

January 16, 2008

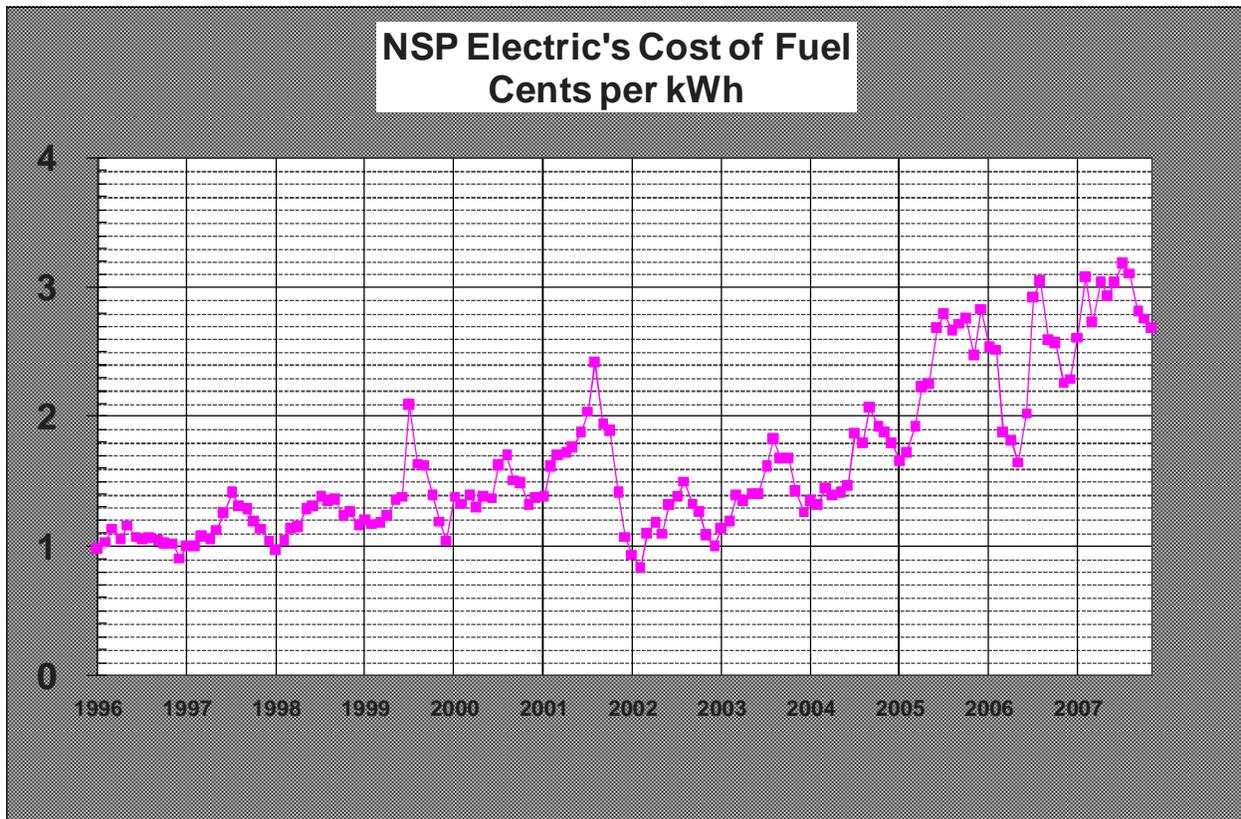
**Northern States Power Company
January 2008
Fuel Cost Adjustment**

Case No. PU-08-7

NSP decreased its electric fuel cost cost adjustment by 0.082 cents per kWh from 1.675 cents per kWh. The resulting fuel cost adjustment for January is 1.593 cents per kWh.

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 and purchased energy for billing during the month of January to 2.685 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 decrease by \$0.62 for bills rendered in the month of January.



JRL