

From: Linda Duba <Linda.Duba@sdlegislature.gov>
Sent: Sunday, January 29, 2023 1:12 PM
To: Fiegen, Kristie
Subject: FW: [EXT] : High Concern for Xcel Energy Rate Increase Request

Have you received any correspondence from this man?

Regards,



Representative Linda K. Duba
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From: Dennis Aanenson [REDACTED]
Sent: Friday, January 20, 2023 2:11 PM
Subject: [EXT]: High Concern for Xcel Energy Rate Increase Request

January 20, 2023

Dear Sir/Madam,

I am writing you this letter to raise concern over the proposed rate increase for Xcel Energy Customers in South Dakota. Why would Xcel Energy raise its rates at a ridiculously high amount of 18% for approximately 100,000 customers when the company is in no way shape or form able to justify it? First off, in 2019 Ben Fowke's total salary that year was \$23.3 million. After he retired, he still makes over \$12 million, which is \$5,770 per hour, and \$46,160 per day. In 2021, six executives at Xcel received an 11% pay increase, while the company's Net Promotor Score is 9 out of 100. The current COO, Timothy O'Connor, earns more than the CEO of Black Hills Energy. The average CEO annual salary in the

United States is approximately \$802,000, while our Governor’s annual salary is less than \$120,000.

According to the Xcel Energy 2021 Year-End Earnings Report, the earnings per share were \$2.96 compared with \$2.79 per share in 2020. The company reaffirms 2022 EPS earnings guidance of \$3.10 to \$3.20 per share. Their gross profit for the twelve months ending September 30, 2022, was \$8.096 billion, a 6.88% increase year-over-year. Their annual gross profit for 2021 was \$7.579 billion, a 3.99% increase from 2020. Their operating income from December of 2021 to March of 2022 went up by 11.45%. All of this, along with their poor customer service is a big red flag to deny their rate increase request.

They should cut their staff by approximately 2,000 people and DROP their prices for customers at least 20%:

Cost Savings	Reduction in Costs
2,000 Individuals Reduction	180,000,000

Xcel Energy – According to Public Records			
	2021	2020	2019
CEO Compensation	8,000,000	16,800,000	23,300,000
Average Salary	90,000	90,000	90,000
Wage Gap	89	187	259

Xcel Energy – According to Public Records			
	2021	2020	2019
Board of Directors	3,474,481	3,669,918	3,303,658
Average Salary	90,000	90,000	90,000
Wage Gap	39	41	37

Xcel Energy – According to Public Records			
	2021	through 9/30/2022	Extrapolated 2022
Excel Energy Revenue	13,431,000,000	14,612,000,000	19,482,666,667
Number of Employees	12,000	12,000	12,000
Rev Per Employee	1,119,250.00	1,217,666.67	1,623,555.56

Black Hills Energy – According to Public Records			
	2021	2020	2019
CEO Compensation	4,400,000	4,200,000	3,600,000
Average Salary	90,000	90,000	90,000
Salary Multiplier	49	47	40

Black Hills Energy – According to Public Records			
	2021	through 9/30/2022	Extrapolated 2022
BHC Energy Rev	1,940,000,000	2,320,000,000	3,093,333,333
Number of Employees	2,800	2,800	2,800
Rev Per Employee	692,857.14	828,571.43	1,104,761.90

When attending the public meeting in Sioux Falls in early December regarding this issue, some of Xcel Energy's personnel claimed that wind turbines are more efficient than the utilization of coal. The wind blades are not reliable for wind generation, as wind is unpredictable. Wind power operates on average about 35% of rated capacity, while coal power plants can operate near 90% of rated capacity. While coal power plant's boiler might require eight hours or more to get up to maximum power production, electricity will be available when needed as compared to wind power. Coal has the advantage of being able to be stored on site, providing weeks or even months of fuel supply at the power plant. This factor contributes to grid reliability, resiliency, and reduces fuel supply bottlenecks. Compared to solar power or wind energy, coal is reliable, predictable, and dependable fuel. While it may not be at the forefront of national energy production, it can provide an invaluable backup service and highly reliable fuel.

Wind is not predictable nor reliable and does not coincide with energy demand that is generally more predictable based on the time of year, time of day, temperature, etc. In addition, when the wind turbines age, and become unusable, they are not recyclable. The blades are broken down and buried in the earth, this is an obvious con to protecting our environment. How can wind power compete with other low-cost energy sources as ideal wind sites are often in remote locations? Not to mention, wind turbines and their noise can alter visual aesthetics and local wildlife. Wind also has the tendency to blow more at night and less during the day, the opposite of when electricity demand is at its greatest. It is known that there is less wind when temperatures are very cold and very hot, times when power demand is also in very high demand. Other disadvantages of wind power include initial cost and technology immaturity. Constructing turbines and wind facilities is extremely expensive. The technology immaturity is also an issue, yet it was stated that President Biden has set a goal of 30,000 MW of offshore wind by 2030, which is the equivalent of 2,500 12 MV turbines and this does not include the ever-increasing number of wind turbines being constructed and planned on land. According to the U.S. Energy Information Administration, since 2008, coal-powered electrical generating capacity has declined 28%, while coal powered electrical generation has declined 61%.

Does the Public Utilities Commission really need to conduct an investigation on this matter that would take over six months to complete? This information alone should suffice for the Commission to definitely not approve this as this whole idea is beyond non-justifiable. The PUC has already postponed Xcel's request for six months this year to investigate, how

lengthy of an investigation have they conducted thus far? I would hope that the PUC sides with and protects the Mid-West residents and not side with and overpaid, and overstaffed organization, as the next PUC election will greatly depend on this outcome.

With the current poor weather conditions this year, it is most likely very difficult for low-income households and those struggling to make a living pay for their heating bills. In the area of the country we live in, we shouldn't have to worry about the cost of heat and energy, let alone worrying if our heat will be shut off. Let's not forget about people in the mid-west that own businesses. We've struggled enough during the pandemic to retain our customers, inflation issues, supply chain issues, etc. we will now be forced to raise our rates for our customers due to Xcel's ridiculous request. The state of Minnesota has already rejected the rate increase for obvious reasons, we need to make haste and do the same.

Regards,

Dennis Aanenson



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