



414 Nicollet Mall
Minneapolis, Minnesota 55401

—Via Electronic Filing—

July 31, 2012

Ms. Patricia Van Gerpen
Executive Director
SD Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501

RE: AUGUST 2012 FUEL CLAUSE CHARGE

Dear Ms. Van Gerpen:

Northern States Power Company, a Minnesota corporation operating in South Dakota hereby submits its electric fuel clause charge (“FCC”) for August 2012.

Pursuant to the Commission authorization of the final compliance tariffs in the Company’s 2011 rate proceeding (Docket No. EL11-019), the new rates will be implemented on August 1, 2012. The new Fuel Adjustment Factor (FAF) Ratio listed below will also become effective:

FAF Ratio	Current	Effective August 1, 2012
Residential	1.0094	1.0119
C & I Non-Demand	1.0332	1.0268
C & I Demand	1.0108	1.0089
C & I Demand TOD On-Peak	1.3158	1.2537
C & I Demand TOD Off-Peak	0.7510	0.7910
Outdoor Lighting	0.8171	0.7629

The table below shows the new Fuel Cost Charge by service category:

August 2012	Fuel Cost Charge (\$/kWh)
Residential	0.02909
C & I Non-Demand	0.02964
C & I Demand	0.02907
C & I Demand Time of Day On-Peak	0.03698
C & I Demand Time of Day Off-Peak	0.02219
Outdoor Lighting	0.02274

MISO CHARGES IMPLEMENTATION

MISO Day 2 Charges

This filing includes our reporting of the Midwest Independent Transmission System Operator, Inc. (“MISO”) charges under the Day 2 Market. Pursuant to the Commission’s April 7, 2005 Order in Docket No. EL05-008, Xcel Energy is authorized to recover the MISO Day 2 costs through the Fuel Clause Rider. On February 12, 2009, the Commission approved the Fuel Clause Rider tariff revisions (Docket No. EL08-035), which allowed the new MISO Day 2 charge types: Schedule 24, Auction Revenue Rights, and the new Financial Transmission Rights charge types, to be reflected in the Fuel Clause Rider. In compliance with this Order and the required “net” accounting of Day 2 costs and revenues, we have included in the August FCC, the net MISO Day 2 costs for June 2012 as recorded in Account 555. The MISO Day 2 cost recovery included in this August FCC is \$24,234,400, which is the net of many items. Pursuant to the above mentioned Orders, the Company also provides more detailed records in Attachment 2 page 1 to support the calculation of the MISO Day 2 costs.

MISO ASM Charges

Also pursuant to the Commission’s February 12, 2009 Order in Docket No. EL08-035, the MISO Ancillary Services Market (“ASM”) charges and the ASM-related costs and revenues are approved to be included in rates through the Fuel Clause Rider. In compliance with this Order and the required “net” accounting of ASM costs and revenues, we include in the August 2012 FCC the net MISO ASM costs for June 2012 as