



500 West Russell Street
Sioux Falls, SD 57104

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February 13, 2026

—Via Electronic Filing—

Ms. Leah Mohr, Executive Director
South Dakota Public Utilities Commission
Capitol Building, 1st Floor
500 E. Capitol Ave.
Pierre, SD 57501-5070

RE: RESPONSE TO COMMISSIONER FIEGEN’S QUESTION AT XCEL ENERGY’S
ANNUAL UPDATE
DOCKET NO. EL25-024

Dear Ms. Mohr:

Northern States Power Company, doing business as Xcel Energy, submits this response to Commissioner Fiegen’s additional questions that were posed in a letter filed in Docket No. EL25-024:

- 1) In the February 10, 2026 letter, Xcel stated that they have 42 billing analysts and 314 customer service representatives throughout their territory (note, this appears to refer to all Xcel companies across the country, not just NSP). Where are the Xcel billing and customer service representatives physically located and how many staff are at each location?*

Customer service representatives and billing analysts are authorized to work remotely. Table 1 provides the current number of customer service representatives and billing analysts, which fluctuate, and the states where these employees reside.

**Table 1
Customer Care Employee Locations**

State	Customer Service Representatives	Billing Analysts
Minnesota	4	12
Wisconsin	101	24
Michigan	1	0
Texas	163	5
New Mexico	8	0
Colorado	3	1

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2) *Do any of these billing or customer service representatives work remotely? If so, in what states are they located?*

Yes. As noted above, customer service representatives and billing analysts are authorized to work remotely. These employees are required to work at a home location that is within one hour from their assigned office location. See the table above for the states where these employees reside.

3) *When were the last vacancies of these positions? Would Xcel consider allocating some of these positions to locations within its South Dakota service territory when there is an open position using existing FTEs rather than generating additional expense?*

The most recent vacancies for these positions occurred in January 2026. At this time, Xcel Energy does not intend to allocate customer service or billing roles to locations within its South Dakota service territory when vacancies arise. While remote work is authorized, the Customer Care organization now aligns these roles to established, centralized hub locations in Wisconsin and Texas.¹ These locations support a large employee population and provide significant operational and cultural benefits, including enhanced employee engagement, consistent training and onboarding, leadership accessibility, cross-functional collaboration, and the ability to host in-person events that strengthen performance and retention. This centralized model has proven effective in supporting customers across all jurisdictions, including South Dakota, without the need to physically locate front-line staff in each state.

In addition to these above questions, I had also inquired on October 7th, 2025 about the Protection Plans from HomeServe that customers receive in the mail bearing the Xcel logo. Specifically, I was interested in the details, including financial arrangements, of the agreement Xcel has with the third-party vendor, HomeServe, and how long any existing contract is to remain in place.

The Company's business arrangement with HomeServe includes the following operative Agreements:

- Master Agency and Administration Agreement (Admin Agreement) – Attachment A to this letter.
- Marketing Agreement – Attachment B to this letter.

¹ We note that there are employees that reside outside of the Wisconsin and Texas hub locations. However, these are employees that were in the organization prior to these roles becoming remote and at that time were employed at a location that is not one of the hubs. The Company now only posts customer service representative and billing analyst vacancies out of our Wisconsin and Texas hub locations.

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In addition, four Side Letters amend in part certain aspects of the Admin Agreement and Marketing Agreement. The Side Letters are included as Attachment C to this response.

[PROTECTED DATA BEGINS 

PROTECTED DATA ENDS]

With respect to legacy accounts, prior to the sale of the HomeSmart business, customers who signed up for the optional HomeSmart service were billed for it on their Xcel Energy bill. For Xcel Energy customers who had a HomeSmart plan prior to the closing of the sale and have continued as customers under HomeServe-administered service plans post-closing—known as “Back Book” accounts—Xcel Energy remains the service plan obligor. There are approximately 1,200 South Dakota customers with Back Book accounts. For convenience and continuity, those customers continue to be billed on their Xcel Energy bill, with HomeServe serving as the administrator of the plans. Xcel Energy collects plan fees from customers and remits the plan fees to HomeServe, less certain items set forth in the Admin Agreement, including the cost of Xcel Energy’s continued billing support obligations, which is **[PROTECTED DATA BEGINS**  **PROTECTED DATA ENDS]**. Xcel Energy customers who did not have HomeSmart pre-closing and who have signed up for service plans offered by HomeServe post-closing, are not billed for it on their Xcel Energy bill; they are billed directly by HomeServe. There are approximately 2,000 Xcel Energy customers in South Dakota who have signed up for service plans since Xcel Energy’s divestiture, who are billed directly by HomeServe.

The Admin Agreement also allows HomeServe to market and cross-sell residential service plans to these legacy HomeSmart customers. We discuss this business arrangement with regard to co-branding below. Under the Admin Agreement, if a legacy HomeSmart customer chooses to purchase a new or additional plan from HomeServe, the new plan continues to be billed by Xcel Energy. HomeServe pays Xcel Energy a commission—**[PROTECTED DATA BEGINS**  **PROTECTED DATA ENDS]**—on the fees actually paid by the Back Book customer for coverage under a cross-sell plan (i.e., an additional service plan offered by HomeServe and sold to a Back Book customer). The fees paid to and collected by

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Xcel Energy in connection with the Back Book accounts are paid to HomeServe, less certain items set forth in the Admin Agreement, including the cost of Xcel Energy's continued billing support obligations, which is **[PROTECTED DATA BEGINS** [REDACTED] **PROTECTED DATA ENDS]**, as noted above, and commissions payable to Xcel Energy for new or additional services sold by HomeServe to the Back Book.

Xcel Energy does *not* share utility customer data with HomeServe, and HomeServe does not have access to utility customer information. If an Xcel Energy customer signs up for a service plan offered by HomeServe, the customer provides certain requested information to HomeServe. For customers with Back Book accounts, the customer's HomeSmart information—which is separate and distinct from their utility customer information—is conveyed to HomeServe solely for purpose of administering their plan.

The Admin Agreement and Marketing Agreement between Xcel Energy and HomeServe allow HomeServe to use the Xcel Energy (not the Northern States Power Company) brand, name, and/or logo—subject to certain conditions: Xcel Energy must approve its use; HomeServe must adhere to Xcel Energy's brand guidelines; and all materials must include a non-affiliation disclaimer. Under the Admin Agreement, HomeServe may conduct up to **[PROTECTED DATA BEGINS** [REDACTED] **PROTECTED DATA ENDS]** cross-sell marketing campaigns to the Back Book accounts each 12-month calendar period. Under the Marketing Agreement, HomeServe may conduct up to **[PROTECTED DATA BEGINS** [REDACTED] **PROTECTED DATA ENDS]** new acquisition marketing campaigns to Xcel Energy customers and **[PROTECTED DATA BEGINS** [REDACTED] **PROTECTED DATA ENDS]** cross-sell or similar marketing campaigns to Xcel Energy customers who have signed up for service plans offered by HomeServe, each 12-month calendar period (which excludes the Back Book accounts, which is covered separately under the Admin Agreement). The materials explain the optional protection plan's potential value to customers: to minimize unexpected costs for repairs to household systems located on the customer side of the electric and natural gas meters as well as to household plumbing systems and/or the water and sewer service lines serving the home. Under the Marketing Agreement, Xcel Energy also includes information on service plans offered by HomeServe on the Xcel Energy website.

Under the Marketing Agreement, HomeServe pays Xcel Energy a commission—**[PROTECTED DATA BEGINS** [REDACTED] **PROTECTED DATA ENDS]**—on the plan fees actually received by HomeServe for plans from HomeServe sold to Xcel Energy customers, net of certain items as set forth in the Marketing Agreement.

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Request for Confidential Treatment of Information:

Pursuant to ARSD § 20:10:01:41, the Company respectfully requests confidential treatment of the information attached to this response, and provides the following information in support of our request:

(1) An identification of the document and the general subject matter of the materials or the portions of the document for which confidentiality is being requested:

Attachments A through C contain confidential commercial information regarding the Company's financial and legal terms of engagement with a third-party, HomeServe. The Company treats this information as highly confidential information, and as financial information, not released to the public. Attachments A through C are marked as Confidential in Entirety.

(2) The length of time for which confidentiality is being requested and a request for handling at the end of that time. This does not preclude a later request to extend the period of confidential treatment:

The Company requests that the confidential attachments be treated as confidential forever.

(3) The name, address, and phone number of a person to be contacted regarding confidentiality request:

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Xcel Energy Services Inc.
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(612) 370-3578
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(4) The statutory or common law grounds and any administrative rules under which confidentiality is requested. Failure to include all possible grounds for confidential treatment does not preclude the party from raising additional grounds in the future:

The material is confidential, trade secret, and/or proprietary business information, the disclosure of which would result in material damage to Xcel Energy's financial position. See ARSD §§ 20:10:01:39 and 20:10:01:42.

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(5) The factual basis that qualifies the information for confidentiality under the authority cited:

Attachments A through C contain information about a non-affiliated third-party and vendor of Xcel Energy, HomeServe, and the costs and terms of Xcel Energy's engagement with that party. Such information is considered confidential commercial information, which the Company does not disclose to the public, as it includes the cost of Xcel Energy's continued billing support obligations; Xcel Energy's other revenues and costs associated with HomeServe engagement; and the length of the engagement, among other commercial terms. Disclosure of such information could harm the Company's ability to obtain service at the lowest available cost because knowledge of the Company's costs could affect future commercial contract negotiations. HomeServe also considers such information proprietary and confidential, as it includes the commission fees paid by HomeServe to Xcel Energy and other terms of the Administrative Agreement and Marketing Agreement, which information HomeServe has made reasonable efforts to keep confidential. Disclosure of such information could undermine vendors' efforts to receive compensation for their proprietary commercial information.

We appreciate the opportunity to provide this clarification and have filed this letter in the South Dakota rate case docket as requested.

Sincerely,

/s/

JOHN MARSHALL
RVP CUSTOMER AND COMMUNITY (MN/ND/SD)