



414 Nicollet Mall
Minneapolis, MN 55401

December 19, 2025

—Via Electronic Filing—

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

RE: JANUARY 2025 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 January 2025.

Pursuant to the Commission authorization of the final compliance tariffs in the Company's 2022 rate proceeding (Docket No. EL22-017), the new rates became effective on July 1, 2023. Correspondingly the new Fuel Adjustment Factor (FAF) Ratios listed below also became effective:

FAF Ratio	Effective July 1, 2023
Residential	1.0151
C & I Non-Demand	0.9924
C & I Demand	1.0056
C & I Demand TOD On-Peak	1.1928
C & I Demand TOD Off-Peak	0.8438
Outdoor Lighting	0.8029

The table below shows the Fuel Clause Charge by service category:

January 2025	Fuel Cost Charge (\$/kWh)
Residential	\$0.03610
C & I Non-Demand	\$0.03529
C & I Demand	\$0.03576
C & I Demand Time of Day On-Peak	\$0.04242
C & I Demand Time of Day Off-Peak	\$0.03001
Outdoor Lighting	\$0.02855

The fuel rates are an average of the most recent two months of South Dakota's share of actual fuel expense. These rates also include asset and non-asset based margin credits and true-ups for prior period recovery differences, property taxes, and credits for REC sales. The average fuel rate for January is 3.556 cents/kWh. The NSP system costs for November were lower than October driven by greater generation from natural gas combined cycle and coal plants corresponding with October outages at these units that ended by November. Greater generation from gas and coal led to lower market purchases and strong sales of energy to the MISO market. Higher average LMP increased revenue from sales to MISO, contributing to lower total system costs for November. In addition, congestion costs from the MISO market were lower in November corresponding to transmission that began to return to service in November from planned outages that were on-going in October. Lastly, there were lower purchased solar costs due to lower solar irradiance and reduced purchased energy cost due to less contracted energy purchased from Manitoba Hydro in the winter. Overall, this led to a decrease of 0.02 cents/kWh this month, from December's rate of 3.577 cents/kWh (average of September and October expense) to January's rate of 3.556 cents/kWh (average of October and November expense). Please see Schedule 7 for further details.

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 January 2025 FCC the net MISO Day 2 costs for November 2024 as recorded in Account 555. The MISO Day 2 cost recovery included in the FCC is \$20,439,628 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 compliance with this Order and the required "net" accounting of ASM costs and revenues, we include in the January 2025 FCC the net MISO ASM costs for November 2024 as recorded in Account 555. The MISO ASM cost recovery included in the FCC is \$1,647,155 which is the net of many items. The detailed records are contained in Attachment 2, page 2.

PROPERTY TAX

Pursuant to the Commission's June 16, 2015 Order in Docket No. EL14-058, the Company has modified the Fuel Clause Rider (FCR) tariff to allow collection of property taxes. As permitted by SDCL 49-34A-25, a property tax adjustment will be determined annually and is defined as the difference between the South Dakota state jurisdictional share of property tax forecasted for the calendar year and the amount reflected in South Dakota base rates, plus a true-up for the prior year actual property tax recorded compared to that year's forecast. The resultant adjustment amount is recovered from customers. An annual adjustment amount equal to or less than \$100,000 is recovered in one month, and an amount greater than \$100,000 is recovered over a 12-month period beginning in April.

The 2024 incremental property tax adjustment amount is a credit of \$494,600, including the 2023 true-up, and an equal monthly amount of \$41,217 is credited to customers from April 2024 through March 2025 FCR. The amount reflected in the January 2025 FCC is -\$47,717, or -0.029 cent per kWh, which includes the prior months true up. Attachment 3, page 4 contains the tracker of the property tax recovery.

MARGINS SHARING PROGRAM

Pursuant to Commission authorization of the final compliance tariffs in the Company's 2011 rate proceeding (Docket No. EL11-019), South Dakota customers will be credited 100 percent of the jurisdictional portion of actual asset-based margins and 30 percent of the jurisdictional share of non-asset based margins from intersystem sales as described in the Company's South Dakota FCR. Attachment 3, pages 1 and 2 contain the trackers of these sharing refunds.

Asset Based Margins Sharing

Attachment 3, page 1 is the asset-based margins sharing tracker showing the monthly amount credited to South Dakota customers. Asset-Based margins of \$229,601, plus the prior month's true-up of \$106,068 (a total of \$335,669 or 0.204 cent per kWh) is included in the January 2025 FCC calculation.

Non-Asset Based Margins Sharing

The realized South Dakota retail share of calendar year 2023 Non-Asset Based Margin is \$18,577. Pursuant to the terms described in the tariff, this margin credit is under \$100,000 and therefore the entire credit was refunded in the March 2023 FCC. There will be subsequent small residual true-ups to be reflected in the following monthly FCC factors in order to fully refund the 2023 Non-Asset Based Margin credits to customers (See Attachment 3, page 2).

OTHER REFUNDS

The share of revenue generated by the sale of emission allowances refunds will be included in Attachment 1, page 3 when applicable refund exceeded \$1,000.

Beginning with the 2023-2024 planning year, the Company will credit South Dakota customers the applicable jurisdictional share of all gains from the sale of capacity in

the Planning Resource Auction (PRA) conducted by MISO.¹ The applicable credit to South Dakota customers is \$23,534 included in January FCC (Attachment 1 Page 3, Line f).

The South Dakota jurisdictional share of any nuclear production tax credits established by the Inflation Reduction Act of 2022, Pub. L. No. 117-169, 136 Stat. 1818 (2022), and earned by the Company will be allocated to South Dakota jurisdiction and returned to customers within 90 days of the Company receiving the credits.² There are no nuclear production tax credits included in the January FCC.

WIND CURTAILMENT

The system amount paid for wind curtailment in November 2024 is \$5,961,938, for 143,823 MWh of curtailed energy. The South Dakota jurisdictional portion is \$298,097. Pursuant to the Settlement Stipulation as amended and approved by the Commission in Docket No. EL09-009, the Company includes as Attachment 4 the wind curtailment summary report for Minnesota showing actual total payments made for wind curtailment events separated into the following reason codes:

1. Lack of firm transmission as described in Attachment C of the MISO Open Access Transmission Tariff (ATC Constraint)
2. Low load
3. Transmission loading relief or MISO directive for reasons other than ATC Constraint
4. Other

Currently all wind curtailment events are under reason code 3.

EXCESS RENEWABLE ENERGY CREDITS

Pursuant to the Commission's February 12, 2010 Order in Docket No. EL09-029, 90 percent of our South Dakota jurisdictional share of the net revenue generated by the sale of Renewable Energy Credits (RECs) shall be refunded to customers (Attachment 3, page 3). The Company did a journal entry to write off the \$471 true-up balance for August 2023. As a benefit to customers the small charge of REC sales sharing true-up has stopped beginning with the October 2023 FCC calculation. Going forward, the tracker will carry a zero balance until there are new South Dakota REC sales transactions.

¹ Joint Motion for Approval of Settlement Stipulation (Docket No. EL22-017)

² Joint Motion for Approval of Settlement Stipulation (Docket No. EL22-017)

BIOMASS PURCHASED POWER AGREEMENTS (PPAs) TERMINATION

The FCC reflects lower purchased power costs because of termination of the Benson and Laurentian biomass PPAs. Pursuant to Commission's June 28, 2018 Order in Docket No. EL18-27, the recovery of the termination costs is deferred to a separate proceeding outside of the Fuel Clause. Pursuant to the Settlement Stipulation approved by the Commission's July 18, 2018 Order in Docket No. GE17-003 and Commission's June 28, 2018 Order in Docket No. EL18-027, these costs are recovered in the Company's Infrastructure Rider.

SHERCO SOLAR COSTS

On October 8, 2024, the Company filed a letter regarding cost recovery associated with the Company's Sherco Solar generating units 1 and 2 (Docket No. EL23-025). In the letter, we noted that we will propose ratemaking treatment of the 2023-2025 revenue requirements after the projects have been fully reviewed. The docket remains open at this time. In September 2024, Sherco Solar unit 1 began to provide energy as part of testing procedures. There were no costs for this energy included in this month's FCA. MISO revenues for the sale of the test energy into the MISO market are included.

INCLUSION OF NEW PPA and RESOLUTION OF THE FUEL CLAUSE SUSPENSION (DOCKET NOS. EL16-037 AND EL16-038)

The settlement stipulation approved by the Commission in Docket No. EL16-037 requires the Company to provide information on any new PPA included for cost recovery. On March 23, 2020, the Commission issued Order under Docket No. EL18-004 accepting the Joint Motion of the Company and Commission Staff settlement that established proxy capacity and energy prices on the disputed resources in South Dakota. This settlement establishes proxy prices to be used for the recovery of costs for the Marshall and Northstar Solar PPAs, the C-BED PPAs, and RDF PPAs. This proxy pricing began on Fuel Cost Factors effective in June 2020.

The Company completed the closing process for the acquisition of the Jeffers and Community Wind North projects from Longroad Energy effective December 31, 2020. The PPAs with Jeffers Wind 20 LLC, North Community Turbines LLC, and North Wind Turbines LLC terminated effective December 31, 2020.

Attachment 1, pages 2 to 3 and Attachment 6 contain the computation of the January 2025 FCC consistent with the Commission's March 23, 2020 Order under Docket

No. EL18-004. In addition, Attachment 5, page 1, is the report on new purchased power agreements (PPAs) with a term of one year or more where costs are included in the FCC.

MWH SALES

The South Dakota jurisdiction MWh sales for the month of November 2024 are shown on Line 13 in Attachment 1, page 2.

GENERATION UNIT OUTAGES

Attachment 8 provides generation unit planned and unplanned outages of 500 MW or more lasting for 24 hours or more to date through October with a brief explanation of the reason for each outage.

If you have any questions regarding the information contained in this filing, please contact Hui Chen at hui.chen@xcelenergy.com.

Sincerely,

/s/

LISA PETERSON
DIRECTOR, REGULATORY PRICING & ANALYSIS

Enclosures