

June 23, 2020

Mr. William Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
Saint Paul, Minnesota 55101-2147

**RE: Clarification to Response to Supplemental Comments, Minnesota Department of Commerce,
Division of Energy Resources**
Docket No. E002/PA-19-553

Dear Mr. Seuffert:

On June 4, 2020, Northern States Power Company, doing business as Xcel Energy (Xcel, Company) submitted to the Minnesota Public Utilities Commission (Commission) its Reply to the Minnesota Department of Commerce, Division of Energy Resources (Department) Supplemental Comments dated April 8, 2020.

On June 9, 2020, the Department filed a letter responding to Xcel's June 4, 2020 letter, describing Xcel's three proposed conditions for approval of the proposed purchase of the Mower wind facilities and stating, in part:

Xcel's proposed conditions appear to address the first six of the Department's proposed conditions. The Company did not address the Department's proposal to reduce the Mower County purchase price by accounting for depreciation expense since June 2019. However, discussions with the Company indicated that the facilities have not been operating, due to the repowering construction work, and therefore the facilities are not being subject to wear and tear, which depreciation expense is intended to reflect. Thus, the Department concludes that a depreciation adjustment is not needed in this case.

Subsequent communication with the Company indicated that the above statement requires correction, as follows:

Xcel's proposed conditions appear to address the first six of the Department's proposed conditions. The Company did not address the Department's proposal to reduce the Mower County purchase price by accounting for depreciation expense since June 2019. However, discussions with the Company indicated that, while the facilities have ~~not~~

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been operating, ~~due to~~ the repowering construction work will not be completed until later, and therefore the new facilities are not being subject to wear and tear, which depreciation expense is intended to reflect. Thus, the Department concludes that a depreciation adjustment is not needed in this case.

Thus, while the Department continues to stand by its recommendation that the Commission approve the amended renewable energy purchased power agreement (REPA), if the Commission decides to allow Xcel to own the Mower facilities, the Department would not oppose the Commission using Xcel's three conditions in its June 4, 2020 letter in lieu of the Department six conditions listed in our prior comments, along with changing "projects" in the second condition to "project."

The Department is available to answer any questions that the Commission may have in this matter.

Sincerely,

/s/ STEVE RAKOW
Analyst Coordinator

/S/JOHN KUNDERT
Financial Analyst

JK/ar
Attachment

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce
Letter**

Docket No. E002/PA-19-553

Dated this **23rd** day of **June 2020**

/s/Sharon Ferguson

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