



500 West Russell Street
Sioux Falls, SD 57101

May 26, 2017

—VIA ELECTRONIC FILING—

Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
Capitol Building, 1st Floor
500 East Capitol Avenue
Pierre, SD 57501

RE: ANNUAL REPORT OF JURISDICTIONAL EARNINGS
SOUTH DAKOTA JURISDICTION

Dear Ms. Van Gerpen:

Pursuant to the orders in the Transmission Cost Recovery Rider and Environmental Cost Recovery Rider, Docket Nos. EL07-007 and EL07-026, Northern States Power Company, a Minnesota corporation provides its report of jurisdictional earnings for the calendar year 2016.

In both dockets, settlement stipulations agreed to by Commission Staff and the Company, and approved by the Commission via orders dated January 13, 2009, specify that Xcel Energy shall provide to the Commission by June 1 of each year a report of our South Dakota jurisdictional earnings (Cost of Service Study) for the preceding calendar year. The report is to show, among other things, the overall rate of return and return on equity (ROE) earned, and the South Dakota revenue excess or deficiency based on the ROE authorized in the last rate case. The determinations are to be presented on an actual and weather-normalized basis and should reflect South Dakota ratemaking practices.

Pursuant to ARSD § 20:10:01:41, the Company respectfully requests confidential treatment of certain information provided in this report. The Company addresses the Commission's five factors for consideration of confidential data as follows:

(1) An identification of the document and the general subject matter of the materials or the portions of the document for which confidentiality is being requested:

The ROE is considered confidential, trade secret information. Therefore, we present our revenue deficiency based on an overall rate of return, the components of which are marked as confidential, but are based on the Company's actual capital structure, cost of long-term debt and approved ROE from the last case.

(2) The length of time for which confidentiality is being requested and a request for handling at the end of that time. This does not preclude a later request to extend the period of confidential treatment:

The Company requests that the data contained in this report be treated as confidential forever.

(3) The name, address, and phone number of a person to be contacted regarding the confidentiality request:

Steven T. Kolbeck
Xcel Energy
500 West Russell Street
Sioux Falls, SD 57104
605-339-8350

(4) The statutory or common law grounds and any administrative rules under which confidentiality is requested. Failure to include all possible grounds for confidential treatment does not preclude the party from raising additional grounds in the future:

The ROE approved in the Company's last rate case (Docket No. EL14-058) is protected trade secret information under SDCL §1-27-1.5 and SD Admin. R. 20:10:01:39.

(5) The factual basis that qualifies the information for confidentiality under the authority cited:

The information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.

Please contact me if you have any questions regarding this filing.

SINCERELY,

/s/

STEVE KOLBECK
PRINCIPAL MANAGER, SOUTH DAKOTA COMMUNITY RELATIONS

Enclosure