



500 West Russell Street
Sioux Falls, SD 57104

October 8, 2024

—Via Electronic Filing—

Ms. Patricia Van Gerpen, Executive Director
South Dakota Public Utilities Commission
Capitol Building, 1st Floor
500 E. Capitol Ave.
Pierre, SD 57501-5070

RE: LETTER
2024 INFRASTRUCTURE RIDER PROJECT ELIGIBILITY AND FACTOR UPDATE
DOCKET NO. EL23-025

Dear Ms. Van Gerpen:

Northern States Power Company, doing business as Xcel Energy, submits this letter regarding recovery of costs associated with the Company's Sherco Solar generating units 1 and 2.

The Company noted in our June 7, 2024 Update to the Commission in this docket that we removed all costs associated with the Sherco Solar project from the 2024 Infrastructure Rider revenue requirement calculations after discussions with Commission Staff. In that letter, we indicated we would provide additional analysis before proposing recovery of costs associated with the project. However, after further discussions with Staff, we believe we can achieve greater administrative efficiency if the review of Sherco Solar takes place as part of a future rate case proceeding. Staff was not opposed to review of the Sherco Solar analysis occurring as part of a rate case.

We note that because we requested recovery of the Sherco Solar units as part of our 2024 revenue requirements in the Infrastructure Rider, and voluntarily withdrew that request in order to allow more time for further analysis, the Company reserves the right to request recovery of the 2023-2025 revenue requirements associated with the Sherco units when we provide additional analysis supporting recovery of the projects in our next rate case. Staff was not opposed to the Company reserving the right to request recovery of these revenue requirement years. The Company will propose ratemaking treatment of the 2023-2025 revenue requirements after the projects have been fully reviewed. The Company requests this docket remain open at this time.

Please contact me at (605) 339-8350 or steven.t.kolbeck@xcelenergy.com or Jennifer Roesler at (612) 330-1925 or jennifer.roesler@xcelenergy.com if you have any questions regarding this filing.

Sincerely,

/s/

STEVE KOLBECK
PRINCIPAL MANAGER

Enclosures
cc: Service List