



414 Nicollet Mall
Minneapolis, MN 55401

January 13, 2017

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

—Via Electronic Filing—

RE: REPLY COMMENTS
2017 CAPITAL STRUCTURE
DOCKET NO. E,G002/S-16-887

Dear Mr. Wolf:

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission this brief Reply in response to the December 29, 2016 Comments of the Minnesota Department of Commerce in the above-referenced docket.

We appreciate the Department's review and recommendation that the Commission approve our proposed 2017 capital structure, and accept the recommendations outlined on pages 18-19 of the Comments.

In Comments, the Department also requested the Company provide an update regarding its efforts to dissolve the Nuclear Management Corporation (NMC). We have completed a diligence process that was necessary to determine whether there could be any unknown or unintended consequences for NSP Nuclear Corporation and/or the NSPM operating company as a result of its dissolution.¹ We did not identify any material impediment to dissolving the NMC, and we now anticipate being able to complete the dissolution by the end of first quarter 2017. We will supplement our Reply once the dissolution process is complete.

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.

¹ The diligence process included an assessment of potential liabilities, legal claims, and other legal and accounting issues that would complicate or counsel against dissolution.

Please contact Jody Londo at (612) 330-5601 or jody.l.londo@xcelenergy.com or Mary Schell at (612) 215-5362 or mary.p.schell@xcelenergy.com if you have any questions regarding this filing.

Sincerely,

/s/

BRIAN J. VAN ABEL
VICE PRESIDENT AND TREASURER

Enclosures

cc: Service List