



414 Nicollet Mall
Minneapolis, Minnesota 55401

September 29, 2017

—Via Electronic Filing—

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

RE: OCTOBER 2017 FUEL CLAUSE CHARGES

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 2017.

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

FAF Ratio	Current
Residential	1.0124
C & I Non-Demand	1.0199
C & I Demand	1.0033
C & I Demand TOD On-Peak	1.2090
C & I Demand TOD Off-Peak	0.8304
Outdoor Lighting	0.7621

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

October 2017	Fuel Cost Charge (\$/kWh)
Residential	0.01988
C & I Non-Demand	0.02002
C & I Demand	0.01970
C & I Demand Time of Day On-Peak	0.02374
C & I Demand Time of Day Off-Peak	0.01630
Outdoor Lighting	0.01496

RESOLUTION OF THE FUEL CLAUSE SUSPENSION

On September 19, 2017, the Commission issued an Order in Docket No EL16-037 granting the Joint Motion for Approval of Settlement Stipulation issued by the Staff and the Company, which resolved issues related to recovery of certain costs through the Company's Fuel Clause Rider (FCR). On September 15, 2017, the Company filed a request to vary from the FCR tariff in Docket No. EL17-038. In compliance with the Commission's Order in Docket No. EL16-037, the Company proposed to mitigate potential FCR rate volatility by amortizing the unrecovered balance over a period of five month. The Company also requested approval of the proposed proxy pricing methodology for the Aurora project. On September 28, 2017, the Commission issued an Order approving the Company's amortization proposal of the accumulated unrecovered balance and the proposed proxy pricing methodology for the Aurora project. Attachment 1 contains the computation of the October 2017 FCC consistent with the Commission's Orders. Specifically, Attachment 1, pages 2 and 3 illustrate the derivation of the true up and the five month amortization plan to recover the unrecovered balance. In addition, Attachment 5, page 1, is the new report on new Purchased Power Agreements (PPAs) with a term of one year or more where costs are included in the October 2017 FCC.

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,