



414 Nicollet Mall
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September 17, 2018

—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
ANNUAL UPDATE OF REMAINING LIVES AND DEPRECIATION RATES FOR
TRANSMISSION, DISTRIBUTION, AND GENERAL ACCOUNTS
DOCKET NO. E,G002/D-18-523

Dear Mr. Wolf:

Northern States Power Company, doing business as Xcel Energy, submits this Reply in response to Comments submitted by the Department of Commerce on September 6, 2018 in the above mentioned docket. We appreciate the Department's review of our Petition and provide our reply to its comments below and the additional information requested. We respectfully request the Commission approve our Petition as filed on July 31, 2018.

A. Comparison of Proposed Average Remaining Lives

In its Comments, the Department noted that while a comparison of proposed lives to previously approved lives is not required, it does provide important context for determining whether the proposed average remaining lives are reasonable.¹ We will provide a current-versus-proposed comparison of the average remaining lives in future annual filings.

¹ DOC Comments, 9/6/18, page 3.

B. Future Additions and Retirements

The Department also noted that the Company did not include the Future Additions and Retirements as required by Minnesota Rules, part 7825.0700, subpart 2, B. We apologize for this oversight and provide the information missing from this year's filing below. We will also include this data in all subsequent filings.

The Company does not anticipate at this time that any major future addition or retirement in the electric, gas, or common utility plant accounts would materially affect the depreciation rates recommended in this filing. While there are large additions planned, the assets being installed should follow the lives established for the current assets, as the type and nature does not differ between the existing and the new assets.

The absence of such clearly identifiable major future additions or retirements means ongoing future additions and retirements influence life and salvage estimates, but usually do not result in dramatic changes. Rather, these additions and retirements indicate gradual changes in the life characteristics of the equipment in the account.

We have electronically filed this document with the Minnesota Public Utilities Commission, and summaries have been served on the parties on the attached service lists. 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
PRINCIPAL FINANCIAL CONSULTANT

c: Service List

CERTIFICATE OF SERVICE

I, Carl Cronin, hereby certify that I have this day served copies of the foregoing document on the attached lists of persons.

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

xx electronic filing

Docket No. E,G002/D-18-523

Dated this 17th day of September 2018

/s/

Carl Cronin
Regulatory Administrator

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