

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Katie J. Sieben	Chair
Valerie Means	Commissioner
Matthew Schuerger	Commissioner
Joseph K. Sullivan	Commissioner
John A. Tuma	Commissioner

In the Matter of the Petition of Northern States Power Company for Approval of a Public Charging Network, an Electric School Bus Pilot, and Program Modifications

ISSUE DATE: October 26, 2022

DOCKET NO. E-002/M-22-432

In the Matter of Xcel Energy's Application for Authority to Increase Electric Rates

DOCKET NO. E-002/GR-21-630

NOTICE OF AND ORDER FOR HEARING

**PROCEDURAL HISTORY**

On August 2, 2022, Xcel Energy (Xcel) filed a petition requesting approval of proposed electric vehicle (EV) programs.

By September 9, 2022, the Commission had received comments from the following:

- National Federation of Independent Business
- Center of the American Experiment
- Xcel
- LIUNA Minnesota & North Dakota
- Department of Comments, Division of Energy Resources (the Department)
- Office of the Attorney General–Residential Utilities Division (OAG)
- Highland Electric Fleets, Inc. (Highland Electric Fleets)
- ChargePoint, Inc., Electrify America, LLC, Evgo Services, LLC; and Tesla, Inc. (Joint EV Industry Parties)
- Xcel Large Industrials (XLI)<sup>1</sup>
- R Street Institute

On October 6, 2022, the matter came before the Commission.

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<sup>1</sup> XLI includes Flint Hills Resources Pine Bend, LLC; Marathon Petroleum Corporation; and USG Interiors, Inc.

## FINDINGS AND CONCLUSIONS

### I. Xcel's Petition

Xcel requested approval to incorporate into its pending general rate case revised budget requests associated with the following electric vehicle (EV) programs:<sup>1</sup>

- Expansion of existing public charging program
- Proposal for an electric school bus pilot program
- Proposal for streamlining and modifying commercial and residential EV portfolios, including extending pilot programs
- Proposed advisory services, including education, outreach, and consultation

Xcel's proposed budgets (and volume of associated infrastructure/equipment) for the programs are shown in the tables below.

<b>TOTAL EV PROGRAM ANNUAL BUDGETS IN MILLIONS</b>					
	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
<b><u>EV Program Totals</u></b>					
Total Capital Costs	\$5.9	\$10.4	\$39.7	\$85.2	\$181.3
Total Operations and Maintenance (O&M) Costs	\$3.2	\$6.1	\$12.4	\$18.2	\$29.2
Total Revenue Requirement	\$4.0	\$8.4	\$18.8	\$35.4	\$69.5
<b><u>Public Charging</u></b>					
Annual Company-owned Charging Capacity (Megawatt) Added	1.5	1.6	15.9	53.0	125.5
Cumulative Company-owned Charging Capacity (Megawatt) Added	1.5	3.1	19.0	72.0	197.2
Annual Company-owned Hubs Installed	0	0	9	30	71
Cumulative Company-owned Hubs Installed	0	0	9	39	110
Annual Company-owned Chargers Added	2	22	55	200	480
Cumulative Company-owned Chargers Added	2	24	79	279	759
Annual Company-owned Ports Added	20	22	110	400	960

<sup>1</sup> *In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy for Authority to Increase Rates for Electric Service in the State of Minnesota, E-002/GR-21-630.*

Cumulative Company- owned Ports added	20	42	152	552	1,512
Capital Costs	\$2.2	\$2.3	\$15.3	\$44.7	\$105.8
O&M Costs	\$0.5	\$0.9	\$3.2	\$7.1	\$15.7
Annual Revenue Requirement	\$0.6	\$1.3	\$4.9	\$13.9	\$35.5
<b>School Bus Pilot and Other PRI Projects</b>					
Buses	0	0	0	6	26
Capital Costs	\$0.0	\$0.5	\$4.5	\$7.5	\$20.2
O&M Costs	\$0.0	\$1.0	\$1.7	\$1.7	\$1.7
Annual Revenue Requirement	\$0.0	\$1.0	\$2.1	\$3.2	\$5.6
<b>Commercial EV Charging (Fleet, Workplace, and Public Charging)</b>					
	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
Chargers	0	89	92	271	633
EV Supply Infrastructure (EVSI) Participants	261	276	285	861	1,657
Capital Costs	\$2.8	\$2.9	\$5.6	\$10.8	\$20.5
O&M Costs	\$0.3	\$0.3	\$0.4	\$0.5	\$0.6
Annual Revenue Requirement	\$0.7	\$1.4	\$2.2	\$3.7	\$6.6
<b>Multi-Dwelling Unit Pilot</b>					
Chargers	0	253	1,037	1,822	2,184
EVSI Participants	0	253	1,037	1,776	2,766
Capital Costs	\$0.4	\$2.5	\$10.3	\$18.2	\$28.6
O&M Costs	\$0.0	\$0.3	\$0.7	\$0.8	\$0.9
Annual Revenue Requirement	\$0.1	\$0.7	\$2.2	\$4.8	\$9.0
<b>Residential</b>					
Participants	1,068	1,581	1,725	2,693	4,910
Capital Costs	\$0.5	\$2.2	\$4.1	\$4.0	\$6.3
O&M Costs	\$0.7	\$0.7	\$1.9	\$2.1	\$2.5

Annual Revenue Requirement	\$0.8	\$1.1	\$2.8	\$3.8	\$5.1
<b>Advisory</b>					
Capital Costs	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
O&M Costs	\$1.8	\$3.0	\$4.6	\$6.1	\$7.7
Annual Revenue Requirement	\$1.8	\$3.0	\$4.6	\$6.1	\$7.7

At the time the Company filed its general rate case, its financial data did not include the proposed costs shown above; the Company stated in its petition in this case, however, that it would modify its rate case filings to incorporate, and account for, these costs. According to the Company, including these costs in the pending rate case would enable the Company to move forward with these proposed projects, which are aimed at reducing emissions and increasing opportunities for expanding EVs in Minnesota, consistent with the Commission’s goals for doing so.

**II. Comments on the Petition**

The Department and the OAG recommended against including these costs in the Company’s general rate case, stating that the pending proceeding was already fully underway and that the complexity of adding these costs would adversely affect both the procedural schedule, as well as the substantive evaluation of the costs.

R Street echoed the Department’s and OAG’s positions that a separate proceeding to evaluate these discrete costs would facilitate a more comprehensive analysis of the Company’s proposed programs and their associated costs.

The National Federation of Independent Business also recommended that the Commission examine these costs in a separate proceeding, outside the pending rate case, which would facilitate a more robust development of the record and the issues involved. Highland Electric Fleets concurred on developing these issues in a separate proceeding outside the general rate case.

LIUNA stated that evaluating these costs in the context of the Company’s ongoing rate case is reasonable and would facilitate an acceleration of these projects, which are necessary to reduce pollution impacts related to vehicle emissions, consistent with Commission decisions encouraging such efforts by utilities.

XLI recommended that the Commission evaluate the proposals through a contested case process that would provide sufficient opportunity to evaluate the proposals. XLI stated that incorporating these issues into the ongoing rate case would be reasonable if the Administrative Law Judge assigned to the case were to modify the rate case schedule to accommodate full record development of the issues.

The Joint EV Industry Parties supported examining the costs through a contested case proceeding due to the likelihood that the filing would result in contested material facts best examined through rigorous record development.

### **III. Commission Action**

The Commission concurs with most parties that the best forum for examining issues related to the Company's proposed EV projects is in a contested process that will facilitate robust record development, but the Commission is not persuaded that the pending rate case proceeding, with extensive work already undertaken by parties to develop the record, would be the most effective approach. The Commission will therefore refer this matter to the Office of Administrative Hearings for a separate contested case proceeding to examine Xcel's petition in full.

The Commission will require Xcel to remove from its general rate case costs associated with the programs described above and as set forth in the ordering paragraphs below.

Xcel will be required to file direct testimony in this proceeding no later than December 19, 2022.

### **IV. Procedural Outline**

#### **A. Administrative Law Judge**

The Administrative Law Judge assigned to this case is Jessica Palmer-Denig. Her address is as follows: Office of Administrative Hearings, 600 North Robert Street, St. Paul, Minnesota 55101. Her mailing address is P.O. Box 64620, St. Paul, Minnesota 55164-0620. She can be reached through her legal assistant, Michele Severson, at 651-361-7874.

#### **B. Hearing Procedure**

- *Controlling Statutes and Rules*

Hearings in this matter will be conducted in accordance with the Administrative Procedure Act, Minn. Stat. §§ 14.57-14.62; the rules of the Office of Administrative Hearings, Minn. R. 1400.5100 to 1400.8400; and to the extent they are not superseded by those rules, the Commission's rules of Practice and Procedure, Minn. R. 7829.0100 to 7829.4000.

Copies of these rules and statutes may be purchased from the Print Communications Division of the Department of Administration, 660 Olive Street, St. Paul, Minnesota 55155; (651) 297-3000. These rules and statutes also appear on the State of Minnesota's website at [www.revisor.mn.gov/pubs](http://www.revisor.mn.gov/pubs). The Office of Administrative Hearings conducts contested case proceedings in accordance with the Minnesota Rules of Professional Conduct and the Professionalism Aspirations adopted by the Minnesota State Bar Association.

- *Right to Counsel and to Present Evidence*

In these proceedings, parties may be represented by counsel, may appear on their own behalf, or may be represented by another person of their choice, unless otherwise prohibited as the unauthorized practice of law. They have the right to present evidence, conduct cross-examination, and make written and oral argument. Under Minn. R. 1400.7000, they may obtain subpoenas to compel the attendance of witnesses and the production of documents.

Parties should bring to the hearing all documents, records, and witnesses necessary to support their positions.

- *Discovery and Informal Disposition*

Any questions regarding discovery under Minn. R. 1400.6700 to 1400.6800 or informal disposition under Minn. R. 1400.5900 should be directed to Michelle Rosier, (651) 201-2212, Minnesota Public Utilities Commission, 121 7<sup>th</sup> Place East, Suite 350, St. Paul, Minnesota, 55101-2147.

- *Protecting Not-Public Data*

State agencies are required by law to keep some data not public. Parties must advise the Administrative Law Judge if not-public data is offered into the record. They should take note that any not-public data admitted into evidence may become public unless a party objects and requests relief under Minn. Stat. § 14.60, subd. 2.

- *Accommodations for Disabilities; Interpreter Services*

At the request of any individual, this agency will make accommodations to ensure that the hearing in this case is accessible. The agency will appoint a qualified neutral interpreter if necessary. Persons must promptly notify the Administrative Law Judge if an interpreter is needed.

- *Scheduling Issues*

The times, dates, and places of evidentiary hearings in this matter will be set by order of the Administrative Law Judge after consultation with the Commission and intervening parties.

- *Notice of Appearance*

Any party intending to appear at the hearing must file a notice of appearance (Attachment A) with the Administrative Law Judge within 20 days of the date of this Notice and Order for Hearing.

- *Sanctions for Non-compliance*

Failure to appear at a prehearing conference, a settlement conference, or the hearing, or failure to comply with any order of the Administrative Law Judge, may result in facts or issues being resolved against the party who fails to appear or comply.

### **C. Parties and Intervention**

The current parties to this case are Xcel, the Department, and the OAG. Other persons wishing to become formal parties shall promptly file petitions to intervene with the Administrative Law Judge. They shall serve copies of such petitions on all current parties and on the Commission. Minn. R. 1400.6200.

### **D. Prehearing Conference**

A prehearing conference will be held on Wednesday, November 16, 2022, at 10:30 a.m. by telephone, as follows:

1-877-304-9269  
Conference Code: 260 088#

## **V. Ex Parte Communications**

Restrictions on *ex parte* communications with Commissioners and reporting requirements regarding such communications with Commission staff apply to this proceeding from the date of this Order. Those restrictions and reporting requirements are set forth in Minn. R. 7845.7300 – 7845.7400, which all parties are urged to consult.

## ORDER

1. The Commission hereby rejects Xcel's proposal to include new costs of its EV portfolio in its pending rate case.
2. Xcel must file, in rebuttal testimony in its general rate case, for the removal of the following costs:
  - a. 2023 and 2024 capital additions for its EV Fleet and Public Charging pilot programs (table 39, Bloch direct testimony, page 163), along with any increase in associated Operations and Maintenance costs.
  - b. 2024 capital additions for its multi-dwelling unit EV Service pilot program (table 40, Bloch direct testimony, page 167), along with any increase in associated Operations and Maintenance costs.
  - c. 2024 capital additions for its Public Charging pilot program (table 41, Bloch direct testimony, page 171), along with any increase in associated Operations and Maintenance costs.
  - d. all capital and Operations and Maintenance expenditures associated with the Partnership, Research, and Innovation budget (table 42, Block direct testimony, page 179).
3. The Commission hereby refers this matter to the Office of Administrative Hearings for contested case proceedings.
4. Xcel must file its initial direct testimony in this proceeding no later than December 19, 2022.
5. This order shall become effective immediately.

BY ORDER OF THE COMMISSION



Will Seuffert  
Executive Secretary



This document can be made available in alternative formats (e.g., large print or audio) by calling 651.296.0406 (voice). Persons with hearing or speech impairment may call using their preferred Telecommunications Relay Service or email [consumer.puc@state.mn.us](mailto:consumer.puc@state.mn.us) for assistance.