500 West Russell Street
Sioux Falls, SD 57104

May 21, 2026

—Via Electronic Filing—

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

RE: UPDATE
2026 TRANSMISSION COST RECOVERY ELIGIBILITY AND ADJUSTMENT FACTOR
DOCKET NO. EL25-031

Dear Ms. Mohr:

Northern States Power Company, doing business as Xcel Energy, submits this update to our 2026 Transmission Cost Recovery (TCR) Rider proceeding in the above-noted docket. In this update, we include all costs associated with the Minnesota Energy Connection (Sherco to Lyons County) project in the TCR Rider tracker, as initially proposed in this docket.

On December 5, 2025, the Company filed an update to remove the Minnesota Energy Connection project from the 2026 TCR Rider calculations at Staff's request to allow Staff additional time to analyze the project in conjunction with the Integrated Resource Plan analysis being done in the Company's rate case in Docket No. EL25-024. The Commission's December 17, 2025 Order in this docket approved the 2026 TCR revenue requirements, excluding the Minnesota Energy Connection project and we implemented the rate factor of $0.001067 per kWh on January 1, 2026.

As Staff noted in the December 10, 2025 Memo in this docket, the Minnesota Energy Connection project will be re-evaluated at the conclusion of the Company's rate case. The Commission's May 13, 2026 Order in the rate case approved the Settlement Stipulation in that case. We therefore provide this update filing to include the Minnesota Energy Connection project in the TCR tracker beginning with 2026 revenue requirements. The schedules included with this filing recalculate the 2026 TCR rate assuming an implementation date of July 1, 2026 for the remaining six months of 2026. We have not updated any inputs in the tracker other than to update

actual and forecasted revenues received through June, which impacts the rate calculation over the remaining six months of the year.

The overall impact of this update is an increase to the 2026 revenue requirement of $823,985.

Table 1 recalculates the 2026 TCR Rider rate using the updated revenue requirements and provides a comparison to the approved rate in this docket.

Table 1
Revised 2026 TCR Rate

	Update	Approved Rate	Change
SD Retail Revenue Requirement	$3,299,886	$2,475,901	$823,985

SD Retail Sales in kWh	2,320,038	2,320,038	-
2026 TCR Rate (Per kWh)	$0.001422	$0.001067	0.000355
Typical Residential Bill Impact	$1.07	$0.80	$0.27

We have included the following attachments which were impacted by the inclusion of the Minnesota Energy Connection project:

Attachment 3: CWIP Expenditure Forecast Through 2030
Attachment 4: Annual Tracker Summary
Attachment 5-8: Rider Tracker Monthly Detail
Attachment 9: TCR Rate Calculation
Attachment 12: Revenue Requirement by Project by Month
Attachment 16: Proposed Tariff Sheet
Attachment 17: Proposed Customer Notice

While the Company provides the updated TCR tracker to include the Minnesota Energy Connection project, we would not oppose waiting to update the TCR rate factor to include the project in our next annual TCR filing seeking approval of 2027 revenue requirements to be filed by September 1, 2026.

Please contact me at (605) 339-8350 or steven.t.kolbeck@xcelenergy.com or Megan Spear at megan.spear@xcelenergy.com if you have any questions regarding this filing.

Sincerely,

/s/

STEVE KOLBECK
DIRECTOR, STATE AFFAIRS AND BUSINESS RELATIONS

Enclosures
cc: Service List