STATE OF MINNESOTA
BEFORE THE PUBLIC UTILITIES COMMISSION

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In the Matter of Xcel Energy's Petition for Approval of Large General Time of Day Service and Large Peak-Controlled Time of Day Service Tariffs	Docket No. E-002/M-25-289

Supplemental Comments of the Citizens Utility Board of Minnesota

The Citizens Utility Board of Minnesota ("CUB") respectfully submits the following supplemental comments pursuant to the Minnesota Public Utilities Commission's ("Commission") Notice of New Supplemental Comment Period issued on October 31, 2025 in the above-referenced matter.

I. Introduction

Northern States Power Company d/b/a Xcel Energy ("Xcel" or the "Company") describes its proposal for new sub-classes and tariffs for Large General Time of Day and Large Peak Controlled Time of Day Service customers as seeking a balance "between attracting and serving new large load customers and protecting other customer classes."[1] CUB appreciates Xcel's efforts to develop its proposal, as well as the perspectives and input offered by stakeholders to effectuate this balancing of interests. On a fundamental level, parties agree the Company's tariffs should enable the reasonable provision of service to new large load entities while insulating other ratepayers from associated costs. It is with an eye towards ensuring the adequacy of ratepayer protections that CUB has reviewed Xcel's Petition and the comments submitted in this proceeding. In evaluating the Company's tariff proposal, Minnesota law requires the Commission to consider how best to achieve the following required outcomes:

(1) All costs attributable to new very large customers must be assigned to a very large customer class or subclass and not be borne by other rate classes;
(2) The electricity provided by the utility to very large customers must achieve each benchmark of Minnesota's carbon-free electricity standards, without recourse to delay or modification; and

[1] *In the Matter of Xcel Energy's Petition for Approval of Large General Time of Day Service and Large Peak-Controlled Time of Day Service Tariffs*, Docket No. E-002/M-25-289, Xcel Energy Reply Comments at 1 (Nov. 5, 2025) (hereinafter "Xcel Reply Comments").

(3) Other customers must not be placed at risk for paying stranded asset costs associated with serving the very large customer.[2]

The Commission is also authorized to consider and implement additional parameters or protections as necessary to ensure the tariff is in the public interest.[3] As detailed more fully throughout these supplemental comments, CUB finds several adjustments to the proposed tariffs and agreements are necessary to achieve these statutory requirements. To more fully protect residential customers from the anticipated costs associated with serving new large loads—and enable the continued advancement of Minnesota's carbon-free energy objectives—we respectfully request the Commission order the modification and revision of the tariff and its associated agreements as captured herein.

II. Analysis

A. Defining "Very Large Customers"

1. Industry-Wide Proceeding

Minnesota law requires the Commission to establish the definition and appropriate characteristics of a "very large customer" class or subclass for each public utility providing electric service by December 15, 2026.[4] In recognition of the fairly short amount of time available to conduct such a significant regulatory undertaking, CUB recommended that the Commission open an industry-wide docket to adopt standardized terminology.[5] Xcel objected to this approach, claiming it was unnecessary and that the characteristics of very large customers may differ for each individual utility.[6] In the context of developing clean energy tariffs, however, the Company expressed a preference for "effectuat[ing] the new law in a coordinated process for all utilities, not in an ad hoc fashion."[7]

CUB appreciates Xcel's concerns and its desire to timely move forward with the tariffed rate structure currently under consideration. We also recognize that utility-specific considerations should be accounted for when developing rates for new large loads. Our recommendation for an industry-wide proceeding was not meant to supplant these considerations, but was instead designed to establish consistent definitions and characteristics that could thereafter be incorporated into utilities' individual tariff proposals.

CUB is not opposed to foregoing an industry-wide docket. We expect the Commission will take reasonable precautions in establishing the definition and characteristics of very large customers in the instant proceeding, which will likely serve as a baseline for the development of tariff provisions by other utilities. If the Commission chooses not to initiate an industry-wide proceeding, we recommend that dockets be opened—and staggered—for each public utility providing electricity so that the

[2] Minn. Stat. § 216B.1622, Subd. 2.
[3] *Id*. at Subd. 2(4).
[4] *Id*. at Subd. 1.
[5] *In the Matter of Xcel Energy's Petition for Approval of Large General Time of Day Service and Large Peak-Controlled Time of Day Service Tariffs*, Docket No. E-002/M-25-289, Initial Comments of the Citizens Utility Board of Minnesota at 4 (Oct. 13, 2025) (hereinafter "CUB Initial Comments").
[6] Xcel Reply Comments at 5.
[7] *Id*. at 34.

definitions and characteristics of "very large customers" can be established prior to the statutory deadline.

1. **Megawatt Threshold**

The selection of an applicability threshold is particularly important when defining "very large customers," as it will determine not only which customers must receive service under utilities' large load tariffs, but also whether Minnesota's statutory protections will apply at all. Xcel has proposed to employ a 100 megawatt ("MW") applicability threshold for its Large General Time of Day Service and Large Peak Controlled Time of Day Service tariffs.[8] CUB remains concerned that strictly applying this threshold may be inadequate to protect customers from the financial risks associated with serving large load entities. As noted in our Initial Comments, there may be instances where a prospective load that falls below the threshold will nonetheless require substantial infrastructure upgrades prior to service being extended. The Minnesota Department of Commerce (the "Department"), Clean Grid Alliance, and the Environmental Law & Policy Center and Vote Solar ("ELPC") shared similar perspectives.[9] The Company's stated justifications for utilizing this threshold do not alleviate the concerns identified by CUB or other parties.

Xcel suggests this threshold is appropriate based on the Commission's directive that the tariff address "super-large" customers, the Legislature's use of 100 MW to define "data center" in Minn. Stat. § 216B.02, Subd. 11, and the Company's review of other utility offerings.[10] First, Xcel provides no analysis justifying the proposed 100 MW threshold. The Commission's order in Xcel's integrated resource plan ("IRP") proceeding did not establish a definition or threshold for classifying customers as "super-large."[11] While the Company acknowledges the possibility that customers falling below the 100 MW threshold could have outsized impacts on utility systems, it nonetheless relies on this undefined terminology to suggest the tariff provisions should not apply to those entities.[12]

Second, the Company's reliance on Minnesota law to set the threshold at 100 MW is misplaced. As previously noted, the ratepayer protections set forth in Minn. Stat. § 216B.1622, Subd. 2 are not limited to "data centers" as that term is defined in Minn. Stat. 216B.02, Subd. 11.[13] If the Legislature had sought to restrict protections based on this term and the associated 100 MW threshold, it could have done so. Instead, it directed the Commission to establish the definition and parameters of "very large

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[8] *In the Matter of Xcel Energy's Petition for Approval of Large General Time of Day Service and Large Peak-Controlled Time of Day Service Tariffs*, Docket No. E-002/M-25-289, Xcel Petition at 10 (Jul. 16, 2025) (hereinafter "Xcel Large Load Tariff Petition"); Xcel Reply Comments at 4.

[9] *In the Matter of Xcel Energy's Petition for Approval of Large General Time of Day Service and Large Peak-Controlled Time of Day Service Tariffs*, Docket No. E-002/M-25-289, Comments of the Minnesota Department of Commerce at 6 (Oct. 13, 2025) (hereinafter "Department Initial Comments"); Initial Comments of Clean Grid Alliance at 1-2 (Oct. 13, 2025) (hereinafter "CGA Initial Comments") (recommending that the applicability threshold should be "grounded in principles related to the daily realities of meeting the needs of such customers rather than on the relatively arbitrary 100-MW threshold"); Initial Comments of Environmental Law & Policy Center & Vote Solar at 3-5 (Oct. 13, 2025) (hereinafter "ELPC Initial Comments").

[10] Xcel Reply Comments at 4.

[11] *See generally In the Matter of Xcel Energy's 2024-2040 Upper Midwest Integrated Resource Plan*, Docket No. E-002/RP-24-67, Order Approving Settlement Agreement with Modifications (Apr. 21, 2025) (hereinafter "IRP Order").

[12] Xcel Reply Comments at 4.

[13] CUB Initial Comments at 6.

customers" for whom tariffs would need to be developed.[14] This grant of authority provides the Commission with flexibility to consider the various usage characteristics and cost impacts of prospective load additions to establish an applicability threshold that is the same or *different* from that used in Minn. Stat. § 216B.02. Whether a load addition is expected to have "outsized impacts on affordability, reliability, and clean energy goals and standards"—and therefore pose a significant financial risk to other ratepayers—is an appropriate consideration for the Commission to weigh when setting this definition.[15] These risks are inherent not only for loads of 100 MW or more, but also for lesser loads that necessitate substantial system investments.

Third, Xcel claims that a 100 MW threshold is appropriate because other utilities around the country have also selected this demand level for their large load tariffs.[16] While this is true, there are also multiple other thresholds that have been utilized, primarily ranging from 25 MW to 100 MW.[17] In its analysis of 33 different large load tariffs, the Public Staff for the North Carolina Utilities Commission found 76 percent employed thresholds below 100 MW.[18] For example, AEP Ohio's rate is tailored to data center loads exceeding 25 MW.[19] The Kansas Corporation Commission also approved a 75 MW threshold for Evergy as part of unanimous settlement, which was a reduction from the utility's originally proposed 100 MW threshold.[20] The Missouri Public Service Commission similarly established a 75 MW threshold for Ameren Missouri, despite state law only requiring large load rate schedules for customers with annual peak demands of 100 MW or more.[21] ELPC notes that ComEd has proposed a 50 MW threshold for "large demand" customers in Illinois,[22] and Clean Grid Alliance ("CGA") indicates the large load tariffs for Dominion Energy Virginia and Indiana Michigan Power Company employ 25 MW and 70 MW applicability thresholds, respectively.[23] Apart from generally referencing several utilities that utilize a 100 MW threshold, Xcel does not provide any basis or reasoning for why this level of demand is more or less appropriate than alternatives.

Lastly, Xcel states that its existing tariffs and resource planning processes "have been in place for many years" and are sufficient to address system impacts and serve customers with different energy needs.[24] But the addition of new large loads represents a radical shift from historic norms. As the Company itself has acknowledged, very large customers are "fundamentally different customers than

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[14] Minn. Stat. § 216B.1622, Subd. 1.
[15] Department Initial Comments at 6.
[16] Xcel Reply Comments at 4, n. 11.
[17] *See*, *e.g.*, Wood Mackenzie, *Excerpt: Load Growth on Utility Terms: A Comparative Analysis of Large Load Tariffs* at 7 (Jun. 2025).
[18] *In the Matter of Electric Large Load Additions*, Docket No. E-100, Sub 208, Comments of the Public Staff at 15 (Aug. 21, 2025).
[19] *In the Matter of the Application of Ohio Power Company for New Tariffs Related to Data Centers and Mobile Data Centers*, Case No. 24-508-EL-ATA, Opinion and Order (Jul. 9, 2025).
[20] *In the Matter of the Application of Evergy Kansas Metro, Inc., Evergy Kansas South, Inc., and Evergy Kansas Central, Inc. for Approval of Large Load Service Rate Plan and Associated Tariffs*, Docket No. 25-EKME-315-TAR, Order Approving Unanimous Settlement Agreement (Nov. 6, 2025).
[21] *In the Matter of the Application of Union Electric Company d/b/a Ameren Missouri for Approval of New Modified Tariffs for Service to Large Load Customers*, File No. ET-2025-0184, Order Regarding Ameren Missouri's Request for Approval of a Large Load Rate Plan and Associated Variance at 3-4 (Nov. 24, 2025).
[22] ELPC Initial Comments at 4.
[23] CGA Initial Comments at 2 (internal citations omitted) (noting also that Dominion Energy Virginia's 25 MW applicability threshold is paired with a load factor threshold of 75 percent).
[24] Xcel Reply Comments at 4.

those typically served by the Company," such that extending service is "likely to cause specific, significant changes to the Company's resource plan and mix that are largely incomparable to any previous customer type."[25] OAG further describes these loads as "transformational" because they are "quantitatively and qualitatively different" than incremental load additions that can be effectively managed through existing ratemaking processes.[26] These differences do not automatically disappear when demand drops below 100 MW. What does change, based on the Company's proposal, is whether other customers will be protected from the financial and stranded asset risks associated with serving new large loads.

Given these various concerns, CUB recommends the Commission adopt a 75 MW threshold for determining which new loads are automatically considered very large customers for the purposes of Minn. Stat. § 216B.1622. We also recommend the Commission adopt a lower threshold that allows new customers with loads of at least 50 MW to be considered for inclusion as very large customers if they are expected to have an outsized impact on the Company's system. To accomplish this, we recommend the Commission mirror the structure recently approved for Dakota Electric Association's ("Dakota Electric") extension of service tariff.[27] New loads taking service at a voltage other than 12.5 kV automatically fall under Dakota Electric's tariff, while other customers could become subject to its provisions if extending service will "involve significant system modifications, design, and/or engineering."[28] As Dakota Electric explained, solely employing load size for determining tariff applicability "likely would not capture unique scenarios where a prospective load could fall below a fixed criteria but nonetheless require significant system modifications that warrant being included under the proposed tariff requirements."[29]

To implement a similar "system intensive" structure, we recommend the Commission require Xcel to submit a compliance filing whenever a new customer meeting or exceeding 50 MW of load—but falling below the automatic applicability threshold, whether that be 75 MW or 100 MW—seeks to interconnect to the Company's system. As part of this filing, Xcel should provide its explanation and reasoning for whether the new customer is "system intensive" (i.e. requiring significant system modifications, design, engineering, or other expenditures prior to receiving service). If Xcel determines the customer is system intensive, they should be treated as a very large customer and be required to take service under the large load tariffs currently under consideration. If the customer is not system intensive, the compliance filing should detail how that determination was made. Both the customer and stakeholders could comment pursuant to the miscellaneous filing provisions of Minn. R. 7829.1400 if they take issue with the Company's designation.

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[25] Xcel Reply Comments at 17.
[26] *In the Matter of Xcel Energy's Petition for Approval of Large General Time of Day Service and Large Peak-Controlled Time of Day Service Tariffs*, Docket No. E-002/M-25-289, Comments of the Office of the Attorney General – Residential Utilities Division at 3 (Oct. 13, 2025) (hereinafter "OAG Initial Comments").
[27] CUB Initial Comments at 6-7.
[28] *In the Matter of the Petition of Dakota Electric Association to Modify its Extension of Service Tariff*, Docket No. E-111/M-25-178, Dakota Electric Association Response to Supplemental Comments, DEA Attachment S-1 at 3 (Sep. 2, 2025).
[29] *In the Matter of the Petition of Dakota Electric Association to Modify its Extension of Service Tariff*, Docket No. E-111/M-25-178, Dakota Electric Association Reply Comments at 6 (Jul. 29, 2025).

CUB sees this as a reasonable option for ensuring very large customer loads that pose financial and stranded asset risks to other ratepayers are subject to the ratepayer protections of Minn. Stat. § 216B.1622, even if they fall below a strict MW threshold.

2. **Aggregation Determinations**

Xcel has proposed to exercise discretion in determining whether facilities owned by the same parent company should be aggregated to determine "very large customer" classifications. CUB generally supports the concept of aggregation and believes it is a necessary condition to ensure proper application of the statutory protections contained in Minn. Stat. § 216B.1622.[30] As detailed in our Initial Comments, however, we questioned whether providing the Company with sole discretion over these aggregation determinations is appropriate.[31] Both Xcel and the Data Center Coalition ("DCC") responded to our comments.[32] The perspectives they shared have led us to slightly modify our position to enable a degree of flexibility in aggregation decisions, while still providing sufficient Commission oversight.

Both DCC and Xcel explained that the negotiation process entails sharing extensive information about parent, subsidiary, and affiliate relations such that identification of aggregation-eligible facilities should not be an issue.[33] CUB appreciates this clarification but remains concerned about situations where facility ownership changes during the contract term. For example, there may be instances where a third party constructs a facility that does not, individually, meet the applicability threshold for being considered a very large customer.[34] If that facility is subsequently sold to another company that owns multiple premises which, together, exceed the large load threshold, then the aggregation decision may need to be revisited—and a new ESA may need to be executed—to ensure that the purchaser is paying for electricity under the appropriate tariffed rate.

Xcel objects to the idea of mandatory aggregation.[35] The Company relies on two examples to illustrate why discretion may be warranted. Under the first scenario, facilities owned by the same customer might be constructed "in different parts of the Company's service territory and not be served by the same generation resources or transmission resources."[36] In the second scenario, a single customer may own numerous premises that are "unquestionably not 'super large' but could possibly be aggregated" to meet the applicability threshold for the large load tariff.[37] We agree with the Company that aggregation under these conditions might not be practicable or reasonable, and that individual

[30] *See* ELPC Initial Comments at 4 (taking a similar position as CUB and expressing concern about the "potential for these customers to disaggregate their facilities to avoid the 100 MW size classification").
[31] CUB Initial Comments at 7.
[32] Xcel Reply Comments at 5-6; *In the Matter of Xcel Energy's Petition for Approval of Large General Time of Day Service and Large Peak-Controlled Time of Day Service Tariffs*, Docket No. E-002/M-25-289, Reply Comments of Data Center Coalition at 11-12 (Nov. 5, 2025) (hereinafter "DCC Reply Comments").
[33] Xcel Reply Comments at 6; DCC Reply Comments at 11.
[34] CUB Initial Comments at 7.
[35] Xcel Reply Comments at 6.
[36] *Id*.
[37] *Id*.

determinations should be made based on the unique circumstances of the customer and the expected impacts on the utility system.

Nonetheless, we believe minor changes to Xcel's approach towards aggregation would increase transparency and enable appropriate review by stakeholders and the Commission. CUB recommends that Xcel be required to submit a compliance filing any time the total load of a parent company and its subsidiaries exceeds the applicability threshold for very large customers, and either the Company chooses not to aggregate the facilities or the customer disputes the Company's aggregation determination. After the compliance filing is submitted, stakeholders would be permitted to comment pursuant to the miscellaneous filing provisions of Minn. R. 7829.1400.

The compliance filing should explain and justify the Company's aggregation decisions. If facilities are *not* aggregated, it would permit stakeholders an opportunity to review the reasonableness of that determination and raise concerns if necessary. If facilities *are* aggregated, it would provide the customer an opportunity to challenge that determination as requested by DCC.[38] We do not believe such a filing is necessary if both the Company and the customer agree to aggregation, as the specifics of that decision would be incorporated into the ESA proposal brought forward for Commission review.

B. Costs Attributable to Very Large Customers

1. Mid-Term Expansions or Modifications

CUB and the Department raised concerns about the potential addition of load during the pendency of the ESA term, and how those costs would be treated.[39] Xcel concurred with the Department that the Commission should be notified of any increases in capacity.[40] The Company also committed to bringing forward an ESA modification request if necessary to uphold the terms of the agreement, including pricing.[41]

CUB appreciates Xcel's responsiveness to this issue. In addition to submitting a compliance filing or modification request, we recommend that the Company explicitly state in its tariffs and agreements that the costs of system upgrades or modifications necessitated by the expansion of service to the customer will be borne by that entity and not other ratepayer classes. As explained in our initial comments, this language is currently absent from the proposed agreements.[42] Incorporating this provision would ensure the transparency and consistency of ratepayer protections and provide notice to the customer about how such costs would be treated.

CloudHQ filed reply comments suggesting that the inclusion of such a provision would "go further than the [incremental cost test] proposed by the Company."[43] We disagree. As proposed, Xcel's incremental cost test is based on the anticipated costs and revenues of serving a very large customer

[38] DCC Reply Comments at 10-11.
[39] CUB Initial Comments at 8; Department Initial Comments at 18.
[40] Xcel Reply Comments at 12.
[41] *Id*. at 12-13.
[42] CUB Initial Comments at 8.
[43] *In the Matter of Xcel Energy's Petition for Approval of Large General Time of Day Service and Large Peak-Controlled Time of Day Service Tariffs*, Docket No. E-002/M-25-289, CloudHQ Reply Comments at 4 (Nov. 5, 2025).

at its contracted level of load when the ESA is executed.[44] If a customer's capacity needs increase, then the initial incremental cost test would no longer reflect the level of anticipated costs and revenues associated with serving the customer. While Xcel's proposed true-up mechanism could account for minor variances, it is not designed to address these sorts of fundamental changes. To the extent additional infrastructure is needed to accommodate the new load, then costs could increase at a rate that significantly exceeds revenues. Further, such a change would alter the calculations for multiple different protection mechanisms, including minimum demand charges, capacity reduction fees, and exit fees. The impetus for including the above language is not to expand the focus of the incremental cost test, but to account for the possibility of changed circumstances that would substantially alter the reasonableness of the ESA and the charges assessed against the customer.

2. Rate Case and Rider Expenses

As part of its IRP order, the Commission required Xcel to discuss how new electric service agreements and large load additions would be incorporated into future rate cases.[45] Initially, the Company responded that its proposed incremental cost test and tariffed rate structure were designed to operate externally to the rate case to enable the timely integration of these customers onto its system.[46] Numerous parties questioned the reasonableness of this process, including CUB.[47] Given that class contributions to system expenses—and the allocation of those costs—are determined in rate cases, we questioned how incremental and embedded costs could be appropriately recovered from large load customers between proceedings.[48] The OAG further noted that, even once a rate case is brought forward, traditional cost allocation methodologies may be insufficient to prevent the subsidization of very large customers by other ratepayer classes.[49]

The potential inadequacy of traditional ratemaking practices is especially relevant to utility riders. As discussed in our Initial Comments, substantial infrastructure expenses flow through these mechanisms and are allocated to each class or sub-class based on their relative contributions to system expenses.[50] If cost allocation factors—which are typically determined in rate case proceedings—are not timely updated when a very large customer comes online, then other rate classes could pay more than their fair share until those changes can be incorporated. The Department expressed similar hesitancy, noting that "failure to update cost allocation factors in an accurate or timely manner has the potential to produce inequities" due to out-of-date class cost of service studies.[51]

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[44] *See*, *e.g.*, Xcel Large Load Tariff Petition at 3, 18.
[45] IRP Order at 26.
[46] Xcel Large Load Tariff Petition at 18.
[47] ELPC Initial Comments at 17; OAG Initial Comments at 11; OAG Reply Comments at 16-19; Department Initial Comments at 26, 29; CUB Initial Comments at 9-10.
[48] CUB Initial Comments at 10.
[49] OAG Initial Comments at 11, 16-19; OAG Reply Comments at 10-11.
[50] CUB Initial Comments at 9, 10.
[51] Department Initial Comments at 29.

In response to these concerns, the Company indicated it would "apply the changes in load characteristics of the large load customer to class allocations for annual rider filings as the load comes online."[52] These annual updates will facilitate more accurate recovery of rider costs between rate cases. Depending on when a very large customer comes online, however, there could nonetheless be a lag between when those loads are integrated onto the Company's system and when updated allocation factors are adopted by the Commission. While it would be preferable for those cost allocations to be revised immediately once the customer comes online, we recognize that may not be feasible. Our understanding is the true-up provisions Xcel intends to include with its ESA filings could account for this possibility and provide a refund to other rate classes for the interval during which rider costs are under-recovered from the very large customer. We believe this a reasonable approach and appreciate the Company's attention to the matter.

C. Acquisition of Energy Resources

Several parties raised questions about whether Xcel's proposed tariffs and agreements would permit very large customers to own and operate behind-the-meter ("BTM") generation.[53] In its response, the Company confirmed that very large customers are allowed to own and operate back-up generation once they have executed a distributed energy resource ("DER") interconnection agreement.[54] However, they are not allowed to "replace the firm service portion of the service it has contracted for with its own generation."[55] CGA and ELPC further recommended that processes be developed to foster innovative deployments of carbon-free generation.[56] Xcel rejected these ideas in favor of utilizing its existing IRP processes and developing an optional carbon-free electricity tariff.[57]

CUB shares parties' interests in bringing carbon-free resources online in a timely and efficient manner that limits other customers' exposure to financial and stranded asset risks. As Xcel has indicated, the Company intends to treat generation resources acquired for the purpose of serving very large customers as system resources whose costs will be allocated to all ratepayer classes.[58] While this may have historically been an appropriate and reasonable method for recovering the costs of infrastructure projects, the scale at which new large loads are being brought online begs the question of whether different resource procurement and cost allocation approaches might be better suited to protecting ratepayers. In particular, the consulting and research firm Wood Mackenzie has suggested that existing cost recovery options may be insufficient to protect both the utility and its customers from stranded asset risks associated with new generation.[59]

[52] Xcel Reply Comments at 29.
[53] Department Initial Comments at 30; ELPC Initial Comments at 12; CGA Initial Comments at 14-16; CUB Initial Comments at 10-11.
[54] Xcel Reply Comments at 31.
[55] *Id*.
[56] ELPC Initial Comments at 12; CGA Initial Comments at 12-16.
[57] Xcel Reply Comments at 34.
[58] *See id*. at 28, 30.
[59] Wood Mackenzie, *Excerpt: Load Growth on Utility Terms: A Comparative Analysis of Large Load Tariffs* at 2 (Jun. 2025).

For this reason, we are concerned with Xcel's insistence on treating all generation resources as system resources, and its reliance on the IRP process to make all decisions about new generation procurements.[60] As extensively detailed by CGA, alternative resource procurement structures could include co-ownership of generation resources, renewable PPAs entered into on behalf of the very large customer, wholesale market access, and a variety of other innovative approaches that could limit other customers' exposure to stranded asset risks.[61] While we do not comment on any of these specific proposals, we fear that Xcel's current approach could foreclose opportunities that would reasonably insulate the Company and its existing customers from the costs of new generation necessitated by very large customers.

One possible option for carrying out these innovative approaches to resource procurement is to have them flow through the clean energy and capacity tariff required by Minnesota statute and the Commission's IRP order.[62] By law, the tariff must prohibit cost shifting and require participating customers to pay for "all proportional costs associated with the addition of the new clean energy or capacity resources."[63] In this way, the tariff would function in a similar manner to the protections in Minn. Stat. § 216B.1622 and provide an alternative means of mitigating financial risks to other ratepayers. For this reason, we believe the tariff should be developed and implemented on a timeline that coincides with when new large load customers could come online. CUB therefore agrees with CGA and the Department that a deadline should be established for the Company to file its proposal.[64] We recommend adopting the Department's proposal for a deadline of December 1, 2026.[65]

D. Peak-Controlled Demand Response

CUB raised questions in Initial Comments about how the Peak-Controlled Time of Day Service tariff would operate, and whether additional parameters should be required as a condition of its approval.[66] In particular, we questioned whether it was appropriate to provide substantially discounted rates to very large customers in the absence of a minimum threshold for the number of load control events called.[67] DCC objected to this approach and suggested that load control events are designed to "ensure reliability or reduce the costs associated with serving peak demand" and that implementing a minimum threshold could result in a situation where loads could be curtailed when unnecessary for these purposes.[68] Xcel further clarified that the Company requires a minimum of one curtailment test annually, but otherwise does not call events unless necessary.[69]

To be abundantly clear, CUB is not suggesting that load control events be needlessly or arbitrarily called. We recognize the value inherent in having curtailable loads available during times of peak

[60] Xcel Reply Comments at 28, 30, 34.
[61] CGA Initial Comments at 8-14.
[62] Minn. Stat. § 216B.1623; IRP Order at 25-26.
[63] Minn. Stat. § 216B.1623.
[64] CGA Initial Comments at 7; Department Initial Comments at 23.
[65] Department Initial Comments at 23.
[66] CUB Initial Comments at 11-12.
[67] *Id*. at 12.
[68] DCC Initial Comments at 25.
[69] Xcel Reply Comments at 30-31.

demand or high energy prices and appreciate Xcel's proposal for a Large Peak-Controlled tariff. Our concern is over whether it is appropriate for very large customers to receive substantial demand charge discounts if events are rarely or never called. As reported by Xcel in its 2024 annual report on performance metrics, the Company had 860 MW and 174,619 MWh of load-shedding capacity available, but only called "0 Gen. MW and 2,563 Gen MWh."[70] If load control events continue to be minimally called, the system value associated with very large customers' interruptible loads could be limited. For this reason, we believe it is imperative to implement reasonable tariff parameters to better align generation and load. Requiring a minimum number of load control events is a starting point for this objective. Further, the customer's choice of rate—whether that be Large General Time of Day Service or Large Peak-Controlled Time of Day Service—should be reflected in the incremental cost tests conducted by the Company to ensure that revenues sufficient to offset costs are collected, even if the customer receives a reduced demand charge.

Our recommendation to develop a "minimum interruptible threshold" is not meant to force unnecessary curtailment events. As DCC acknowledged, load control events can bolster grid reliability and provide a reasonable opportunity to lower costs associated with peak demand *if* load is curtailed.[71] A minimum threshold ensures those benefits accrue to the Company's system. This threshold could be tied to forecasted coincident peak days to reduce exposure to high electricity costs and/or mitigate the need to build new generation to serve peak load. Approaching the threshold in this manner would also ensure events are not called "when there is no reason or need to reduce demand."[72]

This would have the added benefit of mitigating our concerns related to large load operations that opt to have a significant amount of their demand subject to control. Our worry about entities with flexible demand requirements is that they could "choose a nominal amount of firm demand and pay substantially reduced prices for their remaining controllable demand," even if control events are minimally called.[73] If not adequately accounted for in the incremental cost test, this could result in revenue recovery that fails to offset expenses, raising the risk that other customers will subsidize those costs. Implementing a minimum interruptible threshold for load control events would lessen this concern, as the discount provided to the customer would be more reflective of system benefits. Further, by including the customer's choice of rate in the incremental cost test, the Company can ensure sufficient revenues are collected even if the customer receives a discounted demand charge.

Lastly, we agree with Xcel that the Company should retain flexibility over when load curtailment events are called.[74] Google previously recommended that such events be permitted only during instances when "MISO deploys similar resources during its emergency procedures."[75] However, and as explained

[70] *In the Matter of the Commission Investigation to Identify and Develop Performance Metrics and Potentially, Incentives for Xcel Energy's Electric Utility Operations*, Docket No. E002/CI-17-401, 2024 Annual Report, Att. A at 3 (Apr. 30, 2025).
[71] DCC Reply Comments at 25.
[72] *Id*.
[73] CUB Initial Comments at 12.
[74] Xcel Reply Comments at 15.
[75] Google Initial Comments at 11.

by Xcel, large load customers pose unique operational and reliability risks that may be present even in the absence of a regional emergency.[76] Further, the Large Peak Controlled tariff is designed to be used not only for addressing reliability risks, but also for economic purposes when energy prices are high or the utility is subject to increased market exposure.[77] Economic curtailment is an important tool to mitigate cost impacts for very large customers and the utility's other ratepayers.

Nonetheless, we recognize there is value associated with reliability-based control events, and do not want very large customers' wariness about economic curtailment to prevent them from enrolling in the Large Peak Controlled tariff. For this reason, we are not opposed to a curtailment option focused solely on reliability concerns, so long as the offering does not replace the tariff framework currently under consideration. Instead, the Company could offer a third "tier" that provides a modest demand charge reduction, requires no minimum interruptible threshold, and commits customers to curtailing only during events called for reliability or emergency purposes. This ensures economic curtailment remains an option for the Tier 1 and Tier 2 customers, while simultaneously maximizing the amount of curtailable load available at times of great system need.

E. Protections Against Stranded Asset Risks

1. Term Lengths

Xcel proposes to institute a minimum contract term length of 15 years, inclusive of a load ramp period of up to five years.[78] As previously discussed, CUB is concerned that employing term lengths that do not align with the asset life of generating resources could result in stranded asset risks being borne by other utility customers.[79] Both the Department and Clean Grid Alliance expressed similar wariness, with the Department suggesting the contract should last for "the full depreciation term of the infrastructure investments or assets needed to serve the specific load."[80]

CUB continues to believe that a 15-year contract term may be insufficient to adequately protect other ratepayers. This is especially true of instances where generation and other infrastructure assets are treated as system resources, the costs of which are not solely borne by the large load customer.[81] In such circumstances, the useful life of the asset—and its associated depreciation schedule—could extend well beyond the contractual term proposed by the Company. For example, recent benchmarks indicate useful life expectations for wind turbines and utility-scale solar increased to approximately 30 and 32.5 years, respectively, by 2019.[82] This is a substantial change from the roughly 20-year project life expected of these resources in the early 2000s.[83] Consequently, if a very large customer chooses

[76] Xcel Reply Comments at 15.
[77] Xcel Large Load Tariff Petition at 8.
[78] *Id*. at 10-11; Xcel Reply Comments at 6-7.
[79] CUB Initial Comments at 4-5.
[80] Department Initial Comments at 8.
[81] *See*, *e.g.*, DCC Reply Comments at 22 (noting that "Xcel will not be building or procuring generation resources that will be dedicated solely to a single large customer or even dedicated solely to the large customer class or subclass").
[82] Ryan Wiser & Mark Bolinger, LBNL, *Benchmarking Anticipated Wind Project Lifetimes* (Sep. 2019); Ryan Wiser et al., LBNL, *Benchmarking Utility-Scale PV Operational Expenses and Project Lifetimes* (Jun. 2020).
[83] *Id*. (noting that the average project life of wind resources was approximately 20 years in the early 2000s; utility-scale solar PV had an average project life of 21.5 years in 2007).

not to renew its contract after the end of the Company's proposed 15-year term, substantial infrastructure costs could remain unrecovered – costs that would not have been necessitated but for the entrance of the large load customer on the utility's system. Xcel's proposal to implement minimum demand charges, exit fees, capacity reduction fees, and other relevant surcharges is designed to reduce these financial risks, but is not likely to eliminate them entirely.[84] For this reason, selecting and enforcing an appropriate minimum term length is essential to further mitigating stranded asset risks.

Recent examples of tariff provisions in other states suggest a minimum contract term that is slightly longer than 15 years would not only be feasible, but would maintain the competitiveness of the Company's offering. For example, the Kentucky Public Service Commission ("KPSC") approved a minimum contract term of 20 years, with a 5-year notice period for termination.[85] In doing so, KPSC described the long-term contractual commitment as a "necessary safeguard" for both the utility and ratepayers that would "appropriately balance . . . [the] need to ensure financial stability . . . and the need to protect existing customers from potential stranded costs."[86] The Florida Public Service Commission likewise voted to approve a 20-year minimum term.[87] In Kansas, Missouri, and West Virginia, tariffs were approved that set a minimum contract term of 12 years, plus a potential 5-year ramp up period, for a total of 17 years.[88] Ultimately, the development and implementation of longer contract terms would better align with the asset lives of infrastructure constructed to serve large load customers and provide greater certainty around cost recovery.

For the foregoing reasons, CUB recommends that the Commission adopt a minimum contract term of between 18 and 20 years. Such a term would be consistent with provisions adopted in other jurisdictions and mitigate stranded asset risks better than a 15-year contractual commitment. This would not foreclose the possibility of a longer-term contract if necessary to sufficiently insulate existing ratepayers from the financial risks related to the entrance of new large load customers. As discussed more fully below, this would instead represent a minimum term length that could be extended by individual ESAs as appropriate.

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[84] *See*, *e.g.*, Wood Mackenzie, *Excerpt: Load Growth on Utility Terms: A Comparative Analysis of Large Load Tariffs* at 2, https://go.woodmac.com/l/131501/2025-06-04/34dsdr/131501/1749052207yNze32RU/Wood_Mackenzie_Load_growth_on_utility_terms_June0325.pdf (Jun. 2025) (stating that "[u]tilities cannot protect both shareholders and other customers from stranded asset risk unless the assets are not theirs," in part due to "minimum contract terms . . . nearly always [being] shorter than generation asset life, without factoring in customers' early exit option").

[85] *In the Matter of the Electronic Tariff Filing of Kentucky Power Company to Revise its Industrial General Service Tariff*, Case No. 2024-00305, Order of the Kentucky Public Service Commission at 3 (Mar. 18, 2025).

[86] *Id*. at 5.

[87] *See*, *e.g.*, *In the Matter of the Petition for Rate Increase by Florida Power & Light Co.*, Docket No. 20250011-EI, Florida Public Service Commission Vote Sheet for Nov. 20, 2025 Commission Conference at 3 (Nov. 20, 2025); Staff Overview and Summary at 4 (Nov. 14, 2025).

[88] *In the Matter of the Application of Evergy Kansas Metro Inc., Evergy Kansas South Inc., and Evergy Kansas Central, Inc. for Approval of Large Load Service Rate Plan and Associated Tariffs*, Docket No. 25-EKME-315-TAR, Order Approving Unanimous Settlement Agreement at 3 (Nov. 6, 2025); *In the Matter of the Application of Union Electric Company d/b/a Ameren Missouri for Approval of New Modified Tariffs for Service to Large Load Customers*, File No. ET-2025-0184, Order Regarding Ameren Missouri's Request for Approval of a Large Load Rate Plan and Associated Variance at 4 (Nov. 24, 2025); *In the Matter of the Application for Approval for Revisions to Schedules LCP and IP by Appalachian Power Company and Wheeling Power Company*, Case No. 24-0611-E-T-PW, Public Service Commission of West Virginia Order at 5 (Mar. 25, 2025).

2. "Minimum" Nature of Term Lengths

We appreciate Xcel's suggestion that longer-term contracts could be required if necessary to recover revenues sufficient to offset costs and mitigate stranded asset risks.[89] However, the Company has also indicated that its 15-year term requirement would not treated as a "minimum," but instead as a "suggested" term period, with shorter contracts potentially being negotiated with large load customers.[90] This does not comport with the plain language definition of "minimum," which means "the least quantity assignable, admissible, or possible."[91] Nor does it align with the Company's proposed tariff language that contracts be "at least" 15 years in length.[92]

We do not believe it is reasonable or appropriate to subordinate ratepayer protections to contractual negotiations. For this reason, we respectfully request the Commission clarify and enforce the minimum nature of term lengths regardless of the time period (i.e. 15 years or 18-20 years) ultimately selected.[93]

3. "Additional Revenue" Collection

CUB's alternative recommendations of accelerating depreciation for customer-specific resources or implementing end-of-term capacity reduction or exit fees were premised on the understanding that certain expenses may remain outstanding at the end of the contract term.[94] If these expenses are fully paid down over the contract term, we do not believe these sorts of additional parameters would be necessary. These potential options were not meant to force contract renewal, but were instead raised as hypothetical "true-up" scenarios, whereby any unrecovered costs associated with the very large customer's entrance onto the system are paid down at the end of the contract term so that other ratepayers are not bearing the risks of stranded assets, a condition required by Minnesota law.[95] For this reason, we take issue with DCC's characterization that such provisions are meant to "penalize[] a customer for not renewing the contract."[96] To the contrary, they were proposed as potential methods to ensure large load customers provide revenues sufficient to offset the cost of serving them during the initial contract term.

Based on Xcel's Reply Comments and its response to information requests, it appears as though the Company envisions its proposed tariff and ESA provisions will function in a similar manner, with the requirement that large loads provide "additional revenues" if the tariffed rate is insufficient to recover

[89] DOC IR 003 (included as attachment to CUB Initial Comments).
[90] *See* Att. B, CEO IR 005 (stating that "[i]f the Company identifies a situation in which an ESA of less than fifteen (15) years would bring material benefit to system customers, we may consider bringing forward such an agreement for Commission review and approval").
[91] Minimum, Merriam-Webster, https://www.merriam-webster.com/dictionary/minimum (last accessed Nov. 17, 2025).
[92] Xcel Large Load Tariff Petition at 10, Att. A at 2, Att. B at 2; *see also* Least, Merriam-Webster, https://www.merriam-webster.com/dictionary/least (last accessed Nov. 17, 2025) (defining "least" as "smallest in size or degree").
[93] CUB also respectfully notes that the terms "minimum" and "at least" are used in other contexts throughout Xcel's proposed tariff, including in relation to the recovery of incremental costs and the assessment of demand charges. The Commission may wish to clarify how such terms are applied in these contexts as well.
[94] CUB Initial Comments at 5.
[95] Minn. Stat. § 216B.1622, Subd. 2(4).
[96] DCC Reply Comments at 24.

the costs necessary to interconnect and serve the customer.[97] Xcel has indicated that any ESA brought forward by the Company would detail the specific costs and revenues expected from the customer, as well as the rationale associated with cost recovery or the imposition of a surcharge.[98] These "additional revenues" would be recovered from the customer—and trued up at a regular cadence—over the term of the ESA to enable sufficient cost recovery and mitigate risks to other rate classes.[99] It is our understanding that this "true-up" would prevent the need for a lump-sum payment of additional revenues (as contemplated through our alternative recommendations) at the end of the contract term. If early termination of the contract were to occur, however, these charges would become due and payable in addition to any exit fee.[100] To make this abundantly clear, we would recommend that Xcel incorporate the language proposed in its response to the Department's Information Request No. 10, which states that the exit fee must be paid, "plus the remaining incremental cost fee(s) that may be due and owing as of the Termination Date as provided in Exhibit C."[101] This would help provide adequate clarity around how these surcharges would be treated in the event of early contract termination.

III. Conclusion

CUB appreciates the significant efforts undertaken by Xcel and stakeholders to develop a tariff proposal to reasonably extend service to very large customers while mitigating costs and risks to other ratepayers. We respectfully request that the Commission adopt the following recommendations to ensure the adequacy of ratepayer protections:

1. Open an industry-wide docket to establish standardized terminology regarding the definition and characteristics of "very large customers."

OR

2. Open new dockets for each public utility providing electricity for the purpose of establishing the definition and characteristics of "very large customers" prior to the Minn. Stat. § 216B.1622, Subd. 1 deadline of December 15, 2026.

3. Establish an applicability threshold that treats new loads of at least 75 megawatts as "very large customers" that must receive service under Xcel's Large General Time of Day Service Tariff or Large Peak Controlled Time of Day Service Tariff.

4. Establish a "system intensive" threshold that allows new loads of at least 50 megawatts or more to be considered for inclusion as "very large customers" if they are expected to have an outsized impact on the Company's system.

[97] Xcel Large Load Tariff Petition at 3, 18; Xcel Reply Comments at 20-21, 28.
[98] Xcel Reply Comments at 30.
[99] *Id*. at 19, 23, 28.
[100] *Id*. at 22; Att. A, DOC IR 010.
[101] Att. A, DOC IR 010.

a. Require Xcel to submit a compliance filing whenever a customer meeting or exceeding 50 MW of load—but falling below the automatic applicability threshold—seeks to interconnect to the Company's system. As part of this filing, Xcel must explain its reasoning for whether the new customer is "system intensive." System intensive customers are those that will require significant system modifications, design, engineering, or other expenditures prior to receiving service.

b. If a customer is designated as system intensive, they will be treated as a "very large customer" for the purposes of Minn. Stat. § 216B.1622 and will be required to take service under Xcel's Large General Time of Day Service Tariff or Large Peak Controlled Time of Day Service Tariff.

5. Require Xcel to explicitly state in its tariffs and agreements that the costs of system upgrades or modifications necessitated by the expansion of service to the very large customer will be borne by that entity and not other ratepayer classes.

6. Require Xcel to incorporate revised allocation factors into annual rider filings as new very large customers come online.

7. Require Xcel to track the and refund the difference in rider recovery between when a very large customer comes online and when new allocation factors are adopted by the Commission.

8. Require Xcel to file a clean energy and capacity tariff proposal by December 1, 2026.

9. Require Xcel to establish a minimum interruptible threshold for its Large Peak Controlled Time of Day Service Tariff.

10. Establish a minimum term-length for Xcel's energy supply agreements of between 18 and 20 years.

11. Require Xcel to incorporate language in its tariffs and agreements which clarifies that customers exercising early termination must pay the applicable exit fees "plus the remaining incremental cost fee(s) that may be due and owing as of the Termination Date as provided in Exhibit C."

Sincerely, December 5, 2025

/s/ Brandon Crawford
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Xcel Energy		Information Request No.	10
Docket No.:	E002/M-25-289		
Response To:	Minnesota Department of Commerce		
Requestor:	Andrew Bahn, Steve Rakow, John Kundert, Rachel Wiedewitsch		
Date Received:	September 4, 2025		

Question:
Topic: Large General Time of Day Service and Large Peak Controlled Time of Service Tariffs
Reference(s): Exit Fee – Petition, p. 11. Attachment G

"If additional revenues are required through the Incremental Cost Test analysis, the customer would be required to pay for the remainder of those revenues as part of the exit fee."

1. Please identify the language and section in the ESA (Attachment G) that ensures the additional revenues as required through the incremental cost test analysis will be part of the exit fees.
2. Please confirm that "additional revenues required the Incremental Cost analysis" include any additional revenues remaining to be collected for the "interconnections cost requirements" identified in the resource planning analysis. If additional revenues from the interconnection cost requirements are not included in the "Incremental Cost Test analysis" please identify that language and section in the ESA that ensures these additional revenues will also be part of the exit fees.

Response:
1. The Company included section 16.3 in the Electric Service Agreement (ESA). The phrase "In addition to any revenue or other fees that may be due and owing," contemplates payment of any additional fees, which would include incremental cost fees. If additional clarity is required, we would recommend amending Section 16.3 to add the following at the end of the paragraph: "; plus the remaining incremental cost fee(s) that may be due and owing as of the Termination Date as provided in Exhibit C."

> *16.3 Exit Fee. In the event of termination by Customer under Section 16.1 (ii)(b) and termination by Company due to Customer breach under 16.1(iii), Customer shall pay to Company an Exit Fee (a) in the case of termination pursuant to 16.1(ii)(b) 24*

months from the date of the Termination Notice, or (b) in the case of termination pursuant to 16.1(ii) within 30 days of the Termination Date, calculated as follows: In addition to any revenue or other fees that may be due and owing, the total of (i) the current effective Tariff rates on-peak demand charges contained in Exhibit B multiplied by (ii) seventy-five percent (75%) of the Contract Capacity multiplied by (iii) the "Termination Fee Period" defined for this Section 16.3 as the lesser of the remaining contract months in Article 10 or 120 months, as liquidated damages and not as a penalty.

2. As discussed in the Company's response to Department Information Request No. 8 (question 2), interconnection costs are paid by the customer. Interconnection Costs are identified in the Interconnection Agreement and section 4.05 of the ESA which provide the terms of final payment for Interconnection cost (see below), so Interconnection costs will not be included in the Incremental Cost Test or the Exits Fees.

Section 4.05 Final Invoice.

(a) Within six (6) months after completion of the construction of the Company's Facilities, Company shall provide an invoice of the final cost of the construction of the Company's Facilities and shall set forth such costs in sufficient detail to enable Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Company shall refund, without interest, to Customer any amount by which the actual payment by Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

(b) Customer shall pay Company any amount by which the actual costs exceeds the estimated costs of construction within thirty (30) Days of the issuance of such construction invoice.

Preparer:	Kelly A. Everhart	Nick Paluck
Title:	Lead Assistant General Counsel	Manager, Regulatory Analysis
Department:	Legal Services	Regulatory Affairs
Telephone:	612-216-9243	612-859-0901
Date:	September 15, 2025	

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Xcel Energy		Information Request No.	5
Docket No.:	E002/M-25-289		
Response To:	Clean Energy Organizations		
Requestor:	Amelia Vohs		
Date Received:	October 2, 2025		

Question:
In response to ELPC IR No. 001, the Company explained that a reasonable contract term length could range from 15 to 30 years. Does the Company anticipate that any "reasonable" contract term length could be less than 15 years?

Response:
The Company does not know of any circumstances under which an Electric Service Agreement (ESA) would be executed for a term of less than fifteen (15) years while operating under the Large General Time of Day Service Tariff. If the Company identifies a situation in which an ESA of less than fifteen (15) years would bring material benefit to system customers, we may consider bringing forward such an agreement for Commission review and approval.

Preparer:	Justin L. Smiley
Title:	Director, Corporate Economic Development
Department:	Utility Finance
Telephone:	806-513-1527
Date:	October 13, 2025