



414 Nicollet Mall
Minneapolis, Minnesota 55401

May 31, 2019

—Via Electronic Filing—

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

RE: JUNE 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 June 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:

June 2019	Fuel Cost Charge (\$/kWh)
Residential	0.02248
C & I Non-Demand	0.02265
C & I Demand	0.02228
C & I Demand Time of Day On-Peak	0.02685
C & I Demand Time of Day Off-Peak	0.01844
Outdoor Lighting	0.01692

MISO CHARGES IMPLEMENTATION

MISO Day 2 Charges

This filing includes our reporting of the Midcontinent Independent System Operator, Inc. (MISO) charges under the Day 2 Market. Pursuant to the Commission’s April 7, 2005 Order in Docket No. EL05-008, Xcel Energy is authorized to recover the MISO Day 2 costs through the Fuel Clause Rider (FCR). On February 12, 2009, the Commission approved the FCR tariff revisions (Docket No. EL08-035), which allowed the new MISO Day 2 charge types (Schedule 24, Auction Revenue Rights, and Financial Transmission Rights) to be reflected in the FCR. In compliance with this Order and the required “net” accounting of Day 2 costs and revenues, we have included in the June FCC the net MISO Day 2 costs for April as recorded in Account 555. The MISO Day 2 cost recovery included in the FCC is \$7,230,771 which is the net of many items¹. Pursuant to the above mentioned Orders, the Company also provides more detailed records in Attachment 2, page 1 to support the calculation of the MISO Day 2 costs.

MISO ASM Charges

Pursuant to the Commission’s February 12, 2009 Order in Docket No. EL08-035, the MISO Ancillary Services Market (ASM) charges and the ASM-related costs and

¹ This includes a credit of \$2,851,747 received from MISO in a transmission settlement as part of the 2018 excess congestion end-of-year disbursement. This credit is returned to the customers.

revenues are approved to be included in rates through the Fuel Clause Rider. In compliance with this Order and the required “net” accounting of ASM costs and revenues, we include in the June FCC the net MISO ASM costs for April as recorded in Account 555. The MISO ASM cost recovery included in the FCC is - \$1,284,429 which is the net of many items. The detailed records are contained in Attachment 2, page 2.

PROPERTY TAX

Pursuant to the Commission’s June 16, 2015 Order in Docket No. EL14-058, the Company has modified the Fuel Clause Rider (FCR) tariff to allow collection of property taxes. As permitted by SDCL 49-34A-25, a property tax adjustment will be determined annually and is defined as the difference between the South Dakota state jurisdictional share of property tax forecasted for the calendar year and the amount reflected in South Dakota base rates, plus a true-up for the prior year actual property tax recorded compared to that year’s forecast. The resultant adjustment amount is recovered from customers. An annual adjustment amount equal to or less than \$100,000 is recovered in one month, and an amount greater than \$100,000 is recovered over a 12-month period beginning in April.

The 2019 incremental amount of \$2,593,663, including the 2018 true-up, was calculated to be collected through an even monthly amount beginning April 2019 through March 2020. The amount reflected in the June FCC is \$239,685 or 0.136 cent per kWh. Attachment 3, page 5 contains the tracker of the property tax recovery.

MARGINS SHARING PROGRAM

Pursuant to Commission authorization of the final compliance tariffs in the Company’s 2011 rate proceeding (Docket No. EL11-019), South Dakota customers will be credited 100 percent of the jurisdictional portion of actual asset based margins and 30 percent of the jurisdictional share of non-asset based margins from intersystem sales as described in the Company’s South Dakota FCR.² Attachment 3, pages 1 and 2 contain the trackers of these sharing refunds.

Asset Based Margins Sharing

² The current non-asset based margin sharing credit on 2017 realized margins is based on 30 percent sharing.