



414 Nicollet Mall
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May 12, 2014

—Via Electronic Filing—

Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

RE: REPLY COMMENTS
2014 ANNUAL REVIEW OF REMAINING LIVES
DOCKET NO. E,G002/D-14-181

Dear Dr. Haar:

Northern States Power Company, doing business as Xcel Energy, submits this Reply to the Department of Commerce's Comments submitted April 30, 2014 in this docket.

We appreciate the Department's recommendation that the Commission approve our 2014 Annual Review of Remaining Lives. We note that we have no objection to the Department's request for the Company to provide updates on removal costs for the Minnesota Valley Plant in future depreciation filings.

The Department also recommended that the remaining lives and net salvage rates for the new wind production facilities be set in the 2014 rate case for the 2015 Step. We agree and have proposed a 25-year remaining life and a negative 8.5 percent net salvage for both of the new wind production facilities in the 2014 rate case.¹ We will address these facilities again in our 2015 Remaining Lives filing, but believe that the decision on the remaining lives and net salvage rates will be made in the 2014 rate case.

¹ Docket No. E002/GR-13-868

We have electronically filed this document with the Minnesota Public Utilities Commission and copies have been served on the parties on the attached service list.

Please contact me at lisa.h.perkett@xcelenergy.com or (612) 330-6950 if you have any questions regarding this filing.

Sincerely,

/s/

LISA H. PERKETT
DIRECTOR
CAPITAL ASSET ACCOUNTING

c: Service List

CERTIFICATE OF SERVICE

I, Theresa Sarafolean, hereby certify that I have this day served copies of the foregoing document or a summary thereof on the attached lists of persons:

xx by depositing a true and correct copy or summary thereof, properly enveloped with postage paid, in the United States Mail at Minneapolis, Minnesota; or

xx via electronic filing

DOCKET No. E,G002/D-14-181

Dated this 12th day of May 2014

/s/

Theresa Sarafolean
Administrative Assistant

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