

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
6th Revised Sheet No. 73
Cancelling 5th 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 \$0.000464 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:	05-01-18	By: Christopher B. Clark	Effective Date:	01-01-19
		President, Northern States Power Company, a Minnesota corporation		
Docket No.	EL18-023		Order Date:	12-18-18



South Dakota Residential Service Rates

Electric rates effective January 1, 2019

DSM Cost Adjustment Factor

Effective January 1, 2019

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, 2019, the rate factor will decrease from \$0.000510 per kWh to \$0.000464 per kWh.

Residential Electric Service — Winter Month Bill Example

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

Usage (kWh)	Prior Rates				New Rates				Change in Bill	Percent Change
	Other Rates	Prior DSM Factor	Prior DSM	Prior Bill	Other Rates	New DSM Factor	New DSM	New Bill		
400	\$53.41	\$0.000510	\$0.20	\$53.61	\$53.41	\$0.000464	\$0.19	\$53.60	-\$0.01	-0.02%
500	\$64.71	\$0.000510	\$0.26	\$64.97	\$64.71	\$0.000464	\$0.23	\$64.94	-\$0.03	-0.05%
600	\$76.00	\$0.000510	\$0.31	\$76.31	\$76.00	\$0.000464	\$0.28	\$76.28	-\$0.03	-0.04%
750	\$92.93	\$0.000510	\$0.38	\$93.31	\$92.93	\$0.000464	\$0.35	\$93.28	-\$0.03	-0.03%
1000	\$121.16	\$0.000510	\$0.51	\$121.67	\$121.16	\$0.000464	\$0.46	\$121.62	-\$0.05	-0.04%
2000	\$234.07	\$0.000510	\$1.02	\$235.09	\$234.07	\$0.000464	\$0.93	\$235.00	-\$0.09	-0.04%

For more information:

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

Infrastructure Rider Rate Increase

Effective January 1, 2019

The Infrastructure Rider Adjustment, which recovers the costs and expenses of capital projects, is increasing from \$0.005181 per kWh to \$0.006853 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, 2019.

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 increase only and does not factor in any other rate changes that may occur concurrently.

Usage (kWh)	Prior Rates				New Rates				Change in Bill	Percent Change
	Other Rates	Prior I-Rider Factor	Prior I-Rider	Prior Bill	Other Rates	New I-Rider Factor	New I-Rider	New Bill		
400	\$51.66	\$0.005181	\$2.07	\$53.73	\$51.66	\$0.006853	\$2.74	\$54.40	\$0.67	1.25%
500	\$62.52	\$0.005181	\$2.59	\$65.11	\$62.52	\$0.006853	\$3.43	\$65.95	\$0.84	1.29%
600	\$73.37	\$0.005181	\$3.11	\$76.48	\$73.37	\$0.006853	\$4.11	\$77.48	\$1.00	1.31%
750	\$89.65	\$0.005181	\$3.89	\$93.54	\$89.65	\$0.006853	\$5.14	\$94.79	\$1.25	1.34%
1000	\$116.78	\$0.005181	\$5.18	\$121.96	\$116.78	\$0.006853	\$6.85	\$123.63	\$1.67	1.37%
2000	\$225.32	\$0.005181	\$10.36	\$235.68	\$225.32	\$0.006853	\$13.71	\$239.03	\$3.35	1.42%

Transmission Cost Recovery Rider Rate Decrease

Effective January 1, 2019

Xcel Energy has upgraded transmission facilities to help ensure continued safe and reliable service to our South Dakota customers. The South Dakota Public Utilities Commission has approved a Transmission Cost Recovery (TCR) Rider as a separate line item on your monthly electric bill to recover the cost of new and modified transmission facilities. The rate factor will decrease from \$0.003131 per kWh to \$0.003037 per kWh beginning January 1, 2019.

Residential Electric Service — Winter Month Bill Example

This chart compares customer bills with the 2018 TCR rate versus bills with the new TCR rate. The table below shows the TCR decrease only and does not factor in any other rate changes that may occur at the same time.

Usage (kWh)	Prior Rates				New Rates				Change in Bill	Percent Change
	Other Rates	Prior TCR Factor	Prior TCR	Prior Bill	Other Rates	New TCR Factor	New TCR	New Bill		
400	\$51.85	\$0.003131	\$1.25	\$53.10	\$51.85	\$0.003037	\$1.21	\$53.06	-\$0.04	-0.08%
500	\$62.76	\$0.003131	\$1.57	\$64.33	\$62.76	\$0.003037	\$1.52	\$64.28	-\$0.05	-0.08%
600	\$73.66	\$0.003131	\$1.88	\$75.54	\$73.66	\$0.003037	\$1.82	\$75.48	-\$0.06	-0.08%
750	\$90.01	\$0.003131	\$2.35	\$92.36	\$90.01	\$0.003037	\$2.28	\$92.29	-\$0.07	-0.08%
1000	\$117.26	\$0.003131	\$3.13	\$120.39	\$117.26	\$0.003037	\$3.04	\$120.30	-\$0.09	-0.07%
2000	\$226.27	\$0.003131	\$6.26	\$232.53	\$226.27	\$0.003037	\$6.07	\$232.34	-\$0.19	-0.08%

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