



414 Nicollet Mall
Minneapolis, Minnesota 55401

April 30, 2018

—Via Electronic Filing—

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

RE: MAY 2018 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 charges (FCC) for May 2018.

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 Clause Charge by service category:

May 2018	Fuel Cost Charge (\$/kWh)
Residential	0.01196
C & I Non-Demand	0.01205
C & I Demand	0.01185
C & I Demand Time of Day On-Peak	0.01428
C & I Demand Time of Day Off-Peak	0.00981
Outdoor Lighting	0.00900

The FCCs are lower than a typical month due to the continuing impact of the rate freeze deferral amortization on the true-up calculation. We expect the magnitude of the monthly true-up will return to normal in the short run. We will continue to monitor the true-up and will propose mitigating remedy if the volatility continues.

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 FCR tariff revisions (Docket No. EL08-035), which allowed the new MISO Day 2 charge types (Schedule 24, Auction Revenue Rights, and Financial Transmission Rights) to be reflected in the FCR. In compliance with this Order and the required "net" accounting of Day 2 costs and revenues, we have included in the May FCC the net MISO Day 2 costs for March as recorded in Account 555. The MISO Day 2 cost recovery included in the FCC is \$5,189,121 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.