On February 2, 2016, Public Service Company of Colorado (PSCo) issued a 60-Day Notice to update the LED Street Lights product. The updates will be implemented as required by the 2015/16 DSM Plan Settlement Agreement, on April 2, 2016. The original Notice and accompanying documentation can be found on the Company’s website, here:

The Company received written comments on the Notice from one Roundtable participant: the Office of the Consumer Counsel (OCC). The Company provides the following formal response:

1. **Comments Submitted by OCC**

   a. *Given the reduction in the Benefit/Cost Ratio shown in the 60-day notice, what is the overall Benefit/Cost Ratio of the program including all the costs?*

   **Response:** The MTRC reported in the Notice reflected all costs and benefits for the program. Any costs of the program in addition to $43,000 in the DSM budget were reflected within the Economic Assumptions section of the Electric Forecast posted with the Notice—shown as the “Assumed Energy Cost ($/kWh)” ($0.09) and “Incremental Cost of Efficient Product ($)” ($269 and $109). These costs are taken from the final SL Tariff.

   b. *This 60-day notice updates for the LED street light program benefit-cost ratio (MTRC) from 1.45 to 0.84. This program is not cost effective and should be discontinued. This program is separate from the 2015-2016 DSM Plan. The overall cost effectiveness of the 2015-2016 DSM Plan cannot be used to claim that this program should be continued even though it is not cost effective.*

   **Response:** The LED Street Lights product was approved within the 2015/16 DSM Plan, per Decision C15-0735 at Paragraph 28:

   “We agree with Public Service and deny the OCC’s exceptions. Contrary to the OCC’s assertions, there are sufficient similarities between the LED Street Light
Program and other, more traditional energy efficiency products such that it should be considered part of the DSM Plan. We further support the ALJ’s finding that the proposed LED Street Light Program, as modified by the Settlement Agreement, is in the public interest and will generate significant DSM savings. We also agree with the ALJ and the settling parties that a 90 percent NTG factor is a valid technical assumption that should be used for determining the program’s cost-effectiveness.”

The 2015/16 DSM Plan Settlement Agreement, at Paragraph 5 part (c), states:

“The Company will within a reasonable time following the Commission’s approval of LED Street Lighting rates or the time such rates are permitted to take effect by operation of law, submit a 60-Day Notice to update the LED Street Lights product technical assumptions regarding energy usage and incremental costs to reflect the same energy usage and cost assumptions used in designing the approved LED Street Light rates.”

The Company posted the Notice solely to comply with the Settlement Agreement approved by Decision No. C15-0735 at Paragraph 24:

“We agree with the ALJ that it is in the public interest to approve the terms of the Settlement Agreement…”

Furthermore, during Proceeding No. 14A-1057EG, OCC had similarly suggested that certain non-cost-effective products should be discontinued, but Decision No. C15-0735 concluded that “The responsibility to meet the energy savings goals lies with Public Service. Therefore, Public Service should have the discretion and flexibility to plan and implement the most cost-effective DSM plan to achieve the approved energy savings goals…comports with the Commission’s long-standing policy as reconfirmed in Decision No. C11-0442, to leave the overall management of the annual DSM Plan within the Company's discretion…The concept of including individual DSM programs with MTRC ratios less than one is a generally accepted practice in the approval of the overall DSM portfolio. The Commission has provided guidance from time-to-time in this regard.”

Given that the Notice updates were made in compliance with an approved DSM Plan and Settlement Agreement, the Company intends to continue with the approved rate and program offering.

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1 See Paragraphs 167, 168, and 169.