



500 West Russell Street
Sioux Falls, South Dakota
57101

December 22, 2017

—Via Electronic Filing—

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

RE: TARIFF COMPLIANCE FILING
INFRASTRUCTURE RIDER PROJECT ELIGIBILITY AND FACTOR UPDATE
DOCKET NO. EL17-039

Dear Ms. Van Gerpen:

Northern States Power Company, doing business as Xcel Energy, submits this filing in compliance with the South Dakota Public Utilities Commission's December 21, 2017 ORDER APPROVING 2018 INFRASTRUCTURE RIDER PROJECT ELIGIBILITY AND FACTOR UPDATE. The Infrastructure Rider factor is \$0.005181 per kWh effective January 1, 2018.

Updated Tariff Sheet – Attachment A

We have attached a copy of our compliance tariff sheet as follows:

South Dakota Electric Rate Book – SDPUC No. 2

Sheet No. 5-74, revision 6

Customer Notification – Attachment B

Customers will receive a bill onsert in their January bills demonstrating bill impact. We have combined both the DSM Rider language and the Infrastructure Rider messages together.

Should you have any questions regarding this filing please contact Jim Erickson at (612) 330-5821 or jim.g.erickson@xcelenergy.com.

Sincerely,

/s/

STEVE T. KOLBECK
PRINCIPAL MANAGER

Enclosures

SOUTH DAKOTA ELECTRIC RATE BOOK - SDPUC NO. 2

INFRASTRUCTURE RIDER

Section No. 5
6th Revised Sheet No. 74
Cancelling 5th Revised Sheet No. 74

APPLICATION

Applicable to bills for electric service provided under the Company's retail rate schedules.

RIDER

There shall be included on each customer's monthly bill an Infrastructure Rider adjustment charge, which shall be the Infrastructure Rider Adjustment Factor multiplied by the customer's monthly billing kWh for electric service. This Infrastructure Rider adjustment charge shall be calculated before any city surcharge or city and state sales tax.

DETERMINATION OF INFRASTRUCTURE RIDER ADJUSTMENT FACTOR

The Infrastructure Rider Adjustment Factor shall be calculated by dividing the forecasted balance of the Infrastructure Rider Tracker Account by the forecasted retail sales for the upcoming recovery period. The Infrastructure Rider Adjustment Factor shall be rounded to the nearest \$0.000001 per kWh.

The Infrastructure Rider Adjustment Factor may be adjusted annually subject to a compliance filing with the South Dakota Public Utilities Commission (Commission). Revisions to the Infrastructure Rider Adjustment Factor shall apply to bills rendered on and after January 1. The Infrastructure Rider Adjustment Factor for all rate schedules is:

All Customers

\$0.005181 per kWh

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A standard model will be used to calculate the total forecasted revenue requirements for each eligible project for the designated period, including a carrying charge, and these revenue requirements will be charged to the Infrastructure Rider Tracker Account. All costs appropriately charged to the Infrastructure Rider Tracker Account shall be eligible for recovery through this Infrastructure Rider. All revenues recovered from Infrastructure Rider Adjustment Factors shall be credited to the Infrastructure Rider Tracker Account.

Forecasted retail sales shall be the estimated total retail electric sales for the designated recovery period.

PROJECTS ELIGIBLE FOR INCLUSION IN INFRASTRUCTURE RIDER

Projects eligible for recovery in the Infrastructure Rider effective on or after July 1, 2015 include 2015 capital projects specified in the settlement agreement in Docket No. EL14-058. For an Infrastructure Rider adjustment factor effective January 1, 2016, projects eligible for recovery include those projects as specified in the settlement agreement in Docket No. EL14-058 and capital investments consistent with SDCL § 49-34A-73 and that are not yet included in base rates or recovered through other mechanisms, subject to Commission approval.

(Continued on Sheet No. 5-75)

Date Filed:	09-29-17	By: Christopher B. Clark	Effective Date:	01-01-18
		President, Northern States Power Company, a Minnesota corporation		
Docket No.	EL17-039		Order Date:	12-21-17



DSM Cost Adjustment Factor Increase

Effective January 1, 2018

Xcel Energy offers a variety of load management and demand side management (DSM) programs to our South Dakota customers to help them reduce their home's usage. The South Dakota Public Utilities Commission has approved a new DSM Cost Adjustment Factor as a separate line item on your monthly electric bill to recover the cost of our load management and DSM programs. Beginning January 1, 2018, the rate factor will increase from \$0.000504 per kWh to \$0.000510 per kWh.

Residential Electric Service – Winter Month Bill Example

This chart provides a comparison of customer bills by applying the prior DSM rate vs. the new DSM rate.

Usage (kWh)	Prior Rates				New Rates				Amount of Bill Increase	Percent Increase
	Other Rates	Prior DSM Factor	Prior DSM	Prior Bill	Other Rates	New DSM Factor	New DSM	New Bill		
400	\$52.75	\$0.000504	\$0.20	\$52.95	\$52.75	\$0.000510	\$0.20	\$52.95	\$0.00	0.00%
500	\$63.88	\$0.000504	\$0.25	\$64.13	\$63.88	\$0.000510	\$0.26	\$64.14	\$0.01	0.02%
600	\$75.01	\$0.000504	\$0.30	\$75.31	\$75.01	\$0.000510	\$0.31	\$75.32	\$0.01	0.01%
750	\$91.70	\$0.000504	\$0.38	\$92.08	\$91.70	\$0.000510	\$0.38	\$92.08	\$0.00	0.00%
1000	\$119.51	\$0.000504	\$0.50	\$120.01	\$119.51	\$0.000510	\$0.51	\$120.02	\$0.01	0.01%
2000	\$230.77	\$0.000504	\$1.01	\$231.78	\$230.77	\$0.000510	\$1.02	\$231.79	\$0.01	0.00%

Infrastructure Rider Rate Decrease

Effective January 1, 2018

The Infrastructure Rider Adjustment, which recovers the costs and expenses of capital projects, is decreasing from \$0.005332 per kWh to \$0.005181 per kWh. The South Dakota Public Utilities Commission has approved the Infrastructure Rider Adjustment as a separate line item on your monthly electric bill beginning January 1, 2018.

Residential Electric Service – Winter Month Bill Example

This chart provides a comparison of customer bills by applying the prior Infrastructure Rider rate vs. the new Infrastructure Rider rate. The table below shows the Infrastructure Rider decrease only and does not factor in any other rate changes that may occur concurrently.

Usage (kWh)	Prior Rates				New Rates				Amount of Bill Decrease	Percent Decrease
	Other Rates	Prior I-Rider Factor	Prior I-Rider	Prior Bill	Other Rates	New I-Rider Factor	New I-Rider	New Bill		
400	\$50.82	\$0.005332	\$2.13	\$52.95	\$50.82	\$0.005181	\$2.07	\$52.89	-\$0.06	-0.11%
500	\$61.47	\$0.005332	\$2.67	\$64.14	\$61.47	\$0.005181	\$2.59	\$64.06	-\$0.08	-0.12%
600	\$72.11	\$0.005332	\$3.20	\$75.31	\$72.11	\$0.005181	\$3.11	\$75.22	-\$0.09	-0.12%
750	\$88.08	\$0.005332	\$4.00	\$92.08	\$88.08	\$0.005181	\$3.89	\$91.97	-\$0.11	-0.12%
1000	\$114.68	\$0.005332	\$5.33	\$120.01	\$114.68	\$0.005181	\$5.18	\$119.86	-\$0.15	-0.12%
2000	\$221.12	\$0.005332	\$10.66	\$231.78	\$221.12	\$0.005181	\$10.36	\$231.48	-\$0.30	-0.13%

For more information

You may call **800.895.4999** with questions or examine the new rates by visiting our website at xcelenergy.com/sdrates.