ROE.

Sincerely,

<u>/s/ Erica S. McConnell</u>

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[2] Ex. JIN-2 at 3, 46-47 (Chan Direct).
[3] 320 U.S. 591, 602 (1944) ("It is the result reached, not the method employed, which is controlling … It is not theory, but the impact of the rate order, which counts.").