Proposed Customer Bill Onsert Language

DSM Cost Adjustment Factor Increase Effective January 1, 2022

Xcel Energy offers a variety of load management and demand side management (DSM) programs to our South Dakota customers to help them reduce their home's usage. The South Dakota Public Utilities Commission has approved a new Demand Side Management Cost Adjustment Factor as a separate line item on your monthly electric bill to recover the cost of our load management and DSM programs. Beginning January 1, 2022, the rate factor will increase from \$0.000528 per kWh to \$0.000554 per kWh.

Residential Electric Service — Winter Month Bill Example

This chart provides a comparison of customer bills by applying the prior DSM rate versus the new DSM rate. The table below shows the DSM Rider rate increase only and does not factor in any other rate change that may occur at the same time.

| | Prior Rates | | | | New Rates | | | | Amount | Percent |
|-------|-------------|------------|--------|----------|-----------|------------|--------|----------|---------------------|----------|
| Usage | Other | Prior DSM | Prior | Prior | Other | New DSM | New | New | of Bill Increase | Increase |
| (kWh) | Rates | Factor | DSM | Bill | Rates | Factor | DSM | Bill | | |
| 400 | \$53.35 | \$0.000528 | \$0.21 | \$53.56 | \$53.35 | \$0.000554 | \$0.22 | \$53.57 | \$0.01 | 0.02% |
| 500 | \$64.62 | \$0.000528 | \$0.26 | \$64.88 | \$64.62 | \$0.000554 | \$0.28 | \$64.90 | \$0.02 | 0.03% |
| 600 | \$75.89 | \$0.000528 | \$0.32 | \$76.21 | \$75.89 | \$0.000554 | \$0.33 | \$76.22 | \$0.01 | 0.01% |
| 750 | \$92.80 | \$0.000528 | \$0.40 | \$93.20 | \$92.80 | \$0.000554 | \$0.42 | \$93.22 | \$0.02 | 0.02% |
| 1000 | \$120.99 | \$0.000528 | \$0.53 | \$121.52 | \$120.99 | \$0.000554 | \$0.55 | \$121.54 | \$0.02 | 0.02% |
| 2000 | \$233.73 | \$0.000528 | \$1.06 | \$234.79 | \$233.73 | \$0.000554 | \$1.11 | \$234.84 | \$0.05 | 0.02% |

For more information:

You may call **800.895.4999** with questions or examine the new rates by visiting our website at **xcelenergy.com/SDRates**.