



414 Nicollet Mall
Minneapolis, Minnesota 55401-1993

July 31, 2007

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

**RE: Northern States Power Company d/b/a Xcel Energy
August 2007 Fuel Clause Adjustment**

Dear Ms. Van Gerpen:

Northern States Power Company d/b/a Xcel Energy hereby submits for filing the fuel clause adjustment determination for Xcel Energy for the billing month of August 2007.

The fuel clause adjustment is a positive 2.078 cents per kWh and is the value used in the application of Fuel Clause Rider No. 1 included in the Electric Rate Book, SDPUC No. 1 for Xcel Energy.

MISO DAY 2 IMPLEMENTATION

This filing includes our reporting of the Midwest Independent System Operator ("MISO") charges under the Day 2 Market. Pursuant to the Commission's Order (Docket No. EL05-008) dated April 6, 2005, Xcel Energy is authorized to recover the MISO Day 2 costs. In compliance with this Order and the required "net" accounting of Day 2 costs and revenues, we have included in the August FCA, the net MISO Day 2 costs for June 2007 as recorded in Account 555. The MISO Day 2 cost recovery included in this August FCA is \$31,956,857, which is the net of many items. Pursuant to the above mentioned Order, the Company also provides in Exhibit 1, which contains more detailed records supporting the calculation of the MISO costs included.