



414 Nicollet Mall
Minneapolis, Minnesota 55401

January 29, 2016

VIA ELECTRONIC FILING

The Honorable Judge Jeffery Oxley
Administrative Law Judge
Office of Administrative Hearings
P.O. Box 64620
St. Paul, MN 55164-0620

RE: SUPPLEMENTAL DIRECT TESTIMONY
XCEL ENERGY'S APPLICATION FOR AUTHORITY TO INCREASE RATES FOR
ELECTRIC SERVICE
OAH DOCKET NO. 19-2500-33074
PUC DOCKET NO. E002/GR-15-826

Dear Judge Oxley:

Enclosed please find the Supplemental Direct Testimony submitted on behalf of Northern States Power Company, doing business as Xcel Energy, in response to the Minnesota Public Utilities Commission's ("Commission") *NOTICE AND ORDER FOR HEARING* ("Order") issued December 22, 2015 in the above referenced docket.

Order Point 3 states:

On or before January 29, 2016, the Company shall file supplemental schedules and testimony that:

- a. Describe and compare projected and actual Life Cycle Management costs (and, to the extent relevant, Extended Power Uprate costs) from 2008 through 2020 by generating unit and year, including the proposed 2016 test year in this rate case, and the 2017 and 2018 plan years. The descriptions and comparisons should include all changes and updates to projected costs from 2008 on and should include all cites to relevant certificate of need, resource plan, and general rate case dockets.*
- b. Compare the relevant parts of the proposed 2016 test year, the 2017 plan year, and the 2018 plan year to the proposed five-year capital budget in the Company's pending resource plan, docket E-002/RP-15-21.*

Four witnesses provide supplemental Direct Testimony supporting the Prairie Island Life Cycle Management (LCM) costs included in our rate case proposal:

- Christopher Clark provides the policy considerations of the program.
- Scott Weatherby provides the Company's expected, actual and forecasted capital expenditures for the Prairie Island LCM program from 2008 through 2020.
- Timothy O'Connor addresses the need for Prairie Island LCM activities between 2016 through 2020.
- John Reed addresses the level of Prairie Island LCM costs when compared to industry experience and the importance of planning for any nuclear decommissioning.

We have electronically filed this document with the Minnesota Public Utilities Commission, and copies have been served on the parties on the attached service list. Please contact me at Aakash.Chandarana@xcelenergy.com or (612) 215-4663 or Eric F. Swanson at eswanson@winthrop.com or (612) 604-6511 if you have any questions regarding this filing.

Sincerely,

/s/

AAKASH H. CHANDARANA
REGIONAL V.P., RATES AND REGULATORY AFFAIRS
NORTHERN STATES POWER COMPANY, A MINNESOTA CORPORATION

Enclosures
cc: Service List

CERTIFICATE OF SERVICE

I, SaGonna Thompson, hereby certify that I have this day served copies or summaries of the foregoing document on the attached list(s) of persons.

xx by depositing a true and correct copy thereof, properly enveloped
with postage paid in the United States Mail at Minneapolis, Minnesota

or

xx electronic filing

Docket No. E002/GR-15-826

Dated this 29th day of January 2016

/s/

SaGonna Thompson

[illegible]

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