



414 Nicollet Mall
Minneapolis, Minnesota 55401

—Via Electronic Filing—

December 29, 2014

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

RE: JANUARY 2015 FUEL CLAUSE CHARGE

Dear Ms. Van Gerpen:

Northern States Power Company, doing business as Xcel Energy and operating in South Dakota, hereby submits its electric fuel clause charge (FCC) for January 2015.

Pursuant to Commission authorization of the final compliance tariffs in the Company's 2012 rate proceeding (Docket No. EL12-046), the new Fuel Adjustment Factor (FAF) listed on table below became effective along with the final rates on May 1, 2013. On June 23, 2014, the Company submitted an application for an increase in rate (Docket No. EL-14-058). Under South Dakota law 49-34A-17, an interim rate increase, subject with refund with interest, will take effect on January 1, 2015. This interim rate change will have no impact on FCC.

FAF Ratio	Previous	Current
Residential	1.0119	1.0216
C & I Non-Demand	1.0268	1.0204
C & I Demand	1.0089	0.9993
C & I Demand TOD On-Peak	1.2537	1.2532
C & I Demand TOD Off-Peak	0.7910	0.7947
Outdoor Lighting	0.7629	0.7421

The table below shows the new Fuel Cost Charge by service category:

January 2015	Fuel Cost Charge (\$/kWh)
Residential	0.03194
C & I Non-Demand	0.03190
C & I Demand	0.03124
C & I Demand Time of Day On-Peak	0.03918
C & I Demand Time of Day Off-Peak	0.02484
Outdoor Lighting	0.02320

MISO CHARGES IMPLEMENTATION

MISO Day 2 Charges

This filing includes our reporting of the Midcontinent Independent System Operator, Inc. (MISO, formerly Midwest Independent Transmission System Operator, Inc.) 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. On February 12, 2009, the Commission approved the Fuel Clause Rider tariff revisions (Docket No. EL08-035), which allowed the new MISO Day 2 charge types: Schedule 24, Auction Revenue Rights, and the new Financial Transmission Rights charge types, to be reflected in the Fuel Clause Rider. In compliance with this Order and the required "net" accounting of Day 2 costs and revenues, we have included in the January 2015 FCC, the net MISO Day 2 costs for November 2014 as recorded in Account 555. The MISO Day 2 cost recovery included in this January 2015 FCC is \$9,407,951, 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

Also 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 January 2015 FCC the net MISO ASM costs for November 2014 as recorded in Account 555. The MISO ASM cost recovery included