414 Nicollet Mall
Minneapolis, MN 55401

July 30, 2026

—Via Electronic Filing—

Ms. Leah Mohr, Executive Director
South Dakota Public Utilities Commission
Capitol Building, 1st Floor
500 E. Capitol Ave.
Pierre, SD 57501-5070

RE: AUGUST 2026 FUEL CLAUSE CHARGES

Dear Ms. Mohr:

Northern States Power Company, doing business as Xcel Energy and operating in South Dakota, hereby submits its electric fuel clause charges (FCC) for August 2026.

Pursuant to the Commission authorization of the final compliance tariffs in the Company's 2025 rate proceeding (Docket No. EL25-024), the new rates became effective on July 1, 2026. Correspondingly the new Fuel Adjustment Factor (FAF) Ratios listed below also became effective:

FAF Ratio	Current	Effective July 1, 2026
Residential	1.0151	1.0231
C & I Non-Demand	0.9924	1.0028
C & I Demand	1.0056	0.9929
C & I Demand TOD On-Peak	1.1928	1.2070
C & I Demand TOD Off-Peak	0.8438	0.8351
Outdoor Lighting	0.8029	0.8324

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

August 2026	Fuel Clause Charge ($/kWh)
Residential	$0.00389
C & I Non-Demand	$0.00381
C & I Demand	$0.00378
C & I Demand Time of Day On-Peak	$0.00459
C & I Demand Time of Day Off-Peak	$0.00318
Outdoor Lighting	$0.00317

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 August is 0.380 cents/kWh, down from 3.777 cents/kWh last month.

Net NSP system generation costs were higher in June compared to April, primarily driven by increased customer load resulting from warmer temperatures and higher natural gas prices. Lower owned wind and hydro generation increased reliance on higher-cost resources, while improved availability of the Black Dog and High Bridge combined-cycle units supported higher natural gas generation to meet increased load and offset lower renewable output. Coal generation also increased with the seasonal return of the King plant for summer operations. In addition, higher levels of PPA solar generation contributed to increased costs.

Market purchase costs increased as higher MISO locational marginal prices (LMPs) more than offset the impact of lower purchase volumes. These cost increases were partially offset by lower MISO congestion costs and reduced PPA wind generation expense.

Overall, higher customer load in June, combined with increased natural gas fuel expense, higher market purchase costs, and lower owned renewable generation, drove the increase in net system fuel costs relative to April.

The true-up for prior months fuel recovery decreased by 3.396 cents/kWh from the May factor to the June factor. This is due to differences in billing cycle schedules and sales activities. Additionally, credits for asset based margins, property tax, and REC sales decreased by 0.186 cents/kWh in this month's FCC.

The overall impact on the FCC rate is a decrease of 3.396cents/kWh this month, from July's rate of 3.777 cents/kWh (average of April and May expense) to August's rate of 0.380 cents/kWh (average of May and June expense). Please see Schedule 7 for further details. The Company notes that we continue to see month-to-month fuel price volatility. We are working on a proposal to address this issue, and plan to file a proposal in the next few weeks.

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 August 2026 FCC the net MISO Day 2 costs for June 2026 as recorded in Account 555. The MISO Day 2 cost recovery included in the FCC is $2,861,466 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 August 2026 FCC the net MISO ASM costs for June 2026 as recorded in Account 555. The MISO ASM cost recovery included in the FCC is $9,661,037 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 2026 incremental property tax adjustment amount is a charge of $279,975, including the 2025 true-up, and an equal monthly amount of $23,331 is charged to customers from April 2026 through March 2027 FCR. The amount reflected in the August 2026 FCC is $19,564, or 0.011 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 $629,738, plus the prior month's true-up of $-43,946 (a total of $585,792 or 0.319 cent per kWh) is included in the August 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] The applicable credit to South Dakota customers is $14,052 included in August FCC (Attachment 1 Page 3, Line 18f).

WIND CURTAILMENT

The system amount paid for wind curtailment in June 2026 is $3,072,928, for 68,651 MWh of curtailed energy. The South Dakota jurisdictional portion is $153,646. 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 made journal entries to transfer the remaining small balances of the REC true-up to Asset-Based Margins. 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)

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.

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 August 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 June 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 June 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