

August 11, 2021

—Via Electronic Filing—

Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

RE: LETTER – ALTERNATIVE DECISIONS OPTIONS

2020 Annual Review of Remaining Lives & Five-Year Depreciation

STUDY

DOCKET NO. E,G002/D-19-723

Dear Mr. Seuffert:

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission these Alternative Decision Options in response to the Briefing Papers submitted by Commission staff on July 29, 2021 in the above-mentioned docket.

Decision Option 6 of the Briefing Papers is currently written as follows:

6) Approve Xcel's proposed changes in net salvage rates, except as noted for the Wind2Battery System (DOC, OAG)

The Company recommends a supplement to this Decision Option to read as:

6.a) Take no action on the Wind2Battery net salvage rate.

Decision Option 8 of the Briefing Papers is currently written as follows:

8) Deny Xcel's request for removal costs of \$5.6 million for the Wind2Battery System and require Xcel to write off the \$0.9 million remaining net book value as required by generally accepted accounting principles. (DOC, OAG).

The Company recommends alternatives to this Decision Option to read as:

8.a) Take no action on Xcel Energy's request for a reserve reallocation for the removal costs of \$5.6 million for the Wind2Battery System in this proceeding and require

Xcel Energy to address the prudence of these costs in its next general rate case and ensure such costs are not included in interim rates in connection with that case.

8.b) Permit a reserve reallocation for Xcel Energy's request for the \$0.9 million estimated remaining net book value for the Wind2Battery System but require Xcel Energy to address the prudence of these costs in its next general rate case and ensure such costs are not included in interim rates in connection with that case.

We appreciate the opportunity to submit these Alternative Decision Options, and we will be prepared to discuss these at the Commission meeting on August 19.

Pursuant to Minn. Stat. § 216.17, subd. 3, 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. Please contact me at (612) 330-6270 or allen.krug@xcelenergy.com if you have any questions regarding this filing.

Sincerely,

/s/

ALLEN KRUG ASSOCIATE VP, STATE REGULATORY POLICY

c: Service List

CERTIFICATE OF SERVICE

I, Lynnette Sweet, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

- <u>xx</u> 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-19-723

Dated this 11th day of August 2021

/s/

Lynnette Sweet Regulatory Administrator

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