

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

LeRoy Koppendraye

Chair

David Boyd

Commissioner

Marshall Johnson

Commissioner

Phyllis Reha

Commissioner

Thomas Pugh

Commissioner

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Xcel Energy
414 Nicollet Mall, 4th Floor
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In the Matter of Northern States Power Company's d/b/a Xcel Energy Request for Approval of the Annual Review of Remaining Lives Depreciation for Electric and Gas Production and Gas Storage Facilities for 2007

The above entitled matter has been considered by the Commission and the following disposition made:

Approved Xcel Energy's proposed service lives and salvage rates, and resulting depreciation rates effective January 1, 2007.

Found that the requirement to describe the differences between IRP planning periods and depreciation lives for electric production facilities and to prepare a schedule that explicitly shows the comparison has been met.

Required that future depreciation studies for production facilities continue to: 1) describe how the service lives proposed relate to the planning periods in the IRP for each electric production facility, and 2) contain a schedule that shows the comparison.

Required that Xcel's next remaining life depreciation study of electric and gas production and gas storage facilities, be filed by February 17, 2008.

Required that Xcel's next five-year depreciation study based on a review of the remaining lives and to include a detailed review of its salvage rates for electric and gas production and gas storage facilities be filed by February 17, 2010.

Required Xcel to separately adjust (and document) its accumulated depreciation reserve in its next rate case to recognize the higher level of depreciation reflected in rates than is recommended for approval in this petition for the Monticello nuclear power plant. The Company is invited to file comments on this proposal or some other reasonable method.

The Commission agrees with and adopts the recommendations of the Department of Commerce and clarifications included in the Company's reply comments of July 23, 2007 which are attached and hereby incorporated in the Order.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

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