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January 10, 2023

Duane Poppens

Harrisburg SD 57032-2491

Mr. Poppens,

This is in response to your letter to the South Dakota Public Utilities Commission regarding Xcel Energy's proposed rate increase, docket EL22-017, currently being analyzed by the commission's staff and their expert witnesses, as well as by my fellow commissioners and me.

Xcel filed documents with the commission on June 30, 2022, requesting a 17.9% increase in revenue. My fellow commissioners and I suspended the rate increase for six months, which is the maximum allowed by state law, while this docket is being reviewed and additional financial information and supporting documents are being requested of the company and analyzed. This review process allows the commission's staff as well as commissioners to further unravel and understand the reasoning behind Xcel's request, as staff and commissioners work to determine what expenses are deemed appropriate and which require further questions and data or are simply unacceptable. State law guides us through the entire rate review process.

You mentioned Xcel's prior rate increase. This was docket EL14-058. The company's rate increase request was 8 percent, filed with the commission on June 23, 2014, and the commission decided a 4 percent increase was justifiable in that case, effective July 1, 2015.

You will learn more about how such rate increase requests are processed by reading the enclosed Information Guide to Electric Rate Increase Requests and FAQ.

None of us wishes to see our rates increased, so it is vitally important that we do a thorough job analyzing the volumes of information provided and more requested of the company in order to reach a sound, lawful decision. If you have not already, I encourage you to review the online docket as it contains a great deal of information that may interest you. You can find this online at PUC.sd.gov by clicking on Commission Actions, Commission Dockets, Electric Dockets,

2022 Electric Dockets, and scrolling to EL22-017. Your letter and my response will be posted under Comments and Responses in this docket.

Thank you for taking the time to write to my fellow commissioners and me to share your concerns. You can be assured that those of us involved in this review and decision process will be diligent in our processing of this important docket.

Sincerely,

Kristie Fiegen