

➤ **Summary of 60-Day Notice: Process Efficiency Product Evaluation**

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 the results of its Process Efficiency Product Evaluation conducted in 2012. The Product Evaluation Final Report suggested expanding program eligibility and monitoring staffing levels to ensure proper attention is given to the product.

The complete Process Efficiency Product Evaluation can be found at:

<http://www.xcelenergy.com/About Us/Rates & Regulations/Regulatory Filings/CO DSM>

The following table provides a summary of the final Product Evaluation report recommendations and Xcel Energy's responses.

Recommendation	Response
1. Assess measure persistence through the program check-ins with customers to monitor if measure persistence remains high or if there are any problem areas that need to be addressed.	While implementing a process to verify equipment in the customer's facility on an ongoing basis would put undo pressure on the administrative budget and personnel resources, the Company intends to retain most of these customers in the PE product after the Phase 3 process is complete. In restarting the Phase 1 benchmarking for customers that have previously participated in Process Efficiency, we will capture existing equipment and be able to determine persistence.
2. The evaluation team recommends no change to the current stipulated net-to-gross ratio of 90%.	Xcel Energy will retain the net-to-gross of 90%.
3. Continue this holistic program offering in the Xcel Energy Business DSM Portfolio.	Xcel Energy will continue this holistic offering.
4. Continue the program's phased delivery and commitment to engaging upper management at the beginning of the participation process. Look for ways to keep customers engaged once they reach Phase 3.	Xcel Energy will continue the phased approach and look for ways to keep customers engaged.

Recommendation	Response
5. Continue the program's commitment to incorporating energy management into participant's core business practices. This should include the use of diagnostic assessment and benchmarking tools like EnVINTA, as well as providing continuing technical support and financial incentives for making energy-saving improvements.	Xcel Energy will continue with efforts to incorporate energy management into our customers' core business practices, utilize benchmarking tools and provide financial incentives for implementing energy saving improvements.
6. Continue using current study funding and end-use incentive levels coupled with achievement bonuses. Also, monitor the accuracy of estimates for study funding and project rebates to best inform customers in their decision-making processes.	Xcel Energy will continue with the existing rebate levels.
7. Evaluate participation levels, study conversion rates, realization of energy savings estimates, project lead times, and upfront study costs in setting annual energy savings goals and budgets for the next program filing. Consider increasing program eligibility requirements to smooth out participation (discussed more under Recommendation (#9)).	Xcel Energy will continue to evaluate the use of these metrics in determining future year forecasts for this program.
8. Continue internal management processes that encourage individual programs working together to achieve portfolio goals.	Xcel Energy will continue to collaborate between programs internally to achieve portfolio goals.
9. Consider increasing eligibility to mid-size industrial customers in addition to large commercial customers. Assess the cost effectiveness and customer response of the recent change in Minnesota eligibility (from two GWh to one GWh in savings potential) and consider implementing a similar change in Colorado to better manage and help achieve energy savings goals.	Since this recommendation was developed, Xcel Energy has filed a 60-Day Notice with the PUC to open the program up to commercial customers. This was adopted November 4, 2012 and is currently being implemented. The eligibility requirement reduction down to one GWh of potential is still being evaluated locally and will factor in results from Minnesota implementing this change in 2011. Due to the long-lead time of many of these projects, the cost-effectiveness of efforts started in 2011 may not be fully determined until 2013 achievement is finalized.

Recommendation	Response
10. As the program grows, evaluate internal staff resources and roles to ensure they are sufficient to effectively deliver the program while maintaining balanced workloads for program and account management staff. This assessment is especially important if Xcel Energy expands program eligibility.	Xcel Energy will continue to evaluate and review the impact of the new Sales Engineer and Marketing Assistant to determine if additional resources may be needed to ensure program delivery is sufficiently supported as the program grows.
11. Continue working to strengthen collaboration between Xcel Energy engineering staff and the program's implementation contractor, particularly in communicating and gathering necessary inputs for custom energy analyses. Also, assess the feasibility of adding a local implementation presence in Colorado.	Xcel Energy will continue to strengthen the collaboration between internal and external engineering groups to provide solutions for our customers.
12. Continue to leverage account manager relationships to identify project opportunities and inform customers about the Process Efficiency program.	Xcel Energy will continue to leverage account manager relationships to identify opportunities and inform customers about the program.
13. Investigate ways to engage less active account management staff. One approach might be highlighting participant success stories and achievement awards, illustrating the potential benefits to account managers' own customers. Another approach worth considering is using existing forums to solicit account management feedback and address concerns. Finally, the program might work with account management staff to identify ways the recently added sales engineer and marketing assistant positions could possibly help alleviate account managers' workload.	Account managers within Xcel Energy who only manage commercial customers have recently been able to participate in the program due to the adoption of a 60-Day Notice that expanded eligibility to this customer group. In addition to this, case studies and other educational efforts are underway to allay any fears and clear up any misconceptions about the program that may have limited interest in the past. The sales engineer is continuing to define his role and spend his time working on the tasks most beneficial to the customer, portfolio and rate payer.
14. Continue to leverage secondary study specialists to support Phase 2 scoping studies and make sure the scope of work and study expectations are fully understood by all parties prior to commissioning work.	Xcel Energy will continue to leverage industry experts for specialized studies.

Recommendation	Response
15. Continue to evaluate and refine the CRM tracking system to make sure it accommodates the data needed for project tracking and evaluation for continuous or multi-stage participation programs such as Process Efficiency. Specifically, the program should track which Phase MOU has been signed by participants and scoped projects in addition to approved projects, completed projects, and projected savings.	Xcel Energy will continue to refine how the new CRM tool is utilized and leverage its full capabilities.
16. The evaluation team has no additional recommendations for improving customer satisfaction.	No recommendation.
17. Continue to engage third-party study providers and other trade allies and inform them about partnership opportunities.	Xcel Energy will continue to engage third-party study providers and trade allies.