

Northern States Power Company, a Minnesota corporation
Minneapolis, MN 55401

SOUTH DAKOTA ELECTRIC RATE BOOK - SDPUC NO. 2

**DEMAND SIDE MANAGEMENT COST
ADJUSTMENT FACTOR**

Section No. 5
1st Revised Sheet No. 73
Cancelling Original Sheet No. 73

APPLICATION

Applicable to bills for electric service provided under the Company's retail rate schedules.

RIDER

There shall be included on each customer's monthly bill a Demand Side Management Cost Adjustment, which shall be calculated by multiplying the monthly applicable billing kilowatt hours (kWh) by the Demand Side Management Factor (DSM Factor). This Demand Side Management Cost Adjustment shall be calculated before city surcharge and sales tax.

DETERMINATION OF DSM FACTOR

A DSM Factor shall be calculated by dividing the forecasted balance of the DSM Tracker Account (Tracker), including any True Up, by the Forecasted Retail Sales for the Next Recovery Period. The DSM Factor shall be rounded to the nearest \$0.000001 per kWh.

The DSM Factor may be adjusted annually with approval of the South Dakota Public Utilities Commission (Commission). The DSM Factor is:

All Customers \$0.000486 per kWh

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DSM Tracker shall include all annual expenses, costs and incentives associated with demand side management programs and that are approved by the Commission. All revenues recovered pursuant to the Demand Side Management Cost Adjustment shall be credited to the Tracker.

Forecasted Retail Sales shall be the estimated total retail electric sales for the Next Recovery Period.

Next Recovery Period shall be that period that begins January 1 and ends December 31 following the Company's most recent May 1 filing.

TRUE-UP

True Up shall include the difference between the revenues received from customers and actual expenditures for the most recent recovery period ending December 31.

A True Up will be included in each annual May 1 filing beginning with the May 1, 2013 filing. The 2012 DSM Factor calculation will not include a True Up due to no previous cost or revenue activity prior to implementation of the Demand Side Management Cost Adjustment in 2012. Beginning with the Company's request submitted on May 1, 2013, the DSM Factor may include a True Up.

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		President and CEO of Northern States Power Company, a Minnesota corporation		
Docket No.	EL13-017		Order Date:	12-03-13



DSM Cost Adjustment Factor Decrease

Effective January 1, 2014

Xcel Energy offers a variety of load management and demand side management (DSM) programs to our South Dakota customers to help them reduce their home's usage. The South Dakota Public Utilities Commission has approved a new DSM Cost Adjustment Factor as a separate line item on your monthly electric bill to recover the cost of our load management and DSM programs. Beginning Jan. 1, 2014, the rate factor will decrease from \$0.000496 per kWh to \$0.000486 per kWh.

Residential Electric Service – Winter Month Bill Example

This chart provides a comparison of customer bills by applying the prior DSM rate vs. the new DSM rate.

Usage (kWh)	Prior Rates				New Rates				Amount of Bill Decrease	Percent Decrease
	Other Rates	Prior DSM Factor	Prior DSM	Prior Bill	Other Rates	New DSM Factor	New DSM	New Bill		
400	\$49.81	\$0.000496	\$0.20	\$50.00	\$49.81	\$0.000486	\$0.19	\$50.00	\$0.00	0.00%
500	\$60.20	\$0.000496	\$0.25	\$60.45	\$60.20	\$0.000486	\$0.24	\$60.44	(\$0.01)	-0.02%
600	\$70.58	\$0.000496	\$0.30	\$70.88	\$70.58	\$0.000486	\$0.29	\$70.87	(\$0.01)	-0.01%
750	\$86.17	\$0.000496	\$0.37	\$86.54	\$86.17	\$0.000486	\$0.36	\$86.53	(\$0.01)	-0.01%
1000	\$112.14	\$0.000496	\$0.50	\$112.63	\$112.14	\$0.000486	\$0.49	\$112.62	(\$0.01)	-0.01%
2000	\$214.35	\$0.000496	\$0.99	\$215.34	\$214.35	\$0.000486	\$0.97	\$215.32	(\$0.02)	-0.01%

For more information

You may examine the new rate rider by visiting our website at xcelenergy.com/sdrates. If you have further questions, please contact Xcel Energy at **1-800-895-4999**.

