

MINNESOTA NATURAL GAS SURCHARGE BEGINS WITH THIS BILL

(EFFECTIVE OCTOBER 1, 2021)

In mid-February 2021, extreme and prolonged cold in Minnesota and across the country caused a substantial increase in demand for natural gas. This increase in demand combined with weather-related natural gas supply limitations resulted in a large short-term increase in natural gas commodity prices. The Minnesota Public Utilities Commission has opened an investigation into the impact of this event on utility customers and has approved Xcel Energy to begin collecting these costs through a surcharge on customer bills while the investigation continues.

Given the impact of this event on customers' monthly bills, the surcharge will be spread over 27 months beginning in October 2021. The surcharge rates will be lower during the winter heating season when natural gas usage is higher. The rates also will be lower during the first 15 months, providing time for stakeholders and regulators to review the costs in more detail. A smaller portion of costs is also being collected in customers' monthly Cost of Gas rates from September 1, 2021, through August 31, 2022.

Under Minnesota law, most residential customers do not pay sales tax on their natural gas costs during the winter months. Because the spike in natural gas costs occurred in February, utilities are seeking approval from the Minnesota Department of Revenue to extend this exemption to these costs for residential customers who are otherwise exempted from sales tax during the winter months. Xcel Energy will incorporate an exemption into the surcharge if and when we receive the necessary approval.

We are committed to helping customers who may be struggling with their bills. Residential customers who are enrolled in the state's low-income energy assistance program, or were enrolled at any point since winter of 2019, are exempted and will see no increase in their natural gas bills as a result of the February price spike. Customers who were 61-120 days behind on their natural gas bills as of June 30, 2021, are also exempt from the surcharge.

The following table shows the surcharge rates in effect October 1, 2021, through December 31, 2022. The surcharge rates for the remaining 12 months (January 2023 through December 2023) will be determined at a later date. The surcharge will be a separate line item on your bill labeled "Pricing Event Surcharge."

	Summer Season	Winter Season
	Oct 1, 2021–Oct 31, 2021 Apr 1, 2022–Oct 31, 2022	Nov 1, 2021–Mar 31, 2022 Nov 1, 2022–Dec 31, 2022
	\$/therm	\$/therm
Residential*	\$0.14795	\$0.05918
Small Commercial	\$0.14729	\$0.05891
Large Commercial	\$0.14729	\$0.05891
Small Demand - Commodity	\$0.10574	\$0.04230
Small Demand - Demand	\$0.00000	\$0.00000
Large Demand - Commodity	\$0.10574	\$0.04230
Large Demand - Demand	\$0.00000	\$0.00000
Small Interruptible	\$0.10777	\$0.04311
Medium Interruptible	\$0.06058	\$0.02423
Large Interruptible	\$0.06058	\$0.02423
Transportation Classes	\$0.00000	\$0.00000

*Residential customers who were enrolled in the state's low-income energy assistance program and residential customers who were 61–120 days behind on their natural gas bills as of June 30, 2021, are exempt from the surcharge.

Questions? Call us at **800-895-4999** or send an email to inquire@xcelenergy.com.