

**Docket Number:** NG24-002  
**Subject Matter:** First Data Request  
**Request to:** Montana-Dakota Utilities Co. (MDU or Company)  
**Request from:** South Dakota Public Utilities Commission Staff  
**Date of Request:** February 1, 2024  
**Responses Due:** February 8, 2024

1-3. Refer to the chart on page 3 of MDU’s letter and the same chart on page 3 of MDU’s letter in docket NG23-004. Explain why the Cost/Dk increased for new furnaces but decreased for replacement furnaces.

**Response:**

The average Dk savings per participant for new furnaces were slightly lower in 2023 vs the 2022 results, whereas the replacement furnaces saw a slightly higher savings per participant. See the table below for the 2022 and 2023 actual average savings per participant results. There was also higher participation in the new furnace program in 2023, so new furnaces received a higher allocation of administration costs as compared to the prior year. So the resulting total cost for the new furnace programs divided by slightly lower average Dk savings resulted in higher cost per Dk in those programs.

**Average Dk savings per Participant**

	<u>NG23-004</u>	<u>NG24-002</u>
<b>Residential</b>		
Furnace - 95+% AFUE - New	5.6	5.2
Furnace - 95+% AFUE - Repl.	18.0	18.3
Programmable Thermostats - Tier 1	2.3	2.3
Programmable Thermostats - Tier 2	6.4	6.2
<b>Commercial</b>		
Furnace - 95+% AFUE - New	8.0	7.2
Furnace - 95+% AFUE - Repl.	24.6	24.8
Custom	0.0	234.0