

## FRONT PAGE OF ONSSERT

### REVENUE DECOUPLING PILOT

*Because the cheapest, cleanest kilowatt is the one you don't use*

Traditionally, the more electricity customers use, the more money a utility collects—and the less electricity is used, the less money is collected. Decoupling breaks this link between energy use and a company's revenues. This way, there is no incentive for the company to sell more energy in order to generate more revenue. The program is designed to encourage conservation and energy efficiency.

Xcel Energy – Colorado recently began an electric Revenue Decoupling Adjustment pilot program ordered by the Colorado Public Utilities Commission (CPUC). Energy providers recover most of their fixed costs through delivery charges, creating a financial incentive to maintain or increase energy sales to recover these costs. Although Xcel Energy has always been committed to promoting energy efficiency, decoupling can help support customer energy savings goals by allowing for reasonable cost recovery while maintaining customer rewards for using less electricity through conservation efforts. With decoupling, regulators determine a target level of revenue that's fair and reasonable. This baseline is then compared to actual revenue. Through decoupling, a system of annual price adjustments reconcile actual revenues to the target level. The adjustment is limited to a 3% base rate surcharge or credit during the applicable period.

### Understanding your bill

Starting June 1, 2021, residential and small business customers will see the Revenue Decoupling Adjustment on electric bills, as a line item labeled *RDA*.

Your adjustment is currently a credit for residential customers and surcharge for small business customers.

- Households on the Residential rate (Schedule R) will on average receive a monthly electric bill credit of around \$1.87.
- Other residential rate classes (Schedules R-TOU, R-OO and RD-TDR) will on average see credits of around \$1.73, \$1.60 and \$1.73, respectively. Check your statement to see which rate applies to you.
- Small commercial customers (Schedule C) will on average see a surcharge of around \$2.55 per month on electric bills.
- The RDA will appear on most residential bills in the summer months, June through September. For small business and RD-TDR customers, it will appear for 12 months, June through May.
- This pilot will conclude in 2023 but true-ups may extend its bill impact through 2027.

[box]

We're here to help. Visit [[xcelenergy.com decoupling page URL](#)] for more details, Frequently Asked Questions and links to documents including tariffs for this pilot.

If you have questions about your bill, please call 800-895-4999, visit [my.xcelenergy.com/CustomerSupport](#) or log into the Xcel Energy app.

**BACK PAGE OF ONSSERT WILL INCLUDE THE FILING LEGAL NOTICE**