

**From:** PUC  
**Sent:** Friday, July 11, 2025 8:05 AM  
**To:** [REDACTED]  
**Subject:** RE: [EXT] KELO Report Xcel rate increase

Thank you for your communication regarding your concerns with Xcel Energy's requested electric utility rate increase, docket [EL25-024](#), filed with the South Dakota Public Utilities Commission on June 30, 2025.

The docket is currently being reviewed by commission analysts and a commission attorney. Many rounds of discovery, which are specific questions about the documents Xcel filed with its application, will be asked by this staff team and their expert witnesses, and the answers provided by Xcel will be analyzed. This group of staff with experts is a formal party to the docket, separate from the commissioners and staff advisors that provide counsel to commissioners on dockets. Rate cases such as this require six months to one year before the commission and separate staff team with experts have fully reviewed the case as presented by the utility with analysis provided by the staff team. Once this in-depth review process is completed, commissioners will publicly ask further questions and discuss the details of the case and finally, each commissioner will vote on whether to approve the increase, deny the increase or reduce the increase requested based on the evidence presented. Commissioners are prohibited to say no to any rate increase request filed in accordance with the law without first fully vetting the facts and reasoning for the request and are required to arrive at a reasonable and legally enforceable decision.

This [Electric Rate Increase Request Information Guide](#) posted online helps explain the commission's processing of a rate case such as this.

While comparing the rates of other utility providers is interesting, it is important to remember that each utility has its own unique service territory, energy resources and resource mix, and expenses in order to serve its customers. Some of the costs that Xcel identified as primary drivers of this rate case are investments in their distribution system, generation facilities and transmission system; replacing aging technology and fleet assets; investment in service centers; and other inflationary pressures.

You referred to the increase that Xcel implemented in 2023 and that the commission allowed less than the company requested. Through negotiation between PUC staff and Xcel representatives during the processing of that docket ([EL22-017](#)) a settlement agreement was reached and accepted by the commission that significantly reduced the amount of the rate increase that Xcel sought. As part

of that settlement, the company also agreed to a moratorium on additional base rate increases that prevents Xcel from requesting an increase in base rates that would be effective prior to Jan. 1, 2026. Be assured that the current request will undergo the same robust study and negotiations on the parts of the PUC staff and Xcel representatives, as is standard in processing these complex rate cases.

Given your interest in Xcel's rate case, you are encouraged to read through some of the documents filed in this docket to better understand the issues of the case.

Your email and this response will be posted under Comments and Responses in the online docket.

Gary Hanson, Chairman  
South Dakota Public Utilities Commission  
[PUC.sd.gov](http://PUC.sd.gov)