

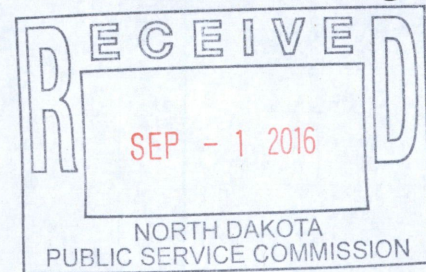


414 Nicollet Mall
Minneapolis, Minnesota 55401

September 1, 2016

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

----- Via Electronic Filing -----



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, 2016, which was prepared by Deloitte & Touche LLP. The enclosed auditor's report is required by 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 amy.s.fredregill@xcelenergy.com or (612) 215-5367 with any questions regarding the report.

Sincerely,

/s/

AMY S. FREDREGILL
MANAGER, RESOURCE PLANNING AND STRATEGY

Encl.

cc David H. Sederquist

4 **PU-16-196** Filed: 9/1/2016 Pages: 4
Annual Auditor's Report – Automatic Adjustment Clause

Northern States Power Company

Amy Fredregill

2 **PU-16-195** Filed: 9/1/2016 Pages: 4
Annual Auditor's Report – Automatic Adjustment Clause

Northern States Power Company

Amy Fredregill

Northern States Power Company, a Minnesota corporation

Schedule of Fuel Adjustment Clause Factors of Northern
States Power Company, a Minnesota corporation for the
period from July 1, 2015 to June 30, 2016, and Independent
Accountants' Report



Deloitte & Touche LLP
50 South 6th Street
Suite 2800
Minneapolis, MN 55402-1538
USA

Tel: +1 612 397 4000
Fax: +1 612 397 4450
www.deloitte.com

INDEPENDENT ACCOUNTANTS' REPORT

Northern States Power Company, a Minnesota Corporation

We have examined the accompanying Schedule of Fuel Adjustment Clause Factors ("the Schedule") of Northern States Power Company, a Minnesota Corporation (the "Company"), for the period from July 1, 2015 to June 30, 2016. This Schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on the Schedule 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 Schedule and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, such Schedule presents, in all material respects, the fuel adjustment clause factors of the Company for the period from July 1, 2015 to June 30, 2016, as calculated in accordance with the criteria established by the North Dakota Administrative Code Chapter 69-09-02-39 governing automatic adjustment of energy charges, and with the Fuel Clause Riders and Dockets as defined on Sheet No. E76.2 of the North Dakota Electric Rate Book (including the revisions on Docket No. PU-07-776 dated March 1, 2009, Docket No. PU-10-19 dated September 8, 2010, Docket No. PU-14-012 dated May 21, 2014, and Docket No. PU-12-813 dated March 9, 2016), filed by the Company with the North Dakota Public Service Commission (the "Commission").

This report is intended solely for the information and use of management and the 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 26, 2016

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, 2015 TO JUNE 30, 2016
(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, 2015	2.403	2.487	2.455	3.085	1.917	1.769
August 1, 2015	3.196	3.308	3.265	4.103	2.550	2.354
September 1, 2015	2.248	2.327	2.297	2.886	1.794	1.656
October 1, 2015	3.143	3.253	3.211	4.035	2.508	2.315
November 1, 2015	1.891	1.957	1.932	2.428	1.509	1.392
December 1, 2015	2.832	2.931	2.893	3.635	2.259	2.085
January 1, 2016	2.148	2.223	2.194	2.757	1.714	1.582
February 1, 2016	2.939	3.041	3.002	3.772	2.345	2.164
March 1, 2016	2.073	2.146	2.118	2.662	1.654	1.527
April 1, 2016	2.950	3.053	3.014	3.787	2.354	2.172
May 1, 2016	1.450	1.501	1.481	1.861	1.157	1.068
June 1, 2016	2.332	2.414	2.383	2.994	1.861	1.717

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, Docket No. PU-10-19 dated September 8, 2010, Docket No. PU-14-012 dated May 21, 2014, and Docket No. PU-12-813 dated March 9, 2016), filed by the Company with the North Dakota Public Service Commission.