



414 Nicollet Mall  
Minneapolis, Minnesota 55401

September 30, 2019

—Via Electronic Filing—

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

**RE: OCTOBER 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 October 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:

<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 Clause Charge by service category:

<b>October 2019</b>	<b>Fuel Cost Charge (\$/kWh)</b>
<b>Residential</b>	0.02388
<b>C &amp; I Non-Demand</b>	0.02405
<b>C &amp; I Demand</b>	0.02366
<b>C &amp; I Demand Time of Day On-Peak</b>	0.02851
<b>C &amp; I Demand Time of Day Off-Peak</b>	0.01958
<b>Outdoor Lighting</b>	0.01797

## **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 October FCC the net MISO Day 2 costs for August as recorded in Account 555. The MISO Day 2 cost recovery included in the FCC is \$2,555,930 which is the net of many items. 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 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 October FCC the net MISO ASM costs for August as recorded in Account 555. The MISO ASM cost recovery included in the FCC is \$2,627,784 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 October FCC is \$182,958 or 0.084 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.<sup>1</sup> Attachment 3, pages 1 and 2 contain the trackers of these sharing refunds.

### Asset Based Margins Sharing

Attachment 3, page 1 is the asset based margins sharing tracker showing the monthly amount credited to South Dakota customers. This Asset-Based margins credit of \$95,365 or 0.044 cent per kWh is included in the October FCC calculation.

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<sup>1</sup> The current non-asset based margin sharing credit on 2017 realized margins is based on 30 percent sharing.