

PUBLIC UTILITIES COMMISSION  
STATE OF SOUTH DAKOTA

Chris Nelson  
Kristie Fiegen  
Gary Hanson

Chairperson  
Vice Chair  
Commissioner

IN THE MATTER OF THE PETITION OF  
NORTHERN STATES POWER COMPANY  
FOR APPROVAL OF A WAIVER TO RETURN  
TO CUSTOMERS DEPARTMENT OF ENERGY  
SETTLEMENT PAYMENTS

DOCKET NO.: EL11-023  
EL16-001  
EL19-002

**PETITION**

**INTRODUCTION**

Pursuant to S.D. Codified Laws § 49-34A-6, Northern States Power Company, doing business as Xcel Energy, operating in South Dakota, submits this Petition to the South Dakota Public Utilities Commission (Commission) for a waiver to the Order in Docket No. EL19-002 to return future Settlement proceeds to customers within 90 days of receipt of payment from the Department of Energy (DOE). The Company is requesting approval of an additional 30 days to complete the return of the twelfth DOE payment to South Dakota Customers.

On October 27, 2021, the Company received the first payment under the Third Extended Settlement (the twelfth payment in the series) from the DOE in the amount of \$16,550,164 million on a total Company basis, or \$911,481 on a South Dakota jurisdictional basis, for damages incurred during the period of January 1, 2020 to December 31, 2020.

The Commission's February 22, 2019 Order in EL19-002 requires the Company to comply with the previous Orders related to the DOE settlement payments.<sup>1</sup> Those previous Orders require the Company to return the South Dakota jurisdictional portion to customers via a one-time credit within 90 days of the receipt of payment. We file this Petition to request a waiver to the 90-day requirement and request an additional 30 days for the twelfth payment only.

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<sup>1</sup> January 30, 2012 Order in Docket No. EL11-023 and February 17, 2016 Order in Docket No. EL16-001.

The Company has placed the DOE settlement funds into a separate external interest bearing account and will include the interest received, minus bank fees, in calculating the amount of the credit.

## **I. GENERAL FILING INFORMATION**

### **A. Utility Employee Responsible for Filing**

Steve Kolbeck  
Principal Manager  
Xcel Energy  
500 West Russell Street  
Sioux Falls, South Dakota 57104  
(605) 339-8350  
[Steven.T.kolbeck@xcelenergy.com](mailto:Steven.T.kolbeck@xcelenergy.com)

### **B. Date of Filing and Date Modified Rates Take Effect**

Xcel Energy submits this Petition for approval on November 26, 2021. The effective date to credit the Settlement payment is to be determined by the Commission.

## **II. DESCRIPTION AND PURPOSE OF FILING**

The Company requests Commission approval of a waiver to the 90-day requirement and also requests an additional 30 days for the twelfth DOE payment only.

In support of this filing, Xcel Energy provides:

- Background on past credit implementation;
- A description and support of the Company's proposed waiver.

## **III. BACKGROUND AND NEED FOR WAIVER**

The first twelve DOE payments were completed and returned to South Dakota customers as prescribed by prior Commission Orders. Currently, due to previously scheduled refunds in our NSP states, along with our billing system's ability to handle only one refund at a time, we are requesting a waiver for an additional 30-days to return the twelfth DOE payment.

Attachment A provides a summary of the South Dakota jurisdictional portion of the DOE payments which were returned to customers in the form of bill credits.

#### **IV. Proposed Waiver**

The first payment under the Third Extended Settlement was received on October 27, 2021 in the amount of \$16,550,164 million on a total Company basis (see Attachment B), or approximately \$911,481 on a South Dakota jurisdictional basis (see Attachment C) and represents damages for costs incurred in calendar year 2020. In total, we will return \$911,481 to our South Dakota customers before interest or bank fees are applied. The DOE payment has been placed in a segregated bank account established specifically and solely for the settlement proceeds, similar to the Company's treatment of the previous payments under the 2011 Settlement Agreement and Extended Settlement payments.

The Commission's Orders in Docket Nos. EL11-023, EL16-001 and EL19-002 required that we begin implementation of customer credits within 90 days of the Commission's order or receipt of the subsequent payments. For the twelfth payment, we request 30 days additional time for implementation and propose posting the credits to customers' accounts no later than February 28, 2022. The Company's software which processes refunds can only process one refund at a time. Due to the early arrival of the 2020 DOE settlement payment, and already scheduled refunds in our NSP states, we request this additional time only for the twelfth DOE payment.

#### **V. CREDIT MECHANISM**

##### **A. One-time Bill Credit**

Consistent with the procedures used for the previous DOE payments, the twelfth payment will be allocated to customer classes using the applicable allocator from the Company's most recent Class Cost of Service Study. The allocator used for nuclear plant investment costs was developed using a stratification process that resulted in an allocation factor that was approximately 80.9% "energy-related" and 19.1% "capacity-related."<sup>2</sup>

As outlined in Attachment C to this Petition, once the credit amounts have been allocated to each customer class, a credit factor will be calculated for each customer class based on the most recent and available 12 months of actual kWh usage for active customers. The appropriate credit factor will then be applied to each active customer's actual kWh usage for that time period to determine the actual credit amount for each customer. Customers that have an active account on the date the credit is calculated will receive a bill credit based on their usage for their current

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<sup>2</sup> See Attachment C.

address. Using 12-months of usage avoids the issues inherent with selecting a particular point in time to calculate the credit (e.g. the fluctuating usage of seasonal customers).

## **B. Interest**

The Company placed the funds in a separate interest-bearing account to protect both customers and the Company and to ensure the funds are accurately accounted for pending the actual bill credit. The interest bearing sweep account currently earns 0.05% annually and the interest is posted daily. The credit amount will include the actual amount of interest earned by the Company, minus any bank fees or charges on these funds. Placing the funds in a separate interest-bearing account is consistent with treatment of the funds from the previous payments.

## **C. Compliance Filings**

For the future payments and consistent with Docket Nos. EL11-023, EL16-001, and EL19-002, we propose submitting the same compliance filing within 30 days after receipt of each payment, and will include documentation similar to that which is provided in Attachments B and C in this filing for Commission Staff review.

For all payments, the Company will file a compliance report within 30 days after completion of each credit providing a summary of the settlement payment, interest credited, class allocations and the actual average customer credit per customer class as was done with the previous DOE payments.

## **VII. EFFECT OF THE CHANGE UPON XCEL ENERGY REVENUE**

There is no effect on the Company's revenues since the Settlement payments will be returned to customers with interest.

## **VIII. JURISDICTIONAL ALLOCATIONS**

The funds are payable to Northern States Power Company – Minnesota (NSPM), and will first be allocated between NSPM and NSP-Wisconsin (NSPW) Companies. The NSPM portion will be further allocated by jurisdiction (North Dakota, South Dakota, Minnesota) and then to customer classes. Finally, they will be credited to individual customers. Consistent with the method used in Docket Nos. EL11-023, EL16-001 and EL19-002, we propose using allocators from the year the damages were incurred. Thus for the twelfth payment, we would use the appropriate vintage allocator for 2020 between North Dakota retail, South Dakota retail, and Minnesota retail.

## IX. MISCELLANEOUS INFORMATION

We request that all communications regarding this proceeding, including data requests, pleadings, documents and other filings also be directed to:

Shubha Harris  
Principal Attorney  
Xcel Energy  
414 Nicollet Mall, 401 8<sup>th</sup> Floor  
Minneapolis, MN 55401  
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Lynnette Sweet  
Regulatory Administrator  
Xcel Energy  
414 Nicollet Mall, 401 7<sup>th</sup> Floor  
Minneapolis, MN 55401  
[Regulatory.Records@xcelenergy.com](mailto:Regulatory.Records@xcelenergy.com)

## CONCLUSION

The Company respectfully requests the Commission approve a waiver to the standing Order in Docket Nos. EL11-023, EL16-001 and EL19-002 to return future Settlement proceeds to customers within 90 days of receipt of payment from the Department of Energy (DOE). The Company is requesting approval of an additional 30 days to complete the return of the twelfth DOE payment to South Dakota Customers.

The mechanism will credit customers the twelfth payment under the extended Settlement in the form of a one-time bill credit based upon the customers' most recent twelve months of usage. The payment has been deposited in a separate interest-bearing bank account. The refund will include the actual interest earned minus bank fees.

Dated: November 26, 2021

Northern States Power Company