

2023 MINNESOTA NATURAL GAS RATE PROPOSAL

INFORMATION SHEET
MINNESOTA

ENSURING NATURAL GAS RELIABILITY, RESILIENCY AND SAFETY



At Xcel Energy, we work every day to provide the energy that our customers depend on. We're proud to be one of the country's largest natural gas utilities, serving 477,000 customers in Minnesota with an affordable and resilient fuel source, while working to reduce the greenhouse gas footprint of our natural gas service.

Our natural gas rate proposal to the Minnesota Public Utilities Commission supports essential investments that will improve system reliability, strengthen safety and inspection programs, and allow us to take actionable steps to operate the cleanest natural gas system possible. In Minnesota, our natural gas rates are below the national average and would remain so if this proposal is approved.

Most Xcel Energy customers rely on natural gas to heat their homes and businesses. Delivering safe, reliable, affordable and sustainable energy remains essential to our mission. This proposal supports investments we've made in the natural gas delivery system to better serve you, including:

- Investments in safety systems at our gas peaking plants, to ensure the continued safe and reliable operation of these plants in support of our overall natural gas system.
- Investments in gas transmission and distribution infrastructure, such as major meter projects involving meter replacement or relocation so that company employees can more safely access and service customer meters.
- Fleet and service center projects, including replacements, repairs, and upgrades, to ensure efficient infrastructure and travel to customer sites.
- Various information technology investments that allow the company to provide updated customer service offerings and ensure both customers and employees have access to reliable technology.

Safety is always Xcel Energy's top priority. We design and operate our system to ensure the safety of our customers, our employees and contractors, and the public.

Part of our request reflects increasing expenses to keep neighborhoods safe through ongoing natural gas pipeline safety initiatives, integrity programs, emergency response and damage prevention programs.

Our safety programs are recognized as some of the best in the industry. Since the beginning of our pipeline renewal programs in Minnesota in 2015, we have renewed and replaced more than 400 miles of distribution pipeline and 17,800 service lines, upgrading to more durable, better-performing materials.

Natural gas is a key part of a low-carbon future. Our rate proposal puts us on a path to power your life with energy that has net-zero emissions. We have a goal to achieve net zero greenhouse gas emissions from our natural gas business by 2050. Altogether, with goals covering electricity, transportation and natural gas use in buildings, we aim to be a net-zero energy provider by 2050, while maintaining reliable, affordable natural gas and electric service for customers.



Through a combination of lower emission gas solutions, electrification and advanced technology, we will provide our customers with reliable and affordable natural gas and building energy services that will have net-zero emissions.

As we work toward 2050, we've set a strong interim target to reduce greenhouse gas emissions 25% by 2030 from the supply, delivery and use of natural gas (from 2020 levels).

While we've already made great strides toward our interim goals, we are committed to do even more. Our rate proposal supports fundamental efforts that will help us attain our vision to operate the cleanest natural gas delivery system possible.

We're focused on keeping bills low for our customers.

Proposed interim rates could take effect Jan. 1, 2024, while the PUC considers the full proposal. The interim rate increase is 8.5% or a \$6.06 monthly bill increase for the average customer.

We anticipate a \$6.93 total bill increase per month for the average residential customer if this proposal is approved. The proposed changes do not affect the electric portion of the bill for our customers with both electric and natural gas service.

Xcel Energy's residential natural gas rates in Minnesota will remain below the national average if this proposal is approved.

A significant portion of customers' natural gas bills is related to the cost of wholesale natural gas, which the company purchases and delivers to customers without markup. This winter, wholesale natural gas prices are forecasted to be much lower than last winter, and those savings will be passed on to customers on their bills. This means that even with the new interim rates taking effect on Jan. 1, 2024, with normal weather this winter, the average Minnesota residential customer is expected to see their monthly natural gas bills decrease about 15% compared to last winter (from \$149.49 to \$127.53).

We're committed to doing all we can to keep costs low for our customers while delivering the safe, reliable energy they depend on. Although natural gas bills are expected to be lower this winter, we always encourage customers to take steps to save energy and money, and to reach out if they need help paying their energy bills.



Learn more. Our website, [xcelenergy.com](https://www.xcelenergy.com), provides more details and information on this proposal, plus tips for managing your energy bills. Customers who anticipate or are having a difficult time paying their bill should call us at **800-895-4999**. We can arrange a payment plan that works for you, answer questions and provide information about energy efficiency and conservation tips, rebates, payment options and programs for those who qualify for energy assistance.

