



500 West Russell Street
Sioux Falls, South Dakota 57101

December 21, 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

RE: COMPLIANCE FILING
2016 DSM STATUS REPORT AND 2018 DSM PROPOSED PLAN
DOCKET NO. EL17-019

Dear Ms. Van Gerpen:

Northern States Power Company, doing business as Xcel Energy, submits this filing in compliance with the South Dakota Public Utilities Commission's December 21, 2017 ORDER APPROVING 2016 DEMAND SIDE MANAGEMENT REPORT AND 2018 PROPOSED DEMAND SIDE MANAGEMENT PLAN in the above-noted docket. The DSM factor will change to \$0.000510 per kWh effective January 1, 2018.

Updated Tariff Sheet

Attachment A is a copy of our compliance tariff sheet as follows:

South Dakota Electric Rate Book – SDPUC No. 2

Sheet No. 5-73, revision 5

Customer Notification

Customers will receive a bill onsert in their January bills demonstrating bill impact. An updated version of this bill onsert is included as Attachment B. We have combined both the DSM Rider language and the Infrastructure Rider messages together.

Should you have any questions regarding this filing please contact Jessica Peterson at (612) 330-6850 or Jessica.k.peterson@xcelenergy.com.

Sincerely,

A handwritten signature in black ink that reads "Steve Kolbeck". The signature is written in a cursive style with a large, looping initial "S".

Steve Kolbeck
Principal Manager –South Dakota
Xcel Energy

Enclosures

Northern States Power Company, a Minnesota corporation
Minneapolis, MN 55401

SOUTH DAKOTA ELECTRIC RATE BOOK - SDPUC NO. 2

**DEMAND SIDE MANAGEMENT COST
ADJUSTMENT FACTOR**

Section No. 5
5th Revised Sheet No. 73
Cancelling 4th Revised Sheet No. 73

APPLICATION

Applicable to bills for electric service provided under the Company's retail rate schedules.

RIDER

There shall be included on each customer's monthly bill a Demand Side Management Cost Adjustment, which shall be calculated by multiplying the monthly applicable billing kilowatt hours (kWh) by the Demand Side Management Factor (DSM Factor). This Demand Side Management Cost Adjustment shall be calculated before city surcharge and sales tax.

DETERMINATION OF DSM FACTOR

A DSM Factor shall be calculated by dividing the forecasted balance of the DSM Tracker Account (Tracker), including any True Up, by the Forecasted Retail Sales for the Next Recovery Period. The DSM Factor shall be rounded to the nearest \$0.000001 per kWh.

The DSM Factor may be adjusted annually with approval of the South Dakota Public Utilities Commission (Commission). The DSM Factor is:

All Customers	\$0.000510 per kWh
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DSM Tracker shall include all annual expenses, costs and incentives associated with demand side management programs and that are approved by the Commission. All revenues recovered pursuant to the Demand Side Management Cost Adjustment shall be credited to the Tracker.

Forecasted Retail Sales shall be the estimated total retail electric sales for the Next Recovery Period.

Next Recovery Period shall be that period that begins January 1 and ends December 31 following the Company's most recent May 1 filing.

TRUE-UP

True Up shall include the difference between the revenues received from customers and actual expenditures for the most recent recovery period ending December 31.

A True Up will be included in each annual May 1 filing beginning with the May 1, 2013 filing. The 2012 DSM Factor calculation will not include a True Up due to no previous cost or revenue activity prior to implementation of the Demand Side Management Cost Adjustment in 2012. Beginning with the Company's request submitted on May 1, 2013, the DSM Factor may include a True Up.

Date Filed:	05-01-17	By: Christopher B. Clark	Effective Date:	01-01-18
		President, Northern States Power Company, a Minnesota corporation		
Docket No.	EL17-019		Order Date:	12-21-17



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 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%

Infrastructure Rider Rate Decrease

Effective January 1, 2018

The Infrastructure Rider Adjustment, which recovers the costs and expenses of capital projects, is decreasing from \$0.005332 per kWh to \$0.005181 per kWh. The South Dakota Public Utilities Commission has approved the Infrastructure Rider Adjustment as a separate line item on your monthly electric bill beginning January 1, 2018.

Residential Electric Service – Winter Month Bill Example

This chart provides a comparison of customer bills by applying the prior Infrastructure Rider rate vs. the new Infrastructure Rider rate. The table below shows the Infrastructure Rider decrease only and does not factor in any other rate changes that may occur concurrently.

Usage (kWh)	Prior Rates				New Rates				Amount of Bill Decrease	Percent Decrease
	Other Rates	Prior I-Rider Factor	Prior I-Rider	Prior Bill	Other Rates	New I-Rider Factor	New I-Rider	New Bill		
400	\$50.82	\$0.005332	\$2.13	\$52.95	\$50.82	\$0.005181	\$2.07	\$52.89	-\$0.06	-0.11%
500	\$61.47	\$0.005332	\$2.67	\$64.14	\$61.47	\$0.005181	\$2.59	\$64.06	-\$0.08	-0.12%
600	\$72.11	\$0.005332	\$3.20	\$75.31	\$72.11	\$0.005181	\$3.11	\$75.22	-\$0.09	-0.12%
750	\$88.08	\$0.005332	\$4.00	\$92.08	\$88.08	\$0.005181	\$3.89	\$91.97	-\$0.11	-0.12%
1000	\$114.68	\$0.005332	\$5.33	\$120.01	\$114.68	\$0.005181	\$5.18	\$119.86	-\$0.15	-0.12%
2000	\$221.12	\$0.005332	\$10.66	\$231.78	\$221.12	\$0.005181	\$10.36	\$231.48	-\$0.30	-0.13%

For more information

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