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Xcel Energy			
Docket No.:	EL16-018		
Response To:	South Dakota Public Utilities Commission	Data Request No.	2-4
Requestor:	Darren Kearney		
Date Received:	November 2, 2016		

## Question:

Please explain why rebates/incentives are included in the TRC benefit/cost calculation.

## Response:

Following the California Standard Practice Manual, the Total Resource Cost Test (TRC) looks at all the costs and benefits of a program for the utility and participant. The incentive is a cost for the utility but a benefit for the customer. This creates a slightly conservative ratio within the test by bringing it closer to one but allows for the reflection of all costs and benefits.

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