

- Non Public Document – Contains Confidential Data**
 Public Document – Trade Secret Data Excised
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Xcel Energy

Docket No.: EL15-015

Response To: South Dakota Public Utilities Data Request No. 1-5
Commission

Requestor: Darren Kearney

Date Received: October 16, 2015

Question:

Please provide an updated Table 1 of Attachment C with the actual DSM expense and recoveries through September, 2015.

Response:

We provide the details requested in Attachment A to this response. In addition, we have adjusted the attachment to reflect our updated carrying charge based on the 2014 Rate Case, Docket EL14-058. The carrying charge will be applied beginning July 1, 2015.

Further, Attachment A reflects a change in how incentives are accrued. In past forecast trackers, the accrued incentive was assumed to be accrued monthly, equal to thirty percent of the forecast for DSM Program Expenditures. In actual practice, the Company accrues the incentives quarterly. Attachment A has been updated to show the forecasted quarterly accrual for the accrued incentive.

The quarterly accrual includes risk factors applied in each quarter getting smaller throughout the year. Risk factors account for any unforeseen circumstances that would affect the forecast of customer participation by year end. Things like change in the economy or customer construction schedule delays could impact the year end forecast of participation and subsequently the program spend and incentives. This weighting towards year end pushes the incentive accrual to later in the year thus lowering the total carrying charge applied to the DSM Cost Adjustment Factor.

In accordance with South Dakota Admin. R. 20:10:01:39 through 42, Xcel Energy respectfully requests confidential treatment of certain information contained in this Information Request. In compliance with South Dakota Admin. R. 20:10:01:41, we have clearly marked Attachment A with the term "CONFIDENTIAL". A public non-confidential version will be filed simultaneously.

Pursuant to S.D. Codified Laws Chapter 20:10:01:41, the Company submits the following justification for confidential treatment of this data request.

(1) An identification of the document and the general subject matter of the materials or the portions of the document for which confidentiality is being requested;

We request confidential treatment on the grounds that the material is proprietary and trade secret information, the disclosure of which would result in material damage to the Company's financial or competitive position. The data request contains financial information that is not available to the general public.

(2) The length of time for which confidentiality is being requested and a request for handling at the end of that time. This does not preclude a later request to extend the period of confidential treatment;

The Company requests that the petition be recognized as confidential in perpetuity.

(3) The name, address, and phone number of a person to be contacted regarding the confidentiality request;

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(4) The statutory or common law grounds and any administrative rules under which confidentiality is requested. Failure to include all possible grounds for confidential treatment does not preclude the party from raising additional grounds in the future;

The Company requests confidential treatment because the information is both trade secret and proprietary. The claim for confidential treatment is based on South Dakota Admin. R. 20:10:01:39 (4) and S.D. Codified Laws Chapter 1-27-30. The information contained within the referenced documents meets the definition of "trade secret" under S.D. Codified Laws Chapter 37-29-1(4)(1), the South Dakota Uniform Trade Secrets Act, which is defined as information that "[d]erives

independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and... is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.” The information also meets the definition of “proprietary information” under S.D. Codified Laws Chapter 1-27-28, which is defined as “information on pricing, costs, revenue, taxes, market share, customers, and personnel held by private entities and used for that private entity's business purposes.”

(5) The factual basis that qualifies the information for confidentiality under the authority cited.

Consistent with the terms of the Settlement Stipulation approved by the Commission in the Company’s 2012 electric rate case (Docket EL12-046), the rate of return on equity is confidential.

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