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Xcel Energy

Docket No.: EL18-023
 Response To: South Dakota Public Utilities Commission Data Request No. 3-1
 Requestor: South Dakota Public Utilities Commission Staff
 Date Received: November 13, 2018

Question:

Can you provide some further explanation or justification on why the LED rebate only went down to \$2.10 from \$2.40 when the incremental cost decreased from \$7.17 to \$2.13?

Response:

Due to the rapidly changing residential LED market and subsequent price decrease, the incremental capital cost of \$7.17 per bulb in our 2018 Plan (filed in the spring of 2017) was no longer a reasonable approximation of the incremental bulb cost paid by customers in 2019. Instead a more current value of \$2.13 per bulb was calculated for our 2017 cost benefit analysis (in our 2017 Status Report filed in the spring of 2018). This calculation was based on actual purchase price data from participants in our Residential Lighting program.

For our 2019 plan, we adjusted the mixture of bulbs we anticipate will be sold by increasing the number of specialty bulbs. Specialty bulbs have a higher retail and baseline cost than A-lines (traditional screw-in bulbs), thus the average incremental bulb cost for 2019 increased to \$2.81.

On average, the Company rebates up to 75 percent of the incremental cost and therefore used 75 percent of \$2.81 to come up with the \$2.10 average rebate amount for 2019, which is an adjustment from our 2018 Plan based on different mixture of bulbs and a higher incremental capital cost

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 Date: November 16, 2018