



414 Nicollet Mall  
Minneapolis, MN 55401

May 27, 2015

—Via Email and US Mail—

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

RE: 2015 ANNUAL REVIEW OF REMAINING LIVES

Dear Mr. Nitschke:

Pursuant to the approved Settlement Agreement in Case NO. PU-12-813, Northern States Power Company submits this letter to inform the North Dakota Public Service Commission that on May 18, 2015 Xcel Energy filed its *2015 Review of Remaining Lives* with the Minnesota Public Utilities Commission (Docket No. E,G002/D-15-46).

Our *2015 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 Minnesota Commission website.

The remaining lives and net salvage rates currently in use were approved in our 2014 Remaining Lives filing (Docket No. E,G002/D-14-181). Notice regarding the 2014 filing was provided to the North Dakota Commission in our letter to you on March 7, 2014.

The 2015 filing shows the impact of the following proposed changes:

- Passage of time adjustments for all electric and natural gas production and gas storage facilities, except as discussed below.
- Modification to the remaining lives for electric production plants Blue Lake Units 1-4, Red Wing, and Wilmarth.

- Modifications to the remaining lives for natural gas production plants Maplewood, Sibley, and Wescott.
- Updates to the net salvage rates for electric and natural gas production and natural gas storage facilities based on the 5-year Dismantling Study.

The 2015 filing also provides discussion of the following items:

- Black Dog Units 3 and 4 removal costs;
- Minnesota Valley removal costs and reserve reallocation;
- Key City removal costs and reserve reallocation; and
- The transfer of Wind to Battery assets to new Federal Energy Regulatory Commission (FERC) account 348.1.

Overall, the *2015 Review of Remaining Lives* reflects an increase in total Company depreciation expense of \$4.9 million.

Please contact 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 style with a large, stylized "D" and "S".

DAVE SEDERQUIST  
SR. REGULATORY CONSULTANT

Enclosure