

July 31, 2024

Will Seuffert  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, Minnesota 55101-2147

**RE: Comments of the Minnesota Department of Commerce, Division of Energy Resources**  
Docket Nos. E002/M-23-467

Dear Mr. Seuffert:

Attached are the comments of the Minnesota Department of Commerce, Division of Energy Resources (Department) in the following matter:

In the Matter of Northern States Power Company d/b/a Xcel Energy's Petition for Approval of the Transmission Cost Recovery Rider (TCR) Revenue Requirements for 2023 and 2024, Tracker True-up and Revised Adjustment Factors

Xcel Energy filed the Petition on October 31, 2023.

The Department recommends that the Minnesota Public Utilities Commission (Commission) **approve Xcel Energy's Transmission Cost Recovery Rider Revenue Requirements for 2023-2024, except for the internal capitalized labor costs.** The Department notes that Topics 4 and 5 of the Commission's Notice of Comment Period are addressed in separate Joint Comments of the Minnesota Department of Commerce, Division of Energy Resources, consultant Synapse, the Office of the Attorney General, and the Citizens Utility Board of Minnesota (Joint Comments). The Department and parties are available to answer any questions the Commission may have.

Sincerely,

/s/ SYDNIE LIEB  
Assistant Commissioner of Regulatory Analysis

mj/mb/ad  
Attachment



## Before the Minnesota Public Utilities Commission

### Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket Nos. E002/M-23-467

#### I. PROCEDURAL HISTORY AND BACKGROUND

On October 30, 2015, Northern States Power Company d/b/a Xcel Energy (Xcel, or the Company) filed its 2015 Biennial Distribution Grid-Modernization Report under Minn. Stat. §216B.2425 (the Grid Modernization Statute).<sup>1</sup> Under the Grid Modernization Statute, subdivision 2 requires that a utility operating under a multi-year rate plan<sup>2</sup> identify investments that it considers necessary to modernize its transmission and distribution grid by enhancing reliability, improving security against cyber and physical threats, and increasing opportunities for energy conservation. Subdivision 3 of the Grid Modernization Statute requires the Minnesota Public Utilities Commission (Commission) to certify, certify as modified, or deny certification of the investments identified by a utility under subdivision 2. As part of its 2015 Biennial Distribution Grid-Modernization Report, the Company proposed an Advanced Distribution Management System (ADMS) project and requested that the Commission certify the ADMS project. On June 28, 2016, the Commission certified the ADMS project.<sup>3</sup>

Minn. Stat. §216B.16, subd. 7b authorizes the Commission to approve the automatic adjustment of charges for the Minnesota jurisdictional costs associated with a utility's new transmission facilities through a utility's Transmission Cost Recovery (TCR) Rider, and subd. 7b(b)(5) specifically "allows the utility to recover costs associated with investments in distribution facilities to modernize the utility's grid that have been certified by the commission under Minn. Stat. §216B.2425" (the TCR Rider Statute).<sup>4</sup>

Xcel's three most recent TCR Rider petitions, in Docket Nos. E002/M-17-797 (Xcel's 2017-2018 TCR Rider Petition),<sup>5</sup> E002/M-19-721 (Xcel's 2019-2020 TCR Rider Petition),<sup>6</sup> and E002/M-21-814 (Xcel's

<sup>1</sup> Minn. Stat. §216B.2425. Accessed at: <https://www.revisor.mn.gov/statutes/cite/216B.2425>.

<sup>2</sup> Minn. Stat. §216B.16, subd. 19. Accessed at: <https://www.revisor.mn.gov/statutes/cite/216B.16#stat.216B.16.19>.

<sup>3</sup> *In the Matter of Xcel Energy's 2015 Biennial Distribution-Grid-Modernization Report*, Docket No. E-002/M-15-962, ORDER CERTIFYING ADVANCED DISTRIBUTION-MANAGEMENT SYSTEM (ADMS) PROJECT UNDER MINN. STAT. § 216B.2425 AND REQUIRING DISTRIBUTION STUDY (June 28, 2016). Accessed at:

<https://efiling.web.commerce.state.mn.us/edockets/searchDocuments.do?method=showPop&documentId={6ACF016C-3E0E-4CA7-A52A-35FD0E28D7FB}&documentTitle=20166-122702-01>.

<sup>4</sup> Minn. Stat. §216B.16, subd. 7b(b)(5). Accessed at: <https://www.revisor.mn.gov/statutes/cite/216B.16#stat.216B.16.7b>.

<sup>5</sup> *In the Matter of the Petition of Northern States Power Company for Approval of the Transmission Cost Recovery Rider Revenue Requirements for 2017 and 2018, and Revised Adjustment Factors*, Docket No. E-002/M-17-797, Petition (Nov. 8, 2017). Accessed at:

<https://efiling.web.commerce.state.mn.us/edockets/searchDocuments.do?method=showPop&documentId=%7b503DA15F-0000-C313-A960-1494D588968C%7d&documentTitle=201711-137240-01>.

<sup>6</sup> *In the Matter of Northern States Power Company d/b/a Xcel Energy's Petition for Approval of the Transmission Cost Recovery Rider Revenue Requirements for 2019 and 2020 and Revised Adjustment Factors*, Docket No. E-002/M-19-721, Petition (Nov. 15, 2019). Accessed at:

2021-2022 TCR Rider Petition)<sup>7</sup> respectively, included the ADMS project as part of its cost recovery request. Subsequent Commission Orders in these proceedings have allowed the Company to recover the Company's revenue requirements associated with the ADMS project through its TCR Rider.<sup>8,9</sup>

On November 1, 2017, Xcel filed its Petition for approval of a Residential Time of Use (TOU) Rate Design Pilot Program (TOU Rider Pilot) in Docket No. E002/M-17-775.<sup>10</sup> The TOU Rider Pilot was filed in conjunction with the Company's Grid Modernization Report in Docket No. E002/M-17-776.<sup>11</sup> Xcel requested certification of its TOU Rider Pilot pursuant to the Grid Modernization Statute. On August 7, 2018, the Commission certified the TOU Rider Pilot.<sup>12</sup> Xcel first requested and received approval to begin recovery of its TOU Rider Pilot in its 2021-2022 TCR filing.<sup>13</sup>

On November 1, 2019, Xcel filed its 2019 Integrated Distribution Plan (2019 IDP) in Docket No. E002/M-19-666.<sup>14</sup> The Company's 2019 IDP included the Company's certification request of its

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<https://efiling.web.commerce.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId=%7bE00C716E-0000-CA1D-BD31-1AE2AC9C35BC%7d&documentTitle=201911-157600-01>.

<sup>7</sup> *In the Matter of Northern States Power Company d/b/a Xcel Energy's Petition for Approval of the Transmission Cost Recovery Rider Revenue Requirements for 2021 and 2022, Tracker True-up and Revised Adjustment Factors*, Docket No. E-002/M-21-814, Petition (Nov. 24, 2021). Accessed at:

<https://efiling.web.commerce.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={D031537D-0000-C911-9323-7302B00603AD}&documentTitle=202111-180141-01>.

<sup>8</sup> *In the Matter of the Petition of Northern States Power Company for Approval of the Transmission Cost Recovery Rider Revenue Requirements for 2017 and 2018, and Revised Adjustment Factor*, Docket No. E-002/M-17-797, ORDER AUTHORIZING RIDER RECOVERY, SETTING RETURN ON EQUITY, AND SETTING FILING REQUIREMENTS (Sept. 27, 2019) (2017-2018 TCR Rider Order). Accessed at:

<https://efiling.web.commerce.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={90C2736D-0000-C01D-9089-5F9E7FB89DA6}&documentTitle=20199-156134-01>.

<sup>9</sup> *In the Matter of Northern States Power Company d/b/a Xcel Energy's Petition for Approval of the Transmission Cost Recovery Rider Revenue Requirements for 2021 and 2022 and Revised Adjustment Factors*, Docket No. E-002/M-21-814, ORDER APPROVING RIDER RECOVERY, CAPPING COSTS, AND SETTING FILING REQUIREMENTS (June 28, 2023) (2021-2022 TCR Rider Order). Accessed at:

<https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId=%7bD0980389-0000-CE14-90FF-174F8061EA60%7d&documentTitle=20236-196981-01>

<sup>10</sup> *In the Matter of Xcel's Residential Time of Use Rate Design Pilot Program*, Docket E-002/M-17-775, Petition (Nov. 1, 2017). Accessed at:

<https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={40D77C5F-0000-C614-A997-18C8C3D839F9}&documentTitle=201711-137092-01>.

<sup>11</sup> *In the Matter of Xcel's 2017 Biennial Distribution Grid Modernization Report*, Docket E-002/M-17-776, Petition (Nov. 1, 2017). Accessed at:

<https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={A068795F-0000-C713-BD9C-C4A38A5E5A09}&documentTitle=201711-137086-01>.

<sup>12</sup> *In the Matter of Xcel's Residential Time of Use Rate Design Pilot Program*, Docket No. E-002/M-17-775, and *In the Matter of Xcel's 2017 Biennial Distribution Grid Modernization Report*, Docket No. E-002/M-17-776, ORDER APPROVING PILOT PROGRAM, SETTING REPORTING REQUIREMENTS, AND DENYING CERTIFICATION REQUEST (Aug. 7, 2018). Accessed at:

<https://efiling.web.commerce.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={103F1565-0000-C21D-B43D-24C097C567A3}&documentTitle=20188-145582-01>.

<sup>13</sup> See 2021-2022 TCR Rider Petition at 9-10; Xcel's 2021-2022 TCR Rider Order at 7.

<sup>14</sup> *In the Matter of Xcel Energy's Integrated Distribution Plan and Advanced Grid Intelligence and Security Certification Request*, Docket No. E-002/M-19-666, Xcel Energy Integrated Distribution Plan (2020 – 2029) (Nov. 1, 2019). Accessed at (PUBLIC):

proposed Advanced Grid Intelligence and Security (AGIS) Initiative and an Advanced Distribution Planning Tool (APT, now known as the LoadSEER tool) pursuant to Minn. Stat. §216B.2425. The AGIS Initiative includes Advanced Metering Infrastructure (AMI), a Field Area Network (FAN), Fault Location and Isolation Service Restoration (FLISR), and an Integrated Volt-Var Optimization (IVVO) project.

On July 23, 2020, the Commission issued its Order Accepting Integrated Distribution Plan, Modifying Reporting Requirements, and Certifying Certain Grid Modernization Projects (Certification Order) in Xcel's 2019 IDP proceeding and certified the AMI, FAN, and APT/LoadSEER projects, and declined to certify the FLISR and IVVO projects.<sup>15</sup>

On August 20, 2020, the Department initiated a stakeholder process and investigative proceeding in Docket No. E999/DI-20-627 (Department Investigation)<sup>16</sup> in response to the Commission's Certification Order, specifically Order Point No. 9, which requested the following:

The Commission Requests that the Department file a report by November 1, 2020, including recommendations on specific metrics, detailed methods for evaluating performance, and consumer protections or other conditions, including cost caps, that should be applied to the certified projects. The report should be informed by a stakeholder process and will be made part of the record for any future cost recovery proceedings. Xcel must participate in the stakeholder process, which must be open to all interested parties, and fully cooperate with the Department.

The Department's Notice of Solicitation of Stakeholder Input and Comments (Department Notice) requested comments on numerous topics under four broad areas: (1) the content of Xcel's cost recovery petition (filing requirements); (2) metrics accompanying Xcel's cost recovery request for the AMI and FAN projects; (3) methods for evaluation of performance of Xcel's AMI and FAN projects; and (4) consumer protections.<sup>17</sup> Several parties filed comments in response to the Department's Notice between September 18, 2020 and October 16, 2020.

The Department convened a stakeholder workshop on Friday, October 23, 2020 regarding Xcel's AMI and FAN projects. Xcel also held a workshop on November 20, 2020 providing a detailed overview of its FAN and AMI projects. After receiving valuable stakeholder feedback and recommendations, the

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<https://efiling.web.commerce.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={90E1276E-0000-C617-9E33-75094BC2422E}&documentTitle=201911-157133-01>.

<sup>15</sup> In the Matter of Xcel Energy's Integrated Distribution Plan and Advanced Grid Intelligence and Security Certification Request, Docket No. E-002/M-19-666, ORDER ACCEPTING INTEGRATED DISTRIBUTION PLAN, MODIFYING REPORTING REQUIREMENTS, AND CERTIFYING CERTAIN GRID MODERNIZATION PROJECTS (Certification Order) (July 23, 2020). Accessed at: <https://efiling.web.commerce.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={F00E7D73-0000-CD15-B6E0-EA73F0AC037E}&documentTitle=20207-165209-01>.

<sup>16</sup> *In the Matter of the Department Stakeholder Process Informing the Report on the Metrics, Performance Evaluation Methods, and Consumer Protection Conditions to be applied to Xcel Energy's Advanced Metering Infrastructure and Field Area Network Projects Certified in Docket No. E002/M-19-666*, Docket No. E-999/DI-20-627, Notice of Solicitation of Stakeholder Input and Comments (Aug. 20, 2020). Accessed at:

<https://efiling.web.commerce.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={C0AC1174-0000-CF1E-937E-B1525931BB6F}&documentTitle=20208-166087-01>.

<sup>17</sup> *Id.*

Department's Investigation culminated in a report filed on December 1, 2020 called *Methods for Performance Evaluations, Metrics, and Consumer Protections for AMI and FAN* (Department Report) in Docket No. 20-627.<sup>18</sup>

During the time the Department's Investigation was ongoing, another proceeding was initiated in Docket No. E002/M-20-680 on August 28, 2020 to consider the procedural paths for the processing and review of Xcel's expected TCR Rider petition. Xcel filed a compliance filing in which it discussed these procedural paths (Procedural Paths Proceeding),<sup>19</sup> and explained that it would file its TCR Rider petition containing a cost recovery request for the then-recently certified AMI, FAN, and APT/LoadSEER projects on or about November 6, 2020.<sup>20</sup> Xcel's Procedural Paths Proceeding Compliance Filing was required by Order Point No. 13 of the Commission's Certification Order, which states:

60 days prior to a petition to seek rider recovery for AGIS costs, Xcel Energy shall file preferred procedural paths forward with one option being a contested case. The Commission will make a procedural and scoping decision prior to the consideration of a rider recovery determination. The Executive Secretary is authorized to establish a comment and reply schedule prior to the procedural and scoping hearing.<sup>21</sup>

On September 23, 2020, the Commission issued a Notice for Comment on Xcel's Procedural Paths Compliance Filing (Procedural Paths Proceeding Notice).<sup>22</sup> On October 16, 2020, the following parties submitted Comments in response to the Commission's Procedural Paths Proceeding Notice:

- The Department,
- The Office of Attorney General – Residential Utilities Division (OAG-RUD),
- The Citizens Utility Board of Minnesota (CUB), and
- Xcel Large Industrials (XLI).

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<sup>18</sup> *Northern States Power Company d/b/a Xcel Energy's Integrated Distribution Plan and Advanced Grid Intelligence and Security Certification Request*, Docket No. E-999/DI-20-627, Report of the Minnesota Commerce Department, Division of Energy Resources (Dec. 1, 2020). Accessed at:

<https://efiling.web.commerce.state.mn.us/edockets/searchDocuments.do?method=showPop&documentId=%7b40E01F76-0000-C315-BCEB-8FA8FCD03CC2%7d&documentTitle=202012-168688-01>.

<sup>19</sup> *In the Matter of Northern States Power Company for Approval of the Transmission Cost Recovery Rider Revenue Requirements for 2021 and Revised Adjustment Factors*, Docket No. E-002/M-20-680, Compliance – Procedural Paths Forward: Integrated Distribution Plan and AGIS Certification Request & Transmission Cost Recovery Rider (Procedural Paths Proceeding, Xcel's Compliance Filing) (Aug. 28, 2020). Accessed at:

<https://efiling.web.commerce.state.mn.us/edockets/searchDocuments.do?method=showPop&documentId={D0F33674-0000-CA1C-BF4E-78D8FD2371B2}&documentTitle=20208-166259-01>.

<sup>20</sup> Procedural Paths Proceeding, Xcel's Compliance Filing, at 2.

<sup>21</sup> Certification Order, Order Point No. 13, at 17.

<sup>22</sup> *In the Matter of North States Power Company for Approval of the Transmission Cost Recovery Rider Revenue Requirements for 2021 and Revised Adjustment Factors*, Dockets No. E-002/M-20-680 and E-002/M-19-666, NOTICE OF COMMENT PERIOD (Sept. 23, 2020). Accessed at:

<https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=showPop&documentId={10AFBB74-0000-CA1A-8452-A2B382C884B8}&documentTitle=20209-166786-01>.

Xcel was expected to file its TCR Rider petition on or about November 6, 2020, but declined to do so. To ascertain the timing of Xcel's TCR Rider petition, the Department was in periodic dialogue with the Company throughout 2021. The Company's plans to file its TCR Rider petition shifted throughout the year, and ultimately, Xcel did not file its TCR Rider petition until November 24, 2021 in the Docket No. E002/M-21-814.

On February 7, 2022, the Commission issued a Notice of Comment Period for Xcel's 2021-2022 TCR Rider Petition and the related Procedural Paths Proceeding.<sup>23</sup>

On February 9, 2022, the Department submitted a letter in the proceeding (Department's Letter), as well as several other related distribution system planning and grid modernization proceedings.<sup>24</sup> The Department's Letter explained that the Department retained Synapse Energy Economics, Inc. (Synapse) in response to the Commission's September 27, 2019 Order in Docket No. E002/M-17-797 requesting that the Department secure specialized technical professional investigative services to investigate the potential costs and benefits of grid modernization investments proposed by Xcel in its next rate case or Transmission Cost Recovery filing and to assist the Department in providing recommendations to the Commission regarding any such investments.<sup>25</sup>

Through this engagement and in service of the Commission's request, Synapse developed a document, attached to the Department's Letter, titled *Review and Assessment of Grid Modernization Plans: Guidance for Regulators, Utilities, and Other Stakeholders* (Guidance Document).<sup>26</sup> The Guidance Document was developed to support the analysis of grid modernization investments in Minnesota.

The Commission's February 7, 2022 Notice contained two separate comment periods, one for the AGIS Related Scoping & Procedures, and the other for the Transmission Cost Recovery (TCR) Rider Petition. The Commission's TCR Rider Notice contained two separate comment periods, one for the *AGIS Related Scoping & Procedures*, and the other for the *Transmission Cost Recovery (TCR) Petition*. After comment period extensions, initial comments for the *AGIS Related Scoping & Procedures* comment period were submitted on March 30, 2022 by the following parties: (1) CUB; (2) the Department; and (3) Xcel.

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<sup>23</sup> *In the Matter of Northern States Power Company d/b/a Xcel Energy's Petition for Approval of the Transmission Cost Recovery Rider Revenue Requirements for 2021-2022, and the Resulting Adjustment Factors by Customer Class*, Dockets No. E-002/M-21-814 and E-002/M-20-680, NOTICE OF COMMENT PERIOD (Feb. 7, 2022). Accessed at: <https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId=%7b108BD57E-0000-C51A-9CBD-A515A0C492A1%7d&documentTitle=20222-182487-01>.

<sup>24</sup> *In the Matter of Northern States Power Company d/b/a Xcel Energy's Petition for Approval of the Transmission Cost Recovery Rider Revenue Requirements for 2021 and 2022, Tracker True-up, and Revised Adjustment Factors*, Docket No. E-002/M-21-814, Letter of the Minnesota Department of Commerce, Division of Energy Resources (Feb. 9, 2022). Accessed at: <https://efiling.web.commerce.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={D09BE07E-0000-C153-AEF1-6251101796D1}&documentTitle=20222-182633-03>.

<sup>25</sup> 2017-2018 TCR Rider Order, Order Point No. 10.

<sup>26</sup> *In the Matter of Northern States Power Company d/b/a Xcel Energy's Petition for Approval of the Transmission Cost Recovery Rider Revenue Requirements for 2021 and 2022, Tracker True-up, and Revised Adjustment Factors*, Docket No. E-002/M-21-814, Letter of the Minnesota Department of Commerce, Division of Energy Resources (Feb. 9, 2022). Accessed at: <https://efiling.web.commerce.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={D09BE07E-0000-C153-AEF1-6251101796D1}&documentTitle=20222-182633-03>.

The Department originally recommended that the Commission bifurcate Xcel's 2021-2022 TCR Rider petition into the AGIS-related costs and non-AGIS costs and refer the AGIS-related costs of Xcel's 2021-2022 TCR Rider Petition to the Office of Administrative Hearings (OAH) for a contested case proceeding pursuant to Minn. R. 7829.1000.<sup>27</sup> The Department recommend bifurcation since the issues involving AGIS-related costs are diverse and voluminous and will require additional process and time to resolve compared to the traditional, non-AGIS related costs.<sup>28</sup> CUB also recommended that the Commission bifurcate the costs of Xcel's 2021-2022 TCR Rider petition and refer the AGIS-related costs to the OAH, citing the complexity and significance of Xcel's AGIS investments.<sup>29</sup> Xcel recommended that the Commission rely on the miscellaneous filing procedures to evaluate the merits of Xcel's 2021-2022 TCR Rider Petition, arguing that a bifurcation is not warranted.<sup>30</sup>

Separately, on March 24, 2022, the Department requested that the Commission suspend the TCR Rider comment periods of April 5 and 15 until after the Commission receives comments and reply comments in response to the AGIS Related Scoping and Procedures comment period and determines the procedural path for the review of the AGIS-related costs of Xcel's 2021-2022 TCR Rider Petition. On April 4, 2022, the Commission suspended the TCR comment periods.

On April 8, 2022, the Department requested an extension of the AGIS Related Scoping and Procedures reply comment period of April 11 to May 2. The Department's extension request letter explained that preliminary discussions between the Department and Xcel were ongoing regarding an alternative approach to the procedural review of Xcel's 2021-2022 TCR Rider Petition, and that further time was needed to determine whether the Department and Xcel could come to an agreement.

In the intervening time, both the Department and Xcel engaged in good-faith and constructive dialogue regarding the procedural review of the Xcel's 2021-2022 TCR Rider Petition. The Department and Xcel agreed to an alternative approach relying on the Commission's comment and reply comment process in conjunction with ongoing dialogue regarding the Department's Letter, technical workshops for stakeholders, and a supplemental filing that is intended to provide additional information necessary to

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<sup>27</sup> *In the Matter of Northern States Power Company d/b/a Xcel Energy's Petition for Approval of the Transmission Cost Recovery Rider Revenue Requirements for 2021 and 2022, Tracker True-up and Revised Adjustment Factors*, Dockets No. E-002/M-21-814 and E-002/M-20-680, Comments of the Minnesota Department of Commerce, Division of Energy Resources at 8-10 (Mar. 30, 2022). Accessed at:

<https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=showPopup&documentId={F09FDC7F-0000-C33E-9D37-160162AC0A52}&documentTitle=20223-184274-02>.

<sup>28</sup> *Id.*

<sup>29</sup> *In the Matter of Northern States Power Company d/b/a Xcel Energy's Petition for Approval of the Transmission Cost Recovery Rider Revenue Requirements for 2021 and 2022, Tracker True-up and Revised Adjustment Factors*, Docket No. E-002/M-21-814, Comments of the Citizens Utility Board of Minnesota (Mar. 30, 2022). Accessed at:

<https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=viewDocument&documentId={F0B5DC7F-0000-C017-B21C-60AAD73CD5F4}&documentTitle=20223-184275-01>.

<sup>30</sup> *In the Matter of Northern States Power Company d/b/a Xcel Energy's Petition for Approval of the Transmission Cost Recovery Rider Revenue Requirements for 2021 and 2022, Tracker True-up and Revised Adjustment Factors*, Dockets No. E-002/M-21-814 and E-002/M-20-680, AGIS Related Scoping & Procedures Comments (Mar. 30, 2022). Accessed at:

<https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=showPopup&documentId={008EDC7F-0000-C51F-BD9E-A7604E374802}&documentTitle=20223-184268-01>.

understand and evaluate the Company's investments (Procedural Agreement).<sup>31</sup> The Commission adopted the Department and Xcel's Procedural Agreement in its June 2, 2022 Order.<sup>32</sup> Per the Procedural Agreement, Xcel met with the Department and Synapse on July 20, 2022.

Additionally, as per the Procedural Agreement, Xcel hosted three technical workshops on July 19, 2022, July 25, 2022, and September 7, 2022:

- Workshop 1: Industry Landscape and Technology Selection, Capabilities, and Implementation
- Workshop 2: Customer Strategy and Products and Services Roadmap<sup>33</sup>
- Workshop 3: AMI and FAN Financials, Cost-Benefit Analysis, and Reporting<sup>34</sup>

Additionally, per the Procedural Agreement, Xcel, the Department, and Synapse held several informal and formal meetings, including one between Xcel's subject matter experts and Synapse on July 20, 2022 to discuss Synapse's Guidance Document, compliance with previous Commission Orders regarding Xcel's AMI and FAN investments, and the additional information Synapse indicated is necessary to conduct a full evaluation of Xcel's cost recovery request. Subsequently, also per the Procedural Agreement, Xcel submitted its 2021-2022 TCR Rider Petition Supplement.

On August 17, 2022, Xcel filed its 2021-2022 TCR Rider Petition Supplement (Supplement) in Docket No. E002/M-21-814.<sup>35</sup>

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<sup>31</sup> *In the Matter of Northern States Power Company d/b/a Xcel Energy's Petition for Approval of the Transmission Cost Recovery Rider Revenue Requirements for 2021 and 2022, Tracker True-up and Revised Adjustment Factors*, Docket Nos. E002/M-20-680 and E002/M-21-814, Department Reply Comments and Procedural Agreement (PUBLIC) (May 2, 2022). Accessed at:

<https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={70E58680-0000-C327-A561-D9ADA0186F3C}&documentTitle=20225-185474-03>.

<sup>32</sup> *In the Matter of Northern States Power Company d/b/a Xcel Energy's Petition for Approval of the Transmission Cost Recovery Rider Revenue Requirements for 2021 and 2022, Tracker True-up and Revised Adjustment Factors*, Docket Nos. E002/M-20-680 and E002/M-21-814, ORDER (June 2, 2022). Accessed at:

<https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={50F82581-0000-CC17-8C2C-45B2E0CE10F7}&documentTitle=20226-186333-01>.

<sup>33</sup> Xcel Letter. AMI and FAN Technical Workshop Series – Workshops #1 and #2 Recordings and Presentation. Docket Nos. E002/M-20-680 and E002/M-21-814 (Aug. 4, 2022). Accessed at:

<https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={60976A82-0000-C431-AD21-B4ACB3846652}&documentTitle=20228-188114-02>.

<sup>34</sup> *In the Matter of Northern States Power Company d/b/a Xcel Energy's Petition for Approval of the Transmission Cost Recovery Rider Revenue Requirements for 2021 and 2022, Tracker True-up and Revised Adjustment Factors*, Docket Nos. E-002/M-20-680 and E002/M-21-814, Xcel Letter, AMI and FAN Technical Workshop Series – Workshop 3 Recording and Presentation (Sept. 14, 2022). Accessed at:

<https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={C0563D83-0000-CB12-885B-17B0095C1AFE}&documentTitle=20229-189064-01>.

<sup>35</sup> *In the Matter of Northern States Power Company d/b/a Xcel Energy's Petition for Approval of the Transmission Cost Recovery Rider Revenue Requirements for 2021 and 2022, Tracker True-up and Revised Adjustment Factors*, Dockets Nos. E-002/M-20-680 and E-002/M-21-814, Xcel Supplement Filing (Supplement) (Aug. 17, 2022). Accessed at (PUBLIC):

<https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={2056AD82-0000-C935-9831-9C640FAA4300}&documentTitle=20228-188420-02>.

On August 22, 2022, the Commission issued a Notice of Comment Period for the 2021-2022 TCR Rider Petition and Supplement (August 22 Notice).<sup>36</sup>

On June 28, 2023, the Commission issued its ORDER APPROVING RECOVERY, CAPPING COSTS, AND SETTING FILING REQUIREMENTS for Xcel's 2021-2022 TCR Rider in Docket No. E002/M-21-814.<sup>37</sup>

On October 31, 2023, Xcel filed its 2023-2024 TCR Rider Petition in Docket No. E002/M-23-467 (Petition).<sup>38</sup>

On November 22, 2023, the Commission issued a Notice of Comment Period for the 2023-2024 TCR Rider Petition<sup>39</sup> (November 22 Notice) stating that the following topics were open for comment:

1. Should the Commission approve, modify, or reject Xcel Energy's 2023-2024 TCR revenue requirement of \$62,708,031, including the carryover balance, and resulting recovery adjustment factors by class to be included in the Resource Adjustment on bills for Minnesota electric customers for the 12 months beginning January 1, 2024?

TCR Rider recovery is for costs associated with the following:

- Distribution-grid modernization projects previously approved for TCR Rider recovery (ADMS, AMI, FAN, TOU pilot, and APT/LoadSEER)
- Hosting Capacity Analysis (HCA)

2. Should the Commission approve Xcel's proposed tariff revisions and customer notice?
3. Does the information provided by Xcel in its Petition in the instant docket comply with relevant ordering paragraphs in Commission Orders issued July 23, 2020 in Docket No. eE-002/M-19-666 and September 27, 2019 in Docket No. E-002/M-17-797?
4. Does Xcel Energy's AGIS-related cost recovery request, in the instant docket and relevant filings cited below, comply with the Commission's June 28, 2023 Order, including Xcel's proposals for:

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<sup>36</sup> *In the Matter of Northern States Power Company d/b/a Xcel Energy's Petition for Approval of the Transmission Cost Recovery Rider Revenue Requirements for 2021-2022, and the Resulting Adjustment Factors by Customer Class*, Dockets No. E-002/M-21-814 and E-002/M-20-680, NOTICE OF COMMENT PERIOD (Aug. 22, 2022). Accessed at: <https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=showPopup&documentId={00CDC582-0000-CC39-8C3E-2096116BF791}&documentTitle=20228-188484-02>.

<sup>37</sup> 2021-2022 TCR Rider Order.

<sup>38</sup> *In the Matter of Northern States Power Company, doing business as Xcel Energy (Xcel), Petition for Approval of the Transmission Cost Recovery (TCR) Rider Revenue Requirements for 2023 and 2024, Tracker True-Up, and Revised Adjustment Factors*, Docket No. E-002/M-23-467, Petition (Dec. 19, 2023). Accessed at: <https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=showPopup&documentId={E0EA8F8B-0000-CB10-A8AC-2A0D3C10D77D}&documentTitle=202310-200078-01>.

<sup>39</sup> *In the Matter of the Petition of Northern States Power Company d/b/a/ Xcel Energy for Approval of the Transmission Cost Recovery (TCR) Rider Revenue Requirements for 2023 and 2024, Tracker True-Up, and Revised Adjustment Factors*, Docket No. E-002/M-23-467, NOTICE OF COMMENT PERIOD (Nov. 22, 2023). Accessed at: <https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=showPopup&documentId={50FBF78B-0000-C410-9ABB-A5CE72084796}&documentTitle=202311-200697-01>.

- Baseline data for AMI/FAN metrics
  - New metrics
  - Interim performance targets and evaluation methods for all metrics
  - PIM structure, including penalties and incentives as well as dates when the PIMs will take effect and terminate
5. Are new metrics more appropriate to assess Xcel's AMI/FAN performance and to use as the basis for cost recovery than metrics listed in the Commission's June 28, 2023 Order?
  6. Should the Commission allow Xcel to include the electric share of participant compensation amount it has paid pursuant to Minn. Stat. § 216B.631 as a line item for recovery through the TCR Rider in its next TCR proceeding?
  7. Has Xcel Energy appropriately discussed its plans to maximize the benefits of the Inflation Reduction Act (IRA) and the IRA's impact on the utility's planning assumptions pursuant to Order Point 1 of the Commission's September 12, 2023 Order in Docket No. E,G-999/CI-22-624?
  8. Are there other issues or concerns related to this matter?

On November 30, 2023, the Department filed a letter in Xcel's 2023-2024 TCR Rider Petition recommending approval of Xcel's provisional rate reduction to begin January 1, 2024.<sup>40</sup> In addition, the Department stated that it was still reviewing Xcel's Petition and would submit full comments regarding Xcel's petition on May 31, 2024, as established by the Commission's November 22 Notice. The Department subsequently requested an extension which was approved and resulted in a July 31, 2024 deadline.

On December 19, 2023, the Commission issued its Order approving Xcel's provisional rate reduction in this proceeding.<sup>41</sup>

## II. DEPARTMENT ANALYSIS

### A. NOVEMBER 22 NOTICE – TOPIC #1

Should the Commission approve, modify, or reject Xcel Energy's 2023-2024 TCR revenue requirement of \$62,708,031, including the carryover balance, and resulting recovery adjustment factors by class to

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<sup>40</sup> *In the Matter of Northern States Power Company, doing business as Xcel Energy (Xcel), Petition for Approval of the Transmission Cost Recovery (TCR) Rider Revenue Requirements for 2023 and 2024, Tracker True-Up, and Revised Adjustment Factors*, Docket No. E-002/M-23-467, Letter of the Minnesota Department of Commerce, Division of Energy Resources (Nov. 30, 2023). Accessed at:

<https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=showPopup&documentId=%7b00A3218C-0000-C010-B57E-1C77C1A566DB%7d&documentTitle=202311-200851-01>.

<sup>41</sup> *In the Matter of Northern States Power Company, doing business as Xcel Energy (Xcel), Petition for Approval of the Transmission Cost Recovery (TCR) Rider Revenue Requirements for 2023 and 2024, Tracker True-Up, and Revised Adjustment Factors*, Docket No. E-002/M-23-467, ORDER (Dec. 19, 2023). Accessed at:

<https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=showPopup&documentId={C0CF828C-0000-C817-BF2D-DB0C497D82A7}&documentTitle=202312-201333-01>.

be included in the Resource Adjustment on bills for Minnesota electric customers for the 12 months beginning January 1, 2024?

**1. SUMMARY OF TCR RIDER REVENUE REQUIREMENTS**

Xcel requested approval of its 2023-2024 revenue requirements, tracker balance, and updated TCR adjustment factors for the Minnesota jurisdiction. A summary of Xcel’s proposed projects and related revenue requirements for the period is included in Table 1.

**Table 1. Proposed MN Revenue Requirements<sup>42</sup>**

| Amounts in dollars                  | 2021              | 2022              | 2023               | 2024              | 2025              |
|-------------------------------------|-------------------|-------------------|--------------------|-------------------|-------------------|
|                                     | Actuals           | Actuals           | Mixed              | Forecast          | Forecast          |
| Line No:                            |                   |                   |                    |                   |                   |
| 1 AGIS - ADMS                       | 4,746,309         | 5,485,575         | 5,465,523          | 5,448,747         | 5,716,659         |
| 2 AGIS - AMI                        | 2,089,158         | 3,888,361         | 15,629,616         | 36,558,134        | 45,658,035        |
| 3 AGIS - FAN                        | 871,892           | 1,856,502         | 5,004,218          | 10,117,734        | 11,962,830        |
| 4 AGIS LoadSeer                     | 733,603           | 714,277           | 603,473            | 596,137           | 566,549           |
| 5 AGIS - TOU Pilot                  | -                 | 869,962           | 681,846            | 667,882           | 657,431           |
| 6 Big Stone-Brookings               | 3,850,967         | 3,709,411         | 3,591,352          | -                 | -                 |
| 7 CAPX2020 - Brookings              | 31,300,336        | 30,321,113        | 29,328,172         | -                 | -                 |
| 8 CAPX2020 - Fargo                  | 13,929,372        | 13,442,757        | 12,939,636         | -                 | -                 |
| 9 CAPX2020 - La Crosse Local        | 4,016,779         | 3,847,122         | 3,831,934          | -                 | -                 |
| 10 CAPX2020 - La Crosse MISO        | 5,119,584         | 4,959,559         | 4,797,495          | -                 | -                 |
| 11 CAPX2020 - La Crosse MISO -WI    | 9,458,267         | 9,323,134         | 9,062,239          | -                 | -                 |
| 12 Huntley - Wilmarth               | 3,045,744         | 4,385,578         | 4,217,460          | -                 | -                 |
| 13 Hosting Capacity                 | -                 | -                 | 24,425             | 273,411           | 622,929           |
| 14 LaCrosse - Madison               | 14,286,918        | 13,929,767        | 13,357,436         | -                 | -                 |
| 15 Projects                         | 93,448,930        | 96,733,119        | 108,534,825        | 53,662,045        | 65,184,432        |
| 16 MISO RECB Sch.26/26a             | (2,495,508)       | (1,678,387)       | (3,213,443)        | (12,336,077)      | (7,168,059)       |
| 17 Base Rates                       | (1,937,000)       |                   |                    |                   |                   |
| 18 TCR True-up Carryover            | (3,753,258)       | 614,860           | 10,541,833         | 21,382,063        | (165,618)         |
| <b>19 Revenue Requirements (RR)</b> | <b>85,263,163</b> | <b>95,669,592</b> | <b>115,863,215</b> | <b>62,708,031</b> | <b>57,850,755</b> |
| 20 Revenue Collections (RC)         | (84,648,303)      | (85,127,760)      | (94,481,152)       | (62,873,649)      | (62,449,289)      |
| 21 Monthly RR - RC                  | -                 | -                 | -                  |                   | -                 |
| 22 Balance (RR - RC)                | 614,860           | 10,541,832        | 21,382,063         | (165,618)         | (4,598,534)       |

Xcel has requested approval of 2023-2024 revenue requirements of approximately \$62.7 million. This represents a decrease of \$41.8 million compared to the 2021-2022 revenue requirement of approximately \$104.5 million.<sup>43</sup>

Xcel proposed to allocate the revenue requirements within the TCR to Minnesota and its various customer classes based on the same jurisdictional and demand allocators used in Company’s last electric rate case in Docket No. E002/GR-21-630. Xcel proposed to charge its residential and commercial non-demand customers using an energy-only rate (per kWh) and its demand billed customers using a demand rate (per kW).

<sup>42</sup> Petition, Attachment 7, Annual Revenue Requirements.

<sup>43</sup> Xcel has rolled several transmission lines from the 2021-2022 TCR rider into base rates as part of Xcel’s MYRP in Docket No. E002/GR-21-630.

Xcel’s prior and provisionally approved (proposed) TCR rate adjustment factors are shown in Table 2.

**Table 2: 2022 Implemented and 2024 Proposed Adjustment Factors<sup>44</sup>**

|                                     | <b>2022 Implemented</b> | <b>2024 Proposed</b> |
|-------------------------------------|-------------------------|----------------------|
| Total Revenue Requirements          | \$104,536,270           | \$62,708,031         |
| Residential Rate / kWh              | \$0.005856              | \$0.005474           |
| Commercial Non-Demand /kWh          | \$0.004602              | \$0.003634           |
| Demand / kW                         | \$1.095                 | \$0.240              |
| Critical Peak Price TOU Pilot / kWh | N/A                     | \$0.000625           |

Xcel stated that the monthly bill of an average residential customer using 600 kWh of electricity per month would see a decrease on their bill of approximately \$0.23 per month compared to the current TCR residential adjustment factor. Xcel’s proposed TCR adjustment factors are calculated assuming they are effective January 1, 2024.<sup>45</sup>

## 2 STATUTORY REQUIREMENTS

The TCR Statute, Minn. Stat. §216B.16, subd 7b, states the following:

Transmission cost adjustment. (a) Notwithstanding any other provision of this chapter, the commission may approve a tariff mechanism for the automatic annual adjustment of charges for the Minnesota jurisdictional costs net of associated revenues of:

- (1) new transmission facilities that have been separately filed and reviewed and approved by the commission under section [216B.243](#) [Certificate of Need Statute] or are certified as a priority project or deemed to be a priority transmission project under section [216B.2425](#) [State Transmission Plan Statute]
- (2) new transmission facilities approved by the regulatory commission of the state in which the new transmission facilities are to be constructed, to the extent approval is required by the laws of that state, and determined by the Midcontinent Independent System Operator [MISO] to benefit the utility or integrated transmission system; and
- (3) charges incurred by a utility under a federally approved tariff that accrue from other transmission owners’ regionally planned transmission projects that have been determined by the Midcontinent Independent System Operator to benefit the utility or integrated transmission system.

<sup>44</sup> Petition at 12, Table 1.

<sup>45</sup> Petition at 12.

- (b) Upon filing by a public utility or utilities providing transmission service, the commission may approve, reject, or modify, after notice and comment, a tariff that:
- (1) allows the utility to recover on a timely basis the costs net of revenues of facilities approved under section [216B.243](#) or certified or deemed to be certified under section [216B.2425](#) or exempt from the requirements of section [216B.243](#);
  - (2) allows the utility to recover charges incurred under a federally approved tariff that accrue from other transmission owners' regionally planned transmission projects that have been determined by the Midcontinent Independent System Operator to benefit the utility or integrated transmission system. These charges must be reduced or offset by revenues received by the utility and by amounts the utility charges to other regional transmission owners, to the extent those revenues and charges have not been otherwise offset;
  - (3) allows the utility to recover on a timely basis the costs net of revenues of facilities approved by the regulatory commission of the state in which the new transmission facilities are to be constructed and determined by the Midcontinent Independent System Operator to benefit the utility or integrated transmission system;
  - (4) allows the utility to recover costs associated with distribution planning required under section 216B.2425;
  - (5) allows the utility to recover costs associated with investments in distribution facilities to modernize the utility's grid that have been certified by the commission under section 216B.2425;
  - (6) allows a return on investment at the level approved in the utility's last general rate case, unless a different return is found to be consistent with the public interest;
  - (7) provides a current return on construction work in progress, provided that recovery from Minnesota retail customers for the allowance for funds used during construction is not sought through any other mechanism;
  - (8) allows for recovery of other expenses if shown to promote a least-cost project option or is otherwise in the public interest;

- (9) allocates project costs appropriately between wholesale and retail customers;
  - (10) provides a mechanism for recovery above cost, if necessary to improve the overall economics of the project or projects or is otherwise in the public interest; and
  - (11) terminates recovery once costs have been fully recovered or have otherwise been reflected in the utility's general rates.
- (c) A public utility may file annual rate adjustments to be applied to customer bills paid under the tariff approved in paragraph (b). In its filing, the public utility shall provide:
- (1) a description of and context for the facilities included for recovery;
  - (2) a schedule for implementation of applicable projects;
  - (3) the utility's costs for these projects;
  - (4) a description of the utility's efforts to ensure the lowest costs to ratepayers for the project; and
  - (5) calculations to establish that the rate adjustment is consistent with the terms of the tariff established in paragraph (b).
- (d) Upon receiving a filing for a rate adjustment pursuant to the tariff established in paragraph (b), the commission shall approve the annual rate adjustments provided that, after notice and comment, the costs included for recovery through the tariff were or are expected to be prudently incurred and achieve transmission system improvements at the lowest feasible and prudent cost to ratepayers. [emphasis added]

Based on the above, the Department understands that in order for an in-state transmission project to be eligible for recovery under the TCR Statute, the project must either be approved under the Certificate of Need Statute, exempt from the Certificate of Need Statute, or certified as or deemed to be a priority project under the State Transmission Plan Statute.

Regarding eligibility for out-of-state transmission projects, the Department understands that the projects must be for new transmission facilities approved by the regulatory commission of the state in which the new transmission facilities are to be constructed, to the extent approval is required by the

laws of that state, and determined by the Midcontinent Independent System Operator (MISO) to benefit the utility or the integrated transmission system.

With respect to distribution projects, the Department understands that in order for a distribution project to be eligible for recovery under the TCR Statute, the project must be certified by the Commission under Minn. Stat. §216B.2425.

### 3. PROJECT ELIGIBILITY

In this Petition, Xcel included costs related to (1) Transmission facilities and MISO-Regional Expansion and Cost Benefit (RECB) costs as authorized under the Transmission Statute; (2) Distribution-Grid Modernization project costs as authorized under the Transmission Statute; and (3) distribution planning, also referred to as the Hosting Capacity Analysis (HCA).

The Department notes that all the transmission projects and related MISO revenues and costs for which Xcel has requested cost recovery in its Petition were determined to be eligible by the Commission in prior TCR proceedings.<sup>46</sup> Moreover, all of the transmission facilities were moved to base rates beginning January 1, 2024. The Company is only seeking recovery of the transmission related MISO-RECB costs (Schedule 26/26A revenues and expenses) in this proceeding. As a result, the Department concludes Xcel's MISO-RECB cost and revenues are eligible for recovery.

The Department notes that all the distribution-grid modernization projects have previously been determined to be eligible for cost recovery in prior TCR proceedings.<sup>47</sup> As a result, the Department concludes Xcel's distribution-grid modernization projects costs are eligible for recovery.

This is the first TCR proceeding in which the Company has requested recovery of its HCA. HCA represents the amount of load or generation that can be accommodated on the existing system without adversely affecting power quality or reliability without requiring infrastructure upgrades.<sup>48</sup> On September 15, 2023, the Commission accepted the Company's 2022 HCA Report and confirmed TCR Rider recovery of costs associated with HCA is appropriate, with additional reporting requirements in Docket No. E002/M-22-574. Xcel's information and compliance with the Commission's September 15, 2023 Order is provided in Attachment 4 of the Petition.

Based on our review, the Department concludes that Xcel fulfilled the required additional reporting requirements in Attachment 4. As a result, the Department concludes Xcel's HCA costs are eligible for recovery.

### 4. REASONABLENESS OF PROJECT REVENUE REQUIREMENTS AND COST CAPS

The Commission set a standard for evaluating TCR Rider project costs going forward in Xcel Energy's TCR Rider filing in Docket No. E002/M-09-1048. The Commission stated in its April 27, 2010 Order that:

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<sup>46</sup> Petition at 5.

<sup>47</sup> *Id.*

<sup>48</sup> Petition at 7.

In setting guidelines for evaluating project costs going forward, the TCR project cost recovered through the rider should be limited to the amounts of the initial estimates at the time the projects are approved as eligible projects, with the opportunity for the Company to seek recovery of excluded costs on a prospective basis in a subsequent rate case. A request to allow cost recovery for project costs above the amount of the initial estimate may be brought forward for Commission review only if unforeseen and extraordinary circumstances arise on the project.<sup>49</sup>

The Commission applied this same approach to Otter Tail Power Company in its 2013 TCR Rider in Docket No. E017/M-13-103. The Commission stated in its March 10, 2014 Order that:

Accordingly, the Commission continues to believe that project costs included in the TCR rider should be capped at certificate of need levels and concurs with the Department that the appropriate cap for the Bemidji project is \$74 million. The TCR rider mechanism gives Otter Tail the extraordinary ability to charge its ratepayers for facilities prior to the ordinary timing (the first rate case after the project goes into service) and without undergoing the full scrutiny of a rate case. Holding the Company to its initial estimate is an important tool to enforce fiscal discipline.

Further, imposition of a cap protects the integrity of the certificate of need process, in which it is critical that the cost estimates for the alternatives being compared are as reliable as possible. And, capping costs at the certificate of need levels is consistent with the Commission's actions in similar cases involving other utilities' riders.

The Company is recovering the cost of these transmission facilities through a rider, a unique regulatory tool essentially designed to enable utilities to begin recovering the prudent and reasonable costs of critically needed capital investments between rate cases. The rate case remains the primary vehicle for determining prudence and reasonableness.

In the absence of a rate case, the best available proxy for determining prudence and reasonableness is the cost determination made on the record of a certificate of need or cost recovery eligibility proceeding. Here, the relevant proceeding is a certificate of need case. Otter Tail should continue recovering the costs it sponsored in its certificate of need case

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<sup>49</sup> *In the Matter of the Northern States Power Company, a Minnesota Corporation, d/b/a Xcel Energy, for Approval of a Modification to its TCR Tariff, 2010 Project Eligibility, TCR Rate Factors, Continuation of Deferred Accounting and 2009 True-up Report*, Docket No. E-002/M-09-1048, ORDER APPROVING 2010 TCR PROJECT ELIGIBILITY AND RIDER, 2009 TCR TRACKER REPORT, AND TCR RATE FACTORS at ordering paragraph 4 (Apr. 27, 2010). Accessed at: <https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={957B0578-27B2-4BA2-A4BC-C643C624853F}&documentTitle=20104-49616-01>.

unless and until it demonstrates in a rate case that higher costs are prudent and reasonable.<sup>50</sup>

*i. Transmission Projects*

As noted above, Xcel moved all of its transmission projects into base rates in its most recent rate case in Docket No. E002/GR-21-630. As a result, there are no longer any transmission projects included in Xcel’s TCR Rider<sup>51</sup> and thus no need to evaluate cost caps.

*ii. Distribution Projects*

The Commission’s September 27, 2019 Order in Docket No. E002/M-17-797 approved TCR Rider recovery of the ADMS project, the first Distribution-Grid Modernization project to be certified as part of the Company’s first Biennial Grid Modernization Report. The Commission subsequently certified and later approved TCR cost recovery of additional Distribution-Grid Modernization projects – specifically, the TOU Pilot, AMI, FAN, and LoadSEER in its 2021-2022 TCR Rider Order. Per these orders, the Commission established cost caps for Xcel’s AMI and FAN<sup>52</sup> and ADMS<sup>53</sup> projects. The following tables summarize Xcel’s total forecasted costs for these projects along with their respective cost caps:

**Table 3: AMI and FAN Total Costs and Cost Caps<sup>54</sup>**

| AMI Forecast O&M and Capital - in Millions |                 |                 |                  |                  |                 |                 |             |             |                  |                  |                   |
|--|-----------------|-----------------|------------------|------------------|-----------------|-----------------|-------------|-------------|------------------|------------------|-------------------|
| AMI  | Pre 2021        | 2022            | 2023             | 2024             | 2025            | 2026            | 2027        | 2028        | Total            | Cap              | Variance          |
| Capital                                    | \$ 10.40        | \$ 32.70        | \$ 96.10         | \$ 118.00        | \$ 63.20        | \$ 20.20        | \$ -        | \$ -        | \$ 340.60        | \$ 366.30        | \$ (25.70)        |
| O&M  | \$ 3.00         | \$ 2.30         | \$ 6.10          | \$ 15.70         | \$ 16.50        | \$ 15.50        | \$ -        | \$ -        | \$ 59.10         | \$ 92.90         | \$ (33.80)        |
| <b>Total</b>                               | <b>\$ 13.40</b> | <b>\$ 35.00</b> | <b>\$ 102.20</b> | <b>\$ 133.70</b> | <b>\$ 79.70</b> | <b>\$ 35.70</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 399.70</b> | <b>\$ 459.20</b> | <b>\$ (59.50)</b> |

  

| FAN Forecast O&M and Capital - in Millions |                |                 |                 |                 |                |                |                |                |                 |                  |                  |
|--|----------------|-----------------|-----------------|-----------------|----------------|----------------|----------------|----------------|-----------------|------------------|------------------|
| FAN  | Pre 2021       | 2022            | 2023            | 2024            | 2025           | 2026           | 2027           | 2028           | Total           | Cap              | Variance         |
| Capital                                    | \$ 7.70        | \$ 11.90        | \$ 44.80        | \$ 18.40        | \$ 9.00        | \$ 1.30        | \$ 0.70        | \$ 1.90        | \$ 95.70        | \$ 98.10         | \$ (2.40)        |
| O&M  | \$ 0.60        | \$ 0.20         | \$ 0.20         | \$ 0.10         | \$ 0.10        | \$ 0.10        |                |                | \$ 1.30         | \$ 6.40          | \$ (5.10)        |
| <b>Total</b>                               | <b>\$ 8.30</b> | <b>\$ 12.10</b> | <b>\$ 45.00</b> | <b>\$ 18.50</b> | <b>\$ 9.10</b> | <b>\$ 1.40</b> | <b>\$ 0.70</b> | <b>\$ 1.90</b> | <b>\$ 97.00</b> | <b>\$ 104.50</b> | <b>\$ (7.50)</b> |

**Table 4: ADMS Total Costs and Cost Caps<sup>55</sup>**

| ADMS Forecast O&M and Capital - in Millions |                 |                |                |                |                |                |             |             |                 |                 |                  |
|---|-----------------|----------------|----------------|----------------|----------------|----------------|-------------|-------------|-----------------|-----------------|------------------|
| ADMS  | Pre 2021        | 2022           | 2023           | 2024           | 2025           | 2026           | 2027        | 2028        | Total           | Cap             | Variance         |
| Capital                                     | \$ 48.80        | \$ 1.10        | \$ 1.70        | \$ 0.90        | \$ -           | \$ -           | \$ -        | \$ -        | \$ 52.50        | \$ 69.10        | \$ (16.60)       |
| O&M   | \$ 4.70         | \$ 1.50        | \$ 1.20        | \$ 1.80        | \$ 1.80        | \$ 1.70        |             |             | \$ 12.70        |                 |                  |
| <b>Total</b>                                | <b>\$ 53.50</b> | <b>\$ 2.60</b> | <b>\$ 2.90</b> | <b>\$ 2.70</b> | <b>\$ 1.80</b> | <b>\$ 1.70</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 65.20</b> | <b>\$ 69.10</b> | <b>\$ (3.90)</b> |

<sup>50</sup> *In the Matter of Otter Tail Power Company’s Request for Approval of a Transmission Cost Recovery Rider Including the Proposed Transmission Factor for the Recovery Period from May 2, 2013 to April 30, 2014*, Docket No. E-01/M-13-103, ORDER CAPPING COSTS, DENYING RIDER RECOVERY OF EXCESS COSTS, AND REQUIRING INCLUSION OF ALL MISO SCHEDULE 26 COSTS AND REVENUES IN TCR RIDER at 4 (Mar. 10, 2014) (emphasis added) (footnotes omitted). Accessed at: <https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=showPopup&documentId={1057B78A-40B5-4E6A-A1BC-33BEB45533BF}&documentTitle=20143-97156-01>.

<sup>51</sup> See Department Table 1.

<sup>52</sup> 2021-2022 TCR Rider Order

<sup>53</sup> Commission’s December 10, 2021 Order in Docket No. E002/17-797.

<sup>54</sup> Petition at 21.

<sup>55</sup> Petition at 23.

The Department reviewed Xcel’s forecasted costs and the Commission’s orders regarding costs caps. As shown above, Xcel’s AMI/FAN and ADMS projects do not exceed the established cost caps.

*iii. Hosting Capacity Analysis (HCA)*

As noted above, the Commission accepted the Company’s 2022 HCA Report and confirmed TCR Rider recovery of costs associated with HCA is appropriate, with additional reporting requirements in its September 15, 2023 Order in Docket No. E002/M-22-574.

The Department reviewed the Commission’s September 15, 2023 Order and notes there does not appear to be any cost caps established for Xcel’s HCA project. However, the Commission required the Company to provide information related to the Model Software Review Request for Proposal in future cost recovery proceedings. Xcel provided the following costs estimates for HCA.

**Table 5: Summary of HCA Costs<sup>56</sup>**

| <b>Development Roadmap Items</b>      | <b>Estimated Costs (+50% Contingency)</b> | <b>One-time or Recurring Costs</b> |                                       |
|---------------------------------------|---|------------------------------------|---------------------------------------|
| <b>Foundational Improvements</b>      | <b>\$ 2,895,000</b>                       |                                    |                                       |
| <b>ADMS CIM Extract</b>               | \$ 825,000                                | One-time                           |                                       |
| <b>CRS Integration/Cleanup</b>        | \$ 470,000                                | One-time                           |                                       |
| <b>Modeling Database and Hardware</b> | \$ 400,000                                | One-time                           |                                       |
| <b>Project Team Labor</b>             | \$ 900,000                                | One-time                           |                                       |
| <b>Additional Support Staff</b>       | \$ 300,000/year                           | Recurring                          | Not yet included in TCR cost recovery |
| <b>Monthly Updates</b>                | <b>\$ 600,000</b>                         |                                    |                                       |
| <b>Additional Support Staff</b>       | \$ 600,000/year                           | Recurring                          | Not yet included in TCR cost recovery |
| <b>Modeling Software Review</b>       | <b>\$ 2,095,000</b>                       | <b>One-time</b>                    |                                       |

Xcel stated that unlike the foundation improvements use case, the implementation of the monthly update will require additional local HCA engineers and GIS specialists, which result in additional support staff costs of estimated at \$600,000 per year.<sup>57</sup> However, Xcel stated that using the monthly updates will result in annual labor saving of \$1,632,000.<sup>58</sup>

The Department recommends the above cost estimates in Table 5 as a starting point for review of costs recovery, however, we also note that these estimated costs include a 50 percent contingency

<sup>56</sup> Petition Attachment 4, page 14 of 14.

<sup>57</sup> *Id.*

<sup>58</sup> *Id.*

which is significant. The Department will also continue to review the Company's forecasted savings to ensure ratepayers also receive these benefits and only pay for resulting net costs.

5. *NET REGIONAL EXPANSION AND COST BENEFIT (RECB) CHARGES (MISO SCHEDULES 26/26A, 37 & 38)*

During the 2008 Minnesota Legislative Session, Minn. Stat. 216B.16, Subd, 7(b) (2) was amended to allow utilities providing transmission service to recover "the charges incurred by a utility that accrue from other transmission owners' regionally planned transmission projects that have been determined by MISO to benefit the utility, as provided for under a federally approved tariff," upon Commission approval. The Statute further requires any recovery to "be reduced or offset by revenues received by the utility and by amounts the utility charges to other regional transmission owners, to the extent those revenues and charges have not been otherwise offset."

MISO's regionally planned transmission projects are also referred to as Regional Expansion and Cost Benefit (RECB) projects. RECB charges and revenues are generally reflected under MISO Schedules 26/26A. MISO Schedule 26 includes other regionally shared projects such as Market Efficiency Projects and Generation Interconnection Projects. MISO Schedule 26A includes projects that have been deemed to be Multi-Value Projects (MVPs).

In addition to MISO Schedules 26/26A, utilities also receive revenues related to regionally-shared projects under MISO Schedules 37 and 38. MISO Schedule 37 revenues represent a utility's share of contributions MISO receives from American Transmission Systems, Inc., which left MISO on June 1, 2011 to integrate with PJM. Likewise, MISO Schedule 38 revenues represent a utility's share of payments from Duke-Ohio and Duke-Kentucky, which left MISO on December 31, 2011, but have an ongoing obligation to pay for MISO projects due to their previous membership.

Similar to previous TCR filings, Xcel proposed to recover the net charges it pays other electric utilities through MISO Schedules 26/26A in its TCR Rider. Under Xcel's proposal, it would recover the estimated payments it makes under MISO Schedules 26/26A net of the estimated revenues it receives from other utilities under MISO Schedules 26/26A. Specifically, Xcel proposed to include its estimated 2023 and 2024 MISO Schedule 26/26A net revenues of (\$3,213,443) and (\$12,336,077), respectively, in its TCR Rider.<sup>59</sup>

Order Point No. 12 of the Commission's December 10, 2021 Order in Xcel's 2019-2020 TCR Rider required Xcel to specifically identify Auction Revenue Rights for multi-value projects in Schedules 26 and 26A, including forecasted revenue. According to Xcel, this also includes MVP Auction Revenue Rights (MVP ARR).<sup>60</sup> Xcel's MISO Schedule 26/26A and MVP ARR calculations are provided in Attachment 12 of the Petition.

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<sup>59</sup> Petition at 14.

<sup>60</sup> *Id.*

The Department reviewed Attachment 12 of Xcel's Petition and was able to identify specific MISO Schedule 37/38 amounts and MVP ARR amounts. As a result, the Department concludes Xcel complied with Order Point No. 12 of the Commission's December 10 Order in Docket No. E002/M-21-814.

6. *OTHER WHOLESAL TRANSMISSION REVENUES (NON-RECB)*

The Department notes that the bulk of Minnesota regulated electric utilities' transmission assets over 100 kilovolts are considered to be non-RECB projects for MISO purposes and are included in the utilities' base rates rather than a transmission rider. Similar to RECB charges that are reflected in MISO Schedules 26/26A, these non-RECB charges (wholesale transmission revenues and expenses) are reflected in MISO Schedule 9 revenues for the party that owns the transmission assets and in MISO Schedule 9 expenses for any party that uses the transmission assets (including the owner of the assets). As such, any wholesale transmission revenues and expenses (MISO Schedule 9 revenues and expenses) associated with these facilities are generally reflected in base rates. These MISO Schedule 9 charges are determined under each utility's open-access transmission tariff (OATT) approved by the Federal Energy Regulatory Commission (FERC).

While most of these costs and revenues are reflected in utilities' base rates, sometimes Minnesota rate-regulated utilities have non-RECB transmission projects that qualify for TCR Rider recovery. In those instances, the utility provides a net credit (commonly referred to as the OATT credit) in its TCR Rider to account for the amount of revenues it expects to receive from MISO for other utilities' use of the transmission asset. This net credit reflects the difference between what the utility pays MISO for using its own non-RECB transmission asset and what the utility receives from MISO for other utilities' use of the asset.

As explained on page 18 of the Petition, Xcel identified one non-RECB project, CapX2020 La Crosse-Local. However, since this project and related net OATT credit was moved into base rates in Xcel's most recent rate case, there are no non-RECB costs or revenues included in the proposed 2024 revenue requirements in this proceeding.

7. *UPDATE ON FERC ROE ISSUE*

Xcel stated the following regarding its update on the Federal Energy Regulatory Commission's (FERC) ROE adjustments:

On August 9, 2022, the D.C. Circuit issued a decision on the appeals of FERC's Orders in the two MISO ROE complaint proceedings. The court held that it would vacate all of FERC's substantive orders on the ROE complaints, including FERC's 2016, 2018, 2019, and 2020 Orders, and remanded the proceedings back to FERC for further consideration. The court's decision rejected various arguments raised in opposition to FERC's 2018, 2019, and 2020 Orders, but agreed with appellants that FERC did not adequately explain its decision to incorporate the Risk Premium methodology into its ROE calculation. The court also stated that appellants' arguments challenging FERC's denial of refunds for the second complaint proceeding were without merit, but the court technically did not rule on that issue

because it vacated all of FERC's Orders on other grounds. On remand, FERC may again revise the ROE methodology for the complaint refund period. Additionally, the court's decision creates some uncertainty regarding what ROE is now currently in effect while the remand is pending before FERC. FERC has no deadline to act on the remand.

In the FERC NOI proceeding regarding modifications to the ROE 50-basis point adder for ROE participation, FERC has received comments but has not yet issued any policy or rule modifications.<sup>61</sup>

The Department appreciates Xcel's update on FERC ROE issues and will continue to monitor these issues in future TCR filings.

#### 8. *RATE OF RETURN ON INVESTMENT*

Minn. Stat. §216B.16, subd. 7b (2) allows a return on investment at the level approved in the utility's last general rate case, unless a different return is found to be consistent with the public interest. Xcel's rate of return, including ROE is provided in Attachment 10 of the Petition. As shown therein, Xcel used a 9.25% ROE to calculate its 2024 annual revenue requirements. The Department notes this is consistent with the Commission-approved ROE of 9.25% in the Company's most recent electric case in Docket No. E002/GR-21-630.

#### 9. *INTERNAL CAPITALIZED LABOR*

Consistent with the Commission's decisions in prior TCR proceedings, the Company removed internal capitalized labor costs in its revenue requirements calculations, with the exception of internal labor costs associated with HCA.<sup>62</sup> Xcel's removal of internal labor costs is shown on page 25 of the Petition. According to Xcel, the O&M and capital expenses for HCA are combined in the project revenue requirements in Attachments 6 and 7 of the Petition.<sup>63</sup>

Xcel stated that while it regularly excluded internal labor costs for TCR Rider recovery for all projects, it believes HCA is a different type of project where rider recovery of internal labor is essential to encompass all project costs.<sup>64</sup> Moreover, Xcel stated:

While the Commission has reviewed preliminary HCA cost data, including labor estimates, in our HCA proceedings, we note that labor costs associated with the Monthly Updates for HCA were not captured in the July 2023 budget used to calculate the 2024 TCR revenue requirements because we had not yet received a Commission Order at that time. As noted above, we would not need additional labor if the Commission had not ordered Monthly Updates. Nor were these costs forecasted at the time

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<sup>61</sup> Petition at 16

<sup>62</sup> Petition at 17.

<sup>63</sup> *Id.*

<sup>64</sup> Petition at 26.

of our July 2021 budget which forms the basis of the 2022-2024 test years in the recently concluded electric rate case since this was not work we were planning to perform. Therefore, these internal labor costs are incremental to those included in base rates and should therefore be recoverable through the TCR Rider. We expect to include the additional internal labor associated with performing the Monthly Updates in a future cost recovery proceeding, either through the TCR or a rate case. Capital labor costs are currently forecasted to be approximately \$650,000 in each year of 2023 and 2024, but combined capital and O&M labor expense will increase as the Monthly Updates begin.<sup>65</sup>

The Department asked Xcel, in Department Information Request No. 35, to provide the total amount of internal labor capital costs included in the total HCA capital cost figure of \$2,727,933 shown in Attachment 5B of the Petition. Xcel replied:

The estimate for internal labor expenditures associated with the HCA investments is \$1,304,743. This is based on calculating the difference in total HCA expenditures between TCR Attachment 5A (CWIP Expenditures Excluding Internal Labor) and Attachment 5B (CWIP Expenditures with Internal Labor).<sup>66</sup>

The Department does not see a difference between HCA and other capital projects. Thus, consistent with past practices involving capitalized internal labor, the Department recommends that the Commission require Xcel to remove \$1,304,743 of capitalized internal labor from its total HCA capital costs for TCR revenue requirement recovery purposes.

#### *10. PRORATED ACCUMULATED DEFERRED INCOME TAXES*

Xcel stated the following on page 22 of its Petition regarding prorated accumulated deferred income taxes (ADIT):

The Company calculated the 2024 revenue requirements using the alternative ADIT treatment approved by the Commission in their December 10, 2021 Order in Docket No. E002/M-19-721. This methodology conforms to our understanding of the proration formula in IRS regulation section 1.167(1)-1(h)(6). Under this treatment we have:

1. Treated each forecast month as a test period since the revenue requirements in riders are calculated monthly. This allows the monthly ADIT balance to be reset to its un-prorated beginning balance and only the monthly activity receives the proration.
2. Then applied a mid-month convention for the proration factors in each month.

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<sup>65</sup> Petition at 26.

<sup>66</sup> Xcel's Response to DOC Information Request No. 35; see DOC Attachment No. 2 to these comments.

3. Removed ADIT from the beginning-of-month and end-of-month rate base average, since the proration is itself a form of averaging. These treatments reduce the proration impact to the ratepayers in these rider mechanisms significantly.

We believe that this treatment minimizes customer impact while still maintaining the significant deferred tax benefits provided to our customers. This treatment requires the ADIT prorate to be embedded in the rate base calculation rather than separated as a line item. However, we provide Attachment 14 to show how ADIT proration impacts the total revenue requirement for 2023 and 2024.

As shown on Attachment 14 of Xcel's Petition, the impact on customers using the Company's proposed ADIT treatment is minor. The total impact of ADIT proration on the TCR Rider under this methodology is \$567 out of \$62.7 million in total revenue requirements for the 2024 calendar year.<sup>67</sup>

The Department reviewed Xcel's monthly ADIT methodology and calculations shown in Attachment 14. Based on our review, the Department agrees that the impact of proration is de minimis. In addition, the Department agrees that Xcel's methodology and calculations are consistent with past TCR proceedings and recommends approval.

#### 11. ALLOCATION OF COSTS

Northern States Power Minnesota (NSPM) and Northern States Power Wisconsin (NSPW) operate as a single, integrated system, and therefore costs are initially calculated at the total system level. The allocation of costs from the total system level to the Minnesota jurisdictional customer groups is a three-step process. First, the Company allocates total system costs between NSPM and NSPW. Second, NSPM allocates its share of total system costs to each of its three state jurisdictions (Minnesota, North Dakota, and South Dakota). Third, the Company allocates its Minnesota jurisdictional costs among its customer classes.

To allocate total system costs between NSPM and NSPW, the Company uses a demand allocator which reflects the sharing of costs between NSPM and NSPW pursuant to its FERC Interchange Agreement. Xcel stated that it used its budgeted Interchange Agreement allocators for 2024.<sup>68</sup> Xcel stated that any future over- or under-recovery due to its budgeted allocators will be reflected in their next TCR Rider filing that will use actual allocators as they are available.<sup>69</sup>

The Interchange Agreement demand allocator, reported on Attachment 10, line 22 of the Petition, is based on 36-month coincident peak demand. NSPM proposed to use an allocation factor of 83.8663 percent for 2024. The Company's proposed cost allocation between NSPM and NSPW is consistent with the methodology used in previous TCR filings, and the Department concludes that it is reasonable.

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<sup>67</sup> Petition at 19.

<sup>68</sup> Petition at 18.

<sup>69</sup> *Id.*

To allocate NSPM's share of total system costs between NSPM's three state jurisdictions, the Company proposed using demand allocators based on 12-month coincident peak demand, as shown in the Petition, Attachment 10, line 21. The allocator proposed, 87.1003 percent for 2024, is consistent with the jurisdictional allocator the Company proposed in its most recent rate case, Docket No. E002/GR-21-630. The Department concludes that the Company's proposed jurisdictional allocator is reasonable.

To allocate NSPM's Minnesota jurisdictional costs among the Company's various rate classes within the Minnesota jurisdiction, the Company used its D10S transmission demand allocator from its most recent rate case in Docket No. E002/GR-21-630, which is based on the Company's system peak coincident with the MISO system peak.<sup>70</sup> This approach is consistent with past practice, and the Department concludes that it is reasonable.

*i. Recovery from Minnesota Customer Classes and Applicable Recovery Rates*

NSPM's Minnesota jurisdictional customer classes include Residential, Commercial Non-Demand, and Demand. The Company proposed to recover costs allocated to its Residential and Non-Demand customers on an energy-only basis (i.e. via a per kWh charge), and to recover costs allocated to its Demand customer class on a demand-only basis (i.e. via a per kW charge). This recovery method is consistent with the method used in prior TCR Rider filings; as a result, the Department concludes it is reasonable.

**12. CONCLUSION**

Overall, the Department generally concludes that Xcel's proposed TCR revenue requirements appear reasonable. However, the Department recommends that the Commission require Xcel to remove \$1,304,743 of capitalized internal labor from its total HCA capital costs for TCR revenue requirement purposes.

**B. NOVEMBER 22 NOTICE – TOPIC #2**

***Should the Commission approve Xcel's proposed tariff revisions and customer notice?***

Xcel provided their proposed customer notice on page 28 of the Petition. The tariff revisions are included in Attachment 16 of the Petition and include both the redline and the clean versions. The Department reviewed Xcel's proposed tariff revisions and customer notice and recommends that the Commission approve them.

**C. NOVEMBER 22 NOTICE – TOPIC #3**

***Does the information provided by Xcel in its Petition comply with relevant ordering paragraphs in Commission Orders issued July 23, 2020 in Docket No. E-002/M-19-666 and September 27, 2019 in Docket No. E-002/M-17-797?***

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<sup>70</sup> Petition, Attachment 9.

Yes, Xcel addressed its compliance with Commission Orders issued July 23, 2020 in Docket No. E-002/M-19-666 and September 27, 2019 in Docket No. E-002/M-17-797 beginning on page 4 and throughout its Petition.

Based on the Department's review and as noted in our above comments and the separate comments provided by the Department and Synapse, the Department concludes Xcel complied with the Commission's orders.

*D. NOVEMBER 22 NOTICE – TOPIC #4*

***Does Xcel Energy's AGIS-related cost recovery request, in this docket and relevant filings cited below, comply with the Commission's June 28, 2023 Order, including Xcel's proposals for:***

- 1. Baseline data for AMI/FAN metrics<sup>71</sup>***
- 2. New metrics<sup>72</sup>***
- 3. Interim performance targets and evaluation methods for all metrics<sup>73</sup>***
- 4. PIM structure, including penalties and incentives as well as dates when the PIMs will take effect and terminate***

The Department addressed Xcel's AGIS-related cost recovery request in the above comments under Topic 1. In addition, separate Joint Comments will be filed regarding the analysis and recommendations for metrics and Performance Incentive Mechanisms (PIMs).

The Department recommends that the Commission adopt both the Department's above recommendations regarding AGIS-related cost recovery, and the recommendations of the Joint Comments regarding the metrics and PIMs.

*E. NOVEMBER 22 NOTICE – TOPIC #5 - SYNAPSE*

***Are new metrics more appropriate to assess Xcel's AMI/FAN performance and to use as the basis for cost recovery than metrics listed in the Commission's June 28, 2023 Order?***

See the Joint Comments regarding analysis and recommendations for Topic 5.

The Department recommends that the Commission adopt the recommendations made in the Joint Comments regarding Topic 5.

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<sup>71</sup> Attachment A filed September 25, 2023 & Attachment A filed November 1, 2023 in both Docket No. E-002/M-21-814.

<sup>72</sup> As proposed in the Company's September 25, 2023 filing in Docket No. E-002/M-21-814.

<sup>73</sup> Setting targets was required for the following metrics: Avoided Meter Purchases, Reduced Theft/Meter Tampering, and Customer energy price savings due to Critical Peak Pricing as well as Time of Use rates. See 2021-2022 TCR Rider Order at ordering paragraph 15.

F. NOVEMBER 22 NOTICE – TOPIC #6

***Should the Commission allow Xcel to include the electric share of participant compensation amounts it has paid pursuant to Minn. Stat. § 216B.631 as a line item for recovery through the TCR Rider in its next TCR proceeding?***

The Department notes that Participant Compensation expenses refer to costs paid by a utility to compensate intervenors for their time and costs incurred to participate in rate cases and other proceedings before the Commission.

In 2023, the Minnesota Legislature passed a new law governing compensation for participants in regulatory proceedings in Minnesota Statute 216B.631 (Participant Compensation Statute). This new law was deemed effective as of May 24, 2023 and applies to any proceeding in which the Commission has not yet issued a final order. Under the Participant Compensation Statute, the Commission may order a utility to compensate eligible participants in a wide variety of proceedings, including rate cases and riders.

The Department notes the Participant Compensation Statute appears to be intended to promote participation by other intervenors in proceedings such as this before the Commission. As such, the Department recommends the Commission approve a line item for recovery of participant compensation expenses through the TCR Rider in Xcel's next TCR proceeding.

G. NOVEMBER 22 NOTICE – TOPIC #7

***Has Xcel Energy appropriately discussed its plans to maximize the benefits of the Inflation Reduction Act (IRA) and the IRA's impact on the utility's planning assumptions pursuant to Order Point 1 of the Commission's September 12, 2023 Order in Docket No. E,G-999/CI-22-624?***

Xcel stated the following in its Petition regarding the Inflation Reduction Act:

The Company is working with external advisors, including Edison Electric Institute (EEI), to assess the IRA and maximize the benefits for customers. The primary near term benefits of the IRA are related to tax credits which are returned to customers in base rates or the Renewable Energy Standard (RES) Rider, but there are also potential benefits in future investments the Company is exploring. If any benefits relate to investments eligible for recovery through the TCR Rider, the Company will address in greater detail in future rider filings.<sup>74</sup>

The Department reviewed Xcel's filings and agrees that the near-term benefits related to the IRA are primarily tax credits, which the Company returns to customers in base rates or the RES rider. However, the Department asked Xcel, in Department Information Request No. 33, to provide a list of potential IRA benefits due to investments the Company is exploring. Xcel replied:

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<sup>74</sup> Petition at 9.

The Company is in the process of developing a list as part of our forthcoming filing in Docket No. E999/CI-22-624. This report is due on August 1, 2024.<sup>75</sup>

The Department will review Xcel's forthcoming filing in Docket No. E999/CI-22-624 for any additional tax credits under the IRA. If additional tax benefits are identified, the Department will address them in reply comments in this proceeding.

H. *NOVEMBER 22 NOTICE – TOPIC #8*

***Are there other issues or concerns related to this matter?***

The Department has not identified other issues nor has any other concerns related to this matter at this time.

**III. DEPARTMENT CONCLUSIONS AND RECOMMENDATIONS**

Department concludes that Xcel's proposed TCR revenue requirements appear reasonable and recommends approval with the following modifications. Please note that recommendations regarding topics four and five have been filed separately.

1. The Department recommends the Commission require Xcel to remove \$1,304,743 of capitalized internal labor from its total HCA capital costs for TCR revenue requirement recovery purposes.
2. The Department recommends that the Commission approve Xcel's proposed tariff revisions and customer notice.
3. The Department concludes Xcel provided the information necessary to comply with relevant ordering paragraphs in Commission Orders issued July 23, 2020 in Docket No. E-002/M-19-666 and September 27, 2019 in Docket No. E-002/M-17-797.
4. The Department recommends that the Commission adopt both the Department's above recommendations regarding AGIS-related cost recovery, and the separately filed Joint Comments (Department, OAG, CUB, and Synapse) with recommendations regarding the metrics and PIMs under Commission Notice Topics 4 and 5.
5. The Department recommends that the Commission approve a line item for recovery of participant compensation expenses through the TCR Rider in Xcel's next TCR proceeding.
6. The Department will review Xcel's forthcoming filing in Docket No. E999/CI-22-624 for additional tax credits under the IRA. If additional tax benefits are identified, the Department will address them in reply comments in this proceeding.

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<sup>75</sup> Per Xcel's Response to Department Information Request No. 33. See DOC Attachment 1 to these comments.

The Department has not identified other issues nor has any other concerns related to this matter at this time.

The Department and Synapse are available for any questions that the Commission may have regarding Xcel's TCR Rider Petition.

- Not-Public Document – Not For Public Disclosure  
 Public Document – Not-Public Data Has Been Excised  
 Public Document

Xcel Energy Information Request No. 33  
Docket No.: E002/M-23-467  
Response To: Minnesota Department of Commerce  
Requestor: Mark Johnson, Michael Bologna  
Date Received: May 10, 2024

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Question:

Topic: IRA Tax Benefits

Reference(s): Petition, page 15

The Company stated that the primary near-term benefits of the IRA are related to tax credits which are returned to customers in base rates or the Renewable Energy Standard (RES) Rider, but there are also potential benefits in future investments the Company is exploring.

Please provide a list of potential future IRA benefits due to investments the Company is exploring.

Response:

The Company is in the process of developing a list as part of our forthcoming filing in Docket No. E999/CI-22-624. This report is due on August 1, 2024.

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Preparer: Madeline Lydon  
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Department: NSPM Regulatory  
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Date: May 20, 2024



## **CERTIFICATE OF SERVICE**

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons 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 on Transmission Cost Recovery (TCR) Revenue Requirements**

**Docket No. E002/M-23-467**

Dated this **31<sup>st</sup>** day of **July 2024**

**/s/Sharon Ferguson**

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| Douglas M.     | Carnival           | dcarnival@carnivalberns.com       | McGrann Shea Carnival Straughn & Lamb | N/A  | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Ray            | Choquette          | rchoquette@agp.com                | Ag Processing Inc.                    | 12700 West Dodge Road<br>PO Box 2047<br>Omaha,<br>NE<br>68103-2047 | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| John           | Coffman            | john@johncoffman.net              | AARP                                  | 871 Tuxedo Blvd.<br><br>St. Louis,<br>MO<br>63119-2044             | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Kenneth A.     | Colburn            | kcolburn@symbioticstrategies.com  | Symbiotic Strategies, LLC             | 26 Winton Road<br><br>Meredith,<br>NH<br>32535413                  | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Generic Notice | Commerce Attorneys | commerce.attorneys@ag.state.mn.us | Office of the Attorney General-DOC    | 445 Minnesota Street Suite 1400<br><br>St. Paul,<br>MN<br>55101    | Electronic Service | Yes               | OFF_SL_23-467_M-23-467 |
| Brandon        | Crawford           | brandonc@cubminnesota.org         | Citizens Utility Board of Minnesota   | 332 Minnesota St Ste W1360<br><br>St. Paul,<br>MN<br>55101         | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| George         | Crocker            | gwillc@nawo.org                   | North American Water Office           | 5093 Keats Avenue<br><br>Lake Elmo,<br>MN<br>55042                 | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| James          | Denniston          | james.r.denniston@xcelenergy.com  | Xcel Energy Services, Inc.            | 414 Nicollet Mall, 401-8<br><br>Minneapolis,<br>MN<br>55401        | Electronic Service | No                | OFF_SL_23-467_M-23-467 |

| First Name  | Last Name      | Email                                 | Company Name                        | Address   | Delivery Method    | View Trade Secret | Service List Name      |
|-------------|----------------|---------------------------------------|-------------------------------------|---|--------------------|-------------------|------------------------|
| Curt        | Dieren         | curt.dieren@dgr.com                   | L&O Power Cooperative               | 1302 S Union St<br><br>Rock Rapids,<br>IA<br>51246                            | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Carlton     | Doyle Fontaine | carlon.doyle.fontaine@senate.mn       | MN Senate                           | 75 Rev Dr Martin Luther King Jr Blvd<br>Room G-17<br>St Paul,<br>MN<br>55155  | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Christopher | Droske         | christopher.droske@minneapolis.mn.gov | City of Minneapolis                 | 661 5th Ave N<br><br>Minneapolis,<br>MN<br>55405                              | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Brian       | Edstrom        | briane@cupminnesota.org               | Citizens Utility Board of Minnesota | 332 Minnesota St<br>Ste W1360<br>Saint Paul,<br>MN<br>55101                   | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Kristen     | Eide Tollefson | healingsystems69@gmail.com            | R-CURE                              | 28477 N Lake Ave<br><br>Frontenac,<br>MN<br>55026-1044                        | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Rebecca     | Eilers         | rebecca.d.eilers@xcelenergy.com       | Xcel Energy                         | 414 Nicollet Mall - 401 7th Floor<br><br>Minneapolis,<br>MN<br>55401          | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Bob         | Eleff          | bob.eleff@house.mn                    | Regulated Industries Cmte           | 100 Rev Dr Martin Luther King Jr Blvd<br>Room 600<br>St. Paul,<br>MN<br>55155 | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Betsy       | Engelking      | betsy@nationalgridrenewables.com      | National Grid Renewables            | 8400 Normandale Lake Blvd<br><br>Ste 1200<br>Bloomington,<br>MN<br>55437      | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Oncu        | Er             | oncu.er@avantenergy.com               | Avant Energy, Agent for MMPA        | 220 S. Sixth St. Ste. 1300<br><br>Minneapolis,<br>MN<br>55402                 | Electronic Service | No                | OFF_SL_23-467_M-23-467 |

| First Name | Last Name | Email                             | Company Name                         | Address  | Delivery Method    | View Trade Secret | Service List Name      |
|------------|-----------|-----------------------------------|--------------------------------------|--|--------------------|-------------------|------------------------|
| John       | Farrell   | jfarrell@ilsr.org                 | Institute for Local Self-Reliance    | 2720 E. 22nd St<br>Institute for Local Self-Reliance<br>Minneapolis, MN<br>55406 | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Sharon     | Ferguson  | sharon.ferguson@state.mn.us       | Department of Commerce               | 85 7th Place E Ste 280<br><br>Saint Paul, MN<br>551012198                        | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Lucas      | Franco    | lfranco@liunagroc.com             | LIUNA                                | 81 Little Canada Rd E<br><br>Little Canada, MN<br>55117                          | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Nathan     | Franzen   | nathan@nationalgridrenewables.com | Geronimo Energy, LLC                 | 8400 Normandale Lake Blvd<br><br>Ste 1200<br>Bloomington, MN<br>55437            | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Hal        | Galvin    | halgalvin@comcast.net             | Provectus Energy Development llc     | 1936 Kenwood Parkway<br><br>Minneapolis, MN<br>55405                             | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Edward     | Garvey    | edward.garvey@AESLconsulting.com  | AESL Consulting                      | 32 Lawton St<br><br>Saint Paul, MN<br>55102-2617                                 | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Edward     | Garvey    | garveyed@aol.com                  | Residence                            | 32 Lawton St<br><br>Saint Paul, MN<br>55102                                      | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Allen      | Gleckner  | gleckner@fresh-energy.org         | Fresh Energy                         | 408 St. Peter Street<br>Ste 350<br>Saint Paul, MN<br>55102                       | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Jenny      | Glumack   | jenny@mrea.org                    | Minnesota Rural Electric Association | 11640 73rd Ave N<br><br>Maple Grove, MN<br>55369                                 | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
|            |           |                                   |                                      |  |                    |                   |                        |

| First Name | Last Name | Email                                 | Company Name                                       | Address  | Delivery Method    | View Trade Secret | Service List Name      |
|------------|-----------|---------------------------------------|--|--|--------------------|-------------------|------------------------|
| Shubha     | Harris    | Shubha.M.Harris@xcelenergy.com        | Xcel Energy  | 414 Nicollet Mall, 401 - FL 8<br><br>Minneapolis,<br>MN<br>55401   | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Kim        | Havey     | kim.havey@minneapolismn.gov           | City of Minneapolis                                | 350 South 5th Street,<br>Suite 315M<br>Minneapolis,<br>MN<br>55415 | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Todd       | Headlee   | theadlee@dvigridsolutions.com         | Dominion Voltage, Inc.                             | 701 E. Cary Street<br><br>Richmond,<br>VA<br>23219                 | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Amber      | Hedlund   | amber.r.hedlund@xcelenergy.com        | Northern States Power Company dba Xcel Energy-Elec | 414 Nicollet Mall, 401-7<br><br>Minneapolis,<br>MN<br>55401        | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Adam       | Heinen    | aheinen@dakotaelectric.com            | Dakota Electric Association                        | 4300 220th St W<br><br>Farmington,<br>MN<br>55024                  | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Jared      | Hendricks | jared.hendricks@owatonnautilities.com | Owatonna Municipal Public Utilities                | PO Box 800<br>208 S Walnut Ave<br>Owatonna,<br>MN<br>55060-2940    | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Annete     | Henkel    | mui@mutilityinvestors.org             | Minnesota Utility Investors                        | 413 Wacouta Street<br>#230<br>St. Paul,<br>MN<br>55101             | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Holly      | Hinman    | holly.r.hinman@xcelenergy.com         | Xcel Energy  | 414 Nicollet Mall, 7th Floor<br><br>Minneapolis,<br>MN<br>55401    | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Joe        | Hoffman   | ja.hoffman@smmpa.org                  | SMMPA  | 500 First Ave SW<br><br>Rochester,<br>MN<br>55902-3303             | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Michael    | Hoppe     | lu23@ibew23.org                       | Local Union 23, I.B.E.W.                           | 445 Etna Street<br>Ste. 61<br>St. Paul,<br>MN<br>55106             | Electronic Service | No                | OFF_SL_23-467_M-23-467 |

| First Name | Last Name        | Email                    | Company Name                        | Address  | Delivery Method    | View Trade Secret | Service List Name      |
|------------|------------------|--------------------------|-------------------------------------|--|--------------------|-------------------|------------------------|
| Jan        | Hubbard          | jan.hubbard@comcast.net  |                                     | 7730 Mississippi Lane<br>Brooklyn Park,<br>MN<br>55444             | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Geoffrey   | Inge             | ginge@regintl.com        | Regulatory Intelligence LLC         | PO Box 270636<br>Superior,<br>CO<br>80027-9998                     | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Ralph      | Jacobson         | ralphj@ips-solar.com     |                                     | 2126 Roblyn Avenue<br>Saint Paul,<br>MN<br>55104                   | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Casey      | Jacobson         | cjacobson@bepc.com       | Basin Electric Power<br>Cooperative | 1717 East Interstate<br>Avenue<br>Bismarck,<br>ND<br>58501         | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| John S.    | Jaffray          | jjaffray@jirpower.com    | JJR Power                           | 350 Highway 7 Suite 236<br>Excelsior,<br>MN<br>55331               | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Alan       | Jenkins          | aj@jenkinsatlaw.com      | Jenkins at Law                      | 2950 Yellowtail Ave.<br>Marathon,<br>FL<br>33050                   | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Richard    | Johnson          | Rick.Johnson@lawmoss.com | Moss & Barnett                      | 150 S. 5th Street<br>Suite 1200<br>Minneapolis,<br>MN<br>55402     | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Sarah      | Johnson Phillips | sarah.phillips@stoel.com | Stoel Rives LLP                     | 33 South Sixth Street<br>Suite 4200<br>Minneapolis,<br>MN<br>55402 | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Nate       | Jones            | njones@hcpd.com          | Heartland Consumers<br>Power        | PO Box 248<br>Madison,<br>SD<br>57042                              | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Michael    | Kampmeyer        | mkampmeyer@a-e-group.com | AEG Group, LLC                      | 260 Salem Church Road<br>Sunfish Lake,<br>MN<br>55118              | Electronic Service | No                | OFF_SL_23-467_M-23-467 |

| First Name | Last Name | Email                        | Company Name                         | Address   | Delivery Method    | View Trade Secret | Service List Name      |
|------------|-----------|------------------------------|--------------------------------------|---|--------------------|-------------------|------------------------|
| Nick       | Kaneski   | nick.kaneski@enbridge.com    | Enbridge Energy Company, Inc.        | 11 East Superior St Ste 125<br><br>Duluth, MN 55802               | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Brad       | Klein     | bklein@elpc.org              | Environmental Law & Policy Center    | 35 E. Wacker Drive, Suite 1600<br>Suite 1600<br>Chicago, IL 60601 | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Brian      | Krambeer  | bkramber@mienergy.coop       | MiEnergy Cooperative                 | PO Box 626<br>31110 Cooperative Way<br>Rushford, MN 55971         | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Michael    | Krause    | michaelkrause61@yahoo.com    | Kandiyo Consulting, LLC              | 1200 Plymouth Avenue<br><br>Minneapolis, MN 55411                 | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Michael    | Krikava   | mkrikava@taftlaw.com         | Taft Stettinius & Hollister LLP      | 2200 IDS Center<br>80 S 8th St<br>Minneapolis, MN 55402           | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Matthew    | Lacey     | Mlacey@greenergy.com         | Great River Energy                   | 12300 Elm Creek Boulevard<br><br>Maple Grove, MN 553694718        | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Carmel     | Laney     | carmel.laney@stoel.com       | Stoel Rives LLP                      | 33 South Sixth Street<br>Suite 4200<br>Minneapolis, MN 55402      | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| James D.   | Larson    | james.larson@avantenergy.com | Avant Energy Services                | 220 S 6th St Ste 1300<br><br>Minneapolis, MN 55402                | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Peder      | Larson    | plarson@larkinhoffman.com    | Larkin Hoffman Daly & Lindgren, Ltd. | 8300 Norman Center Drive<br>Suite 1000<br>Bloomington, MN 55437   | Electronic Service | No                | OFF_SL_23-467_M-23-467 |

| First Name | Last Name     | Email                           | Company Name                        | Address  | Delivery Method    | View Trade Secret | Service List Name      |
|------------|---------------|---------------------------------|-------------------------------------|--|--------------------|-------------------|------------------------|
| Dean       | Leischow      | dean@sunrisenrg.com             | Sunrise Energy Ventures             | 315 Manitoba Ave Ste 200<br><br>Wayzata,<br>MN<br>55391              | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Annie      | Levenson Falk | annief@cupminnesota.org         | Citizens Utility Board of Minnesota | 332 Minnesota Street,<br>Suite W1360<br><br>St. Paul,<br>MN<br>55101 | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Ryan       | Long          | ryan.j.long@xcelenergy.com      | Xcel Energy                         | 414 Nicollet Mall<br>401 8th Floor<br>Minneapolis,<br>MN<br>55401    | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Susan      | Ludwig        | sludwig@mnpower.com             | Minnesota Power                     | 30 West Superior Street<br><br>Duluth,<br>MN<br>55802                | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Kavita     | Maini         | kmairi@wi.rr.com                | KM Energy Consulting, LLC           | 961 N Lost Woods Rd<br><br>Oconomowoc,<br>WI<br>53066                | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Mary       | Martinka      | mary.a.martinka@xcelenergy.com  | Xcel Energy Inc                     | 414 Nicollet Mall<br>7th Floor<br>Minneapolis,<br>MN<br>55401        | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Gregg      | Mast          | gmast@cleanenergyeconomy.mn.org | Clean Energy Economy Minnesota      | 4808 10th Avenue S<br><br>Minneapolis,<br>MN<br>55417                | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Thomas     | Melone        | Thomas.Melone@AllcoUS.com       | Minnesota Go Solar LLC              | 222 South 9th Street<br>Suite 1600<br>Minneapolis,<br>MN<br>55120    | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Stacy      | Miller        | stacy.miller@minneapolismn.gov  | City of Minneapolis                 | 350 S. 5th Street<br>Room M 301<br>Minneapolis,<br>MN<br>55415       | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| David      | Moeller       | dmoeller@allete.com             | Minnesota Power                     | 30 W Superior St<br><br>Duluth,<br>MN<br>558022093                   | Electronic Service | No                | OFF_SL_23-467_M-23-467 |

| First Name | Last Name   | Email                            | Company Name                       | Address   | Delivery Method    | View Trade Secret | Service List Name      |
|------------|-------------|----------------------------------|------------------------------------|---|--------------------|-------------------|------------------------|
| Dalene     | Monsebroten | dalene.monsebroten@nmpagency.com | Northern Municipal Power Agency    | 123 2nd St W<br>Thief River Falls,<br>MN<br>56701                   | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Andrew     | Moratzka    | andrew.moratzka@stoel.com        | Stoel Rives LLP                    | 33 South Sixth St Ste 4200<br>Minneapolis,<br>MN<br>55402           | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Ben        | Nelson      | benn@cmpasgroup.org              | CMPMA                              | 459 South Grove Street<br>Blue Earth,<br>MN<br>56013                | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Carl       | Nelson      | cnelson@mncee.org                | Center for Energy and Environment  | 212 3rd Ave N Ste 560<br>Minneapolis,<br>MN<br>55401                | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| David      | Niles       | david.niles@avantenergy.com      | Minnesota Municipal Power Agency   | 220 South Sixth Street<br>Suite 1300<br>Minneapolis,<br>MN<br>55402 | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Sephra     | Ninow       | sephra.ninow@energycenter.org    | Center for Sustainable Energy      | 426 17th Street, Suite 700<br>Oakland,<br>CA<br>94612               | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Rolf       | Nordstrom   | rnordstrom@gpisd.net             | Great Plains Institute             | 2801 21ST AVE S STE 220<br>Minneapolis,<br>MN<br>55407-1229         | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Samantha   | Norris      | samanthanorris@alliantenergy.com | Interstate Power and Light Company | 200 1st Street SE PO Box 351<br>Cedar Rapids,<br>IA<br>524060351    | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| David      | O'Brien     | david.obrien@navigant.com        | Navigant Consulting                | 77 South Bedford St Ste 400<br>Burlington,<br>MA<br>01803           | Electronic Service | No                | OFF_SL_23-467_M-23-467 |

| First Name | Last Name  | Email                                  | Company Name                           | Address  | Delivery Method    | View Trade Secret | Service List Name      |
|------------|------------|--|--|--|--------------------|-------------------|------------------------|
| Jeff       | O'Neill    | jeff.oneill@ci.monticello.mn.us        | City of Monticello                     | 505 Walnut Street<br>Suite 1<br>Monticello,<br>MN<br>55362                   | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Russell    | Olson      | rolson@hcpd.com                        | Heartland Consumers<br>Power District  | PO Box 248<br><br>Madison,<br>SD<br>570420248                                | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Carol A.   | Overland   | overland@legalectric.org               | Legalelectric - Overland Law<br>Office | 1110 West Avenue<br><br>Red Wing,<br>MN<br>55066                             | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Dan        | Patry      | dpatry@sunedison.com                   | SunEdison                              | 600 Clipper Drive<br><br>Belmont,<br>CA<br>94002                             | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Jeffrey C  | Paulson    | jeff.jcplaw@comcast.net                | Paulson Law Office, Ltd.               | 4445 W 77th Street<br>Suite 224<br>Edina,<br>MN<br>55435                     | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Jennifer   | Peterson   | jppeterson@mnpower.com                 | Minnesota Power                        | 30 West Superior Street<br><br>Duluth,<br>MN<br>55802                        | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Hannah     | Polikov    | hpolikov@aee.net                       | Advanced Energy<br>Economy Institute   | 1000 Vermont Ave, Third<br>Floor<br><br>Washington,<br>DC<br>20005           | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| David G.   | Prazak     | dprazak@otpc.com                       | Otter Tail Power Company               | P.O. Box 496<br>215 South Cascade Street<br>Fergus Falls,<br>MN<br>565380496 | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Michael    | Reinertson | michael.reinertson@avante<br>nergy.com | Avant Energy                           | 220 S. Sixth St. Ste 1300<br><br>Minneapolis,<br>MN<br>55402                 | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| John C.    | Reinhardt  | N/A                                    | Laura A. Reinhardt                     | 3552 26th Ave S<br><br>Minneapolis,<br>MN<br>55406                           | Paper Service      | No                | OFF_SL_23-467_M-23-467 |

| First Name     | Last Name                      | Email                                | Company Name                          | Address   | Delivery Method    | View Trade Secret | Service List Name      |
|----------------|--------------------------------|--------------------------------------|---------------------------------------|---|--------------------|-------------------|------------------------|
| Generic Notice | Residential Utilities Division | residential.utilities@ag.state.mn.us | Office of the Attorney General-RUD    | 1400 BRM Tower<br>445 Minnesota St<br>St. Paul,<br>MN<br>551012131  | Electronic Service | Yes               | OFF_SL_23-467_M-23-467 |
| Kevin          | Reuther                        | kreuther@mncenter.org                | MN Center for Environmental Advocacy  | 26 E Exchange St, Ste 206<br><br>St. Paul,<br>MN<br>551011667       | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Isabel         | Ricker                         | ricker@fresh-energy.org              | Fresh Energy                          | 408 Saint Peter Street<br>Suite 220<br>Saint Paul,<br>MN<br>55102   | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Noah           | Roberts                        | nroberts@cleanpower.org              | Energy Storage Association            | 1155 15th St NW, Ste 500<br><br>Washington,<br>DC<br>20005          | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Amanda         | Rome                           | amanda.rome@xcelenergy.com           | Xcel Energy                           | 414 Nicollet Mall FL 5<br><br>Minneapolis,<br>MN<br>55401           | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Robert K.      | Sahr                           | bsahr@eastriver.coop                 | East River Electric Power Cooperative | P.O. Box 227<br><br>Madison,<br>SD<br>57042                         | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Joseph L       | Sathe                          | jsathe@kennedy-graven.com            | Kennedy & Graven, Chartered           | 150 S 5th St Ste 700<br><br>Minneapolis,<br>MN<br>55402             | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Peter          | Scholtz                        | peter.scholtz@ag.state.mn.us         | Office of the Attorney General-RUD    | Suite 1400<br>445 Minnesota Street<br>St. Paul,<br>MN<br>55101-2131 | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Kay            | Schraeder                      | kschraeder@minnkota.com              | Minnkota Power                        | 5301 32nd Ave S<br><br>Grand Forks,<br>ND<br>58201                  | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Christine      | Schwartz                       | Regulatory.records@xcelenergy.com    | Xcel Energy                           | 414 Nicollet Mall FL 7<br><br>Minneapolis,<br>MN<br>554011993       | Electronic Service | No                | OFF_SL_23-467_M-23-467 |

| First Name | Last Name | Email                               | Company Name                      | Address   | Delivery Method    | View Trade Secret | Service List Name      |
|------------|-----------|-------------------------------------|-----------------------------------|---|--------------------|-------------------|------------------------|
| Dean       | Sedgwick  | Sedgwick@Itascapower.com            | Itasca Power Company              | PO Box 455<br>Spring Lake,<br>MN<br>56680                           | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Maria      | Seidler   | maria.seidler@dom.com               | Dominion Energy Technology        | 120 Tredegar Street<br>Richmond,<br>VA<br>23219                     | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Will       | Seuffert  | Will.Seuffert@state.mn.us           | Public Utilities Commission       | 121 7th PI E Ste 350<br>Saint Paul,<br>MN<br>55101                  | Electronic Service | Yes               | OFF_SL_23-467_M-23-467 |
| Patricia F | Sharkey   | psharkey@environmentalawcounsel.com | Midwest Cogeneration Association. | 180 N LaSalle St<br>Ste 3700<br>Chicago,<br>IL<br>60601             | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Bria       | Shea      | bria.e.shea@xcelenergy.com          | Xcel Energy                       | 414 Nicollet Mall<br>Minneapolis,<br>MN<br>55401                    | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Doug       | Shoemaker | dougs@charter.net                   | Minnesota Renewable Energy        | 2928 5th Ave S<br>Minneapolis,<br>MN<br>55408                       | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Anne       | Smart     | anne.smart@chargepoint.com          | ChargePoint, Inc.                 | 254 E Hacienda Ave<br>Campbell,<br>CA<br>95008                      | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Joshua     | Smith     | joshua.smith@sierraclub.org         |                                   | 85 Second St FL 2<br>San Francisco,<br>CA<br>94105                  | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Ken        | Smith     | ken.smith@evergreenenergy.com       | Ever Green Energy                 | 305 Saint Peter St<br>Saint Paul,<br>MN<br>55102                    | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Trevor     | Smith     | trevor.smith@avantenergy.com        | Avant Energy, Inc.                | 220 South Sixth Street<br>Suite 1300<br>Minneapolis,<br>MN<br>55402 | Electronic Service | No                | OFF_SL_23-467_M-23-467 |

| First Name | Last Name  | Email                         | Company Name                   | Address  | Delivery Method    | View Trade Secret | Service List Name      |
|------------|------------|-------------------------------|--------------------------------|--|--------------------|-------------------|------------------------|
| Ken        | Smith      | ken.smith@districtenergy.com  | District Energy St. Paul Inc.  | 76 W Kellogg Blvd<br><br>St. Paul,<br>MN<br>55102  | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Beth       | Soholt     | bsoholt@cleangridalliance.org | Clean Grid Alliance            | 570 Asbury Street Suite 201<br><br>St. Paul,<br>MN<br>55104                                | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Byron E.   | Starns     | byron.starns@stinson.com      | STINSON LLP                    | 50 S 6th St Ste 2600<br><br>Minneapolis,<br>MN<br>55402                                    | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| James M    | Strommen   | jstrommen@kennedy-graven.com  | Kennedy & Graven,<br>Chartered | 150 S 5th St Ste 700<br><br>Minneapolis,<br>MN<br>55402                                    | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Eric       | Swanson    | eswanson@winthrop.com         | Winthrop & Weinstine           | 225 S 6th St Ste 3500<br>Capella Tower<br>Minneapolis,<br>MN<br>554024629                  | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Stuart     | Tommerdahl | stommerdahl@otpc.com          | Otter Tail Power Company       | 215 S Cascade St<br>PO Box 496<br>Fergus Falls,<br>MN<br>56537                             | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Pat        | Treseler   | pat.jcplaw@comcast.net        | Paulson Law Office LTD         | 4445 W 77th Street<br>Suite 224<br>Edina,<br>MN<br>55435                                   | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Lise       | Trudeau    | lise.trudeau@state.mn.us      | Department of Commerce         | 85 7th Place East<br>Suite 500<br>Saint Paul,<br>MN<br>55101                               | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Carla      | Vita       | carla.vita@state.mn.us        | MN DEED                        | Great Northern Building<br>12th Floor 180 East Fifth<br>Street<br>St. Paul,<br>MN<br>55101 | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
|            |            |                               |                                |  |                    |                   |                        |

| First Name  | Last Name | Email                                 | Company Name                        | Address  | Delivery Method    | View Trade Secret | Service List Name      |
|-------------|-----------|---------------------------------------|-------------------------------------|--|--------------------|-------------------|------------------------|
| Curt        | Volkman   | curt@newenergy-advisors.com           | Fresh Energy                        | 408 St Peter St<br>Saint Paul,<br>MN<br>55102                        | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Roger       | Warehime  | roger.warehime@owatonna-utilities.com | Owatonna Municipal Public Utilities | 208 S Walnut Ave<br>PO BOX 800<br>Owatonna,<br>MN<br>55060           | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Jenna       | Warmuth   | jwarmuth@mnpower.com                  | Minnesota Power                     | 30 W Superior St<br>Duluth,<br>MN<br>55802-2093                      | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Joseph      | Windler   | jwindler@winthrop.com                 | Winthrop & Weinstine                | 225 South Sixth Street,<br>Suite 3500<br>Minneapolis,<br>MN<br>55402 | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Robyn       | Woeste    | robynwoeste@alliantenergy.com         | Interstate Power and Light Company  | 200 First St SE<br>Cedar Rapids,<br>IA<br>52401                      | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Yochi       | Zakai     | yzakai@smwlaw.com                     | SHUTE, MIHALY & WEINBERGER LLP      | 396 Hayes Street<br>San Francisco,<br>CA<br>94102                    | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Christopher | Zibart    | czibart@atcllc.com                    | American Transmission Company LLC   | W234 N2000 Ridgeview<br>Pkwy Court<br>Waukesha,<br>WI<br>53188-1022  | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Kurt        | Zimmerman | kwz@ibew160.org                       | Local Union #160, IBEW              | 2909 Anthony Ln<br>St Anthony Village,<br>MN<br>55418-3238           | Electronic Service | No                | OFF_SL_23-467_M-23-467 |
| Patrick     | Zomer     | Pat.Zomer@lawmoss.com                 | Moss & Barnett PA                   | 150 S 5th St #1200<br>Minneapolis,<br>MN<br>55402                    | Electronic Service | No                | OFF_SL_23-467_M-23-467 |