State of Minnesota
Before the Public Utilities Commission

Katie Sieben	Chair
Hwikwon Ham	Commissioner
Audrey Partridge	Commissioner
Joseph Sullivan	Commissioner
John Tuma	Commissioner

In the Matter of the Application of Xcel Energy's Petition for Approval of Gas State Energy Policy Rider Recovery with True-Up Mechanisms	Docket No. G-002/M-25-403

Initial Comments of the Citizens Utility Board of Minnesota

On October 31, 2025, Northern States Power Company, d/b/a Xcel Energy's ("Xcel" or "the Company") submitted an application requesting the Commission's approval to increase its natural gas rates by approximately $63.40 million, or 8.2 percent, for the test year ending December 31, 2026.[1] Concurrently with its rate increase application, Xcel filed a petition in the present docket requesting that the Commission approve certain costs for recovery via its State Energy Policy ("SEP") Rider, subject to true-up (the "Petition" or "SEP Petition").[2] The Company frames the latter request as an alternative to litigating the rate case and offers to withdraw the rate case if the Commission approves its alternate proposal by December 31, 2025.[3] As of the date of these comments, Xcel has not contacted us to discuss this Petition.

The Citizens Utility Board of Minnesota ("CUB") respectfully submits the following comments responding to the Notice of Comment period filed by the Minnesota Public Utilities Commission ("the Commission") on November 4, 2025. As described in greater detail below, CUB does not view this Petition as an appropriate use of the SEP rider, nor has the Company provided sufficient time or information with which CUB or other advocates can review the prudency of costs proposed for recovery via the rider. For those reasons, CUB recommends the Commission deny the SEP Petition.

I. INTRODUCTION

Through its SEP Petition, the Company requests to "establish a baseline amount for certain incremental 2026 costs through the SEP Rider effective January 1, 2026, with a true-up to 2026 actual expenses (whether higher or lower than estimated) for each of the components of the total set forth

[1] *In the Matter of the Application of Xcel Energy's Petition for Authority to Increase Natural Gas Rates in Minnesota*, Initial Filing, Docket No. G-002/GR-25-356 (Oct. 31, 2025)
[2] *In the Matter of the Application of Xcel Energy's Petition for Approval of Gas State Energy Policy Rider Recovery with True-Up Mechanisms*, Petition, Docket No. G-002/M-25-403 (Oct. 31, 2025) ("SEP Petition")
[3] SEP Petition at 2.

in this Petition, remaining in effect until the Company's next gas rate case."[4] Xcel proposes to include the following estimated costs in the SEP Rider for 2026:

- $25.5 million in incremental capital-related revenue requirements;
- $10.5 million in property taxes;
- $6.1 million in gas distribution, plant, and transmission operation labor expenses;
- $3.8 million in Damage Prevention costs; and
- $0.4 million in Manufactured Gas Plant (MGP) costs

This proposal would result in estimated overall SEP recovery of $46.3 million. According to Xcel, this amount—and the associated ratepayer impact—"compares favorably to both the requested $63.40 million final rates and the proposed $51.47 million interim rate increase."[5] Superficially, if the Commission were to only compare the total recovery requested and the projected bill impact of each of those mechanisms, it appears that approving the SEP Petition is a favorable alternative (at least in terms of cost to ratepayers) to allowing the rate case to continue and interim rates to take effect on January 1st. However, simply comparing the figures below is an overly simplistic way of analyzing Xcel's Petition.

Fig. 1 – Comparison of Effects on Average Residential Customer Bills

	Total Recovery	Ave. monthly increase	Ave. annual increase
2026 Test Year Rev. Requirement[6]	$63.4 million	$7.11	$85.32
Interim Rates[7]	$51.47 million	$5.84	$70.08
SEP Petition	$46.3 million	$2.69	$32.29

First, it is all but certain that the Test Year revenue requirement Xcel includes in its rate case filings will be higher than the revenue requirement that is approved for rate recovery at the conclusion of a contested rate case—whether it be fully litigated or resolved by settlement. In Xcel's last gas rate case, parties settled at a rate increase that was approximately 78 percent of Xcel's initial request.[8] In Xcel's last (fully litigated) electric rate case, the Commission approved less than 50 percent of Xcel's original request.[9] Though we have not yet reviewed Xcel's rate case filings in detail, the Company's aggressive

[4] SEP Petition at 6.
[5] SEP Petition at 7.
[6] *In the Matter of the Application of Xcel Energy's Petition for Authority to Increase Natural Gas Rates in Minnesota*, Initial Filing, Docket No. G-002/GR-25-356 (Oct. 31, 2025)
[7] *In the Matter of the Application of Xcel Energy's Petition for Authority to Increase Natural Gas Rates in Minnesota*, Interim Rate Petition, Docket No. G-002/GR-25-356 (Oct. 31, 2025)
[8] See In the Matter of the Application of Northern States Power Company, d/b/a Xcel Energy, for Authority to Increase Rates for Natural Gas Service in Minnesota, Order Accepting and Adopting Agreement Setting Rates, Docket No. G-002/MR-23-413 (March 5, 2025)
[9] *See* In the Matter of the Application of Northern States Power Company, dba Xcel Energy, for Authority to Increase Rates for Electric Service in the State of Minnesota, Findings of Fact, Conclusions, and Order, Docket NO. E-002/GR-21-630 (July 17, 2023).

request for a 10.65 percent return on equity—which represents a 105 basis point increase over its currently-authorized ROE—alone suggests Xcel has significantly overstated its 2026 revenue requirement.

Second, CUB and other parties that filed comments on Xcel's interim rate petition recommended that the Commission find exigent circumstances warrant capping the interim rate increase at something lower than Xcel's request.[10] Though we do not know whether the Commission will agree with this recommendation, the Commission's decision on interim rates should inform how it assesses the ratepayer impact of an interim rate increase vs. approving the SEP Petition and a rate case stayout in this docket. More importantly, even if the Commission does not find exigent circumstances warrant lowering interim rates, the purpose of a contested rate case—and permitting interim rates to be collected during its pendency—is to permit a thorough development and review of an evidentiary record to help ensure Xcel meets its burden to prove it recovers only prudently incurred costs that result in just and reasonable rates. It would not be in the public interest, and would set a poor precedent, to permit Xcel to recover significant costs through the SEP Rider with a delayed and/or less robust review of those costs just because the immediate rate impact of approving the SEP Petition might be lower than allowing interim rates to take effect.

Third, the true-up proposals included in the SEP Petition would permit Xcel to surcharge ratepayers if actual capital-related revenue requirements exceed the baseline.[11] Although the Company clarifies it "will recover, and customers will pay, no more than actual capital-related revenue requirements incurred by the Company"[12] this true up is more favorable to Xcel and less favorable to ratepayers compared to how similar under collections would be addressed during the pendency of a rate case proceeding. Namely, if the same capital-related expenses were included in a general rate case, Xcel would not be able to surcharge customers for under collections in interim rates that occurred before the Commission issues its order setting final rates.[13] Moreover, allowing the Company to issue a surcharge to recovery under collections via the true up mechanism it proposes might reduce the incentive Xcel might otherwise have to ensure prudent spending.

Finally, it is unclear from Xcel's Petition when the costs proposed for recovery through the SEP Rider will be reviewed for prudence. Though we imagine some prudence review will occur when the Company makes a future compliance filing comparing costs approved for rider recovery against actual

[10] *See, e.g., In the Matter of the Application of Xcel Energy's Petition for Authority to Increase Natural Gas Rates in Minnesota*, CUB Initial Comments, Docket No. G-002/GR-25-356 (Nov. 12, 2025) (CUB and other parties argue that consequences arising from the federal government shutdown—including the suspension of LIHEAP and SNAP—create unique hardships that warrant a finding of exigent circumstances.)

[11] SEP Petition at 7-8 ("If the proposed true-up mechanism is approved, the Company will issue a refund to customers if it incurs lower capital-related revenue requirements than the baseline amount, and will collect increased revenues through the true-up if capital related revenue requirements exceed the baseline").

[12] SEP Petition at 8.

[13] *See* Minn. Stat. § 216B.16 Subd. 3(c) ("If, at the time of its final determination, the commission finds that the interim rates are less than the rates in the final determination, the commission shall prescribe a method by which the utility will recover the difference in revenues between the date of the final determination and the date the new rate schedules are put into effect.")

costs, that review is unlikely to be as robust as it would be if those same costs were reviewed as part of a contested rate case, where parties participating are afforded more time to issue discovery, cross examine witnesses, and engage experts to aid in their review. By asking the Commission to approve a $46.3 million rate increase *before* any such prudency review is conducted, and without clear legislative directive for recovering that volume or type of expenses through the SEP Rider, Xcel cannot reasonably meet its burden prove the rates charged through the Rider are just and reasonable, with doubt as to reasonableness resolved in favor of the consumer. Therefore, it would not be in the public interest for the Commission to approve the Petition.

II. ANALYSIS

A. Applicable legal standard

Xcel cites the following statutes and rules as applicable to this filing: Minn. Stat. §§ 216B.03 and 216B.10; Minn. R. 7825.0300; Minn. R. 7829.1300; and Minn. R. 7829.0100, subp. 11.

Minn. Stat. § 216B.03 requires that every rate made, demanded, or received by any public utility must be just and reasonable, with doubt as to reasonableness resolved in favor of the consumer. "Rate" is defined broadly to include "every compensation, charge, fare, toll, tariff, rental, and classification, or any of them, demanded, observed, charged, or collected by any public utility for any service and any rules, practices, or contracts affecting any such compensation, charge, fare, toll, rental, tariff, or classification."[14] As Xcel notes, the SEP Petition is a "miscellaneous tariff."[15] Therefore, it falls within the statutory definition of a "rate" and must be just and reasonable, with doubt as to reasonableness resolved in favor of the consumer.

The other statutes and rules Xcel cites largely relate to a utility's accounting practices and procedural requirements applicable to miscellaneous filings. Omitted from Xcel's filing is an explanation of the legal standard applicable to how the SEP Rider was established and intended to be used.

i. Most riders utilized by Xcel were created by legislation.

As noted on the Commission's website:

> Riders are a creation of the Minnesota Legislature. Generally, a public utility may not change its rates without undergoing a rate case in which the Commission comprehensively reviews the utility's costs and revenues. However, the Legislature has created exceptions to this general policy, a utility may implement a rider to expedite recovery of certain costs not reflected in the company's current base rates.[16]

[14] Minn. Stat. § 216B.02 Subd. 5.
[15] SEP Petition at 4 ("This filing is a miscellaneous tariff as defined by Minn. R. 7829.0100, subp. 11. Under Minn. R. 7829.1400[.]" *See also,* SEP Petition at Attachment D
[16] https://mn.gov/puc/activities/financial-analysis/rider-filings/

For example, the following riders have been legislatively established: the Gas Utility Infrastructure Cost ("GUIC") Rider;[17] the Transmission Cost Recovery ("TCR") Rider;[18] and the Renewable Energy Standards ("RES") Rider.[19] The legislation establishing each of these riders also establishes parameters for how they are used, and how the Commission considers the prudency of costs recovered through them.[20]

ii. The SEP Rider was established by Commission order.

The SEP Rider differs from the three riders discussed above. The SEP Rider, itself, was not directly established by the Legislature; rather, the Rider was created in response to legislation that somewhat vaguely authorized automatic rate recovery of: (1) Reliability Administrator-related costs ("RA costs");[21] (2) costs related to compliance with sustainable buildings guidelines ("SBG costs");[22] and (3) and costs related to a Prairie Island Settlement involving Xcel's electric services ("PI costs").[23] (As this last category of costs relates specifically to Xcel's electric service, we do not discuss it further here.)

In 2003, Xcel filed a petition requesting permission to recover RA/SBG costs via a new rider.[24] Xcel initially estimated this new rider would "collect roughly $2.5 million each year" to cover its RA/SBG expenses.[25] "In April 2023, [Xcel] initially identified the RA/SBG costs to date for its gas utility, and sought their recovery through the CIP adjustment factor[.]"[26] However, the Department suggested that the RA/SBG expenses be handled alone in a new rider. Ultimately, Xcel offered a few reasons for separating RA/SBG costs for recovery via a new rider: (1) RA/SBG expenses "involve relatively constant amounts of money that can be forecast from year to year and reduced to a levelized rate, allowing for even recovery over time . . . [reducing] rate swings when the expenses are trued up at the end of each year[;]" (2) such expenses "have a finite collection period[,]" as the automatic recovery of RA/SBG expenses authorized by statute expired in June 2006; and (3), the RA/SBG expenses are "strictly state energy policy costs" and thus should be recovered from Minnesota ratepayers only and tracked separately from more general expenses split across multiple jurisdictions.[27]

[17] Minn. Stat. § 216B.1635.
[18] Minn. Stat. § 216B.16 Subd. 7b.
[19] Minn. Stat. § 216B.1691.
[20] *See* Minn. Stat. §§ 216B.1635 subd. 5; 216B.16, subd. 7b(d); 216B.1645, subd. 2a.
[21] *See* Minn. Stat. § 216C.052 (repealed).
[22] *Id.*
[23] *Id. See also* Minn. Stat. § 216B.1645, subd 4.
[24] *In the Matter of a Petition by Northern States Power Company d/b/a Xcel Energy for Approval of an Electric and Gas State Energy Policy Rate Rider,* Petition for Approval of a State Energy Policy Rate Rider, Docket No. E,G-002/M-03-1544 (Sep. 26, 2023).
[25] *Id.* at 1.
[26] *Id. at 4.*
[27] *Id.* at 5.

On April 6, 2004, the Commission issued an Order authorizing the implementation of the SEP Rider and establishing an annual filing mechanism to consider adjustments to the rate charged under the SEP rider.[28]

iii. Use of the SEP Rider evolved after 2004, until it was discontinued in 2022.

The Commission has since extended use of the SEP Rider and has issued determinations concerning Xcel's use of the Rider in some subsequent proceedings. Xcel began using the SEP Rider to recover costs associated with replacing cast iron pipe beginning in 2008.[29] In 2013, the Commission discontinued the cast iron replacement project reporting requirement as construction was completed.[30]) Notably, that same year, the Commission discontinued use of the *electric* SEP Rider, effective January 1, 2014, in conjunction with the transfer of costs previously recovered through the rider into electric base rates.[31]

In 2017, the Department recommended that the Commission discontinue use of the natural gas SEP rider, noting that "there is no longer statutory authority to continue the SEP Rider."[32] Namely, the statutes authorizing use of a rider mechanism to recover RA costs the Cast Iron Replacement Project had been repealed.[33] In response, the Commission stated in its order:

> The Commission will allow Xcel Gas to continue to recover approximately $1.83 million of costs through its State Energy Policy (SEP) Rider until all costs are recovered or the Company files a general rate case, with the understanding that no new costs will be added or recovered through the SEP Rider. Despite repeal of the statute, the cost components allowed to be recovered stem from revenue requirements for projects constructed and costs incurred before the statute was repealed.
>
> As part of this recovery, the Commission authorizes Xcel Gas to include the assessment costs for the Department Regional and National Duties in the SEP Rider. Because the legislature has extended the sunset provision for the Reliability Administrator statute until June 30, 2018, and the SEP statute is subject to true-up, the Commission will allow recovery of the Assessment costs for the Department Regional and National Duties to be included in the SEP Rider.

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[28] *In the Matter of a Petition by Northern States Power Company d/b/a Xcel Energy for Approval of an Electric and Gas State Energy Policy Rate Rider,* Order Approving State Energy Policy Rate Rider, As Modified, Docket No. E,G-002/M-03-1544 (Apr. 6, 2024)
[29] *See In the matter of Northern States Power Company d/b/a Xcel Energy's Petition for Approval of State Energy Policy Rate Rider and Compliance Filing,* Order Approving Rate Rider and Customer Notice, Docket No. E,G-002/M-07-283 (Dec. 28, 2007), p. 2, FN 2.
[30] *In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy, for Approval of Modification to SEP Tariff Rates, 2013 Project Eligibility, 2013 SEP Adjustment Factors and 2012 SEP Compliance Filing*, Order, Docket No. E,G002/M-13-161 (June 3, 2013).
[31] *See Docket No. E002/GR-13-868.*
[32] *In the Matter of the Petition of Northern States Power Company for Approval of a Modification to its Natural Gas State Energy Policy (SEP) Tariff, 2017 SEP Rate Factor, and 2016 SEP Compliance Filing,* Department Initial Comments, Docket No. G-002/M-17-174 (March 31, 2017), p. 3.
[33] *Id. See also, In the Matter of the Petition of Northern States Power Company for Approval of a Modification to its Natural Gas State Energy Policy (SEP) Tariff, 2017 SEP Rate Factor, and 2016 SEP Compliance Filing,* Order Continuing Recovery of Costs Through the State Energy Policy Rider and Other Action, Docket No. G-002/M-17-174 (Aug. 24, 2017), p. 1.

> To prevent confusion as to the Reliability Administrator costs, the Commission asks that the Company change the labeling of these costs from Reliability Administrator to Assessment for Department Regional and National Duties ["ADRND costs"] in its next filing.[34]

In that same order, the Commission also denied Xcel's request to include accumulated deferred income tax (ADIT) prorated expenses in the SEP Rider.[35]

In 2018, the Commission clarified:

> The SEP rate factor is used to recover two categories of costs: Assessment for Department Regional and National Duties (ADRND) and Cast Iron Pipe Replacement Project expenses. The first category includes costs for services provided by the Department to the Commission and the public on reliability issues and related projects. The second category includes costs incurred to replace cast-iron distribution pipes.[36]

The Commission also required the Company to file future SEP Rider filings using a historical test period.[37]

In a 2021 Rate Case, Xcel proposed "to roll all SEP rider projects into base rates as part of this rate case" and "[d]uring the interim rate period, the Company proposes to roll all projects into interim rates and discontinue use of the SEP rider." [38] "Consequently, the Company reduced the SEP Rider rate to $0 per therm as of January 1, 2022, effectively discontinuing its SEP Rider on the same date the Company implemented its interim rates."[39] In comments filed on this proposal, the Department noted:

> Because Xcel proposes to reduce the SEP Rider rate and tracker balance to $0, the Company indicated it does not plan to submit annual compliance filings for this rider going forward. Given that the SEP Rider will no longer operate, the Department concludes it is reasonable for Xcel to discontinue its corresponding compliance filings.[40]

In its 2023 rate case, Xcel noted:

> The Gas State Energy Policy (SEP) rider is designed to recover costs associated with the State of Minnesota Reliability Administrator, the Sustainable Building Guidelines Program and cast

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[34] *Id.* at 3.
[35] *Id.* at 4.
[36] *In the Matter of the Petition of Northern States Power Company for Approval of a Modification to its Natural Gas State Energy Policy (SEP) Tariff, 2018 SEP Rate Factor, and 2017 SEP Compliance Filing*, Order Accepting Petition as a Compliance Filing, Setting SEP Rate Factor, and Requiring Compliance Filing, Docket No. G-002/M-18-184 (Dec. 21, 2018), p. 2.
[37] In the Matter of the Petition of Northern States Power Company for Approval of a Modification to its Natural Gas State Energy Policy (SEP) Tariff, 2018 SEP Rate Factor, and 2017 SEP Compliance Filing, Order, Docket No. G002/M-18-184 (December 21, 2018).
[38] *In the Matter of the Application of Northern States Power Company for Authority to Increase Rates for Gas Service in Minnesota,* Direct Testimony of Benjamin C. Halama, Exhibit___(BCH-1), Docket No. G002/GR-21-678 (Nov. 1, 2021), pp. 69-70
[39] In the Matter of Xcel Energy's (Xcel) Petition and Compliance Filing for the State Energy Policy Rider, Department Comments, Docket No. G-002/M-22-111 (July 12, 2022), p. 6.
[40] *Id.*

iron pipe replacement. In the recent MN gas rate case, all projects previously included in this rider have been moved to base rates, therefore the rider rate has been set to zero. The remaining balance will be refunded with the interim rate refund in August 2023.[41]

B. Despite its recent discontinuation, Xcel's Petition would now significantly expand its use of the SEP Rider.

Historically, Xcel used the SEP Rider to recover a relatively small amount of its overall annual revenue requirement. For this reason, the Commission's prior approval of SEP Rider recovery has generally had a relatively small impact on the average residential ratepayer's bill. For example, from 2007 – 2010 costs approved for recovery via the SEP Rider ranged from a low of $39,863 in 2009[42] to a high of $666,739 in 2010.[43] The associated *annual* bill impact for the average natural gas residential customer ranged from $0.04 per year in 2009[44] to $0.67 in 2010.[45] In more recent years, the highest amount of natural gas-related costs CUB found as initially approved for recovery via the SEP rider was $1.83 million in 2017, resulting in a $1.64 annual bill increase for the average natural gas residential customer.[46] By contrast, Xcel's current proposal would include $46.3 million in the SEP Rider—over 25 times the revenue collected through the SEP Rider in 2017. This would result in a $32.29 annual bill increase for the average residential customer, almost 20 times higher than bill impact attributable to the SEP Rider in 2017.

C. Xcel did not explain in its SEP Petition how and when the prudency of costs proposed for recovery through the SEP Rider will be evaluated.

Xcel filed its latest Gas Utility Infrastructure Cost ("GUIC") Recovery Petition on October 30, 2025, one day before it filed the SEP Petition in this docket.[47] The GUIC Petition seeks recovery of approximately $19.3 million in 2026 costs through the GUIC rider—less than half of what Xcel proposes to recover via the SEP Rider. Yet, the details included in the GUIC Petition, along with the process laid out for evaluating the prudency of those costs, offers a stark contrast to Xcel's SEP Petition.[48]

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[41] *In the Matter of the Application of Northern States Power Company, d/b/a Xcel Energy, for Authority to Increase Rates for Natural Gas Service in Minnesota*, Initial Filing - Vol. 3 IV.4, Docket No. G002/GR-23-413 (Nov. 1, 2023), p. 8

[42] *In the Matter of the Petition and Compliance Filing of the State Energy Policy Rider Adjustment Factor by Northern States Power Company, a Minnesota Corporation d/b/a Xcel Energy, Inc.* Order Approving State Energy Policy Rider, as modified, E,G002/M-09-201 (Sep. 25, 2009); *See also In the Matter of the Petition and Compliance Filing of the State Energy Policy Rider Adjustment Factor by Northern States Power Company, a Minnesota Corporation d/b/a Xcel Energy, Inc.* Xcel Compliance Filing, E,G002/M-09-201 (Sep. 30, 2009).

[43] *See, In the Matter of Northern States Power Company, a Minnesota Corporation's Petition and Compliance Filing State Energy Policy Rider Adjustment Factors,* Order, Docket No. E,G-002/M-10-210 (Sept. 23, 2010)

[44] *See In the Matter of the Petition and Compliance Filing of the State Energy Policy Rider Adjustment Factor by Northern States Power Company, a Minnesota Corporation d/b/a Xcel Energy, Inc.* Xcel Compliance Filing, E,G002/M-09-201 (Sep. 30, 2009).

[45] *See, In the Matter of Northern States Power Company, a Minnesota Corporation's Petition and Compliance Filing State Energy Policy Rider Adjustment Factors,* Order, Docket No. E,G-002/M-10-210 (Sept. 23, 2010)

[46] *In the Matter of the Petition of Northern States Power Company for Approval of a Modification to its Natural Gas State Energy Policy (SEP) Tariff, 2017 SEP Rate Factor, and 2016 SEP Compliance Filing,* Order Continuing Recovery of Costs Through the State Energy Policy Rider and Other Action, Docket No. G-002/M-17-174 (Aug. 24, 2017).

[47] *See* 2026 Gas Utility Infrastructure Cost (GUIC) Rider Petition, Docket No. G002/M-25-402 (Oct. 30, 2025) ("GUIC Petition")

[48] *Id.* at 1.

Xcel summarizes the standard of review applicable to GUIC filings as follows:

> The GUIC Statute explicitly authorizes the timely recovery of GUIC expenditures through a rider mechanism. As stated in the statute, the legal standard of review for this petition is:
>
> > *Upon receiving a gas utility report and petition for cost recovery under subdivision 2 and assessment and verification under subdivision 4, the commission may approve the annual GUIC rate adjustments provided that, after notice and comment, the costs included for recovery through the rate schedule are prudently incurred and achieve gas facility improvements at the lowest reasonable and prudent cost to ratepayers.*[49]

To help facilitate the review described above, Xcel includes in its GUIC Petition project descriptions, scopes of work, estimated costs and in-service dates for specific Transmission Integrity Management Program ("TIMP") projects.[50] These attachments include more detailed descriptions of project costs to be recovered via the GUIC rider than are included in Xcel's SEP Petition. Moreover, the GUIC Petition contemplates that recovery approved under that Petition would not begin until March 1, 2027—a full sixteen months after the Petition was filed.[51] Xcel explains the reason for this distant effective date, in part, as follows:

> The Company believes this approach is beneficial as it is consistent with the Legislature's intent to provide timely cost recovery to support the significant and mandated natural gas infrastructure investments. It also maintains appropriate regulatory protections and oversight by allowing the Commission and other state agencies the time required to audit and review costs sought for recovery, thus ensuring that any regulatory adjustments will be recognized and implemented appropriately.[52]

By Contrast, Xcel's SEP Petition does not explain whether or when the costs recovered via the SEP Petition are reviewed for prudence, and Xcel requests approval of this Petition "on an expedited basis and prior to December 31, 2025." Under this accelerated timeline, CUB and other parties have only 14 calendar days between the date of Xcel's filing and the due date of these initial comments to evaluate the SEP Petition, and the Commission has only two months to make a final determination on whether to approve it. If the Commission were to approve the SEP Petition on Xcel's accelerated timeline, it is our understanding that costs included in the SEP Petition would be recovered through customer bills beginning immediately on January 1, 2026.[53] Due to the lack of detail in the SEP Petition and limited time to review it, CUB and other parties are unable to meaningfuly evaluate the Petition as a preferable alternative to proceeding with the rate case—and certainly not to the extent that justifies permitting Xcel to raise rates by $46.3 million beginning seven weeks from now.

[49] *Id.* at 4-5, citing Minn. Stat. § 216B.1635 subd. 5.
[50] *Id.* at Attachments C, C1, and C2.
[51] *Id.* at 34
[52] *Id.*
[53] SEP Petition at 1.

III. CONCLUSION

As discussed above, Xcel's SEP Petition proposes to significantly expand use of the SEP Rider far beyond what it was initially intended for. Approving the SEP Petition would set a precedent for a revived and significantly expanded SEP Rider, despite there being no direct legislative support for utilizing the SEP Rider in this way.

Moreover, over the course of two days in late October, Xcel filed a 2026 GUIC Rider Petition, a 2026 general rate case, and the 2026 SEP Rider Petition. Each of these filings individually introduce complex facts that affect how much revenue Xcel is permitted to recover for expenses incurred in 2026. The timeline contemplated in the SEP Petition does not afford the Commission or parties to this proceeding sufficient time to adequately review each of these filings to understand how they interrelate, and to weigh the pros and cons of approving the SEP Petition as an alternative to allowing the rate case to move forward. For all of these reasons, it would not be in the public interest to approve the SEP Petition. We recommend it be denied.

Respectfully submitted, November 12, 2025

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15	George	Crocker	gwillc@nawo.org	North American Water Office		5093 Keats Avenue Lake Elmo MN, 55042 United States	Electronic Service		No	M-25-403
16	Ian M.	Dobson	ian.m.dobson@xcelenergy.com	Xcel Energy		414 Nicollet Mall, 401-8 Minneapolis MN, 55401 United States	Electronic Service		No	M-25-403
17	Richard	Dornfeld	richard.dornfeld@ag.state.mn.us		Office of the Attorney General - Department of Commerce	Minnesota Attorney General's Office 445 Minnesota Street, Suite 1800 Saint Paul MN, 55101 United States	Electronic Service		No	M-25-403
18	Brian	Edstrom	briane@cubminnesota.org	Citizens Utility Board of Minnesota		332 Minnesota St Ste W1360 Saint Paul MN, 55101 United States	Electronic Service		No	M-25-403
19	Rebecca	Eilers	rebecca.d.eilers@xcelenergy.com	Xcel Energy		414 Nicollet Mall - 401 7th Floor Minneapolis MN, 55401 United States	Electronic Service		No	M-25-403
20	Sharon	Ferguson	sharon.ferguson@state.mn.us		Department of Commerce	85 7th Place E Ste 280 Saint Paul MN, 55101-2198 United States	Electronic Service		No	M-25-403
21	Edward	Garvey	garveyed@aol.com	Residence		32 Lawton St Saint Paul MN, 55102 United States	Electronic Service		No	M-25-403
22	Todd J.	Guerrero	todd.guerrero@kutakrock.com	Kutak Rock LLP		Suite 1750 220 South Sixth Street Minneapolis MN, 55402-1425 United States	Electronic Service		No	M-25-403
23	Matthew B	Harris	matt.b.harris@xcelenergy.com	XCEL ENERGY		401 Nicollet Mall FL 8 Minneapolis MN, 55401 United States	Electronic Service		No	M-25-403
24	Annete	Henkel	mui@mnutilityinvestors.org	Minnesota Utility Investors		413 Wacouta Street #230 St.Paul MN, 55101 United States	Electronic Service		No	M-25-403
25	Valerie	Herring	vherring@taftlaw.com	Taft Stettinius & Hollister LLP		2200 IDS Center 80 S. Eighth Street Minneapolis MN, 55402 United States	Electronic Service		No	M-25-403

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
26	Katherine	Hinderlie	katherine.hinderlie@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	445 Minnesota St Suite 1400 St. Paul MN, 55101-2134 United States	Electronic Service		No	M-25-403
27	Michael	Hoppe	lu23@ibew23.org	Local Union 23, I.B.E.W.		445 Etna Street Ste. 61 St. Paul MN, 55106 United States	Electronic Service		No	M-25-403
28	Richard	Johnson	rick.johnson@lawmoss.com	Moss & Barnett		150 S. 5th Street Suite 1200 Minneapolis MN, 55402 United States	Electronic Service		No	M-25-403
29	Sarah	Johnson Phillips	sjphillips@stoel.com	Stoel Rives LLP		33 South Sixth Street Suite 4200 Minneapolis MN, 55402 United States	Electronic Service		No	M-25-403
30	Nicolle	Kupser	nkupser@greatermngas.com	Greater Minnesota Gas, Inc.		1900 Cardinal Ln PO Box 798 Faribault MN, 55021 United States	Electronic Service		No	M-25-403
31	Peder	Larson	plarson@larkinhoffman.com	Larkin Hoffman Daly & Lindgren, Ltd.		8300 Norman Center Drive Suite 1000 Bloomington MN, 55437 United States	Electronic Service		No	M-25-403
32	Annie	Levenson Falk	annielf@cubminnesota.org	Citizens Utility Board of Minnesota		332 Minnesota Street, Suite W1360 St. Paul MN, 55101 United States	Electronic Service		No	M-25-403
33	Eric	Lipman	eric.lipman@state.mn.us		Office of Administrative Hearings	PO Box 64620 St. Paul MN, 55164-0620 United States	Electronic Service		No	M-25-403
34	Christine	Marquis	regulatory.records@xcelenergy.com	Xcel Energy		414 Nicollet Mall MN1180-07-MCA Minneapolis MN, 55401 United States	Electronic Service		No	M-25-403
35	Mary	Martinka	mary.a.martinka@xcelenergy.com	Xcel Energy Inc		414 Nicollet Mall 7th Floor Minneapolis MN, 55401 United States	Electronic Service		No	M-25-403
36	Stephen	Melchionne	stephen.melchionne@ag.state.mn.us		Office of the Attorney General - Department of Commerce	445 Minnesota Street, Ste. 1400 St. Paul MN, 55101 United States	Electronic Service		No	M-25-403
37	Kimberly	Middendorf	kimberly.middendorf@state.mn.us		Office of Administrative Hearings	PO Box 64620 600 Robert St N Saint Paul MN, 55164-0620 United States	Electronic Service		No	M-25-403

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38	David	Moeller	dmoeller@allete.com	Minnesota Power			Electronic Service		No	M-25-403
39	Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP		33 South Sixth St Ste 4200 Minneapolis MN, 55402 United States	Electronic Service		No	M-25-403
40	Travis	Murray	travis.murray@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	445 Minnesota St Ste 1400 Saint Paul MN, 55101 United States	Electronic Service		No	M-25-403
41	David	Niles	david.niles@avantenergy.com	Minnesota Municipal Power Agency		220 South Sixth Street Suite 1300 Minneapolis MN, 55402 United States	Electronic Service		No	M-25-403
42	Samantha	Norris	samanthanorris@alliantenergy.com	Interstate Power and Light Company		200 1st Street SE PO Box 351 Cedar Rapids IA, 52406-0351 United States	Electronic Service		No	M-25-403
43	Greg	Palmer	gpalmer@greatermngas.com	Greater Minnesota Gas, Inc.		1900 Cardinal Ln PO Box 798 Faribault MN, 55021 United States	Electronic Service		No	M-25-403
44	Kevin	Pranis	kpranis@liunagroc.com	Laborers' District Council of MN and ND		81 E Little Canada Road St. Paul MN, 55117 United States	Electronic Service		No	M-25-403
45	Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	1400 BRM Tower 445 Minnesota St St. Paul MN, 55101-2131 United States	Electronic Service		Yes	M-25-403
46	Joseph L	Sathe	jsathe@kennedy-graven.com	Kennedy & Graven, Chartered		150 S 5th St Ste 700 Minneapolis MN, 55402 United States	Electronic Service		No	M-25-403
47	Elizabeth	Schmiesing	eschmiesing@winthrop.com	Winthrop & Weinstine, P.A.		225 South Sixth Street Suite 3500 Minneapolis MN, 55402 United States	Electronic Service		No	M-25-403
48	Peter	Scholtz	peter.scholtz@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	Suite 1400 445 Minnesota Street St. Paul MN, 55101-2131 United States	Electronic Service		No	M-25-403
49	Janet	Shaddix Elling	jshaddix@janetshaddix.com	Shaddix And Associates		7400 Lyndale Ave S Ste 190 Richfield MN, 55423 United States	Electronic Service		No	M-25-403
50	Suzanne	Todnem	suzanne.todnem@state.mn.us		Office of Administrative Hearings	600 Robert St N PO Box 64620 St. Paul MN, 55164 United States	Electronic Service		No	M-25-403

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51	Amelia	Vohs	avohs@mncenter.org	Minnesota Center for Environmental Advocacy		1919 University Avenue West Suite 515 St. Paul MN, 55104 United States	Electronic Service		No	M-25-403
52	Joseph	Windler	jwindler@winthrop.com	Winthrop & Weinstine		225 South Sixth Street, Suite 3500 Minneapolis MN, 55402 United States	Electronic Service		No	M-25-403