



RATE INCREASE NOTICE

NOTICE OF PUBLIC HEARINGS FOR XCEL ENERGY

Xcel Energy has asked the Minnesota Public Utilities Commission (MPUC) for a three-year increase in electricity rates. For 2016, the requested increase is for \$194.6 million or about 6.4 percent. For 2017, the requested incremental increase is for \$52.1 million or about 1.7 percent. For 2018, the requested incremental increase is for \$50.4 million or 1.7 percent. The total increase for the three-year period is \$297.1 million or about 9.8 percent.

Alternatively, Xcel Energy has proposed a settlement plan offer which asks the MPUC to approve a five-year increase in electricity rates. Under this rate-setting approach, the requested increase for 2016 is for \$163.7 million or about 5.4 percent, based on the 2016 cost of service. For 2017, 2018, 2019 and 2020, the requested incremental increase for each year is \$54.6 million, or about 1.8 percent per year. Depending upon customer class and use, the actual percentage of any increase will vary under either the three-year or five-year proposal.

We requested the rate changes described in this notice. The MPUC may either grant or deny the requested changes, in whole or in part, and may grant a lesser or greater increase than that requested for any class or classes of service.

The MPUC will likely make its decision about the final rates in 2017. While the MPUC reviews Xcel Energy's request, state law allows Xcel Energy to collect higher rates on an interim (temporary) basis. The interim rate increase for 2016 is \$163.7 million or about 5.5 percent over total current rates. Because Xcel Energy is requesting a multi-year rate plan, we also requested an increase to the interim rate starting January 1, 2017. If approved, the Company will provide additional details before this increase happens. If final rates are lower than interim rates, we will refund customers the difference with interest. If final rates are higher than interim rates, we will not charge customers the difference.

If you move before a refund is issued and we cannot find you, your refund may be treated as abandoned property and sent to the Minnesota Department of Commerce, Unclaimed Property Unit. You can check for unclaimed property at missingmoney.com. To make sure we can send you any refund owed, please provide a forwarding address when you stop service.

PUBLIC HEARINGS

Administrative Law Judge Jeffery Oxley is holding eight public hearings. You are invited to comment on the adequacy and quality of Xcel Energy's service, the level of rates or other related matters. You do not need to be represented by an attorney.

Date	Time	Locations
Tuesday, July 12	1:00 pm	Merriam Park Public Library Meeting Room 1831 Marshall Avenue, St. Paul, MN 55104
Tuesday, July 12	7:00 pm	Earle Brown Heritage Center Tack Room A—Door 1 Entrance 6155 Earle Brown Drive, Minneapolis, MN 55430
Wednesday, July 13	7:00 pm	Intergovernmental Center Mankato Place Entrance 10 Civic Center Plaza, Mankato, MN 56001
Tuesday, July 19	1:00 pm	Wilder Complex Wellstone Lunch Room 3345 Chicago Avenue South – Door 1 Minneapolis, MN 55407
Tuesday, July 19	7:00 pm	Woodbury Central Park Valley Creek Room A 8595 Central Park Place, Woodbury, MN 55125
Wednesday, July 20	7:00 pm	Eden Prairie City Hall Heritage Room 8080 Mitchell Road, Eden Prairie, MN 55344
Tuesday, July 26	7:00 pm	Lake George Municipal Complex Sunroom 1101 7th St. South, St. Cloud, MN 56301
Wednesday, July 27	7:00 pm	Southeast Technical College Room 314 308 Pioneer Road, Red Wing, MN 55066

BAD WEATHER?

Find out if a meeting is canceled—call (toll-free) 855.731.6208 or 651.201.2213, or visit mn.gov/puc.

EFFECT OF RATE CHANGES

The chart labeled PROPOSED CHANGE IN AVERAGE MONTHLY BILLS shows the effect of the interim rate increase and the proposal for three annual rate increases on monthly bills for customers with average electricity use. Individual changes may be higher or lower depending on actual electricity usage.

The chart labeled MONTHLY CUSTOMER CHARGES shows the current and proposed 2016 and 2017 monthly customer charges.

The chart labeled ENERGY (PER KWH) AND DEMAND (PER KW) RATES shows the effect of Xcel Energy's proposal on 2016 and 2017 energy and demand charges for each class of ratepayers.

For 2018 rates, Xcel Energy proposed a 2.026 percent General Rate Surcharge applicable to the customer, energy (kWh) and demand (kW) charge components of 2017 rates.

MONTHLY CUSTOMER CHARGES

Customer Type	Current	Proposed 2016	Proposed 2017
Residential			
Overhead line	\$8.00	\$10.00	\$10.00
Overhead line - electric heating	\$10.00	\$12.00	\$12.00
Underground line	\$10.00	\$12.00	\$12.00
Underground line - electric heating	\$12.00	\$14.00	\$14.00
Small Commercial			
Small General	\$10.00	\$12.00	\$12.00
Small General Time-of-Day	\$12.00	\$14.00	\$14.00
Commercial and Industrial			
General	\$25.75	\$25.78	\$25.78
General Time-of-Day	\$29.75	\$29.78	\$29.78
Peak-Controlled	\$55.00	\$55.00	\$55.00
Peak-Controlled Time-of-Day	\$55.00	\$55.00	\$55.00

PROPOSED CHANGE IN AVERAGE MONTHLY BILLS

Customer Class	Average Monthly Usage (kWh)	Present Monthly Bill**	2016 Interim Monthly Increase**	Proposed 2016 Final Monthly Increase **	Proposed 2017 Final Monthly Increase**	Proposed 2018 Final Monthly Increase**
Residential—Overhead line service	544	\$71.11	\$4.20	\$6.27	\$7.92	\$9.24
Residential—Underground line service	800	\$102.82	\$6.04	\$8.28	\$10.71	\$12.59
Energy-Controlled (Dual Fuel)	1,050	\$82.58	\$3.87	\$0.65	\$3.70	\$4.90
Small General Service	923	\$112.24	\$6.41	\$3.96	\$6.04	\$7.95
Small General Time-of-Day Service	1,417	\$147.06	\$7.89	\$8.48	\$11.45	\$13.91
General Service	17,014	\$1,677.48	\$89.86	\$82.70	\$103.54	\$130.74
General Time-of-Day Service	168,653	\$13,535.11	\$667.95	\$714.26	\$879.51	\$1,081.99
Peak-Controlled Service	66,550	\$8,200.22	\$467.83	\$397.59	\$524.81	\$670.09
Peak-Controlled Time-of-Day Service	582,250	\$56,211.88	\$2,961.60	\$2,980.17	\$3,768.58	\$4,681.73
Small Municipal Pumping	658	\$82.89	\$4.80	\$3.40	\$4.88	\$6.31
Municipal Pumping	4,826	\$557.31	\$31.53	\$25.80	\$32.88	\$42.40

* The present rate levels identified in this application represent rates authorized in Docket No. E002/GR-13-868.

** The present monthly bill and monthly increases do not include the portion of your bill for sales taxes and municipal franchise fees, and may vary by customer based on usage.

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

Customer Type	Current	Proposed 2016	Proposed 2017
Residential			
Energy: Summer (June- Sept)	9.395 ¢	10.548 ¢	10.865 ¢
Energy: Winter (Other months)	8.040 ¢	8.998 ¢	9.285 ¢
Energy: Winter - electric heating	5.819 ¢	6.105 ¢	6.394 ¢
Small General			
Energy: Summer	8.787 ¢	9.415 ¢	9.655 ¢
Energy: Winter	7.432 ¢	7.866 ¢	8.076 ¢
Small General Time-of-Day			
Energy: On-Peak Summer	15.123 ¢	15.124 ¢	15.443 ¢
Energy: On-Peak Winter	12.280 ¢	11.862 ¢	12.118 ¢
Energy: Off-Peak Summer	3.015 ¢	4.252 ¢	4.420 ¢
Energy: Off-Peak Winter	3.015 ¢	4.252 ¢	4.420 ¢
General			
Energy	3.201 ¢	3.564 ¢	3.619 ¢
Demand: Summer	\$14.07	\$15.52	\$15.79
Demand: Winter	\$9.96	\$10.92	\$11.09
General Time-of-Day			
Energy: On-Peak	4.482 ¢	5.079 ¢	5.158 ¢
Energy: Off-Peak	2.233 ¢	2.449 ¢	2.487 ¢
Demand: Summer	\$14.07	\$15.52	\$15.79
Demand: Winter	\$9.96	\$10.92	\$11.09

ACCOMMODATIONS

If any reasonable accommodation is needed to enable you to fully participate in these meetings (e.g., sign language or large print materials), please contact the Office of Administrative Hearings at 651.361.7000 (voice) or 651.361.7878 (TTY) at least one week in advance of the meeting.

EVIDENTIARY HEARINGS

Formal evidentiary hearings on Xcel Energy's proposal start on October 3, 2016, at the MPUC, 121 Seventh Place East, Suite 350, St. Paul. The purpose of the evidentiary hearings is to allow Xcel Energy, the Minnesota Department of Commerce-Division of Energy Resources, the Minnesota Office of Attorney General-Antitrust and Utilities Division, and others to present testimony and to cross-examine each other's witnesses on the proposed rate increase.

SUBMIT WRITTEN COMMENTS

Comment Period:

- Comments accepted through August 10, 2016 at 4:30 p.m.
- Comments must be received by 4:30 p.m. on the close date.
- Comments received after the comment period closes may not be considered.

Online: Visit mn.gov/puc, select *Speak Up!* Find docket 15-826 and add your comments to the discussion.

U.S. Mail: If you wish to include an exhibit or other attachment, please send your comments via U.S. Mail:

Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

Written comments are most effective when the following items are included:

1. The Docket Number in the subject line or heading
 - MPUC Docket No. E002/GR-15-826
 - OAH Docket No. 19-2500-33074
2. Your name and connection to the docket
3. The issues that concern you
4. Any knowledge you have about the issues
5. Your recommendation
6. The reason for your recommendation

Important: Comments will be made available to the public on the MPUC's website, except in limited circumstances consistent with the Minnesota Government Data Practices Act. The MPUC does not edit or delete personally identifying information from submissions.

HOW TO LEARN MORE

Xcel Energy's current and proposed rate schedules are available at:

Xcel Energy

414 Nicollet Mall, Minneapolis, MN 55401

Phone: 800.895.4999

Web: xcelenergy.com/Rates (Select Minnesota)

Minnesota Department of Commerce:

85 7th Place East, Suite 500, St. Paul, MN 55101

Phone: 651.539.1534 or 800.657.3710

Web: <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.)

QUESTIONS ABOUT THE MINNESOTA PUBLIC UTILITIES COMMISSION'S REVIEW PROCESS?

Minnesota Public Utilities Commission

121 7th Place East, Suite 350, St. Paul MN 55101

Phone: 651.296.0406 or 1.800.657.3782

Email: consumer.puc@state.mn.us

Citizens with hearing or speech disabilities may call through their preferred Telecommunications Relay Service.

