



414 Nicollet Mall
Minneapolis, Minnesota 55401

—Via Electronic Filing—

September 29, 2010

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

RE: OCTOBER 2010 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 October 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 October 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 August 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).