

**MONTANA-DAKOTA UTILITIES CO.
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION STAFF
FIRST DATA REQUEST
DATED MAY 14, 2014
DOCKET NO. NG14-04**

- 1-3 Referring to page 3 of the application, explain why 2013 actual participants and expenses coming in respectively 73.6% and 73% over budget only equated to energy savings coming in 41.2% over budget. Does this also explain why the total portfolio TRC of 1.68 reported on page 5 didn't surpass the 1.69 TRC projected for 2013 in Data Request 1-4 Attachment A in docket NG12-007?**

Response:

The water heating, programmable thermostat and commercial furnace programs had dk savings rates in line or above the participant and expense ratios. The residential furnace program, which accounted for most of the rebates, had a dk savings ratio less than the participant and expense ratios.

The dk savings per participant underlying the residential furnace budget was based on certain assumptions, i.e. the dk saving for a new furnace was 7.1 dk and the savings for a replacement furnace was 13.1 dk. The actual savings were based on each furnace installed and the specifics of that furnace and came in less than budget, with the new furnaces providing savings of 6.9 dk on average and replacement furnaces providing average savings of 12.8 dk. Factors that affect the dk savings per participant include the efficiency of the furnace replaced, the furnace size (BTU input) and the efficiency of the new furnace. Overall, the TRC of 1.68 compared to the 1.69 budget was a result of lower dk savings per participant, but had little effect on the TRC.