

RATE INCREASE NOTICE

On June 30, 2009, Northern States Power Company, an Xcel Energy company, asked the South Dakota Public Utilities Commission (SDPUC) for permission to increase its electricity rates effective Aug. 1, 2009. Xcel Energy requests to increase base rates by \$18.6 million. This amount includes approximately \$3 million that is currently being recovered through another portion of customer bills but that Xcel Energy requests be moved into base rates in this proceeding. Consequently, the overall increase in retail rates is approximately 10.65 percent.

The actual impact of the requested rate increase on individual customer bills will vary depending on the customer's rate class and amount of energy used. Based on this request, a typical residential electric customer using 750 kWh per month would see a net increase of 12.4 percent, or \$8.55 per month. The increases experienced by commercial and industrial customers will vary depending on rate class, load factor, and amount and nature of use. The actual amount of any rate adjustments will be determined by the SDPUC and such amounts could be greater or less than initially requested. The SDPUC is expected to make its decision by Jan. 1, 2010.

Xcel Energy has not increased base electric rates in South Dakota since 1992 and an increase is necessary at this time to maintain safe and reliable service. During that time, Xcel Energy has made significant infrastructure investments in its generation, transmission and distribution systems to reliably meet the electricity needs of its South Dakota customers.

Under South Dakota law, a customer has a right to join with 24 other customers in Xcel Energy's service area to file a written objection to this proposed increase [i.e. 25 customers total]. Customers may request the SDPUC to suspend the rate increase and hold a public hearing to determine whether such a rate increase should be allowed.

For More Information

You may visit Xcel Energy's Sioux Falls office at 500 West Russell Street during normal business hours to examine the current and proposed rate schedules.

You may also examine current and proposed rate schedules and filing documents by visiting our website at www.xcelenergy.com and clicking on "About Energy & Rates" under the "Company" tab.

Or, you may search the 2009 Electric Dockets on the SDPUC's website:
<http://puc.sd.gov/Dockets/Electric/2009/default.aspx>