



414 Nicollet Mall
Minneapolis, MN 55401

February 27, 2026

—Via Electronic Filing—

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

RE: MARCH 2026 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 March 2026.

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:

| March 2026 | Fuel Clause Charge (\$/kWh) |
|--|------------------------------------|
| Residential | \$0.02669 |
| C & I Non-Demand | \$0.02609 |
| C & I Demand | \$0.02644 |
| C & I Demand Time of Day On-Peak | \$0.03136 |
| C & I Demand Time of Day Off-Peak | \$0.02219 |
| Outdoor Lighting | \$0.02111 |

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 March is 2.629 cents/kWh, up from 0.180 cents/kWh last month.

NSP System costs increased in January compared to November due to much colder temperatures in January which resulted in higher system load. Winter storm Fern occurred from January 23 through January 26 resulting in elevated prices for natural gas and from the MISO market. The NSP system performed well in January with coal, natural gas, wind, and nuclear generation all higher than November helping to support higher January system load. Coal, natural gas, and purchase costs from MISO were higher in January contributing to the increase in NSP system costs; however, some costs went to support asset-based sales of generation to the MISO market resulting in greater asset-based margins in January. The credits for asset based margins, property tax, and REC sales increased by 1.281 cents/kWh in this month’s FCC.

The Company and Commission Staff discussed fuel price volatility observed in recent months resulting from large swings in the true-up factor. To moderate this volatility, the Company replaced the two-month average sales with two-month total sales in the true-up calculation. This change lowered the true-up factor by 1.229 cents/kWh. The Company will monitor the impact of this modification. (See Attachment 1, Page 3, Lines 18m).

The overall impact on the FCC rate is an increase of 2.450 cents/kWh this month, from February's rate of 0.180 cents/kWh (average of November and December expense) to March's rate of 2.629 cents/kWh (average of December and January 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 March 2026 FCC the net MISO Day 2 costs for January 2026 as recorded in Account 555. The MISO Day 2 cost recovery included in the FCC is \$39,204,040 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 March 2026 FCC the net MISO ASM costs for January 2026 as recorded in Account 555. The MISO ASM cost recovery included in the FCC is \$16,555,758 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 March 2026 FCC is -\$39,126, or -0.019 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 \$3,101,588, plus the prior month's true-up of \$42,761 (a total of \$3,058,827 or 1.459 cent per kWh) is included in the March 2026 FCC calculation.

Non-Asset Based Margins Sharing

The realized South Dakota retail share of calendar year 2025 Non-Asset Based Margin is \$0. (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 In January 2026, MISO finalized fall Capacity Replacement Non-Compliance Charge (CRNCC)² penalties, which drove the excess capacity credits to a negative amount, meaning the Company owed money back to MISO—effectively a “payback” of previously received PRA revenues. As a result, a charge of \$83,930 is reflected for South Dakota customers in the March FCC (Attachment 1, Page 3, Line 18f).

WIND CURTAILMENT

The system amount paid for wind curtailment in January 2026 is \$3,161,364, for 7,177 MWh of curtailed energy. The South Dakota jurisdictional portion is \$158,068. 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 \$-346 or -0.000 cent per kWh REC sales sharing true-up is included in the March FCC calculation.

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

² The Capacity Replacement Non-Compliance Charge (CRNCC) is a charge assessed when a capacity resource is unavailable for greater than 31 days in a season due to full or partial generator planned outage. The charge is calculated as the number of days beyond 31 that the resource was unavailable multiplied by the Zonal Resource Credits (ZRC) not replaced multiplied by the sum of the seasonal zonal auction clearing price (ACP) and the daily zonal cost of new entry (CONE).

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 and May 2025, Sherco Solar 1 and 2 began to provide energy as part of testing procedures prior to being placed in-service in October 2024 and September 2025, respectively. There were no costs for the energy from these units included in this month's FCA. MISO revenues for the sale of the 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 FCR³. The Company includes the 2024

³ August 22, 2017 Settlement Stipulation and Order Granting Joint Motion for Approval of Settlement Stipulation (Docket No. EL16-037)

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 18g).

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 March 2026 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 January 2026 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 January 2026 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