

**From:** PUC  
**Sent:** Monday, June 30, 2014 1:02 PM  
**To:** [REDACTED]  
**Subject:** FW: Xcel Energy rate increase

Dear Ms. Hargan:

Thank you for your message regarding Xcel Energy's application to increase rates and for relaying the problems you experienced with Xcel Energy's customer service.

The last time Xcel filed a rate increase application was on June 29, 2012. The overall approved increase for customers was approximately 9.06 percent versus the 11.53 percent the utility requested. The new rates were implemented on May 1, 2013.

The medical necessity form you mention refers to disconnection of services in the event a customer's service is up for disconnection for non-payment. This form allows the consumer with a medical concern as specified an additional 30 days to make their bill current before a utility can disconnect services. Unfortunately, there are times when power is interrupted by storms, equipment failure or animal contact. I will ask one of our consumer affairs staff members to visit with Xcel Energy regarding their staff member's response to you and follow up with you. However, I encourage you to have a back-up plan for unplanned outages regardless of the cause.

When a utility files a rate case with the commission, we are obligated by law to thoroughly process the case. This typically takes up to a year to complete. Several commission staff analysts and an attorney work on the case and often engage expert consultants to help with specific aspects of the investigation. Meanwhile, each commissioner analyzes the case separately from staff along with separate commissioner staff assistance. Any interveners or other parties to the case also conduct investigations. This process consists of the full review of all filings in the docket and requests for and review of additional data and information these parties to the case require from the utility. This document explains the rate case process:

<http://www.puc.sd.gov/commission/Publication/electricratecasehandout.pdf>

You mention Xcel's executive compensation and that is one of many issues investigated during the course of a utility rate case. When we find that compensation is not appropriate within market rates for utilities, adjustments are made to bring such costs to ratepayers into alignment.

Following is a link to the press release issued after the last Xcel rate case. This indicates that the increase was largely due to capital investments in Xcel's electrical system. As we are all reading in the news daily, federal

mandates such as the recent Environmental Protection Agency rules are costing customers throughout our state and the entire country. The commission's formal settlement agreement reached in the prior case required Xcel to not file a second rate case in 2013 despite their indication that another rate case would be necessary:  
<http://www.puc.sd.gov/News/2013/041213.aspx>

Thank you for writing and expressing your concerns. I encourage you to follow the progress of this rate case. Your message and my response will be filed in the docket, EL14-058, so my fellow commissioners and all parties to the case may read them: <http://www.puc.sd.gov/Dockets/Electric/2014/el14-058.aspx>

Gary Hanson, Chairperson  
South Dakota Public Utilities Commission  
[www.puc.sd.gov](http://www.puc.sd.gov)

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