



Gary Hanson, Chairperson
Chris Nelson, Vice Chairperson
Kristie Fiegen, Commissioner

South Dakota

PUBLIC UTILITIES COMMISSION

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December 2, 2014

H. John Martin


Dear Mr. Martin:

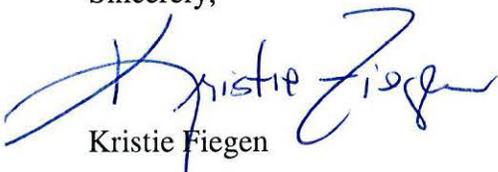
This is in response to your letter addressing Xcel Energy's rate increase application before the commission.

By reviewing this docket's filings at www.puc.sd.gov, I see that you also wrote to Chairman Gary Hanson and he responded by explaining the timing of the utility's rate increase request applications and the processing of such cases that the commission is required by law to follow. Given this, you see that Xcel was not granted the increase requested during the last case. They requested an 11.53 percent increase, and after investigation, the commission granted a 9.06 percent increase. The current request being investigated is for an 8 percent increase.

I appreciate your concern about rising costs as a retired individual on a fixed income. Unfortunately, the cost of living increases for all of us due to cost causers over which we have no control. The testimony Xcel filed in their application provides the utility's justification for the requested increase, although the commission has yet to complete our investigation of the case and render a decision. As Chairman Hanson explained in his letter to you, we are currently processing electric rate cases for Black Hills Power and MidAmerican Energy, in addition to a natural gas case for the latter. By reading the testimony provided by these utilities with their applications, you will see that each cites new federal mandates requiring investments in order to be compliant.

Thank you for writing and expressing your concerns about this rate case, and giving me the opportunity to respond with information that may be helpful. Your letter and my response will be posted in the online docket.

Sincerely,


Kristie Fiegen