



414 Nicollet Mall
Minneapolis, Minnesota 55401-1993

August 29, 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
September 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 September 2007.

The fuel clause adjustment is a positive 2.210 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 September FCA, the net MISO Day 2 costs for July 2007 as recorded in Account 555. The MISO Day 2 cost recovery included in this September FCA is \$50,956,833, which is the net of many items. Pursuant to the