

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

**IN THE MATTER OF THE PETITION OF)
NORTHERN STATES POWER)
COMPANY DBA XCEL ENERGY FOR)
APPROVAL OF ITS 2015 DEMAND)
SIDE MANAGEMENT REPORT AND)
2017 PROPOSED DEMAND SIDE)
MANAGEMENT PLAN)**

**ORDER APPROVING THE ISSUANCE
OF A GROUND SOURCE HEAT PUMP
REBATE IN 2017**

EL16-018

On April 29, 2016, the South Dakota Public Utilities Commission (Commission) received a Petition from Northern States Power Company dba Xcel Energy (Xcel) requesting approval of the 2015 Demand Side Management (DSM) Status Report and 2017 DSM Plan. Specifically, Xcel requested approval of the Company's 2015 DSM Tracker account, the incentive earned for 2015 program performance, the proposed 2017 DSM Cost Adjustment Factor of \$0.000507 per kWh, and the proposed DSM Plan for 2017. Xcel requested an effective date of January 1, 2017, for the DSM Cost Adjustment Factor.

On November 29, 2016, Xcel filed an updated Petition that removed the Ground Source Heat Pump Program from the 2017 DSM Plan and adjusted the 2017 budgets accordingly. Through its order dated December 12, 2016, the Commission (with Commissioner Hanson dissenting) approved Xcel's 2017 DSM Plan as amended to exclude Ground Source Heat Pumps.

On March 29, 2017, Xcel filed a letter with the Commission requesting the authority to release 2017 DSM plan budget dollars towards a residential customer rebate for a ground source heat pump. Xcel received the ground source heat pump rebate application on January 8, 2017. The ground source heat pump was installed in November 2016. The Commission has jurisdiction over this matter pursuant to SDCL 49-34A, specifically 49-34A-6, 49-34A-8, 49-34A-8.2, 49-34A-10, 49-34A-11, and 49-34A-12.

At its regularly scheduled meeting on April 10, 2017, the Commission considered this matter. Commission Staff recommended that the Commission grant Xcel the authority to release 2017 DSM program dollars for the ground source heat pump rebate and allow Xcel to claim the energy savings associated with rebate. The Commission found that Xcel should be granted the authority to spend 2017 DSM program dollars on the ground source heat pump rebate and claim the energy savings associated in 2017. It is therefore

ORDERED, that Xcel is granted the authority to release 2017 DSM program dollars for a residential ground source heat pump rebate. It is further

ORDERED, that Xcel shall claim the energy savings associated with the ground source heat pump rebate in 2017.

Dated at Pierre, South Dakota, this 18th day of April, 2017.

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 or by mail.	
By:	<u>Adam Detbeck</u>
Date:	<u>4/18/17</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

Kristie Fiegen
KRISTIE FIEGEN, Chairperson

Gary Hanson
GARY HANSON, Commissioner

Chris Nelson
CHRIS NELSON, Commissioner