

**➤ Low Income Single Family Weatherization Product
Summary of 60 Day Notice**

In accordance with the 2012/2013 DSM Plan Stipulation and Settlement Agreement in Docket No.11A-631EG, Public Service Company of Colorado agreed to provide this 60-day notice, in which parties agreed that the Company would do the following:

e. Low Income Single Family Weatherization. The Company agrees to add new cost effective measures to the Low Income Single Family Weatherization program to expand participation and savings. The specific measures currently under evaluation are high efficiency water heaters, storm windows, crawl space insulation, and attic insulation in manufactured homes. Such an expansion is expected to yield additional energy savings of approximately 0.07 GWh, and 3,458 Dth in both 2012 and 2013 and result in budget increases of \$32,433 per year to the electric portfolio and \$220,000 per year to the gas portfolio respectively.

The Company has evaluated the cost effectiveness of water heaters, storm windows, crawl space insulation, and attic insulation in manufactured homes and found them to pass the cost benefits test. This resulted in an increase in the overall program’s Total Resource Cost (TRC) test, which is referenced in Table 1.

Table 1: TRC test results with new measures

Fuel/Program Year	Original TRC	TRC with added measures
Electric 2012	1.41	1.42
Gas 2012	1.23	1.98
Electric 2013	1.35	1.39
Gas 2013	1.26	2.03

Table 2 and Table 3 include the original budgets that were filed for this product for 2012 and 2013. As a result of the settlement, the budget was increased by \$32,433 for the electric portion of the product and \$220,000 for the gas portion of the product. For the remainder of the 2012 and the 2013 program year, we are forecasting a small increase in the savings and budget due to the inclusion of the new measures, which will be absorbed by the budget flexibility from the overall portfolio. This 60 day notice does not include a request to increase the budget. During the process of settlement, the deemed savings included the assumption of sixteen CFL bulbs per home. However, a program evaluation was completed in December 2011 which included updated deemed savings assumptions reflecting \$3 per bulb installed in participating homes instead of the package of 16 bulbs.

This is resulting in a lower demand savings of 24% than was originally planned. This is also reflected in Tables 2 and 3.

Additionally, during settlement negotiations, the impact of the additional measures were forecasted to account for additional homes. Upon further review, it has been determined that the additional measures should have an impact on additional savings and additional measures installed per home, but not on additional participants. This explains why the settlement participants were forecasted at 2,860 and now are 2,545 as shown in Tables 2 and 3.

Table 2: 2012 Gas and Electric Savings and Budget

2012	Electric Budget	Electric Participants	Net Gen kWh	Net Gen kW	Gas Budget	Gas Participants	Net Annual Dth Savings
Original 2012 Filed Budget	\$1,204,255	2,545	3,872,250	342	\$1,947,969	1,627	28,034
Post Settlement 2012 Budget	\$1,236,688	2,860	3,942,250	384	\$2,167,969	1,830	31,942
2012 Forecasted Budget	\$1,309,611	2,545	3,948,462	289	\$2,167,969	2,545	61,653

Table 3: 2013 Gas and Electric Savings and Budget

2013	Electric Budget	Electric Participants	Net Gen kWh	Net Gen kW	Gas Budget	Gas Participants	Net Annual Dth Savings
Original 2013 Filed Budget	\$1,222,045	2,545	3,575,259	314	\$903,636	1,627	28,034
Post Settlement 2013 Budget	\$1,254,478	2,860	3,645,259	356	\$2,180,019	1,830	31,942
2013 Forecasted Budget	\$1,326,508	2,545	3,732,507	268	\$2,180,019	2,545	61,653

Additionally, Tables 1 and 2 in the product write-up in the original filing of the plan and the re-filing of the plan were inadvertently omitted. In order to correct this error, we are including those tables as part of this 60 day notice. We have also amended the table to reflect the additions of the new measures.

Following this summary document, is a complete red-lined version of the product write-up of the Single-Family Weatherization Product. As part of the notice we are also including updated Deemed Savings Sheets which can be found on our website at:

http://www.xcelenergy.com/About Us/Rates & Regulations/Regulatory Filings/CO_DSM

Single-Family Weatherization Product

A. *Description*

The Single-Family Weatherization Product will offer natural gas and electric efficiency measures to low-income single-family households. Depending on need, Public Service may provide any of the following services:

Natural Gas Measures

Furnace efficiency upgrades

Wall insulation

Attic insulation

Crawl space insulation

Attic insulation for manufactured homes

Water heaters

Storm windows

Electric Measures

Refrigerator replacements

Compact fluorescent light bulbs (~~installation of 16 per home~~) (rebate is on a per CLF installation)

In addition to these measures, a major focus of this product will be customer education on ways to reduce energy use in the home. Low-income auditors will provide educational materials, historical energy usage information, and bill analysis to these customers during the weatherization process. Public Service will not claim any energy savings associated with the educational component of this product.

The Single-Family Weatherization Product is run in partnership with a third-party program implementer. The Company's funds will supplement federal weatherization grants to produce incremental, cost-effective gas and electric savings. The program implementer will develop annual contracts with the local weatherization agencies within the service territory. Details of measures, rebates, reporting processes, and measurement and verification procedures will be included and managed by the program implementer with the local contracts.

B. *Goals, Participants & Budgets*

Goals and Participants

Goals and participation rates were established in partnership with the program implementer and the low-income agencies using historical participation in the 2010 Single Family Weatherization Product as a guide, as well as recommendations from the program implementer on expected workflow.

Budgets

Budgets for the Single-Family Weatherization Product were developed based on the historical incremental cost of measures installed in homes.

C. Application Process

Public Service customers will be informed of the Single-Family Weatherization Product when they sign up for LIHEAP funding. In order to participate in the product, they must have applied for LIHEAP funding. Once it is determined that the customer meets the income guidelines and receives energy services from Public Service, they will be qualified by their local participating agency to receive weatherization services. Low-income agencies will actively seek out customers that qualify to participate in this product, and customers can inquire about it on their own as well. Information will be provided to new customers as they sign up for LIHEAP funding.

D. Marketing Objectives, Goals, & Strategy

The overall marketing objective of this product is to increase and expand education among the low-income customers on the importance of energy efficiency and the value of taking action to improve efficiency in their homes. Public Service will work with the low-income providers to encourage promotion of all services available. Information will be posted on Xcel Energy's website directing customers to their local agencies. The Company may also partner with other low-income groups.

E. Product-Specific Policies

In order to participate, customers must purchase retail electricity or gas from Public Service on a residential tariff and have a household income below 80% of the area median income. Customers meeting the DOE Weatherization Assistance Program funding guidelines, as determined by the program implementer, local government, or their agencies, are automatically considered income eligible.

F. Stakeholder Involvement

When designing the Single-Family Weatherization Product, Public Service worked with external consultants to define which measures would ensure that the customer is comfortable in their home and will also save money on their energy costs. The Governor's Colorado Energy Office (GCEO) has contracted with low-income weatherization agencies to perform weatherization measures. These contractors are funded through the GEO and other state funding and have agreed to weatherize homes following state regulations and guidelines.

G. Rebate Levels

Public Service will fund a pre-established amount for each low-income, single-family weatherization measure. The following table below provides the rebate amount ~~incremental cost~~ of each measure. The measures that were considered replacement on burnout do not include a labor and equipment rental cost, as the measure would have to be replaced regardless of whether there is an efficiency upgrade or not. The measures underlined below are the new cost effective measures that have been added into the program.

Table 1 – Rebate Amount of Each Gas Measure included in the Low-Income, Single-Family Weatherization Product

Natural Gas Measure Description	High Efficiency Product Description / Rating	Baseline Product Description / Rating	Rebate Amount
Gas Furnace 78 to 92	Energy Star recommend 92 AFUE	78% efficiency measured	\$623
<u>Water heater EF to .62</u>	<u>0.62 EF Storage Water Heater</u>	<u>Federal Minimum 0.59 EF Water Heater</u>	<u>\$55</u>
Wall R-3 to R-11	Assuming 2x4 construction, up to R-13 insulation can fit in wall cavity	No insulation in wall cavity	\$670
Ceiling R-11 to R-38	DOE recommend level of insulation for CO Climate Zones R-38	Estimated existing level = R 11	\$715
<u>Crawl space wall insulation R-0 to R-19</u>	<u>R-19 Insulation</u>	<u>Little to no Insulation</u>	<u>\$175</u>
<u>Single pane windows with addition of storm windows</u>	<u>Addition of Storm windows</u>	<u>Single Pane Windows</u>	<u>\$1,225</u>

Table 2 – Rebate Amount of Each Electric Measure included in the Low-Income, single Family Weatherization Product

Electric Measure Description	Efficient Product Description / Rating	Baseline Product Description / Rating	Rebate Amount (\$)
Refrigerator Replacements	2008 Energy Star standard refrigerator	existing unit vintage from 7-18 years old	\$631
Compact Fluorescent Lighting Package – 2012	High efficiency CFL lighting	incandescent bulbs	\$3
Compact Fluorescent Lighting Package – 2013	High efficiency CFL lighting	incandescent bulbs	\$3