

## ➤ Showerhead Product – Product Changes

In accordance with the 2011 DSM Plan Stipulation and Settlement Agreement in Docket No. 10A-471EG, Public Service Company of Colorado agreed to provide this 60-day notice, in which parties agreed that the Company would conduct a comprehensive program evaluation on the Showerhead Product in 2011.

Public Service proposes to change the net-to-gross factor from 1.0 to .99 for the Showerhead Product. This change is based on the results from the comprehensive program evaluation report, finalized December 7, 2011. In addition, the evaluation report suggested program marketing process improvements and methods of streamlining the administration of the program that are currently being reviewed and implemented as appropriate.

We are posting the following documents with this Notice:

- The complete Program Evaluation can be found at:  
<http://www.xcelenergy.com/About Us/Rates & Regulations/Regulatory Filings/CO DSM>
- The Updated Deemed Savings File for the changes outlined in the recommendations.

Recommendation	Response
<p>1. Consider reviewing the method for determining the installation rate. Using the same survey questions as the Xcel Energy M&amp;V survey six months after the 2010 year end, Cadmus found the 2010 installation rate of 70 percent was higher than the 57 percent measured at the end of the 2010. Consider allowing at least six months from the time of showerhead distribution to the M&amp;V installation rate survey or consider using a deemed value as measured and verified through the program evaluation process. Allowing for six months before verifying installation may require distributing the showerheads earlier in the year to allow enough time for measuring the installation rate before annual program savings are reported.</p>	<p>Allowing more time after the showerhead distribution to do M&amp;V will be implemented in the program plan per the recommendation. The 2012 campaign will begin in April, allowing enough time in 2012 to do M&amp;V follow up to get a more accurate installation result.</p>
<p>2. To increase the installation rate, consider implementing one to two follow-up opportunities after the BRCs have been sent and again after the showerheads have been sent to remind people about the offer and to encourage them to install the showerhead. Many nonparticipating survey respondents said that they did not participate because they</p>	<p>PSCO will do one to two follow-ups after the BRCs have been sent and again after the showerheads are distributed to remind people about the offering and to encourage showerhead installation.</p>

<p>forgot to reply/did not get around to replying to the offer before it expired. Twenty-three percent of surveyed participant respondents who had not yet installed their free showerhead at the time of the survey said that they had not had a chance to install it. A follow-up reminder call could be the impetus necessary to prompt installation follow-through.</p>	
<p>3. In addition to follow-up, Xcel Energy may want to consider incorporating a direct install effort, if it is determined cost effective. Thirty percent of participant survey respondents had not yet installed their free showerhead at the time of the survey. This approach has proven effective for low income and whole-house program approaches.</p>	<p>At this time PSCO believes that a direct install effort would disproportionately increase administrative costs and negatively impact the cost-effectiveness of the program. The low-cost/no-cost efforts noted in Recommendation #1 and #2) will increase our installation rate and continue to keep this program highly cost-effective. PSCO continues to evaluate direct install programs for several measures and will implement if a cost effective solution can be found.</p>
<p>4. Consider using this Program to educate customers about other Xcel Energy programs and additional ways to save energy. This Program offers an opportunity for Xcel Energy to educate consumers about additional ways to save energy. After having participated in the Colorado Showerhead Program, half of all participating survey respondents expressed an interest in receiving information from Xcel Energy about additional ways they could save energy in their home. This finding is consistent with the high levels of spillover found for the Program. Since the Program requires a low level of effort, it could serve as a natural gatekeeper for additional measures or be used as a way to increase customer interest in participating in other Xcel Energy demand-side management (DSM) programs.</p>	<p>The Company agrees with this recommendation and is evaluating tactics to implement. For example the company is going to look into including literature in the showerhead tube (which currently includes the showerhead and installation instructions) about our other programs.</p>
<p>5. Consider expanding the Program to commercial meters and directly targeting multifamily buildings. This Program has just been for residential customers, and thus far program administrators have tried to avoid multifamily buildings by identifying and avoiding mailing addresses with apartment or unit numbers. The energy savings of the program would increase significantly by</p>	<p>PSCO agrees with this recommendation and is currently offering showerheads to multi-family buildings via our low income multi-family program.</p>

<p>including multifamily and commercial customers</p>	
<p>6. Cadmus recommends that Xcel Energy consider using a NTG ratio of 0.99 for this Program due to high levels of spillover. Xcel Energy could also add a question to their BRC, such as “Do you already have an efficient showerhead installed in your main shower?,” to help lower the rate of Program Freeridership.</p>	<p>The change will be adopted and made; the NTG will change from 1 to .99</p>
<p>7. Xcel Energy may want to consider conducting a market transformation study to capture future savings and develop a baseline to use as an indicator for developing the program exit strategy. The Colorado Showerhead Program has the potential to impact market transformation within a few years.</p>	<p>The Company will consider including showerheads in future AAU studies.</p>