

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

IN THE MATTER OF THE PETITION OF  
NORTHERN STATES POWER COMPANY  
FOR APPROVAL OF THE 2016 ANNUAL  
DSM STATUS REPORT, INCLUDING 2016  
COST RECOVERY AND INCENTIVE AND  
APPROVAL OF THE PROPOSED 2018 DSM  
COST ADJUSTMENT FACTOR AND  
PROGRAM PLAN

**PETITION FOR 2016 DSM  
PROGRAM APPROVAL AND  
PROPOSED 2018 DSM COST  
ADJUSTMENT FACTOR**

DOCKET NO. EL17- \_\_\_\_

Northern States Power Company, doing business as Xcel Energy, submits to the South Dakota Public Utilities Commission, this Petition seeking approval of the 2016 Annual Demand Side Management Status (DSM) Report, including 2016 cost recovery and incentive, as well as approval of our Proposed 2018 DSM Plan (Plan) and Cost Adjustment Factor.

We respectfully request that the Commission approve the following:

- The Company's 2016 DSM Tracker account;
- The incentive earned for program performance in 2016;
- Our proposed 2018 DSM Cost Adjustment Factor of \$0.0000515 per kWh; and
- Our Proposed 2018 DSM Plan.

The remainder of our filing will include the following sections:

- I. ***2016 DSM Status Report*** – Presents 2016 program performance including budgets, goals, expenditures, actual energy savings and participation. This section also specifies any programmatic changes for our 2018 Plan.
- II. ***2016 DSM Cost Recovery Report*** – Provides the 2016 DSM Tracker. The Company seeks approval to record \$819,918 in DSM spending in its DSM Tracker account.
- III. ***DSM Incentive Report*** – Presents the calculations of the Company's DSM Financial Incentive. We request approval to record and recover \$232,512 in incentive from customers in the DSM Tracker for calendar year 2016.

- IV. *2016 DSM Cost Adjustment Factor Report*** – Presents the calculation of the DSM Cost Adjustment Factor to be applied to customer electric usage for recovery of 2016 DSM expenditures, effective January 1, 2018. We are proposing a new electric DSM Cost Adjustment Factor of \$0.000515 per customer kWh.
- V. *Summary of Proposed 2018 DSM Plan*** – Provides the portfolio level executive summary along with updated cost-effectiveness results.

## REPORT

### I. 2016 DSM STATUS REPORT

#### A. Executive Summary

Our DSM portfolio offers a mix of energy efficiency and load management programs to our South Dakota customers. In 2016, we continued to help customers manage their energy bills by achieving more than 4.7 GWh of energy savings.

This achievement is consistent with the past three years in which our energy savings were as follows: 2013 – 6.2 GWh, 2014 – 4.4 GWh, and 2015 – 4.5 GWh. However, compared to our projections in the 2016 Plan<sup>1</sup>, we achieved 50 percent of our forecasted achievement. This result was not unexpected, as the Company began to observe significantly lower savings in the Business Lighting Efficiency program compared to anticipated results. Our 2017 Plan<sup>2</sup> adjusted the Business Lighting assumptions accordingly by lowering our forecasted kWh savings per measure. Our 2018 Plan continues to adjust based on further data.

The purpose of our energy efficiency portfolio is to encourage customers to adopt high efficiency equipment. As such, we identified opportunities in 2016 to increase residential participation resulting in increased spending above our anticipated budget. The total actual expenditures of \$819,918 fall above the filed budget, however, within the Commission approved budget flexibility<sup>3</sup>.

There are often times in which rebate spend in Residential Lighting (which also covers small businesses) exceeds rebate spend in the commercial programs. Based on past Commission concern, the Company offers Table 1 as verification that these programs do

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<sup>1</sup> Docket EL 15-015, October 5, 2015.

<sup>2</sup> Docket EL 16-018, Approved December 12, 2016.

<sup>3</sup> Docket EL. EL13-015, Commission Order December 3, 2013.

not cross subsidize each other or rather neither segment is receiving more benefit than another. These results remain consistent in 2016.

**Table 1 – Cross Subsidization Review**

Year	Percent of Spend (excl. Planning)		Percent of kWh		Percent of Recovery	
	Residential	Business	Residential	Business	Residential	Business
2012	28%	72%	23%	77%	35%	65%
2013	29%	71%	17%	83%	36%	64%
2014	35%	65%	22%	78%	35%	65%
2015	67%	33%	62%	38%	35%	66%
2016	34%	66%	26%	74%	35%	65%
<b>Total</b>	40%	60%	31%	69%	35%	65%
<b>Average</b>	39%	61%	30%	70%	35%	65%

To evaluate the cost-effectiveness of our portfolio for 2016, we looked at the Total Resource Cost (TRC) ratio, which compares total benefits to total costs of the portfolio<sup>4</sup>. If a program or portfolio has a TRC ratio above one, it is considered cost-effective. As shown in the table below, the 2016 portfolio demonstrated a TRC Ratio value of 1.59.

The 2016 DSM Plan was created based on market assumptions and a forecast of customer interest. Table 1 provides a breakdown of 2016 achievements by program. A full executive summary, which includes both a comparison of 2016 goals versus actuals and cost-effectiveness test results, is provided as Attachment A.

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<sup>4</sup> A TRC ratio above 1.0 indicates the benefit outweighs the costs.

**Table 2 – Executive Summary Table of 2016 Actual Achievements**

<b>Executive Summary Table – 2016</b>					
<b>2016</b>	<b>Electric Participants</b>	<b>Electric Spend</b>	<b>Generator kW</b>	<b>Generator kWh</b>	<b>TRC Ratio</b>
<b>Business Segment</b>					
Lighting Efficiency	183	\$ 485,750	645	3,493,233	1.32
Business Saver's Switch	70	\$ 48,239	176	1,313	3.73
Peak and Energy Control	1	\$ 2,178	158	5,815	43.17
<b>Business Segment Total</b>	<b>254</b>	<b>\$ 536,167</b>	<b>979</b>	<b>3,500,361</b>	<b>1.40</b>
<b>Residential Segment</b>					
Ground Source Heat Pump	11	\$ 16,940	29	68,269	1.02
Home Lighting	18,416	\$ 74,962	144	1,162,819	2.32
Residential Saver's Switch	628	\$ 168,133	431	3,493	3.60
Consumer Education	71,500	\$ 15,243	-	-	-
<b>Residential Segment Total</b>	<b>90,555</b>	<b>\$ 275,279</b>	<b>604</b>	<b>1,234,581</b>	<b>2.37</b>
<b>Planning Segment</b>					
Regulatory Affairs	-	\$ 8,472	-	-	-
<b>Planning Segment Total</b>	<b>-</b>	<b>\$ 8,472</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PORTFOLIO TOTAL</b>	<b>90,809</b>	<b>\$ 819,918</b>	<b>1,582</b>	<b>4,734,942</b>	<b>1.59</b>

The Status Report shows a successful year for the DSM portfolio. We maintain a well-balanced portfolio of programs and continue to educate customers on the benefits of choosing energy efficiency. More details of each program's performance are offered in the section below.

## **B. DSM Program Portfolio**

### **1. Business Lighting Efficiency**

#### *a. Description*

The Lighting Efficiency program offers retrofit and new construction rebate incentives to commercial and industrial customers who purchase and install qualifying energy efficient lighting products. Rebates are offered to encourage customers to purchase energy efficient lighting by reducing the up-front costs associated with new lighting equipment.

#### *b. 2016 Program Activity and Results*

Our Lighting Efficiency program achieved 40 percent of its energy savings goal within 112 percent of its budget. This result highlights our continued challenge of estimating achievement for the program due to substantial changes made in the program to provide only the newest, most efficient technologies. In 2015, the program removed fluorescent technologies from our portfolio and moved toward incenting only LED measures. Changes of this magnitude are often slow to take hold in the marketplace.

Our savings and budget forecasts developed for 2016, and subsequently approved by the Commission, were based on conversations with lighting trade partners, customers and our experiences with DSM programs in other jurisdictions. While we anticipated customer using measures longer, actual participation skewed more heavily toward products with lower run times per unit. This resulted in less program savings. The actual spend, however, was higher than anticipated. This is attributed to the Company's efforts to make up the savings shortfall.

As requested by Commission Staff in previous years, we provide the rebates available in 2016 as Attachment B.

#### *c. 2018 Proposed Changes*

We have adjusted the 2018 technical assumptions to account for lower hours of use. As seen during the past few years, the actual mix of facility hours for South Dakota is less than anticipated because there are few 24-hour facilities. This adjustment has lowered the overall TRC. In addition, we have adjusted the participant calculation to reflect the higher lamp/fixture per customer ratio achieved in 2016.

*d. Budget and Goal Considerations*

The program will continue to motivate business customers to install LED fixtures with downstream incentives in the retrofit and new construction segments. Incentives make up the majority of the budget while a smaller amount is allotted to promotion for local trainings, newsletters, one-on-one communications and information materials.

## **2. Business Saver's Switch**

*a. Description*

Business Saver's Switch is a prescriptive load management program available to commercial customers. The program uses direct load control to cycle customers' rooftop air conditioning units during periods of peak demand, helping to maintain system reliability. Loads are controlled through the use of load control receivers operated remotely via wireless signals. The program is marketed via direct mail, email, and via our sales team.

*b. 2016 Program Activity and Results*

The Business Saver's Switch program had a successful year and deployed substantially more switches than anticipated in 2016 as customers responded favorably to promotional activities such as our call center promotion conducted in spring and summer. Due to this success, the program over spent its budget by about 50 percent while deploying triple the anticipated number of switches.

In recent years, the program has had relatively few control events. The program was activated once in 2016. While control seasons in recent years have not been nearly as expansive as in the past, the company is planning to execute at a minimum one control event per cooling season to validate system operations.

*c. 2018 Proposed Changes - None*

*d. Budget and Goal Considerations*

The Company is proposing a modest increase in the program budget due to anticipated increased participation.

### **3. Electric Rate Savings**

#### *a. Description*

The Electric Rate Savings (ERS) program is offered to business customers who can reduce their electric loads during control periods by at least 50 kW. In return for reducing their loads, customers receive a monthly discount on their demand charges. Participants save as much as 50 percent on demand charges during the year. Currently, the ERS program is promoted directly through our account representatives.

#### *b. 2016 Program Activity and Results*

Continued emphasis this year was given to educating program participants of the possibility of year round controls within the Midcontinent Independent System Operator (MISO). As a result, except for one customer who adjusted its controllable load to match its production changes, there was only slight growth to the program.

The ERS budget was underspent in 2016. As a result, the TRC test shows a significant increase based on low spend for a program in which additional participation is low. Only new participants are counted toward our 2016 DSM activity. The program itself has 108 historical participants.

Every year a program information packet is sent to each participating customer, explaining program changes, reminding them of their responsibility as an interruptible customer on a control day and providing historical event data. A customer meeting was also held to better explain the program, the impacts of MISO, and how customers may be better prepared to meet the increasing chance of future controls.

In 2016, we tested our notification system and sent messaging to customers regarding how to prepare for an actual control event. We will continue to test these resources twice a year, in the winter and in the summer.

The main components of the program budget include:

- Administration –labor costs for internal sales, sales support and fulfillment, marketing administration and planning, equipment installation and maintenance, project planning and implementation; and
- Advertising and Promotion –annual customer mailing, test event mailings, customer town meetings, and program collateral materials.

#### *c. 2018 Proposed Changes - None*

## **4. Ground Source Heat Pumps**

### *a. Description*

The Ground Source Heat Pump (GSHP) program provided rebates to residential customers who purchased and installed a qualifying closed-loop GSHP where electricity is used as the primary heating and cooling source. Customers had to install the GSHP for both space heating and space cooling; systems installed for only heating or cooling were not rebated through the program.

### *b. 2016 Program Activity and Results*

There has been a decrease in participation over the past two years which is attributed to the maturity of the program, limited eligible electrical customer base in the South Dakota service territory, and the rebate covering only a small percentage of customers' total costs to install a GSHP at their homes.

Program spend was in proportion to the amount of energy savings achievement.

Our announcement regarding the closing of the program went out to the trade on November 29, 2016. Prior to this announcement the program had only eight participants or customers. After the announcement another four customers submitted projects.

### *c. 2018 Proposed Changes*

The GSHP program was closed on December 31, 2016, as requested by the Commission, and will not be part of the 2018 portfolio filing. We continue to believe the TRC test would have been below 1.0 in 2017/2018.

## **5. Home Lighting**

### *a. Description*

The Home Lighting program offers discounted prices on CFL and LED bulbs. Energy efficient lights are an easy and low cost way for customers to save energy and reduce the cost of their monthly electric bills. We promote the Home Lighting program through a variety of venues including a bill onsert, digital advertising and point of purchase displays.

*b. 2016 Program Activity and Results*

The program surpassed our participation and energy savings goals for 2016. The increased achievements were a result of customers looking for ways to reduce their energy bills, responding favorably to promotions and acting on discounted lighting prices.

Our increased spending was a direct result of these additional incentives needed to support increased participation. The number of residential bulbs sold is defined in the table below. The total mix in bulb type was 56 percent CFLs and 44 percent LEDs.

**Table 3: Home Lighting Achievement**

Type of Customer	Number of Bulbs Sold	Percent of Bulbs
Residential	29,735	94%
Business*	1,800	6%

\*Generally Small Business

*c. 2018 Proposed Changes*

The Home Lighting program will expand incentives for LED bulbs and eliminate CFL incentives in 2018.

LEDs have decreased in price significantly, making it more cost effective for customers to purchase LED bulbs. LED bulbs tend to provide higher customer satisfaction than CFL bulbs because they perform better in different lighting applications. In addition, many retailers during 2017 will discontinue stocking CFLs. This trend is expected to continue, making it increasingly more difficult to find CFLs in stores. As a result of stocking practices and the decreased prices of LEDs, we are transferring all Home Lighting program incentive funds to LED bulbs in 2018.

The Home Lighting program assumes that customers purchasing the bulbs discounted through the program are 94 percent residential and 6 percent small business customers, matching 2016. The deemed savings assumptions follow this methodology.

Additionally, we continue to partner with MidAmerican Energy Company on its gas home energy audit program *HomeCheck Assessment*. Through this partnership, MidAmerican delivers the program and installs our energy efficient bulbs in customers' homes in our service area.

*d. Budget and Goal Considerations*

The Company is proposing a modest increase in the program budget due to anticipated participation.

## **6. Residential Saver's Switch**

*a. Description*

The Residential Saver's Switch program offers a bill discount to customers who agree to allow the Company to remotely control their central air conditioners during the summer months and their electric water heaters regardless of season. Saver's Switch is a significant component of our load management portfolio. The program is marketed primarily through direct mail.

*b. 2016 Program Activity and Results*

In 2016, the program spent approximately 90 percent of its budget and deployed about 85 percent of the targeted switch count. Approximately one third of the deployed switches were maintenance replacements for outdated hardware in the field.

In recent years, the program has had relatively few control events. The program was activated once in 2016. While control seasons in recent years have not been nearly as expansive as in the past, the Company is planning to execute at a minimum one control event per cooling season to validate system operations.

*c. 2018 Proposed Changes - None*

*d. Budget and Goal Considerations*

The Company is proposing a modest increase in the program budget due to anticipated increased participation.

## **C. DSM Efforts**

### **1. Trade Efforts**

We consider our Trade Partners to be contractors, distributors, and manufacturers of energy-efficient equipment. The Company values our Trade Partners as one of the most important marketing channels for DSM. Trade Partners promote our programs to our

customers, verify that the equipment they are installing meets our program specifications and help complete the rebate paperwork. We support our Trade Partners through training workshops, sale activities, phone support and email communications.

Training workshops are utilized during times of significant program change. For example, in December of 2015, a Trade Partner workshop was held at Avera Hall at South Dakota University Center. There were 32 residential and business Trade Partners who attended to learn about the upcoming 2016 program changes. These types of training workshops will be held in 2017-2018 on an as-needed basis.

Our Account Manager in Sioux Falls has an important role in supporting the efforts of our Trade Partners in South Dakota. He is available to meet with Trade Partners for program training, site visits, and help with rebate paperwork.

We have both residential and business Trade Relations Managers in Minneapolis who assist our South Dakota Trade Partners. They provide phone support for questions on our rebate specifications and paperwork. They produce email updates to Trade Partners when there is important information to share. Trade Relations Managers are also available to travel to South Dakota to provide in-depth program training as needed.

## **2. Consumer Education**

### *a. Overview*

The Consumer Education program is part of our residential program portfolio. The program's focus is to provide customers with simple ways they can make their home more energy efficient while driving them to our portfolio of energy savings programs. We focused efforts in 2016 on three specific tactics: community events, digital outreach and bill communications. Utilizing different tactics is critical to reaching a wide variety of customers.

### *b. Community Events*

The program's primary focus at community events is to drive customers to take "action" whether through a targeted program lead or a direct program signup, and provide customers with information on how they can make their home more energy efficient. Xcel Energy personnel working the Company's booth helped customers with energy-related questions and recommended energy efficiency programs and actions that were a fit for their individual homes.

In 2016, the Company participated in one large community event:

- July 15-16 – Sioux Falls Jazz Festival, Yankton Trails Park, Sioux Falls
  - The company generated 83 targeted program leads and generated 21 direct program signups

*c. Digital Outreach*

In addition to face-to-face community outreach, the program has invested in digital kiosks to help reach a wide variety of customers outside of targeted community events. The kiosks are loaded with a video series developed by the Company titled “This Is How,” a series of tutorials on how to make simple, no and low-cost energy saving changes to your home. Customers then have the opportunity to text themselves the video to re-watch when they return home to help them implement the changes. There were two main locations where customers could locate kiosks in 2016, chosen for ease of access and relevance:

- Siouxland Downtown Sioux Falls Public Library – January to July 2016
- Sioux Falls Museum of Visual Materials – December 2016 to present

*d. Bill Communications*

The program also utilizes bill communications via onserts, a cost-effective way to communicate with large groups of residential customers. Bill onserts were placed by the Company in May 2016 to promote easy ways customers could lower their summer cooling costs. This onsert was sent to 55,688 customers.

*e. Participation*

Participation achievement continues to be measured through a formula of various educational opportunities as noted below:

- 50 percent sponsored event attendance;
- 100 percent program signups generated at sponsored events;
- 100 percent program leads generated at sponsored events; and
- 100 percent seasonal email campaign/bill onserts.

*f. 2018 Program Changes - None*

### **3. Regulatory Affairs**

#### *a. Description*

The Planning & Administration group manages all DSM regulatory filings, directs and prepares cost-benefit analysis, provides results of energy conservation achievements and prepares cost recovery reports. The group also provides procedures for effectively addressing requirements and complying with the DSM regulatory process.

The following notes the Regulatory Affairs Administration budget breakout:

- 96 percent labor; and
- 4 percent promotion (bill insert).

We further note that the promotional cost will begin to decrease as the Company begins to use bill onserts rather than bill inserts.

#### *b. 2016 Results and 2018 Change*

The Planning and Administration budget was underspent in 2016. The Company is adjusting the 2018 spend forecast to reflect an average spend for the administrative budget.

## **II. DSM Cost Recovery Report**

Cost-effective conservation benefits all of our customers by reducing the need to build new power plants or other generation facilities to meet our customers' electricity needs. Conservation also has environmental benefits, including a reduction in air pollution and greenhouse gas emissions associated with using fossil fuels. This section reports the actual 2016 spending and cost recovery as well as the Company's carrying charge rates.

In 2016, the total portfolio spend came in at \$819,918. This amount is six percent above our approved budget of \$775,041, but falls within the ten percent spend flexibility granted by the Commission<sup>5</sup>. In addition to DSM expenses, the Company is requesting recovery of \$232,512 in financial incentive earned for our 2016 DSM performance for total recovery of \$1,052,430.

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<sup>5</sup> The Commission approved a 10 percent spend flexibility beginning in 2013 as part of the approval of the Company's 2012 DSM Status Report and 2014 DSM Proposed Plan. (Docket No. EL-13-017)

Supportive documentation for this cost recovery request, some of which falls under the category of confidential data, is provided as Attachment C of this filing and includes:

- Calculations of the Carrying Charge Rates in 2016 and found in the 2016 Tracker; and
- Xcel Energy's 2016 DSM Tracker, which documents monthly DSM expenditures and recovered costs.

### **III. DSM Incentive Report – Calculation Inputs**

In accordance with the Commission's October 21, 2011, Order, which approved an incentive of 30 percent of expenditures capped at the approved budget. The Company submits the following 2016 incentive calculation.

Approved 2016 Budget	\$775,041
Actual 2016 Spend	\$819,918

Since the actual expenditure was greater than the approved budget, the incentive was capped at the approved budget amount. The incentive is calculated as follows:

Approved Budget x 30% = Awarded Incentive

$$\$775,041 \times 30\% = \$232,512$$

Based on the 2016 expenditures below the approved budget, we respectfully request approval of a DSM incentive of \$232,512. This incentive is accounted for in our 2016 DSM Tracker included in Attachment C.

### **IV. DSM Cost Adjustment Factor Report**

The current DSM Cost Adjustment Factor of \$0.000504 per kWh was implemented on January 1, 2017<sup>6</sup>. The Company requests a new DSM Cost Adjustment Factor of \$0.000515 per kWh to be effective with the first billing cycle of January 2018.

Supportive documentation for this rate change request, some of which falls under the category of confidential data, is provided as Attachment D of this filing and includes:

- Information specified in South Dakota Administrative Rule 20:10:13:26 regarding the updated DSM Cost Adjustment Factor;

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<sup>6</sup> Docket EL16-018, Commission Order December 12, 2016.

- Forecasted 2017 and 2018 DSM Trackers reflecting the forecasted cost recovery with the current and proposed rates;
- Proposed bill onsert notice; and
- Proposed updated tariff sheet in both redlined and clean versions.

In the event that Commission approval of the proposed adjustment is delayed beyond the timeframe needed to implement the rate change by January 1, 2018, the Company will continue to apply the current DSM Cost Adjustment of \$0.000504 per kWh up to the first cycle of the first full billing period following Commission approval of a revised factor.

The Company requests a new DSM Cost Adjustment Factor of \$0.000515 per customer kWh to be effective with the first billing cycle of January 2018 and to remain in effect through December 2018 or until the Commission approves a new DSM Cost Adjustment Factor. This is an increase of \$0.000011 per kWh or approximately two percent. The increase in DSM Cost Adjustment Factor is due to the cumulative effect of exceeding our approved budget in both 2016 and 2017 while under recovering throughout 2016.

This proposed factor is calculated to reduce the DSM Tracker balance to \$0 by the end of December 2018. It is based on the forecasted December 2018 unrecovered balance in the Company's DSM Tracker account. This forecasted balance is based on the forecasted January 2018 beginning balance, projected expenditures for 2018, and the forecasted 2018 incentive. The inputs and calculation are shown below.

**[CONFIDENTIAL DATA BEGINS HERE]**

**[CONFIDENTIAL DATA ENDS HERE]**

The resulting rate is **\$0.000515 per customer kWh**.

## V. Summary of 2018 DSM Plan

This section includes a summary of our proposed 2018 Plan. The largest and only change in 2018 will be the full removal of CFL fixtures from our Residential Lighting program. Beginning in 2018, we will be only rebating LED technologies. Additional program opportunities were reviewed for the 2018 DSM plan, however none was found to offer greater value (energy savings and customer potential related to cost) for our customers.

Table 3 summarizes our proposed goals and provides updated cost-effectiveness results by program. The total portfolio has a passing TRC Ratio of 1.23. A full executive summary, which includes all cost-effectiveness test results, is provided as Attachment E. We respectfully request the Commission approve our Proposed 2018 DSM Plan.

**Table 3 – Executive Summary Table of 2018 Forecast**

<b>Executive Summary Table - 2018</b>					
<b>2018</b>	<b>Electric Participants</b>	<b>Electric Budget</b>	<b>Generator kW</b>	<b>Generator kWh</b>	<b>TRC Ratio</b>
<b>Business Segment</b>					
Lighting Efficiency	170	\$389,520	425	3,364,827	1.06
Business Saver's Switch	12	\$37,213	44	108	1.28
Peak and Energy Control	1	\$10,000	102	3,707	4.71
<b>Business Segment Total</b>	<b>183</b>	<b>\$436,733</b>	<b>571</b>	<b>3,368,641</b>	<b>1.08</b>
<b>Residential Segment</b>					
Home Lighting	3,225	\$109,598	162	1,480,452	1.22
Residential Saver's Switch	770	\$187,913	565	1,486	3.28
Consumer Education	68,000	\$27,165	-	-	-
<b>Residential Segment Total</b>	<b>71,995</b>	<b>\$324,676</b>	<b>727</b>	<b>1,481,938</b>	<b>1.85</b>
<b>Planning Segment</b>					
Regulatory Affairs	-	\$13,000	-	-	-
<b>Planning Segment Total</b>	<b>-</b>	<b>\$13,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PORTFOLIO TOTAL</b>	<b>72,178</b>	<b>\$774,408</b>	<b>1,299</b>	<b>4,850,580</b>	<b>1.23</b>

## **Service of Filings**

We request that communications regarding this Application be directed to:

Carl Cronin  
Records Analyst  
Xcel Energy Services Inc.  
414 Nicollet Mall, 401-8  
Minneapolis, MN 55401  
(612) 330-5500  
[Regulatory.Records@xcelenergy.com](mailto:Regulatory.Records@xcelenergy.com)

## **CONCLUSION**

In summary, the Company respectfully requests that the Commission:

- Approve the Company's 2016 DSM Tracker account;
- Approve the incentive of \$232,512 earned for 2016 program performance;
- Approve the proposed 2018 electric DSM Adjustment Factor of \$0.000515 per kWh; and
- Approve the proposed 2018 DSM Plan.

We look forward to continuing these programs in South Dakota. The Company appreciates the interest and efforts of South Dakota policy makers in supporting this DSM portfolio.

Dated: April 28, 2017

Xcel Energy

A handwritten signature in black ink that reads "Steve Kolbeck". The signature is fluid and cursive, with "Steve" on top and "Kolbeck" below it, both starting with a capital letter.

By: \_\_\_\_\_

Steve Kolbeck  
Principal Manager –South Dakota