This opinion is nonprecedential except as provided by Minn. R. Civ. App. P. 136.01, subd. 1(c).

STATE OF MINNESOTA
IN COURT OF APPEALS
A25-1693

USS Big Lake 1 LLC, et al.,
Appellants,

vs.

Northern States Power Company DBA Xcel Energy,
Respondent.

Filed July 13, 2026
Affirmed; motion denied
Rasmusson, Judge

Ramsey County District Court
File No. 62-CV-25-1654

Andrew P. Moratzka, Marc A. Al, Amber S. Lee, Bradley R. Prowant, Eden A. Fauré, Stoel Rives, LLP, Minneapolis, Minnesota (for appellants)

Ben D. Kappelman, Anna Boyle, Nathan Webster, Caroline Rogers, Sonja Smerud, Dorsey & Whitney, LLP, Minneapolis, Minnesota (for respondent)

Considered and decided by Larson, Presiding Judge; Rasmusson, Judge; and Kirk, Judge.*

NONPRECEDENTIAL OPINION

RASMUSSON, Judge

Appellants challenge the district court's dismissal of their claims against respondent Northern States Power Company d/b/a Xcel Energy (Xcel), arguing that the district court

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* Retired judge of the Minnesota Court of Appeals, serving by appointment pursuant to Minn. Const. art. VI, § 10.

erred in determining that the filed-rate doctrine prevented the court from adjudicating their breach-of-contract claims. Because appellants' requested damages would force the district court to inappropriately engage in rate making, we affirm. We also deny appellants' motion to strike as moot.

FACTS

Community-Solar-Garden Statute

In 2013, the Minnesota Legislature enacted legislation establishing the community-solar-garden (CSG) program to facilitate solar-garden development under the direction and oversight of the Minnesota Public Utilities Commission. *See* 2013 Minn. Laws ch. 85, art. 10, § 2, at 675-77 (codified at Minn. Stat. § 216B.1641 (2014)). In a recent decision, this court describes the relevant statutory provisions:

> The statute defines a solar garden as "a facility that generates electricity by means of a ground-mounted or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the electricity generated in proportion to the size of their subscription." [Minn. Stat. § 216B.1641], subd. 1(b) [(2024)]. A CSG generates solar energy and delivers the energy to Xcel. *Id.*, subd. 1(b), (d). The CSGs obtain revenue from subscribers, which includes individuals, municipalities, schools, hospitals, and other entities. *Id.*, subd. 1(h). CSG subscribers receive a discount—in the form of a bill credit—on their Xcel [E]nergy bill in proportion to the size of their subscription. *Id.*, subd. 1(d), (h). Xcel recovers the costs of the program from all ratepayers.
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> The CSG statute requires Xcel to purchase the energy generated by approved CSGs and provides that "[t]he purchase shall be at the rate calculated under section 216B.164, subdivision 10 [(2024)], or, until that rate for the public utility has been approved by the commission, the applicable retail rate." *Id.*, subd. 1(d). The rate calculated under Minn. Stat. § 216B.164, subd. 10, is referred to as the value of solar (VOS)

> rate. The VOS rate is calculated under a methodology approved by the commission that accounts for benefits of distributed solar generation, such as avoiding the costs of fuel, operations-and-maintenance, generation-capacity, transmission and distribution, and environmental expenses. *See* Minn. Stat. § 216B.164, subd. 10 (2024). The statute does not define the "applicable retail rate" (ARR), but the commission has interpreted the term to mean "the full retail rate, including the energy charge, demand charge, customer charge, and the applicable riders, for the customer class applicable to the subscriber receiving the credit."

In re N. States Power Co., No. A24-1450, 2025 WL 2205795, at *1 (Minn. App. Aug. 4, 2025), *rev. denied* (Minn. Oct. 29, 2025).[1]

Background

Appellants represent CSG developers and subscribers. Appellant-developers entered into contracts with Xcel under which Xcel would credit appellants at the Applicable Retail Rate (ARR) bill-credit rate throughout the full 25-year contract term.

The express terms of the contract also provided the commission with continuing jurisdiction over the agreement, that sales and purchase rates "shall be changed annually or otherwise as provided by order of the [commission]," and that the CSG operator would "comply with all of the rules stated in [Xcel's] applicable electric tariff related to the Solar*Rewards Community program[2] and the tariffed version of this Contract, as the same may be revised from time to time." The contract specified that if any conflicts arose

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[1] This case is nonprecedential and, therefore, not binding. We cite to nonprecedential opinions as persuasive authority only. *See* Minn. R. Civ. App. P. 136.01, subd. 1(c).

[2] A "tariff" is a document that specifies the rates at which a utility will provide electric distribution services. *Siewert v. N. States Power Co.*, 793 N.W.2d 272, 277 (Minn. 2011). The Solar*Rewards Community program is the tariff that governs rates for CSGs.

between the contract terms and the tariff, "the provisions of the tariff shall control." A 2016 commission-approved ARR amendment specifically restricted Xcel from taking any action that would unsettle the agreed-upon bill rate for the Solar*Rewards Community program.

In June 2023, the commission issued an order directing Xcel to "develop and file a detailed proposal for commission consideration for switching ARR-era gardens to the appropriate VOS [value of solar] rate." Xcel submitted the proposal and, after considering public comments, the commission approved a modified version of Xcel's proposal on May 30, 2024.

In the May 30, 2024 order, the commission directed Xcel to lower the CSG bill credit from the ARR to the VOS rate for all production beginning April 1, 2025. The order also instructed Xcel to revise its tariffs, including those under the CSG contract. In August 2024, Xcel filed the required tariff revisions. And this court affirmed the commission's decision. *In re N. States Power Co.*, 2025 WL 2205795, at *15.

Current Litigation

Appellants filed a complaint in district court alleging Xcel knowingly and intentionally breached its contracts with CSGs and their third-party beneficiary subscribers. Appellants alleged that they reasonably relied on the contract with Xcel wherein Xcel promised to credit appellants at the ARR bill-credit rate throughout the full 25-year term. Xcel filed a motion to dismiss the complaint under rule 12 of the Minnesota Rules of Civil Procedure under (1) the filed-rate doctrine, (2) collateral estoppel, and (3) the tariffed contract's forum-selection clause.

After a hearing, the district court granted Xcel's motion to dismiss. The district court determined that it lacked subject-matter jurisdiction because the filed-rate doctrine precluded the court from adjudicating commission-approved tariffs. This appeal follows.

DECISION

Appellants challenge the district court's dismissal of their breach-of-contract claims against Xcel, arguing that the district court erred by applying the filed-rate doctrine to preclude their breach-of-contract claim.

A.

A de novo standard of review applies to the issues presented in this appeal. *See Hoskin v. Krsnak*, 25 N.W.3d 398, 405 (Minn. 2025) (review of a rule 12.02(e) motion to dismiss is de novo); *see also Daniel v. City of Minneapolis*, 923 N.W.2d 637, 644 (Minn. 2019) ("Subject-matter jurisdiction is a question of law that [appellate courts] review de novo."). A district court may grant a motion to dismiss if it "lack[s] jurisdiction over the subject matter." Minn. R. Civ. P. 12.02(a). When reviewing a dismissal pursuant to rule 12.02, appellate courts accept the facts alleged in the complaint as true and construe all reasonable inferences in favor of the nonmoving party. *See Walsh v. U.S. Bank, N.A.*, 851 N.W.2d 598, 606 (Minn. 2014).[3]

Appellants assert that the district court erred because the filed-rate doctrine does not apply to their breach-of-contract claims. Appellants argue that complaints seeking to

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[3] At oral argument, both parties agreed that the district court did not rely on matters outside the pleadings and that the matter did not need to "be treated as one for summary judgment and disposed of as provided in Rule 56." Minn. R. Civ. P. 12.02. Accordingly, we analyze the district court's dismissal under rule 12.02. *Id.*

enforce commission-approved contracts do not violate the filed-rate doctrine. *See Siewert*, 793 N.W.2d at 280-81 (an order that does not add terms to the tariff or direct the scope of service to be provided does not violate the filed-rate doctrine). Xcel contends that appellants' complaint directly challenges the rate structure because any award against Xcel "would amount to a refund from the rate ordered by the commission and could *directly* impact its rate of return or impact other ratepayers."

The filed-rate doctrine "is a judicially created doctrine that prevents courts from adjudicating private claims that would effectively vary or enlarge rates charged under a published tariff." *Id.* at 278. "The rights as defined by the tariff cannot be varied or enlarged by either contract or tort," and parties subject to a tariff "cannot legally negotiate a rate different from the tariff rate." *G & T Trucking Co. v. GFI Am., Inc.*, 535 N.W.2d 658, 660 (Minn. App. 1995) (quotation omitted). "Rates fixed by the commission are presumed to be reasonable and just" and the tariff "is an inherent part of the lawful rate charged to consumers, from which neither the utility nor the consumer may depart." *Comput. Tool & Eng'g, Inc. v. N. States Power Co.*, 453 N.W.2d 569, 573 (Minn. App. 1990), *rev. denied* (Minn. May 23, 1990).

Tariffed rates have the equivalent force and effect of state law once they are approved and filed. *N. States Power Co. v. City of Oakdale*, 588 N.W.2d 534, 537-38, 543 (Minn. App. 1999). Tariffs prevail over previously contracted rates. *G & T Trucking Co.*, 535 N.W.2d at 660 (a regulated party must "collect the rate contained in its tariff, notwithstanding the fact that it may have negotiated a different rate"). "[T]he filed rate doctrine bars claims for money damages to remedy breach of a provision in an agency-approved tariff." *Hoffman v. N. States Power Co.*, 764 N.W.2d 34, 46 (Minn. 2009).

The district court granted Xcel's motion to dismiss, concluding that it lacked subject-matter jurisdiction to address appellants' claims regarding the bill-credit rate imposed by the commission. In reaching this conclusion, the district court determined that the contractual relationship between the parties was governed by tariffs under Minnesota law and any adjustment by the court would be inappropriate. *See* Minn. Stat. § 216B.05, subd. 2a (2024); *see also Hoffman*, 764 N.W.2d at 39.

Chapter 216B provides the commission with broad authority to "ascertain and fix just and reasonable policies for all public utilities." *Hoffman*, 764 N.W.2d at 43 (quotation omitted). The statute explicitly gives the commission authority to "approve, disapprove, or modify a community solar garden program." Minn. Stat. § 216B.1641, subd. 1(e) (2024).

Here, the commission had authority over CSGs and rate setting for CSGs, as provided by the statute. *See id.* The current tariff specifically provides that the ARR bill credit rate "no longer applies for energy delivered to [Xcel] after March 31, 2025." The statute also provides that the ARR was in effect until the VOS rate was approved by the commission. *See id.*, subd. 1(d) (2024). The parties' contract provided that the rate "may be revised from time to time" as allowed by contractual amendments or approved by the commission. The commission approved a revision to the previously agreed-upon rate. And the contract expressly stated that if a conflict arose between the contract's terms and the tariff, the tariff controls.

Appellants contend that this case does not challenge the reasonableness of the rates, the rate structure, or rate-allocation process. Instead, they challenge Xcel's conduct in unsettling the agreed-upon bill-credit rate by asking the commission to unsettle the ARR, which was prohibited under the contract. But appellants requested damages that would, in fact, require the district court to inappropriately engage in rate making. Specifically, appellants sought for the district court to order Xcel to reimburse CSGs the difference between the ARR and VOS rate, which is counter to the commission's decision. Per the statute, only the commission can authorize a tariff change and Xcel can only assess rates that are in its tariff. *See id.*, subd. 1(e). Providing reimbursement to appellants would effectively change the commission-approved rate, which contravenes Minnesota law.

Even if we accept the facts alleged in the complaint as true and construe all reasonable inferences in appellants' favor, the challenge fails because only the commission can authorize a tariff change. The district court, therefore, properly concluded that it lacked subject-matter jurisdiction to address appellants' breach-of-contract claims.[4]

For the foregoing reasons, the district court appropriately dismissed appellants' complaint.

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[4] Because we conclude that appellants' requested damages would require the district court to inappropriately engage in rate making, we do not address, and therefore take no position on, whether appellants could otherwise sustain a breach-of-contract claim in this context. For the same reason, we need not reach a decision on Xcel's collateral estoppel or forum-selection-clause arguments.

B.

Appellants filed a motion to strike portions of Xcel's principal brief. *See* Minn. R. Civ. App. P. 110.01, 127. Because we conclude that the district court appropriately dismissed appellants' complaint pursuant to the filed-rate doctrine, we need not consider the documents. We therefore deny as moot appellants' motion to strike portions of Xcel's brief. *See Drewitz v. Motorwerks, Inc.*, 728 N.W.2d 231, 233 n.2 (Minn. 2007).

Affirmed; motion denied.