



414 Nicollet Mall
Minneapolis, Minnesota 55401

December 31, 2018

—Via Electronic Filing—

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

RE: JANUARY 2019 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 charges (FCC) for January 2019.

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:

FAF Ratio	Current
Residential	1.0124
C & I Non-Demand	1.0199
C & I Demand	1.0033
C & I Demand TOD On-Peak	1.2090
C & I Demand TOD Off-Peak	0.8304
Outdoor Lighting	0.7621

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

January 2019	Fuel Cost Charge (\$/kWh)
Residential	0.01595
C & I Non-Demand	0.01606
C & I Demand	0.01580
C & I Demand Time of Day On-Peak	0.01904
C & I Demand Time of Day Off-Peak	0.01308
Outdoor Lighting	0.01200

The prior month true up included in the January 2019 FCC factors is an over-recovery of \$2,242,891 plus \$13,495 in carrying charge credit. The over-recovery is driven by \$2.8 million in prior over-recovered expenses, comprised of \$1 million in over-recovery of September expenses as well as a \$1.8 million credit for the August recovery correction included in the November FCA. This \$2.8 million is netted against the true-up recovery for November billing month, which consists of a mix of partial October sales at the October true-up recovery factor (0.851 cents/kWh) and partial November sales at the November true-up credit factor (-1.399 cents/kWh). The January calculation typically would not include the November true-up credit provided to customers that will be accounted for in December billing month, and without any recognition of this, the January true-up will be set to make further credits and will likely lead to large swings in the January and February factors. In order to lessen the volatility, the Company has included an adjustment in January to recognize the portion of the \$1.8 million recovery credit correction included in the November FCA and already credited to customers in the December billing month, as illustrated in Line 18g, Attachment 1, page 3. The adjustment is set at \$1.2 million in order to set the January true-up factor equal to what it would have been absent the credit correction made in November. An equal and opposite adjustment will be included in February so that customers remain whole.