



5000 West Russell Street
P.O. Box 988
Sioux Falls, SD 57101-0988

October 5, 2015

—Via Electronic Filing—

Ms. Patricia Van Gerpen, Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

RE: UPDATE TO PETITION
2014 DSM STATUS REPORT AND PROPOSED 2016 DSM PLAN

Dear Ms. Van Gerpen:

Enclosed for filing is an update to our May 1, 2015 Petition by Northern States Power Company requesting approval of our 2014 DSM Status Report, including a request for approval of cost recovery for the 2014 actual expenditures and incentive, as well as approval of the proposed 2016 DSM program changes, including a proposed DSM Cost Adjustment Factor.

We present this update to reflect our request to add additional measures to our Business Lighting program. The Company is aware that there is a robust new construction market for Light-Emitting Diode (LED) lamps. In order to meet customer request for the application of LEDs in new construction we are requesting to add seven new technologies to our existing Business Lighting Efficiency program.

Attached you will find updated program details and updated Executive Summary for 2016. Our request does not change the proposed budget, but will increase savings and adjust the overall cost-effectiveness of the portfolio.

Additionally, we have included an update to the proposed customer bill notice to adjust an incorrect date.

If anyone has any questions, please call me at 605-339-8303 or email at eric.pauli@xcelenergy.com.

Ms. Van Gerpen

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October 2, 2015

Sincerely,

A handwritten signature in black ink that reads "Eric Pauli". The signature is written in a cursive style with a large, looped "E" and a distinct "P".

Eric Pauli

Community Relations Manager

**STATE OF SOUTH DAKOTA
BEFORE THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE PETITION OF
NORTHERN STATES POWER COMPANY
FOR APPROVAL OF THE 2014 ANNUAL
DSM STATUS REPORT, INCLUDING 2014
COST RECOVERY AND INCENTIVE AND
APPROVAL OF THE PROPOSED 2016 DSM
COST ADJUSTMENT FACTOR AND
PROGRAM PLAN

**PETITION FOR 2014 DSM
PROGRAM APPROVAL AND
PROPOSED 2016 DSM COST
ADJUSTMENT FACTOR**

DOCKET NO. EL15- 015

Northern States Power Company, doing business as Xcel Energy, submits to the South Dakota Public Utilities Commission, this update to our May 1, 2015 Petition seeking approval of the 2014 annual Demand Side Management Status (DSM) Report, including 2014 cost recovery and incentive, as well as approval of the 2016 DSM Cost Adjustment Factor and DSM Plan.

Specifically, the Company requests that the Commission:

- Approve the addition of new construction measures to the Business Lighting Efficiency program;
- Increase the 2016 Proposed Goals to 2.2 MW and 9,305,532 Gen. kWh;
- Accept our bill message adjustment from January 2015 to January 2016.

The following sections explain in our requested update.

- I. ***Business Lighting Efficiency Update*** – Presents an update to Business Lighting Efficiency program.
- II. ***Updated 2016 Executive Summary*** – Presents the updated Executive Summary with the additional savings associated with additional lighting measures.
- III. ***Bill Message Update*** – Gives an update of bill messaging for 2016.

UPDATE

I. Business Lighting Efficiency Update

Lighting Efficiency

The Lighting Efficiency program offers retrofit rebate incentives to Xcel Energy commercial and industrial customers who purchase and install qualifying energy efficient lighting products. Rebates are offered to encourage customers to purchase energy efficient lighting by reducing the up-front costs associated with new lighting equipment. Customers apply for rebates by completing the application and providing a detailed invoice for the newly installed equipment.

Proposed Program Changes for 2016

The program will introduce seven LED new construction measures to the Business Lighting Efficiency program in 2016. The new measures are in response to increased new construction activity in our service territory. Customers will now have access to new construction incentives for many of the same technologies currently offered in the retrofit LED program, including both interior and exterior lighting options.

Below is a table summarizing these LED additions. We will continue to monitor market conditions closely and manage the program's offerings to ensure market-appropriate rebate levels and technology requirements.

II. 2016 Executive Summary

This section includes an updated summary of Xcel Energy's proposed 2016 DSM Plan. The Company has included the addition of new construction measures within the Business Lighting Efficiency program.

The impact of this change includes an addition of 3 GWh to our original Petition. As shown in the table below, we are increasing participation in the Business Lighting Efficiency program by adding additional LED technologies. However, while there is an increase in savings based on participation growth, we anticipate that the mix of measures will alter in a way that allows us to maintain our originally requested budget.

The summary also shows the total portfolio has a passing TRC Ratio of 2.44. A full Executive Summary, which includes all cost-effectiveness test results, is provided in Attachment A. We respectfully request that the Commission approved this revised 2016 Plan.

Table 1 – Executive Summary Table of 2016 Forecast

Updated Executive Summary Table - 2016					
2016	Electric Participants	Electric Budget	Generator kW	Generator kWh	TRC Ratio
Business Segment					
Lighting Efficiency	2,565	\$433,191	1,448	8,367,645	2.40
Business Saver's Switch	20	\$30,950	30	224	1.42
Peak and Energy Control	1	\$6,000	101	2,612	10.14
Business Segment Total	2,586	\$470,141	1,579	8,370,481	2.44
Residential Segment					
Ground Source Heat Pump	12	\$25,050	19	102,398	0.94
Home Lighting	7,851	\$56,035	108	828,699	2.61
Residential Saver's Switch	758	\$181,650	502	3,954	4.05
Consumer Education	68,000	\$27,165	0	0	-
Residential Segment Total	76,621	\$289,900	630	935,051	2.53
Planning Segment					
Regulatory Affairs	0	\$15,000	0	0	-
Planning Segment Total	0	\$15,000	0	0	-
PORTFOLIO TOTAL	79,207	\$775,041	2,209	9,305,532	2.44

III. Bill Message Update

Our review of the May Petition in preparation for this filing showed a minor error in the our bill message language. As such, we provide an updated version to inform the record. We have changed the date of the bill message from January 1, 2015 to January 1, 2016. This update is detailed in Attachment B.

Service of Filings

We request that communications regarding this Application be directed to:

Mara Ascherman
Associate Attorney
Xcel Energy Services Inc.
414 Nicollet Mall, 5th
Floor Minneapolis, MN
55401 (612) 215-4605

SaGonna Thompson
Records Analyst
Xcel Energy Services Inc.
414 Nicollet Mall, 7th Floor
Minneapolis, MN 55401
(612) 330-5500

CONCLUSION

In summary, the Company respectfully requests that the Commission:

- Approve the addition of new construction measures to the Business Lighting Efficiency program;
- Increase the 2016 Proposed Goals to 2.2 MW and 9,305,532 Gen. kWh;
- Accept our bill message adjustment from January 2015 to January 2016.

Xcel Energy looks forward to continuing these programs in South Dakota. The Company appreciates the interest and efforts of South Dakota policy makers in supporting this DSM portfolio.

Dated: October 5, 2015

Xcel Energy



By: _____

ERIC PAULI

Community Relations Manager

Executive Summary Table - 2016

2016	Electric Participants	Electric Budget	Generator kW	Generator kWh	Participant Test Ratio	Utility Test Ratio	Ratepayer Impact Measure Test Ratio	TRC Ratio
Business Segment								
Lighting Efficiency	2,565	\$433,191	1,448	8,367,645	3.27	11.42	0.85	2.43
Business Saver's Switch	20	\$30,950	30	224	INF	1.42	0.77	1.42
Peak and Energy Control	1	\$6,000	101	2,612	INF	10.14	2.89	10.14
Business Segment Total	2,586	\$470,141	1,579	8,370,481	3.29	10.75	0.86	2.44
Residential Segment								
Ground Source Heat Pump	12	\$25,050	19	102,398	1.75	4.43	0.54	0.94
Home Lighting	7,851	\$56,035	108	828,699	7.52	6.21	0.50	2.61
Residential Saver's Switch	758	\$181,650	502	3,954	INF	4.05	1.04	4.05
Consumer Education	68,000	\$27,165	0	0				-
Residential Segment Total	76,621	\$289,900	630	935,051	6.92	4.12	0.73	2.53
Planning Segment								
Regulatory Affairs	0	\$15,000	0	0				
Planning Segment Total	0	\$15,000	0	0				
PORTFOLIO TOTAL	79,207	\$775,041	2,209	9,305,532	3.67	8.06	0.83	2.44

Proposed Customer Bill Notice

DSM Cost Adjustment Factor Decrease Effective January 1, 2016

Xcel Energy offers a variety of load management and demand side management (DSM) programs to our South Dakota customers to help them reduce their home's usage. The South Dakota Public Utilities Commission has approved a new Demand Side Management (DSM) Cost Adjustment Factor as a separate line item on your monthly electric bill to recover the cost of our load management and DSM programs. Beginning January 1, 2016, the rate factor will decrease from \$0.000510 per kWh to \$0.000448 per kWh.

Residential Electric Service – Winter Month Bill Example

This chart provides a comparison of customer bills by applying the prior DSM rate vs. the new DSM rate.

Usage (kWh)	Prior Rates				New Rates				Amount of Bill Decrease	Percent Decrease
	Other Rates	Prior DSM Factor	Prior DSM	Prior Bill	Other Rates	New DSM Factor	New DSM	New Bill		
400	\$49.81	0.000510	\$0.20	\$50.01	\$49.81	0.000448	\$0.18	\$49.99	\$0.02	0.05%
500	\$60.20	0.000510	\$0.26	\$60.46	\$60.20	0.000448	\$0.22	\$60.42	\$0.03	0.05%
600	\$70.58	0.000510	\$0.31	\$70.89	\$70.58	0.000448	\$0.27	\$70.85	\$0.04	0.05%
750	\$86.17	0.000510	\$0.38	\$86.55	\$86.17	0.000448	\$0.34	\$86.51	\$0.05	0.05%
1000	\$112.14	0.000510	\$0.51	\$112.65	\$112.14	0.000448	\$0.45	\$112.59	\$0.06	0.06%
2000	\$214.35	0.000510	\$1.02	\$215.37	\$214.35	0.000448	\$0.90	\$215.25	\$0.12	0.06%

For more information

You may examine the new rate rider by visiting our website at xcelenergy.com/Company/Rates_&_Regulations. If you have further questions, please contact Xcel Energy at **1-800-895-4999**.