

Multi-year rate plan approved

On November 2, 2015, Xcel Energy filed an application with the Minnesota Public Utilities Commission (MPUC) for a three-year, \$297.1 million, or about 9.8 percent increase in electricity rates. This proposal included a rate plan to provide customers with more predictability and rate stability for a longer period of time than under a single-year rate request. On June 12, 2017, the MPUC approved a Settlement Agreement that established a rate increase of \$244.7 million or about 8.28 percent spread across four years.

	Xcel Energy – Proposed (as filed on Nov. 2, 2015)		MPUC – Approved June 12, 2017	
	Increase (millions)	Increase (percent)	Increase (millions)	Increase (percent)
2016	\$194.6	6.4%	\$134.9	4.57%
2017	\$52.1	1.7%	\$59.9	2.02%
2018	\$50.4	1.7%	\$0	0.0%
3-year Total	\$297.1	9.8%	\$194.8	4.5%
2019			\$49.9	1.69%
4-year Total			\$244.7	8.28%

There is no increase to 2018 rates, and we will provide notice with the 2019 increase. The current monthly customer charge remains the same with no change for 2016 through 2019.

Revenue decoupling pilot program in effect January 2016 through 2019

The pilot program allows Xcel Energy to adjust its rates up or down for residential and small business customers once a year to make up for any shortfall or excess in non-fuel revenue.

The pilot program began with January 2016 usage. The first decoupling surcharge or credit will appear as a line item on customer bills effective October 1, 2017. The MPUC extended the pilot program from three to four years, ending in 2019. For more information, please see Xcel Energy's website at xcelenergy.com/rates. Make sure "Minnesota" is selected in top left-hand corner. Select "Rates" then select "Utility Revenue Decoupling."

For more information

If you would like more information about electric prices for other customer rate classes, please visit Xcel Energy's website at xcelenergy.com/rates. Make sure "Minnesota" is selected in top left-hand corner. Select "Rate Books," and then under "Electric Rate Book" choose "Section 5 - Rate Schedules (PDF)."

If you would like more information about this rate case, please visit the Minnesota Department of Commerce's website at:

<http://www.edockets.state.mn.us/EFiling/search.jsp>

(Select 15 in the year field, enter 826 in the number field, select Search, and the list of documents will appear on the next page.)

If you would like more information about the Minnesota Public Utilities Commission's review process, please contact:

Minnesota Public Utilities Commission
121 7th Place East, Suite 350, St. Paul, MN 55101
Phone: 651.296.0406 or 800.657.3782
Email: consumer.puc@state.mn.us

Customers with hearing or speech disabilities may call the MPUC through their preferred Telecommunications Relay Service.

If you would like more information from Xcel Energy regarding this rate change, please contact:

RESIDENTIAL	TDD/TTY SUPPORT	COMMERCIAL
800.895.4999	800.895.4949	800.481.4700



NEW MINNESOTA ELECTRIC RATES

BEGIN WITH THIS BILL
(Effective October 1, 2017)



Changes for monthly electric base rates

New rates for electric service begin October 1, 2017. This chart compares the average monthly bill for a customer receiving each type of service to the average monthly interim rate increase, the October 1, 2017 rate increase, and the additional rate increase in 2019:

CHANGE IN MONTHLY ELECTRICITY COSTS - Chart represents average bills and average monthly increases.

Customer type	Average monthly kWh usage	Previous monthly cost	Interim monthly increase	New monthly increase (effective Oct. 1, 2017 through Dec. 31, 2018)	Monthly increase in 2019 (effective Jan. 1, 2019)
Residential - Overhead line service	545	\$70.03	\$4.21	\$5.68	\$1.18
Residential - Underground line service	809	\$102.08	\$6.10	\$8.43	\$1.76
Energy-Controlled (Dual Fuel)	984	\$75.53	\$3.65	\$2.04	\$2.02
Small General Service	887	\$106.30	\$6.19	\$4.73	\$1.76
Small General Time-of-Day Service	1,250	\$129.44	\$7.15	\$9.23	\$2.18
General Service	16,951	\$1,640.76	\$89.71	\$92.39	\$28.47
General Time-of-Day Service	158,283	\$12,529.72	\$628.28	\$694.25	\$202.27
Peak-Controlled Service	65,543	\$7,689.57	\$451.13	\$483.05	\$143.19
Peak-Controlled Time-of-Day Service	576,466	\$53,089.97	\$2,854.91	\$3,215.45	\$912.47
Small Municipal Pumping	599	\$75.03	\$4.43	\$3.19	\$1.19
Municipal Pumping	8,420	\$920.54	\$52.74	\$53.14	\$16.51

How the changes affect your individual monthly bill will vary depending on the amount of electricity you use. Your monthly bill will also vary due to changes in the cost of fuel Xcel Energy purchases to generate electricity for your use. Please remember that the amount you are charged for fuel cost is the same amount Xcel Energy pays.

There are no changes in the monthly customer charges through the end of 2019 except for the Commercial and Industrial General categories, which are slightly changed.

Refund

State law allowed Xcel Energy to collect an interim (temporary) rate increase while the MPUC considered the rate request. The interim increase of \$163.7 million annually for 2016 and 2017 or 5.5 percent began on January 1, 2016 and continued through September 30, 2017. The final rate increase for 2016 is less than the interim rate amount collected in 2016. However, the final rate increase for 2017 was more than the interim rate amount collected in 2017. The 2016 over-collection with interest will be applied to the 2017 under-collected amount. Residential customers will receive an estimated refund, with interest, of 3.42 percent which includes the interim refund, a small credit resulting from the true-up of 2016 capital projects due to the timing of project completion, and our use of a deferred tax asset. A typical residential customer's refund will be about \$3.33, which will appear on October/November bills.

ENERGY (PER KWH) AND DEMAND (PER KW) RATES

Customer type	Previous	New Rates (effective Oct. 1, 2017 through Dec. 31, 2018)	2019 Rates (effective Jan. 1, 2019)
Residential			
Energy: Summer (June-Sept)	9.395 ¢	10.582 ¢	10.815 ¢
Energy: Winter (Other months)	8.040 ¢	9.032 ¢	9.241 ¢
Energy: Winter - electric heating	5.819 ¢	6.082 ¢	6.287 ¢
Small General			
Energy: Summer	8.787 ¢	9.514 ¢	9.728 ¢
Energy: Winter	7.432 ¢	7.965 ¢	8.156 ¢
Small General Time-of-Day			
Energy: On-Peak Summer	15.123 ¢	15.323 ¢	15.644 ¢
Energy: On-Peak Winter	12.280 ¢	12.060 ¢	12.331 ¢
Energy: Off-Peak Summer	3.015 ¢	4.260 ¢	4.378 ¢
Energy: Off-Peak Winter	3.015 ¢	4.260 ¢	4.378 ¢
General			
Energy	3.201 ¢	3.498 ¢	3.577 ¢
Demand: Summer	\$14.07	\$15.25	\$15.54
Demand: Winter	\$9.96	\$10.71	\$11.00
General Time-of-Day			
Energy: On-Peak	4.482 ¢	4.986 ¢	5.098 ¢
Energy: Off-Peak	2.233 ¢	2.404 ¢	2.458 ¢
Demand: Summer	\$14.07	\$15.25	\$15.54
Demand: Winter	\$9.96	\$10.71	\$11.00

Residential customers will see a 2017 level increase in the base energy charge per kWh from 9.395¢ to 10.582¢ during summer months and from 8.040¢ to 9.032¢ during other months (without electric space heating). The net impact of these changes is an average 8.0 percent overall bill increase for residential customers. Under the MPUC approval, electric rates increased for all customer classes listed on the inside of this notice.