

The Government's Own Documents Show 4 Things:

1. There are a lot of resources, spent by four different state agencies, to supervise a single company.
2. That supervision is very expensive for your voters.
3. There was no eDocket system or Internet in 1978. Our supervision challenge today is Medicaid fraud.
4. We need to re-prioritize the state's audit resources.

PUBLIC DOCUMENT -
NOT PUBLIC DATA HAS BEEN EXCISED

Docket No. G-002/GR-25-356
Direct Schedule
SL-D-4, p. 3 of 225

PUBLIC DOCUMENT
NOT-PUBLIC DATA HAS BEEN EXCISED

Docket No. G002/GR-25-356
OAG IR No. 1017
Attachment A - Page 1 of 1

Outside Legal Fees	1,650,000
Taft Stettinius & Hollister LLP Estimate	[PROTECTED DATA BEGINS]
Winthrop & Weinstine, P.A. Estimate	
Moss & Barnett	PROTECTED DATA ENDS]
Consulting Fees	463,750
ROE Support Studies	[PROTECTED DATA BEGINS]
	PROTECTED DATA ENDS]
Regulatory Fees	1,000,000
Department, Commission, Office of the Attorney General, Office of Administrative Hearings	1,000,000
Administrative Costs	479,100
Case Preparation & Misc. Expenses	90,000
Hearing Rentals & Support	2,100
Newspaper Ads	316,000
Required Customer Notices	71,000

Excerpts From The:
Roadmap to Program Integrity and Fraud Prevention
Strengthening Minnesota's Stewardship of Public Resources
Feb. 23, 2026
PREPARED BY: TIM O'MALLEY
DIRECTOR OF PROGRAM INTEGRITY

C. Set tone at the top

- Senior leadership — from the governor to agency heads — must consistently articulate the importance of stewardship of taxpayer dollars and program integrity and must dedicate resources to support it.

....

3. Administrative, investigative and prosecutorial coordination

Minnesota must strengthen its ability to detect, investigate, and respond to fraud swiftly and effectively.

Key recommendations

....

F. Increase prosecutorial capacity

Expand resources for the Attorney General or for the Ramsey County Attorney's Office to prosecute statewide fraud cases, leveraging its jurisdiction and expertise.*

10 **II. RATE CASE EXPENSES**

11 **Q. What are rate case expenses?**

12 **A.** Rate case expenses are costs Xcel Energy incurs in preparing and filing a rate case,

13 including "outside experts, expected regulatory and legal fees and estimates for

14 administrative costs such as required notices."¹

15 **Q. How much is the Company requesting for rate case expenses for this proceeding?**

16 **A.** The Company is requesting to recover a total of \$3,583,614 amortized, or recovered, over

17 a three-year period.²

Docket No. G-002/GR-25-356
Lee Direct

WE DON'T NEED TWO SETS OF LAWYERS AND EXPERTS TO DO THE VERY SAME WORK!

Minn. Stat. § 8.33 (2024) grants the Attorney General the right to intervene in ratemaking cases before the Public Utilities Commission on behalf of residential and small business customers.

But the Attorney General can (and does) protect those very same interests when intervening on behalf of the Department of Commerce under Minn. Stat. § 216B.64 (2024). Ratepayers shouldn't pay *twice* for the same legal work.

Minn. Stat. § 8.33 (2024)	Minnesota Public Utilities Act - Chapter 216B
<p>Subd. 2. Duties. <u>The attorney general</u> is responsible for representing and furthering the interests of <u>residential and small business utility consumers</u> through participation in matters before the Public Utilities Commission <u>involving utility rates and adequacy of utility services</u> to residential or small business utility consumers. The attorney general shall expend a reasonable portion of effort among all three kinds of utility services and shall identify and promote the needs of each class of residential and small business consumers with respect to each of the utility services. When participating in telecommunication matters that affect deployment of the infrastructure, the attorney general may apply the goals of:</p> <p>(1) achieving <u>economically efficient investment</u> in:</p> <ul style="list-style-type: none"> (i) higher speed telecommunication services; and (ii) greater capacity for voice, video, and data transmission; and <p>(2) <u>just and reasonable rates</u>.</p>	<p>216B.01 LEGISLATIVE FINDINGS</p> <p>It is hereby declared to be in the public interest that public utilities be regulated as hereinafter provided in order to <u>provide the retail consumers of natural gas and electric service in this state with adequate and reliable services at reasonable rates</u>, consistent with the financial and economic requirements of public utilities and their need to construct facilities to provide such services or to otherwise obtain energy supplies, to <u>avoid unnecessary duplication of facilities which increase the cost of service to the consumer</u> and to minimize disputes between public utilities which may result in inconvenience or diminish efficiency in service to the consumers.</p> <p>216B.64 ATTORNEY GENERAL'S RESPONSIBILITIES</p> <p><u>The attorney general</u> of the state shall, upon request of the commission or department, represent and <u>appear for the</u> commission or <u>department</u> in all actions and proceedings involving any question under [Minnesota Public Utilities Act] The attorney general shall perform all duties and services in connection with [Minnesota Public Utilities Act] and the enforcement thereof <u>as the commission or department may require</u>.</p>
<p>The Objectives of the Residential Utilities Division:</p> <ul style="list-style-type: none"> • Economically efficient utility investments • Just and reasonable rates for retail customers 	<p>The Objectives of the Department of Commerce:</p> <ul style="list-style-type: none"> • Economically efficient utility investments (to “avoid duplication”) • Just and reasonable rates for retail customers

WE DON'T NEED TWO SETS OF LAWYERS AND EXPERTS TO DO THE VERY SAME WORK!

Recent Rate Case	Commerce Department's Arguments	Residential Utilities Division's Arguments
<p><i>In the Matter of the Application of Greater Minnesota Gas, Inc. for Authority to Increase Rates for Natural Gas Utility Service</i>, MPUC Docket No. G-022/GR-24-350</p>	<p>"[T]he Commission should adopt the Department's recommendation to modify GMG's proposed revenue apportionment to lower the revenue assigned to the <u>residential customer class</u>, and shift most of that revenue to the large industrial class, to account for previously unallocated transport costs. The Department's recommendations are intended to ... <u>reduc[e] rate shock</u>."</p> <p>Department's Initial Brief, at 38</p>	<p>"The OAG's goal was to limit the rate increase for each class to ten percent or less, and <u>the residential and small commercial rates</u> needed to be above cost <u>to avoid rate shock</u> to other customer classes."</p> <p>Attorney General's Initial Brief, at 38-39.</p>
<p><i>In the Matter of the Application by Minnesota Power for Authority to Increase Rates for Electric Service in Minnesota</i>, MPUC Docket No. E-015/GR-21-335</p>	<p>"The Commission should <u>moderate the increase to the residential class</u> by increasing residential class rates by slightly less than the revenue requirement percentage increase (and in turn increasing the rates of the other classes by slightly more than the revenue requirement percentage increase) in order to <u>prevent rate shock to the residential class</u>."</p> <p>Department's Initial Brief, at 83.</p>	<p>Minnesota Power's rate-increase proposal is unreasonable because it attempts to recover expenses which are not reasonable or necessary for the provision of utility service in a manner that would lead to <u>rate shock for residential customers</u>.</p> <p>Attorney General's Initial Brief, at 42.</p>
<p><i>In the Matter of the Application of Otter Tail Power Company for Authority to Increase Rates for Electric Service in the State of Minnesota</i>, MPUC Docket No. E-017/GR-20-719</p>	<p>"The Commission, however, should moderate the 5.24% and 5.55% increases <u>for residential and general service customers</u> to 4.14% and 4.85%, respectively.... <u>To mitigate the risk of rate shock</u>, efforts to move each customer class closer to the actual cost of service should occur gradually — without relying on dramatic rate increases — so that customers may slowly adjust to any changes."</p> <p>Department's Initial Brief, at 45.</p>	<p>"OAG designated a specific rate increase for each class based on the magnitude of the difference between a class's current revenue share and the shares assigned to that class under the various CCOSSES. In some cases, the <u>OAG moderated a class's movement toward cost to avoid rate shock</u>."</p> <p>Attorney General's Initial Brief, at 31.</p>





Legal Services Advocacy Project

March 14, 2026

The Honorable Jim Nash
Co-Chair, State Gov't. Finance & Policy Comm.
Minnesota House of Representatives
2nd Floor, Centennial Office Building
St. Paul, MN 55155

The Honorable Ginny Klevorn
Co-Chair, State Gov't. Finance & Policy Comm.
Minnesota House of Representatives
5th Centennial Office Building
St. Paul, MN 55155

Re: HF 3674 – Removal of Attorney General's Office from Role of Protecting Utility Ratepayers

Dear Co-Chair Nash, Co-Chair Klevorn, and Members of the State Government Finance & Policy Committee:

The Legal Services Advocacy Project (LSAP) writes in strong opposition to HF 3674, which would remove the statutory role of the Attorney General's Residential Utilities Division (RUD) in protecting residential and small commercial utility ratepayers and protecting the public interest. This proposal is ill-conceived, unwise, and would be extremely harmful to everyday Minnesotans and small business owners.

The RUD has long been a staunch protector of residential consumers and small businesses in Public Utility Commission (PUC) proceedings, saving these customers millions upon million of dollars as a result of its legal, technical, and policy expertise, analysis, and advocacy. To eliminate this voice in PUC proceedings would be an enormous mistake.

The resources utilities have to prosecute their rate cases and other requests to the Commission that cost ratepayers money are vast, far outweighing all the other intervenors in these proceedings combined. The Public Utilities Commission needs all the voices from all sides of the spectrum that it can get. Removing one of the most trusted voices, one with enormous institutional, historical, and doctrinal knowledge, is folly – and would be detrimental to those every homeowner, renter, and small business owner this Legislature is elected to serve and protect.

Any suggestion that the roles of the RUD and the Department of Commerce are duplicative is misguided and incorrect. The Department "provides objective analysis and technical assistance to the Minnesota Public Utilities Commission."¹ While providing technical assistance to the regulator who is the ultimate arbiter of who pays what for utilities, the Department plays a dual role as intervenor in those same case on behalf of ratepayers.

¹ Minnesota Public Utilities Commission, [Agency Partners](#).

The RUD, on the other hand, has no competing roles; it is first, foremost -- and only -- an advocate for residential and small commercial ratepayers. Its role is vital and indispensable to the regulatory process. To eliminate it is to take away an invaluable and effective voice of the people. It would be absurd to eliminate this voice at any time, but especially illogical and deleterious in this era, when affordability of utility services is at the forefront and energy insecurity among ratepayers is at an all-time high.

Furthermore, when the Department was created it was split off from the Commission and charged with a number of administrative functions that the Commission previously had. In some ways, it is an adjunct to the Commission, unlike the RUD, which is completely independent of the Commission.

For instance, the Department is responsible for receiving and approving public utility, municipal utility, and cooperative utility Energy Conservation and Optimization (ECO) plans (formerly Conservation Improvement Program or CIP plans). This function of umpire differs from the RUD, which can weigh in as an advocate to comment on those plans and ensure ratepayers are not paying more than they should.

Another example where roles of the Department and RUD differ is in regard to the Community Solar Garden (CSG) Program, where utilities file CSG plans with the Department. In contrast, the RUD is not the administer of the program, but instead has the freedom to boldly advocate for the rights and pocket books of residential and small business consumers.

Innumerable examples exist of dockets where the RUD can take and has taken differing positions from the Department in PUC proceedings. To name just two: the RUD took a different position than the Department on the gas line extension proceeding and the time-of-use proceeding. While the Department certainly adds its extensive technical assistance both directly to the Commission and on behalf of the public before the Commission, the RUD, because of its complete independence and its extensive legal and technical expertise, is essential to ratepayer advocacy and protection of the public interest. The RUD and the Department are not redundant intervenors nor are they in any way duplicative. To suggest that they are reveals a deep lack of understanding how intervenors operate in PUC proceedings.

In sum, LSAP expresses its staunch opposition to this proposal and urges the committee not to advance it. Thank you for allowing LSAP to offer its perspective on HF 3674.

Sincerely



Supervising Attorney



March 15, 2026

Members of the Minnesota House State Government Finance and Policy Committee

Re: HF 3674 – Attorney general's duty to represent certain utility customers in matters before the Public Utilities Commission and in federal proceedings repealed, and conforming statutory change made.

Dear Co-Chair Nash, Co-Chair Klevorn, and Members of the Committee:

The Citizens Utility Board of Minnesota (CUB) is a 501(c)(3) nonprofit advocate for Minnesota utility consumers. CUB's mission is to advance affordable, reliable, safe, and clean home energy for Minnesotans. CUB participates frequently in proceedings before the PUC, where we seek to represent ratepayers' interests. Our expert staff has also advised more than 25,000 Minnesotans on how to avoid shutoffs, reduce their utility expenses, and answer other home energy questions.

We appreciate the desire to ensure that taxpayer and ratepayer money is spent wisely and is not wasted on duplicative government services. Respectfully, however, eliminating the ratepayer protection duties of the Office of the Attorney General will almost surely result in Minnesotans being charged higher rates by for-profit utility companies, including a greater amount of unfounded and unreasonable charges.

In Minnesota, electric and natural gas service is provided by monopoly utilities, including several large investor-owned companies. Monopoly utilities sell essential services, which Minnesotans have no practical choice but to purchase. There is good reason for the monopoly system—no one benefits from multiple power or gas lines running down their street. However, unlike competitive businesses, monopoly utility companies face no market pressures to ensure reasonable prices or quality service. Instead, the Minnesota Public Utilities Commission (PUC) regulates our state's investor-owned utility companies. The PUC acts largely like a court, adjudicating evidence brought before it to set just and reasonable rates. To do so, the PUC relies on intervening parties to present evidence and arguments for its consideration in individual proceedings. Two state agencies are charged with presenting such evidence and arguments to the PUC: the Department of Commerce and the Office of the Attorney General-Residential Utilities Divisions (OAG-RUD). Members of the public may also participate in these proceedings.

The efforts of the Dept. of Commerce and OAG-RUD in utility regulation are not duplicative. On the contrary, Minnesota needs both of these agencies—plus independent intervenors—to fully review utility charges and practices.

The electric and natural gas corporations have resources that far outpace the resources of the state agencies tasked with overseeing them. For example, Xcel is currently seeking to increase electric rates by \$365 million per year, including a 10.5% increase for residential customers. In defense of that proposal, Xcel sponsored more than 25 expert witnesses—more than the Department of Commerce and OAG-RUD combined. Even adding in witnesses presented by independent intervenors, Xcel still has more.

Now is not the time to curb Minnesota's ability to fight unfair rate increases. In addition to its electric rate increase, Xcel has also proposed an 8.2% increase to gas rates (with an 8.7% increase for residential customers), and Otter Tail Power has proposed a 17.7% rate increase (with a 19.4% increase for residential customers). Millions more is proposed to be charged to customers through separate cost tracker proceedings.

We understand that the costs of utility regulation appear high. However, money spent on state agencies' review and regulation of utility corporations pays back many times over in savings for ratepayers.

There are certainly opportunities to find savings in Minnesota's utility system, and CUB is happy to speak with any legislator interested in doing so. However, we respectfully reiterate that eliminating OAG-RUD is likely to have the opposite effect. We urge members to allow OAG-RUD to continue in its mission of ratepayer protection.

Sincerely,

Annie Levenson-Falk
Executive Director
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