

September 6, 2006

**Northern States Power Company
September 2006
Fuel Cost Adjustment**

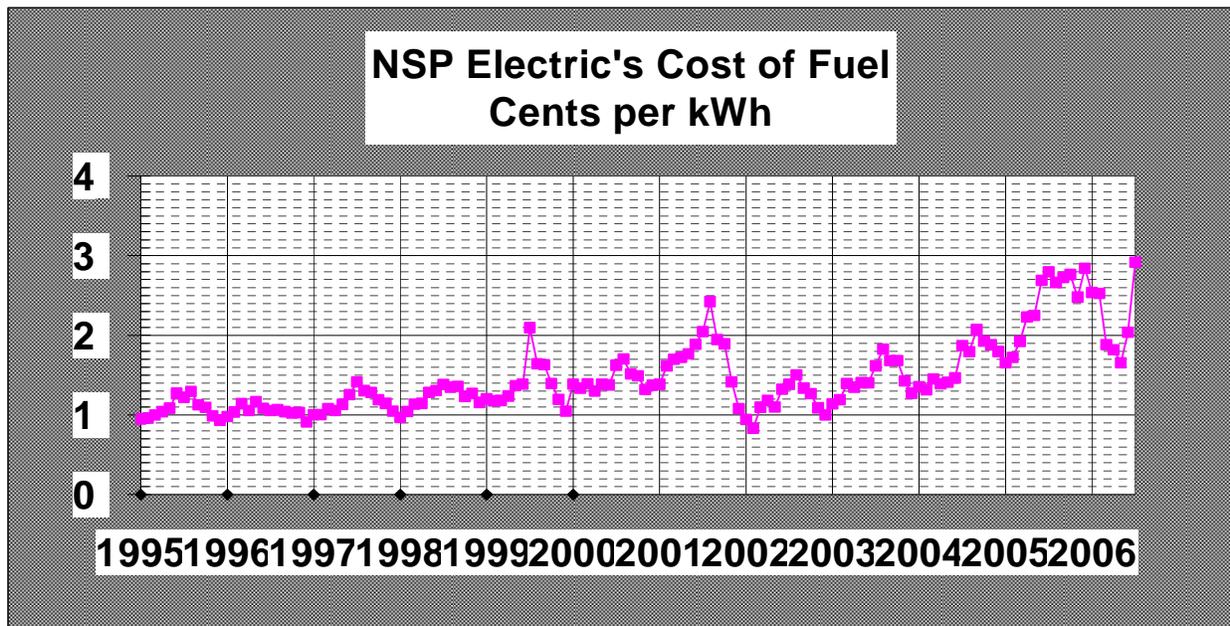
Case No. PU-06-385

NSP increased its electric fuel cost adjustment by 0.882 cents per kWh from 0.944 cents per kWh. The resulting fuel cost adjustment for September is 1.882 cents per kWh. This increase is largely caused by higher July costs, which NSP attributes to the effects of high usage and hot weather on regional electricity supply.

NSP's September Fuel Cost Adjustment begins recovery of the remaining PLUS Plan 2004 earnings deficiency as authorized in Case No. PU-05-265. However, there was a calculation error such that only a portion of the authorized \$176,163 will be recovered this month. NSP will work towards a correction next month.

Combining NSP's Fuel Cost Adjustment with its 1.092 cents per kWh base cost of fuel already included in base tariff rates brings NSP's total average cost of fuel for billing during the month of September to 2.918 cents per kWh as shown on the graph below.

As a result of this change, the electric bill for a typical NSP residential customer consuming 750 kWh will increase by \$6.62 for bills rendered in the month of September.



JRL/sdh