

**STATE OF SOUTH DAKOTA
BEFORE THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE APPLICATION 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
EL21-035
EL23-____

DOE PAYMENT #14

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. EL21-035 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 six weeks to complete the return of the fourteenth DOE payment to South Dakota Customers.

On November 20, 2023, the Company received the third payment under the Third Extended Settlement (the fourteenth payment in the series) from the DOE in the amount of \$16,781,605 on a total Company basis, or \$947,967 on a South Dakota jurisdictional basis, for damages incurred during the period of January 1, 2022 to December 31, 2022.

The Commission's January 20, 2022 Order in EL21-035 requires the Company to comply with the previous Orders related to the DOE settlement payments.¹ 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 six weeks for the fourteenth payment only.

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.

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

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
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Steven.T.Kolbeck@xcelenergy.com

B. Date of Filing and Date Modified Rates Take Effect

Xcel Energy submits this Petition for approval on December 20, 2023. 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 to return DOE Settlement proceeds to customers and also requests an additional six weeks for the fourteenth 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 thirteen DOE payments were completed and returned to South Dakota customers as prescribed by prior Commission Orders. However, 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 six weeks to return the fourteenth 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, in addition to the fourteenth payment discussed in this Petition to be returned to customers in the near future.

IV. Proposed Waiver

The third payment under the Third Extended Settlement was received on November 20, 2023 in the amount of \$16,781,605 on a total Company basis (see Attachment B), or \$947,967 on a South Dakota jurisdictional basis (see Attachment C) and represents damages for costs incurred in calendar year 2022. In total, we will return \$947,967 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 fourteenth payment, we request six weeks of additional time for implementation and propose posting the credits to customers' accounts no later than March 29, 2024. The Company's software which processes refunds can only process one refund at a time. Due to already scheduled refunds in our NSP states, we request this additional time only for the fourteenth DOE payment. The DOE Settlement payments have historically arrived between October and even as late as early January which creates challenges in coordinating implementation around already scheduled refunds.

V. CREDIT MECHANISM

A. One-Time Bill Credit

Consistent with the procedures used for the previous DOE payments, the fourteenth 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 80.8 percent energy-related and 19.2 percent capacity-related.²

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

² See Attachment C.

will receive a bill credit based on their usage for their current 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 4.20 percent 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, EL19-002, and EL21-035, 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.

VI. 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.

VII. 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, EL19-002, and EL21-035, we propose using allocators from the year the damages were incurred. Thus for the fourteenth payment, we would use the appropriate

vintage allocator for 2022 between North Dakota retail, South Dakota retail, and Minnesota retail.

VIII. MISCELLANEOUS INFORMATION

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

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CONCLUSION

The Company respectfully requests the Commission approve a waiver to the standing Orders in Docket Nos. EL11-023, EL16-001, EL19-002, and EL21-035 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 six weeks to complete the return of the fourteenth DOE payment to South Dakota customers.

The mechanism will credit customers the fourteenth 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: December 20, 2023

Northern States Power Company