

April 24, 2026

Sasha Bergman  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7th Place East, Suite 350  
St. Paul, Minnesota 55101-2147

RE: Comments of the Minnesota Department of Commerce  
Docket No. E002/M-23-524

Dear Ms. Bergman:

Attached are the initial comments of the Minnesota Department of Commerce (Department) in the following matter:

*In the Matter of the Petition of Northern States Power Company, dba Xcel  
Energy, for Approval of a Residential Time of Use Rate Design*

The Petition was filed by Xcel Energy (Xcel or the Company) on March 25, 2026.

The Department withholds its final recommendations on Xcel's Petition and is available to answer any questions the Minnesota Public Utilities Commission (Commission) may have.

Sincerely,

/s/ Dr. SYDNIE LIEB  
Assistant Commissioner of Regulatory Analysis

AB/RW/KB/ad  
Attachment



## Before the Minnesota Public Utilities Commission

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### Comments of the Minnesota Department of Commerce

Docket No. E002/M-23-524

#### I. INTRODUCTION

The Minnesota Department of Commerce, Division of Energy Resources (Department) provides its comments on Xcel's petition filed in Docket No. E002/M-23-524.

Xcel filed its petition for approval of tariff modifications to its electric space heating rate options under the Company's residential rate tariffs.<sup>1</sup> Specifically, the Company seeks approval to add language to its Residential, Residential Time of Day, and Residential Time of Use Service tariffs to highlight the available options for customers interested in enrolling in the electric space heating rates.<sup>2</sup> The petition includes tariff language intended to satisfy the requirements of the Commission's February 23, 2026 Order specific to enrollment options for electric space heating customers.<sup>3</sup> Additionally, the Company proposes a modification to its "Terms and Conditions of Service," by which Xcel intends to prevent customers from "avoiding the price signals of the rate by opting-in and opting-out of the rate in a short period of time."<sup>4</sup>

As no Notice of Comment was filed by the Commission, the Department operates within the 30-day timeline allotted for a miscellaneous filing under Minn. R. 7829.0100.<sup>5</sup>

#### II. PROCEDURAL BACKGROUND

|                   |                                                                                                                                                                                   |
|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| February 23, 2026 | The Commission issues its Order of approval of Xcel's tariff modifications, compliance plan, and setting additional requirements for residential TOU implementation. <sup>6</sup> |
| March 25, 2026    | Xcel files a petition with modifications to its electric space heating rates under the Company's residential rate tariffs. <sup>7</sup>                                           |

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<sup>1</sup> *In the Matter of the Petition of Northern States Power Company, dba Xcel Energy, for Approval of a Residential Time of Use Rate Design*, Xcel Energy, Petition, March 25, 2026, E002/M-23-524, (eDockets) [20263-229638-01](#) (hereinafter "Petition").

<sup>2</sup> *Id.*, at pdf 4.

<sup>3</sup> *Order Approving Tariff Modifications, Approving Compliance Plan, and Setting Additional Requirements for Residential Time-of-Use Rate Implementation*, February 23, 2026, Docket No. E002/M-23-524, (eDockets) [20262-228519-01](#) (hereinafter "TOU Order").

<sup>4</sup> Petition, at pdf 4-5.

<sup>5</sup> [Minn. R. 7829.0100](#).

<sup>6</sup> TOU Order.

<sup>7</sup> Petition.

### III. DEPARTMENT ANALYSIS

#### A. SPACE HEATING RATE MODIFICATION

Per Order Point 8 of the Commission’s recent TOU Order, Xcel must “draft tariff language to allow enrollment in the electric space heating rate through the heat pump rebate application and self-enrollment and file the proposed language in this docket within 30 days of this Order.”<sup>8</sup>

In its Petition, Xcel proposes the following language for Residential, Residential time of day (TOD), and Residential TOU Service:

Customers using electric space heating equipment as their primary heating source are eligible for the electric space heating rate option. Eligible customers may enroll in the electric space heating rate option by contacting the Company via phone. Customers applying for a heat pump rebate from the Company for equipment that will serve as a primary heating source may enroll in the electric space heating rate through the rebate application.<sup>9</sup>

In its proposed tariff language, Xcel states that customers may enroll in the electric space heating rate option by contacting the Company via telephone.<sup>10</sup> However, Order Point 7 of the TOU Order requires Xcel to also provide customers with the option “to enroll themselves in the electric space heating rate using an online self-service enrollment process.”<sup>11</sup> The proposed tariff language does not clearly articulate all of the options for enrollment, and seems to limit enrollment to telephone only.

Moreover, Order Point 6 requires Xcel to “require the customer or contractor submitting the form to indicate whether the heat pump will serve as the customer’s primary heating source following installation. If the application indicates that electric heat will be the primary heating source, Xcel Energy must directly enroll the customer in the electric space heating rate.”<sup>12</sup> In its proposed language, Xcel does not specify that customers will be directly enrolled in the electric space heating rate if the application indicates that electric heat is the primary heating source. As a result, the Department believes that the proposed tariff language does not comply with Order Point 7 and does not fully satisfy Order Point 6, because the language does not address the online self-service enrollment option required by the Commission, nor does the tariff articulate that customers will be automatically enrolled if the contractor indicates the customer’s heat pump will serve as the primary heating source on the rebate application.

On April 7, 2026, Commission Staff issued an information request (IR) to the Company to seek additional transparency on the space heating enrollment process and to clarify how the proposed tariff

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<sup>8</sup> TOU Order.

<sup>9</sup> Petition, at 2

<sup>10</sup> *Ibid.*

<sup>11</sup> TOU Order.

<sup>12</sup> *Ibid.*

language complies with the TOU Order.<sup>13</sup> The Department shares the same concerns as Staff and withholds any final recommendations until the Commission's IR responses have been received and reviewed.

**The Department withholds its final recommendation on Xcel's proposed tariff language until the Commission's IR responses have been received and reviewed.**

*B. TERMS AND CONDITIONS OF SERVICE MODIFICATION*

Xcel also requests a modification to its "Terms and Conditions of Service." The current opt-out language reads:

Any customer who opts-out of this rate cannot reenroll in the rate for a minimum of 12 months from the end of the last billing cycle on the rate.<sup>14</sup>

Xcel explains that this language intends to prevent customers from avoiding price signals by enrolling when the rate is advantageous to their energy usage and later opting-out when it is not. However, upon further review, Xcel is concerned that the current language may unintentionally reduce long-term participation by pushing customers away from the rate. Once the 12-month ineligibility period ends, customers may not recognize their ability to reenroll or may not reconsider participation, which may result in lower return rates even where continued enrollment would be appropriate.<sup>15</sup>

To address this concern, Xcel proposes the following revised language:

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.<sup>16</sup>

The Department understands the Company's concerns regarding customer enrollment; however, the Department finds that Xcel's proposed language does not fully address this concern because it removes the explicit 12-month reenrollment restriction and therefore creates ambiguity regarding eligibility to return to the rate. The Department believes a combination of these two provisions establishes a defined waiting period before reenrollment and a minimum participation requirement upon return.

**The Department recommends that the Commission require Xcel to revise Minnesota Electric Rate Book, Section No. 5, Sheet No. 4.2 as follows:**

**Any customer who has previously taken service under this tariff and opted out cannot reenroll in the rate for a minimum of 12 months from the end of the last billing cycle on the rate, and is required to stay on this rate for a minimum of 12 months if they wish to reenroll.**

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<sup>13</sup> Commission, Information Request, April 7, 2026, Docket No. E002/M-23-524, (eDockets) [20264-230117-01](#).

<sup>14</sup> Petition, at 3.

<sup>15</sup> *Id.*, at 2.

<sup>16</sup> *Id.*, at 3.

For additional clarity, the Department requests further information from Xcel on implementation of the revised language.

**The Department requests that Xcel, in reply comments, explain:**

- **How the Company will communicate this change to customers, including whether it will provide notice to customers currently enrolled and those enrolled within a defined prior period; and**
- **how the revised language applies to customers who recently unenrolled, including whether the prior restriction remains in effect or whether the new terms apply upon adoption.**

#### **IV. DEPARTMENT RECOMMENDATIONS**

Based on analysis of Xcel's Petition and the information in the record, the Department has prepared recommendations, which are provided below. The recommendations correspond to the subheadings of Section III above.

##### *A. SPACE HEATING RATE MODIFICATION*

The Department withholds its final recommendation on Xcel's proposed tariff language until the Commission's IR responses have been received and reviewed.

##### *B. TERMS AND CONDITIONS OF SERVICE MODIFICATION*

- B.1. The Department recommends that the Commission require Xcel to revise Minnesota Electric Rate Book, Section No. 5, Sheet No. 4.2 as follows:

Any customer who has previously taken service under this tariff and opted out cannot reenroll in the rate for a minimum of 12 months from the end of the last billing cycle on the rate, and is required to stay on this rate for a minimum of 12 months if they wish to reenroll.

- B.2. The Department requests that Xcel, in reply comments, explain:
  - How the Company will communicate this change to customers, including whether it will provide notice to customers currently enrolled and those enrolled within a defined prior period; and
  - how the revised language applies to customers who recently unenrolled, including whether the prior restriction remains in effect or whether the new terms apply upon adoption.

## **CERTIFICATE OF SERVICE**

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of people by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce**  
**Comments**

**Docket No. E002/M-23-524**

Dated this **24<sup>th</sup>** day of **April 2026**

**/s/Sharon Ferguson**

| #  | First Name | Last Name          | Email                             | Organization                        | Agency                                                          | Address                                                                               | Delivery Method    | Alternate Delivery Method | View Trade Secret | Service List Name |
|----|------------|--------------------|-----------------------------------|-------------------------------------|-----------------------------------------------------------------|---------------------------------------------------------------------------------------|--------------------|---------------------------|-------------------|-------------------|
| 1  | Michael    | Allen              | michael.allen@allenergysolar.com  | All Energy Solar                    |                                                                 | 721 W 26th st Suite 211 Minneapolis MN, 55405 United States                           | Electronic Service |                           | No                | 23-524Official    |
| 2  | Mara       | Ascheman           | mara.k.ascheman@xcelenergy.com    | Xcel Energy                         |                                                                 | 414 Nicollet Mall Fl 5 Minneapolis MN, 55401 United States                            | Electronic Service |                           | No                | 23-524Official    |
| 3  | Marisa     | Bayer              | mbayer@edinamn.gov                | City of Edina                       |                                                                 | 4801 W 50th St Edina MN, 55424 United States                                          | Electronic Service |                           | No                | 23-524Official    |
| 4  | Sasha      | Bergman            | sasha.bergman@state.mn.us         |                                     | Public Utilities Commission                                     | 121 7th Pl E Ste 350 St. Paul MN, 55101 United States                                 | Electronic Service |                           | Yes               | 23-524Official    |
| 5  | Matthew    | Brodin             | mbrodin@allete.com                | Minnesota Power                     |                                                                 | 30 West Superior Street Duluth MN, 55802 United States                                | Electronic Service |                           | No                | 23-524Official    |
| 6  | Rachel     | Bryant             | rachel.bryant@gridx.com           | GridX                               |                                                                 | 14055 W Amherst Ave Lakewood CO, 80228 United States                                  | Electronic Service |                           | No                | 23-524Official    |
| 7  | Mike       | Bull               | mike.bull@state.mn.us             |                                     | Public Utilities Commission                                     | 121 7th Place East, Suite 350 St. Paul MN, 55101 United States                        | Electronic Service |                           | Yes               | 23-524Official    |
| 8  | James      | Canaday            | james.canaday@ag.state.mn.us      |                                     | Office of the Attorney General - Residential Utilities Division | Suite 1400 445 Minnesota St. St. Paul MN, 55101 United States                         | Electronic Service |                           | No                | 23-524Official    |
| 9  | Olivia     | Carroll            | oliviac@cubminnesota.org          | Citizens Utility Board of Minnesota |                                                                 | 332 Minnesota St W1360 St. Paul MN, 55101 United States                               | Electronic Service |                           | No                | 23-524Official    |
| 10 | John       | Coffman            | john@johncoffman.net              | AARP                                |                                                                 | 871 Tuxedo Blvd. St. Louis MO, 63119-2044 United States                               | Electronic Service |                           | No                | 23-524Official    |
| 11 | Generic    | Commerce Attorneys | commerce.attorneys@ag.state.mn.us |                                     | Office of the Attorney General - Department of Commerce         | 445 Minnesota Street Suite 1400 St. Paul MN, 55101 United States                      | Electronic Service |                           | Yes               | 23-524Official    |
| 12 | James      | Denniston          | james.r.denniston@xcelenergy.com  | Xcel Energy Services, Inc.          |                                                                 | 414 Nicollet Mall, 401-8 Minneapolis MN, 55401 United States                          | Electronic Service |                           | No                | 23-524Official    |
| 13 | John       | Farrell            | jfarrell@ilsr.org                 | Institute for Local Self-Reliance   |                                                                 | 2720 E. 22nd St Institute for Local Self-Reliance Minneapolis MN, 55406 United States | Electronic Service |                           | No                | 23-524Official    |

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| 14 | Sharon     | Ferguson         | sharon.ferguson@state.mn.us            |                                                  | Department of Commerce | 85 7th Place<br>E Ste 280<br>Saint Paul<br>MN, 55101-2198<br>United States       | Electronic Service |                           | No                | 23-524Official    |
| 15 | Kim        | Havey            | kim.havey@minneapolismn.gov            | City of Minneapolis                              |                        | 350 South 5th Street,<br>Suite 315M<br>Minneapolis<br>MN, 55415<br>United States | Electronic Service |                           | No                | 23-524Official    |
| 16 | Adam       | Heinen           | aheinen@dakotaelectric.com             | Dakota Electric Association                      |                        | 4300 220th St W<br>Farmington<br>MN, 55024<br>United States                      | Electronic Service |                           | No                | 23-524Official    |
| 17 | Michael    | Hoppe            | lu23@ibew23.org                        | Local Union 23, I.B.E.W.                         |                        | 445 Etna Street<br>Ste. 61<br>St. Paul MN,<br>55106<br>United States             | Electronic Service |                           | No                | 23-524Official    |
| 18 | Alan       | Jenkins          | aj@jenkinsatlaw.com                    | Jenkins at Law                                   |                        | 2950 Yellowtail Ave.<br>Marathon FL,<br>33050<br>United States                   | Electronic Service |                           | No                | 23-524Official    |
| 19 | Richard    | Johnson          | rickjohnson@cozen.com                  | Cozen O'Connor                                   |                        | 150 S. 5th Street<br>Suite 1200<br>Minneapolis<br>MN, 55402<br>United States     | Electronic Service |                           | No                | 23-524Official    |
| 20 | Sarah      | Johnson Phillips | sjphillips@stoel.com                   | Stoel Rives LLP                                  |                        | 33 South Sixth Street<br>Suite 4200<br>Minneapolis<br>MN, 55402<br>United States | Electronic Service |                           | No                | 23-524Official    |
| 21 | Dan        | Juhl             | in.another.account.info@juhlenergy.com | Juhl Energy Inc.                                 |                        | 1502 17th St SE<br>Pipestone<br>MN, 56164<br>United States                       | Paper Service      |                           | No                | 23-524Official    |
| 22 | Mark       | Kresowik         | mkresowik@aceee.org                    | American Council for an Energy-Efficient Economy |                        | 529 14th St NW, Suite 600<br>Washington DC, 20045<br>United States               | Electronic Service |                           | No                | 23-524Official    |
| 23 | Kavita     | Maini            | kmmaini@wi.rr.com                      | KM Energy Consulting, LLC                        |                        | 961 N Lost Woods Rd<br>Oconomowoc WI, 53066<br>United States                     | Electronic Service |                           | No                | 23-524Official    |
| 24 | Christine  | Marquis          | regulatory.records@xcelenergy.com      | Xcel Energy                                      |                        | 414 Nicollet Mall<br>MN1180-07-MCA<br>Minneapolis<br>MN, 55401<br>United States  | Electronic Service |                           | No                | 23-524Official    |
| 25 | Mary       | Martinka         | mary.a.martinka@xcelenergy.com         | Xcel Energy Inc                                  |                        | 414 Nicollet Mall<br>7th Floor<br>Minneapolis<br>MN, 55401<br>United States      | Electronic Service |                           | Yes               | 23-524Official    |
| 26 | Andrew     | Moratzka         | andrew.moratzka@stoel.com              | Stoel Rives LLP                                  |                        | 33 South Sixth St Ste 4200<br>Minneapolis                                        | Electronic Service |                           | No                | 23-524Official    |

| #  | First Name        | Last Name                            | Email                                | Organization                                           | Agency                                                                         | Address                                                                                 | Delivery Method       | Alternate Delivery Method | View Trade Secret | Service List Name  |
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|    |                   |                                      |                                      |                                                        |                                                                                | MN, 55402<br>United States                                                              |                       |                           |                   |                    |
| 27 | David             | Niles                                | david.niles@avantenergy.com          | Minnesota<br>Municipal<br>Power Agency                 |                                                                                | 220 South<br>Sixth Street<br>Suite 1300<br>Minneapolis<br>MN, 55402<br>United States    | Electronic<br>Service |                           | No                | 23-<br>524Official |
| 28 | Logan             | O'Grady                              | logrady@mnseia.org                   | Minnesota<br>Solar Energy<br>Industries<br>Association |                                                                                | 2288<br>University Ave<br>W<br>St. Paul MN,<br>55114<br>United States                   | Electronic<br>Service |                           | No                | 23-<br>524Official |
| 29 | Carol A.          | Overland                             | overland@legalelectric.org           | Legalelectric -<br>Overland Law<br>Office              |                                                                                | 1110 West<br>Avenue<br>Red Wing<br>MN, 55066<br>United States                           | Electronic<br>Service |                           | No                | 23-<br>524Official |
| 30 | Generic<br>Notice | Residential<br>Utilities<br>Division | residential.utilities@ag.state.mn.us |                                                        | Office of the<br>Attorney<br>General -<br>Residential<br>Utilities<br>Division | 1400 BRM<br>Tower<br>445<br>Minnesota St<br>St. Paul MN,<br>55101-2131<br>United States | Electronic<br>Service |                           | Yes               | 23-<br>524Official |
| 31 | Kevin             | Reuther                              | kreuther@mncenter.org                | MN Center for<br>Environmental<br>Advocacy             |                                                                                | 26 E<br>Exchange St,<br>Ste 206<br>St. Paul MN,<br>55101-1667<br>United States          | Electronic<br>Service |                           | No                | 23-<br>524Official |
| 32 | Kahryn            | Riley                                | kahryn.riley@uplight.com             | Uplight                                                |                                                                                | Junction Pl<br>Boulder CO,<br>80301<br>United States                                    | Electronic<br>Service |                           | No                | 23-<br>524Official |
| 33 | Joseph<br>L       | Sathe                                | jsathe@kennedy-graven.com            | Kennedy &<br>Graven,<br>Chartered                      |                                                                                | 150 S 5th St<br>Ste 700<br>Minneapolis<br>MN, 55402<br>United States                    | Electronic<br>Service |                           | No                | 23-<br>524Official |
| 34 | Peter             | Scholtz                              | peter.scholtz@ag.state.mn.us         |                                                        | Office of the<br>Attorney<br>General -<br>Residential<br>Utilities<br>Division | Suite 1400<br>445<br>Minnesota<br>Street<br>St. Paul MN,<br>55101-2131<br>United States | Electronic<br>Service |                           | No                | 23-<br>524Official |
| 35 | Janet             | Shaddix<br>Elling                    | jshaddix@janetshaddix.com            | Shaddix And<br>Associates                              |                                                                                | 7400 Lyndale<br>Ave S Ste<br>190<br>Richfield MN,<br>55423<br>United States             | Electronic<br>Service |                           | Yes               | 23-<br>524Official |
| 36 | Ken               | Smith                                | ken.smith@districtenergy.com         | District<br>Energy St.<br>Paul Inc.                    |                                                                                | 76 W Kellogg<br>Blvd<br>St. Paul MN,<br>55102<br>United States                          | Electronic<br>Service |                           | No                | 23-<br>524Official |
| 37 | Peggy             | Sorum                                | peggy.sorum@centerpointenergy.com    | CenterPoint<br>Energy                                  |                                                                                | 505 Nicollet<br>Mall<br>Minneapolis<br>MN, 55402<br>United States                       | Electronic<br>Service |                           | No                | 23-<br>524Official |
| 38 | Byron E.          | Starns                               | byron.starns@stinson.com             | STINSON<br>LLP                                         |                                                                                | 50 S 6th St<br>Ste 2600<br>Minneapolis<br>MN, 55402<br>United States                    | Electronic<br>Service |                           | No                | 23-<br>524Official |
| 39 | Lauren            | Steinhaeuser                         | lauren.steinhaeuser@xcelenergy.com   | Northern<br>States Power<br>Company dba<br>Xcel Energy |                                                                                | 414 Nicollet<br>Mall, 401-08<br>Minneapolis<br>MN, 55401<br>United States               | Electronic<br>Service |                           | No                | 23-<br>524Official |

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| 40 | Joseph     | Windler    | jwindler@winthrop.com | Winthrop & Weinstine              |        | 225 South Sixth Street, Suite 3500<br>Minneapolis MN, 55402<br>United States | Electronic Service |                           | No                | 23-524Official    |
| 41 | Mariko     | Yatsuhashi | myatsuhashi@mncee.org | Center for Energy and Environment |        | 212 N 3rd Ave Suite 560<br>Minneapolis MN, 55404<br>United States            | Electronic Service |                           | No                | 23-524Official    |
| 42 | Kurt       | Zimmerman  | kwz@ibew160.org       | Local Union #160, IBEW            |        | 2909 Anthony Ln<br>St Anthony Village MN, 55418-3238<br>United States        | Electronic Service |                           | No                | 23-524Official    |
| 43 | Patrick    | Zomer      | pzomer@cozen.com      | Cozen O'Connor                    |        | 150 S. 5th Street, #1200<br>Minneapolis MN, 55402<br>United States           | Electronic Service |                           | No                | 23-524Official    |