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414 Nicollet Mall
Minneapolis, Minnesota 55401-1993

PUBLIC SERVICE COMMISSION

—Via Electronic Filing—

May 30, 2008

Illona A. Jeffcoat-Sacco, Executive Secretary
North Dakota Public Service Commission
600 East Boulevard – Dept 408
Bismarck, ND 58505-0480

Re: June 2008 Fuel Clause Adjustment

Dear Ms. Jeffcoat-Sacco:

Northern States Power Company, a Minnesota corporation operating in North Dakota hereby submits electric fuel clause adjustment (FCA) for June 2008.

The average cost of fuel reflected in this adjustment was 2.694¢ per kWh, which was 0.135¢ lower than last month.

Combined with the recovery provision adjustment, the net adjustment to base fuel rates is 1.546¢ per kWh. The estimated FCA impact to the monthly electric bill of a residential customer using 750 kWh is approximately \$11.60, or \$2.44 less than previous month.

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. PU-05-147) dated April 6, 2005, Xcel Energy is authorized to recover on an interim basis, subject to refund, 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 June FCA, the net MISO Day 2 costs for April 2008 as recorded in Account 555. The MISO Day 2 cost recovery included in this June FCA is \$19,593,980, 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.

Attached is the calculation of the June FCA, as well as a statistical summary of energy sources and costs, compared to the previous month.

If you have any questions regarding the information contained in this filing, please contact Dave Sederquist in Fargo at 701-241-8632.

Sincerely,

A handwritten signature in black ink, appearing to read "Phillip J. Zins". The signature is fluid and cursive, with the first name "Phillip" being more prominent and the last name "Zins" following in a similar style.

Phillip J. Zins
Manager, Pricing and Planning

Enclosures (2)

CC: David H. Sederquist

Northern States Power Company, A Minnesota Corporation
Generation Fuel and Purchased Power Costs Per KWH (Jan-2008 - Apr-2008)
North Dakota Retail - Applied in Billing Month of Jun-2008

	<u>Jan-2008</u>	<u>Feb-2008</u>	<u>Mar-2008</u>	<u>Apr-2008</u>	Four Month <u>Total</u>
<u>Fuel and Purchased Power Costs</u>	(A)	(B)	(C)	(D)	(E)
1 Account 151 - Fossil Fuel	\$37,105,965	\$40,779,121	\$36,362,539	\$32,093,914	\$146,341,539
2 Account 518 - Nuclear Fuel *	\$6,269,190	\$4,829,832	\$4,958,812	\$6,855,960	\$22,913,794
3 Account 555 - Purchased Power ¹	\$38,675,658	\$39,474,806	\$47,078,140	\$38,799,621	\$164,028,225
Account 555 - MISO Day 2 Charges	\$24,057,595	\$29,892,745	\$52,582,195	\$19,593,980	\$126,126,514
4 Financial Instruments	\$0	\$0	\$0	\$0	\$0
5 Total System Costs	\$106,108,408	\$114,976,504	\$140,981,686	\$97,343,474	\$459,410,072
6 Less Fuel Cost of InterSystem Sales	<u>(\$11,306,335)</u>	<u>(\$12,315,961)</u>	<u>(\$16,596,697)</u>	<u>(\$15,847,681)</u>	<u>(\$56,066,674)</u>
7 Net System Costs	<u>\$94,802,073</u>	<u>\$102,660,543</u>	<u>\$124,384,989</u>	<u>\$81,495,793</u>	<u>\$403,343,398</u>

<u>Mwh Sales</u>					
8 Total NSP System Retail	3,979,200	3,557,658	3,453,950	3,455,472	14,446,280
9 Non-Gen Muni's/Load Pattern	<u>135,173</u>	<u>137,033</u>	<u>127,061</u>	<u>124,661</u>	<u>523,928</u>
10 Total NSP System Mwh Sales	<u>4,114,373</u>	<u>3,694,691</u>	<u>3,581,011</u>	<u>3,580,133</u>	<u>14,970,208</u>
11 NSP-ND Retail Mwh Sales	232,066	209,165	199,526	182,272	823,029

<u>Average Unit Cost of Fuel and Purchased Power</u>					
12 Fuel Cost per Kwh for NSP System ²	<u>2.304¢</u>	<u>2.779¢</u>	<u>3.473¢</u>	<u>2.276¢</u>	<u>2.694¢</u>
13 Base Fuel Cost included in rates					<u>1.092¢</u>
14 Fuel Cost in excess of Base Fuel Cost	[12E - 13E]				<u>1.602¢</u>

<u>Jun-2008 Recovery Provision Calculation</u>					
15 Apr-2008 Actual cost per Kwh:			2.276¢	[12D]	
16 Apr-2008 Expenses recovered per Kwh:			2.713¢	[Apr-2008 12E]	
17 Apr-2008 Unrecovered expenses per Kwh:			-0.437¢	[line 15 - line 16]	
18 Prior Unrecovered Expenses:			\$437,555	[Apr-2008 line 21]	
19 Prior Expenses recovered in Apr-2008			\$100,250	[11D X Apr-2008 line 22]	
20 Apr-2008 Unrecovered Expenses:			<u>(\$796,529)</u>	[11D X line 17]	
21 Balance of Unrecovered Expenses			<u>(\$459,224)</u>	[line 18 - line 19 + line 20]	
22 Recovery Provision adjustment per Kwh:			<u>-0.056¢</u>	[line 21 / 11E]	

<u>Jun-2008 Fuel Clause Adjustment Factor</u>					
23 Fuel cost adjustment per Kwh:			1.602¢	[14E]	
24 Recovery provision adjustment per Kwh:			<u>-0.056¢</u>	[line 22]	
25 Total Fuel Clause Adjustment per Kwh:			<u>1.546¢</u>	[line 23 + line 24]	
26 Special Adjustment			<u>0.000¢</u>		
27 Adjusted Fuel Clause Factor			<u>1.546¢</u>	[line 25 + line 26]	

Notes:

¹ Excludes demand-related expenses

² Line 7 divided by line 10

Northern States Power Company, A Minnesota Corporation

Electric Operations - State of North Dakota

FUEL CLAUSE ADJUSTMENT (FCA) COMPARISON -

Prior Month Compared to Current Month FCA

	<u>FCA Application</u>		<u>Comparison</u>		<u>Generation Type by Percent</u>		
	May-2008	Jun-2008	Differ- ence	Percent Change	FCA Application May-2008	Jun-2008	Differ- ence
** COSTS (Millions) **							
1 Fossil	\$154.6	\$146.3	(\$8.3)	-5.4%	32.3%	31.9%	-0.4%
2 Nuclear	\$22.1	\$22.9	\$0.8	3.8%	4.6%	5.0%	0.4%
3 Purchases	\$168.0	\$164.0	(\$4.0)	-2.4%	35.1%	35.7%	0.6%
MISO 2 related Purchases	\$134.4	\$126.1	(\$8.2)	-6.1%	28.0%	27.5%	-0.5%
4 Total System Costs	479.1	459.4	(\$19.7)	-4.1%	100.0%	100.0%	0.0%
3 Intersystem Sales	\$53.2	\$56.1	\$2.8	5.3%	11.1%	12.2%	1.1%
6 Net System Costs	\$425.8	\$403.3	(\$22.5)	-5.3%	88.9%	87.8%	-1.1%
7							
8 ** GWH OUTPUT **							
9 Fossil	7,201	6,853	(348)	-4.8%	41.2%	46.7%	5.5%
10 Nuclear	4,282	4,274	(8)	-0.2%	24.5%	29.2%	4.7%
11 Purchases	5,245	4,967	(278)	-5.3%	30.0%	33.9%	3.9%
12 Hydro & Other	212	281	69	32.5%	1.2%	1.9%	0.7%
13 Net Interchange	529	(1,715)	(2,244)	-424.2%	3.0%	-11.7%	-14.7%
14 Total Output	17,469	14,660	(2,809)	-16.1%	100.0%	100.0%	0.0%
15 Intersystem Sales	1,788	1,839	51	2.9%	10.2%	12.5%	2.3%
16 Native Requirement	15,681	12,821	(2,860)	-18.2%	89.8%	87.5%	-2.3%
17							
18 ** COST per KWH OUTPUT (¢) **							
19 Fossil	2.147	2.135	-0.012	-0.6%			
20 Nuclear	0.515	0.536	0.021	4.0%			
21 Purchases	3.203	3.302	0.099	3.1%			
22 Total System Costs	2.742	3.134	0.391	14.3%			
23 Intersystem Sales	2.977	3.048	0.071	2.4%			
24 Net System Costs	2.716	3.146	0.430	15.8%			
25							
26							
27 TOTAL SYSTEM GWH SALES	15,053	14,970	(83)	-0.6%			
28							
29 COST per KWH SALES (¢)	2.829	2.694	-0.135	-4.8%			
30							
31 RECOVERY PROV (¢ / KWH)	0.135	-0.056	-0.191				
32 REFUND	0.000	0	0.000				
33 TOTAL FCA IMPACT (¢ / KWH)	2.964	2.638	-0.326	-11.0%			

BILL IMPACT (\$'s)

Calculations:

[4] = [1]+[2]+[3]	[21] = [3] / [11]
[6] = [4] - [5]	[22] = [4] / [14]
[14] = [9]+..+[13]	[23] = [5] / [15]
[16] = [14] - [15]	[24] = [6] / [16]
[19] = [1] / [9]	[29] = [6] / [27]
[20] = [2] / [10]	[33] = [29]+[31]

kWh	Change from Previous Month
100	(\$0.33)
250	(\$0.82)
500	(\$1.63)
750	(\$2.45)
1,000	(\$3.26)

Northern States Power Company, A Minnesota Corporation
MISO DAY 2 MARKET SETTLEMENT BY CATEGORIES

Exhibit 1
Page 1 of 1

		System	Intersystem	Retail
April 2008 Actual				
Energy and Loss Charges				
1 a	Day-Ahead Asset Energy Amount - Energy Component (1)	\$ 18,848,585.16	\$ 4,108,649.63	\$ 22,957,234.79
1 c	Day-Ahead Asset Energy Amount - Loss Component (1)	\$ 6,124,015.05	\$ -	\$ 6,124,015.05
3	Day-Ahead Financial Bilateral Transaction Loss Amount	\$ 17,317.77	\$ -	\$ 17,317.77
5 a	Day-Ahead Non-Asset Energy Amount - Energy Component (1)	\$ (17,982,401.45)	\$ -	\$ (17,982,401.45)
5 c	Day-Ahead Non-Asset Energy Amount - Loss Component (1)	\$ 1,937,046.29	\$ -	\$ 1,937,046.29
7	Day-Ahead Losses Rebate on Carve-Out Grandfathered Agreements	\$ -	\$ -	\$ -
9	Day-Ahead Losses Rebate on Option B Grandfathered Agreements	\$ -	\$ -	\$ -
13 a	Real-Time Asset Energy Amount - Energy Component (1)	\$ 5,582,655.09	\$ 1,053,375.89	\$ 6,636,030.98
13 c	Real-Time Asset Energy Amount - Loss Component (1)	\$ 192,850.34	\$ -	\$ 192,850.34
14	Real-Time Distribution of Losses Amount	\$ (2,195,748.37)	\$ -	\$ (2,195,748.37)
16	Real-Time Financial Bilateral Transaction Loss Amount	\$ -	\$ -	\$ -
18	Real-Time Losses Rebate on Carve-Out Grandfathered Agreements	\$ -	\$ -	\$ -
21	Real-time Net inadvertent Distribution	\$ 340,366.29	\$ -	\$ 340,366.29
22 a	Real-Time Non-Asset Energy Amount - Energy Component (1)	\$ 9,191.47	\$ -	\$ 9,191.47
22 c	Real-Time Non-Asset Energy Amount - Loss Component (1)	\$ (1,810.69)	\$ -	\$ (1,810.69)
Congestion Related Charges				
1 b	Day-Ahead Asset Energy Amount - Congestion Component (1)	\$ 651,524.94	\$ -	\$ 651,524.94
2	Day-Ahead Financial Bilateral Transmission Congestion Amount	\$ (335.28)	\$ -	\$ (335.28)
5 b	Day-Ahead Non-Asset Energy Amount - Congestion Component (1)	\$ 680,981.55	\$ -	\$ 680,981.55
6	Day-Ahead Congestion Rebate on Carve-Out Grandfathered Agreements	\$ -	\$ -	\$ -
8	Day-Ahead Congestion Rebate on Option B Grandfathered Agreements	\$ -	\$ -	\$ -
13 b	Real-Time Asset Energy Amount - Congestion Component (1)	\$ 9,033.57	\$ -	\$ 9,033.57
15	Real-Time Financial Bilateral Transaction Congestion Amount	\$ -	\$ -	\$ -
17	Real-Time Congestion Rebate on Carve-Out Grandfathered Agreements	\$ -	\$ -	\$ -
22 b	Real-Time Non-Asset Energy Amount - Congestion Component (1)	\$ 2,051.38	\$ -	\$ 2,051.38
FTR Related Charges				
28	Financial Transmission Rights Hourly Allocation Amount	\$ (694,878.97)	\$ -	\$ (694,878.97)
30	Financial Transmission Rights Monthly Allocation Amount	\$ (387,840.00)	\$ -	\$ (387,840.00)
31	Financial Transmission Rights Transaction Amount	\$ 370,115.29	\$ -	\$ 370,115.29
32	Financial Transmission Rights Yearly Allocation Amount	\$ (27,210.58)	\$ -	\$ (27,210.58)
Uplift Charges				
23	Real-Time Revenue Neutrality Uplift Amount	\$ 741,751.62	\$ -	\$ 741,751.62
Revenue Sufficiency Guarantee (RSG) Charges				
10	Day-Ahead Revenue Sufficiency Guarantee Distribution Amount	\$ 38,877.71	\$ -	\$ 38,877.71
11	Day-Ahead Revenue Sufficiency Guarantee Make Whole Payment Amount	\$ (126,607.86)	\$ -	\$ (126,607.86)
24	Real-Time Revenue Sufficiency Guarantee First Pass Distribution Amount	\$ 265,707.88	\$ -	\$ 265,707.88
25	Real-Time Revenue Sufficiency Guarantee Make Whole Payment Amount	\$ (662,777.30)	\$ 128,938.89	\$ (533,838.41)
Market Administration Charges				
4	Day-Ahead Market Administration Amount	\$ 509,109.47	\$ (17,240.67)	\$ 491,868.80
19	Real-Time Market Administration Amount	\$ 34,632.33	\$ (3,013.54)	\$ 31,618.79
29	Financial Transmission Rights Market Administration Amount	\$ 29,499.46	\$ -	\$ 29,499.46
Virtual Energy Charges				
12	Day-Ahead Virtual Energy Amount	\$ -	\$ -	\$ -
27	Real-Time Virtual Energy Amount	\$ -	\$ -	\$ -
Other MISO Charges				
20	Real-Time Miscellaneous Amount	\$ -	\$ -	\$ -
26	Real-Time Uninstructed Deviation Amount	\$ 19,009.13	\$ (1,441.98)	\$ 17,567.15
TOTAL MISO CHARGES		\$ 14,324,711.29	\$ 5,269,268.22	\$ 19,593,979.51