



2302 Gr. N. Drive  
Fargo, ND 58102

February 21, 2019

—Via Email and U.S. Mail—

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

RE: XCEL ENERGY 2019 ANNUAL REVIEW OF REMAINING LIVES

Dear Mr. Kahl:

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 19, 2019 Xcel Energy filed its *2019 Review of Remaining Lives* with the Minnesota Public Utilities Commission (MPUC), Docket No. E,G002/D-19-161.

Our *2019 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={D0B90769-0000-C914-B952-9DD4F235322C}&documentTitle=20192-150412-01>

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, 2019.
- Modification to the remaining lives for the following electric production plants: Sherburne County (Sherco) Units 1-3, Angus Anson Units 2-4, Black Dog Unit 5 (FERC 341 only), and Blue Lake Units 1 through 4 and 7-8;

- Removal of the Wescott natural gas production plant from all schedules due to the sale of the facility as approved by the MPUC on January 31, 2019 in Docket No. G002/PA-18-294; and
- Initial remaining life and net salvage rate for Blazing Star I, Foxtail, and Lake Benton wind farms to be in-serviced during 2019.

Additionally, in compliance with past practice 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>1</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 *2019 Review of Remaining Lives* reflects a decrease in total Company depreciation and amortization expense of \$13.4 million for existing assets, and an increase of \$4.1 million related to a partial year of depreciation on 2019 in-serviced wind farms for a net impact of a \$9.3 million decrease.

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,



DAVID H. SEDERQUIST  
SR. REGULATORY/FINANCIAL CONSULTANT

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<sup>1</sup> Docket No. E002/RP-15-21