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PUBLIC SERVICE COMMISSION

414 Nicollet Mall  
Minneapolis, Minnesota 55401-1993

September 2, 2008

Gloria A. Geiger, Interim Director  
North Dakota Public Service Commission, Dept. 408  
600 East Boulevard  
Bismarck, ND 58505-0480

**Re: Annual Auditor's Report – Automatic Adjustment Clause**

Dear Ms. Geiger:

Northern States Power Company d/b/a Xcel Energy ("Xcel Energy" or the "Company") submits the attached independent auditor's report of its electric fuel clause adjustment for the year ending June 30, 2008, which was prepared by Deloitte & Touche LLP. The enclosed auditor's report is required in North Dakota Rule 69-09-01-30, subp. 11, which states: "Each utility shall cause an independent audit of its automatic adjustment clause to be performed annually. A copy of the auditor's report must be filed annually with the Commission."

Please feel free to contact me at (612) 330-6128 with any questions regarding the report.

Sincerely,

Phillip J. Zins  
Manager, Pricing and Planning

encl: 1  
cc David H. Sederquist

2 PU-09-712 Filed: 9/2/2008 Pages: 3  
Annual Independent Auditor's Report - Automatic  
Adjustment Clause

Northern States Power Company

2 PU-08-211 Filed: 9/2/2008 Pages: 3  
Annual Independent Auditor's Report - Automatic  
Adjustment Clause

Northern States Power Company



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## INDEPENDENT AUDITORS' REPORT

Northern States Power Company — Minnesota:

We have audited the computation of each of the factors shown on the accompanying schedule of fuel adjustment clause factors for Northern States Power Company — Minnesota (the "Company"), a wholly owned subsidiary of Xcel Energy Inc., for North Dakota retail electric customers for each of the months in the period from July 1, 2007 to June 30, 2008, based on the Fuel Clause Rider as defined on Sheet No. E 76.2 of the electric rates filed by the Company with the North Dakota Public Utilities Commission (the "Commission") (including the revision on Docket No. PU-400-00-46 dated June 20, 2000). These computations are the responsibility of the Company's management. Our responsibility is to express an opinion on these computations based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the computations of the fuel clause adjustment factors are free of material misstatement. An audit includes consideration of internal control over financial reporting as it relates to this schedule as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting as it relates to this schedule. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts in the schedule of fuel clause adjustment factors, assessing the accounting principles used, and significant estimates made by management, including compliance with the Federal Energy Regulatory Commission's (FERC) uniform system of accounts as prescribed by the Commission, as well as evaluating the overall presentation of the schedule. We believe that our audit provides a reasonable basis for our opinion.

The accompanying schedule was prepared for the purpose of complying with the Commission's approved Fuel Clause Rider and Docket referred to above, and is not intended to be a complete presentation of the Company's revenues and expenses.

In our opinion, the monthly fuel adjustment clause factors as shown on the accompanying schedule are fairly presented, in all material respects, in accordance with the Fuel Clause Rider and Docket noted above, and in conformity with the uniform system of accounts prescribed by FERC.

This report is intended solely for the information and use of the Board of Directors and management of the Company and the Commission and should not be used for any other purpose.

*Deloitte & Touche LLP*

August 29, 2008

Member of  
Deloitte Touche Tohmatsu

**NORTHERN STATES POWER COMPANY — MINNESOTA**

**STATE OF NORTH DAKOTA RETAIL ELECTRIC CUSTOMERS  
SCHEDULE OF FUEL ADJUSTMENT CLAUSE FACTORS  
FOR EACH OF THE MONTHS IN THE PERIOD FROM JULY 1, 2007 TO JUNE 30, 2008**

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<b>Calendar Month</b>	<b>Fuel Adjustment Clause Factor (Cents per KWH)</b>
July 1, 2007	1.841
August 1, 2007	1.946
September 1, 2007	2.094
October 1, 2007	2.027
November 1, 2007	1.720
December 1, 2007	1.675
January 1, 2008	1.593
February 1, 2008	1.639
March 1, 2008	1.478
April 1, 2008	1.676
May 1, 2008	1.872
June 1, 2008	1.546

This schedule of fuel adjustment clause factors is based on the requirements of the Fuel Clause Rider as defined on Sheet No. E 76.2 of the electric rates filed by Northern States Power Company — Minnesota with the North Dakota Public Utilities Commission (including the revision on Docket No. PU-400-00-46 dated June 20, 2000).