

**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)
A PROXY PRICING PROPOSAL TO)
ADJUST CERTAIN FUEL CLAUSE RIDER)
POWER PURCHASE COSTS)**

**ORDER GRANTING
JOINT MOTION FOR
APPROVAL OF REVISED
SETTLEMENT STIPULATION**

EL18-004

On January 29, 2018, the Commission received a filing from Northern States Power Company dba Xcel Energy (Xcel) for approval of a proxy pricing proposal to adjust certain fuel clause rider power purchase costs. Xcel proposes a proxy pricing solution to address the costs associated with a limited number of existing wind and solar projects that currently flow through the South Dakota fuel clause. Xcel states its recommended proposal provides customers with a reasonable degree of certainty regarding certain costs currently recovered through the fuel clause, reflects a balance between ratepayers and Xcel, and maintains the basic tenets of the integrated system and associated benefits. Xcel requests approval of the proxy pricing proposal beginning retroactively on December 1, 2016, which, consistent with the Settlement Stipulation in Docket EL16-037, is the date of the initial suspension of Xcel's fuel clause adjustment

On February 1, 2018, the Commission electronically transmitted notice of the filing and the intervention deadline of February 18, 2018, to interested individuals and entities on the Commission's PUC Weekly Filings electronic listserv. No petitions to intervene or comments were filed. On December 18, 2019, Xcel and staff filed a Joint Motion for Approval of Settlement Stipulation and Settlement Stipulation. On January 17, 2020, Xcel and staff filed a Joint Motion for Approval of Revised Settlement Stipulation and Revised Settlement Stipulation. Staff filed its Memorandum Supporting Revised Settlement Stipulation on February 12, 2020.

The Commission has jurisdiction over this matter pursuant to SDCL 49-34A, including SDCL 49-34A-4, 49-34A-6, 49-34A-8, 49-34A-25, and 49-34A-26.

At its regularly scheduled meeting on March 17, 2020, the Commission considered this matter. Finding the elements of the Revised Settlement Stipulation to be just and reasonable, the Commission voted unanimously to approve the Joint Motion for Approval of Revised Settlement Stipulation and approve the terms and conditions stipulated therein. The Commission further found that interest should be applied to the amount to be refunded to customers and ordered Xcel to apply an interest rate consistent with the carrying charge rate used in the Fuel Clause Rider of 7.22%. It is therefore

ORDERED, that the Joint Motion for Approval of Revised Settlement Stipulation is hereby approved with an effective date of April 1, 2020. It is further

ORDERED, that interest shall be applied to the amount to be refunded to Xcel's customers at a rate of 7.22%.

Dated at Pierre, South Dakota, this 23rd day of March 2020.

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.
By: <u>Adam deHuelle</u>
Date: March 23, 2020
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Gary Hanson
GARY HANSON, Chairman

Chris Nelson
CHRIS NELSON, Commissioner

Kristie Fiegen
KRISTIE FIEGEN, Commissioner