



414 Nicollet Mall  
Minneapolis, MN 55401

April 1, 2016

Daniel P. Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
121 Seventh Place East, Suite 350  
St. Paul, MN 55101-2147

—Via Electronic Filing—

Re: PETITION  
2016/2017 NATURAL GAS CIP ADJUSTMENT FACTOR  
DOCKET NO. G002/M-16-\_\_\_

Dear Mr. Wolf:

Enclosed for filing is the Petition of Northern States Power Company requesting approval of our 2015 natural gas Conservation Improvement Program (CIP) Tracker account, financial incentive on 2015 performance, and 2016/2017 natural gas CIP Adjustment Factor.

We have electronically filed this document with the Minnesota Public Utilities Commission, and a Summary of the filing has been served on the parties on the attached service list. Please contact Howard Hoffman at [howard.s.hoffman@xcelenergy](mailto:howard.s.hoffman@xcelenergy) or (612) 330-5940 or me at [shawn.m.white@xcelenergy.com](mailto:shawn.m.white@xcelenergy.com) or (612) 330-6096 if you have any questions regarding this filing.

Sincerely,

/s/

SHAWN WHITE  
MANAGER  
DSM REGULATORY STRATEGY AND PLANNING

Enclosures  
c: Service List

STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
Nancy Lange	Commissioner
Dan Lipschultz	Commissioner
John Tuma	Commissioner
Matthew Schuerger	Commissioner

IN THE MATTER OF THE PETITION OF  
NORTHERN STATES POWER COMPANY  
APPROVAL OF A NATURAL GAS  
CONSERVATION IMPROVEMENT  
PROGRAM ADJUSTMENT FACTOR

DOCKET No. G002/M-16-\_\_\_\_

**PETITION**

**OVERVIEW**

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission this Petition for approval of its natural gas Conservation Improvement Program Adjustment Factor for 2016-2017.

Specifically, we request that the Commission:

- Approve the Company's 2015 natural gas CIP Tracker account;
- Approve the natural gas incentive earned for 2015 program performance; and
- Approve the proposed 2016/2017 natural gas CIP Adjustment Factor of \$0.024195 per therm.

In 2015, we achieved 838,319 Dth of natural gas energy savings, which is 118 percent of the approved regulatory goal or 1.18 percent of sales. We achieved these results while spending \$13.58 million or 97 percent of our approved budget. Based on these results, we respectfully request approval of a natural gas incentive of \$5,763,443

**I. SUMMARY OF FILING**

A one-paragraph summary is attached to this filing pursuant to Minn. R. 7829.1300, subp. 1.

**II. SERVICE ON OTHER PARTIES**

Pursuant to Minn. R. 7829.1300, subp. 2, the Company has served a copy of this filing on the Office of the Attorney General – Antitrust and Utilities Division. A summary of the filing has been served on all parties on the enclosed service list.

### **III. GENERAL FILING INFORMATION**

Pursuant to Minn. R. 7829.1300, subp. 3, the Company provides the following information.

#### **A. Name, Address, and Telephone Number of Utility**

Northern States Power Company doing business as:  
Xcel Energy  
414 Nicollet Mall  
Minneapolis, MN 55401  
(612) 330-5500

#### **B. Name, Address, and Telephone Number of Utility Attorney**

Mara Ascherman  
Deputy General Counsel  
Xcel Energy  
401 Nicollet Mall, 8<sup>th</sup> Floor  
Minneapolis, Minnesota 55401  
(612) 215-4605

#### **C. Date of Filing**

The date of this filing is April 1, 2016. The Company requests the Commission approve this Petition with an effective date of October 1, 2016 for the 2016/2017 CIP Adjustment Factor. Approval by this date would ensure that the implemented rate is based on a 12-month recovery period.

#### **D. Statute Controlling Schedule for Processing the Filing**

Minn. Stat. § 216B.16, subds. 6b and 6c allow public utilities to file rate schedules providing for annual recovery of actual conservation costs and approved incentives. Minn. Stat. § 216B.16 subd. 1 requires 60-days notice to the Commission of a proposed tariff change. Under the Commission's rules, the proposed tariff change discussed in this Petition falls within the definition of a miscellaneous tariff filing under Minn. R. 7829.0100, subp. 11, since no determination of Xcel Energy's general revenue requirement is necessary. Minn. R. 7829.1400, subp. 1, permits initial

comments on miscellaneous filings to be made within 30 days of filing and reply comments 10 days thereafter.

**E. Utility Employee Responsible for Filing**

Shawn White  
Manager, DSM Regulatory Strategy & Planning  
Xcel Energy  
414 Nicollet Mall, 6th Floor  
Minneapolis, MN 55401  
(612) 330-6096

**IV. MISCELLANEOUS INFORMATION**

Pursuant to Minn. R. 7829.0700, the Company requests that the following persons be placed on the Commission’s official service list for this proceeding:

Mara Ascheman  
Deputy General Counsel Xcel Energy  
401 Nicollet Mall, 8<sup>th</sup> floor  
Minneapolis, MN 55401  
mara.k.ascheman@xcelenergy.com

Jim Erickson  
Records Analyst  
Xcel Energy  
401 Nicollet Mall, 7<sup>th</sup> Floor  
Minneapolis, MN 55401  
regulatory.records@xcelenergy.com

Any information requests in this proceeding should be submitted to Ms. Hughes.

**V. DESCRIPTION AND PURPOSE OF FILING**

**A. Background**

Minn. Stat. § 216B.241 sets forth Minnesota’s policy on utility investments in energy conservation. Generally, this statute provides that qualifying energy conservation improvements are utility investments or expenses that result in a net reduction in energy use. The statute provides a multi-step process for selecting qualifying programs subject to approval by the CIP Unit of the Minnesota Department of Commerce Division of Energy Resources (DER). Minnesota Rules 7690.0550 requires that by May 1 of each year, natural gas utilities file with the DER a status report on each program undertaken during the previous year. We file this report on April 1 each year in conjunction with our electric filing.

While the Deputy Commissioner approves the CIP programs to be offered, the Commission has the authority to allow recovery of approved expenses and incentives

under Minn. Stat. § 216B.16, subd. 6b and 216B.241, subd. 2b. These statutes provide for recovery of CIP expenses through a rate rider mechanism without a general rate case proceeding. Under Minn. Stat. § 216B.16, subds. 6b and 6c, the Commission also has the authority to allow Xcel Energy to earn an incentive designed to encourage vigorous participation and compensate the utility for its efforts.

In its January 27, 2010 ORDER ESTABLISHING UTILITY PERFORMANCE INCENTIVES FOR ENERGY CONSERVATION in Docket No. E,G999/CI-08-133, the Commission approved a new incentive mechanism designed to encourage utilities to meet and exceed the energy savings goals established in the Next Generation Energy Act of 2007. In its March 30, 2012 ORDER REMOVING NON-LINEAR ADJUSTMENT FROM THE SHARED SAVINGS DSM FINANCIAL INCENTIVE in the same docket, the Commission revised the incentive mechanism with the removal of the non-linear adjustment. Soon after, on December 20, 2012, the Commission approved additional modifications to the incentive mechanism based on the Department's July 9, 2012 REPORT ON THE IMPACTS OF THE 2011 NEW SHARED SAVINGS DSM FINANCIAL INCENTIVE ON INVESTOR-OWNED UTILITY CONSERVATION ACHIEVEMENTS AND CUSTOMER COSTS. This modified incentive mechanism is effective for the length of each utility's current triennial plan. For Xcel Energy, it applies to the 2013-2015 program years. Lastly, during the 2013 Legislature, a provision was added to Minn. Stat. § 216B.241, subd. 7, which allows utilities the option to exclude the net benefits of low-income programs, if negative, from the calculation of the DSM financial incentive.

## **B. Purpose of Filing**

In this filing, the Company requests approval of its 2015 natural gas CIP Tracker account, incentive earned for 2015 natural gas program performance, and the 2016/2017 natural gas CIP Adjustment Factor.

In support of this request, we provide as Attachment A to this filing, an excerpt from our *2015 CIP Status Report*, which we have submitted concurrently to the DER in its entirety.<sup>1</sup> This Status Report provides the detail behind our 2015 electric and natural gas program costs and achievements. Attachment A to this filing contains the following excerpts from our Status Report that outline our 2015 results:

- Executive Summary, pages 1 to 6.
- 2015 CIP Trackers (Conservation Cost Recovery Report), pages 21 to 24.
- 2016/2017 CIP Adjustment Factor (2015 CIP Adjustment Factor Report), pages 25 to 31.

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<sup>1</sup> The 2015 CIP Status Report was submitted on April 1, 2016 under Docket No. E,G002/CIP-12-447.\_\_\_\_

- 2015 Financial Incentive (Cost-Effectiveness & Performance Mechanism Report), pages 32 to 39.

Please note that the above-referenced page numbers correspond to the numbering in the page headers.

### **C. 2015 Natural Gas CIP Tracker Account**

The Company spent approximately \$13.58 million on our natural gas CIP program in 2015. The Executive Summary provided as pages 1 to 6 of Attachment A summarizes our overall 2015 CIP expenditures and energy savings. The Conservation Cost Recovery Report provided as pages 21 to 24 of Attachment A includes our 2015 natural gas and natural gas CIP Trackers, which reflect actual 2015 expenditures and revenues, including carrying charges.<sup>2</sup>

As part of the review of utilities' 2009 CIP Cost Recovery and Incentive petitions, the Energy Regulation and Planning Unit of the Department of Commerce, Division of Energy Resources (Department), proposed employee expense guidelines, including a recommended cap on employee expenses of 0.5 percent of total annual budgets or expenses.<sup>3</sup> We report on our 2015 employee expenses below.

#### *1. Employee Expenses*

The program costs summarized above include \$27,634 in employee expenses related to CIP. Attachment B summarizes our employee expenses for 2015. These expenses comprise 0.20 percent of our total natural gas CIP spending for 2015, which is below the Department's proposed cap of 0.5 percent of total annual budgets or expenses.

These expenses were incurred consistent with our employee expense policies, which provide guidance on the types of charges that are recoverable and non-recoverable through CIP. We report these expenses at the level of detail available from a query of our accounting system.<sup>4</sup>

#### *2. CIP Projects at Utility Facilities*

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<sup>2</sup> [Compliance filing for updated electric CIP adjustment factor in Docket E002/M-14-287.

<sup>3</sup> Attachment to the Department's August 13, 2010 Comments in Docket No. E002/M-10-296

<sup>4</sup> As noted in our August 23, 2010 Reply Comments in Docket No. E002/M-10-296, our accounting system has object codes dedicated to several categories of employee expenses, including Business Meals-Employees Only, Business Meals-Non Employees, and Travel Meals. Documentation of the business purpose of the meal and attendees is required as part of the Company's existing expense policy. However, while our current system includes documentation of these details, the system does not provide query access to these details. Further documentation on a specific expense is available upon request.

On July 16, 2013, the MN PUC ordered the MN utilities to work with the Department to develop a scoping plan for the recommissioning and/or auditing of their facilities located in Minnesota. In 2015 the Company did not have any facilities that fell under the qualifications set forth by the Department.

#### **D. 2015 Financial Incentive**

Based on achieved savings of 838,319 Dth, or 118 percent of our 2015 savings goal, and net benefits of over \$37.3 million, we propose a natural gas performance incentive of \$5,763,443. To calculate our proposed incentive, we applied the methodology approved by the Commission in Docket No. E,G999/CI-08-133 and filed in our 2015 incentive compliance filing.<sup>5</sup> In that filing, we established the percent of net benefits to be awarded at each level of achievement. If approved, the financial incentive would be included in the Tracker and recovered through the 2016/2017 CIP Adjustment Factor. We provide our 2015 incentive calculation as pages 32 to 39 of Attachment A.

#### **E. Proposed CIP Adjustment Factor**

The Company seeks approval to update its natural gas CIP Adjustment Factor to \$0.024195 per therm, effective October 1, 2016 through September 30, 2017. This factor allows the Company to recover program costs, financial incentive, and the projected unrecovered Tracker balance.

##### *1. Projected Unrecovered Tracker Balance*

We project an unrecovered September 2016 CIP Tracker balance of \$17.6 million, shown on Attachment A, page 26. This balance represents the program costs and incentive not recovered through the Conservation Cost Recovery Charge (CCRC) and the existing natural gas CIP Adjustment Factor.<sup>6</sup>

##### *2. Proposed CIP Adjustment Factor*

With this filing, we propose to increase the CIP Adjustment Factor from \$0.008642 per therm to \$0.024195 per therm to recover the Tracker balance over the October 1, 2016 to September 30, 2017 time period. A factor contributing to this increase is lower than forecasted recoveries in 2015. If approved as proposed and implemented

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<sup>5</sup> On Jan 31, 2015 in Docket No. E,G999/CI-08-133 we filed our 2015 Incentive Compliance Filing. On January 12, 2015 in the noted Dockets, the Department issued a letter accepting our Compliance Filing.

<sup>6</sup> The CCRC is recovered in base rates.

October 1, 2016, the average residential natural gas customer using 71 therms per month would pay approximately \$1.72 per month.

**Table 1: Proposed and Current CIP Adjustment Factor**

<b>Natural Gas CIP Adjustment Factor</b>	
<b>Proposed (\$/therm)</b>	<b>Current (\$/therm)</b>
\$0.024195	\$0.021139

Pages 25 to 31 of Attachment A provide the calculation of the CIP Adjustment Factor for 2016-2017 and the 2016 and 2017 CIP Tracker Forecast, assuming we implement the proposed factor October 1, 2016. The Company proposes to continue to set the CIP Adjustment Factor to reduce the Tracker balance to \$0 by September 30 of the following year. The September 2017 forecasted balance of \$587 can be seen on page 31 of Attachment A.

As with previous filings, we propose to update the CIP Adjustment Factor using actual revenue recovery and actual expense available at the time of the Company's Reply Comments. Additionally, if the timing of the approval process suggests the implementation of the 2016/2017 CIP Adjustment Factor will occur after October 1, 2016, we will update the implementation date and adjust the proposed factor to recover the approved revenue requirements over the remaining months of the period, through September 2017.

### *3. Proposed Customer Notice*

We propose to implement the below bill message, effective the first month the 2016/2017 CIP Adjustment Factor takes effect, notifying customers of the change in their monthly bills, as follows:

*Effective Oct. 1, 2016, the Resource Adjustment line item on your bill has increased due to a change in the Conservation Improvement Program (CIP) factor. The natural gas CIP portion of the Resource Adjustment is \$0.024195 per therm.*

We will work with the Commission's Consumer Advocate Office in advance of implementing this proposed customer notice.

### *4. Flexible Rate Customers*

Please note that Xcel Energy continues to offer flexible rates. However, such rates always include, at a minimum, the Commission-approved CCRC rate and CIP Adjustment Factor. Therefore, the Company has no CIP costs that remain unrecovered due to rate discounting.



## **F. Description of the Proposed Tariff**

As noted above, we propose to increase the natural gas CIP Adjustment Factor from \$0.021139 per therm to \$0.024195 per therm. We provide as Attachment C to this filing, redline and clean versions of the following proposed tariff sheet:

### **Minnesota Natural Gas Rate Book – MPUC No. 2**

Sheet No. 5-43, revision 28

## **G. Public Interest Review**

We take seriously our commitment to DSM and recognize the Program's value to our customers and the State of Minnesota. The programs approved by the Deputy Commissioner and implemented in 2015 resulted in 838,319 Dth of energy savings, resulting in over \$37.3 million in net benefits.

As described in this Petition and detailed in Attachment A, our calculations and approach to applying the proposed Factor to customers' bills follows the methods previously approved by the Commission. We have calculated our incentive pursuant to the Commission's approved formula in Docket No. E,G999/CI-08-133, and have provided all schedules and information necessary to audit our calculations.

The public interest is served by ensuring that the proposed natural gas CIP Adjustment Factor closely tracks costs as they are incurred, keeping rates as accurate as possible. Commission approval of our proposed 2016/2017 CIP Adjustment Factor will allow the Company to closely match expenses with the benefits received and keep the Tracker account in balance, thus avoiding potentially large future rate increases for customers. Therefore, we respectfully request that the Commission approve our proposal.

## **VI. EFFECT OF CHANGE UPON XCEL ENERGY REVENUE**

For the time period of October 2016 to September 2017, the proposed natural gas CIP Adjustment Factor of \$0.024195 per therm and the CCRC charged in base rates are forecasted to recover approximately \$21.39 million, assuming normal weather. These revenues are necessary to recover the costs incurred to deliver the approved CIP program, the carrying charges associated with previous under-recovery of costs, and the incentive earned on 2015 performance.

## CONCLUSION

Xcel Energy respectfully requests that the Commission:

- Approve the Company's 2015 natural gas CIP Tracker account;
- Approve the incentive of \$5,763,443 earned for 2015 performance; and
- Approve the proposed 2016/2017 natural gas CIP Adjustment Factor of \$0.024195 per therm.

This request is based on achieving 838,319 Dth of natural gas savings and generating over \$37.3 million in net benefits.

Dated: April 1, 2016

Northern States Power Company

Respectfully Submitted by,

/s/

SHAWN WHITE  
MANAGER  
DSM REGULATORY STRATEGY & PLANNING

STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
Nancy Lange	Commissioner
Dan Lipschultz	Commissioner
John Tuma	Commissioner
Matthew Schuerger	Commissioner

IN THE MATTER OF THE PETITION OF  
NORTHERN STATES POWER COMPANY  
FOR APPROVAL OF A NATURAL GAS  
CONSERVATION IMPROVEMENT  
PROGRAM ADJUSTMENT FACTOR

DOCKET No. G002/M-15-\_\_\_

**PETITION**

**SUMMARY OF FILING**

Please take notice that on April 1, 2016, Northern States Power Company doing business as Xcel Energy filed with the Minnesota Public Utilities Commission a Petition for approval of its 2015 natural gas CIP Tracker account, financial incentive on 2015 performance, and 2016/2017 natural gas Conservation Improvement Program Adjustment Factor. The Company proposed to implement a natural gas CIP Adjustment Factor of \$0.024195 per therm effective October 1, 2016 through September 30, 2017.

**Northern States Power Company,  
a Minnesota corporation  
2015 Conservation Improvement Program Status Report  
Executive Summary**

Northern States Power Company, doing business as Xcel Energy, respectfully submits the following comprehensive report of its electric and natural gas Conservation Improvement Program (CIP) achievements for 2015. This report addresses:

- Overall CIP achievements including participation, expenditures, energy conserved and demand reduced by each segment and program;
- CIP Trackers, including 2015 expenditures and cost recovery by month;
- Calculation of the CIP Adjustment Factors for the period from October 2016 through September 2017, including estimated expenditures, cost recovery, and financial incentives;
- Calculation of the 2015 CIP Financial Incentives;
- Benefit-cost analyses by program, as well as explanations of deviations from goal and changes during 2015; and
- Other compliance reports, as required by the CIP Unit of the Minnesota Department of Commerce, Division of Energy Resources (DER) and the Minnesota Public Utilities Commission (Commission).

**Achievements**

In 2015, our electric program met and surpassed the state's 1.5% energy savings target for the fourth year in a row, achieving over 500 GWh of electric savings or 1.73% of sales. This level of performance is a result of our efforts to continue to evolve and refine our existing portfolio of programs amid increasing pressure from codes and standards along with organic conservation, both of which occur outside our robust portfolio. We have achieved this significant savings by identifying and targeting new market segments, finding solutions to programs' participation challenges, and refreshing our program offers and materials. We continued to engage our customers in energy efficiency and find ways to make it easier for them to participate in and learn about energy efficiency opportunities.

In our electric Business Segment, the success is primarily attributed to the Business New Construction, Lighting Efficiency, Commercial Efficiency, and Process Efficiency programs, which contributed more than 180 GWh of achievement in 2015, 67% of the business portfolio.

In our electric Residential Segment, the top contributors to energy savings were Home Lighting, Residential Cooling, and Energy Feedback. These three programs achieved over 150 GWh which accounts for 88% of the total residential segment. This performance was due to continued strong customer interest and response to Company promotions and event marketing.

The natural gas portfolio surpassed its filed energy savings goal of 696,474 Dth. In 2015, we achieved 838,319 Dth of natural gas energy savings, which is 120% of the approved regulatory goal or 1.21% of sales. In the Business Segment, programs that offer both electric and natural gas savings opportunities were quite successful in 2015, with Business New Construction, Commercial Efficiency, Process Efficiency, and the Recommissioning program all achieving or exceeding their natural gas savings goals. Our Residential Segment gas programs continue to be strong despite

increasing codes which limit natural gas savings. We attribute our success to annual trainings and frequent trade partner communications.

The Company spent a total of \$104.94 million to achieve these results, including \$91.36 million spent on electric programs and \$13.58 million spent on gas programs. Electric spending was 98% of the approved regulatory budget and natural gas spending was 97% of the approved regulatory budget.

The electric programs will provide approximately \$268.96 million in net benefits to our customers. Net benefits are a measure of the generation, transmission, distribution and energy costs avoided as a result of our conservation programs less the costs to run the programs. The gas programs will provide over \$37.35 million in net benefits to our customers.

Our 2015 CIP achievements are summarized in Table 1.

**Table 1: Xcel Energy's 2015 CIP Expenditures and Energy Savings**

2015	Expenditures (\$)	Energy Savings (kWh or Dth)	Demand Savings (kW)
Total Electric Conservation	\$72,201,776	500,021,256	88,193
Total Load Management	\$6,744,547	372,280	27,391
Total Renewables	-\$6,068		
Total Electric Indirect-Impact	\$1,486,229		
Total Other Indirect-Impact	\$10,959,292		
<b>Total Electric CIP</b>	<b>\$91,385,776</b>	<b>500,393,537 kWh</b>	<b>115,585 kW</b>
Total Gas Conservation	\$10,957,135	838,319	
Total Gas Indirect-Impact	\$782,745		
Total Other Indirect-Impact	\$1,837,270		
<b>Total Gas CIP</b>	<b>\$13,577,149</b>	<b>838,319 Dth</b>	
<b>Total MN CIP</b>	<b>\$104,939,523</b>		

As shown in Figure 1, our electric achievements improved over 2014. The Company's cumulative achievements since 1992 exceeds 7,700 GWh of electric energy saved, 14.3 million Dth and over \$5.4 billion in net benefits achieved, with total spending of \$1.4 billion. The following graphs highlight achievements and spending between 2003 and 2015.

Figure 1: Xcel Energy's 2003-2015 Electric CIP Achievements

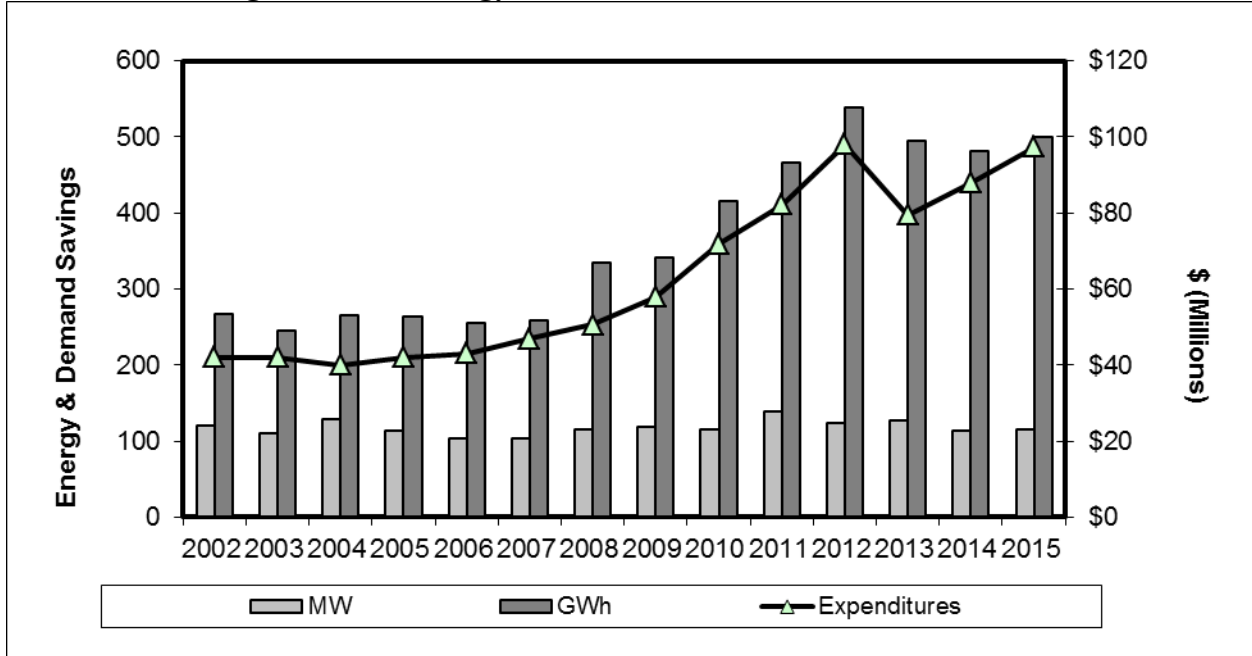
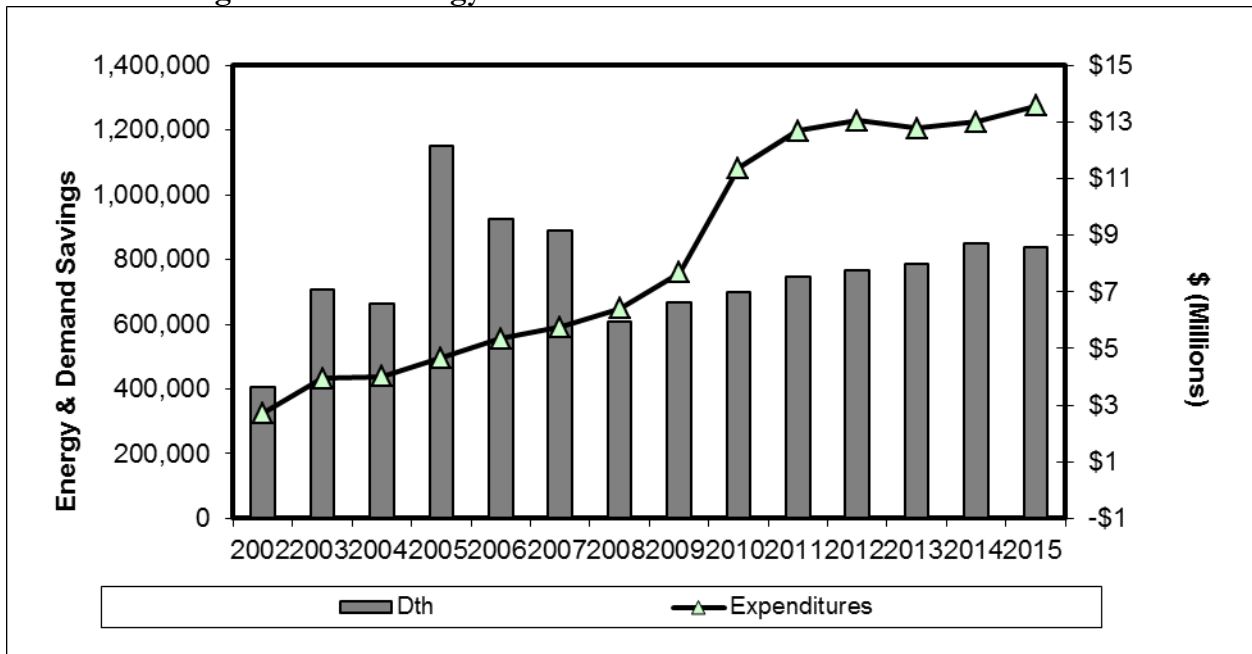


Figure 2: Xcel Energy's 2003-2015 Natural Gas CIP Achievements



The following sections explain in detail the accomplishments of Xcel Energy's 2015 electric and natural gas CIP.

- ***Compliance Reporting*** – This section provides information to satisfy provisions in Minnesota Statutes sections 216B.2401, 216B.241, and 216B.2411, including spending requirements and caps. This section also includes all other ordered compliance requirements, including those required by the Commissioner's October 1, 2012 Decision in this docket.
- ***Conservation Cost Recovery Report*** (Docket No. E002/GR-92-1185) – Provides the 2015 CIP Trackers. Xcel Energy seeks approval to record \$91,385,776 in electric spending and \$13,577,149 in gas spending in its CIP Tracker accounts.
- ***CIP Adjustment Rate Report*** (Docket No. E002/M-94-1016) – Calculates the electric and gas CIP Adjustment Factors to be applied to customer usage for recovery of 2015 conservation expenditures, effective for the period October 2016 through September 2017. Xcel Energy is proposing new electric and gas CIP Adjustment Factors of \$0.001941 kWh and \$0.024195/therm, respectively.
- ***Cost-Effectiveness and Performance Mechanism Report*** (Docket No. E,G999/CI-08-133 and Docket No. E002/M-11-1101) Details the mechanisms and calculations of Xcel Energy's DSM Financial Incentives. The Company requests approval to record and recover from customers \$43,277,219 in electric and \$5,763,443 in natural gas DSM performance incentives in its CIP Trackers.
- ***2015 CIP Status Report*** – Minn. R. 7690.0550 states the information that a utility must include in its annual program status report. This report shows budgets and goals, expenditures, actual energy savings, and participation.
- ***Cost-Effectiveness*** – Minn. R. 7690.0550, subd. E requires a utility to provide information on the cost-effectiveness of its programs, as calculated from the utility, participant, ratepayer, and societal perspectives. This section includes all cost-effectiveness analyses, detailed technical assumptions by program and by segment, and project information sheets.

**Executive Summary Table - Electric and Gas CIP Goals - 2015**

2015	Electric Participants	Electric Budget	Customer kW	Generator kW	Generator kWh	Gas Participants	Gas Budget	Dth Savings
<b>Business Segment</b>								
Business New Construction	43	\$5,337,135	5,094	4,988	21,048,986	12	\$419,412	20,739
Commercial Efficiency	37	\$3,171,977	2,865	2,094	16,132,446	13	\$482,239	25,591
Computer Efficiency	2,911	\$1,490,993	1,588	1,707	12,426,585	0	\$0	0
Cooling Efficiency	1,109	\$1,963,169	1,982	1,645	7,134,438	0	\$0	0
Custom Efficiency	128	\$3,172,659	3,816	1,840	17,787,022	53	\$719,247	39,984
Data Center Efficiency	18	\$1,010,286	1,183	796	10,380,517	0	\$0	0
Efficiency Controls	92	\$1,490,726	2,213	358	17,662,728	33	\$238,902	25,014
Fluid Systems Optimization	551	\$1,860,934	2,646	2,573	16,634,440	0	\$0	0
Foodservice Equipment	72	\$58,727	147	108	729,965	82	\$107,430	7,207
Heating Efficiency	0	\$0	0	0	0	691	\$1,578,199	195,006
Lighting Efficiency	449	\$4,917,319	5,694	5,041	30,027,945	0	\$0	0
Motor Efficiency	877	\$4,354,982	7,217	6,057	36,021,638	0	\$0	0
Multi-Family Building Efficiency								
Process Efficiency	91	\$6,609,504	11,586	8,565	71,224,992	23	\$862,029	137,395
Recommissioning	124	\$1,151,320	1,838	587	11,938,416	30	\$127,259	14,071
Self-Direct	20	\$3,616,137	6,441	4,344	19,835,182	4	\$165,145	19,735
Turn Key Services	421	\$1,605,351	2,271	717	8,259,652	58	\$72,425	11,342
<b>Business Segment Energy Efficiency Total</b>	<b>6,942</b>	<b>41,811,218</b>	<b>56,581</b>	<b>41,419</b>	<b>297,244,952</b>	<b>1,000</b>	<b>4,772,287</b>	<b>496,084</b>
Electric Rate Savings	1,151	\$492,822	16,000	8,165	302,531	0	\$0	0
Saver's Switch for Business	1,231	\$2,106,903	12,620	3,256	21,090	0	\$0	0
<b>Business Segment Load Management Total</b>	<b>2,382</b>	<b>\$2,599,725</b>	<b>28,620</b>	<b>11,421</b>	<b>323,621</b>	<b>0</b>	<b>0</b>	<b>0</b>
Business Education	60,000	\$39,600	0	0	0	1,900	\$37,412	0
Small Business Lamp Recycling	74,000	\$247,498	0	0	0	0	\$0	0
<b>Business Segment Indirect Total</b>	<b>134,000</b>	<b>\$287,098</b>	<b>85,201</b>	<b>52,840</b>	<b>297,568,573</b>	<b>2,900</b>	<b>\$37,412</b>	<b>496,084</b>
<b>Business Segment Total</b>	<b>143,324</b>	<b>\$44,698,041</b>	<b>85,201</b>	<b>52,840</b>	<b>297,568,573</b>	<b>2,900</b>	<b>\$4,809,699</b>	<b>496,084</b>
<b>Residential Segment</b>								
Energy Efficient Showerheads	1,050	\$15,747	175	0	360,781	13,950	\$191,126	22,852
Energy Feedback	190,375	\$1,530,056	1,297	967	12,406,647	135,375	\$399,534	24,566
ENERGY STAR Homes	860	\$199,145	281	105	885,775	500	\$775,123	35,485
Heating System Rebates	7,000	\$759,470	1,750	1,343	4,745,263	5,777	\$1,200,159	17,736
Home Energy Squad	5,499	\$1,239,558	2,925	537	2,384,706	3,000	\$808,680	28,328
Home Lighting	675,611	\$4,857,433	55,664	8,520	64,376,286	0	\$0	0
Home Performance with ENERGY STAR®	225	\$99,995	200	138	156,325	225	\$277,193	7,259
Insulation Rebate	311	\$93,156	493	250	361,265	1,133	\$344,870	15,615
Refrigerator Recycling	6,500	\$920,950	1,398	843	7,352,594	0	\$0	0
Residential Cooling	10,114	\$4,768,217	9,254	9,121	5,479,306	0	\$0	0
School Education Kits	20,000	\$618,350	1,624	131	1,714,351	20,000	\$484,023	21,597
Water Heater Rebate	0	\$0	0	0	0	1,380	\$194,914	3,677
<b>Residential Segment Energy Efficiency Total</b>	<b>917,545</b>	<b>\$15,102,077</b>	<b>75,061</b>	<b>21,957</b>	<b>100,223,299</b>	<b>181,340</b>	<b>\$4,675,622</b>	<b>177,115</b>
<b>Residential Segment Load Management - Saver's Switch</b>	<b>433,854</b>	<b>\$5,083,549</b>	<b>60,413</b>	<b>17,690</b>	<b>177,738</b>			
Consumer Education	3,300	\$765,640	0	0	0	382,912	\$540,806	0
Home Energy Audit	325,000	\$596,640	0	0	0	2,500	\$416,500	0
Residential Lamp Recycling	762,154	\$214,500	0	0	0	0	\$0	0
<b>Residential Segment Indirect Total</b>	<b>1,090,454</b>	<b>\$1,576,780</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>385,412</b>	<b>\$957,306</b>	<b>0</b>
<b>Residential Segment Total</b>	<b>2,441,853</b>	<b>\$21,762,406</b>	<b>135,474</b>	<b>39,647</b>	<b>100,401,037</b>	<b>566,752</b>	<b>\$5,632,928</b>	<b>177,115</b>
<b>Low-Income Segment</b>								
Home Energy Savings Program	1,650	\$1,307,042	505	174	842,035	400	\$1,167,851	9,001
Low-Income Home Energy Squad	596	\$394,569	1,142	177	925,303	1,650	\$468,370	14,274
Multi-Family Energy Savings Program	4,246	\$818,976	430	124	677,988			
<b>Low-Income Segment Total</b>	<b>6,492</b>	<b>\$2,520,587</b>	<b>2,076</b>	<b>476</b>	<b>2,445,325</b>	<b>2,050</b>	<b>\$1,636,221</b>	<b>23,275</b>
<b>Planning Segment</b>								
Application Development and Maintenance	0	\$1,101,600	0	0	0	0	\$267,246	0
Advertising & Promotion	0	\$2,628,000	0	0	0	0	\$610,000	0
CIP Training	0	\$124,999	0	0	0	0	\$40,000	0
Regulatory Affairs	0	\$435,669	0	0	0	0	\$140,687	0
<b>Planning Segment Total</b>	<b>0</b>	<b>\$4,290,268</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,057,933</b>	<b>0</b>
<b>Research, Evaluations &amp; Pilots Segment</b>								
Market Research	0	\$998,988	0	0	0	0	\$189,070	0
Product Development	0	\$807,000	0	0	0	0	\$227,972	0
Energy Information Systems Pilot								
<b>Research, Evaluations &amp; Pilots Segment Total</b>		<b>\$1,805,988</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$417,042</b>	<b>0</b>
<b>PORTFOLIO SUBTOTAL</b>	<b>2,591,670</b>	<b>\$75,077,290</b>	<b>\$222,750</b>	<b>\$92,962</b>	<b>\$400,414,935</b>	<b>571,702</b>	<b>\$13,553,823</b>	<b>696,474</b>
Renewable Energy Segment - SolarRewards	0	\$0	\$0	\$0	\$0	\$0	\$0	0
Alternative Filings	0		0	0	0	0		0
CEE One-Stop Efficiency Shop	1,128	\$11,200,000	10,230	11,000	35,000,000			
EnerChange		\$337,500					\$412,500	
Energy Smart		\$356,250					\$18,750	
Trillion BTU		\$331,650			0		\$36,850	
Energy Intelligence					0			
<b>Alternative Filings Total</b>		<b>\$12,225,400</b>	<b>10,230</b>	<b>11,000</b>	<b>35,000,000</b>	<b>0</b>	<b>\$468,100</b>	
Assessments Segment		\$1,736,000	0	0	0	0	\$345,600	
<b>Electric Utility Infrastructure Segment</b>								
<b>Made in Minnesota</b>								
<b>PORTFOLIO TOTAL</b>	<b>2,592,798</b>	<b>\$89,038,690</b>	<b>232,980</b>	<b>103,962</b>	<b>435,414,935</b>	<b>571,702</b>	<b>14,367,523</b>	<b>696,474</b>



Executive Summary Table - Electric and Gas CIP Achievements - 2015								
2015	Electric Participants	Electric Spend	Customer kW	Generator kW	Generator kWh	Gas Participants	Gas Spend	Dth Savings
<b>Business Segment</b>								
Business New Construction	123	\$9,128,707	10,074	9,873	50,680,283	43	\$570,719	44,519
Commercial Efficiency	160	\$2,898,615	4,259	3,413	28,131,149	25	\$273,540	67,527
Computer Efficiency	4,502	\$763,094	1,725	1,742	13,488,999	-	\$0	0
Cooling Efficiency	827	\$3,353,716	4,213	3,732	8,949,848	2	\$22,907	3,766
Custom Efficiency	45	\$1,154,500	911	743	4,644,303	21	\$175,169	16,676
Data Center Efficiency	26	\$584,008	843	503	6,431,307	-	\$0	0
Efficiency Controls	52	\$674,847	873	197	6,381,729	18	\$127,961	18,426
Fluid Systems Optimization	238	\$1,501,181	2,242	1,789	12,730,802	-	\$0	0
Foodservice Equipment	16	\$20,377	83	51	351,543	20	\$49,329	5,398
Heating Efficiency	0	\$0	-	-	-	522	\$1,116,936	106,486
Lighting Efficiency	1,822	\$7,065,546	12,254	9,656	51,587,828	-	\$0	0
Motor Efficiency	509	\$2,680,299	4,507	3,688	21,824,345	-	\$0	0
Multi-Family Building Efficiency	12	\$53,256	74	8	77,180	3	\$14,270	57
Process Efficiency	265	\$6,280,172	7,877	4,077	50,573,819	24	\$1,468,292	243,974
Recommissioning	82	\$686,915	1,157	566	6,365,500	24	\$117,726	10,503
Self-Direct	0	\$954	-	-	-	-	\$210	0
Turn Key Services	259	\$1,406,108	1,574	1,136	7,410,616	63	\$256,354	7,534
<b>Business Segment Energy Efficiency Total</b>	<b>8,938</b>	<b>\$38,252,296</b>	<b>52,664</b>	<b>41,174</b>	<b>269,629,251</b>	<b>765</b>	<b>\$4,193,411</b>	<b>524,868</b>
Electric Rate Savings	58	\$456,994	8,949	4,571	169,592	-	\$0	0
Saver's Switch for Business	1,322	\$1,747,443	18,964	5,220	27,753	-	\$0	0
<b>Business Segment Load Management Total</b>	<b>1,380</b>	<b>\$2,204,437</b>	<b>27,913</b>	<b>9,791</b>	<b>197,345</b>	<b>-</b>	<b>\$0</b>	<b>0</b>
Business Education	16,380	\$192,859	-	-	-	2,224	\$30,426	0
Small Business Lamp Recycling	75,592	\$37,933	-	-	-	-	\$0	0
<b>Total</b>	<b>91,972</b>	<b>\$230,791</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,224</b>	<b>\$30,426</b>	<b>0</b>
<b>Business Segment Total</b>	<b>102,290</b>	<b>\$40,687,524</b>	<b>80,577</b>	<b>50,966</b>	<b>269,826,595</b>	<b>2,989</b>	<b>\$4,223,838</b>	<b>524,868</b>
<b>Residential Segment</b>								
Energy Efficient Showerheads	2,180	\$20,383	-	-	925,050	13,224	\$148,468	26,678
Energy Feedback	189,552	\$1,430,890	3,368	3,693	13,757,991	126,785	\$518,537	26,747
EENERGY STAR Homes	2,098	\$717,310	1,788	727	2,367,681	960	\$1,033,526	64,545
Heating System Rebates	9,854	\$1,060,324	2,461	1,889	6,649,873	6,814	\$1,896,600	113,044
Home Energy Squad	4,580	\$1,318,693	6,029	2,031	3,844,660	2,096	\$649,552	24,384
Home Lighting	1,485,456	\$7,614,757	117,187	16,116	128,785,461	-	\$0	0
STAR®	141	\$107,769	146	71	106,165	142	\$196,453	4,779
Insulation Rebate	464	\$57,235	245	128	179,271	613	\$187,518	8,950
Refrigerator Recycling	5,061	\$869,314	1,071	646	5,633,886	-	\$0	0
Residential Cooling	11,944	\$4,581,740	9,808	9,679	7,715,596	-	\$0	0
School Education Kits	14,577	\$280,784	1,895	95	1,249,556	14,577	\$311,455	17,507
Water Heater Rebate	-	\$0	-	-	-	2,744	\$328,957	7,101
<b>Residential Segment Energy Efficiency Total</b>	<b>1,725,907</b>	<b>\$18,059,199</b>	<b>143,999</b>	<b>35,074</b>	<b>171,215,191</b>	<b>167,955</b>	<b>\$5,271,065</b>	<b>293,733</b>
<b>Residential Segment Load Management - Saver's Switch</b>	<b>19,509</b>	<b>\$4,540,110</b>	<b>59,916</b>	<b>17,600</b>	<b>174,936</b>	<b>-</b>	<b>\$0</b>	<b>0</b>
Consumer Education	593,663	\$656,257	-	-	-	420,747	\$427,512	0
Home Energy Audit	2,053	\$386,590	-	-	-	1,702	\$324,807	0
Residential Lamp Recycling	428,353	\$212,591	-	-	-	-	\$0	0
<b>Total</b>	<b>1,024,069</b>	<b>\$1,255,438</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>422,449</b>	<b>\$752,319</b>	<b>0</b>
<b>Residential Segment Total</b>	<b>2,769,485</b>	<b>\$23,854,747</b>	<b>203,915</b>	<b>52,674</b>	<b>171,390,126</b>	<b>590,404</b>	<b>\$6,023,384</b>	<b>293,733</b>
<b>Low-Income Segment</b>								
Home Energy Savings Program	2,115	\$1,288,016	387	152	740,997	315	\$1,144,524	6,024
Low-Income Home Energy Squad	1,480	\$288,829	1,652	613	1,043,929	1,413	\$348,134	13,693
Multi-Family Energy Savings Program	1,764	\$798,515	554	144	811,993	-	\$0	0
<b>Low-Income Segment Total</b>	<b>5,359</b>	<b>\$2,375,360</b>	<b>2,593</b>	<b>908</b>	<b>2,596,919</b>	<b>1,728</b>	<b>\$1,492,658</b>	<b>19,718</b>
<b>Planning Segment</b>								
Maintenance	0	\$691,841	-	-	-	-	\$202,574	-
Advertising & Promotion	0	\$2,843,874	-	-	-	-	\$716,357	-
CIP Training	0	\$124,474	-	-	-	-	\$36,743	-
Regulatory Affairs	0	\$424,526	-	-	-	-	\$134,104	-
<b>Planning Segment Total</b>	<b>0</b>	<b>\$4,084,714</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$1,089,778</b>	<b>-</b>
<b>Research, Evaluations &amp; Pilots Segment</b>								
Market Research	0	\$494,948	-	-	-	-	\$113,423	-
Product Development	0	\$277,412	-	-	-	-	\$103,851	-
Energy Information Systems Pilot	0	\$9,576	-	-	-	-	\$11,234	-
Business Energy Feedback Pilot	0	\$356,886	-	-	-	4,016	\$7,180	-
Smart Thermostat Pilot	0	\$43,998	-	-	-	-	\$29,728	-
<b>Research, Evaluations &amp; Pilots Segment Total</b>	<b>0</b>	<b>\$1,182,820</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,016</b>	<b>\$265,416</b>	<b>-</b>
<b>PORTFOLIO SUBTOTAL</b>	<b>2,877,134</b>	<b>\$72,185,165</b>	<b>287,085</b>	<b>104,548</b>	<b>443,813,641</b>	<b>599,137</b>	<b>\$13,095,074</b>	<b>838,319</b>
SolarRewards	0	-\$6,068	-	-	-	-	\$0	0
Alternative Filings	0	\$0	-	-	-	-	\$0	0
CEE One-Stop Efficiency Shop	1,970	\$13,514,921	10,952	11,037	56,579,896	-	\$0	0
EnerChange	0	\$424,439	-	-	-	-	\$47,385	0
Energy Smart	0	\$352,616	-	-	-	-	\$18,348	0
Trillion BTU	0	\$101,288	-	-	-	-	\$11,229	0
Energy Intelligence	0	\$332,439	-	-	-	-	\$25,724	0
<b>Alternative Filings Total</b>	<b>1,970</b>	<b>14,725,703</b>	<b>10,952</b>	<b>11,037</b>	<b>56,579,896</b>	<b>-</b>	<b>\$102,685</b>	<b>0</b>
Assessments Segment	0	\$1,844,667	-	-	-	-	\$379,390	0
Electric Utility Infrastructure Segment	0	\$0	-	-	-	-	\$0	0
Made in Minnesota	0	\$2,636,309	-	-	-	-	\$0	0
<b>PORTFOLIO TOTAL</b>	<b>2,879,104</b>	<b>\$91,385,776</b>	<b>298,036</b>	<b>115,585</b>	<b>500,393,537</b>	<b>599,137</b>	<b>\$13,577,149</b>	<b>838,319</b>

## Compliance Reporting

Minnesota Rules ch. 7690 contains the requirements and procedures for CIP filings. Minnesota Statutes sections § 216B.2401, 216B.241, and 216B.2411 contain provisions the Company must meet in its CIP. All compliance points are addressed in this section.

### Statutory Requirements

#### ***Minimum Spending Requirement***

Minn. Stat. § 216B.241 subd. 1a requires that 2.0% of the Company's electric Gross Operating Revenues (GOR) be spent on electric CIP and 0.5% of gas GOR be spent on gas CIP. Table 4 shows our spending in relation to our approved minimum spending requirement.

**Table 4: Minimum Spending Requirement**

	Minimum Spending Requirement	Approved Spend	Actual Spend	Variance of Actual to Minimum Spend
<b>Electric</b>	\$52,726,173	\$93,962,278	\$91,385,776	\$38,659,603
<b>Gas</b>	\$2,633,778	\$14,026,237	\$13,577,149	\$10,943,371
<b>Total</b>	\$55,359,951	\$107,988,515	\$104,962,925	\$49,602,974

\*Approved Spend matches the total approved budgets in the Aug 16, 2013 Summary Decision filed under this docket. Difference of \$1 due to rounding.

#### ***2015 Achievements as a Percentage of Sales***

Table 5 shows our achievements as a percent of our 2009-2011 weather-normalized retail sales, excluding exempt customers.

**Table 5: Achievements as Percent of Sales**

Year	Electric			Gas		
	Energy Savings Achieved (MWh)	Total Adjusted Sales (MWh)	Savings as % of Retail Sales	Energy Savings Achieved (Mcf)	Total Adjusted Sales (Mcf)	Savings as % of Retail Sales
2015	500,393	28,987,234	1.73%	838,319	69,458,419	1.21%

#### ***2015 Low-Income Spending Requirement***

Beginning in 2013, the revised Minn. Stat. § 216B.241, subd. 7 requires public utilities to spend at least 0.2 percent of the most recent three-year average residential electric Gross Operating Revenue and at least 0.4 percent of the most recent three-year average residential gas GOR on low-income programs, unless otherwise approved by the Commissioner. This change to the statute was put into effect after the Triennial Plan was approved. Per Commission Order on January 9, 2015, the Company's low-income spending requirement will be based on three-year average revenues. The specific three-year period is derived from Minn. Rules 7690.1200, implying that the annual electric and gas minimum low income expenditures during Xcel Energy's 2013-2015 Triennial Plan will be

based on 2009-2011 average electric and gas revenues from low income residential customers. Table 6 below notes these new requirements and 2015 achievement.

**Table 6: Updated Low-Income Spending Requirement 2013-2015**

	Electric		Natural Gas	
	% of 2009-2011 average residential GOR	Spending	% of 2009-2011 average residential GOR	Spending
Minimum	0.2%	\$1,944,531	0.4%	\$1,133,768
Achieved	0.23%	\$2,222,627	0.63%	\$1,791,458

The table below compares our 2015 actual spend to the updated requirement. Both the approved low-income spend and actual spend is representative of only programs found in the low-income segment and does not include spending associated with alternative programs, specifically Enerchange and EnergyWise, even though they also target low-income and non-profit customers. The Low-Income segment section explains in detail the low-income achievements.

**Table 7: Low-Income Spending Requirement**

	Minimum Spending Requirement	Approved Low Income Spend	Actual Spend	Variance of Actual to Minimum Spend
<b>Electric</b>	\$1,994,531	\$2,520,587	\$2,375,600	\$526,056
<b>Gas</b>	\$1,133,768	\$1,636,211	\$1,492,658	\$502,443
<b>Total</b>	\$3,128,299	\$4,156,798	\$3,868,018	\$1,028,499

\*Approved Spend matches the total approved budgets in the Aug 16, 2013 Summary Decision filed under this docket. Difference of \$1 due to rounding.

***2015 Research & Development 10% Spending Cap***

The Company complied with Minn. Stat. § 216B.241, subd. 2(c), which limits spending on Research & Development to 10% of the minimum spending requirement. As discussed on page 118 of the 2013-2015 Triennial Plan, all Product Development spend will be subject to this cap. Spending details are shown below.

**Table 8: Research & Development Spending Cap**

	Annual Spending Cap	Approved Spend	Actual Spend	Variance of Actual to Cap
<b>Electric</b>	\$5,272,617	\$807,000	\$277,412	-\$4,995,205
<b>Gas</b>	\$263,378	\$227,972	\$103,851	-\$159,527
<b>Total</b>	\$5,535,995	\$1,034,972	\$381,263	-\$5,154,732

***Distributed Energy Resources Spending Cap***

Minn. Stat. § 216B.2411, subd. 1(a) allows utilities to spend up to five percent of the utility's minimum spending requirement on distributed generation projects. The Solar\*Rewards Generation 1 ended in

2014 and is no longer included within CIP. ORDER APPROVING TARIFFS AS MODIFIED, Docket No. E002/M-13-1015 (July 23, 2014).

***Lighting Use and Recycling Programs***

Minn. Stat. § 216B.241, subd. 5 requires utilities to invest in projects that encourage the use of energy efficient lighting and reclamation or recycling of spent fluorescent and high intensity discharge lamps. Xcel Energy met this requirement through its business and residential lighting and lamp recycling programs.

***Carry-forward Provision***

Minn. Stat. §216B.241, subd. 1c. allows utilities to carry forward energy savings in excess of 1.5% for a year to the succeeding three calendar years for customer program savings and five years for electric utility infrastructure projects. Because we surpassed the 1.5% electric savings goal, we meet the eligibility guidelines for use of the carry-forward provision.

Until further definition of how to apply the Carry-Forward Provision is given, the Company requests the ability to retroactively apply the interpretation to energy savings achieved in 2015. The Company understands that one area of interpretation is not in question – that carry-forward energy savings can only be applied to one year’s incentive calculation. We confirm that we are applying all 2015 energy savings to the calculation of the 2015 incentive and will therefore not apply any 2015 savings that are deemed eligible for carry-forward to any subsequent years’ incentive calculation.

The following tables confirm our eligibility for the carry-forward provision for the 2015 program year and provide an update of the previously approved carry forward savings.

**Table 9: Total Savings and Percent of Sales for Customer Program and Electric Utility Infrastructure Savings**

<b>2015</b>	<b>kWh</b>	<b>% of Sales</b>
Customer Program Achievements	500,393,537	1.73%
EUI Achievements	0	0.00%
Total	500,393,537	1.73%

***Made in Minnesota***

Minn. Statute §216C.412 Subd. 2, established in 2013, requires public utilities to pay a portion of their minimum spend amount towards the Made in Minnesota solar energy production incentive account beginning January 1, 2014, and each January 1 thereafter, through 2023, for a total of ten years. Each electric public utility subject to section 216B.241 must annually pay to the commissioner of commerce five percent of the minimum amount it is required to spend on energy conservation improvements under section 216B.24. The Department invoices the Company for these fees on a yearly basis. The following table details our compliance towards this statute.

On March 28, 2016 the Department of Commerce issued 2015 Energy Savings Credit for the Made in Minnesota program. We were allocated 1,234,174 kWh in energy savings. This savings is not included in the portfolio total for the year and is not used towards calculating our 2015 incentive.

**Table 10: Made in Minnesota Spend**

	5% of Minimum Spend	2015 MiM Assessment
Made In Minnesota (CIP Funds)	\$2,636,309	\$2,636,309

**Triennial Decision Requirements**

The following requirements were established in the Commissioner’s October 1, 2012 Decision approving our 2013-2015 CIP Triennial Plan in Docket No. E,G002/CIP-12-447.

***Budget Flexibility***

The Company was granted flexibility to exceed the approved budgets for cost-effective, direct impact segments and indirect segments by 25 percent. To go beyond 125 percent, the Company is required to submit either a letter or formal modification, depending on the segment, requesting permission to do so. The Low Income Electric and Renewable Energy segments are not to exceed their approved budget. Below is a table showing flexibility by segment. In 2014, all segments remained within allowed flexibility.

**Table 11: Budget Flexibility by Segment 2013-2015**

Segment	Electric CIP	Gas CIP
Business	25%, ltr req above 25%	25%, ltr req above 25%
Residential	25%, ltr req above 25%	25%, ltr req above 25%
Low-Income	no flexibility	25%, ltr req above 25%
Renewable Energy	no flexibility	NA
Planning	25%, formal mod above 25%	25%, formal mod above 25%
Research, Evaluations & Pilots	25%, formal mod above 25%	25%, formal mod above 25%

***Program Modifications***

Minn. R. 7690.1400 requires utilities to file formal program modifications when:

- Proposing a new project;
- Discontinuing an existing project;
- Reducing the minimum qualifying efficiency level of a measure or technology;
- Decreasing project budgets, savings and participation goals;
- Increasing the Planning segment annual budget by more than 25%; and
- Increasing the Research, Evaluations, and Pilots segment by more than 25%.

In addition, the Decision approved the continuation of the informal modification process implemented and agreed to back in October 2011. The requirements of the informal process are:

1. Approval of new energy conservation measures;
2. Change to an existing measure that would impact savings or cost-effectiveness; and
3. Courtesy notifications for program structure, rebate structure, or program policy changes.

In 2015, the Company did submit three formal program modification filings. They are as follows:

<b>Modification Name and Filing Date</b>	<b>Programs and Pilots Included</b>	<b>Approval Date</b>
February Formal (2-20-2015)	Energy Information Systems Pilot	4/13/2015
	Smart Thermostats Pilots	
	Product Development Budget	
February Formal (2-20-2015)	Multi-Family w/CenterPoint Energy	5/27/2015
October Formal (10-15-2016)	ENERGY STAR Retail Products Platform Pilot	1/21/2016
	Energy Benchmarking Program	

***Customer Incentive Flexibility***

The Company has the flexibility to change rebate amounts provided changes do not result in the rebate exceeding the incremental cost of the efficiency improvement and are not made in an effort to take a customer away from a competitor. The Company complied with this requirement.

***Tankless Water Heaters***

In the Triennial Decision, the Commissioner required the Company to report any adverse impacts of tankless water heaters on gas distribution systems identified through the Company’s ongoing gas distribution system monitoring activities in its annual status reports. Specifically, the status report should address:

1. The effect of tankless units rebated by the Company on peak day gas consumed on the Company’s distribution system; and
2. The type and cost of any infrastructure paid for by the Company as a result of tankless water heaters.

*Effect of Tankless Water Heaters on Peak Day Consumption*

The Company does not have a system in place to isolate the impact from tankless water heaters on peak day consumption. Instead, the Company’s gas utility representatives routinely check for irregular dips in pressure due to increased demand during both regular and peak times. The gas representatives did not find any non-standard pressure drops in 2015.

*Type and Cost of Infrastructure to Serve Tankless Gas Water Heaters*

No increased incremental costs were incurred by the gas utility as a result of the installation of tankless water heaters rebated in 2015. Gas utility representatives reported only routine meter changes and pressure adjustments in 2015.

***Solar\*Rewards Program***

The Solar\*Rewards Generation 1 ended in 2014 and is no longer included within CIP. ORDER APPROVING TARIFFS AS MODIFIED, Docket No. E002/M-13-1015 (July 23, 2014).

**Other Regulatory Requirements**

***Compliance with Measurement and Verification (“M&V”) Protocols for Large Custom CIP Projects***

On July 23, 2008, the Deputy Commissioner approved the M&V Protocols for Large Custom CIP Projects, as part of Docket No. E,G999/CIP-06-1591. The Protocols apply to custom projects that have savings greater than 1 GWh or 20,000 Dth and are initiated after April 1, 2008. We had 3 projects that met these criteria and required monitoring. We submitted monitoring reports for all of these qualifying projects to the DER.

***2015 Employee Expenses***

In the Department’s August 13, 2010 Comments in Docket No. E002/M-10-296, the Department proposed employee expense guidelines, including a recommended cap on employee expenses of 0.5 percent of total annual budgets or expenses. In 2015, the Company had a total of \$232,568 in employee expenses related to CIP. These expenses comprise 0.2% of our total CIP spending for 2015, which is below the Department’s proposed cap of 0.5% of total annual budget or expenses. The following table summarizes our employee expenses for 2015.

**Table 12: Summary of 2015 Employee Expenses**

<b>Employee Expense Category</b>	<b>Electric Amount</b>	<b>Gas Amount</b>	<b>Total</b>
Airfare	\$16,598	\$1,892	\$18,491
Hotel	\$18,955	\$4,112	\$23,067
Car Rental	\$1,139	\$42	\$1,181
Taxi/bus	\$1,651	\$310	\$1,961
Mileage	\$49,581	\$7,468	\$57,049
Parking	\$4,315	\$749	\$5,064
Business Meals- Employees Only	\$37,308	\$5,538	\$42,846
Travel Meals- Employees Only	\$1,928	\$439	\$2,367
Business Meals- Including Non-Employees	\$30,650	\$3,659	\$34,309
Conferences/Seminars/Training	\$42,811	\$3,424	\$46,235
<b>Total Employee Expenses</b>	<b>\$204,934</b>	<b>\$27,634</b>	<b>\$232,568</b>

These expenses were incurred consistent with our employee expense policies, which provide guidance on the types of charges that are recoverable and non-recoverable through CIP. We report these expenses at the level of detail available from a query of our accounting system.

***CIP Projects at Utility Facilities***

On July 16, 2013, the Commission ordered the MN utilities to work with the Department to develop a scoping plan for the recommissioning and/or auditing of their facilities located in Minnesota. On June 16, 2014, we submitted our scoping plan, which the Department approved on August 5, 2014. As detailed in the scoping plan, the Company had one facility that fell under the qualifications set

forth by the Department. In 2014, the audit was completed for that facility and the costs associated with that audit are included in this status report.

***2015 Influenced Savings Projects***

There are three influenced savings projects to report for 2015. The term “Influenced Savings” refers to projects for which Xcel Energy played a significant role in the customer’s decision to implement an energy efficiency measure and for which the customer participated in the normal Custom Efficiency project submission process, yet whose cost-effective analysis or payback period failed. For such projects, Xcel Energy denies the customer any rebate for their efficiency measure, but claims Influenced Savings in order to appropriately account for the Company’s energy and demand savings for the implementation of the higher energy efficiency technology and to recognize the often significant labor and/or study costs invested in the project.

To qualify as an influenced savings project, the project must satisfy the following guidelines:

1. Project Pre-approval – Must occur prior to purchase and installation.
2. Cost-Effectiveness Tests – Projects must pass the Participant and Societal Tests.
3. Payback – Projects with a payback period of less than nine months may be considered only if they meet all the other Influenced Savings guidelines herein.
4. Large Projects – Projects with savings of 2 GWh and greater require separate DER pre-review. All other projects will be reviewed as part of the Status Report.
5. Savings Cap – Influenced Savings claims cannot exceed 4% of the Company’s annual CIP achievements.
6. Documentation – Documentation must be provided to show Xcel Energy’s involvement was an important factor in implementing the energy saving project.

Xcel Energy submits the following supplemental information for its three influenced savings projects in 2015. Table 13 summarizes the programs affected by these projects and the associated savings. To maintain customer anonymity, the projects will be referred using their OID number. As required for Influenced Savings, these projects received Xcel Energy preapproval and passed the societal and participant tests, but did not receive a rebate. Influenced savings projects are included in the programs they fall under. Savings from Influenced Savings projects account for less than 0.1% of total electric savings.

**Table 13: Summary of Influence Savings Projects**

<b>Project OID</b>	<b>Program</b>	<b>Customer KW</b>	<b>Customer kWh</b>	<b>Dth</b>
1867422	Custom Efficiency	2.130	9,329	0
1942293	Custom Efficiency	10.998	96,344	0
2027129	Data center	28.368	248,502	0
	<b>Totals</b>	<b>41.496</b>	<b>354,175</b>	<b>0</b>

**Project Descriptions**

The 2015 Influenced Savings Project summary trackers comprise the following three pages.



**Project Number** OID1867422

**Program Name** Custom Efficiency

**Project Type** Electric

Project Information		
Pre-approval Date	Equipment Installed	Payback (years)
August 4, 2014	Parking Lot Lights Upgrade	0.74

Electric Cost-Benefit Test Results			
Participant Test	Utility Test	Rate Impact Test	Societal Test
15.89	11.01	0.67	5.98

Gas Cost-Benefit Test Results			
Participant Test	Utility Test	Rate Impact Test	Societal Test
N/A	N/A	N/A	N/A

Project Description
Converted (90) 135w incandescent lamps to 17w LED in hotel lobby and common areas

Estimated Energy Savings			
Customer kW	Customer kWh	Dth Natural Gas	Reason for Rebate Denial
2.13	9,329	0	Payback Requirements

Project History	
<b>Note: Please make sure there is no customer-identifying info in history</b>	
Date	Description
8/4/2014	Customer applied for pre-approval, project sent to engineering
8/5/2014	Project pre-approved
5/19/2015	Project Completed

**Project Number** OID1942293

**Program Name** Custom Efficiency

**Project Type** Electric

Project Information		
Pre-approval Date	Equipment Installed	Payback (years)
June 25, 2014	Custom Blending Process	0.55

Electric Cost-Benefit Test Results			
Participant Test	Utility Test	Rate Impact Test	Societal Test
23.45	18.88	0.74	22.81

Gas Cost-Benefit Test Results			
Participant Test	Utility Test	Rate Impact Test	Societal Test
N/A	N/A	N/A	N/A

Project Description
New Custom Blending Process customer is implementing to forgo excess heating.

Estimated Energy Savings			
Customer kW	Customer kWh	Dth Natural Gas	Reason for Rebate Denial
10.998	96,344	0	Payback Requirements

Project History	
<b>Note: Please make sure there is no customer-identifying info in history</b>	
Date	Description
5/9/2014	Customer sent in conditional purchase request to be reviewed
5/16/2014	Preapproval paperwork accepted and sent to engineering for analysis
6/25/2014	Analysis complete, customer receives savings information

**Project Number** OID2027129

**Program Name** Data Center Efficiency

**Project Type** Electric

Project Information		
Pre-approval Date	Equipment Installed	Payback (years)
October 13, 2014	CRAC Plenum Extensions	0.43

Electric Cost-Benefit Test Results			
Participant Test	Utility Test	Rate Impact Test	Societal Test
31.61	16.72	0.71	10.33

Gas Cost-Benefit Test Results			
Participant Test	Utility Test	Rate Impact Test	Societal Test
N/A	N/A	N/A	N/A

Project Description
This CRAC plenum extension project was influenced by two past plenum extension projects that Xcel Energy reviewed and monitored.

Estimated Energy Savings			
Customer kW	Customer kWh	Dth Natural Gas	Reason for Rebate Denial
28.37	248,502	0	Payback Requirements

Project History	
<b>Note: Please make sure there is no customer-identifying info in history</b>	
Date	Description
10/13/2014	Project Pre-approved
2/25/2015	Equipment installed on site
4/9/2015	Project Completed

**Northern States Power Company,  
 a Minnesota corporation  
 Summary of the Evaluations of Product Impact Measurement Methods  
 Reference Docket No. E002/M-90-1159**

**Background**

In a January 3, 1992 Order in Docket No. E002/M-90-1159, the Commission required a performance measurement evaluation to accompany Northern States Power Company, a Minnesota corporation's, financial incentive mechanism filing. This information, suggested by the Department of Public Service (now the Division of Energy Resources), was required in order to provide a sound basis for Xcel Energy's DSM Financial Incentive. In 1999, 2010 and again in 2012, the Commission significantly modified Xcel Energy's financial incentive, but retained the basic performance-based philosophy that requires ongoing efforts to ensure that impacts are reasonably well measured.

Xcel Energy considers the following factors in determining what impact measurement methods are appropriate:

- The uncertainties associated with existing impact estimates;
- The relative importance of the individual product;
- The cost of impact measurement relative to the overall cost and cost-effectiveness of its various products;
- Informal ongoing product management evaluation efforts to identify issues requiring a more formal evaluation;
- The extent to which previous evaluation work remains pertinent;
- Cost-effective developments in measurement and evaluation methods; and
- Effects of free-ridership, free-drivership, and spillover.

The Company's process and/or impact analysis efforts since 2007 are shown in the table below.

**Table 14: Xcel Energy's Process and/or Impact Analysis Efforts Since 2007**

<b><u>Product</u></b>	<b><u>Type</u></b>	<b><u>Status</u></b>
Motors Efficiency	Process and Impact Evaluation	Completed in 2007
Home Performance	Qualitative Market Assessment	Completed in 2007
Custom Efficiency	Site-Specific Impact Review	<i>Annual Evaluation</i>
Energy Design Assistance	Site-Specific Impact Review	<i>Annual Evaluation</i>
Residential Saver's Switch <sup>®</sup>	Impact Evaluation	<i>Annual Evaluation</i>
Saver's Switch <sup>®</sup> for Business	Impact Evaluation	<i>Annual Evaluation</i>
Low Income Program	Customer Satisfaction Study	<i>Annual Evaluation until 2010</i>
Home Energy Audits	Customer Satisfaction Study	<i>Ongoing Study</i>
Energy Efficient Showerhead	Customer Satisfaction Study	Completed in 2008
Recommissioning Program	Customer Satisfaction Study	Completed in 2008
Residential Heating System Rebates	Process and Impact Evaluation	Completed in 2008
Gas Market Potential Study	Potential Study	Completed in 2009

Energy Design Assistance Program	Process & Impact Evaluation	Completed in 2009
Saver's Switch® Program	Process Evaluation	Completed in 2009
Energy Rate Savings	Process Evaluation	Completed in 2010
Energy Management Systems	Process and Impact Evaluation	Completed in 2010
Recommissioning	Process and Impact Evaluation	Completed in 2010
CEE One Stop Efficiency Shop	Process Evaluation	Completed in 2010
ENERGY STAR Homes	Process and Impact Evaluation	Completed in 2010
Low Income Home Energy Services Program	Process and Impact Evaluation	Completed in 2011
Residential Cooling Quality Installation Verification	Process and Impact Evaluation	Completed in 2011
Commercial Heating Efficiency	Process and Impact Evaluation	Completed in 2011
Efficiency Motors/Drives	Process and Impact Evaluation	Completed in 2011
Trillion BTU Program	Process Evaluation	Completed in 2011
Energy Efficient Showerhead	Customer Satisfaction Study	Completed in 2011
Residential Lighting	Process and Impact Evaluation	Completed in 2012
MN Electric Potential Study - Xcel Energy Service Area	Potential Study	Completed in 2012 Updated in 2014
Solar*Rewards	Process Evaluation	Completed in 2012
Business Cooling Efficiency	Process and Impact Evaluation	Completed in 2012
Business Process Efficiency	Process and Impact Evaluation	Completed in 2012
Business Custom Efficiency	Process and Impact Evaluation	Completed in 2013
Residential Consumer Education	Process Evaluation	Completed in 2013
Residential Home Performance	Process and Impact Evaluation	Completed in 2013
Residential Home Energy Squad	Process and Impact Evaluation	Completed in 2014
Residential Heating Systems Rebates	Process and Impact Evaluation	Completed in 2014
Fluid System Optimization	Process and Impact Evaluation	Completed in 2015
Recommissioning	Process and Impact Evaluation	Completed in 2015
School Education Kits	Process and Impact Evaluation	Completed in 2015

Following is a summary of current energy savings calculation methods and M&V practices. For products where technical assumptions have changed due to evaluation or impact analysis results, the specific changes have been documented in the text of this status report and incorporated into the respective CIP cost-benefit analyses.

**Current Analysis Methods**

Product impact estimates are typically developed for demand savings, energy savings, coincidence, loss factors, and the lifetime of DSM measures. These parameters are needed for product economic

analyses and for direct tracking of product impacts as required for the Company's CIP and Resource Plans.

#### *Energy Efficiency Programs*

Developing a good baseline from which to estimate the savings for more efficient technologies is an important part of impact estimation. We regularly update our DSM products and impact estimates to keep pace with changing governmental energy efficiency standards. In addition, we have conducted broad-based market assessments to track technology market saturation and use patterns, and make appropriate changes to products' impact estimates. Finally, we maintain regular contacts with various researchers, equipment manufacturers, distributors, and retailers to keep abreast of current efficiency market trends in order to make any needed changes to DSM products or their impact estimates.

As an outcome of Docket No. E,G999/CIP-08-272, utilities were provided deemed savings technical assumptions to be used in calculating savings for their CIP plans. We relied heavily on the Deemed Savings Database (DSD) when developing technical assumptions for our 2010-2012 CIP Triennial Plan. Up through 2013, these assumptions were also reviewed in the Impact evaluations. In preparation for the 2017-2019 Triennial Plan, all assumptions are being reviewed by a third party in a portfolio-wide technical assumptions review. This review began in 2013 and continued through 2015.

For custom projects, energy savings and coincidence factor estimates are usually based on Xcel Energy-specific market- and/or load-research regarding annual hours of use and times of operation.

#### *Load Management Programs*

Load management programs either require interval data collection to calculate customer bills, or they involve behavioral changes on the part of customers. We base the impacts on our analysis of metering data, as the effects are more difficult to estimate through engineering methods. The extensive metering data gathered, covering both interrupt and non-interrupt periods, allows more accurate estimation of customers' baseline electricity use and net product impacts than is readily achievable with energy efficiency programs.

#### **Current Measurement and Verification Practices**

In 2015, our M&V efforts largely mirrored those filed on pages 121-126 of our 2013-2015 Triennial Plan. Each program has an M&V plan to provide assurance that rebated measures were implemented as reported and that our reported savings are as accurate as possible. For prescriptive business and residential programs, we hire third party contractors to perform random audits on a statistically valid number of rebated projects in order to determine an appropriate realization rate for each program. This realization rate is then applied to the total gross savings for each program for that given year. Some prescriptive residential programs have M&V plans tailored to their program design and delivery method. For Custom business programs, the Company follows the M&V Protocols for Large Custom CIP Projects approved by the Director in Docket No. E,G999/CIP-06-1591.

**Northern States Power Company**  
**a Minnesota corporation**  
**2015 Conservation Cost Recovery Report**  
**Reference Docket No. E002/GR-92-1185**

Cost-effective conservation benefits all of our customers by reducing the need to build new power plants or other generation facilities to meet our customers' electricity needs. Conservation also has environmental benefits, including a reduction in air pollution and greenhouse gas emissions associated with using fossil fuels. This section reports the actual 2015 spending and cost recovery, as well as the electric tax and rate base factors and calculation of the cost of capital.

Electric Achievements

In 2015, Xcel Energy spent \$91,385,776 on its electric CIP efforts. These expenditures provided an overall reduction of over 500 GWh. Xcel Energy is requesting recovery of \$91,385,776 in 2015 electric CIP expenses. We are also requesting recovery of \$43,277,219 in financial incentives earned for our 2015 electric CIP performance for total electric recovery of \$134,622,995.

Gas Achievements

Xcel Energy conserved 838,319 Dth through its 2015 natural gas CIP at a cost of \$13,577,149. The Company requests recovery of \$13,577,149 in CIP expenditures, as well as \$5,763,443 in financial incentive earned for our 2015 gas CIP performance for total natural gas recovery of \$19,340,593.

The tables on the following pages include:

- Xcel Energy's 2015 electric (Table 15) and gas (Table 16) CIP Trackers, which document monthly CIP expenditures and recovered costs.
- Summary of the electric tax and rate base factors (Table 17) used in the electric CIP Tracker.
- Calculation of the Cost of Capital (Table 18) provides the tax factors and capital structure used to determine cost recovery and return on rate base in the electric CIP Trackers.

Effective January 1, 2015, NSPM changed the FERC accounting on the CIP Carrying Charges from FERC Accounts 419.1 and 432 to FERC Account 421

<b>Northern States Power Company, a Minnesota corporation</b>													
<b>State of Minnesota- Electric Utility</b>													
<b>DSM Cost Recovery &amp; Incentive Mechanism - Total</b>													
<b>2015 Actual</b>													
<u>EXPENSES</u>	<u>Jan</u> Actual	<u>Feb</u> Actual	<u>Mar</u> Actual	<u>Apr</u> Actual	<u>May</u> Actual	<u>Jun</u> Actual	<u>Jul</u> Actual	<u>Aug</u> Actual	<u>Sep</u> Actual	<u>Oct</u> Actual	<u>Nov</u> Actual	<u>Dec</u> Actual	<u>Annual</u>
1. Balance	(56,291,009)	(14,511,348)	(15,820,491)	(18,151,250)	(20,084,624)	(22,148,674)	(22,642,530)	(24,327,812)	(28,282,531)	(29,527,806)	8,109,846	7,433,620	
2. CIP Program Expenditures	7,911,174	6,536,407	6,065,219	5,618,670	5,865,316	8,223,481	8,276,457	5,768,747	7,662,364	7,770,124	9,404,366	12,283,452	91,385,776
3. 2013/14 Performance Incentives	42,729,930									40,106,864			82,836,794
4. Total Expenses + Incentive (Line 1 + 2 + 3)	(5,649,905)	(7,974,941)	(9,755,271)	(12,532,580)	(14,219,308)	(13,925,193)	(14,366,074)	(18,559,065)	(20,620,167)	18,349,182	17,514,212	19,717,072	
<u>RECOVERY</u>													
5. CCRC Rate (\$/MWh)	3.051	3.051	3.051	3.051	3.051	3.051	3.051	3.051	3.051	3.051	3.130	3.130	
6. CCRC Cost Recovery (CCRC times Sales)	7,514,350	6,652,054	7,118,407	6,401,833	6,721,390	7,389,800	8,445,129	8,241,857	7,549,325	7,042,688	6,991,080	7,315,958	87,383,872
7. CIP Adjustment Factor Rate (\$/MWh)	0.545	0.545	0.545	0.545	0.545	0.545	0.545	0.545	0.545	1.386	1.386	1.386	
8. CIP Adjustment Factor Recovery (Factor times Sales)	1,342,288	1,188,256	1,271,561	1,143,559	1,200,642	1,320,040	1,508,553	1,472,243	1,348,536	3,199,333	3,091,973	3,239,533	21,326,515
9. Sub-Balance (Line 4 - 6 - 8)	(14,506,543)	(15,815,252)	(18,145,240)	(20,077,973)	(22,141,340)	(22,635,032)	(24,319,756)	(28,273,165)	(29,518,027)	8,107,161	7,431,159	9,161,582	
10. Accum Deferred Tax (Line 9 * 41.37%)	(6,001,357)	(6,542,770)	(7,506,686)	(8,306,257)	(9,159,872)	(9,364,113)	(10,061,083)	(11,696,608)	(12,211,608)	3,353,932	3,074,270	3,790,146	
11. Net Investment (Line 9 - 10)	(8,505,186)	(9,272,482)	(10,638,554)	(11,771,715)	(12,981,467)	(13,270,919)	(14,258,673)	(16,576,557)	(17,306,420)	4,753,228	4,356,888	5,371,435	
12. Carrying Charge (Line 11 * 0.0565%)	(4,805)	(5,239)	(6,011)	(6,651)	(7,335)	(7,498)	(8,056)	(9,366)	(9,778)	2,686	2,462	3,035	(56,557)
13. End of Month Balance (Line 9 + 12)	(14,511,348)	(15,820,491)	(18,151,250)	(20,084,624)	(22,148,674)	(22,642,530)	(24,327,812)	(28,282,531)	(29,527,806)	8,109,846	7,433,620	9,164,617	

Table 15: 2015 Electric CIP Tracker (DSM Cost Recovery)



<b>Northern States Power Company, a Minnesota corporation</b>													
<b>State of Minnesota - Gas Utility</b>													
<b>DSM Cost Recovery and Incentive Mechanism</b>													
<b>Tracker and Balance (\$)</b>													
<b>2015 Actual</b>													
<u>EXPENSES</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sept</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Total</u>
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
1. Balance	(\$12,398,883)	(\$7,191,916)	(\$7,542,730)	(\$7,697,479)	(\$7,335,239)	(\$6,668,532)	(\$6,169,266)	(\$5,430,906)	(\$4,781,115)	(\$3,811,073)	\$2,040,870	\$1,357,953	
2. CIP Program Expenditures	1,420,128	1,437,830	1,054,076	1,017,624	1,040,265	768,168	984,092	909,788	1,274,641	1,094,223	1,055,539	1,520,776	13,577,149
3. 2013/14 Performance Incer	5,416,936									5,781,193			11,198,129
<b>4. Total Expenses</b> (Line 1 + 2 + 3)	<b>(5,561,819)</b>	<b>(5,754,086)</b>	<b>(6,488,655)</b>	<b>(6,679,856)</b>	<b>(6,294,973)</b>	<b>(5,900,363)</b>	<b>(5,185,174)</b>	<b>(4,521,118)</b>	<b>(3,506,474)</b>	<b>3,064,344</b>	<b>3,096,409</b>	<b>2,878,729</b>	
<u>RECOVERY</u>													
5. CCRC Rate (\$/Dth)	0.0524	0.0524	0.0524	0.0524	0.0524	0.0524	0.0524	0.0524	0.0524	0.0524	0.0524	0.0524	
6. CCRC Cost Recovery	613,517	673,276	454,375	245,559	139,345	99,966	91,403	96,949	114,027	203,573	345,510	474,903	3,552,404
7. CIP Adjustment Factor Rate (\$/Dth)	0.08642	0.08642	0.08642	0.08642	0.08642	0.08642	0.08642	0.08642	0.08642	0.24195	0.24195	0.24195	
8. CIP Adjustment Factor Recovery	1,011,835	1,110,392	749,371	404,985	229,814	164,867	150,746	159,892	188,058	821,247	1,393,842	1,915,834	8,300,882
<b>9. Total Recovery</b> (Line 6 + 8)	<b>1,625,352</b>	<b>1,783,668</b>	<b>1,203,746</b>	<b>650,544</b>	<b>369,159</b>	<b>264,833</b>	<b>242,149</b>	<b>256,842</b>	<b>302,085</b>	<b>1,024,820</b>	<b>1,739,351</b>	<b>2,390,737</b>	<b>11,853,286</b>
10. Rate Refund	0	0	0	0	0	0	0	0	0	0	0	0	
<b>11. Sub-Balance</b> (Line 4-9)	<b>(7,187,171)</b>	<b>(7,537,754)</b>	<b>(7,692,401)</b>	<b>(7,330,399)</b>	<b>(6,664,132)</b>	<b>(6,165,196)</b>	<b>(5,427,323)</b>	<b>(4,777,960)</b>	<b>(3,808,559)</b>	<b>2,039,523</b>	<b>1,357,057</b>	<b>487,992</b>	
12. Accum Deferred Tax (Line 11 * 41.37%)	(2,973,333)	(3,118,369)	(3,182,346)	(3,032,586)	(2,756,951)	(2,550,542)	(2,245,284)	(1,976,642)	(1,575,601)	843,751	561,415	201,882	
<b>13. Net Investment</b> (Line 11-12)	<b>(4,213,838)</b>	<b>(4,419,385)</b>	<b>(4,510,055)</b>	<b>(4,297,813)</b>	<b>(3,907,181)</b>	<b>(3,614,655)</b>	<b>(3,182,040)</b>	<b>(2,801,318)</b>	<b>(2,232,958)</b>	<b>1,195,772</b>	<b>795,643</b>	<b>286,110</b>	
14. Carrying Charge (a) (Line 13 * Carrying Charge Rate)	(4,745)	(4,976)	(5,078)	(4,839)	(4,399)	(4,070)	(3,583)	(3,154)	(2,514)	1,346	896	322	(34,795)
<b>15. End of Month Balance</b> (Line 11+14)	<b>(7,191,916)</b>	<b>(7,542,730)</b>	<b>(7,697,479)</b>	<b>(7,335,239)</b>	<b>(6,668,532)</b>	<b>(6,169,266)</b>	<b>(5,430,906)</b>	<b>(4,781,115)</b>	<b>(3,811,073)</b>	<b>2,040,870</b>	<b>1,357,953</b>	<b>488,314</b>	

Table 16: 2015 Gas CIP Tracker (DSM Cost Recovery)

**Table 17: Summary of Electric Tax and Rate Base Factors**

The following variables are used in the electric CIP Tracker. These values were established in rate cases. Xcel Energy used the rates approved in its 2012 rate case, which was based off of the 2013 test year, (E002/GR-12-961) beginning December 1, 2013.

<u>Variables</u>	<u>2011</u>	<u>2013</u>	<u>Tax Rates</u>	<u>2011</u>	<u>2013</u>
Number of Months =	12	12	Tax Factor =	3.85%	3.65%
Monthly Carrying Charge =	0.9614%	0.8809%			
Annual Amortization Fctr =	20.00%	20.00%	Accumulated Deferred Tax =	41.37%	41.37%
			Tax Rate =	41.37%	41.37%
Common Equity % =	52.56%	52.56%			
Preferred Equity % =	0.00%	0.00%	Rate Base Factor =	12.17%	11.10%
Total Debt % =	47.44%	47.44%			
Weighted Cost Common Equity =	5.45%	5.17%			
Weighted Cost Pref Equity =	0.00%	0.00%			
Weighted Cost Total Debt =	2.87%	2.28%			
Normal ROI =	8.32%	7.45%			
CCRC (\$/MWh)	\$2.647	\$3.051			

**Table 18: Calculation of the Cost of Capital**

This table shows the tax factors and capital structure used for the electric cost recovery and return on rate base calculations in Tables 16 (2015 Electric CIP Tracker) and 18 (Summary of Electric Tax and Rate Base Factors).

Capital Structure	Capitalization		Cost of Capital		Weighted Average	
	2011 Test Yr	2013 Test Yr	2011 Test Yr	2013 Test Yr	2011 Test Yr	2013 Test Yr
Long-Term Debt	46.88%	45.30%	6.09%	5.02%	2.86%	2.27%
Short-Term Debt	0.56%	2.14%	2.43%	0.68%	0.01%	0.01%
TOTAL DEBT	47.44%	47.44%	8.53%	5.70%	2.87%	2.28%
Preferred Equity	0.00%	0.00%	N/A	N/A	N/A	N/A
Common Equity	52.56%	52.56%	10.37%	9.83%	5.45%	5.17%
TOTAL EQUITY	52.56%	52.56%			5.45%	5.17%
TOTAL CAPITAL	100.00%	100.00%			8.32%	7.45%
MN Tax Rate =					41.37%	41.37%
Normal Return =					8.32%	7.45%
Rate Base Factor =	$\{\text{ROI} - (\text{WTD Cost Debt} \times \text{Tax Rate})\} / (1 - \text{Tax Rate})$				12.17%	11.10%
Tax Factor =	Rate Base Factor - ROI				3.85%	3.65%
Monthly Carrying Charge Rate Calculation						
Annual Revenue Requirements Factor =	$\{\text{ROI} - (\text{WTD Cost Debt} \times \text{Tax Rate})\} / (1 - \text{Tax Rate})$				12.17%	11.10%
Monthly Revenue Requirements Factor =	$\{(1 + \text{short term debt}) \text{ to the } 1/12 \text{ Power}\} - 1$				0.9614%	0.0565%
						0.000565
CCRC Tracker Rate (\$/MWh)					\$ 2.647	\$ 3.130*

\*CCRC Rate = \$3.051 per MWh through Oct 2015. \$3.130 per MWh starting Nov 1st 2015

**Northern States Power Company  
 a Minnesota corporation  
 2015 Electric and Natural Gas CIP Adjustment Rate Report**

On March 20, 1995, the Commission approved Xcel Energy’s request to implement a CIP Adjustment Factor (Docket No. E002/M-94-1016). This bill rider, adjusted annually, provides the Company with a secondary cost recovery method above the amounts included in base rates (Conservation Cost Recovery Charge or CCRC). The CIP Adjustment Factor is normally approved by the Commission for a 12-month period beginning in the month following the Commission’s approval, and is calculated by dividing the forecasted CIP tracker balance by the forecasted sales (kWh or therms) for the period over which the adjustment will be in place. Xcel Energy is required to file a recalculation of its CIP Adjustment Factors each April in conjunction with its financial incentive and CIP status report filings.

The current electric CIP Adjustment Factor of \$0.0001386 per customer kWh was approved by the Commission on December 17, 2014 in Docket No. E002/M-14-287. This rate was implemented on January 1, 2015 and is designed to reduce the electric CIP Tracker balance to \$0 by September 30, 2015. The current natural gas CIP Adjustment Factor of \$0.021139 per therm was approved by the Commission on December 17, 2014 in Docket No. G002/M-14-288 and implemented on January 1, 2015. It was also designed to reduce the natural gas CIP Tracker to \$0 by September 30, 2015.

Xcel Energy submits this compliance filing and report to support our request of the following:

- Recovery of \$43,277,219 for our 2015 electric DSM financial incentives;
- Recovery of \$5,763,443 for our 2015 natural gas DSM financial incentive;
- A change in the electric CIP Adjustment Factor from \$0.001386 to \$0.001941 per kWh effective the first billing cycle beginning in October 2016 through September 2017; and
- A change in the natural gas CIP Adjustment Factor from \$0.021139 per therm to \$0.024195 per therm effective the first billing cycle beginning in October 2016 through September 2017.

**Proposed Electric CIP Adjustment Factor for Period October 2016 Through September 2017**

Xcel Energy requests a new electric CIP Adjustment Factor of \$0.001941 per customer kWh to be effective with the first billing cycle of October 2016 and to remain in effect through the September 2017 billing period. This proposed factor is calculated to reduce the electric CIP Tracker balance to \$0 by the end of September 2017. It is based on the forecasted September 2017 unrecovered balance in the Company’s electric CIP Tracker account. This forecasted balance is \$55.98 million, based on the forecasted October 1 beginning balance, October 2016 through September 2017 approved and projected expenditures, forecasted 2015 incentives and forecasted CCRC recovery at the current CCRC rate. The inputs and calculation are shown below.

Forecasted beginning balance (Oct 2016)	\$22,354,535
Approved expenditures (Oct 2016 - Sept 17)	\$92,896,603
Forecasted 2016 incentive	\$30,982,523
Less forecasted CCRC recovery (Oct 2016 - Sept 17)	\$90,249,302
Forecasted Sept 2016 balance	\$55,984,359

As in the past, Xcel Energy will include a message referencing the change in the CIP Adjustment Factor in customers' bills. In the event that Commission approval of the proposed adjustment is delayed beyond September 20, 2016 (in order to implement the rate change by October 1), the Company will continue to apply the current CIP Adjustment of \$0.001386 per kWh up to the first cycle of the first full billing period following Commission approval of a revised factor.

**Calculation of Revised Electric CIP Adjustment Factor**

(1) Forecasted Oct 2016 Electric CIP Tracker Balance	\$ 55,984,359
(2) Forecasted Electric Sales (MWh)– Oct 2016 through Sept 2017 <sup>1</sup>	28,833,643
(3) Recalculated Electric CIP Adjustment Rate = (1)/(2)	\$1.942/MWh
	<b>\$0.001942/kWh</b>

Our above forecasted balance does not include carrying charges. To get as close as possible to a \$0 balance by Sept 30, 2017, the calculated rate of \$0.001942 per kWh was incrementally decreased to incorporate the effect of carrying charges. We determined the final rate by decreasing the calculated rate until the September 2016 forecasted CIP Tracker balance approached zero (\$0) without going negative. The resulting rate is **\$0.001941 per kWh**. As shown in Table 20, this rate results in a forecasted September 30, 2017 Tracker balance of \$11,054.

**Proposed Natural Gas CIP Adjustment Factor for Period October 2016 Through September 2017**

Xcel Energy requests a new natural gas CIP Adjustment Factor of \$0.021139 per therm to be effective with the first billing cycle of October 2016 and remaining in effect through the September 2017 billing period. The proposed factor is based on the forecasted October 1, 2016 unrecovered balance in the Company's gas CIP Tracker account. This forecasted balance is \$17.6 million, based on the forecasted October 1 beginning balance, October 2016 through September 2017 approved and projected expenditures, forecasted 2015 incentive and forecasted CCRC recovery at the current CCRC rate. The inputs and calculation are shown below.

Forecasted beginning balance (Oct 2016)	\$3,103,167
Approved expenditures (Oct 2016 - Sept 17)	\$14,439,172
Forecasted 2016 incentive	\$3,871,946
Less forecasted CCRC recovery (Oct 2016 - Sept 17)	\$3,808,546
Forecasted Oct 2016 balance	\$17,605,739

As done in the past, Xcel Energy will include in customers' bills a message referencing the change in the CIP Adjustment Factor. In the event that Commission approval of the proposed factor is delayed beyond September 20, 2016 (in order to implement the rate change by October 1), the Company will continue to apply the current CIP Adjustment Factor of \$0.021139 per therm up to the first cycle of the first full billing period following Commission approval of a revised factor.

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<sup>1</sup> Forecasted sales exclude the customers exempted from electric CIP charges.

**Calculation of Revised Gas CIP Adjustment Rate**

(1) Forecasted Sept 2016 Natural Gas CIP Tracker Balance	\$17,605,739
(2) Forecasted Gas Sales <sup>2</sup> – October 2015 through September 2016	72,682,171
<hr/>	
(3) Recalculated Gas CIP Adjustment Rate = (1)/(2)	\$0.24233/ dth
	<b>\$0.024233/therm</b>

Our above forecasted balance does not include carrying charges. To get as close as possible to a \$0 balance by Sept 30, 2017, the calculated rate of \$0.024233 per therm was incrementally decreased to incorporate the effect of carrying charges, which are projected to be negative for several months. We determined the final rate by decreasing the calculated rate until the September 2017 forecasted CIP Tracker balance approached zero (\$0) without going negative. The resulting rate is **\$0.024195 per therm**. As shown in Table 22, this rate results in a forecasted September 30, 2017 Tracker balance of \$587.

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<sup>2</sup> Forecasted sales exclude the exempt customers and gas sales to qualifying large energy facilities.

**Northern States Power Company, a Minnesota corporation**  
**State of Minnesota- Electric Utility**  
**DSM Cost Recovery & Incentive Mechanism - Total**  
**2016 Forecast**

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Annual</u>
<u>EXPENSES</u>	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
1. Balance	9,164,617	7,149,603	3,046,353	(945,885)	(3,694,490)	(6,994,812)	(8,323,930)	(14,355,819)	(19,033,521)	22,354,535	18,420,809	16,173,679	
2. CIP Program Expenditures	8,877,665	6,050,656	6,668,765	6,802,355	6,643,737	9,812,647	6,657,940	7,701,042	9,036,346	7,811,448	9,175,553	12,130,865	97,369,019
3. 2015 Performance Incentive									43,277,219				43,277,219
4. Total Expenses + Incentive (Line 1 + 2 + 3)	18,042,281	13,200,258	9,715,118	5,856,470	2,949,246	2,817,835	(1,665,989)	(6,654,777)	33,280,044	30,165,983	27,596,362	28,304,544	
<u>RECOVERY</u>													
5. CCRC Rate (\$/MWh)	3.130	3.130	3.130	3.130	3.130	3.130	3.130	3.130	3.130	3.130	3.130	3.130	
6. CCRC Cost Recovery (CCRC times Sales)	7,551,261	7,038,282	7,388,830	6,618,839	6,890,534	7,720,349	8,791,915	8,575,230	7,577,505	7,253,301	7,053,789	7,534,775	89,994,611
7. CIP Adjustment Factor Rate (\$/MWh)	1.386	1.386	1.386	1.386	1.386	1.386	1.386	1.386	1.386	1.941	1.941	1.941	
8. CIP Adjustment Factor Recovery (Factor times Sales)	3,343,785	3,116,632	3,271,859	2,930,898	3,051,208	3,418,659	3,893,161	3,797,211	3,355,406	4,497,973	4,374,250	4,672,524	43,723,567
9. Sub-Balance (Line 4 - 6 - 8)	7,147,235	3,045,344	(945,572)	(3,693,267)	(6,992,496)	(8,321,173)	(14,351,065)	(19,027,218)	22,347,133	18,414,709	16,168,323	16,097,245	
10. Accum Deferred Tax (Line 9 * 41.37%)	2,956,811	1,259,859	(391,183)	(1,527,905)	(2,892,795)	(3,442,469)	(5,937,036)	(7,871,560)	9,245,009	7,618,165	6,688,835	6,659,430	
11. Net Investment (Line 9 - 10)	4,190,424	1,785,485	(554,389)	(2,165,362)	(4,099,700)	(4,878,704)	(8,414,029)	(11,155,658)	13,102,124	10,796,544	9,479,488	9,437,815	
12. Carrying Charge (Line 11 * Carrying Charge Rate)	2,368	1,009	(313)	(1,223)	(2,316)	(2,756)	(4,754)	(6,303)	7,403	6,100	5,356	5,332	9,901
13. End of Month Balance (Line 9 + 12)	7,149,603	3,046,353	(945,885)	(3,694,490)	(6,994,812)	(8,323,930)	(14,355,819)	(19,033,521)	22,354,535	18,420,809	16,173,679	16,102,578	

Table 19: 2016 Electric CIP Tracker Forecast, With Cost Recovery in 2016

**Northern States Power Company, a Minnesota corporation**  
**State of Minnesota- Electric Utility**  
**DSM Cost Recovery & Incentive Mechanism - Total**  
**2017 Forecast**

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	
<u>EXPENSES</u>	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
1. Balance	16,102,578	7,880,933	2,804,799	(2,506,156)	(6,501,016)	(11,112,576)	(13,842,861)	(21,475,523)	(27,709,887)	
2. CIP Program Expenditures	4,405,249	6,050,656	6,668,765	6,802,355	6,643,737	9,812,647	6,657,940	7,701,042	9,036,346	
3. 2016 Performance Incentive									30,982,523	
4. Total Expenses + Incentive (Line 1 + 2 + 3)	20,507,827	13,931,589	9,473,564	4,296,199	142,721	(1,299,929)	(7,184,920)	(13,774,481)	12,308,982	
<u>RECOVERY</u>										
5. CCRC Rate (\$/MWh)	3.130	3.130	3.130	3.130	3.130	3.130	3.130	3.130	3.130	
6. CCRC Cost Recovery (CCRC times Sales)	7,795,375	6,868,420	7,393,793	6,663,093	6,944,895	7,739,110	8,816,274	8,595,760	7,590,717	
7. CIP Adjustment Factor Rate (\$/MWh)	1.941	1.941	1.941	1.941	1.941	1.941	1.941	1.941	1.941	
8. CIP Adjustment Factor Recovery (Factor times Sales)	4,834,129	4,259,298	4,585,097	4,131,969	4,306,722	4,799,237	5,467,217	5,330,469	4,707,215	
9. Sub-Balance (Line 4 - 6 - 8)	7,878,323	2,803,870	(2,505,326)	(6,498,863)	(11,108,896)	(13,838,277)	(21,468,411)	(27,700,711)	11,051	
10. Accum Deferred Tax (Line 9 * 41.37%)	3,259,262	1,159,961	(1,036,453)	(2,688,580)	(4,595,750)	(5,724,895)	(8,881,482)	(11,459,784)	4,572	
11. Net Investment (Line 9 - 10)	4,619,061	1,643,909	(1,468,873)	(3,810,283)	(6,513,146)	(8,113,382)	(12,586,930)	(16,240,927)	6,479	
12. Carrying Charge (Line 11 * Carrying Charge Rate)	2,610	929	(830)	(2,153)	(3,680)	(4,584)	(7,112)	(9,176)	4	
13. End of Month Balance (Line 9 + 12)	7,880,933	2,804,799	(2,506,156)	(6,501,016)	(11,112,576)	(13,842,861)	(21,475,523)	(27,709,887)	11,054	

Table 20: 2017 Electric CIP Tracker Forecast, With Cost Recovery in 2017



Northern States Power Company, a Minnesota corporation													
State of Minnesota - Gas Utility													
DSM Cost Recovery and Incentive Mechanism													
Tracker and Balance (\$)													
2016 Forecast													
<u>EXPENSES</u>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
1. Balance	\$488,314	(\$1,883,469)	(\$3,369,712)	(\$4,510,443)	(\$4,638,673)	(\$4,705,572)	(\$4,206,232)	(\$3,638,721)	(\$3,211,407)	\$3,103,167	\$3,164,518	\$2,070,386	
2. CIP Program Expenditures	833,096	1,341,388	1,212,431	1,310,341	834,409	1,091,690	1,100,282	951,668	1,138,540	1,277,940	1,203,517	2,335,638	14,630,940
3. 2015 Performance Incentive									5,763,443				5,763,443
4. <b>Total Expenses</b> (Line 1 + 2 + 3)	<b>1,321,410</b>	<b>(542,081)</b>	<b>(2,157,281)</b>	<b>(3,200,101)</b>	<b>(3,804,264)</b>	<b>(3,613,883)</b>	<b>(3,105,950)</b>	<b>(2,687,053)</b>	<b>3,690,577</b>	<b>4,381,107</b>	<b>4,368,035</b>	<b>4,406,024</b>	
<u>RECOVERY</u>													
5. CCRC Rate (\$/Dth)	0.0524	0.0524	0.0524	0.0524	0.0524	0.0524	0.0524	0.0524	0.0524	0.0524	0.0524	0.0524	
6. CCRC Cost Recovery	636,379	561,247	466,848	285,154	178,422	117,115	105,354	103,738	117,092	216,948	409,269	584,923	3,782,489
7. CIP Adjustment Factor Rate (\$/Dth)	0.21139	0.21139	0.21139	0.21139	0.21139	0.21139	0.21139	0.21139	0.21139	0.24195	0.24195	0.24195	
8. CIP Adjustment Factor Recovery	2,567,257	2,264,160	1,883,338	1,150,357	719,782	472,460	425,016	418,497	472,366	1,001,728	1,889,746	2,700,802	15,965,510
9. <b>Total Recovery</b> (Line 6 + 8)	<b>3,203,636</b>	<b>2,825,407</b>	<b>2,350,186</b>	<b>1,435,511</b>	<b>898,204</b>	<b>589,575</b>	<b>530,370</b>	<b>522,235</b>	<b>589,457</b>	<b>1,218,676</b>	<b>2,299,016</b>	<b>3,285,725</b>	
10. Rate Refund	0	0	0	0	0	0	0	0	0	0	0	0	0
11. Sub-Balance (Line 4-9)	(1,882,226)	(3,367,489)	(4,507,467)	(4,635,612)	(4,702,468)	(4,203,457)	(3,636,320)	(3,209,288)	3,101,119	3,162,431	2,069,020	1,120,299	
12. Accum Deferred Tax (Line 11 * 41.37%)	(778,677)	(1,393,130)	(1,864,739)	(1,917,753)	(1,945,411)	(1,738,970)	(1,504,346)	(1,327,682)	1,282,933	1,308,298	855,953	463,468	(8,560,057)
13. Net Investment (Line 11-12)	(1,103,549)	(1,974,359)	(2,642,728)	(2,717,859)	(2,757,057)	(2,464,487)	(2,131,975)	(1,881,606)	1,818,186	1,854,133	1,213,066	656,831	(12,131,403)
14. Carrying Charge (a) (Line 13 * Carrying Charge Rate)	(1,243)	(2,223)	(2,976)	(3,060)	(3,104)	(2,775)	(2,401)	(2,119)	2,047	2,088	1,366	740	(13,660)
15. <b>End of Month Balance</b> (Line 11+14)	<b>(1,883,469)</b>	<b>(3,369,712)</b>	<b>(4,510,443)</b>	<b>(4,638,673)</b>	<b>(4,705,572)</b>	<b>(4,206,232)</b>	<b>(3,638,721)</b>	<b>(3,211,407)</b>	<b>3,103,167</b>	<b>3,164,518</b>	<b>2,070,386</b>	<b>1,121,039</b>	

Table 21: 2016 Gas CIP Tracker Forecast, With Cost Recovery in 2016

<b>Northern States Power Company, a Minnesota corporation</b>									
<b>State of Minnesota - Gas Utility</b>									
<b>DSM Cost Recovery and Incentive Mechanism</b>									
<b>Tracker and Balance (\$)</b>									
<b>2017 Forecast</b>									
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sept</u>
<u>EXPENSES</u>	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1. Balance	\$1,121,039	(\$1,960,359)	(\$3,759,571)	(\$5,159,225)	(\$5,469,704)	(\$5,625,054)	(\$5,204,645)	(\$4,701,213)	(\$4,338,494)
2. CIP Program Expenditures	641,327	1,341,388	1,212,431	1,310,341	834,409	1,091,690	1,100,282	951,668	1,138,540
3. 2016 Performance Incentive									3,871,946
4. <b>Total Expenses</b> (Line 1 + 2 + 3)	<b>1,762,366</b>	<b>(618,972)</b>	<b>(2,547,140)</b>	<b>(3,848,884)</b>	<b>(4,635,296)</b>	<b>(4,533,365)</b>	<b>(4,104,362)</b>	<b>(3,749,545)</b>	<b>671,992</b>
<b>RECOVERY</b>									
5. CCRC Rate (\$/Dth)	0.0524	0.0524	0.0524	0.0524	0.0524	0.0524	0.0524	0.0524	0.0524
6. CCRC Cost Recovery	662,487	558,646	464,396	287,895	175,536	118,890	105,699	104,335	119,523
7. Rate (\$/Dth)	0.24195	0.24195	0.24195	0.24195	0.24195	0.24195	0.24195	0.24195	0.24195
8. CIP Adjustment Factor Recovery	3,058,945	2,579,473	2,144,285	1,329,317	810,512	548,957	488,050	481,752	551,883
9. <b>Total Recovery</b> (Line 6 + 8)	<b>3,721,432</b>	<b>3,138,119</b>	<b>2,608,681</b>	<b>1,617,212</b>	<b>986,048</b>	<b>667,846</b>	<b>593,749</b>	<b>586,087</b>	<b>671,406</b>
10. Rate Refund	0	0	0	0	0	0	0	0	0
11. Sub-Balance (Line 4-9)	(1,959,066)	(3,757,091)	(5,155,821)	(5,466,096)	(5,621,343)	(5,201,211)	(4,698,111)	(4,335,632)	586
12. Accum Deferred Tax (Line 11 * 41.37%)	(810,466)	(1,554,308)	(2,132,963)	(2,261,324)	(2,325,550)	(2,151,741)	(1,943,609)	(1,793,651)	243
13. Net Investment (Line 11-12)	(1,148,600)	(2,202,782)	(3,022,858)	(3,204,772)	(3,295,794)	(3,049,470)	(2,754,503)	(2,541,981)	344
14. Carrying Charge (a) (Line 13 * Carrying Charge Rate)	(1,293)	(2,480)	(3,404)	(3,609)	(3,711)	(3,434)	(3,102)	(2,862)	0
15. <b>End of Month Balance</b> (Line 11+14)	<b>(1,960,359)</b>	<b>(3,759,571)</b>	<b>(5,159,225)</b>	<b>(5,469,704)</b>	<b>(5,625,054)</b>	<b>(5,204,645)</b>	<b>(4,701,213)</b>	<b>(4,338,494)</b>	<b>587</b>

Table 22: 2017 Gas CIP Tracker Forecast, With Cost Recovery in 2017

**Northern States Power Company**  
**a Minnesota corporation**  
**2015 CIP Financial Incentive Calculations**  
**Cost-Effectiveness & Performance Mechanism Report**  
**Reference Docket Nos. E,G999/CI-08-133 & E002/M-11-1101**

In 2010, the Commission approved a new Shared Savings Incentive Mechanism (Docket No. E,G999/CI-08-133). The shared savings incentive mechanism awards a percentage of the net benefits created by a utility's energy conservation program, beginning once a utility surpasses its earnings threshold. This incentive mechanism ties the incentive to the pursuit of the 1.5% of sales savings target. The model sets a specific dollar award per unit of energy saved at the 1.5% savings level, which is referred to as the incentive calibration. The per unit incentive increases as achievements increase, up to a cap. In its March 30, 2012 ORDER REMOVING NON-LINEAR ADJUSTMENT FROM THE SHARED SAVINGS DSM FINANCIAL INCENTIVE in the same docket listed above, the Commission revised the incentive mechanism with the removal of the non-linear adjustment. Soon after, on December 20, 2012, the Commission approved additional modifications to the incentive mechanism based on the Department's July 9, 2012 REPORT ON THE IMPACTS OF THE 2011 NEW SHARED SAVINGS DSM FINANCIAL INCENTIVE ON INVESTOR-OWNED UTILITY CONSERVATION ACHIEVEMENTS AND CUSTOMER COSTS. This modified incentive mechanism is effective for the length of each utility's current triennial plan. For Xcel Energy, it applies to the 2013-2015 CIP triennial and 2016 Extension. Lastly, during the 2013 Legislature, a provision was added to MN Statute 216B.241, subdivision 7, which allows utilities the option to exclude the net benefits of low-income programs, if negative, from the calculation of the DSM financial incentive.

Xcel Energy's 2015 CIP portfolio achieved electric energy savings of over 500 GWh which will provide net benefits of approximately \$269 million to Xcel Energy electric customers. The Company also achieved gas savings of 838,319 Dth, which will provide Xcel Energy customers with net benefits of more than \$37 million. As a result of these achievements, we request approval of a 2015 CIP electric financial incentive of \$43,277,219 and a 2015 natural gas financial incentive of \$5,763,443.

The performance measurements of Xcel Energy's individual electric and natural gas CIP programs, including indirect impact programs, are reported in Tables 2 and 3, respectively. The cost-effectiveness of individual programs is reported in the Cost-Effectiveness Report included in this filing.

**Northern States Power Company  
 a Minnesota corporation  
 2015 Financial Incentive Calculations**

In accordance with the Minnesota PUC Orders dated January 27, 2010, March 30, 2012 and December 20, 2012 (Docket No. E,G999/CI-08-133), and the Minnesota PUC Order dated March 12, 2012 (Docket No. E-002/M-11-1101), Xcel Energy respectfully submits these financial incentive calculations.

In 2015, the Company achieved electric energy savings of 500,393,537 kWh at the generator (114% of goal) at a cost of \$91,385,776 (98% of budget). As a result, we respectfully request approval of our CIP electric financial incentive in the amount of \$43,277,219.

**CIP Electric Financial Incentive Calculation**

In the October 1, 2012 Decision and subsequently in the August 16, 2013 Summary Decision, both in Docket No. E,G002/CIP-12-447, Xcel Energy was approved to spend a total of \$93,962,278 in 2015. According to the Order in Docket No. E,G999/CI-08-133, certain expenses and savings are excluded from the incentive calculation, including regulatory assessments, electric utility infrastructure projects, qualifying solar projects, and third party projects not selected for inclusion in the annual incentive compliance filing. As stated in our January 30, 2013 incentive compliance filing, we elected to include the One Stop Shop program administered by the Center for Energy and the Environment (CEE).<sup>1</sup> The indirect impact third party programs—Enerchange, Energy Intelligence, Energy Smart, and Trillion Btu—are not included in the calculation of the incentive. In addition, during the 2013 Legislature, a provision was added to MN Statute 216B.241, subdivision 7, which allows utilities to exclude the net benefits of low-income programs from the calculation of net benefits for the incentive if the net benefits are negative. The net benefits from our low-income segment are included in both our pre-year inputs and 2015 achievement. The calculation of the Pre-Year Inputs is shown below.

**Calculation of Pre-Year Inputs**

	<b>Spending</b>	<b>Energy Goal (kWh)</b>	<b>Net Benefits</b>
2015 Portfolio Subtotal <sup>2</sup>	\$75,077,290	400,414,935	\$197,661,807
CEE One Stop Shop	\$10,820,160	35,046,403	\$27,159,148
<b>Total Pre-Year Inputs</b>	<b>\$85,897,450</b>	<b>435,461,338</b>	<b>\$224,820,955</b>

**Model Year Inputs**

Earnings Threshold (% of Sales)	0.4%
Earnings Threshold (kWh Savings)	115,948,937
Award Zero Point (% of Sales)	0.3%
Award Zero Point (kWh Savings)	86,961,703
Steps From Zero Point to 1.5%	12
Size of Steps in Energy Savings	28,987,234

<sup>1</sup> Docket No. E,G999/CI-08-133 and Docket No. E,G002/CI-10-81.

<sup>2</sup> Excludes NGEA assessments, Solar\*Rewards, Enerchange, Energy Intelligence, Energy Smart, and Trillion Btu.

**Incentive Calibration**

Average Incentive per Unit at 1.5%	\$0.07
Incentive Cap	\$0.0875
Energy Savings at 1.5%	434,808,513
Targeted Incentive at 1.5%	\$30,436,596
Multiplier (Percent of Net Benefits Received for Every 0.1% of Sales)	0.01128

**Pre-Year Inputs**

Approved CIP Budget for Incentive	\$85,897,450
Goal Energy Savings (kWh)	435,461,338
Goal Utility Test Net Benefits (Based On Approved Triennial Plan)	\$224,820,955

**Summary of 2015 Achievements**

Actual Spending for Incentive <sup>3</sup>	\$85,700,086
Actual Energy Savings (kWh) <sup>4</sup>	500,393,537
Net Benefits Achieved <sup>5</sup>	\$268,957,814

**2015 Financial Incentive Mechanism**

In order to calculate the CIP financial incentive, it is necessary to calculate the percent of net benefits awarded. The following calculations and incentive table detail Xcel Energy's financial incentive.

**Steps Above Zero Point =**

$$\frac{\text{Energy Saved - Award Zero Point (kWh Savings)}}{\text{Size of Steps in Energy Savings}} = \frac{500,393,537 - 86,961,703}{28,987,234}$$

**= 14.26255 Steps**

**Percent of Net Benefits Awarded =**

Steps Above Zero Point x Multiplier = 14.26255 x 0.01128

**= 16.0907%<sup>6</sup>**

**Incentive Awarded =**

Net Benefits Achieved x Percent of Net Benefits Awarded = \$268,957,814 x 16.0907%

**= \$43,277,219**

<sup>3</sup> Portfolio Subtotal spend plus CEE One-Stop Shop spend.

<sup>4</sup> Portfolio Subtotal energy savings plus CEE One-Stop Shop energy savings.

<sup>5</sup> The net benefits are equal to the utility test net benefits shown on Electric CIP Total cost-benefit analysis plus the utility test net benefits shown on the CEE One Stop Shop cost-benefit analysis, included in the Cost-Effectiveness Section. Includes low-income net benefits.

<sup>6</sup> From 2013 incentive model approved by Department in Docket No. E002/CI-10-81. Difference due to rounding.

**2015 Electric Incentive Request**

Based on the above calculation, Xcel Energy respectfully requests approval of a CIP financial incentive of \$43,277,219.

**Table 24: Xcel Energy’s 2015 Electric Financial Incentive Mechanism**

<b>Achievement Level (% of sales)</b>	<b>Energy Saved</b>	<b>Percent of Benefits Awarded</b>	<b>Estimated Benefits Achieved</b>	<b>Incentive Award</b>	<b>Average Incentive per unit Saved</b>
0.0%	0	0.00%	\$0	\$0	\$0.000
0.1%	28,987,234	0.00%	\$14,965,594	\$0	\$0.000
0.2%	57,974,468	0.00%	\$29,931,188	\$0	\$0.000
0.3%	86,961,703	0.00%	\$44,896,783	\$0	\$0.000
0.4%	115,948,937	0.00%	\$59,862,377	\$0	\$0.000
0.5%	144,936,171	2.26%	\$74,827,971	<b>\$1,688,387</b>	\$0.012
0.6%	173,923,405	3.38%	\$89,793,565	<b>\$3,039,097</b>	\$0.017
0.7%	202,910,639	4.51%	\$104,759,159	<b>\$4,727,484</b>	\$0.023
0.8%	231,897,873	5.64%	\$119,724,754	<b>\$6,753,548</b>	\$0.029
0.9%	260,885,108	6.77%	\$134,690,348	<b>\$9,117,290</b>	\$0.035
1.0%	289,872,342	7.90%	\$149,655,942	<b>\$11,818,709</b>	\$0.041
1.1%	318,859,576	9.03%	\$164,621,536	<b>\$14,857,806</b>	\$0.047
1.2%	347,846,810	10.15%	\$179,587,130	<b>\$18,234,580</b>	\$0.052
1.3%	376,834,044	11.28%	\$194,552,725	<b>\$21,949,031</b>	\$0.058
1.4%	405,821,279	12.41%	\$209,518,319	<b>\$26,001,160</b>	\$0.064
1.5%	434,808,513	13.54%	\$224,483,913	<b>\$30,390,967</b>	\$0.070
<b>Approved Goal</b>	<b>435,461,338</b>	<b>13.56%</b>	<b>\$224,820,955</b>	<b>\$30,493,718</b>	<b>\$0.070</b>
1.6%	463,795,747	14.67%	\$239,449,507	<b>\$35,118,450</b>	\$0.076
1.7%	492,782,981	15.79%	\$254,415,101	<b>\$40,183,611</b>	\$0.082
1.8%	521,770,215	16.92%	\$269,380,695	<b>\$45,586,450</b>	\$0.087
1.9%	550,757,449	18.05%	\$284,346,290	<b>\$48,191,277</b>	\$0.088
2.0%	579,744,684	19.18%	\$299,311,884	<b>\$50,727,660</b>	\$0.088

**Northern States Power Company  
 a Minnesota corporation  
 2015 Natural Gas Incentive Calculation**

In accordance with the Minnesota PUC Orders dated January 27, 2010 and March 30, 2012 (Docket No. E,G999/CI-08-133), Xcel Energy respectfully submits this CIP Financial Incentive calculation.

In 2015, Xcel Energy achieved energy savings of 838,319 Dth (118% of goal) at a cost of \$13,577,149 (97% of budget). As a result, we respectfully request approval of our financial incentive in the amount of \$5,763,443.

In the October 1, 2012 Decision and subsequently in the August 16, 2013 Summary Decision, both in Docket No. E,G002/CIP-12-447, Xcel Energy was approved to spend a total of \$14,026,237 in 2015. According to the Order in Docket No. E,G999/CI-08-133, certain expenses and savings are excluded from the natural gas incentive calculation, including regulatory assessments and third party projects not selected for inclusion in the annual incentive compliance filing. As stated in our January 30, 2013 incentive compliance filing, we elected not to include any of the natural gas third party programs in the calculation of the incentive.<sup>7</sup>

**Calculation of Pre-Year Inputs**

	Spending	Energy Goal (Dth)	Net Benefits
2015 Portfolio Subtotal <sup>8</sup>	\$13,553,823	696,474	\$23,586,281
<b>Total Pre-Year Inputs</b>	<b>\$13,553,823</b>	<b>696,474</b>	<b>\$23,586,281</b>

**Model Year Inputs**

Earnings Threshold (% of Sales)	0.4%
Earnings Threshold (Dth Savings)	277,834
Award Zero Point (% of Sales)	0.3%
Award Zero Point (Dth Savings)	208,375
Steps From Zero Point to 1.5%	12
Size of Steps in Energy Savings	69,458

**Incentive Calibration**

Average Incentive per Unit at 1.5%	\$9.00
Incentive Cap	\$6.875
Energy Savings at 1.5%	1,041,876
Targeted Incentive at 1.5%	\$9,376,887
Multiplier (Percent of Net Benefits Received for Every 0.1% of Sales)	0.02215

**Pre-Year Inputs**

Approved CIP Budget for Incentive	\$13,553,823
Goal Energy Savings (Dth)	696,474
Goal Utility Test Net Benefits (Based On Approved Triennial Plan)	\$23,586,281

<sup>7</sup> Docket No. E,G999/CI-08-133 and Docket No. G002/M-10-82.

<sup>8</sup> Excludes NGEA assessments, Enerchange, Energy Intelligence, Energy Smart, and Trillion Btu.



**Summary of 2015 Achievements**

Actual Spending for Incentive	\$13,095,074
Actual Energy Savings (Dth)	838,319
Net Benefits Achieved <sup>9</sup>	\$37,350,638

**2015 Financial Incentive Mechanism**

In order to calculate the financial incentive achieved, it is necessary to calculate the percent of net benefits awarded. The following calculations and incentive table detail Xcel Energy’s financial incentive.

**Steps Above Zero Point =**

$$\frac{\text{Energy Saved - Award Zero Point (Dth Savings)}}{\text{Size of Steps in Energy Savings}} = \frac{838,319 - 208,375}{69,458}$$

**= 9.06937 Steps**

**Percent of Net Benefits Awarded =**

Steps Above Zero Point x Multiplier = 9.06937 x 0.02215

**=20.08554%<sup>10</sup> (max of 20%)**

**Incentive Awarded =**

Net Benefits Achieved x Percent of Net Benefits Awarded = \$37,350,638 x 20.0000%

**= \$5,763,443**

**2015 Gas Incentive Request**

Based on the above calculation, Xcel Energy respectfully requests approval of a financial incentive of \$5,763,443

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<sup>9</sup> The net benefits are equal to the utility test net benefits shown on the Total Gas CIP with Indirect Participants BENCOST sheet included in the Cost-Effectiveness section.

<sup>10</sup> From 2013 incentive model approved by Department in Docket No. E002/M-10-82. Small difference due to rounding.

**Table 25: Xcel Energy's 2013 Natural Gas Financial Incentive Mechanism**

Achievement Level (% of sales)	Energy Saved	Percent of Benefits Awarded	Estimated Benefits Achieved	Incentive Award	Average Incentive per unit Saved
0.0%	0	0.00000%	\$0	\$0	\$0.000
0.1%	69,458	0.00000%	\$2,352,228	\$0	\$0.000
0.2%	138,917	0.00000%	\$4,704,456	\$0	\$0.000
0.3%	208,375	0.00000%	\$7,056,685	\$0	\$0.000
0.4%	277,834	0.00000%	\$9,408,913	\$0	\$0.000
0.5%	347,292	4.42932%	\$11,761,141	\$520,938	\$1.500
0.6%	416,751	6.64397%	\$14,113,369	\$937,689	\$2.250
0.7%	486,209	8.85863%	\$16,465,597	\$1,458,627	\$3.000
0.8%	555,667	11.07329%	\$18,817,826	\$2,083,753	\$3.750
0.9%	625,126	13.28795%	\$21,170,054	\$2,813,066	\$4.500
1.0%	694,584	15.50261%	\$23,522,282	\$3,646,567	\$5.250
<b>Approved Goal</b>	<b>696,474</b>	<b>15.56286%</b>	<b>\$23,586,281</b>	<b>\$3,670,701</b>	<b>\$5.270</b>
1.1%	764,043	17.71727%	\$25,874,510	\$4,584,256	\$6.000
1.2%	833,501	19.93192%	\$28,226,738	\$5,626,132	\$6.750
1.3%	902,959	20.00000%	\$30,578,967	\$6,115,793	\$6.773
1.4%	972,418	20.00000%	\$32,931,195	\$6,586,239	\$6.773
1.5%	1,041,876	20.00000%	\$35,283,423	\$7,056,685	\$6.773
1.6%	1,111,335	20.00000%	\$37,635,651	\$7,527,130	\$6.773
1.7%	1,180,793	20.00000%	\$39,987,880	\$7,997,576	\$6.773
1.8%	1,250,252	20.00000%	\$42,340,108	\$8,468,022	\$6.773
1.9%	1,319,710	20.00000%	\$44,692,336	\$8,938,467	\$6.773
2.0%	1,389,168	20.00000%	\$47,044,564	\$9,408,913	\$6.773

### Summary of 2014 CIP Employee Expenses

<b>Employee Expense Category</b>	<b>Amount</b>
Airfare	\$3,325
Hotel	\$7,027
Car Rental	\$6
Taxi/bus	\$808
Mileage	\$9,110
Parking	\$908
Business Meals- Employees Only	\$2,020
Travel Meals- Employees Only	\$428
Business Meals- Including Non-Employees	\$2,741
Conferences/Seminars/Training	\$2,956
<b>Total Employee Expenses</b>	<b>\$29,329</b>

**Redline**

Northern States Power Company, a Minnesota corporation  
Minneapolis, Minnesota 55401

PROPOSED

**MINNESOTA GAS RATE BOOK – MPUC NO. 2**

**CONSERVATION IMPROVEMENT PROGRAM  
ADJUSTMENT RIDER**

Section No. 5  
~~28th-29th~~ Revised Sheet No. 43

**APPLICABILITY**

Applicable to bills for gas and/or transportation service provided under the Company's retail rate schedules. Exemptions are as follows:

"Large Energy Facility," as defined in Minn. Stat. 216B.2421 customers shall receive a monthly exemption from conservation improvement program charges pursuant to Minn. Stat. 216B.16, subd. 6b Energy Conservation Improvement. Upon exemption from conservation program charges, the "Large Energy Facility" customers can no longer participate in any utility's Energy Conservation Improvement Program.

"Large Customer Facility" customers that have been exempted from the Company's Conservation Improvement program charges pursuant to Minn. Stat. 216B.241 subd. 1a (b) shall receive a monthly exemption from conservation improvement program charges pursuant to Minn. Stat. 216B.16, subd. 6b Energy Conservation Improvement. Such monthly exemption will be effective beginning January 1 of the year following the grant of exemption. Upon exemption from conservation program charges, the "Large Customer Facility" customers can no longer participate in the Company's Energy Conservation Improvement Program.

"Commercial Gas Customers" that have been exempted from the Company's Conservation Improvement Program charges pursuant to Minn. Stat. 216B.241, subd. 1a (c) shall receive a monthly exemption from conservation improvement program charges pursuant to Minn. Stat. 216B.16, subd. 6b Energy Conservation Improvement. Such monthly exemption will be effective beginning January 1 of the year following the grant of exemption. Upon exemption from conservation program charges, the "Commercial Gas Customers" can no longer participate in the Company's Energy Conservation Improvement Program. The Company has fewer than 600,000 natural gas customers in Minnesota, thus making the Company subject to this Minnesota Statute.

**RIDER**

There shall be included on each non-exempt customer's monthly bill a Conservation Improvement Program (CIP) Adjustment, which shall be calculated by multiplying the monthly applicable billing terms for gas service by the CIP Adjustment Factor.

**DETERMINATION OF CONSERVATION IMPROVEMENT PROGRAM ADJUSTMENT FACTOR**

The CIP Adjustment Factor shall be calculated for each customer class by dividing the Recoverable Conservation Improvement Program Expense by the Projected Retail Sales for a designated recovery period. The factor may be adjusted annually with approval of the Minnesota Public Utilities Commission. The CIP Adjustment Factor for all rate schedules is:

All Classes ~~\$0.021139~~ \$0.024195 per therm

R

Recoverable Conservation Improvement Program Expense shall be the CIP expense not recovered through base rates as determined from the CIP Tracker account balance for a designated period. All costs appropriately charged to the CIP Tracker Account shall be eligible for recovery through this Rider. All revenues received from the CIP Adjustment Factor shall be credited to the CIP Tracker Account.

Projected Retail Sales shall be estimated therm sales to all non-exempt customers for the designated recovery period.

(Continued on Sheet No. 5-43.1)

Date Filed: ~~04-01-14~~04-01-16 By: Christopher B. Clark Effective Date: ~~01-01-16~~  
President ~~and CEO of~~, Northern States Power Company, a Minnesota corporation  
Docket No. G002/M-~~14-28816-~~ Order Date: ~~12-17-14~~

**Clean**



## CERTIFICATE OF SERVICE

I, Jim Erickson, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

xx by depositing a true and correct copy thereof, properly enveloped with postage paid in the United States mail at Minneapolis, Minnesota; or

xx by electronic filing.

**Docket Nos.: G002/M-16-\_\_\_ and CIP Special Service List**

Dated this 1<sup>st</sup> day of April 2016.

/s/

---

Jim Erickson  
Regulatory Administrator



First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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