

2023 NORTH DAKOTA NATURAL GAS RATE PROPOSAL

INFORMATION SHEET
NORTH DAKOTA

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 62,800 customers in North Dakota with an affordable and resilient fuel source.

On Dec. 29, 2023, Xcel Energy filed a natural gas rate proposal with the North Dakota Public Service Commission (PSC). The request is designed to support natural gas system investments needed to serve our North Dakota customers safely, reliably and affordably. The investments include projects necessary to serve new customers within our growing North Dakota service area, improvements to the company's natural gas peaking plants, investments in the reliability and safety of our system, and mandatory utility relocation projects. We have proposed a total increase in base rate revenues of about \$8.5 million. If approved by the PSC, the average residential customer's monthly natural gas bill would increase by approximately \$6.75.

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:

- New projects in Grand Forks and West Fargo to accommodate residential and commercial growth at an annual rate of approximately 2%.
- Fire safety and other improvements to the company's natural gas peaking plants.
- An estimated \$3.2 million investment in reliability projects in the Fargo area. Meter module replacement will allow automated meter reading for more than 64,000 meters in our North Dakota service area. This work must be completed before our agreement with a meter reading provider expires on Dec. 31, 2025.
- A new regulation station in the Fargo area to ensure reliable natural gas supply for the growing Fargo area.
- We began replacing aging pipeline with more modern materials in 2023. That work will continue in 2024 and each year for the foreseeable future. The new materials conform with current regulatory requirements and industry best practices.
- We invested \$2.4 million to relocate natural gas distribution infrastructure as required by the Metro Flood Diversion Authority to make way for the Fargo-Moorhead flood diversion project.
- Operation and maintenance expenses include meeting federal and state codes that require robust inspection and maintenance programs for gas utilities. There are also new and emerging regulations designed to reduce methane emissions from gas distribution and transmission pipelines. The company will continue to work to maintain alignment with applicable regulatory requirements and industry best practices while seeking to appropriately manage costs.



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

Proposed interim rates could take effect Mar. 1, 2024, while the Public Service Commission considers the full proposal. The interim rate increase is 8.8% or a \$5.73 monthly bill increase for the average residential customer.

We anticipate a \$6.75 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.

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 Mar. 1, 2024, with normal weather this winter, the average North Dakota residential customer is expected to see their monthly natural gas bills decrease about 36% compared to last winter (from \$130 to \$84).

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.

