

Northern States Power Company  
South Dakota  
Revenue Requirement Model Description

**Section P**

**20:10:13:100. Statement P -- Fuel cost adjustment factor.** Statement P shall show the derivation of the cost adjustment factor as stated therein if the rate schedule or sales contract embodies a fuel clause or gas adjustment clause. If the fuel clause differs from the one prescribed by the commission, the statement shall show the derivation as proposed by the company and as prescribed by the commission.

**Source:** 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

**General Authority:** SDCL [49-34A-4](#).

**Law Implemented:** SDCL [49-34A-10](#), [49-34A-12](#), [49-34A-41](#).

| Line No.   | Jan           | Feb          | Mar           | Apr           | May           | Jun           | Jul           | Aug           | Sep           | Oct           | Nov           | Dec           | Year            |
|--|---------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| 1. FERC 151 Fossil Fuel  | \$45,930,917  | \$36,174,662 | \$39,664,107  | \$35,714,843  | \$29,187,911  | \$30,055,242  | \$45,631,501  | \$45,410,138  | \$36,507,594  | \$31,219,451  | \$35,144,174  | \$52,485,969  | 463,126,509.0   |
| 2. FERC 518 Nuclear  | \$11,120,517  | \$10,604,158 | \$8,129,429   | \$7,928,444   | \$7,881,823   | \$7,625,738   | \$8,175,496   | \$11,242,069  | \$9,639,647   | \$7,811,889   | \$7,744,058   | \$7,801,662   | 105,704,930.0   |
| 3. FERC 555 Purchased Energy   | \$35,027,255  | \$29,234,114 | \$32,608,013  | \$36,915,144  | \$40,825,865  | \$39,781,933  | \$37,842,727  | \$37,604,844  | \$39,236,352  | \$37,388,155  | \$47,321,898  | \$39,793,736  | 453,580,035.8   |
| 4a FERC 555 MISO Day 2 Charges   | \$8,366,319   | \$10,165,928 | \$23,699,289  | \$20,200,320  | \$20,346,311  | \$32,197,013  | \$32,118,523  | \$24,320,465  | \$23,044,198  | \$23,751,689  | \$19,456,194  | \$17,180,234  | 254,846,481.1   |
| 4b FERC 555 MISO ASM Charges   | \$2,463,279   | \$2,987,340  | \$1,107,837   | \$2,993,845   | \$4,308,216   | \$2,731,861   | \$2,176,112   | \$1,760,793   | \$2,440,355   | \$2,595,581   | \$1,154,328   | \$4,994,935   | 31,714,480.5    |
| 5. Total System Costs<br>[1]+[2]+[3]+[4a]+[4b]   | \$102,908,287 | \$89,166,202 | \$105,208,675 | \$103,752,595 | \$102,550,126 | \$112,391,786 | \$125,944,359 | \$120,338,309 | \$110,868,146 | \$102,766,764 | \$110,820,653 | \$122,256,536 | \$1,308,972,436 |
| 6. Fuel Cost of Intersystem Sales  | \$5,272,759   | \$5,459,934  | \$162,610     | \$2,189,732   | \$2,927,370   | \$4,659,393   | \$4,726,025   | \$3,716,520   | \$2,716,704   | \$2,690,921   | \$4,636,470   | \$5,361,131   | 44,519,569.2    |
| 7. Net System Costs<br>[5]-[6]   | \$97,635,528  | \$83,706,267 | \$105,046,064 | \$101,562,864 | \$99,622,756  | \$107,732,393 | \$121,218,334 | \$116,621,789 | \$108,151,442 | \$100,075,843 | \$106,184,183 | \$116,895,405 | \$1,264,452,867 |
| 8. Total System Retail MWh Sales   | 3,563,112     | 3,159,377    | 3,448,324     | 3,157,203     | 3,225,574     | 3,493,391     | 4,038,901     | 4,020,210     | 3,523,186     | 3,318,269     | 3,325,584     | 3,600,312     | 41,873,443.0    |
| 9. South Dakota Retail MWh Sales   | 168,002       | 149,538      | 164,831       | 143,761       | 155,530       | 172,322       | 208,484       | 206,962       | 177,083       | 159,644       | 160,695       | 173,874       | 2,040,726       |
| 10. South Dakota % of System Retail<br>[9]/[8]x100%  | 4.72%         | 4.73%        | 4.78%         | 4.55%         | 4.82%         | 4.93%         | 5.16%         | 5.15%         | 5.03%         | 4.81%         | 4.83%         | 4.83%         | 4.87%           |
| 11. Net System Cost of Fuel Per KWh<br>[7]/[8]x1000  | \$0.02740     | \$0.02650    | \$0.03046     | \$0.03217     | \$0.03089     | \$0.03084     | \$0.03001     | \$0.02901     | \$0.03070     | \$0.03016     | \$0.03193     | \$0.03247     | \$0.03020       |
| 12. South Dakota Monthly Fuel Costs<br>[11]x[9]x1000   | \$4,603,591   | \$3,962,009  | \$5,021,247   | \$4,624,648   | \$4,803,544   | \$5,314,238   | \$6,257,230   | \$6,003,761   | \$5,435,917   | \$4,814,703   | \$5,130,831   | \$5,645,341   | \$61,617,060    |
| 13. Asset Based Margin Sharing   | (\$100,680)   | (\$49,845)   | (\$46,314)    | (\$90,835)    | (\$46,837)    | (\$45,112)    | (\$24,623)    | (\$94,567)    | (\$111,596)   | \$21,222      | (\$52,384)    | (\$6,887)     | (\$648,458)     |
| 14. Non-Asset Based Margin Sharing   |               | (\$90,881)   |               |               |               |               |               |               |               |               |               |               | (\$90,881)      |
| 15. Production Tax Credits   | (\$164,092)   | (\$118,589)  | (\$118,541)   | (\$148,926)   | (\$169,526)   | (\$120,186)   | (\$89,012)    | (\$105,672)   | (\$139,824)   | (\$149,302)   | (\$141,898)   | (\$222,136)   | (1,687,704.0)   |
| 16. RECs Sales Credits   | (\$507,281)   | (\$7,113)    | \$0           | \$0           | \$2,360       | \$0           | (\$111,667)   | (\$100,595)   | (\$32,767)    | (\$38,534)    | (\$287,654)   | \$0           | (1,083,250.6)   |
| 17. SD Fuel Costs with Margins Sharing,<br>PTC and REC Sales Credits<br>[12]+[13]+[14]+[15]+[16] | \$3,831,538   | \$3,695,582  | \$4,856,392   | \$4,384,887   | \$4,589,541   | \$5,148,940   | \$6,031,928   | \$5,702,927   | \$5,151,730   | \$4,648,089   | \$4,648,895   | \$5,416,318   | \$58,106,766    |
| 18. In Dollars per KWh<br>[15]/[9]x1000  | \$0.02281     | \$0.02471    | \$0.02946     | \$0.03050     | \$0.02951     | \$0.02988     | \$0.02893     | \$0.02756     | \$0.02909     | \$0.02912     | \$0.02893     | \$0.03115     | \$0.02847       |

Pursuant to Commission authorization in the Company's rate case (Docket No. EL09-009), the Fuel Clause Mechanism is now recovering the entire fuel and purchased energy costs through the monthly Fuel Clause Charge. Unlike the previously used Fuel Cost Adjustment Factor, this Fuel Clause Charge is not the resultant adjustment above or below the Base Cost of Fuel in a given month. As such the effective Base Cost of Fuel is essentially equivalent to \$0.00000 per kWh.