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VII. Decision Alternatives

Remaining Lives and Depreciation

1. Approve Xcel's proposed depreciation lives and rates in the 2019 Review of Remaining Lives, including Xcel's proposed modifications for the remaining lives of the electric production plants in the table below, effective January 1, 2019. **AND**
2. Accept Xcel's Proposed Changes for the remaining lives of the following electric production plants as modified below.

Plant	Proposed Retirement Date	Proposed Increase in Plant Life in Years	Proposed Remaining Life	2019 Estimated (Decrease) in Depreciation Expense in Dollars
Sherco Units 1	12/31/2026	1	8	(7,135,065)
Sherco Unit 2	12/31/2023	1	5	
Sherco Unit 3	12/31/2035	1	17	(1,023,525)
Sherco Unit 3 Deferral	12/31/2035	1	17	(29,596)
Angus Anson Units 2 & 3	5/31/2040	15	22	(1,177,648) ³⁰
Angus Anson Unit 4	5/31/2045	10	26	(641,237)
Black Dog 5 (FERC 341 only)	5/31/2058	26.3	39.3	(989,028)
Blue Lake Units 1-4	5/31/2023	4	4.5	(1,046,143)
Blue Lake Units 7 & 8	5/31/2045	10	26.4	(1,092,241) ³¹
Total Impact				(13,134,483)

(Xcel, DOC)

OR

3. Approve Xcel's proposed depreciation lives and rates in the 2019 Review of Remaining Lives, except for Xcel's proposed modifications for the remaining lives of the electric production plants in the table above, effective January 1, 2019, and

Deny the Company's request to extend the electric production plants' remaining lives at this time, and delay action on this issue until after the Commission approves the Company's next Integrated Resource Plan (IRP). (OAG)

4. Approve a one-year passage of time adjustment for all natural gas, electric production, and gas storage facilities. (Xcel, DOC, OAG has not objected)

³⁰ See Department Attachment 1, Part b of Xcel's Response to Department Information Request No. 4. Dollar amount calculated as [(\$1,477,648 decrease) + \$300,000 increase] = (1,177,648 decrease).

³¹ Xcel expects to capitalize approximately \$0.1 million during 2019 for Blue Lake Units 7 and 8 resulting in a smaller decrease in annual depreciation expense (see Department Attachment 2, Part b of Xcel's Response to Department Information Request 8). The exact amount by which the annual depreciation expense would change depends on when during 2019 the planned expenditures are actually capitalized.