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**OFFICE OF
MINNEHAHA COUNTY
BOARD OF COMMISSIONERS**

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

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July 31, 2012

Public Utilities Commission
Attn: Commissioner Gary Hanson
Capitol Building, 1st floor
500 E. Capitol Ave.
Pierre, SD 57501-5070

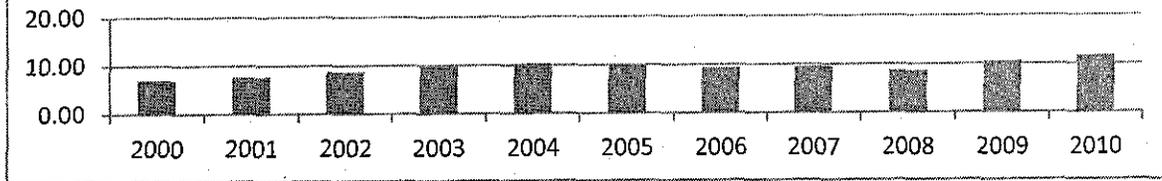
Dear Commissioner Hanson:

The Minnehaha County Commission would express concern over the proposed rate hike of 11.5% by Xcel Energy. Under South Dakota State statute, counties are charged with poor relief on behalf of qualified indigent persons. Part of this responsibility is to pay for utility services for indigent persons. In 2009, 2010, and 2011, Minnehaha County paid \$394,121 of Xcel Energy bills for residents who qualified under the Minnehaha County Human Services Guidelines. Under these guidelines, families must be below 100% of the federal poverty level (\$11,791 for a single person; \$23,050 for a family of four).

Xcel Energy received a rate hike of 5.12% in 2012. Combining this rate hike with the proposed 11.5%, the increase would result in Minnehaha County paying an estimated \$23,600 annually in increased costs. Please note that these numbers reflect only the amount of money that Minnehaha County pays for poor relief and does not include the utility payments for Minnehaha County facilities. It also does not reflect the dollars spent by charitable programs such as the Salvation Army.

The following chart represents the poverty level of Minnehaha County from 2000 until 2010, the most current year statistics are available for. Please take note that more families are in poverty than at any other time in the past decade. We ask you to consider the challenge that families have when making your decision regarding the Xcel Energy rate increase.

Minnehaha County Residents: Percent in Poverty



Thank you for your consideration of these facts as you evaluate the additional rate hike of Xcel Energy.

Sincerely,



Dick Kelly, Chairman
Minnehaha County Commission

DK/km

cc: Minnehaha County Board of Commissioners
Carol Muller, Minnehaha County Human Services