

## INTERIM REFUND PLAN

Xcel Energy submits the following plan for refunding the portion of the interim rate surcharge that will exceed the amount of the increase in the Settlement Stipulation to this docket. The interim rate period subject to refund is January 1, 2026, when interim rates began, through June 30, 2026.

On December 1, 2025, the Company filed its Notice of Intent to Implement Interim Rates pursuant to S.D. Codified Laws § 49-34A-17. On January 1, 2026, Xcel Energy implemented an incremental interim increase of approximately \$43.1 million, plus a transfer of approximately \$19.3 million for certain rider costs, shifting recovery to base rates from certain riders consistent with the Company's request in this rate case and the respective rider dockets. The total Interim Rate Increase is approximately \$62.4 million on an annual basis for service occurring on and after January 1, 2026.

In its Settlement Stipulation, the Parties agree to an increase in South Dakota jurisdictional electric revenues of approximately \$25,601,000, plus a transfer of approximately \$19,312,000 for certain rider costs, to produce total retail related revenue requirement of approximately \$314,130,000. As such, the annualized refund amount is approximately \$17,502,000. The steps that Xcel Energy will use for distributing this refund are described below.

The settlement test year revenue increase (line 2 of Attachment A) is subtracted from the authorized interim revenue increase (line 1 of Attachment A) to provide the test year interim refund (line 3 of Attachment A). The test year interim refund (approximately \$17,502,000) as a percent of the test year interim increase (approximately \$62,415,000) equals the interim refund factor (28.0409%; line 4 of Attachment A). This interim refund factor is applied to the actual monthly interim revenues collected to provide actual monthly refund amounts (Attachment B). Please note that Attachment B includes estimated interim refund collections for the months of April 2026 through June 2026. Actual interim revenue collections will be used in the calculations when they are available. The total refund amount without interest is estimated at approximately \$7,452,000 (line 6 of Attachment A).

As part of the refund, Xcel Energy will include interest, calculated by applying a 7% annual interest to the average refund balance for each month that interim revenues were collected (January 2026 through June 2026). The interest calculation is shown on Attachment C, with total interest charges through June 30, 2026 estimated at approximately \$116,000.

The actual interim revenue refund (line 6 of Attachment A) plus interest (line 7 of Attachment A) equals the refund obligation (line 8 of Attachment A) of approximately \$7,567,000. We also include an additional refund of \$1,552,000 as part of the Settlement Stipulation (line 9 of Attachment A), for a total refund obligation of approximately \$9,119,000 (line 10 of Attachment A). The total refund obligation as a percent of total actual revenues collected equals the actual interim revenue refund factor, which is estimated to be 34.3169% (line 11 of Attachment A).

For every customer assessed an interim rate charge, a refund will be calculated by multiplying the customer's actual interim rate charges during the period from January 2026 through June 2026 by the refund factor. The estimated average refund per residential customer is \$43.52. Refunds of the applicable franchise fees and sales taxes will also be included in the refund amount. The interim rate refunds will be credited to accounts during a monthly billing cycle currently estimated for August 2026. Refunds for existing customers will be in the form of a bill credit posted to the customer's account. A bill message will be developed to briefly describe the refund credit. Customers due a refund who are no longer Xcel Energy customers will receive a check if the refund amount is \$3.00 or more. Any residual un-refunded monies will be included in the fuel clause true-up adjustment for distribution to all remaining customers, consistent with the method approved by the Commission in Docket Nos. EL11-019, EL12-046, EL14-058, and EL22-017.