

➤ **Summary of 60-Day Notice: Residential Heating**

Public Service Company of Colorado (“the Company”) posts this 60-Day Notice to make changes to the Colorado Residential Heating product in response to the 2017 Comprehensive Evaluation.

The evaluation provided key findings in the areas of the Net-to-Gross. The Company will implement the following recommendation in 2018:

Net-to-Gross increase

In 2017, a product evaluation was done by a third-party evaluator. Recommendations include increasing the net-to-gross for 95%+ AFUE furnaces from .77 to at least .86 over the rate assumed for 2016 and 2017.

The Company will also accept the additional recommendations and considerations resulting from the evaluation:

- Meet internally and with external stakeholders to determine the importance of NATE certification in the success of the Residential Heating product.
- Determine barriers to greater participation by installation contractors in the Residential Heating product.
- In bill inserts, print, and/or other forms of advertisement make explicit the difference between standard-efficiency and high-efficiency gas furnaces (defined as 95% or greater AFUE).
- Conduct semi-annual or continuous evaluation of the Residential Heating product focused on market testing of customer satisfaction and the impact of rebate levels on free-ridership and the NTG ratio for high-efficiency furnaces.
- Continue or even expand resources—such as more extensive online promotion and marketing material to distribute to customers—to these “primary” trade partners.
- Continue or even expand the practice of promoting on the product website that the “primary” trade partners are so customers can more easily identify contractors with the most experience with the product.
- Consider an alternative energy-efficient measure to take the place of the ECM.
- Maintain strong channel management to continue to effectively communicate and coordinate with trade partners throughout the rebate process, and ensure trade partners have the most current product information.
- (Consideration) Create an online tracking system that shows a project’s stage in the rebate process.
- Develop an “early-replacement” marketing campaign to promote replacing old and inefficient gas furnaces during the summer.

Detailed responses to each of the Comprehensive Evaluation recommendations and considerations can be found in the matrix included with the report, found on our website:

https://www.xcelenergy.com/company/rates_and_regulations/filings/colorado_demand-side_management.

Table 1: Summary of Forecasted Notice Impacts: Residential Heating

	As Filed	Revised per Evaluation 60-day
Gas Savings	47,981 net Dth	53,589 net Dth
Budget (\$)	\$650,948	\$650,948
MTRC Test Ratio - Gas	1.07	1.13

Included with this Notice are the following documents:

- Revised Colorado Residential Heating Deemed Savings Technical Assumptions

These documents can be found on our website at the following link:

http://www.xcelenergy.com/Company/Rates_&Regulations/Filings/Colorado_Demand-Side_Management