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Sioux Falls, SD 57104

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April 29, 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: SECOND SUPPLEMENT
2026 INFRASTRUCTURE RIDER TRACKER AND FACTOR UPDATE
DOCKET NO. EL25-033

Dear Ms. Mohr:

Northern States Power Company, doing business as Xcel Energy, submits to the South Dakota Public Utilities Commission this second Supplement to our 2026 Infrastructure Rider Petition to align with the Settlement Stipulation (Settlement) filed jointly by the Company and Staff of the South Dakota Public Utilities Commission (Parties) on April 24, 2026, which is intended to resolve the Company's pending electric rate case in Docket No. EL25-024.¹ We have prepared this second Supplement consistent with the terms of the Settlement wherein Parties agree the Infrastructure Rider may be updated to include recovery of several projects. Some of these projects had been previously discussed in Infrastructure Rider proceedings but removed so that they could be included in a comprehensive review of the Company's resource planning, which took place through the rate case proceeding.

The Settlement states the Infrastructure Rider is to be implemented concurrent with new rates in the rate case and with recovery of these costs over the remainder of the 2026 calendar year and thereafter. We have calculated the Infrastructure Rider rate with a July 1 implementation date consistent with the schedules filed with the Settlement.

¹ We note that intervenor Steve Wegman also signed a concurrence to the Settlement.

A. Sherco Solar 1, 2, and 3

The Settlement reflects the Parties' agreement to include costs related to the Sherco Solar 1, 2, and 3 projects in the Infrastructure Rider.

1. Sherco Solar 1 and 2

The Company originally included the Sherco Solar 1 and 2 facilities in its Infrastructure Rider Petition seeking rider recovery of 2024 revenue requirements in Docket No. EL23-025. All costs associated with the Sherco Solar 1 and 2 projects were subsequently removed to provide additional analysis. At that time, the Company reserved the right to request recovery of the 2023-2025 revenue requirements associated with these Sherco units.

The Settlement allows cost recovery of Sherco Solar 1 and 2 through the Infrastructure Rider beginning in 2024. For completeness of the record in the current proceeding, a description of the Sherco Solar 1 and 2 facilities is provided below.

The Company has developed, owns, and operates 460 MW of photovoltaic (PV) capacity at the Company's Sherburne County (Sherco) generation facility site. The Company acquired the approximately 1,654-acre solar site, Sherco Solar 1, under development by National Grid Renewables (NGR) and located northwest of the Sherco generation facility. The Sherco 1 site is combined with a site, Sherco Solar 2, that has been developed by the Company and located southeast of the Sherco generation facility. The Company constructed a collector substation at each block and two 345-kilovolt (kV) generation-tie transmission lines to connect the collector substations to the point of interconnect at the existing Sherburne County Substation.

The electricity generated by the Sherco Solar 1 and 2 facilities is expected to generate enough energy to power approximately 100,000 homes in the Upper Midwest each year. Constructing new solar generation at the Sherco site to meet identified capacity needs in the near term allows the Company to reutilize its transmission interconnection rights as its coal units cease operations. To ensure reuse of these interconnection rights is least cost, the Company issued a Request for Proposals (RFP) and conducted a competitive solicitation for solar projects at the Sherco site. The collaboration with NGR was selected through this process.

The total installed capital costs for the solar facilities were originally estimated to be approximately \$690.1 million without Allowance for Funds Used During Construction (AFUDC). During the course of the acquisition proceeding in Minnesota, the Inflation Reduction Act of 2022 (IRA) was passed into law. The IRA

increased the benefits to the Sherco Solar 1 and 2 facilities through the creation of a solar production tax credit (PTC), increased value of the PTC due to specific characteristics of the facilities (including being sited in an energy community), and the ability to sell or transfer PTCs. These benefits impact both the facilities' levelized cost of energy (LCOE) and revenue requirements, or the costs ultimately borne by customers due to the addition of the facilities. The IRA had no direct impact on the solar projects' capital costs.

Based on the projects' lifetime costs and expected production, the Company has calculated the levelized cost of energy (LCOE) to be **[PROTECTED DATA BEGINS ██████████ PROTECTED DATA ENDS]**. As with other cost components, the actual LCOE can shift depending on changes in final project costs, tax benefits, and actual project production.

Sherco Solar 1 was placed in service in October 2024 and Sherco Solar 2 was placed in service October 2025.

2. *Sherco Solar 3*

Sherco Solar 3 is a 250-MW grid-scale solar PV generation project that the Company is developing, and will own and operate at the Company's Sherco generation facility site. The project is located on land near the existing Sherco facility site, to the west of the Sherco Solar 1 project and approximately five miles from that project's collector substation, covering 1,750 acres. This project adds a new bay adjacent to the Sherco Solar 1 collection substation and will use the same gen-tie line to deliver energy back to the Sherco point of interconnect. Altogether, Sherco Solar 3 will include the installation of approximately 550,000 solar panels, approximately 50 miles of underground collection feeder lines, electrical collection systems, access roads, collector substations, and other supporting solar far infrastructure. Most of the engineering and procurement for Sherco Solar 3 occurred in 2023 and 2024; construction began in 2025, and the project is expected to go into service in the third quarter of 2026.

At the time of acquisition approval in our Minnesota jurisdiction, total capital costs for the Sherco Solar 3 Project were estimated to be approximately **[PROTECTED DATA BEGINS ██████████ PROTECTED DATA ENDS]**, which includes AFUDC. The projected LCOE for the Sherco Solar 3 Project is **[PROTECTED DATA BEGINS ██████████ PROTECTED DATA ENDS]**. As a Company-owned project, Sherco Solar 3 is well-positioned to take advantage of the solar PTC provisions in the IRA, to the direct benefit of customers. The project is expected to

qualify for the full PTC value and an additional 10 percent bonus for being located in an energy community. In total, a PTC value of [PROTECTED DATA BEGINS [REDACTED] PROTECTED DATA ENDS] is expected for the first 10 years of the project. While these estimates are dependent upon the initial interpretation of IRS guidance and expectations regarding the PTC transfer market, the Company is committed to returning the value of all tax credits received, net of any transaction costs, to its customers.

The Settlement allows the Company to recover costs of Sherco Solar 3 through the Infrastructure Rider beginning in 2026.

B. [CEII [REDACTED] CEII] Project

The Company originally proposed to recover the [CEII [REDACTED] CEII] project (Project) in its 2026 Infrastructure Rider Petition in this docket. In the initial Supplement, the Company voluntarily removed the Project from the rider revenue requirements while it was being evaluated in the context of other resource planning issues in the rate case in Docket No. EL25-024. Now that the Parties have settled resource planning issues in the rate case, in this second Supplement, the Project's revenue requirements have been added to the pending Infrastructure Rider with an adjusted in-service date of January 2026.

C. Saver's Switch Replacement Initiative

Saver's Switch is a demand management program that helps the Company manage the load on the grid during system peaks. Participating residential and commercial customers receive annual incentives for allowing the Company to temporarily cycle AC units off during times of congestion on the grid. The program has been offered since around 1990. A subset of switches are past their useful life and the systems used to control them are nearing end of life. The investments will replace approximately one-third of the switches located on customer premises. The replacement switches will be operated via the networks built for carrying meter data in the advanced grid information system (AGIS).

Historically, the Company has recovered the cost of saver switches in the Demand Side Management (DSM) Rider. The Company proposed to recover the costs for the replacement in base rates in the current rate case in Docket No. EL25-024 as a known and measurable adjustment, but at Staff's request, it was agreed to remove it from the case and instead include it in the Infrastructure Rider.

The Parties agreed in the Settlement that the Company may propose to include in the Infrastructure Rider projects with an annual South Dakota revenue requirement of at least \$100,000 and that do not have offsetting cost savings and that are not required for the provision of service to new customers or increased load for existing customers. The prior threshold, established in the Stipulation that resolved the Company’s last rate case in Docket No. EL22-017, was \$250,000. The Saver’s Switch costs meet the new threshold for inclusion in the Infrastructure Rider, thus the Company has included costs associated with this project in the updated 2026 Infrastructure Rider revenue requirements in this second Supplement.

D. Updated Revenue Requirements and Rate

The addition of the above-referenced projects to the 2026 Infrastructure Rider increases the 2026 revenue requirement by \$1.9 million, resulting in a rate of negative \$0.006619 per kWh. The average bill impact over twelve months is estimated to be a credit of \$4.96 per month for a typical residential electric customer using 750 kWh per month compared to the current rate which resulted in an estimated credit of \$4.27 per month.

Table 1 recalculates the 2026 Infrastructure Rider rate using the revised revenue requirement and provides a comparison to the original filing. Given the delay of implementation of the rate from our original estimated implementation date, the revenues collected in 2026 thus far have been incorporated into the rate calculation.

**Table 1
Revised 2026 Infrastructure Rider Rate**

	Revised	Original Filing	Change
SD Retail Revenue Requirement – Net of 2026 Collections²	\$(10,974,518)	\$(19,060,133)	\$(8,085,615)
SD Retail Sales in MWh	1,658,059	2,373,095	715,036
2026 Infrastructure Rate (Per kWh)	\$(0.006619)	\$(0.008032)	\$(0.001413)
Typical Residential Bill Impact	\$(4.96)	\$(6.02)	\$(1.06)

The Company has included revisions to the following attachments which were impacted by the update to the 2026 Infrastructure Rider rate with the inclusion of the projects:

² The revised revenue requirements total accounts for credits dispersed to SD customers in 2026 using the 2025 Infrastructure Rider rate. This detail can be found in Attachment 1 of the Supplemental filing.

Attachment 1: Rate Factor Calculation and Bill Impact
Attachment 2: Annual Rider Tracker Summary
Attachment 3: Rider Tracker Monthly Detail
Attachment 4: Comparison to Previous Filing
Attachment 5: Rider Revenue Requirements Detail
Attachment 6: SD Calendar Month Electric Sales (Revenues)
Attachment 9: Wind Farm and Solar O&M Expenses
Attachment 10: PTC Generation
Attachment 11: PTC Floor
Attachment 16: Proposed Tariff Sheet
Attachment 17: Customer Bill Notice

E. CONFIDENTIAL INFORMATION

Confidential treatment is requested of certain portions of Attachments 2, 3, 4, 5 and 10. Pursuant to ARSD 20:10:01:41, the Company submits the following justification for confidential treatment.

(1) An identification of the document and the general subject matter of the materials or the portions of the document for which confidentiality is being requested.

Certain portions of Attachments 2, 3, 4, 5 and 10 contain confidential information. This confidential information includes 1) security information, including potential critical energy infrastructure information (CEII), that should only be shared with those authorized to receive it, such that its disclosure would be likely to substantially jeopardize the security of vital system information and property against trespass, or physical injury or otherwise cause financial harm from its disclosure; 2) transmission function information that relates to the status or availability of the transmission system such that disclosure would violate the Federal Energy Regulatory Commission's (FERC) Standards of Conduct rules if shared with any marketing function employee; and 3) trade secret information that the Company takes efforts to protect from public disclosure, the disclosure of which would result in material damage to the Company's financial or competitive position, and which thus has independent economic and commercial value from not being generally known to, and not being readily ascertainable by other parties, who could obtain economic value from its disclosure or use.

(2) The length of time for which confidentiality is being requested and a request for handling at the end of that time. This does not preclude a later request to extend the period of confidential treatment.

The Company requests that Attachments 2, 3, 4, 5 and 10 be recognized as confidential data in perpetuity.

(3) The name, address, and phone number of a person to be contacted regarding the confidentiality request.

Steve T. Kolbeck
Director, State Affairs and Business Relations
500 W. Russell Street
P.O. Box 988
Sioux Falls, SD 57101
(605) 339-8350
steve.t.kolbeck@xcelenergy.com

(4) The statutory or common law grounds and any administrative rules under which confidentiality is requested. Failure to include all possible grounds for confidential treatment does not preclude the party from raising additional grounds in the future.

The claim for confidential treatment is based on ARSD 20:10:01:39 and SDCL § 1-27-30, which mandate that certain confidential information is exempt from public inspection, including trade secrets or other confidential research, development, or commercial information and information which is otherwise made confidential under any other provisions of state or federal law. The responses include CEII transmission system information. No public benefit extends from the disclosure of the aforementioned information. Only competitors and providers in the electric power market would benefit from the economic opportunity presented by the disclosure of this information to the potential detriment of the Company, its ratepayers, and shareholders. Specifically, portions of the identified documents include information that qualifies as confidential, non-public information by one or more of the following SDCL Chapters:

§ 1-27-1.5(3) Trade secrets and other proprietary or commercial information which if released would infringe intellectual property rights, give advantage to business competitors, or serve no material public purpose.

§ 1-27-28(4), which defines “proprietary information” as “information on pricing, costs, revenue, taxes, market share, customers, and personnel held by private entities and used for that private entity’s business purposes.”

The information contained within the referenced documents also meets the definition of “trade secret” under SDCL § Chapter 37-29-1(4)(1), the South Dakota Uniform Trade Secrets Act, which is defined as information that “Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and... is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.”

S.D.C.L. § 1-27-1.5(8) Information pertaining to the protection of public or private property and any person on or within public or private property including: public safety information that would create a substantial likelihood of endangering public safety or property, if disclosed, and any blueprint, building plan, or infrastructure record regarding any building or facility that would expose or create vulnerability through disclosure of the location, configuration, or security of critical systems of the building or facility.

S.D.C.L. § 1-27-1.5(17) Any emergency or disaster response plans or protocols, safety or security audits or reviews, or lists of emergency or disaster response personnel or material; any location or listing of weapons or ammunition; nuclear, chemical, or biological agents; or other military or law enforcement equipment or personnel.

S.D.C.L. § 1-27-1.5(27) Any other record made closed or confidential by state or federal statute or rule

(5) The factual basis that qualifies the information for confidentiality under the authority cited.

Attachments 2, 3, 4, 5 and 10 contain confidential data Xcel Energy protects as not-public information for the reasons detailed in Part (1) above.

Please contact me at (605) 339-8350 or steven.t.kolbeck@xcelenergy.com or Megan Spear at (612) 216-8072 or 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