

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

IN THE MATTER OF THE PETITION OF NORTHERN STATES POWER COMPANY DBA XCEL ENERGY FOR APPROVAL OF ITS 2024 INFRASTRUCTURE RIDER PROJECT ELIGIBILITY AND FACTOR UPDATE)	ORDER APPROVING 2024 INFRASTRUCTURE RIDER PROJECT ELIGIBILITY AND FACTOR UPDATE; ORDER APPROVING DEFERRED ACCOUNTING
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On September 1, 2023, the South Dakota Public Utilities Commission (Commission) received a Petition by Northern States Power Company dba Xcel Energy (Xcel) for approval of its 2024 Infrastructure Rider Project Eligibility and Factor Update. Xcel requested approval of the Infrastructure Rider Tracker Report and true-up for the 2023 revenue requirements, 2024 Infrastructure Rider revenue requirements of negative \$58,928, an updated Infrastructure Rider Adjustment Factor of negative \$0.000026 per kWh, proposed revision to the Infrastructure Rider tariff sheet, and proposed customer notice. Xcel states the average bill impact for a residential customer using 750 kWh per month will be an estimated credit of \$0.02 per month, an increase of \$1.36 compared to the 2023 credit. Xcel proposed to include new projects beginning in 2023 as well as the Sherco Solar I project beginning in 2024.

On September 7, 2023, the Commission electronically transmitted notice of the filing and the intervention deadline of September 22, 2023, to interested individuals and entities on the Commission’s PUC Weekly Filings electronic listserv. No petitions to intervene or comments were filed. On September 26, 2023, the Commission issued an Order Assessing Filing Fee; Order Authorizing Executive Director to Enter into Consulting Contracts. On November 29, 2023, Xcel submitted a Supplemental Filing proposing to include payments made to the Prairie Island Indian Community (PIIC) related to the Prairie Island Nuclear Generating Plant (PINGP). On June 7, 2024, Xcel filed another update to remove the Sherco Solar I project as Xcel will provide additional analysis regarding this project. This docket was deferred at the June 17, 2024, Commission meeting. On July 19, 2024, Xcel submitted a supplemental filing addressing Commissioner questions asked at the June 17, 2024, Commission meeting. Xcel requests a September 1, 2024, effective date and provided updated rates based on the September 1, 2024, effective date, both including and excluding the Prairie Island Indian Community payments. The two rates provided in Xcel’s July 19 supplemental filing summarized all costs for which Xcel sought inclusion, with the exception of the Sherco Solar I project, as that issue will be heard separately within this docket.

The revised tariff sheet proposed for approval by Xcel, effective for service rendered on and after September 1, 2024, is as follows:

South Dakota Electric Rate Book – SDPUC No. 2

Section No. 5
13th Revised Sheet No. 74 Cancelling 12th Revised Sheet No. 74

The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-34A, including 49-34A-6, 49-34A-7, 49-34A-8, 49-34A-10, 49-34A-12, and 49-34A-73 through 49-34A-78, and ARSD 20:10:13:48.

At its regularly scheduled meeting on July 30, 2024, the Commission considered this matter. Commission staff recommended the Commission defer a decision on the recovery of the PIIC payments until after the Company has been granted a life extension for the PINGP and authorize deferred accounting for those costs. Staff recommended that approval of deferred accounting should not preclude Commission review of these amounts and any future cost recovery for reasonableness and prudence and should not guarantee

any such recovery. Staff further recommended that the Commission approve one of the revised Infrastructure Rider Adjustment Factors provided in Xcel's July 19, 2024, filing, with or without the PIIC payments, with an effective date of September 1, 2024, and that Xcel submit a compliance filing with the final tariff revisions reflecting the approved rate.

The Commission voted unanimously to approve the Infrastructure Rider Adjustment Factor of \$0.002504 per kWh effective September 1, 2024, as provided in Xcel's July 19, 2024 filing, excluding the payments to the Prairie Island Indian Community, without prejudice, and to allow deferral accounting for the PIIC payments until a future rate case after Xcel has either been granted or denied a life extension for PINGP. It is therefore

ORDERED, that recovery of the Prairie Island Indian Community payments shall be denied without prejudice; It is further

ORDERED, that Xcel is authorized to use deferred accounting for the Prairie Island Indian Community payments subject to the following conditions:

- 1) That the deferral accounting method and the resulting creation of a regulatory asset (the deferred balance) shall not preclude Commission review of these amounts for reasonableness and possible disallowance of the rate recovery in any determination of rates, including both rate filings by Xcel and rate reviews initiated by the Commission;
- 2) That this allowance of a deferral accounting method and the resulting creation of a regulatory asset, after the related costs have been incurred, is not to be interpreted as allowing any future post expenditure deferrals; and
- 3) That the Commission's decision in this case is based on the facts of this case and any future allowance of the deferral accounting method and the resulting creation of a regulatory asset must be approved by the Commission. It is further

ORDERED, that the proposed projects, excluding the Sherco Solar I Project and the Prairie Island Indian Community payments, are approved as eligible for recovery and the revised Infrastructure Rider Adjustment Factor of \$0.002504 per kWh is approved, effective September 1, 2024. It is further

ORDERED, that Xcel shall file a revised version of the above-referenced tariff sheet reflecting the approved Infrastructure Rider Adjustment Factor of \$0.002504 per kWh, effective September 1, 2024.

Dated at Pierre, South Dakota, this 2nd day of August 2024.

CERTIFICATE OF SERVICE
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically or by mail.
By: <u><i>[Signature]</i></u>
Date: <u>2 Aug 2024</u>

BY ORDER OF THE COMMISSION:

Kristie Fiegen

KRISTIE FIEGEN, Chairperson

Gary Hanson

GARY HANSON, Commissioner

Chris Nelson

CHRIS NELSON, Commissioner