



2302 Great Northern Drive  
Fargo, ND 58102

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September 2, 2025

**—Via Electronic Mail and UPS—**

Steven M. Kahl, Executive Director  
North Dakota Public Service Commission  
State Capitol Building, Dept. 408  
600 East Boulevard  
Bismarck, ND 58505-0480

RE: COMMENTS - INVESTIGATION INTO HOME PROTECTION PLANS  
CASE NO. PU-25-148

Dear Mr. Kahl:

Northern States Power Company, doing business as Xcel Energy, submits the enclosed original and seven copies of these comments to the North Dakota Public Service Commission as requested by the Commission's July 2, 2025 ORDER REQUESTING COMMENT ON HOME PROTECTION PLANS.

### **Background**

The Commission's July 2, 2025 Order requests that these comments address:

- a. An explanation of the full extent of the business arrangement with HomeServe or other organizations of a similar nature;
- b. The utilization of utility branding pertaining to HomeServe or others relating to the solicitation process;
- c. Any other information that the Commission should consider.

As background, Xcel Energy completed the sale of its unregulated HomeSmart business to HomeServe USA Repair Management Corp (HomeServe) in 2024. HomeServe is a nationwide administrator of home repair service plans and engages with over 1,350 municipal and utility providers across multiple states. The Company emphasizes that HomeServe is an independent company separate from Xcel Energy and that HomeServe does not have access to Xcel Energy utility customer information. The service plans offered by HomeServe are optional and are not regulated by any public utilities commission. Customers are encouraged to carefully

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review the optional service plans offered by HomeServe to determine if they are interested in purchasing any of the plans. A customer's choice of whether or not to purchase a service plan offered by HomeServe will not affect the price, availability, or terms of the customer's utility service from Xcel Energy and its regulated utilities.

Xcel Energy has offered optional service plans to customers—previously through Xcel Energy's unregulated HomeSmart business, and now, Xcel Energy is introducing these plans to customers through a contractual relationship with HomeServe. These offerings, which are common in the industry, remain separate from our regulated utility business. When offering these products to customers, whether through HomeSmart previously or now through HomeServe, we aim to communicate clearly with customers and offer added, optional value.

The Company appreciates the opportunity to address the topics in the Order and provide the requested information. We share the Commission's desire to ensure clear and transparent communications with North Dakotans, and we welcome further discussions regarding this matter, should the Commission deem them appropriate.

The Company's Comments and supporting attachments contain trade secret information; attachments A, B, & C are marked Trade Secret in Entirety. In accordance with Section 69-02-09-02 of the North Dakota Administrative Code (N.D.A.C.), an Application for Trade Secret Protection is being provided along with a single copy of the trade secret version of the comments and supporting attachments in a sealed envelope marked **PROTECTED INFORMATION – PRIVATE**

In the remainder of this filing, we address each of the topics from the Commission's Order.

### **Requested Comments**

- a. *An explanation of the full extent of the business arrangement with HomeServe or other organizations of a similar nature.*

On March 3, 2024, Xcel Energy completed the sale of its unregulated HomeSmart business to HomeServe. Prior to the sale of the HomeSmart business to HomeServe, the HomeSmart business was an unregulated business line separate and distinct from Xcel Energy's regulated utility business. This strategic divestiture of HomeSmart allows Xcel Energy to focus on our core regulated business – delivering safe, reliable and affordable energy to our customers, while still ensuring customers' home

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protection plans and services are maintained. We sold the HomeSmart business to HomeServe because they have a solid track record of customer service and offer our customers a greater variety of optional service offerings and protection plans to fit their needs, should our customers choose to use them.

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

- Master Agency and Administration Agreement ("Admin Agreement") — Attachment A
- Marketing Agreement — Attachment B

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 filing.

We discuss the Admin Agreement below, and the Marketing Agreement in section (b); both relate to our business arrangement with HomeServe.

The Admin Agreement covers legacy HomeSmart 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. 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.

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 in section (b) below. Under the Admin Agreement, if a legacy HomeSmart customer chooses to purchase a new or additional

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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 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 PROTECTED DATA ENDS]**, as noted above, and commissions payable to Xcel Energy for new or additional services sold by HomeServe to the Back Book.

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**PROTECTED DATA ENDS]**

We emphasize that our agreements with HomeServe do *not* include sharing utility customer data 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.

Xcel Energy does not have business arrangements with other home repair service plan providers or administrators.

*b. The utilization of utility branding pertaining to HomeServe or others relating to the solicitation process*

The Administrative 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 similar to:

*HomeServe USA Repair Management Corp. ("HomeServe"), with corporate offices located at 601 Merritt 7, 6th Floor, Norwalk, CT 06851, is an independent company separate from Xcel Energy Inc., its regulated utilities, and its subsidiaries and affiliates, and there is*

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*no partnership among or joint venture by HomeServe and any of Xcel Energy Inc., its regulated utilities, or its subsidiaries or affiliates. HomeServe offers this optional service plan as an authorized representative of the service contract provider, [<<service contract provider name and address>>]. The service plans and the services provided are not regulated by any public utilities commission. Your choice of whether to purchase this plan will not affect the price, availability or terms of service from Xcel Energy Inc. and its regulated utilities. Xcel Energy Inc. and HomeServe entered into a commercial agreement to introduce these plans to Xcel Energy Inc. customers.*

Under the Admin Agreement, HomeServe may conduct up to **[PROTECTED DATA BEGINS PROTECTED DATA ENDS]** cross-sell marketing campaigns to the Back Book each 12-month calendar period. Under the Marketing Agreement, HomeServe may conduct up to **[PROTECTED DATA BEGINS PROTECTED DATA ENDS]** new acquisition marketing campaigns to Xcel Energy customers and **[PROTECTED DATA BEGINS 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, which is covered under the Admin Agreement). The materials explain the optional protection plan's potential value to customers: to minimize unexpected 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.

As part of Xcel Energy's regular review of HomeServe's marketing plans and associated marketing materials, the co-branded materials and the approach to logo use and branding are being updated. This update is in part due to Xcel Energy's recent brand refresh as well as customer and stakeholder feedback. Although the materials are not yet finalized, Figure 1 below shows a comparison of the former branding and planned updated branding.

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**Figure 1: Original and Planned Future Use of the Xcel Energy Name and Logo on HomeServe Materials**

**Original**



**New**



Again, we emphasize that we do not provide utility customer data to HomeServe.  
**[PROTECTED DATA BEGINS**

**PROTECTED DATA ENDS]**

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

As administrator of the service plans, HomeServe only shares HomeServe customer  
information with those HomeServe vendors and services providers directly involved  
in the marketing, administrating, and servicing of HomeServe's own products, as well

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as an affiliate, HomeServe USA Energy Services (which is the entity that acquired the assets of the HVAC business line of Xcel Energy's HomeSmart business as part of the sale), to offer HVAC installation and/or repair services offerings to HomeServe customers outside of services plans. HomeServe's privacy policy explains how HomeServe may access, collect, use, share, maintain or otherwise handle HomeServe customer information (available at: <https://www.homeserve.com/sc/legal/privacy-policy>).

*c. Any other information that the Commission should consider.*

We respectfully offer two additional points for the Commission's awareness.

First, our engagement with HomeServe does not affect our utility customers' rates. Prior to the sale of the HomeSmart business to HomeServe, the HomeSmart business was an unregulated business line separate and distinct from Xcel Energy's regulated utility business, and this continues to be the case post-sale. Any compensation received from HomeServe as a result of Xcel Energy's contractual engagement with HomeServe is not used to reduce the revenue requirement for Xcel Energy utility customers.

The costs related to the contractual engagement with HomeServe include direct and indirect charges for labor associated with the services provided. In addition, payroll taxes, lost time, and pension and benefit costs are allocated based on labor dollars. Xcel Energy's revenues and costs associated with HomeServe engagement are identified by unique accounts and are recorded in FERC 417, Revenues from Nonutility Operations; and FERC 417.1, Expenses from Nonutility Operations, each of which are nonutility accounts and therefore not included in our regulated cost of service study.

Second, for "Back Book" accounts that continue to be billed through Xcel Energy, the customer's HomeServe account has no bearing on the customer's utility service. As stated in the non-affiliation disclaimer, a customer's choice to purchase, or not purchase, a plan will not affect the price, availability, or terms of service. A customer will not be disconnected for failure to pay for their HomeServe plan; HomeServe bill amounts are not included when determining whether a customer is eligible for disconnection. As always, we encourage customers to contact us directly if they are having trouble paying their bill.

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As always, we are proud to serve North Dakotans and aim to communicate clearly and accurately with our customers. Should the Commission wish to collaborate further on this topic, we are available for follow-up discussions as desired.

Please contact me at [alex.j.nisbet@xcelenergy.com](mailto:alex.j.nisbet@xcelenergy.com) or Victor Barreiro at [victor.barreiro@xcelenergy.com](mailto:victor.barreiro@xcelenergy.com) if you have any questions or comments.

Sincerely,

/s/

ALEX NISBET  
REGULATORY POLICY SPECIALIST

Enclosures  
cc: Victor Schock

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Case No. PU-25-148  
Attachment A

**Attachment A is considered  
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Case No. PU-25-148  
Attachment B

**Attachment B is considered  
Trade Secret in Entirety**

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Case No. PU-25-148  
Attachment C

**Attachment C is considered  
Trade Secret in Entirety**