

What is Xcel Energy Doing to Control Costs?

- Providing energy conservation options. This helps customers manage energy use and save money on their bills. This also helps to delay generation investments.
- Reviewing and monitoring our business to minimize operating and maintenance cost increases.
- Operating power plants efficiently.
- Using a variety of fuel sources to manage costs and protect the environment.

What is the Process for Reviewing Xcel Energy's Request?

The MPUC, the Minnesota Department of Commerce, the Office of the Attorney General-Residential Utilities and Antitrust Division, public interest groups, and large commercial and industrial customer groups will investigate our proposal.

The MPUC will hold public hearings and accept written comments about our rate request. Customers and others will be able to comment on our rate request at the public hearings. You may add verbal comments, written comments, or both into the record. Notice of the public hearing dates and locations will be published in local newspapers, included in monthly bills, and at:

xcelenergy.com/rates, select "Minnesota" in top right-hand corner, select "**Rates**" then select "**2016 Minnesota Electric Rate Case**"

Submit Comments

Minnesota Public Utilities Commission

- Online: Visit mn.gov/puc, select Speak Up!, find this docket (15-826), and add your comments to the discussion.
- U.S. Mail: 121 7th Place East, Suite 350, St. Paul MN 55101
- Phone: 651-296-0406 or 1-800-657-3782

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

Web: xcelenergy.com/rates (see previous instructions)
Phone: 1-800-895-4999
414 Nicollet Mall
Minneapolis, MN 55401

Minnesota Department of Commerce

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

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

Phone: 651-539-1534 or 1-800-657-3710

85 Seventh Place East, Suite 500
St. Paul, MN 55101

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



XCEL ENERGY MINNESOTA ELECTRIC PRICES

**Interim Change in Electric Rates
Starting January 1, 2016**

Until Final Decision is Made



Xcel Energy's Rate Increase Request

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, Xcel Energy requested an additional \$52.1 million, or about 1.7 percent. For 2018, Xcel Energy requested an additional \$50.4 million, or about 1.7 percent. The total increase requested for the three-year period is \$297.1 million, or about 9.8 percent. (Xcel Energy has also offered an option for a five year rate plan.)

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. This appears on customer bills as an interim rate adjustment. It is calculated from a change to the "Basic Service Charge," "Energy Charge," and, if applicable, the "Demand Charge." The interim rate adjustment is billed as a 7.75 percent increase, or about \$5.06 per month, for a typical residential customer using 675 kWh.

Because Xcel Energy is requesting a multi-year rate plan, it also requested an increase to the interim rate starting January 1, 2017. If approved, the company will provide additional details before this increase happens.

The MPUC will likely make its decision on the overall rate request in 2017. If final rates are lower than interim rates, Xcel Energy will refund the difference. If final rates are higher than interim rates, Xcel Energy will not charge customers the difference.

Why is Xcel Energy Asking for an Increase?

Xcel Energy's last request for a rate increase was in 2013. Xcel Energy continues to invest in maintaining and upgrading its system. A multi-year rate plan provides customers more predictability and rate stability for a longer period of time than is achievable under a single year rate request.

How Will the Rate Change Affect Monthly Bills?

The proposed rate increase will affect individual monthly bills differently depending on electricity use and customer type. The proposed rate increase mainly affects the "Basic Service Charge," "Energy Charge," and, if applicable, the "Demand Charge." These charges cover the cost of providing electric service to our customers, representing about 70 percent of your total bill. This rate increase does not affect the Fuel Cost Charge.

Proposed Changes for Monthly Electricity Base Rates

This chart shows the current and proposed electricity base rates for each customer type.

AVERAGE MONTHLY BILLS

Customer type	Average monthly kWh usage	Current monthly cost	2016 Interim monthly increase	Proposed 2017 monthly increase	Proposed 2018 monthly increase
Residential - Overhead line service	544	\$71.11	\$4.20	\$7.92	\$9.24
Residential - Underground line service	800	\$102.82	\$6.04	\$10.71	\$12.59
Energy-Controlled (Dual Fuel)	1,050	\$82.58	\$3.87	\$3.70	\$4.90
Small General Service	923	\$112.24	\$6.41	\$6.04	\$7.95
Small General Time-of-Day Service	1,417	\$147.06	\$7.89	\$11.45	\$13.91
General Service	17,014	\$1,677.48	\$89.86	\$103.54	\$130.74
General Time-of-Day Service	168,653	\$13,535.11	\$667.95	\$879.51	\$1,081.99
Peak-Controlled Service	66,550	\$8,200.22	\$467.83	\$524.81	\$670.09
Peak-Controlled Time-of-Day Service	582,250	\$56,211.88	\$2,961.60	\$3,768.58	\$4,681.73
Small Municipal Pumping	658	\$82.89	\$4.80	\$4.88	\$6.31
Municipal Pumping	4,826	\$557.31	\$31.53	\$32.88	\$42.40

Note: Proposed lighting rate changes vary according to the type of lighting. The proposed final increase is 15.9 percent for full service street lighting, 8.6 percent for energy-only street lighting service, and 11.2 percent for residential and commercial protective lighting.

MONTHLY CUSTOMER CHARGES

Customer type	Current	Proposed 2017	Proposed 2018
Residential			
Overhead line	\$8.00	\$10.00	\$10.20
Overhead line - electric heating	\$10.00	\$12.00	\$12.24
Underground line	\$10.00	\$12.00	\$12.24
Underground line - electric heating	\$12.00	\$14.00	\$14.28
Small Commercial			
Small General	\$10.00	\$12.00	\$12.24
Small General Time-of-Day	\$12.00	\$14.00	\$14.28
Commercial and Industrial			
General	\$25.75	\$25.78	\$26.30
General Time-of-Day	\$29.75	\$29.78	\$30.38
Peak-Controlled	\$55.00	\$55.00	\$56.11
Peak-Controlled Time-of-Day	\$55.00	\$55.00	\$56.11

Note: For 2018 rates, Xcel Energy proposed a 2.026 percent General Rate Surcharge instead of an increase to the per kWh energy rates and the per kW demand rates. If approved, this will be applied to rate components specified in the "General Rate Adjustment Surcharge Rider" to service provided beginning January 1, 2018.

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

Customer type	Current	Proposed 2017	Proposed 2018
Residential			
Energy: Summer (June-September)	9.395 ¢	10.865 ¢	11.085 ¢
Energy: Winter (Other months)	8.040 ¢	9.285 ¢	9.473 ¢
Energy: Winter - electric heating	5.819 ¢	6.394 ¢	6.524 ¢
Small General			
Energy: Summer	8.787 ¢	9.655 ¢	9.851 ¢
Energy: Winter	7.432 ¢	8.076 ¢	8.240 ¢
Small General Time-of-Day			
Energy: On-Peak Summer	15.123 ¢	15.443 ¢	15.756 ¢
Energy: On-Peak Winter	12.280 ¢	12.118 ¢	12.364 ¢
Energy: Off-Peak Summer	3.015 ¢	4.420 ¢	4.510 ¢
Energy: Off-Peak Winter	3.015 ¢	4.420 ¢	4.510 ¢
General			
Energy	3.201 ¢	3.619 ¢	3.692 ¢
Demand: Summer	\$14.07	\$15.79	\$16.11
Demand: Winter	\$9.96	\$11.09	\$11.31
General Time-of-Day			
Energy: On-Peak	4.482 ¢	5.158 ¢	5.263 ¢
Energy: Off-Peak	2.233 ¢	2.487 ¢	2.537 ¢
Demand: Summer	\$14.07	\$15.79	\$16.11
Demand: Winter	\$9.96	\$11.09	\$11.31