

From: PUC

Sent: Tuesday, June 24, 2014 5:21 PM

Subject: FW: Xcel rate increase

Dear Mr. Reinfeld:

Thank you for your message regarding the Xcel Energy rate increase request which was filed with the commission yesterday. Commissioners and staff have yet to review the entire case. That will take place over the course of the next few months as work ensues on investigating the docket. Rate case dockets can take up to a year to fully process. Each commissioner and staff, along with any expert consultants utilized by staff, will separately analyze the facts in the case. We will ask questions of the utility beyond the initial facts presented in Xcel's application, studying utility responses with any potential intervenors to the case doing likewise.

The commission cannot simply say no to this requested increase because state law requires that the PUC thoroughly investigate and process the case. I pledge to you that we will do so as we do with other rate cases and all dockets that come before the commission within the boundaries of federal and state laws. Here is the page on our web site linking to this docket, EL14-058, and I encourage you to follow along as the case is processed so you can become familiar with the issues in the case: <http://www.puc.sd.gov/Dockets/Electric/2014/default.aspx> Your comment and this response will be filed under Comments and Responses so all parties to this open docket can review these.

I understand the difficulty of dealing with increased costs. That is something all of us deal with when purchasing goods and services. However, that sentiment alone does not legally justify rejecting any rate increase request from the utility. As commissioners have relayed many times in recent years, increased federal mandates such as those in the news daily regarding the EPA and other issues result in costs which are passed along to South Dakotans via our electricity and other bills. Here is a link to a release the commission issued on the previous Xcel rate case:

<http://www.puc.sd.gov/News/2013/041213.aspx> This Xcel rate request was filed on June 29, 2012 and the final rates, as a result of the case, were implemented on May 1, 2013. The overall increase for customers in 2013 was approximately 9.06 percent, versus the 11.53 percent the utility requested. As part of the decision on this docket, Xcel agreed to comply with the commission's requirement to not file any application for rate increase in base rates to go into effect before Jan. 1, 2015. The utility's current rate request is proposed to be effective on that date.

Here is a document which helps explain the processing of rate increase requests by the commission:

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

I appreciate your concern and you taking the time to share this with me and my fellow commissioners. We will take the time to be certain that any rate change is just and reasonable and necessary.

Gary Hanson, Chairperson

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