

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE)
PETITION OF NORTHERN STATES)
POWER COMPANY DBA XCEL)
ENERGY FOR APPROVAL OF ITS)
2016 INFRASTRUCTURE RIDER)
PROJECT ELIGIBILITY AND)
FACTOR UPDATE)

**ORDER APPROVING 2016
INFRASTRUCTURE RIDER PROJECT
ELIGIBILITY AND FACTOR UPDATE**

EL15-038

On October 1, 2015, the South Dakota Public Utilities Commission (Commission) received a petition from Northern States Power Company dba Xcel Energy (Xcel) for approval of its 2016 Infrastructure Rider project eligibility, revised adjustment factor, and tracker account report. Xcel requests approval of project eligibility for 10 projects included in the Docket EL14-058 Settlement Agreement Exhibit C not already included in the rider; project eligibility of 12 additional projects; the Infrastructure Rider Tracker Report and true-up for the 2015 revenue requirements of approved project investment and the proposed newly added projects; 2016 Infrastructure Rider revenue requirements of \$10.3 million; an updated Infrastructure Rider Adjustment Factor of \$0.004854 per kWh; proposed revision to the Infrastructure Rider tariff sheet; and proposed customer notice. Xcel proposes a January 1, 2016, effective date. Xcel states the average bill impact for a residential customer using 750 kWh per month will be increased to \$3.64 per month compared to the current average residential bill impact of \$0.59 per month under the current rate. On December 1, 2015, Xcel filed revised Attachments reflecting changes agreed to between Commission Staff and Xcel.

On October 8, 2015, the Commission electronically transmitted notice of the filing and the intervention deadline of October 23, 2015, to interested individuals and entities on the Commission's PUC Weekly Filings electronic listserv. No petitions to intervene or comments were received.

The revised tariff sheet proposed for approval by Xcel, effective for service rendered on and after January 1, 2016, is as follows:

South Dakota Electric Rate Book – SDPUC No. 2

Section No. 5

4th Revised Sheet No. 74

Cancelling 3rd Sheet No. 74

On December 1, 2015, Staff filed the Staff Memorandum setting forth its analysis and recommendations. Important changes from Xcel's original petition that were outlined in the memo included the adding of two projects moved from the TCR in EL15-030, the removing of a project that has since been cancelled, and the use of ADIT Pro-rate method for taxes. After review and subsequent data requests Staff also recommended the removal of one project as well as the removal of the 2015 revenue requirements associated with projects newly added to the Infrastructure Rider for 2016. As part of the rider's inclusion of the Courtenay Wind Project, Xcel agreed to submit annual reports similar to the reports required for the other wind farms already in the rider. This reporting will allow Staff the ability to review the projects costs, performance, and any other aspects of the wind farm. It will also allow Staff to propose

alternative treatment or adjustments every year these costs are recovered through the Infrastructure rider and again before these projects are rolled into base rates in a future rate case.

The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-34A, including 49-34A-6, 49-34A-8, 49-34A-10, 49-34A-12, and 49-34A-73 through 49-34A-78.

The Commission considered this matter at its regular meeting on December 8, 2015. Staff recommended approval of the Infrastructure Rider Adjustment Factor of \$0.004806 per kWh and revised tariff sheet with an effective date of January 1, 2016. The Commission considered the matter and voted unanimously to approve the Infrastructure Rider Adjustment Factor and revised tariff sheet per Staff's recommendation. It is therefore.

ORDERED, that the Infrastructure Rider Adjustment Factor of \$0.004806 per kWh and revised tariff sheet are approved, effective January 1, 2016.

Dated at Pierre, South Dakota, this 11th day of December, 2015.

CERTIFICATE OF SERVICE
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically or by mail.
By: <u>Karen E. Bremer</u>
Date: <u>12/11/2015</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Chris Nelson
CHRIS NELSON, Chairman

Kristie Fiegen
KRISTIE FIEGEN, Commissioner

Gary Hanson
GARY HANSON, Commissioner