



2302 Gr. N. Drive  
Fargo, ND 58102

February 21, 2018

—Via Email and U.S. Mail—

Darrell Nitschke, Executive Director  
North Dakota Public Service Commission  
State Capitol Building, Dept. 408  
600 East Boulevard  
Bismarck, ND 58505-0480

RE: XCEL ENERGY 2018 ANNUAL REVIEW OF REMAINING LIVES

Dear Mr. Nitschke:

Pursuant to the approved Settlement Agreement in Case No. PU-07-776, Northern States Power Company (Xcel Energy, or the Company) submits this letter to inform the North Dakota Public Service Commission that on February 20, 2018 Xcel Energy filed its *2018 Review of Remaining Lives* with the Minnesota Public Utilities Commission (MPUC), Docket No. E,G002/D-18-162.

Our *2018 Review of Remaining Lives* provides recommendations stemming from the annual review of electric and natural gas production and natural gas storage asset lives and net salvage rates. The filing is available on the MPUC website at: <https://www.edockets.state.mn.us/EFiling/edockets/searchDocuments.do?method=showPoup&documentId={F004B561-0000-C213-ACF1-098D07AC77B8}&documentTitle=20182-140299-01>

We requested approval of the following:

- One year passage of time adjustments for all electric and natural gas production and natural gas storage facilities. Subtracting one year from the present certified remaining lives results in the proposed remaining lives as of January 1, 2018.
- Remaining lives and net salvage rates for FERC Account 343- *Prime Movers*. The Company seeks to transfer plant located at our Black Dog 5, High Bridge, and Riverside units to this account from FERC Accounts 342-*Fuel holders, producers, and accessories* and 344-*Generators* and use the same lives and net salvage rates approved for FERC Accounts 342 and 344.

Additionally, in compliance with past practice and the MPUC's Order in our 2017 remaining life filing<sup>1</sup>, we provide a discussion of the following items for the Commission's information:

- An explanation and schedule of the differences between depreciation remaining lives and the Integrated Resource Plan<sup>2</sup> (IRP) lives of electric production plants.
- An update on removal costs for our retired Black Dog coal-fired Units 3 and 4, retired Minnesota Valley coal-fired plant, and retired Key City natural gas/oil peaking plant.

Overall, the *2018 Review of Remaining Lives* reflects no change in total Company depreciation expense.

Please contact Amber Hedlund at [amber.r.hedlund@xcelenergy.com](mailto:amber.r.hedlund@xcelenergy.com) or (612) 337-2268 or me at [dave.sederquist@xcelenergy.com](mailto:dave.sederquist@xcelenergy.com) or (701) 241-8632 if you have any questions regarding this filing.

Sincerely,

A handwritten signature in blue ink that reads "David H. Sederquist". The signature is written in a cursive, flowing style.

DAVID H. SEDERQUIST  
SR. REGULATORY/FINANCIAL CONSULTANT

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<sup>1</sup> Docket No. E,G002/D-17-147, February 8, 2018 Order.

<sup>2</sup> Docket No. E002/RP-15-21