



414 Nicollet Mall
Minneapolis, Minnesota 55401-1993

—Via Electronic Filing—

September 30, 2008

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

RE: OCTOBER 2008 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 October 2008.

The fuel clause adjustment is a positive 2.332 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 October FCA, the net MISO Day 2 costs for August 2008 as recorded in Account 555. The MISO Day 2 cost recovery included in this October FCA is \$30,471,482, 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.