



414 Nicollet Mall  
Minneapolis, Minnesota 55401

January 31, 2018

—Via Electronic Filing—

Ms. Patricia Van Gerpen  
Executive Director  
South Dakota Public Utilities Commission  
500 East Capitol Avenue  
Pierre, SD 57501

**RE: FEBRUARY 2018 FUEL CLAUSE CHARGES**

Dear Ms. Van Gerpen:

Northern States Power Company, doing business as Xcel Energy and operating in South Dakota, hereby submits its electric fuel clause charge (FCC) for February 2018.

Pursuant to the Commission authorization of the final compliance tariffs in the Company's 2014 rate proceeding (Docket No. EL14-058), the new rates became effective on July 1, 2015. The Fuel Adjustment Factor (FAF) Ratio listed below also became effective:

| <b>FAF Ratio</b>                     | <b>Current</b> |
|--------------------------------------|----------------|
| <b>Residential</b>                   | 1.0124         |
| <b>C &amp; I Non-Demand</b>          | 1.0199         |
| <b>C &amp; I Demand</b>              | 1.0033         |
| <b>C &amp; I Demand TOD On-Peak</b>  | 1.2090         |
| <b>C &amp; I Demand TOD Off-Peak</b> | 0.8304         |
| <b>Outdoor Lighting</b>              | 0.7621         |

The table below shows the new Fuel Cost Charge by service category:

| <b>February 2018</b>                         | <b>Fuel Cost Charge (\$/kWh)</b> |
|--|----------------------------------|
| <b>Residential</b>                           | 0.03494                          |
| <b>C &amp; I Non-Demand</b>                  | 0.03520                          |
| <b>C &amp; I Demand</b>                      | 0.03462                          |
| <b>C &amp; I Demand Time of Day On-Peak</b>  | 0.04172                          |
| <b>C &amp; I Demand Time of Day Off-Peak</b> | 0.02866                          |
| <b>Outdoor Lighting</b>                      | 0.02630                          |

#### **RESOLUTION OF THE FUEL CLAUSE SUSPENSION**

On September 19, 2017, the Commission issued an Order in Docket No EL16-037 granting the Joint Motion for Approval of Settlement Stipulation issued by the Staff and the Company, which resolved issues related to recovery of certain costs through the Company’s Fuel Clause Rider (FCR). On September 15, 2017, the Company filed a request to vary from the FCR tariff in Docket No. EL17-038. In compliance with the Commission’s Order in Docket No. EL16-037, the Company proposed to mitigate potential FCR rate volatility by amortizing the unrecovered balance over a period of five months. The Company also requested approval of the proposed proxy pricing methodology for the Aurora project. On September 28, 2017, the Commission issued an Order approving the Company’s amortization proposal of the accumulated unrecovered balance and the proposed proxy pricing methodology for the Aurora project. Attachment 1 contains the computation of the February 2018 FCC consistent with the Commission’s Orders. Specifically, Attachment 1, pages 2 and 3 illustrate the derivation of the true-up and the five-month amortization plan to recover the unrecovered balance. The February 2018 FCC is the last month of this true up. In addition, Attachment 5, page 1, is the report on new Purchased Power Agreements (PPAs) with a term of one year or more where costs are included in February 2018 FCC.