



500 West Russell Street
P.O. Box 988
Sioux Falls, SD 57101-0988

December 15, 2017

—Via Electronic Filing—

Ms. Patricia Van Gerpen, Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

RE: DECEMBER 5, 2017 HEARING FOLLOW-UP
IN THE MATTER OF THE PETITION OF NORTHERN STATES POWER
COMPANY DBA XCEL ENERGY FOR APPROVAL OF ITS 2016 DEMAND SIDE
MANAGEMENT REPORT AND 2018 PROPOSED DEMAND SIDE
MANAGEMENT PLAN
DOCKET NO. EL17-019

Dear Ms. Van Gerpen:

The Company is enclosing an update to our bill insert language to be included in our January bills upon approval of the 2016 DSM Cost Adjustment Factor. The Company would like to use the updated rates, as shown in the “other rates” column to more effectively communicate potential bill impacts to our customers – making it easier to read and understand. There is no change to the cost adjustment factor. This is a communication change only.

If you have any further questions, please call me at 605-339-8303.

Sincerely,

A handwritten signature in black ink that reads 'Steve Kolbeck'. The signature is fluid and cursive, with a large loop at the end of the last name.

Steve Kolbeck
Principal Manager –South Dakota
Xcel Energy

Proposed Customer Bill Onsert Language

DSM Cost Adjustment Factor Increase Effective January 1, 2018

Xcel Energy offers a variety of load management and demand side management (DSM) programs to our South Dakota customers to help them reduce their home's usage. The South Dakota Public Utilities Commission has approved a new Demand Side Management (DSM) Cost Adjustment Factor as a separate line item on your monthly electric bill to recover the cost of our load management and DSM programs. Beginning January 1, 2018, the rate factor will increase from \$0.000504 per kWh to \$0.000510 per kWh.

Residential Electric Service – Winter Month Bill Example

This chart provides a comparison of customer bills by applying the prior DSM rate vs. the new DSM rate.

Usage (kWh)	Prior Rates				New Rates				Amount of Bill Increase	Percent Increase
	Other Rates	Prior DSM Factor	Prior DSM	Prior Bill	Other Rates	New DSM Factor	New DSM	New Bill		
400	\$52.75	\$0.000504	\$0.20	\$52.95	\$52.75	\$0.000510	\$0.20	\$52.95	\$0.00	0.00%
500	\$63.88	\$0.000504	\$0.25	\$64.13	\$63.88	\$0.000510	\$0.26	\$64.14	\$0.01	0.02%
600	\$75.01	\$0.000504	\$0.30	\$75.31	\$75.01	\$0.000510	\$0.31	\$75.32	\$0.01	0.01%
750	\$91.70	\$0.000504	\$0.38	\$92.08	\$91.70	\$0.000510	\$0.38	\$92.08	\$0.00	0.00%
1000	\$119.51	\$0.000504	\$0.50	\$120.01	\$119.51	\$0.000510	\$0.51	\$120.02	\$0.01	0.01%
2000	\$230.77	\$0.000504	\$1.01	\$231.78	\$230.77	\$0.000510	\$1.02	\$231.79	\$0.01	0.00%

For more information

You may call **800.895.4999** with questions or examine the new rates by visiting our website at xcelenergy.com/sd rates.