414 Nicollet Mall
Minneapolis, MN 55401

May 30, 2025

—Via Electronic Filing—

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

RE: JUNE 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 June 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:

June 2025	Fuel Clause Charge ($/kWh)
Residential	$0.01811
C & I Non-Demand	$0.01770
C & I Demand	$0.01794
C & I Demand Time of Day On-Peak	$0.02128
C & I Demand Time of Day Off-Peak	$0.01505
Outdoor Lighting	$0.01432

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 June is 1.784 cents/kWh, down from 2.579 cents/kWh last month.

As temperatures increase in the spring, the NSP system load decreased in April relative to February. Although this resulted in lower load requirements in April, system costs for NSP were higher than in February. The increase in cost was driven by less generation available from owned nuclear, coal, and natural gas combined cycle generation units. The nuclear and coal units had less generation due to a planned refueling outage at Monticello and coal maintenance. Also, planned, and unplanned outages at natural gas combined cycle units contributed to higher costs. The lower available owned generation and lower market LMP resulted in less market sales, contributing to higher system costs. Owned wind and hydro generation were higher in April than February, and, along with lower natural gas prices, slightly offset the higher system cost.

Compared to May's FCC, this month the 2-month average system fuel costs increased by 0.447 cents/kWh, the true-up for prior months recovery decreased by 1.292 cents/kWh, and the other refunds factor increased by 0.050 cents/kWh. The overall impact on the FCC rate is a decrease of 0.795 cents/kWh this month, from May's rate of 2.579 cents/kWh (average of February and March expense) to June's rate of 1.784

cents/kWh (average of March and April 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 June 2025 FCC the net MISO Day 2 costs for April 2025 as recorded in Account 555. The MISO Day 2 cost recovery included in the FCC is $23,680,292 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 June 2025 FCC the net MISO ASM costs for April 2025 as recorded in Account 555. The MISO ASM cost recovery included in the FCC is $1,884,723 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 2025 incremental property tax adjustment amount is a credit of $606,807, including the 2024 true-up, and an equal monthly amount of $50,567 is credited to customers from April 2025 through March 2026 FCR. The amount reflected in the June 2025 FCC is -$62,736, or -0.037 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.

<u>Asset Based Margins Sharing</u>

Attachment 3, page 1 is the asset-based margins sharing tracker showing the monthly amount credited to South Dakota customers. Asset-Based margins of $364,698, plus the prior month's true-up of $252,601 (a total of $617,299 or 0.363 cent per kWh) is included in the June 2025 FCC calculation.

<u>Non-Asset Based Margins Sharing</u>

The realized South Dakota retail share of calendar year 2024 Non-Asset Based Margin is $0. There will be subsequent small residual true-ups to be reflected in the following monthly FCC factors. (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 $25,245 included in June FCC (Attachment 1 Page 3, Line f).

WIND CURTAILMENT

The system amount paid for wind curtailment in April 2025 is $4,551,364, for 104,706 MWh of curtailed energy. The South Dakota jurisdictional portion is $227,568. 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 $2,016 or 0.001 cent per kWh REC sales sharing true-up is included in the June FCC calculation.

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.

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

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. With the true-up of January 2025 occurring in March 2025, the Company began including costs for the capacity proxy pricing for Marshall and Northstar Solar PPAs.

Beginning in 2024, capacity proxy charges for the Marshall Solar and North Star Solar PPAs are eligible for recovery through the FCR[2]. The Company began including current month costs in the January 2025 true-up for rates effective March 2025, see Attachment 1, page 3, line h. The Company will include the 2024 capacity proxy costs of $621,650 in the FCR over 12 months beginning in April 2025. The Company also includes corrections related to historical energy proxy pricing for 2016-2024, totaling $1,701,237 in credits to customers. The total amount of $1,079,586 including interest will be refunded evenly in 12 months. The monthly refund amount is $89,966. (See Attachment 1, page 3, item g).

The Company completed the closing process for the acquisition of the Jeffers and Community Wind North projects from Longroad Energy effective December 31,

[2] August 22, 2017 Settlement Stipulation and Order Granting Joint Motion for Approval of Settlement Stipulation (Docket No. EL16-037)

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 June 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 April 2025 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 April 2025 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