



—Via Electronic Filing—

February 26, 2010

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

RE: MARCH 2010 FUEL CLAUSE ADJUSTMENT

Dear Ms. Van Gerpen:

Northern States Power Company, a Minnesota corporation operating in South Dakota hereby submits its electric fuel clause adjustment (FCA) for March 2010.

Pursuant to the Commission authorization of the final compliance tariffs in Company's 2009 rate proceeding (Docket No. EL09-009) to implement new rates beginning January 18, 2010, a new "multi-class" fuel cost mechanism replaced the previously single-factor mechanism. The March 2010 fuel clause calculation is based on the average of the most recent two-month actual fuel cost plus the "True-up" factor, reflecting cost recovery deviations from January 2010.

The former system average monthly fuel cost adjustment factor is now differentiated into six service categories (see derivation of these factors on Attachment 1, page 1 to 3).

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

March 2010	Fuel Cost Charge (\$/kWh)
Residential	0.02498
C & I Non-Demand	0.02557
C & I Demand	0.02502
C & I Demand Time of Day On-Peak	0.03257
C & I Demand Time of Day Off-Peak	0.01859
Outdoor Lighting	0.02022

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 March 2010 FCC, the net MISO Day 2 costs for January 2010 as recorded in Account 555. The MISO Day 2 cost recovery included in this March FCC is \$21,515,761, 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 Commission's Order (Docket No. EL08-035) dated February 12, 2009, 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 March 2010 FCC, the net MISO ASM costs for January 2010 as recorded in Account 555. The MISO ASM cost recovery included in this March FCC is a credit of \$2,393,364, which is the net of many items. The detailed records are contained in Attachment 2, page 2.

Margins Sharing Program

Pursuant to the Settlement Stipulation as amended and approved by the Commission in Docket No. EL09-009, South Dakota customers will be credited 100% of the jurisdictional portion of actual asset based margins and 25% of the jurisdictional share of non-asset based margins from intersystem sales as described in the Company's South Dakota Fuel Clause Rider.

Asset Based Margins Sharing

Attachment 3, Page 1 is the asset based margins sharing tracker showing the monthly amount credited to South Dakota Customers. This January 2010 asset based margins refund of \$67,965 or 0.045 cent per kWh is included in this March 2010 FCA.

Non-Asset Based Margins Sharing

The 2010 retail share of the non-asset based margins will be calculated after the close of the calendar year, and will be credited to the fuel cost true-up factor only if calendar year margins are positive. Margins equal to or less than 100,000 will be refunded in one month and margins greater than \$100,000 will be refunded over 12 months.

Wind Curtailment

Pursuant to the Settlement Stipulation as amended and approved by the Commission in Docket No. EL09-009, the Company hereby includes in Attachment 4 the January 2010 wind curtailment summary report filed in Minnesota showing actual total payments made for wind curtailment events separated into the following reason codes:

1. Lack of firm transmission as described in Attachment C of the MISO Open Access Transmission Tariff ("ATC Constraint")
2. Low load

3. Transmission loading relief or MISO directive for reasons other than ATC Constraint
4. Other

The system amount paid for wind curtailment in January 2010 is \$15,380.05 for 463 MWh of curtailed energy. The South Dakota jurisdiction's portion is approximately \$700.

Excess Renewable Energy Credits

Pursuant to Commission Order dated February 12, 2010 under Docket No. EL09-029, 90% of the South Dakota state jurisdictional share of the net revenue generated by the sale of renewable energy credits (RECs) shall be refunded to the customers. There has been no sale being made during this reporting month. When such sales take place in future months the refund amount will be reflected in Attachment 1, page 4.

MWh Sales

Megawatt hour sales for the month of January 2010, subject to Fuel Clause Rider in the South Dakota jurisdiction, are shown on Line 13, in Attachment 1, page 2.

If you have any questions regarding the information contained in this filing, please call John Chow at (612) 330-7588.

Sincerely,

/S/

Phillip J. Zins
Manager, Pricing and Planning