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Section No. 8

3rd Revised Sheet No. 2

Cancelling 2nd Revised Sheet No. 2

The Commission has jurisdiction over this matter pursuant to SDCL Chapters 1-26 and 49-34A, including 1-26-20, 49-34A-3, 49-34A-6, 49-34A-8, 49-34A-8.4, 49-34A-10, 49-34A-11, 49-34A-12, 49-34A-13, 49-34A-13.1, 49-34A-14, 49-34A-17, 49-34A-19, 49-34A-19.1, 49-34A-19.2, 49-34A-21, and 49-34A-22.

The Joint Motion for Approval of Settlement Stipulation and Interim Rate Refund Plan (Refund Plan) were duly noticed for Commission consideration and action at the Commission's regular meeting on March 26, 2013. The Commission heard from Xcel and Staff concerning the proposed Settlement Stipulation. The Commission requested that the term "Rate Phase-In Rider" included in the Stipulation and associated filed tariff sheets be changed to a term such as "Infrastructure Rider" to avoid confusion with a rate phase-in plan submitted under SDCL 49-34A-73 through 49-34A-78. Xcel and Staff agreed to such a change in terminology. The matter was deferred until the Commission's April 9, 2013, meeting. Having thoroughly reviewed the filings in the docket and made further inquiry of the parties at the meeting, the Commission found that the terms and conditions proposed in the Settlement Stipulation were just, reasonable, and in the public interest and that good and sufficient cause was demonstrated to approve the Settlement Stipulation. The Commission voted unanimously to grant the Joint Motion for Approval of Settlement Stipulation. The Commission also considered the issue of approval of Xcel's Refund Plan. Finding that the Refund Plan as proposed by Xcel properly balances the interests of Xcel in having a workable plan that is not unduly administratively burdensome and the interests of customers in obtaining a prompt and substantially complete refund of non-diminimus over-collections during the interim period and is therefore just and reasonable, the Commission voted unanimously to approve Xcel's Refund Plan. It is therefore

ORDERED, that the Joint Motion for Approval of Settlement Stipulation is granted. The Settlement Stipulation is incorporated by reference into this Decision and Order the same as if it had been set forth in its entirety herein. It is further

ORDERED, that Xcel's Refund Plan is approved as filed. It is further

ORDERED, that the aforementioned tariff sheets are approved for service rendered on and after May 1, 2013, subject to the condition that Xcel shall file revised tariff sheets reflecting the change of the term "Rate Phase-in Rider" to "Infrastructure Rider" and reference the date of this Order as the Order Date.

Dated at Pierre, South Dakota, this 18th day of April, 2013.

CERTIFICATE OF SERVICE
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically.
By: <u>Joy King</u>
Date: <u>4.18.13</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Gary Hanson
GARY HANSON, Chairman

Chris Nelson
CHRIS NELSON, Commissioner

Kristie Fiegen
KRISTIE FIEGEN, Commissioner

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE APPLICATION)	SETTLEMENT
OF NORTHERN STATES POWER)	STIPULATION
COMPANY DBA XCEL ENERGY FOR)	
AUTHORITY TO INCREASE ITS)	EL12-046
ELECTRIC RATES)	

I. SETTLEMENT STIPULATION

On June 29, 2012, Northern States Power Company d/b/a Xcel Energy (Xcel Energy or Company) filed with the Public Utilities Commission (Commission) an application for approval to increase rates for electric service to customers in its South Dakota service territory by approximately \$19.368 million annually or approximately 11.53 % based on the Company's 2011 test year. Under the requested increase, a residential electric customer using 750 kWh per month would have seen an increase of 12.7%, or \$9.82 per month. The proposed rates would have affected approximately 85,000 customers in Xcel's South Dakota service territory.

Commission Staff and Xcel Energy (jointly the Parties) held several negotiating sessions in an effort to arrive at a jointly acceptable resolution of this matter. As a result of those negotiations, the Parties have resolved all issues in this proceeding and have entered into this Settlement Stipulation (Stipulation), which, if accepted and ordered by the Commission, will determine the rates that result from this proceeding.

II. PURPOSE

This Stipulation has been prepared and executed by the Parties for the sole purpose of resolving Docket No. EL12-046. The Parties acknowledge that they may have differing views and reasons to support and justify the end result of the Stipulation, but each Party deems the end result to be just and reasonable. In light of such differences, the Parties agree that the resolution of any single issue, whether express or implied by the Stipulation, should not be viewed as precedent setting. In consideration of the mutual promises hereinafter set forth, the Parties agree as follows:

1. Upon execution of this Stipulation, the Parties shall immediately file this Stipulation with the Commission together with a joint motion requesting that the Commission issue an order approving this Stipulation in its entirety without condition or modification.

2. This Stipulation includes all terms of settlement. The Stipulation is filed conditioned on the understanding that, in the event the Commission imposes any changes in or conditions to this Stipulation, this Stipulation may, at the option of either Party, be withdrawn and shall not constitute any part of the record in this proceeding or any other proceeding nor be used for any other purpose in this case or in any other.

3. This Stipulation shall become binding on the Parties upon execution by the Parties, provided however, if this Stipulation is withdrawn in accordance with Paragraph 2 above, it shall be null, void, and inadmissible in this case or in any other case. This Stipulation is intended to relate only to the specific matters referred to herein; neither Party waives any claim or right which it may otherwise have with respect to any matter not expressly provided for herein; neither Party shall be deemed to have approved, accepted, agreed or consented to any ratemaking principle, or any method of cost of service determination, or any method of cost allocation underlying the provisions of this Stipulation, or either be advantaged or prejudiced or bound thereby in any other current or future proceeding before the Commission. Neither Party nor representative thereof shall directly or indirectly refer to this Stipulation or that part of any order of the Commission as precedent in any other current or future rate proceeding or any other proceeding before the Commission.

4. The Parties to this proceeding stipulate that all pre-filed testimony, exhibits, and workpapers be made a part of the record in this proceeding. The Parties understand that if the issues settled in this matter had not been settled, the procedural schedule would have continued and Xcel Energy would have filed rebuttal testimony;

Commission Staff would have responded to certain of the positions contained in Xcel Energy's rebuttal testimony, and an evidentiary hearing would have been conducted where the witnesses providing testimony would have been subject to examination.

5. It is understood that Commission Staff enters into this Stipulation for the benefit of Xcel Energy's South Dakota customers affected by this docket.

III. ELEMENTS OF THE STIPULATION

1. Revenue Requirement

The Parties agree that Xcel Energy's rate schedules attached as Exhibit A are designed to produce an ongoing annual increase in base rates to recover a total revenue deficiency of \$11.570 million, including gross receipts taxes, or approximately 6.86% percent annually for retail electric service sales in South Dakota. The Parties agree to a 7.78% rate of return on rate base.

2. Allocation to Customer Classes

The Parties agree that the final revenue requirement will be allocated to the affected rate classes with the resulting increases as shown on attached Exhibit B.

3. Asset and Non-Asset based Margins

South Dakota customers will be credited 100 percent of the jurisdictional portion of actual asset-based margins and 30 percent of the jurisdictional share of non-asset based margins from intersystem sales as described in the Company's South Dakota Fuel Clause Rider. For asset-based margins sharing, the Company agrees to continue to include a tracker in the monthly Fuel Clause Adjustment Reports showing the monthly amount credited to South Dakota customers. The Company will maintain a similar tracker for the non-asset based margins sharing credit. The retail share of the non-asset based margins will be computed annually after the close of the calendar year. The Company will provide both a fully allocated cost study and an incremental cost study showing the costs incurred

to realize non-asset based margins in its next general rate filing.

4. Nuclear Decommissioning Expense

Final rates reflect an increase in the nuclear decommissioning expense of \$1.234 million. This amount includes only the estimated costs of decommissioning the nuclear generating facilities and independent spent fuel storage installations at Prairie Island and Monticello and does not include any contingency. The Parties agree that the Company may seek recovery of all costs for decommissioning not otherwise recovered from ratepayers in a future rate case or other proceeding.

5. Amortization

The Parties agree that amortizations being recovered in rates under the terms of the Stipulation include the following where the cost (Amounts Amortized) will be deferred and amortized over the periods shown:

Item	Amount Amortized (\$)	Amortization Period (years)	Annual Amount (\$)
Private Fuel Storage	\$1,010,000	6	\$168,000
Rate Case Expenses	\$ 695,000	2	\$347,500
Emission Sales Credit	\$(219,000)	5	\$(44,000)
Black Dog Conversion Project	\$43,000	2	\$21,500

a. Private Fuel Storage (PFS)

The Parties agree that the PFS deferred balance approved in Docket EL09-009 of \$1,010,000 to be amortized over 6 years in an amount of \$168,000 per year will continue to be amortized and recovered. The Parties agree that the average unamortized balance of \$505,000 will be included as a component of other rate base.

b. Rate Case Expenses

The Parties agree that the unamortized actual rate case expenses from Dockets EL09-009 and EL11-019 will be combined with the current Rate Case expenses and will

be deferred and amortized and recovered over two (2) years. The Parties agree that the average unamortized balance of \$404,000 will be included as a component of other rate base. As a result of the Parties agreement on the treatment of rate case expenses in this Stipulation, the Commission's approval of the treatment of rate case expenses in Dockets EL09-009 and EL11-019 is superseded upon approval of this Stipulation.

c. Emissions Sales Credits

The Parties agree that the Emission Sales Credits deferred balance approved in EL09-009 of (\$219,000) to be amortized over five years in an amount of \$(44,000) will continue to be amortized and recovered. The Parties agree that the average unamortized balance of \$(110,000) will be included as a component of other rate base.

d. Black Dog Conversion Project

The Parties agree that the Black Dog Conversion Project deferred balance of \$43,000 is to be amortized over two years in an amount of \$21,500 annually. The Parties agree that the Company shall refund any over-collections should the rates established in this case be in effect longer than the two-year amortization period.

6. Nuclear Fuel Outage Costs.

In Docket EL07-035, the Commission approved Xcel's petition to change from a direct-expense accounting to a deferral/amortization method and the resulting creation of a regulatory asset (the deferred balance) for planned refueling outages at the Monticello and Prairie Island nuclear plants. The Commission accepted this method of ratemaking treatment in the Company's last two rate cases, Dockets EL09-009 and EL11-019. It is agreed that this methodology is appropriate for ratemaking purposes in the present docket.

7. Depreciation

The Parties agree that the depreciation lives and rates presented in this rate case will be the ones in effect with the approval of this Stipulation.

8. Rate Phase-In Rider

The Parties agree that the Company will implement a rider to recover specifically evaluated and discrete costs for capital projects and incremental property taxes for 2013 that are not included in the revenue deficiency outlined in Section III.1 for purposes of setting base rates. The Phase-In Rider is intended only to recover these costs and does not refer to phase-in accounting as defined under Generally Accepted Accounting Principles.

a. Costs included in Rate Phase-In Rider

The amount included in the Rate Phase-In Rider for these capital projects will initially reflect a full year of revenue requirements for projects that went into service in 2012 and a partial year of revenue requirements for projects going into service in 2013 based on the expected in-service dates in 2013 as of January 1, 2013. These projects are outlined on the attached Exhibit C. The projected project costs to be included in the rider are shown on Exhibit E. A subsequent annual filing made by October 1 of each year beginning in 2013 will true up the rider for actual costs and revenues for the prior period, reconciling any differences between estimated cost and in-service date and actual cost and in-service date, and include projected revenue requirements for the tracker projects in the following year, including incremental property taxes for 2013 that are not included in the revenue deficiency outlined in Section III.1 for purposes of setting base rates. This process of true up to actual costs and reset of the Rate Phase-In Rider factor based on forecast for the following year will continue until the revenue requirements related to projects in the rider are moved into base rates in a future rate case.

b. Annual Rider Update

The Parties agree to the Rate Phase-In Rider tariff language attached as Exhibit D to this Stipulation. Under the Rate Phase-In Rider tariff, the Company will submit updates to the rider by October 1 of each year, for January 1 implementation, as a compliance filing, as described in Section 8.a. above. No separate Commission action or approval is required to implement the Rate Phase-In Rider or the updates to the Rider.

Staff reserves the right to review the rider filings for cost prudence. The Parties

agree that the Rider update will be implemented January 1 following the October 1 filing and that update will remain in effect until changed, either by a subsequent update or by Commission action.

9. Rate Moratorium

The Parties agree that if the Commission adopts this Stipulation without condition or modification, the Company shall not file any petition to increase base rates for electric service, for rates proposed to be in effect prior to January 1, 2015. The Parties agree that this rate moratorium does not apply to any rider or other adjustment, including, but not limited to, the transmission cost recovery rider, environmental cost recovery rider, rate phase-in rider, fuel cost adjustment, and demand side management cost adjustment factor.

10. Implementation of Rates

The revised rate schedules shall be implemented with service rendered on May 1, 2013, with bills prorated so that usage prior to that date is billed at the previous rate and usage on and after that date is billed at the new rates. The revised rate schedules are attached as Exhibit A.

11. Interim Rate Refund

Interim rates were implemented on January 1, 2013. Approval of this Stipulation will authorize a rate increase less than the interim rate level in effect. The Company agrees to refund customers a portion of the interim rates collected during the period January 1 through April 30, 2013, with new rates beginning May 1, 2013. The Company will file a separate proposal for the interim rate refund.

This Stipulation is entered into this 15th day of March, 2013.

Northern States Power Co.

SD Public Utilities Commission Staff

d/b/a Xcel Energy

BY: Laura McCarten

BY: Karen E. Cremer

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DATED: 3-15-2013

DATED: 3/15/2013

Northern States Power Company
Docket EL12-046
South Dakota Electric Operating Income Statement With Known and Measurable Adjustments
Adjusted Test Year Ended December 31, 2011 (\$000's)

Line No.	Description	Nuclear Decommissioning 2013	Steam Remaining Life	Other Prod Remaining Life	Remain Life Mn Valley	Remain Life BL/GC/KC	EL11-019 Depreciation Adjustment	Net Operating Loss	Union Wage Adjustment	Margin Sharing
	(a)	(ad)	(ae)	(af)	(ag)	(ah)	(ai)	(aj)	(ak)	(al)
1	OPERATING REVENUES:									
2	Retail Revenue									
3	Other Electric Operating Revenue									(196)
4	TOTAL OPERATING REVENUES	-	-	-	-	-	-	-	-	(196)
5	OPERATING EXPENSES:									
6	Operation and Maintenance:									
7	Fuel & Purchased Energy									
8	Power Production Expense									
9	Transmission Expense									
10	Distribution Expense									
11	Customer Accounting Expense									
12	Customer Service and Information Expense									
13	Sales, Econ Dvlp & Other Expenses									
14	Administration and General Expense								440	
15	Other									
16	Total Operation and Maintenance	-	-	-	-	-	-	-	440	-
17	Depreciation and Amortization	1,234	(764)	271	80	(308)	(2,295)			
18	Taxes:									
19	Property Taxes									
20	Deferred Income Taxes and Investment Tax Credit		311	(111)	(33)	126	936	(11,002)		
21	South Dakota Gross Receipts Tax									
22	Payroll & Other Taxes									
23	Federal Income Taxes	(432)	-	-	-	-	-	9,599	(154)	(69)
24	Other Taxes									
25	Total Taxes	(432)	311	(111)	(33)	126	936	(1,403)	(154)	(69)
26	TOTAL OPERATING EXPENSES	802	(453)	160	47	(182)	(1,359)	(1,403)	286	(69)
27	OPERATING INCOME	(802)	453	(160)	(47)	182	1,359	1,403	(286)	(127)
	Source	Email from Paulson to Thurber on 12/12/12	Exhibit_(TEK-1) Sch. 6b, pg. 3 Column (30)	Exhibit_(TEK-1) Sch. 6b, pg. 3 Column (31)	Exhibit_(TEK-1) Sch. 6b, pg. 3 Column (32)	Exhibit_(TEK-1) Sch. 6b, pg. 3 Column (33)	Exhibit_(TEK-1) Sch. 6b, pg. 3 Column (34)	Email from Kramer to Mehlhaff on 2/6/13	Exhibit_(TEK-1) Sch. 6b, pg. 3 Column (36)	DR 3-9, Attach. A BAM-4, pg. 2
	Staff Witness Testimony	Peterson	Peterson	Peterson	Peterson	Peterson	Peterson	Peterson	Jacobson	Mehlhaff
	Staff position on NSP's Adjustment	Adjusted	Accepted	Accepted	Accepted	Accepted	Accepted	Accepted	Accepted	Adjusted

Procedural Chronology for South Dakota Depreciation Rates

In South Dakota Public Utilities Commission (“SDPUC”) Docket No. EL11-019, the Company and the SDPUC Staff finalized and jointly filed the Settlement Stipulation for Commission approval which included the South Dakota jurisdiction impact of a settlement issue agreed to in the rate proceeding before the Minnesota Public Utilities Commission (“MPUC”) in Docket No. E002/GR10-971. In that settlement, the Company agreed to numerous adjustments to production, transmission, and distribution depreciation rates based upon an extensive review with the objective of “restoring intergenerational equity and providing rate mitigation benefits to consumers.” Also, the Company anticipated that these rates would be supported by the periodic, five-year depreciation study it intended to file with the MPUC in July 2012. The rate settlement was approved by the presiding Minnesota Administrative Law Judge on February 22, 2012 and, with minor modifications, by the MPUC on March 29, 2012. The Settlement Stipulation for SDPUC Docket No. EL11-019 included an adjustment to the test year that reflected the application of these Company-supported rates to plant assigned or allocated to South Dakota during the test year.

The Joint Motion and Settlement Stipulation were duly and lawfully granted and approved by the SDPUC without objection by any party through its Order Approving Joint Motion for Approval of Settlement Stipulation issued on May, 24, 2012.

In SDPUC Docket No. EL12-046, the Company made test year adjustments to reflect in the historical test year changes to remaining lives that have either been previously approved by the MPUC in Docket Nos. E,G002/D-10-173 or E,G002/D-11-144, or had been proposed in Docket No. E,G002/D-12-151, currently pending before the Minnesota Commission. The Company requested approval consistent with the prior decisions of the MPUC, and consistent with prior practice, the Company requested that the final decision with respect to those life extension requests in Docket No. E,G002/D-12-151 be reflected in final rates that would result from this proceeding.

Test Year adjustments were made for the following plants:

Steam plants:

- Black Dog Units 3 and 4 steam production plant (MPUC Docket No. E,G002/D-11-144);
- Red Wing refuse-derived fuel steam production plant (MPUC Docket No. E,G002/D-10-173);
- Wilmarth refuse-derived fuel steam production plant (MPUC Docket No. E,G002/D-10-173); and
- Sherburne County Unit 3 steam production plant ((MPUC Docket No. E,G002/D-10-173).

Other Production plants:

- Inver Hills other production plant (MPUC Docket No. E,G002/D-10-173);
- Riverside other production plant (MPUC Docket No. E,G002/D-10-173);
- Minnesota Valley production plant (MPUC Docket No. E,G002/D-12-151);

- Blue Lake production plant (MPUC Docket No. E,G002/D-12-151);
- Granite City production plant (MPUC Docket No. E,G002/D-12-151); and
- Key City production plant (MPUC Docket No. E,G002/D-12-151).

These adjustments recognize the new net salvage values for all steam production and other production plants.

One additional adjustment was made to reflect the lower depreciation values in the pro forma historical test year to recognize the test year impact of the Settlement Stipulation for SDPUC Docket No. EL11-019. The Company acknowledged that it would be filing a new Five-Year Depreciation Study for Transmission, Distribution, and Other Assets in July 2012. As with the Company's proposed changes in remaining lives in MPUC Docket No. E,G002/D-12-151, the Company proposed that the decision concerning the Five-Year Study be reflected in the final rates that would result from this current proceeding.

All the adjustments identified above were accepted by South Dakota Staff and incorporated into the final revenue requirements calculation without any modification. These adjustments are identified in Docket No. EL12-046, Exhibit (BAM-8) Schedule 3, page 4 of 8, columns (ae) through (ai). The Settlement Stipulation Agreement for SDPUC Docket No. EL12-046 states under Section III Elements of the Stipulation item 7, "The Parties agree that the depreciation lives and rates presented in this rate case will be the ones in effect with the approval of this Stipulation."

On April 18, 2013, the SDPUC issued its Order approving the Settlement Stipulation for Docket No. EL12-046.

NSP-Minnesota
Depreciation Lives and Rates
State of South Dakota
Electric Production

Plant	FERC Account	Description	Remaining Life (Yrs.) 1/1/2014	Net Salvage (%)
<u>Steam Production</u>				
Black Dog Units 3&4	E311	Structures & Improvements	18.0	-8.3
	E312	Boiler Plant Equipment	2.0	-18.0
	E314	Turbogenerator Units	2.0	-18.0
	E315	Accessory Electric Equipment	2.0	-18.0
	E316	Miscellaneous Power Plant Equipment	2.0	-18.0
Allen S. King	E311	Structures & Improvements	23.5	-5.5
	E312	Boiler Plant Equipment	23.5	-5.5
	E314	Turbogenerator Units	23.5	-5.5
	E315	Accessory Electric Equipment	23.5	-5.5
	E316	Miscellaneous Power Plant Equipment	23.5	-5.5
Minnesota Valley	E311	Structures & Improvements	0.0	N/A *
	E312	Boiler Plant Equipment	0.0	N/A *
	E314	Turbogenerator Units	0.0	N/A *
	E315	Accessory Electric Equipment	0.0	N/A *
	E316	Miscellaneous Power Plant Equipment	0.0	N/A *
Red Wing	E311	Structures & Improvements	4.0	-23.3
	E312	Boiler Plant Equipment	4.0	-23.3
	E314	Turbogenerator Units	4.0	-23.3
	E315	Accessory Electric Equipment	4.0	-23.3
	E316	Miscellaneous Power Plant Equipment	4.0	-23.3
Sherco Units 1&2	E311	Structures & Improvements	9.0	-5.1
	E312	Boiler Plant Equipment	9.0	-5.1
	E314	Turbogenerator Units	9.0	-5.1
	E315	Accessory Electric Equipment	9.0	-5.1
	E316	Miscellaneous Power Plant Equipment	9.0	-5.1
Sherco Unit 3	E311	Structures & Improvements	19.0	-4.3
	E312	Boiler Plant Equipment	19.0	-4.3
	E314	Turbogenerator Units	19.0	-4.3
	E315	Accessory Electric Equipment	19.0	-4.3
	E316	Miscellaneous Power Plant Equipment	19.0	-4.3
Wilmarth	E311	Structures & Improvements	4.0	-23.0
	E312	Boiler Plant Equipment	4.0	-23.0
	E314	Turbogenerator Units	4.0	-23.0
	E315	Accessory Electric Equipment	4.0	-23.0
	E316	Miscellaneous Power Plant Equipment	4.0	-23.0

*Note: Minnesota Valley has been fully depreciated and no longer has useful remaining life

NSP-Minnesota
Depreciation Lives and Rates
State of South Dakota
Electric Production

Plant	FERC Account	Description	Remaining Life (Yrs.) 1/1/2014	Net Salvage (%)
<u>Nuclear Production</u>				
Monticello	E302	Franchises & Consents	16.8	0.0
	E321	Structures & Improvements	16.8	0.0
	E322	Reactor Plant Equipment	16.8	0.0
	E323	Turbogenerator Units	16.8	0.0
	E324	Accessory Electric Equipment	16.8	0.0
	E325	Miscellaneous Power Plant Equipment	16.8	0.0
Prairie Island	E302	Franchises & Consents	20.3	0.0
	E321	Structures & Improvements	20.3	0.0
	E322	Reactor Plant Equipment	20.3	0.0
	E323	Turbogenerator Units	20.3	0.0
	E324	Accessory Electric Equipment	20.3	0.0
	E325	Miscellaneous Power Plant Equipment	20.3	0.0
<u>Hydro Production</u>				
Hennepin Island	E302	Franchises & Consents	20.2	0.0
	E331	Structures & Improvements	20.2	-30.0
	E332	Reservoirs, Dams, and Waterways	20.2	-30.0
	E333	Water Wheels, Turbines, and Generators	20.2	-30.0
	E334	Accessory Electric Equipment	20.2	-30.0
	E335	Miscellaneous Power Plant Equipment	20.2	-30.0
Lower Dam	E331	Structures & Improvements	20.2	-30.0
	E332	Reservoirs, Dams, and Waterways	20.2	-30.0
Upper Dam	E332	Reservoirs, Dams, and Waterways	20.2	-30.0
	E335	Miscellaneous Power Plant Equipment	20.2	-30.0

NSP-Minnesota
Depreciation Lives and Rates
State of South Dakota
Electric Production

Plant	FERC Account	Description	Remaining Life (Yrs.) 1/1/2014	Net Salvage (%)
<u>Other Production</u>				
Angus C. Anson Units 2&3	E341	Structures & Improvements	21.4	-4.5
	E342	Fuel Holders, Producers, and Accessories	5.8	-4.4
	E344	Generators	5.8	-4.4
	E345	Accessory Electric Equipment	5.8	-4.4
	E346	Miscellaneous Power Plant Equipment	5.8	-4.4
Angus C. Anson Unit 4	E341	Structures & Improvements	21.4	-4.5
	E342	Fuel Holders, Producers, and Accessories	21.4	-4.5
	E344	Generators	21.4	-4.5
	E345	Accessory Electric Equipment	21.4	-4.5
	E346	Miscellaneous Power Plant Equipment	21.4	-4.5
Black Dog Unit 5	E341	Structures & Improvements	18.0	-1.7
	E342	Fuel Holders, Producers, and Accessories	18.0	-1.7
	E344	Generators	18.0	-1.7
	E345	Accessory Electric Equipment	18.0	-1.7
	E346	Miscellaneous Power Plant Equipment	18.0	-1.7
Blue Lake Units 1-4	E341	Structures & Improvements	21.4	-5.2
	E342	Fuel Holders, Producers, and Accessories	4.0	-11.9
	E344	Generators	4.0	-11.9
	E345	Accessory Electric Equipment	4.0	-11.9
	E346	Miscellaneous Power Plant Equipment	4.0	-11.9
Blue Lake Units 7&8	E341	Structures & Improvements	21.4	-5.2
	E342	Fuel Holders, Producers, and Accessories	21.4	-5.2
	E344	Generators	21.4	-5.2
	E345	Accessory Electric Equipment	21.4	-5.2
	E346	Miscellaneous Power Plant Equipment	21.4	-5.2
Grand Meadow Wind Project	E341	Structures & Improvements	19.9	-8.7
	E342	Fuel Holders, Producers, and Accessories	19.9	-8.7
	E344	Generators	19.9	-8.7
	E345	Accessory Electric Equipment	19.9	-8.7
	E346	Miscellaneous Power Plant Equipment	19.9	-8.7
Granite City	E341	Structures & Improvements	4.0	-38.8
	E342	Fuel Holders, Producers, and Accessories	4.0	-38.8
	E344	Generators	4.0	-38.8
	E345	Accessory Electric Equipment	4.0	-38.8
	E346	Miscellaneous Power Plant Equipment	4.0	-38.8

NSP-Minnesota
Depreciation Lives and Rates
State of South Dakota
Electric Production

Plant	FERC Account	Description	Remaining Life (Yrs.) 1/1/2014	Net Salvage (%)
High Bridge	E341	Structures & Improvements	34.4	-3.1
	E342	Fuel Holders, Producers, and Accessories	34.4	-3.1
	E344	Generators	34.4	-3.1
	E345	Accessory Electric Equipment	34.4	-3.1
	E346	Miscellaneous Power Plant Equipment	34.4	-3.1
Inver Hills	E341	Structures & Improvements	13.0	-11.0
	E342	Fuel Holders, Producers, and Accessories	13.0	-11.0
	E344	Generators	13.0	-11.0
	E345	Accessory Electric Equipment	13.0	-11.0
	E346	Miscellaneous Power Plant Equipment	13.0	-11.0
Key City	E341	Structures & Improvements	4.0	-38.6
	E342	Fuel Holders, Producers, and Accessories	4.0	-38.6
	E344	Generators	4.0	-38.6
	E345	Accessory Electric Equipment	4.0	-38.6
	E346	Miscellaneous Power Plant Equipment	4.0	-38.6
Nobles Wind Project	E341	Structures & Improvements	21.9	-8.7
	E342	Fuel Holders, Producers, and Accessories	21.9	-8.7
	E344	Generators	21.9	-8.7
	E345	Accessory Electric Equipment	21.9	-8.7
	E346	Miscellaneous Power Plant Equipment	21.9	-8.7
Riverside	E341	Structures & Improvements	35.2	-5.0
	E342	Fuel Holders, Producers, and Accessories	35.2	-5.0
	E344	Generators	35.2	-5.0
	E345	Accessory Electric Equipment	35.2	-5.0
	E346	Miscellaneous Power Plant Equipment	35.2	-5.0
United Hospital	E344	Generators	3.7	0.0
Wind-to-Battery System	E342	Fuel Holders, Producers, and Accessories	10.0	0.0

NSP-Minnesota
Depreciation Lives and Rates
State of South Dakota
Electric Transmission, Distribution, and General

FERC Account	Description	Annual Depreciation Rate (%)
<u>Electric Transmission</u>		
E352	Structures and Improvements	2.2224
E352	Structures and Improvements-Prod.	2.2224
E353	Station Equipment	2.6316
E353	Station Equipment-Prod.	2.6316
E354	Towers and Fixtures	1.8720
E354	Towers and Fixtures-Prod.	2.5000
E355	Poles and Fixtures	1.8163
E355	Poles and Fixtures-Prod.	2.4444
E356	Overhead Conductors & Devices	2.4668
E356	Overhead Conductors & Devices-Prod.	3.0948
E357	Underground Conduit	1.1900
E358	Underground Conductors & Devices	1.8715
<u>Electric Distribution</u>		
E361	Structures and Improvements	2.8884
*E361	Structures and Improvements-Prod.	2.8884
E362	Station Equipment	2.8944
*E362	Station Equipment-Prod.	2.8944
E364	Poles, Towers and Fixtures	3.5952
E365	Overhead Conductors and Devices	2.5599
E366	Underground Conduit	0.8456
E367	Underground Conductor and Devices	1.1313
E368	Line Transformers	1.8829
E368	Line Capacitors	3.0700
E369	Overhead Services	2.4454
E369	Underground Services	2.4454
E370	Meters	5.7371
E370.1	Meters-Old	4.0704
E373	Street Lighting and Signal Systems	4.8000
<u>Electric General</u>		
E303	Intangible Plant - 5 Year	20.0000
E390	Structures and Improvements	2.2224
E391	Office Furniture and Equipment	5.5556
E391	Network Equipment	25.0000
E392	Transportation Equipment - Auto	18.0000
E392	Transportation Equipment - Light Truck	9.0000
E392	Transportation Equipment - Trailers	9.0000
E392	Transportation Equipment - Heavy Truck	7.9170
E393	Stores Equipment	5.0000
E394	Tools, Shop and Garage Equipment	6.6672
E395	Laboratory Equipment	10.0000
E396	Power Operated Equipment	9.0000
E397	Communication Equipment	11.1110
E397	Communication Equipment - Two Way	11.1100
E397	Communication Equipment - EMS	6.6667
E397	Communication Equipment-AMR	6.6667
E398	Miscellaneous Equipment	6.6672