

**STATE OF SOUTH DAKOTA  
BEFORE THE  
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE APPLICATION OF  
NORTHERN STATES POWER COMPANY  
FOR APPROVAL OF 2020 INFRASTRUCTURE  
RIDER PROJECT ELIGIBILITY AND THE  
RATE RIDER ADJUSTMENT FACTOR

DOCKET NO. EL19-\_\_\_\_

**INFRASTRUCTURE RIDER  
ANNUAL  
FILING AND UPDATE**

**OVERVIEW**

Northern States Power Company, doing business as Xcel Energy, submits to the South Dakota Public Utilities Commission this annual filing to update the Infrastructure Cost Recovery Rider, Adjustment Factor, and Tracker. The Company was initially authorized to establish the Infrastructure Rider by the Commission's April 18, 2013 Order in Docket No. EL12-046. The Infrastructure Rider was subsequently modified and approved in the electric rate case Settlement Stipulation in Docket No. EL14-058 by the Commission's June 16, 2015 Order. This filing is submitted consistent with that Order and Settlement.

Projects eligible for recovery through the Infrastructure Rider include those projects specified in Exhibit C to the Settlement in Docket No. EL14-058 and capital investments consistent with the Phase-In Statute (SDCL § 49-34A-73) not yet included in base rates or otherwise recovered through other available mechanisms. With this cost recovery mechanism, the Company committed to not file another application to increase base rates before January 1, 2018. As part of that commitment, and because additional projects may be added to the Infrastructure Rider, the Company agreed the annual update process would change from a compliance filing to an annual filing requiring specific Commission approval.

An additional Settlement Stipulation was approved by the Commission's July 18, 2018 Order in the Tax Reform docket (Docket No. GE17-003), which allows the Company to seek recovery through the Infrastructure Rider of new wind generation projects and the costs of terminating certain biomass Purchase Power Agreements (PPA) during an additional two-year base rate moratorium period. Inclusion of the biomass projects was subject to the Commission granting the Company's request for deferred accounting for those costs in Docket No. EL18-027. The Commission issued its Order approving the Company's request for deferred accounting in Docket No. EL18-027 on June 28, 2018. The Commission issued an Order in Docket No. EL18-040 on December 18, 2018 approving inclusion in the Infrastructure Rider of biomass

PPA termination costs and costs associated with several wind projects that were forecasted to go in-service in 2019. In this filing, the Company seeks eligibility determinations for two new wind projects forecasted to go in-service in 2020.

In compliance with the various Settlement Agreements and Commission Orders referenced above, we last submitted a filing to update the Infrastructure Rider Adjustment Factor on October 1, 2018. The updated Adjustment Factor became effective January 1, 2019. We have included a tracker report showing actual revenue collections under this rate through July 31, 2019 and forecasted costs and collections for the remainder of 2019.

In this filing we propose to increase the Infrastructure rate to recover an estimated \$19.3 million in revenue requirements for 2020, which includes one additional project from Exhibit C to the Settlement and two new wind projects.<sup>1</sup> The resulting rate we propose to implement on January 1, 2020 is \$0.008873 per kWh applied to all energy billed to each customer class during the calendar year 2020. The average bill impact is estimated to be \$6.65 per month for a typical residential electric customer using 750 kWh per month, an increase of \$1.51 compared to the 2019 rate.

We specifically request Commission approval of:

- project eligibility for one project included in the Settlement Agreement Exhibit C not already included in the rider;
- project eligibility of two additional wind projects consistent with SDCL § 49-34A-73 and the Settlement Stipulation in Docket No. GE17-003;
- the Infrastructure Rider Tracker Report and true-up for the 2019 revenue requirements;
- 2020 Infrastructure Rider revenue requirements of \$19.3 million;
- an updated Infrastructure Rider Adjustment Factor of \$0.008873 per kWh;
- proposed revision to the Infrastructure Rider tariff sheet; and
- proposed customer notice.

### **REQUIRED INFORMATION**

Following is information specified in S.D. Admin. R. 20:10:13:26 regarding our proposed Infrastructure Rider Adjustment Factor and tariff.

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<sup>1</sup> Sherco Unit 3 Unit Protection System Programmable Logic Controller, Blazing Star II Wind and Freeborn Wind.

**(1) Name and Address of the Public Utility**

Northern States Power Company  
500 West Russell Street  
Sioux Falls, SD 57104  
(605) 339-8350

**(2) Section and Sheet Number of Tariff Schedule**

We propose to revise tariff sheet number 74 in Section 5 of the Northern States Power Company South Dakota Electric Rate Book. The proposed tariff sheet that would implement the revised Infrastructure Rider Adjustment Factor is included as Attachment 11.

**(3) Description of the Tariff Change**

This request revises the Infrastructure Rider Adjustment Factor shown as a separate line item on customer bills. The current Infrastructure Adjustment Factor of \$0.006853 per kWh became effective on January 1, 2019. We propose the new 2020 Infrastructure Adjustment Factor of \$0.008873 per kWh be effective on January 1, 2020.

**(4) Reason for the Requested Change**

The Company was initially authorized to establish the Infrastructure Rider by the Commission's April 18, 2013 Order in Docket No. EL12-046. In the subsequent electric rate case, Docket No. EL14-058, new projects were included, and the rider mechanism was expanded to implement the Phase-In Statute for possible recovery of other capital investments consistent with SDCL § 49-34A-73.1. Exhibit C of the Settlement in the most recent rate case identified projects with forecasted in-service dates through 2017. There is one project identified in Exhibit C that is scheduled to be placed in service in 2020, which we have included in this current request for the first time. We also propose to include revenue requirements associated with two other capital wind projects; these projects are similar in kind to the types of investments already included in the existing Infrastructure Rider and consistent with the Phase-In Statute project definitions. The recent Settlement Stipulation in Docket No. GE17-003 allows the Company to request recovery of these two new wind projects.

The Infrastructure Rider Adjustment Factor has been updated each year since the mechanism was approved to reflect current costs and new facilities. To ensure that customers are not under or overcharged, we record the actual revenues and costs in

our tracker account and credit or collect any differences during the next recovery period based on the estimated end of year balance in the tracker account.

This petition includes costs for 2020 and the projected true-up amount for 2019. These revenue requirements are incremental to any revenue requirements associated with the identified projects currently included in base rates. None of these costs are included in base rates or other cost recovery mechanisms for 2020.

## **(5) Present Rate**

The current monthly rate for all customer classes is \$0.006853 per kWh, implemented on January 1, 2019 and approved in the Commission's December 12, 2018 Order in Docket No. EL18-040. The rate was calculated by dividing the 2019 projected annual revenue requirements of the Infrastructure Rider Tracker Account, including the 2018 true-up and adjustment from the Docket No. EL14-058 rate case proceeding, by the 2019 forecasted retail sales for the period January through December (the time period the rate was in effect); it was rounded to the nearest \$0.000001 per kWh.

## **(6) Proposed Rate**

### **A. Proposed Tariff**

#### *i. Authority*

The Commission's authority for considering and approving the revised Infrastructure Rider Adjustment Factor proposed in this Petition was established through approval of the Settlement Agreements in Docket Nos. EL12-046 and as refreshed in EL14-058 first under its general authority provided in SDCL § 49-34A. Additionally, authority granted through SDCL §§ 49-34A-73 through 49-34A-78 (Phase-In Statute) allows for cost recovery of material plant investments in generation, transmission and distribution assets. In part, the Phase-In Statute provides:

*S.D. Codified laws 49-34A-73. Phase in rate plan for rate increases due to plant additions. Notwithstanding anything in this chapter to the contrary, an electric utility that is subject to rate regulation by the commission and plans plant additions that are expected to have a material impact on rates may make application to the commission for a phase in rate plan to provide for the phase in of expected rate increases resulting from plant additions. The plan may provide for any of the following:*

- (1) Rate increases to be incrementally phased in prior to the commencement of commercial operation of the plant additions;*

- (2) *To the extent rate increases for plant additions are allowed prior to commercial operation, restrictions on the capitalization of allowance for funds used during construction for the plant additions;*
- (3) *Restrictions on other rate increases; and*
- (4) *Any other conditions which benefit the public interest and may be imposed by the commission consistent with the findings in § 49-34A-74.*

*S.D. Codified Laws 49-34A-73.1. Plant additions defined. For purposes of §§ 49-34A-73 to 49-34A-78, inclusive, plant additions are investments in fixed generation, transmission, and distribution assets, whether purchased or constructed, including operations and maintenance expenses directly related to those fixed assets, real property, and new power purchases.*

In addition, the Settlement Stipulation approved in Docket No. GE17-003 allows for the inclusion of certain new wind projects and biomass PPA termination costs in the Infrastructure Rider.

The Company proposes to recover through the Infrastructure Rider the jurisdictional annual revenue requirements associated with three additional capital projects for which the Company is seeking a determination by the Commission that such projects are eligible for recovery under the approved Settlement.

We have calculated our revenue requirement consistent with the methodology accepted by the Commission in past Infrastructure Rider filing Orders.<sup>2</sup> The 2020 overall rate of return is based on the Company's last authorized capital structure and the return on equity (ROE) approved by the Commission in the most recent rate case.<sup>3</sup>

The Company proposes a 2020 Infrastructure Rider Adjustment Factor for all customer classes of \$0.008873 per kWh. The Infrastructure Rider Adjustment Factor was calculated by dividing the forecasted balance of the Infrastructure Rider Tracker Account by the forecasted retail sales for the calendar year; it is rounded to the nearest \$0.000001 per kWh.

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<sup>2</sup> Docket No. EL12-046: April 23, 2013, October 1, 2013, October 1, 2014; Docket No EL14-058: June 18, 2015; Docket No. EL15-038: October 1, 2015; Docket No. EL16-032, September 30, 2016; Docket No. EL17-039: September 29, 2017; Docket No. EL18-040: October 1, 2018.

<sup>3</sup> Docket No. EL14-058.

*ii. Implementation*

Attachment 11 provides the proposed revised tariff sheet to implement the proposed Infrastructure Rider Adjustment Factor based on forecasted costs for the 2020 calendar year. As required by the Commission, for each 12-month period ending December 31, a true-up adjustment to the Tracker Account will be calculated reflecting the difference between the Infrastructure Rider recoveries from customers and the actual revenue requirements for the period.

**B. Proposed Infrastructure Projects**

*i. Summary*

The following projects were previously approved for Infrastructure Rider recovery by the Commission in the dockets as noted. The projects approved in the 2014, 2015, 2016, and 2017 dockets were reaffirmed for rider inclusion most recently in Docket No. EL18-040 and are included in the 2020 revenue requirement calculations:

**Table 1: Projects Currently Included in the Rider by Docket**

<b>EL14-058</b>	<b>EL15-038</b>
• MNGP Extended Power Uprate (Monticello LCM/EPU) <sup>4</sup>	• Prairie 3rd 230/115 kV tra
• PI-9 TN-40 Casks (Prairie Island Casks 39-47)	• PI Emerg Resp Equipment FL
• PI- Relicense ISFSI (Prairie Island ISFSI Relicensing)	• PI U1 HDTP Speed Control U
• PI U2 Generator Replacement	• SHC2C U2 Turbine EHC Ctrl
• PI U2 GSU Transformer Replacement	• Dynamic EMS Environment Phase
• MNGP EDG Tornado Missile Protection	• Work and Asset Ph 1 SW MN
• MNGP Fukushima Modifications	• MNGP Security Physical Upgrade
• PI LR Ph II-U2 MRP-227A Implementation	• PI Sfgds CL Pump Redesign
• PI-NFPA 805 Fire Model	• 760-Red Wing to Wabasha
• PI U2 HDTP Speed Control Upgrade	• NSM0953 Galloping Mitigation
• BRD0C Border Wind ND	• HBC7C U7 HGP/Combustion Inspection
• PVL0C Pleasant Valley Wind	• SHC1C U1 DCS Controls Repl PH
• SHC1C U1 Couton Bottom Replacement	• MNGP Rplc IMUX Front End
• BDS0C Install Package Boiler	• GIST-II Computer Software NSPM
• SHC3C Motor Control Sys PL	• MNGP Cyber Security 08-09
• Midtown 115kV line	• Purch EMS DEMS Ph2 HW MN
• NSM0953 Galloping Mitigation	• PI Fan Coil Unit Face Replacement
• GIST-III Computer Software	• PI NFPA 805 -08 Fire Detection
• Hiawatha Dam Interconnect Substation	• MNGP EDG Fuel Oil Train Separ
• Scott County 345 kV Expansion, Substation	• PI FLEX Storage Building
• BS-Fcst-BD-SW-CM-M	• CRT0C Courtenay Wind Farm
• PI-Repl Instrument Air Compressor	• RIV9C-U9 HGP Inspection No 1

<sup>4</sup> To implement a provision of the Settlement, cost recovery for the Monticello LCM/EPU project did not roll into base rates, but rather remained in the Infrastructure Rider.

EL16-032	EL17-039	EL18-040
<ul style="list-style-type: none"> <li>• PI Screenhouse CI Header</li> <li>• SHC3C Turbine EHC Controls</li> <li>• SHC3C Repl U3 Boiler Fin Super</li> <li>• PI Reactor Coolant Pump Rebuild</li> <li>• MT TSTF-523 Vent Installation</li> <li>• MT EDG Fuel Oil Pump Mtr Rplc 1R28</li> <li>• MT KM 480VAC Cubicle Rplc</li> </ul>	<ul style="list-style-type: none"> <li>• MNGP Hardened Vents &amp; Filt</li> <li>• PI 2M 2RS 2RX Transformer</li> <li>• PI U1 Generator Replacmnt</li> <li>• MNGP DAS &amp; PPCS Rplc</li> <li>• MNGP 2018 Dry Fuel Storage Load</li> <li>• PI 4.16 KV Bus Modifications</li> <li>• NSPM Tline ELR 2016 69kV Line</li> </ul>	<ul style="list-style-type: none"> <li>• PI 1R Transformer Replacement</li> <li>• Blazing Star I Wind Farm</li> <li>• Foxtail Wind Farm</li> <li>• Crowned Ridge BOT Wind Farm</li> <li>• Lake Benton BOT Wind Farm</li> <li>• Benson Biomass PPA Termination</li> <li>• Laurentian Biomass PPA Termination</li> <li>• Pine Bend Landfill Gas Termination</li> </ul>

The following project was identified for potential cost recovery in Exhibit C of the rate case Settlement but is not already included in the Infrastructure Rider, other riders or in base rates. We seek inclusion of recovery for this project in 2020:

- Sherco Unit 3 Unit Protection Programmable Logic Controller (PLC) (11488116)

The Company seeks an eligibility determination for the following projects which were not previously identified but are similar in type and nature to projects previously examined by staff and authorized as includable in the Infrastructure Rider. The inclusion in the Infrastructure Rider of new wind projects and costs related to biomass PPA terminations was authorized by the Settlement Stipulation approved by the Commission in its July 18, 2018 Order in Docket No. GE17-003. The proposed projects are:

- Blazing Star II Wind Farm (A.0001702)
- Freeborn Wind Project (A.0001704)

A complete list of projects is provided in Attachment 9, with detailed descriptions of the two new projects and the one additional project from Settlement Exhibit C. Although inclusion of operating and maintenance costs associated with Phase-In projects is a permitted cost item for which we could request recovery, we are expressly not including O&M expenses in the determination of the Infrastructure Rider Adjustment Factor at this time.

*ii. Project Updates*

Attachment 4 provides a summary of the updated revenue requirements for the approved projects compared to the forecasted revenue requirements presented in our last Infrastructure Rider update filed in Docket No. EL18-040. We discuss notable project cost and scope changes for several of the wind projects in Attachment 9.

In total, the forecast for projects in the 2019 Infrastructure Rider is approximately \$1,360,000 less at this time compared to our approved 2019 level. This decrease in project revenue requirements for many projects is the primary driver of an overall lower revenue requirement for 2019 than forecasted in our last filing. Table 1 below summarizes the change between our last compliance filing and the current filing.

**Table 2: Revenue Requirement Changes Summary**

2019 Decrease in Capital Revenue Requirements (A)	\$(1,364,513)
Increase to 2018 Over-collection into 2019 (B)	\$(84,680)
<hr/>	
Total 2019 Revenue Requirement Decrease (A) +( B)	\$(1,449,193)

*iii. Supporting Information*

*(1) South Dakota Jurisdictional Cost*

Attachment 5 shows the development of 2020 revenue requirements for each project for the South Dakota jurisdiction, based on the capital related cost, by project, using the most recent capital forecast.

Xcel Energy operates the generation and transmission assets of Northern States Power Company – Minnesota (NSPM) and Northern States Power Company – Wisconsin (NSPW) as one system. Pursuant to the terms of the Federal Energy Regulatory Commission (FERC) regulated *Restated Agreement to Coordinate Planning and Operations and Interchange Power and Energy between Northern States Power Company (Minnesota) and Northern States Power Company (Wisconsin)* (Interchange Agreement), all generation and transmission costs are shared between NSPM and NSPW based on load ratio share using a FERC-approved 36-month coincident peak demand allocator. The NSPM portion is then further allocated to its respective state jurisdictions (South Dakota, North Dakota and Minnesota) based on the allocation methodology generally accepted in our rate case proceedings.

*(2) Calculations to establish that the rate adjustment is consistent with the terms of the tariff.*

Attachment 1 contains the calculation of the proposed 2020 Infrastructure Rider Adjustment Factor consistent with the terms of the Infrastructure Rider tariff proposed in Attachment 11. Attachment 8 demonstrates the revenue requirement model logic and aids in confirming the calculation is accurate.

## **C. Infrastructure Tracker Account and Accounting**

The Company uses a tracker account as the accounting mechanism for eligible Infrastructure project costs. The revenue requirements included in the Tracker are only those related to South Dakota's share of eligible projects. In making our calculations, the Company used the most current data available at the time of this filing and allocated costs among jurisdictions based on the cost allocation methodology approved in our last rate case and consistent with the Commission's December 12, 2018 Order approving the prior Infrastructure Rider filing. As a result, for 2020, South Dakota electric customers are allocated approximately 6.73 percent to 5.71 percent of each individual project, depending on the type of system component.

Each month as revenues are collected from retail customers, the Company tracks the amount of recovery under the Infrastructure Rider Adjustment Factor and compares that amount with the monthly revenue requirements. The difference is recorded in the Tracker Account as the amount of over- or under-recovery. The under-recovered amounts are recorded in FERC Account 182.3, Other Regulatory Assets, and the over-recovered amounts are recorded in FERC Account 254, Other Regulatory Liabilities (the Tracker Accounts). A carrying charge is calculated monthly on the over- or under-recovered balance and added to the tracker balance. Any over- or under-recovery balance at the end of the year is used in the calculation of the Adjustment Factor for the next year's forecasted revenue requirement.

## **D. Project Cost Recovery**

### *i. Summary*

Below we provide support for the proposed 2020 Infrastructure Rider rates. This information is summarized as follows:

- The projected Infrastructure Rider Tracker Account activity for 2020, including both revenue requirements and projected revenues, is summarized in Attachment 2 with monthly detail in Attachment 3.
- The projected 2020 revenue requirement proposed to be recovered through the Infrastructure Rider Adjustment Factor from South Dakota electric customers is approximately \$19.3 million. Detailed revenue requirements for each project can be found in Attachment 5. These calculations are discussed in detail below.
- Projected revenues are calculated by month as shown in Attachment 6 and are based on forecast 2020 South Dakota sales by calendar month.

- The development of the Infrastructure Adjustment Factor is included in Attachment 1. The proposed Infrastructure Adjustment Factor is shown below.

Included in the \$19.3 million in revenue requirements is the 2019 Infrastructure Rider Tracker Report projected true-up over-collection balance of \$1,657,561. We note that this projected carryover balance is associated with higher revenue collections for 2019 and decreases in the projected revenue requirements across several of the projects, including the Crowned Ridge wind project where work was delayed into 2020. See Attachment 9 for further details on changes to the Crowned Ridge project.

*ii. Proposed 2019 Infrastructure Rider Adjustment Factor*

The Company’s Infrastructure Rider rate design is the annual calculated revenue requirements (including the current year South Dakota jurisdictional project costs and the carryover balance from the previous year) divided by the total annual forecast energy sales to South Dakota retail customers from January through December 2020. This calculation is shown on Attachment 1.

Based on this rate design, we propose the following Infrastructure Rider Adjustment Factor:

**Table 3: 2020 Rate Factor Calculation**

	<b>Retail</b>
<b>Infrastructure Rider Adjustment Factor Cost Per kWh</b>	<b>\$0.008873</b>
<b>2020 SD retail Sales (MWh)</b>	<b>2,170,011</b>
<i>2020 Revenue Requirement</i>	<i>\$20,912,931</i>
<i>2019 Carry-Forward Balance</i>	<i>\$(1,657,561)</i>
<b>2020 Net SD retail Cost</b>	<b>\$19,255,370</b>

If all capital projects as proposed in this Petition are included for recovery through the Infrastructure Rider, our 2020 revenue requirements will reflect plant additions for those projects and the true-up balance for 2019. The remaining 2018 Tracker Account level has already been included in the present Infrastructure Adjustment Factor, so no amounts to finalize 2018 values are included in this request. We

propose to implement a \$0.008873 per kWh Adjustment Factor applicable to all customer classes beginning January 1, 2020.

*iii. Bill Impact*

The average bill impact for a residential customer using 750 kWh per month will be \$6.65 per month, an increase of \$1.51 compared to the current rate. Consistent with our approved tariff, we will notify our customers of the change through a bill onsert in the month the change is effective.

**(7) Proposed Effective Date of Modified Rate**

Consistent with the 30-day notice requirement under S.D. Codified Laws 49-34A-17, we propose to implement rates January 1, 2020. If the Commission acts to suspend the proposed rates and our Petition has not been approved in time to implement January 1, we propose to implement the rates the first billing cycle following Commission approval, or at the time the proposed rates are no longer subject to suspension. As indicated above, the rate has been determined based on a January 1 implementation, and we request the opportunity to recalculate the Infrastructure Adjustment Factor to reflect the time remaining in 2020 in the event Commission approval occurs later.

**(8) Approximation of Annual Increase in Revenue**

Attachment 2 shows the summary of the Infrastructure Tracker Account activity for 2018 through 2020, and Attachment 3 provides monthly detail for 2018, 2019 and 2020. The 2019 true-up balance is currently forecasted to be \$(1,657,561) at the end of 2019. We propose revenue requirements of \$19,255,370 for 2020, including the true-up balance, be included as part of this rider mechanism; support for this amount is included in Attachments 1 through 7. We have calculated this amount to be collected from customers from January through December 2020 through this tariff mechanism. Pending the timing of Commission approval, we will recalculate the Infrastructure Rider Adjustment Factor based on when the new rate can be implemented.

The proposed 2020 revenue requirements represent a \$4,692,550 increase compared to the 2019 revenue requirement approved for the Infrastructure Rider in Docket No. EL18-040. This increase is primarily associated with the new wind projects and a full year of revenue requirements in 2020 for the wind projects that are scheduled to go in service at the end of 2019.

**(9) Points Affected**

The proposed Infrastructure Rider Adjustment Factor would be applicable to all areas served by Xcel Energy in South Dakota.

**(10) Estimation of the Number of Customers whose Cost of Service will be Affected and Annual Amounts of either Increases or Decreases, or both, in Cost of Service to those Customers**

This tariff rider is proposed to be applied to all customers throughout all customer classes as described within this Petition. Xcel Energy presently serves approximately 95,620 customers in 36 communities in eastern South Dakota.

**(11) Statement of Facts, Expert Opinions, Documents, and Exhibits to Support the Proposed Changes**

Supporting information is provided in narrative throughout this Petition and in the attached Exhibits.

**PLANNED CUSTOMER NOTICE**

In accordance with ARSD 20:10:16:01(2), the Company plans to provide notice to customers comparing the prior rate and the new rate through a bill insert. Attachment 13 includes the language we propose be included with customers' bills the month the Infrastructure Adjustment Factor is implemented, or as soon as is practicable after implementation of the Adjustment Factor.

We will work with the Commission Staff to determine if there are any suggestions to modify this bill insert. To the extent that multiple new rider rates are implemented on the same date, we will coordinate the various rider customer notices.

**WIND PROJECT PERFORMANCE ANNUAL REPORT**

In the rate case Settlement, the Company agreed to report certain information related to capital cost, operating costs, congestion costs and other energy production information for the Pleasant Valley and Border Winds projects once construction of either project is completed. In the 2015 Infrastructure Rider proceeding, the Company also agreed to report the same information for the Courtenay project once

construction is completed.<sup>5</sup> The Settlement stipulated that reporting should begin with the first October 1 annual Infrastructure Rider update filing following the completion of the project construction, and we will continue to provide annual reports until each of these projects is moved into base rates.

The Pleasant Valley and Border Winds projects went into service in 2015, while the Courtenay project went into service in 2016. We provide the Wind Project Performance Annual Report information for calendar year 2018 for the Pleasant Valley, Border Winds and Courtenay facilities in Attachment 12.

### CONFIDENTIAL INFORMATION

Pursuant to South Dakota Admin. R. 20:10:01:41, we provide the following support for our request to classify certain documentation as confidential trade secret data. We request confidential treatment of certain portions of Attachments 2, 3, 4, 5, 7, 8 and 9A Pursuant to S.D. Codified Laws Chapter 20:10:01:41. The Company submits the following justification for confidential treatment of these Attachments.

- (1) An identification of the document and the general subject matter of the materials or the portions of the document for which confidentiality is being requested.**

We request confidential treatment on the grounds that the material is proprietary and trade secret information, the disclosure of which would result in material damage to the Company's financial or competitive position. Certain portions of Attachments 2, 3, 4, 5, 7, 8 and 9A contain financial information that is not available to the general public.

- (2) The length of time for which confidentiality is being requested and a request for handling at the end of that time. This does not preclude a later request to extend the period of confidential treatment.**

The Company requests that certain portions of Attachments 2, 3, 4, 5, 7, 8 and 9A be recognized as trade secret data in perpetuity.

- (3) The name, address, and phone number of a person to be contacted regarding the confidentiality request.**

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<sup>5</sup> Docket No. EL15-038

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- (4) The statutory or common law grounds and any administrative rules under which confidentiality is requested. Failure to include all possible grounds for confidential treatment does not preclude the party from raising additional grounds in the future.**

The claim for confidential treatment is based on South Dakota Admin. R. 20:10:01:39 (4) and S.D. Codified Laws Chapter 1-27-30. The information contained within the referenced documents meets the definition of “trade secret” under S.D. Codified Laws Chapter 37-29-1(4)(1), the South Dakota Uniform Trade Secrets Act, which is defined as information that “Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and... is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.” The information also meets the definition of “proprietary information” under S.D. Codified Laws Chapter 1-27-28, which is defined as “information on pricing, costs, revenue, taxes, market share, customers, and personnel held by private entities and used for that private entity’s business purposes.”

- (5) The factual basis that qualifies the information for confidentiality under the authority cited.**

The Company’s capital structure and confidential provisions of the Settlement is trade secret consistent with the Settlement Stipulation and Commission Order in Docket EL14-058.

### CONTACT INFORMATION

We request that all communications regarding this proceeding, including data requests, also be directed to: