



414 Nicollet Mall
Minneapolis, MN 55401

July 24, 2026

—Via Electronic Filing—

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

RE: SUPPLEMENT - SPACE HEATING RATE TARIFF MODIFICATIONS
RESIDENTIAL TIME OF USE RATE DESIGN
DOCKET NO. E002/M-23-524

Dear Ms. Bergman:

Northern States Power Company, doing business as Xcel Energy, submits the enclosed Supplement to provide additional context about the pending Tariff Modification proposal in this docket. We understand that this Supplement is being filed outside of the standard comment period, but we believe it may be worthwhile to provide additional context prior to a hearing, as anticipated in the Minnesota Public Utilities Commission's (Commission) July 13, 2026 NOTICE UPDATING PROCESS. As the Notice acknowledged, the Company has been in conversation with parties about these topics. The Company provides the following status updates on the three topics in the Commission's Notice.

1. Direct enrollment in Xcel Energy's electric space heating rate via heat pump rebate application.

The Company is developing the capability for customers who apply for an eligible heat pump rebate to enroll in the space heating rate via the heat pump rebate application process, in compliance with the Commission's Order. If the rebate application, which is completed and submitted by the contractors installing new equipment, contains all required information, including verification that the electric equipment installed is the primary heat source and an authorization to enroll in the rate from the customer, then the customer will be automatically enrolled in the rate with no additional actions required. This enrollment channel will be available by October 1, 2026.

Currently, customers can enroll in the space heating rate by calling the Company and stepping through the enrollment process with one of our call center agents.

2. Online self-enrollment.

An online self-enrollment tool is under development for any customer who submitted an eligible heat pump rebate application but did not consent to enroll in the space heating rate during the rebate application process. When the Company processes rebate applications without the rate change consent, the Company will email the customer a link to an online portal that will allow them to finalize their enrollment in the space heating rate. This enrollment channel will be available by October 1, 2026.

The Company will also identify customers who received a heat pump rebate after December 31, 2020 but before the updated enrollment option was available through the rebate application process. These customers will also receive emails promoting the space heating rate with a link to the online self-enrollment tool, allowing them to quickly enroll in the space heating rate if they meet eligibility requirements. The Company will send the outreach to this customer group in September, allowing them to enroll in the rate ahead of the October 1 heating season.

3. Tariff changes governing opting-out of the electric space heating rate and later re-enrolling.

As we discussed in our May 4, 2026 Reply Comments, the Company proposed an additional modification to the tariff language related to customer opt-outs (Rejoin Policy). The Company's modification was meant to curtail the potential for customers to engage in a seasonal "gaming" of the rate, but also to be sufficiently flexible to allow customers a trial period. Our proposed additional tariff modification is as follows (additional Company tariff modification in red underline):

Any customer who has previously taken service under this tariff and opted out is required to stay on this rate for a minimum of 12 months if they wish to reenroll. This requirement only applies if a customer has taken service under this rate within 12 months prior to rejoining the rate.

By exempting customers who have been off the rate for more than 12 months from the requirement to stay on the rate, we extend additional flexibility for customers to evaluate if the rate is beneficial. For those customers who are confident they are interested in the rate long term, they can opt back into the rate at any time they

choose. However, if customers are still not sure, they can wait 12 months to essentially “reset” their participation and will be able to opt into the rate with no obligation to stay on the rate.

The Department supports this modification (see their May 8, 2026 Letter in this docket). This was acknowledged by Commission staff in their June 30, 2026 Notice of Process which stated, “Staff believes that Xcel and the Department reached an agreement and has no further questions.”

We appreciate the opportunity to Supplement the record with this brief status update regarding the three topics Noticed by the Commission.

We have electronically filed this document with the Minnesota Public Utilities Commission, and copies have been served on the parties on the attached service list. Please contact Brandon Kirschner at Brandon.M.Kirschner@xcelenergy.com or contact me at Holly.R.Hinman@xcelenergy.com if you have any questions regarding this filing.

Sincerely,

/s/

HOLLY HINMAN
DIRECTOR, REGULATORY & STRATEGIC ANALYSIS

Enclosure
cc: Service List

CERTIFICATE OF SERVICE

I, Victor Barreiro, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

xx by depositing a true and correct copy thereof, properly enveloped
with postage paid in the United States mail at Minneapolis, Minnesota

xx electronic filing

DOCKET No. E002/M-23-524

Dated this 24th day of July 2026

/s/

Victor Barreiro
Regulatory Administrator

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