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December 14, 2012

VIA E-FILING

Dr. Burl W. Haar
Minnesota Public Utilities Commission
350 Metro Square Building
121 East Seventh Place
St Paul, MN 55101

Re: In the Matter of the Petition of Northern States Power Company,
a Minnesota Corporation, for Approval of its Five-Year Transmission, Distribution, and
General Depreciation Study
Docket No. E,G002/D-12-858
Our File No. 92164-13

Dear Dr. Haar:

The Xcel Large Industrials¹ (“XLI”) intends to intervene as a party to Northern States Power Company’s (“NSP’s”) recently filed electric rate case, Commission Docket No. E002/GR-12-961 (the “Rate Case”). XLI representatives are in the process of reviewing NSP’s direct testimony, including the depreciation and remaining lives testimony of Lisa H. Perkett. XLI notes that the Rate Case testimony of Ms. Perkett provides an overview of NSP’s proposed changes in this docket regarding depreciation expense for transmission, distribution, and general assets. XLI has not made any decisions regarding the content or scope of any testimony it may file.

But XLI is concerned that NSP will argue that a decision in this docket as somehow impacts the Commission’s authority to address depreciation issues for the 2013 test year in the Rate Case. The Rate Case Testimony of Ms. Perkett appears to argue that any decision in this docket should control the Commission’s revenue requirement decision in the Rate Case. XLI disagrees. Depreciation expense was a key issue in NSP’s last rate case and an important component of the settlement of that case. Based on a preliminary review of NSP’s current rate case, there may be ways to use depreciation expense to mitigate the very large rate increase being sought. For these reasons, XLI does not believe a decision in this docket should bar XLI from making any arguments with respect to depreciation in the Rate Case or preclude the Commission from accepting XLI’s arguments.

To preserve all options for the benefit of ratepayers, XLI respectfully requests the Commission either (i) merge the filings in this docket with the Rate Case for full and detailed consideration of depreciation issues, or (ii) note in any order approving NSP’s petition in this docket a qualification that such approval is subject to resolution of depreciation issues in the Rate Case.

¹ Flint Hills Resources, LP, Gerdau Ameristeel Corporation, and USG Interiors, Inc.

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Very truly yours,

MACKALL, CROUNSE & MOORE, PLC

/s/ Andrew P. Moratzka

Andrew P. Moratzka

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