



414 Nicollet Mall
Minneapolis, Minnesota 55401

August 29, 2017

–Via Electronic Filing–

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

RE: REPLY COMMENTS
KANSAS PROPERTY TAX RULE VARIANCE
DOCKET NO. G002/M-17-510

Dear Mr. Wolf:

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission this Reply to the August 18, 2017 Comments of the Minnesota Department of Commerce, Division of Energy Resources in the above-referenced docket.

We appreciate the Department's review of our Petition and agree to continue to provide information regarding the Kansas property tax as described in the conditions recommended in their Comments:

- *direct Xcel to include the Kansas property tax as a separate line item in its monthly PGA;*
- *require Xcel to list the Kansas property tax costs and revenues as separate line items in the Annual Automatic Adjustment report and PGA True-Up filings as well as in the Company's Schedule C, Schedule D page 1 through 2 of 4 and page 4 of 4;*
- *require Xcel to submit a report with its Annual Automatic Adjustment and True-Up report detailing the total amount paid to Kansas and collected from ratepayers during the gas year; and*
- *require Xcel, in its next request for a variance to Minn. Rule 7825.2400, subp. 12, to provide a discussion of the storage alternatives examined and its efforts to obtain the most cost-effective storage options.*

We have electronically filed this document with the Commission, and copies have been served on the parties on the attached service list. Please contact me at (612)

330-7681 or lisa.r.peterson@xcelenergy.com if you have any questions regarding this filing.

Sincerely,

/s/

LISA PETERSON
MANAGER, REGULATORY ANALYSIS

c: Service List