



2302 Great Northern Drive
P O Box 2747
Fargo, ND 58108-2747

August 31, 2012

Darrell Nitschke
Executive Secretary
North Dakota Public Service Commission
State Capitol
600 East Boulevard
Bismarck, ND 58505-0480

Re: Annual Auditor's Report – Automatic Adjustment Clause

Dear Mr. Nitschke:

Northern States Power Company, a Minnesota corporation operating in North Dakota submits the attached independent auditor's report of its electric fuel clause adjustment for the year ending June 30, 2012, 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) 330-7529 with any questions regarding the report.

Sincerely,

/s/

PAUL J LEHMAN
MANAGER, REGULATORY COMPLIANCE & FILINGS

encl

cc David H. Sederquist

Northern States Power Company, a Minnesota corporation

Schedule of Monthly Fuel Clause Adjustment Factors of Northern States Power Company, a Minnesota corporation for the period from July 1, 2011 to June 30, 2012, and Independent Accountants' Report

INDEPENDENT ACCOUNTANTS' REPORT

Northern States Power Company, a Minnesota Corporation:

We have examined the accounting for the Fuel Adjustment Clause ("FCA") shown on the accompanying schedule and included in the monthly filings of Northern States Power Company, a Minnesota Corporation (the "Company"), filed by the Company with the North Dakota Public Service Commission (the "Commission") covering the period from July 1, 2011 to June 30, 2012. The accounting for the FCA and the monthly factors are the responsibility of the Company's management. Our responsibility is to express an opinion on the accounting for the FCA based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the accounting for the FCA and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

The accompanying Schedule of Fuel Adjustment Clause Factors was prepared for the purpose of complying with the North Dakota Administrative Code Chapter 69-09-01-30 (the "Code") governing automatic adjustment of energy charges, and with the Fuel Clause Rider and Dockets ("Riders and Dockets") as defined on Sheet No. E 76.2 of the North Dakota Electric Rate Book (including the revisions on Docket No. PU-07-776 dated March 1, 2009 and Docket No. PU-10-19 dated September 8, 2010), and are not intended to be a complete presentation of the Company's revenues and expenses nor is the schedule intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the accompanying schedule presents, in all material respects, the accounting for the FCA of the Company for the period from July 1, 2011 to June 30, 2012, in accordance with the Code, Riders and Dockets approved by the Commission.

This report is intended solely for the information and use of the management and board of directors of the Company and the Commission and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

August 28, 2012

NORTHERN STATES POWER COMPANY, A MINNESOTA CORPORATION

STATE OF NORTH DAKOTA RETAIL ELECTRIC CUSTOMERS SCHEDULE OF FUEL ADJUSTMENT CLAUSE FACTORS FOR THE PERIOD FROM JULY 1, 2011 TO JUNE 30, 2012 (CENTS PER KWH)

	Residential	C&I Non-Demand	C&I Demand Non-TOD	C&I Demand On-Peak	C&I Demand Off-Peak	Outdoor Lighting
July 1, 2011	2.724	2.885	2.795	3.593	2.113	1.939
August 1, 2011	2.855	3.025	2.931	3.767	2.216	2.033
September 1, 2011	3.099	3.283	3.181	4.088	2.405	2.206
October 1, 2011	2.820	2.988	2.895	3.721	2.188	2.008
November 1, 2011	2.616	2.772	2.685	3.451	2.030	1.862
December 1, 2011	2.638	2.795	2.708	3.480	2.047	1.878
January 1, 2012	2.499	2.648	2.565	3.297	1.939	1.779
February 1, 2012	2.574	2.727	2.642	3.396	1.997	1.832
March 1, 2012	2.635	2.791	2.704	3.476	2.045	1.876
April 1, 2012	2.602	2.757	2.671	3.433	2.019	1.852
May 1, 2012	2.534	2.662	2.593	3.321	1.973	1.823
June 1, 2012	2.536	2.643	2.587	3.302	1.982	1.844

This Schedule of Fuel Adjustment Clause Factors is based on the requirements of the Fuel Clause Riders and Dockets as defined on Sheet No. E76.2 of the North Dakota Electric Rate Book, including revisions on Docket No. PU-07-776 dated March 1, 2009 and Docket No. PU-10-19 dated September 8, 2010, of the electric rates filed by the Company with the North Dakota Public Service Commission.