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Xcel Energy

Docket No.: EL16-018

Response To: South Dakota Public  
Utilities Commission

Data Request No. 1-20

Requestor: Darren Kearney

Date Received: September 7, 2016

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Question:

In 2015, Xcel transferred approximately \$200,000 from the Commercial program budget to the Residential program budget. Transferring budgeted dollars between customer classes results in one customer class subsidizing the other customer class. Please explain how Xcel will prevent this from reoccurring in the future.

Response:

With the current portfolio, the Company attempts to limit cross subsidization by providing a mix of programs for both residential and commercial customers by managing the overall portfolio in a cost effective manner.

In addition, it is important to note that our largest Residential program, Home Lighting, includes an assumption that a percentage of light bulbs (for both LED and CFL bulbs) will be applied in a commercial setting.

With the concerns noted regarding the Business Lighting program, the Company did reallocate additional dollars to Home Lighting such as it did in 2013, when the opposite situation occurred and Business Lighting was reallocated dollars in order to meet rebate requests. This exchange allows the Company to match market needs while directing rebate dollars directly back to our customers.

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