



414 Nicollet Mall
Minneapolis, Minnesota 55401

September 30, 2016

—Via Electronic Filing—

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

RE: OCTOBER 2016 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 October 2016.

Pursuant to the Commission authorization of the final compliance tariffs in the Company's 2014 rate proceeding (Docket No. EL14-058), the new rates are effective on July 1, 2015. The new Fuel Adjustment Factor (FAF) Ratio listed below also became effective:

FAF Ratio	Current	Effective July 1, 2015
Residential	1.0216	1.0124
C & I Non-Demand	1.0204	1.0199
C & I Demand	0.9993	1.0033
C & I Demand TOD On-Peak	1.2532	1.2090
C & I Demand TOD Off-Peak	0.7947	0.8304
Outdoor Lighting	0.7421	0.7621

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

October 2016	Fuel Cost Charge (\$/kWh)
Residential	0.02492
C & I Non-Demand	0.02510
C & I Demand	0.02469
C & I Demand Time of Day On-Peak	0.02976
C & I Demand Time of Day Off-Peak	0.02044
Outdoor Lighting	0.01876

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 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 October 2016 FCC, the net MISO Day 2 costs for August 2016 as recorded in Account 555. The MISO Day 2 cost recovery included in the FCC is \$9,378,343, 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