Minnesota Electric Decoupling Program

What is decoupling?
Decoupling breaks the connection between an energy company’s electric sales by matching actual revenues to revenue levels approved by a regulatory authority. (In Minnesota, this is the Public Utilities Commission or PUC.) This way, there is no incentive for the company to sell more energy in order to generate more revenue. The “How Decoupling Works” chart shows how decoupling adjusts rates to smooth out revenue fluctuations over time.

What is Xcel Energy’s electric decoupling pilot program?
Xcel Energy began a four-year electric decoupling pilot program for residential and small business customers. Each year starting in 2017, Xcel Energy applies a decoupling adjustment to customer bills that corrects non-fuel revenue to PUC approved levels – presented as either a surcharge or a credit. The decoupling pilot program began with a baseline comparison in January 2016. The first decoupling adjustment appeared as a line item, “Decoupling Adj,” on the October 2017 bill.

What does decoupling mean for you?
Over time, decoupling will not have a large impact on customer bills, because the majority of a customer’s bill comes from the amount of electricity used. If you use less electricity, you reduce the consumption-based portion of your bill – saving money, even with a decoupling adjustment.

What does decoupling mean for energy efficiency and energy conservation?
The decoupling program helps ensure Xcel Energy remains focused on helping customers conserve electricity. Customers who measurably reduce their energy consumption are rewarded with lower electricity bills.

Find out more about decoupling at xcelenergy.com/rates.