

July 22, 2013

Dear Xcel Energy Customer:

As your electricity service provider, Xcel Energy wants to let you know about an energy issue that could affect the service and costs for all customers in the city of Minneapolis. The Minneapolis City Council is currently considering a proposal to take over the local electric and natural gas utility systems.

The City Council recently voted to hold public hearings on Aug. 1 to consider creating municipal (i.e. city-owned and operated) electric and natural gas utilities. If the City Council moves ahead with this plan, a city-wide vote would be held in November to decide whether the city can take over the electric and natural gas utilities in Minneapolis. The potential change would be enormous:

- The city would take on the sole responsibility to own and operate the utilities, set prices and policies and provide all customer service, maintenance, and storm and emergency response activities. Xcel Energy could not operate in Minneapolis.
- The city's residents and businesses would spend billions of dollars to acquire the property of Xcel Energy within the city.
- Much of the current state regulation of utilities, including rate review and renewable energy and conservation standards, would no longer apply to energy delivered in the city of Minneapolis. This is because municipal utilities are exempt from many of the state laws that currently apply to Xcel Energy.

The Aug. 1 public hearing followed by a vote by city residents are the only steps involving the public necessary for the city to create the municipal utility.

We believe Minneapolis residents want reliable, affordable and clean energy – Xcel Energy and our 2,500 Minneapolis employees deliver just that. Because energy is our only business, we've become a national leader in reducing carbon emissions while keeping our electricity rates below the national average and our service reliability above the national average. We're here every minute of the day and when severe storms hit we mobilize all resources to restore power to residents and businesses as quickly and safely as possible.

We want to work with the city of Minneapolis to achieve its energy goals. Working together we reduced emissions by 90 percent at our Riverside generating plant in northeast Minneapolis by converting to clean-burning natural gas. That's also how we became the No. 1 wind energy provider in the U.S. for the ninth year in a row. This kind of success is created by partnerships, not divisive debates on issues like municipalization.

As the city moves ahead with its public hearing on the takeover of the utilities, get involved in the discussion. We invite you to learn more about this issue and Xcel Energy's commitment to our customers at xcelenergy.com/MplsEnergy. You can also sign up there to receive email updates from us.

Best regards,



Laura McCarten
Regional Vice President
Northern States Power Co.-Minnesota, an Xcel Energy Company