## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO DOCKET NO. 12A-100E

IN THE MATTER OF THE APPLICATION OF BLACK HILLS/COLORADO ELECTRIC UTILITY COMPANY, L.P. D/B/A BLACK HILLS ENERGY FOR APPROVAL OF ITS ELECTRIC DEMAND SIDE MANAGEMENT (DSM) PLAN FOR PROGRAM YEARS 2012–2013, 2014 AND 2015; FOR APPROVAL OF A PRE-PAY METERING PILOT PROGRAM; AND FOR APPROVAL OF UPDATES TO ITS ELECTRIC DSM COST ADJUSTMENT CLAUSE TARIFFS AND AN INCREASE IN THE ELECTRIC DSM COST ADJUSTMENT RIDER.

## STIPULATION AND SETTLEMENT AGREEMENT

Black Hills/Colorado Electric Utility Company, LP, doing business as Black Hills Energy ("Black Hills," "BHE" or "the Company"), Trial Staff of the Colorado Public Utilities Commission ("Staff"), the Colorado Office of Consumer Counsel ("OCC"), the Colorado Governor's Energy Office ("GEO"), Southwest Energy Efficiency Project ("SWEEP"), and the Energy Efficiency Business Coalition ("EEBC") (referred to as the "Settling Parties"), by and through their respective undersigned counsel, and for adequate consideration, herewith enter into this Stipulation and Settlement Agreement ("Settlement Agreement") that resolves all disputed issues that have arisen, or could have arisen, between them in this docket regarding BHE's Verified Application for an order: (1) approving Black Hills Energy's 2012 - 2015 Electric Energy Efficiency Plan, as modified by this settlement, setting forth in detail BHE's proposed Electric Demand-Side Management ("DSM") programs, energy savings, budgets, calculation methods, and technical assumptions; (2) approving a Pre-Pay Metering Pilot; (3) approving

Black Hills Energy's 2012 - 2015 Electric Energy Efficiency Plan, which is sometimes referred to as its 2012 - 2015 Electric DSM Plan, is Attachment A to the Verified Application in this docket.

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Black Hills Energy's updates to its Electric Demand-Side Management Cost Adjustment

("DSMCA") tariff to correspond with the proposed 2012-2015 Electric DSM Plan; and (4)

authorizing BHE to implement new, increased Electric DSMCA tariffs and rates effective July 1,

2012. The Board of Water Works of Pueblo, Colorado and the Fountain Valley Authority

(together the "Public Intervenors") have authorized the Settling Parties to state herein that they

have no objection to the Settlement Agreement or to the Colorado Public Utilities Commission's

("Commission") approval of relief sought in this docket as modified by the Settlement

Agreement. Cripple Creek & Victor Gold Mining Company and Holcim (US) Inc. (together

"CC&V and Holcim") take no position on the Commission's approval of the Settlement

Agreement, and Counsel for CC&V and Holcim reserves the opportunity to file a response to the

second Joint Motion to update their position.

The Settling Parties submit that this Settlement Agreement results in a fair disposition of

all issues in this docket, which were or could have been disputed between them and that this

Settlement Agreement is just and reasonable and in the public interest and should be approved by

the Commission. A separate Motion to Approve the Stipulation and Settlement Agreement is

being filed by Black Hills on behalf of the Settling Parties, concurrently with the filing of this

Settlement Agreement.

**PROCEDURAL HISTORY** 

1. On January 31, 2012, Black Hills filed a Verified Application ("Application")

seeking Commission approval of its electric DSM plan for program years 2012 through 2013,

2014, and 2015; for approval of a pre-pay metering pilot; and for approval of updates to its

electric DSM cost adjustment rider and an increase in the electric DSM cost adjustment rider.

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Black Hills filed the direct testimony and exhibits of three witnesses in support of the

Application.

2. The Commission issued its Notice of the Application Filed on February 7, 2012.

3. The Trial Staff and the OCC filed timely interventions as of right in this matter.

Petitions to intervene permissively were timely filed by SWEEP, the Public Intervenors, GEO,

EEBC, and CC&V and Holcim. Decision No. R12-0385-I (mailed on April 12, 2012)

acknowledged the notices of intervention and granted the foregoing permissive interventions.

On March 14, 2012, the Application was deemed complete by minute order of the

Commission and referred to Administrative Law Judge ("ALJ") Keith J. Kirchubel for

disposition.

5. In his Prehearing Order, ALJ Kirchubel adopted a procedural schedule negotiated

by the Settling Parties, set the hearing for July 10-12, 2012, and established other filing dates and

procedural matters. (See Decision No. R12-0385-I, mailed on April 12, 2012.)

6. On April 12, 2012, Black Hills Energy filed a letter confirming that, as a result of

negotiations with the Settling Parties, it waived its right to a Commission decision within 120

days after the application was deemed complete, as provided in Colo. Rev. Stat. § 40-6-109.5(1),

and that it now seeks a Commission decision within 210 days after the application was deemed

complete, pursuant to Colo. Rev. Stat. § 40-6-109.5(2). (See Decision No. R12-0385-I, Fn. 1, at

page 3.)

7. During the prehearing phase of this docket, the Settling Parties, Public

Intervenors, and CC&V and Holcim have actively exchanged information through informal

exchanges of information, telephone calls, meetings, and active settlement discussions. As a

result of these settlement negotiations, the Settling Parties have concluded a settlement of all

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issues in this docket, which were or could have been disputed between them. An agreement in

principle to settle all disputed issues between them in this docket was reached by the Settling

Parties on May 11, 2012.

8. This Settlement Agreement memorializes the negotiated stipulations and

settlement among the Settling Parties. As a result of the settlement negotiations, the Settling

Parties agree, as set forth below, that all issues in dispute between them, or that could have been

disputed between them, in this docket have been resolved to the satisfaction of the Settling

Parties, and that the terms and stipulations in this Settlement Agreement are fair, just and

reasonable and should be approved by the Commission.

9. With the modifications set forth in this Settlement Agreement, the Settling Parties

agree that the following are just and reasonable and should be approved by the Commission: (1)

Black Hills Energy's 2012-2015 Electric Energy Efficiency Plan, including the detailed proposed

Electric DSM programs, energy savings, budgets, calculation methods, and technical

assumptions set forth therein; (2) the Pre-Pay Metering Pilot and proposed tariff under such

conditions as set forth in Section II.C.4 and as revised in Exhibits C and D to this Settlement

Agreement; (3) Black Hills Energy's updates to its Electric DSMCA tariff to correspond with the

2012-2015 Electric Energy Efficiency Plan, including the detailed Electric DSM programs,

energy savings, budgets, calculation methods, and technical assumptions set forth therein as

modified by this Settlement Agreement; and (4) Black Hills Energy's filing of new tariffs to

implement an increased Electric DSMCA Rider effective July 1, 2012.

10. This Settlement Agreement includes the following exhibits, which are attached to

the Settlement Agreement and incorporated by reference:

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a. Exhibit A - Revised DSM budgets, participation and impact goals for each

Program Year, pursuant to the settlement;

b. Exhibit B - Summary Table Comparing Original DSM Plan with Settlement

Agreement;

b. Exhibit C – Revised Pre-Pay Metering Pilot description; and

c. Exhibit D – Proposed Pre-Pay Metering Pilot tariff; and

d. Exhibit E – Revised DSMCA tariffs.

THE SETTLEMENT

This section of the Settlement Agreement sets forth the resolution of specific disputed

issues negotiated in the settlement, and the modifications to the following parts of the filing

agreed upon by the Settling Parties to achieve the settlement:

Section I of the Settlement Agreement addresses non-program specific changes to the

2012-2015 Electric DSM Plan including (1) Budget Flexibility; (2) Incentive Mechanism; (3)

Annual Meeting and a Process for Potential Changes to the 2012-2015 Electric DSM Plan; (4)

Filing an Updated 2012-2015 Electric DSM Plan; (5) Measurement, Verification and Evaluation;

and (6) Net-to-Gross and Technical Assumptions.

Section II addresses program specific savings and budget changes: (1) Changes to the

electric DSM Budget; (2) Changes to Energy Savings and Peak Demand Reduction; (3) Changes

to Residential Program; (4) Commercial and Industrial Program Terms; and (5) Other Programs.

I. Non-Program Specific Terms and Conditions

During the course of negotiations, the Settling Parties discussed with Black Hills various

details of the Company's proposed plan and technical assumptions. As a result of these

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discussions, Black Hills agrees to make certain changes to its 2012-2015 DSM Plan as originally

filed with its Application.

A. Budget Flexibility

The Settling Parties agree that the Commission should grant BHE the authority to exceed

its approved DSM portfolio budget by 15 percent (for a maximum annual budget of 115 percent

of the approved amount) without having to seek Commission approval. Such "over budget"

expenses shall be presumed to be prudent. If BHE exceeds its approved annual DSM budget by

more than 15 percent, it shall bear the burden of proof in any future proceeding in which the

prudence of those expenditures are challenged.

B. Incentive Mechanism

The Settling Parties agree that BHE shall continue to use the same incentive mechanism

approved by the Commission in Docket No. 08A-518E as it applies to the energy savings goals

in BHE's 2012-2015 Electric Energy Efficiency Plan as modified by this Settlement Agreement.

C. Annual Meeting and Process for Making Change to the 2012-2015 DSM Plan

1. Annual Meeting

BHE agrees to hold annual meetings to discuss issues of concern, new program ideas,

existing program evaluations, and the results of its DSM programs. The first meeting will be

held after the close of the First Quarter ("Q1") of 2013. A second meeting will be held after the

close of Third Quarter ("Q3") of 2013 with the annual meetings to be scheduled at the end of Q3

or beginning of the Fourth Quarter ("Q4") in 2014 and 2015. Notice for all meetings shall be

provided to all parties on the certificate of service to Docket 12A-100E. Additional notice for

subsequent meetings shall be provided to any other person or entity expressing interest in

participating in a BHE electric DSM docket or attending one of the annual meetings. Based on

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input from stakeholders at those meetings, modifications may be made to BHE DSM programs.

Such modifications may include, but are not limited to:

a. Adding or removing programs;

b. Adding or removing measures from existing programs; or,

c. Making changes in measure delivery or marketing.

2. Process for Making Change to the 2012-2015 DSM Plan

The Settling Parties agree BHE may, at any time during the period covered by this filing, propose changes to its electric DSM programs outside of the annual meeting so long as it provides the required 60 or 90 day notice as described below and the proposed changes do not exceed the budget flexibility described in Section I.A. Such modifications include:

a. Modifying spending budgets;

b. Modifying incentives provided to customers.

In the event BHE decides to discontinue a DSM program in its 2012-2015 Electric DSM Plan, it shall provide a ninety-day (90) advance notice, including the basis for such a decision, to all parties to this docket and to any parties who have asked to be included on the DSM Annual Meeting mailing list. Parties receiving such notice shall have thirty (30) days following receipt within which to provide a response to BHE's notification.

BHE agrees to provide sixty-day (60) advance notice to any parties to this docket and to any additional parties who have asked to be included on the DSM Annual Meeting mailing list when it decides to: add a new DSM program, change a rebate level for a program, or change technical assumptions or eligibility requirements for any DSM program. Parties receiving such notice shall have thirty (30) days following receipt within which to provide a response to BHE's notification.

In making its final determination to modify or discontinue a program, BHE agrees to act in good faith in considering any responses received and, upon written request, to provide its rationale for the action on the changes to a program proposed by a response.

BHE agrees to work with the GEO to provide a list of Colorado energy efficiency companies on its energy efficiency web-site. This list would highlight Colorado companies with products that may help participants achieve their energy reduction goals. BHE may highlight those companies offering services in its Colorado service territory.

## D. Filing an Updated 2012-2015 Electric DSM Plan.

BHE agrees to file with the Commission an updated version of its 2012-2015 Electric DSM Plan that reflects all changes agreed to as part of this Settlement Agreement within 60 days following the issuance of a final Commission decision approving this Settlement Agreement. This updated plan shall include, but not be limited to, changes in number of program participants, program budgets, projected savings, net-to-gross ("NTG"), or technical assumptions. The updated plan shall also include a recalculation of program Total Resource Cost Tests to reflect changes to program assumptions.

In addition, the updated plan shall include an emendation to "Table 12" in the original DSM Plan filing. The new table shall include the following information:

|             | 20:     | 12/2013 |        |     |
|-------------|---------|---------|--------|-----|
| Sector      | Energy  | Demand  |        |     |
|             | Savings | Savings | Budget | TRC |
|             | Goal    | Goal    |        |     |
| Residential |         |         |        |     |
| C&I         |         |         |        |     |
| Special     |         |         |        |     |
|             |         |         |        |     |
|             |         | 2014    |        |     |
| Sector      | Energy  | Demand  |        |     |
|             | Savings | Savings | Budget | TRC |
|             | Goal    | Goal    |        |     |
| Residential |         |         |        |     |
| C&I         |         |         |        |     |
| Special     |         |         |        |     |
|             |         |         |        |     |
|             |         | 2015    |        |     |
| Sector      | Energy  | Demand  |        |     |
|             | Savings | Savings | Budget | TRC |
|             | Goal    | Goal    |        |     |
| Residential |         |         |        |     |
| C&I         |         |         |        |     |
| Special     |         |         |        |     |

## E. Measurement, Verification & Evaluation

BHE agrees to continue its Measurement, Verification and Evaluation ("MV&E") program, which is to do a comprehensive evaluation of each program once every three years. As part of this Settlement Agreement, BHE agrees to conduct comprehensive MV&E of the following programs on the following schedule:

## 2012 Program Evaluation:

Residential: new construction, appliance recycling, high efficiency lighting

Non-residential: new construction, commissioning

Other: schools based energy education

## 2013 Program Evaluations:

Residential: pre-pay billing pilot, low-income, online audit, appliances

Non-residential: direct install

2014 Program Evaluations:

Residential: high efficiency cooling

Non-residential: prescriptive, custom, and self-direct

2015 Program Evaluations:

Residential: new construction, appliance recycling, high efficiency lighting

Non-residential: new construction, commissioning

Other: school based energy education

The Settling Parties agree that principal purposes of comprehensive program evaluations are to assess customer satisfaction with the DSM program being evaluated, assess changes that should be made to the technical assumptions, including but not limited to, net-to-gross ("NTG") ratios, assess overall program cost effectiveness, and assess program processes based on the evaluator's own research as well as a thorough review of industry-wide and BHE's own technical assumptions.

The Company shall file all DSM program evaluation reports conducted under its 2012-2015 Electric DSM Plan in Docket No. 12A-100E within 30 days after completion of the written report.

The Settling Parties agree that BHE shall implement any changes recommended by a DSM program evaluation in the program year following the period of evaluation.<sup>2</sup> As part of its MV&E plan for each measure, the Company shall define a "period of evaluation". Conceptually, this is the period during which BHE is actively collecting data on a program being evaluated. Recommended changes may include but not be limited to technical assumptions, NTG values, or program processes. The Settling Parties agree that such changes (e.g., NTG or

<sup>&</sup>lt;sup>2</sup> Starting in January 2014, the program and calendar years will be the same.

other technical assumptions) shall not be "backward looking" and so shall not affect calculations, including for achieved savings or net economic benefits, for the period of evaluation.

The following provides an example of how the changes recommended in a program evaluation shall be incorporated:

If BHE evaluates its residential lighting program during the 12 months of calendar year 2013, then 2013 shall be the "period of evaluation." The changes from that evaluation shall take effect in the next program year, which in this example begins January 1, 2014.

If BHE files its residential lighting evaluation report on April 1, 2014, the period from January 1, 2014 through April 2014 is **not** part of the period of evaluation. Any changes to the NTG or other technical assumptions resulting from the evaluation shall be effective from January 1, 2014 for the purposes of calculating the achieved savings or net economic benefits of the evaluated program for the 2014 period.

## F. Net-to-Gross and Technical Assumptions

The Company agrees to use a net-to-gross value for each individual program. These individual program net-to-gross values shall be used to calculate a net-to-gross for each sector and to calculate a net-to-gross value for the overall portfolio of measures.<sup>3</sup> If available, the Company shall use the net-to-gross value from its most recent program evaluation. If a program has not been evaluated, then BHE shall use a net-to-gross value based on either (1) a similar program offered by Public Service Company of Colorado or (2) the net-to-gross value of a similar program evaluated within the last three years by a third-party independent evaluation firm. BHE agrees to file into Docket No. 12A-100E a copy of any third-party independent evaluation used to satisfy condition (2) above.

<sup>&</sup>lt;sup>3</sup> In the BHE 2012-2015 Plan, each measure falls into one of three sectors: Residential, Commercial &Industrial ("C&I"), or Special. Programs refers to such things as Residential High Efficiency Lighting or C&I Prescriptive Rebates

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The Settling Parties agree that the technical assumptions, set forth in Appendix D of the updated DSM Plan filed pursuant to in Paragraph I.D of this Settlement Agreement, are reasonable for the purposes of:

- Developing a forecast of annual DSMCA expenditures associated with the Company's electric DSM portfolio in the plan years 2012 through 2015;
- Establishing overall annual energy savings targets for plans years 2012-2015; and
- Determining savings achieved in plan years 2012-13, 2014, and 2015 based on actual project completion in each program year.

The Settling Parties agree that the Company shall use the technical assumptions set forth in Appendix D relating to incremental customer O&M savings, customer O&M costs, incremental capital costs, net-to-gross ratios, and the deemed savings formulas and other technical assumptions set forth in Appendix D to determine program cost effectiveness and to calculate annual portfolio net economic benefits based on measures actually installed during the program years 2012-2013, 2014, and 2015, unless such values are changed pursuant to the conditions set forth in Section I.E.

## II. Program Specific Savings and Budgets Changes

The attached Exhibit B is a summary table comparing the originally filed 2012 - 2015 Electric DSM Plan with the budget changes and program-specific savings to which the Settling Parties have stipulated in Sections II.A, II.B, and II.C of this Settlement Agreement.

### A. Changes to the Electric DSM Budget

BHE's filed DSM plan requests annual budgets of \$6,139,702 for program years 2012-13, \$4,596,993 for program year 2014, and \$5,081,664 for program year 2015. As part of this Settlement Agreement, BHE agrees to increase its energy savings and peak demand reduction goals as modified in the attached Exhibit A. The Settling Parties agree that BHE shall increase

its DSM budgets to deploy cost-effective DSM program in the amounts of: \$6,513,123 for the 2012-2013 program year; \$4,880,957 for program year 2014; and \$5,437,840 for program year 2015.

## B. Changes to Energy Savings and Peak Demand Reduction

BHE's filed DSM plan proposes energy savings of 28,986 MWh for program years 2012-13, 20,649 MWh for program year 2014, and 22,870 MWh for program year 2015.

As part of this Settlement Agreement and pursuant to the changes described below, BHE agrees to increase its annual energy savings goals to 30,935 MWh for the 2012-2013 program year, 22,285 MWh for program year 2014 and 24,992 MWh for program year 2015.

BHE's filed DSM plan proposes peak demand goals of 7,346 kW for program years 2012-13, 5,661 kW for program year 2014, and 6,218 kW for program year 2015.

As part of this Settlement Agreement and pursuant to the changes described below, BHE agrees to increase its peak demand goals to 8,202 kW for the 2012-2013 program year, 6,341 kW for program year 2014 and 7,017 kW for program year 2015.

## C. Changes to Residential Program

The Settling Parties agree to the following changes:

- 1. Residential High Efficiency Lighting Program
  - a. LED targets have increased to the following:
    - i. Year 1: 4,000
    - ii. Year 2: 3,500
    - iii. Year 3: 5,000
  - b. CFL targets have been increased to the following levels:
    - i. Year 1: 160,000
    - ii. Year 2: 110,000
    - iii. Year 3: 125,000
  - c. Lighting fixture goals are doubled for each program year
  - d. Fixture rebates are increased to \$10 per fixture
- 2. High Efficiency Cooling Program
  - a. A Quality Installation ("QI") Component will be added to the program.

- b. BHE will require a nationally recognized certification requirement for participating contractors.
- c. Qualified/Certified participating contractors will receive a \$100 spiff for proper installations.
- d. \$5,000 will be added to the annual delivery budget for contractor education and training purposes. This additional budget will be used to educate contractors on the administrative requirements of the programs, sales training to leverage the rebates and an explanation to DSM business owners and managers of the benefits of the BHE rebate programs.
- e. BHE will prepare an implementation plan for this program that will be distributed to Settling Parties. EEBC will be able to comment upon and participate in the development of the implementation plan.
- f. The QI component goals that will be applied to the following percentages of units rebated by year are as follows:
  - i. Year 1: 20%
  - ii. Year 2: 25%
  - iii. Year 3: 30%
- g. Attic insulation, wall insulation and envelope air sealing measures will be offered to customers with central cooling systems and with electric space heating. The participation goals for these measures are as follows:

| Measures                   | Year 1<br>Participants | Year 2<br>Participants | Year 3<br>Participants |
|----------------------------|------------------------|------------------------|------------------------|
| Attic insulation           | 80                     | 40                     | 50                     |
| Wall insulation            | 25                     | 30                     | 40                     |
| Envelope<br>air<br>sealing | 25                     | 30                     | 40                     |

## 3. Appliance Recycling

a. BHE agrees to increase goals by 10% for each program year as follows:

| Eligible Measure | PY 1 | PY 2 | PY 3 |
|------------------|------|------|------|
| Refrigerator     |      |      |      |
| Recycle          | 385  | 248  | 264  |
| Freezers Recycle | 83   | 61   | 66   |
| Air Conditioners |      |      |      |
| Recycle          | 121  | 110  | 121  |
| TOTAL            | 589  | 419  | 451  |

BHE agrees to include early retirement of primary as well as secondary refrigerators and freezers.

## 4. High Efficiency Appliances

- a. BHE agrees to add qualified Energy Star televisions with participation goals as follows:
  - i. Year 1: 200
  - ii. Year 2: 150
  - iii. Year 3: 150
- b. Heat pump water heaters ("HPWH") will be cross sold and be included in the High Efficiency Appliances Program as well as the High Efficiency Cooling Program.

## 5. Home Energy Report ("HER") Pilot Program

- a. The program will not be included in the current filing.
- b. BHE agrees to review the feasibility of implementing a HER program in two years.
- c. BHE agrees to estimate and to report to the Settling Parties, within thirty (30) months of the effective date of the final Commission decision approving this Settlement Agreement, on the potential energy savings and economic feasibility of implementing a HER Program in a manner that would be linked to the AMI meters now being deployed in the BHE Colorado service territory.

## D. Commercial and Industrial ("C&I") Program Terms

- 1. C&I Prescriptive Rebates
  - a. As with the Residential High Efficiency Cooling Program, BHE agrees to include a QI component. Guidelines will be similar for the residential and commercial programs.

## 2. C&I Custom Program

- a. The minimum payback threshold has been changed from two years to one year.
- b. A design assistance component will be added to the program, as an incentive to customers that utilize design assistance professionals.
- c. Incentives and participants will be increased.
- d. Savings were remodeled to reflect greater incentive levels and participation.

## 3. C&I Self-Direction Program

a. BHE will offer a Self-Direction Program. BHE agrees to add to the budget for the Self Direction Program by the following amounts: 10 percent of the custom budget in Program Year ("PY") 2012-13 (\$50,000), 15 percent in PY 14 (\$48,000), and 20% (\$72,000) in PY 15. Energy savings should increase by the same percentages, relative to the energy savings now assumed for the Custom Program. BHE will retain the budgets and impacts as proposed for the Custom Program. However, BHE will reduce the budgets in the C/I Prescriptive Program by those amounts added to the Self Direction Program. Using this approach, the overall plan impacts would increase by 134,403 kWh as a result of the increased

- Self-Direction budget and savings assumptions, while the overall plan budget does not increase.
- b. Incentive amounts paid to self-direction projects will be at a 10 percent premium above the Custom Program incentives on a per kWh savings basis, unless a project is affected by the 50 percent of incremental cost cap.
- c. Similar rules for application to the Custom Program and for project monitoring and evaluation will apply to the Self-Direction Program.
- d. Eligibility requirements for the Self-Direction Program are:
  - i. An aggregated peak load of a minimum of 1 MW in any single month; and ii. An aggregated annual energy usage of at least 5,000 MWh.
- e. BHE will pay rebates based on actual savings from a project, up to \$0.11 per kWh. Rebates will be limited to 50% of incremental costs of the projects. In lieu of actual rebate payments, participating customers will receive bill credits equivalent to the monthly DSM surcharge on their bills. Bill reductions will continue until the total amount of the rebate has been recouped through bill credits.
- 4. Small Business Direct Install ("SBDI") Program
  - a. BHE will offer a SBDI program as originally requested (rebates equal to 60% of installed cost).
  - b. BHE's implementation contractor will provide a financing option to interested participating customers.

## E. Other Programs

- 1. School-Based Energy Education Program
  - a. BHE will provide 1 LED in place of 2 CFLs in the kit to be provided to participating students.
- 2. Low-Income Assistance Program
  - a. BHE will provide evaporative coolers with media saturation > 85%.
  - b. BHE is open to discussing a per-home approach with the GEO.
  - c. BHE will add building shell measures for electrically heated homes and/or homes with central air conditioning.
  - d. BHE will include renters, as well as homeowners, in the program.
- 3. Home Energy Audits
  - a. Settling Parties EEBC and SWEEP agree to approach Xcel Energy regarding cross-promotional activities with BHE for their Home Energy Audit Program.
  - b. Following the initiation of contact by EEBC or SWEEP, BHE agrees to follow-up with Xcel Energy and to coordinate with Xcel Energy, if possible.
  - c. BHE agrees to place information about Xcel Energy's existing Home Energy Audit program on its web-site if BHE is allowed to distribute information about its energy efficiency programs via Xcel's auditors to BHE's customers.
- 4. Pre-Pay Metering Pilot

- a. BHE agrees to develop a pre-pay metering pilot that will be acceptable to Staff and OCC before BHE launches the pilot:
  - i. BHE will utilize a third-party EM&V consultant to evaluate the level of energy savings and cost effectiveness of energy savings resulting from participation in the pilot program.
  - ii. Other aspects of the program that will be evaluated include:
    - 1. Customer satisfaction;
    - 2. Communications effectiveness; and
    - 3. Bad debt reductions.
- b. The success of the pilot will be determined by a cost-effective, measured reduction in energy use by program participants.
- c. The Settling Parties have reviewed the proposed tariff for the Pre-pay Metering Pilot, which is attached as Exhibit C to this Settlement Agreement, and agree that the Commission should approve it. Once the Prep-Pay Metering Pilot is developed, the Company may file a compliance tariff on less than one days' notice.

## III. GENERAL TERMS AND CONDITIONS

- 1. Through active prehearing investigation and negotiation, the Settling Parties have reached the settlement set forth herein resolving all contested and disputed issues in this docket in a manner which the Settling Parties agree is just and reasonable and in the public interest. This Settlement Agreement reflects the compromise and settlement of all issues raised or that could have been raised between them in this docket. The Settling Parties further agree that reaching agreement by means of negotiation and settlement rather than through litigation is in the public interest.
- 2. The Settling Parties agree to support and to defend this Settlement Agreement before the Commission, and in the courts if necessary. The Settling Parties further agree, if the Commission sets a hearing on this Settlement Agreement, to present oral testimony and/or exhibits in the hearing for the purpose of obtaining the Commission's approval of this Settlement Agreement. If such a hearing is conducted, the Settling Parties agree that all pre-filed testimony

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and exhibits of any Settling Party in this docket shall be admitted into evidence without cross-

examination.

3. This Settlement Agreement shall not become effective until the issuance of a final

Commission Order approving the Settlement Agreement, which Order does not contain any

modifications of the terms and conditions of this Settlement Agreement that are unacceptable to

any of the Settling Parties. In the event the Commission modifies this Settlement Agreement in a

manner unacceptable to any Settling Party, that Settling Party shall have the right to withdraw

from this Settlement Agreement and proceed to hearing on the issues that may be appropriately

raised by that Settling Party in this docket. The withdrawing Settling Party shall notify the

Commission and the other Settling Parties to this Settlement Agreement by e-mail within five (5)

business days of the Commission Order that the Settling Party is withdrawing from the

Settlement Agreement and that the Settling Party is ready to proceed to hearing; the e-mail notice

shall designate the precise issue or issues on which the withdrawing Settling Party desires to

proceed to hearing (the "Hearing Notice").

4. The withdrawal of a Settling Party shall not automatically terminate this

Settlement Agreement as to any other Settling Party. Within three (3) business days of the date

of the Hearing Notice from the first withdrawing Settling Party, all Settling Parties shall confer

to arrive at a comprehensive list of issues that shall proceed to hearing and a list of issues that

remain settled as a result of a Settling Party's withdrawal from this Settlement Agreement.

Within five (5) business days of the date of the Hearing Notice, the Settling Parties shall file with

the Commission a formal notice containing the list of issues that shall proceed to hearing and

those issues that remain settled. The Settling Parties who proceed to hearing shall have and be

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entitled to exercise all rights with respect to the issues that are heard that they would have had in

the absence of this Settlement Agreement.

5. Hearing shall be scheduled as soon as practicable on all of the issues designated in

the formal Hearing Notice filed with the Commission. In the event that this Settlement

Agreement is not approved, the negotiations or discussions undertaken in conjunction with the

Settlement Agreement shall not be admissible into evidence in this or any other proceeding. In

the event that this Settlement Agreement is approved with conditions that are unacceptable to

any Settling Party who subsequently withdraws, the negotiations or discussions undertaken in

conjunction with the Settlement Agreement shall not be admissible into evidence in this or any

other proceeding as to that withdrawing Settling Party. However, as to Settling Parties that do

not withdraw from this Settlement Agreement, the negotiations or discussions undertaken in

conjunction with the Settlement Agreement shall be admissible into evidence in any subsequent

proceeding to enforce the terms of this Settlement Agreement.

6. Approval by the Commission of this Settlement Agreement shall constitute a

determination that the Settlement Agreement represents a just, equitable and reasonable

resolution of all issues that were or could have been contested among the Settling Parties in this

proceeding.

7. All Settling Parties specifically agree and understand that this Settlement

Agreement represents a negotiated settlement, which they believe is in the public interest with

respect to the various matters and issues presented in this docket, and has the sole purpose of the

settlement of the matters agreed to in this Settlement Agreement. No Settling Party or person

shall be deemed to have approved, accepted, agreed to, or consented to any concept, theory or

principle underlying or supposed to underlie any of the matters provided for in this Settlement

Page 20 of 43

Agreement, other than as specifically provided for herein. Notwithstanding the resolution of the

issues set forth in this Settlement Agreement, none of the methods or principles herein contained

shall be deemed by the Parties to constitute a settled practice or precedent in any future

proceeding.

8. This Settlement Agreement may be executed in counterparts and by facsimile or

electronic copies of signatures, all of which when taken together shall constitute the entire

Settlement Agreement with respect to the issues addressed by this Settlement Agreement.

**CONCLUSION** 

For the reasons stated above, the Settling Parties respectfully request that the

Commission enter an order approving this Settlement Agreement with the finding that the

Commission's approval of this Settlement Agreement represents a fair, just, and reasonable

resolution of all disputed issues that have arisen, or which could have arisen, in this docket and

further closing this docket.

DATED this 30th day of May 2012.

Approved as to form:

DAVIS GRAHAM & STUBBS LLP

Ву:

Steven H. Denman, Reg. No. 7857 9040 Town Center Parkway, Suite 213 Lakewood Ranch, Florida 34202

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Attorneys for Black Hills/Colorado Electric Utility Company, LP

Agreed on behalf of:

BLACK HILLS/COLORADO ELECTRIC UTILITY COMPANY, LP d/b/a BLACK HILLS ENERGY:

By:

Wendy M. Moser

Vice President Electric Regulatory

Services

1515 Wynkoop, Suite 500 Denver, CO 80202 Approved as to form:

OFFICE OF THE ATTORNEY GENERAL

Agreed on behalf of:

TRIAL STAFF OF THE COMMISSION:

**Demand Side Analyst** 

1560 Broadway, Suite 250 Denver, CO 80202

By:

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Attorneys for the Trial Staff of the Commission

Approved as to form

Agreed on behalf of:

COLORADO OFFICE OF CONSUMER COUNSEL

RY.

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Attorneys for the Colorado Office Of Consumer Counsel

Approved as to form:

OFFICE OF THE ATTORNEY GENERAL

Agreed on behalf of:

COLORADO GOVERNOR'S ENERGY OFFICE

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Attorney for Southwest Energy Efficiency Project

Agreed on behalf of:

SOUTHWEST ENERGY EFFICIENCY **PROJECT** 

By:

Howard Geller **Executive Director** 

2260 Baseline Road, Suite 212

Boulder, CO 80302

Approved as to form:

Agreed on behalf of:

By: Eux Var Crolon

**ENERGY EFFICIENCY BUSINESS** 

**COALITION** 

By:

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Attorneys for the Energy Efficiency Business

Coalition

## **CERTIFICATE OF SERVICE**

I hereby certify that on this 30th day of May 2012 the foregoing **STIPULATION AND SETTLEMENT AGREEMENT** was filed through the PUC E-filing system and that notice of that electronic filing was provided to the following at the email addresses shown below:

| Matthew E. Daunis<br>Steven M. Jurek<br>Todd Brink | matt.daunis@blackhillscorp.com<br>steve.jurek@blackhillscorp.com<br>todd.brink@blackhillscorp.com | Black Hills/Colorado Electric<br>Black Hills/Colorado Electric<br>Black Hills/Colorado Electric |
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| Mark T. Valentine                                  | mvalentine@duffordbrown.com   | CC&V and Holcim   |
| Nancy M. Schartz                                   | nschartz@duffordbrown.com   | CC&V and Holcim   |

/s/ Nicki Heberle

**Exhibit A** 

Revisions to Filed 2012-2015 Electric DSM Plan Agreed upon in Settlement

# Black Hills Colorado Electric Program Design Comparison: Filed Plan vs.

**Colorado PUC E-Filings System** 

Stakeholder Input Scenario vs. Final Stakeholder Input Scenario

|                 |           | kW               |               |            | kWh                   |                       |             | Budget      |                         |
|-----------------|-----------|------------------|---------------|------------|-----------------------|-----------------------|-------------|-------------|-------------------------|
|                 | Original  | Stakeholder Stak | Stakeholder   | Original   | Stakeholder           | Stakeholder           | leginja     | Stakeholder | Stakeholder             |
|                 | Oligiliai | Input            | Input - Final | Oligiliai  | Input                 | Input - Final         | Original    | Input       | Input - Final           |
| PY1 - 2012-2013 | 7,346     | 7,675            | 8,202         | 28,986,114 | 30,785,800            | 30,785,800 30,935,509 | \$6,139,702 | \$6,494,066 | \$6,494,066 \$6,513,123 |
| PY2 - 2014      | 5,661     | 5,869            | 6,341         | 20,649,673 | 22,119,098            | 22,119,098 22,285,611 | \$4,596,993 | \$4,834,679 | \$4,834,679 \$4,880,957 |
| PY3 - 2015      | 6,218     | 6,483            | 7,017         | 22,870,328 | 24,656,557 24,992,465 | 24,992,465            | \$5,081,664 | \$5,357,094 | \$5,357,094 \$5,437,840 |

# Changes Made from Original Filing to Current Version based on Stakeholder Input and PUC Request

## **Total Program**

1.) Assigned NTG values to each measure and program consistent with XCEL's filing

## **Residential Lighting**

- 1.) Adjusted CFL participation to account for the increase of LED bulbs
- 2.) Increased LED participation in all three program years
- 3.) Doubled Fixture participation in all three program years
- 4.) Increased Fixture incentive to \$10/fixture

## **Residential Cooling**

- costs as a contractor incentive, and 10% to customer savings. 20% of total instalations were estimated to include the QIV component 1.) Added a QIV component to CAC (both 15 and 16 SEER), which added \$100 to the participant incremental cost, \$100 to delivery in year 1, 25% in PY2, 30% in PY3. The costs and savings are only applied to the participants who include QIV.
- 2.) Added a Attic Insulation, Air Sealing, and Wall Insulation as new measures in the program.

## Residential Appliances

- 1.) Added ENERGY STAR Televisions to the program.
- 2.) Added Heat Pump Water Heaters to the program.

## **Appliance Recycling**

1.) Increased participation due to inclusion of primary appliances.

# Commercial Prescriptive

- costs as a contractor incentive, and 10% to customer savings. 20% of total instalations were estimated to include the QIV component 1.) Added a QIV component to CAC (both 15 and 16 SEER), which added \$100 to the participant incremental cost, \$100 to delivery in year 1, 25% in PY2, 30% in PY3. The costs and savings are only applied to the participants who include QIV.
- 2.) Reduced total program budget by \$169,554 and adjusted participation.

# Revisions to Filed 2012-2015 Electric DSM Plan Agreed upon in Settlement

## **Commercial Custom**

1.) Added a Design Assistance component to the program and increased participants and savings as a result.

# **Commercial Self-Direction**

1.) Added new program.

# **School Based Education**

1.) Changed the 2 CFL bulbs included in the kit to 1 LED bulb, which added \$25 to the cost of the kit.

## Low Income

1.) Changed evaportive coolers to >85% media saturation.

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| Black Hills | Black Hills Colorado Electric  |      |              | PY1 - 2012-2013 | PY1 - 2012-2013 PY2 - 2014 | 5            | PY2 - 2014 | 2           |              | PY3 - 2015 |             |
|-------------|--------------------------------|------|--------------|-----------------|----------------------------|--------------|------------|-------------|--------------|------------|-------------|
|             |                                |      |              | 13.00           |                            |              | 1.14       |             |              | 747        |             |
| Sector      | Program Name                   | TRC  | Participants | Savings         | kWh Savings                | Participants | Savings    | kWh Savings | Participants | Savings    | kWh Savings |
| Res         | High Efficiency Lighting       | 3.02 | 153,000      | 474             | 6,850,533                  | 102,000      | 316        | 4,567,022   | 112,000      | 347        | 5,012,078   |
| Res         | High Efficiency Cooling        | 3.47 | 810          | 764             | 799,042                    | 293          | 522        | 577,825     | 654          | 615        | 642,977     |
| Res         | Appliance Recycling            | 2.58 | 538          | 93              | 474,644                    | 380          | 69         | 322,380     | 410          | 75         | 346,566     |
| Res         | High Efficiency Appliances     | 4.43 | 1,575        | 127             | 131,839                    | 1,120        | 86         | 809'56      | 1,175        | 102        | 100,021     |
| Res         | Online Audit                   | N/A  | 1,500        | N/A             | N/A                        | 1,250        | N/A        | N/A         | 1,400        | N/A        | N/A         |
| C&I         | Prescriptive                   | 3.35 | 2,175        | 3,014           | 12,648,202                 | 1,660        | 2,606      | 9,448,756   | 1,818        | 2,871      | 10,608,733  |
| C&I         | Small Business Direct Lighting | 2.55 | 625          | 1,640           | 4,161,506                  | 450          | 1,182      | 2,999,864   | 200          | 1,316      | 3,338,153   |
| C&I         | Custom                         | 4.50 | 30           | 564             | 2,091,793                  | 20           | 376        | 1,394,529   | 22           | 414        | 1,533,982   |
| C&I         | New Construction               | 1.65 | 15           | 45              | 214,446                    | 11           | 33         | 157,260     | 13           | 39         | 185,853     |
| C&I         | Self Direction                 | N/A  | N/A          | N/A             | N/A                        | N/A          | N/A        | N/A         | N/A          | N/A        | N/A         |
| Special     | School Education Kits          | 2.03 | 2,250        | 7               | 658,915                    | 1,500        | 5          | 439,277     | 1,500        | 5          | 439,277     |
| Special     | Low Income                     | 2.62 | 8,700        | 617             | 955,194                    | 5,820        | 421        | 647,153     | 5,850        | 436        | 662,688     |
| Special     | Pre-Pay Metering Pilot         | N/A  | 833          | N/A             | N/A                        | 555          | N/A        | N/A         | 255          | N/A        | N/A         |
| Total       | Total Program                  | 3.37 | 171,218      | 7,346           | 28,986,114                 | 114,804      | 5,661      | 20,649,673  | 125,342      | 6,218      | 22,870,328  |
|             |                                |      |              |                 |                            |              |            |             |              |            |             |

Black Hills Colorado Program Savings and Participants - Stakeholder Adjusted

| Black Hills | Black Hills Colorado Electric  |      | <u> </u>     | PY1 - 2012-2013 | 013         |              | PY2 - 2014    | 4           |              | PY3 - 2015    | 15          |
|-------------|--------------------------------|------|--------------|-----------------|-------------|--------------|---------------|-------------|--------------|---------------|-------------|
| Sector      | Program Name                   | TRC  | Participants | kW<br>Savings   | kWh Savings | Participants | kW<br>Savings | kWh Savings | Participants | kW<br>Savings | kWh Savings |
| Res         | High Efficiency Lighting       | 2.93 | 181,000      | 263             | 8,137,868   | 129,000      | 401           | 5,796,125   | 144,000      | 447           | 6,463,709   |
| Res         | High Efficiency Cooling        | 3.26 | 855          | 968             | 908,737     | 617          | 631           | 641,034     | 684          | 713           | 724,701     |
| Res         | Appliance Recycling            | 2.58 | 538          | 66              | 474,644     | 088          | 69            | 322,380     | 410          | 75            | 346,566     |
| Res         | High Efficiency Appliances     | 3.10 | 1,745        | 140             | 184,276     | 1,220        | 107           | 131,894     | 1,283        | 111           | 142,236     |
| Res         | Online Audit                   | N/A  | 1,500        | N/A             | N/A         | 1,250        | N/A           | N/A         | 1,400        | N/A           | V/N         |
| C&I         | Prescriptive                   | 3.35 | 2,175        | 3,015           | 12,649,788  | 1,660        | 2,606         | 9,450,130   | 1,818        | 2,871         | 10,610,213  |
| C&I         | Small Business Direct Lighting | 2.55 | 625          | 1,640           | 4,161,506   | 450          | 1,182         | 2,999,864   | 200          | 1,316         | 3,338,153   |
| C&I         | Custom                         | 4.29 | 35           | 859             | 2,440,425   | 22           | 414           | 1,533,982   | 25           | 470           | 1,743,161   |
| C&I         | New Construction               | 1.65 | 15           | 45              | 214,446     | 11           | 33            | 157,260     | 13           | 39            | 185,853     |
| C&I         | Self Direction                 | N/A  | N/A          | N/A             | N/A         | N/A          | N/A           | N/A         | N/A          | N/A           | V/N         |
| Special     | School Education Kits          | 1.36 | 2,250        | 7               | 658,915     | 1,500        | 5             | 439,277     | 1,500        | 5             | 439,277     |
| Special     | Low Income                     | 29.2 | 8,700        | 617             | 955,194     | 5,820        | 421           | 647,153     | 5,850        | 436           | 889'299     |
| Special     | Pre-Pay Metering Pilot         | N/A  | 833          | N/A             | N/A         | 555          | N/A           | N/A         | 255          | N/A           | N/A         |
| Total       | Total Program                  | 3.42 | 199,438      | 7,675           | 30,785,800  | 141,930      | 2,869         | 22,119,098  | 157,483      | 6,483         | 24,656,557  |

Black Hills Colorado Program Savings and Participants - Stakeholder Adjusted Final

| 3 ack His | Black Hills Colorado Electric  |      | •            | PY1 - 2012-2013 | 013         |              | PY2 - 2014    | -           |              | PY3 - 2015    | -           |
|-----------|--------------------------------|------|--------------|-----------------|-------------|--------------|---------------|-------------|--------------|---------------|-------------|
|           | 1                              |      |              | -               |             |              |               |             |              |               |             |
| Sector    | Program Name                   | TRC  | Participants | kW<br>Savings   | kWh Savings | Participants | kW<br>Savings | kWh Savings | Participants | kW<br>Savings | kWh Savings |
| Res       | High Efficiency Lighting       | 3.10 | 168,000      | 546             | 7,901,905   | 117,000      | 382           | 5,532,959   | 135,000      | 443           | 6,424,361   |
| Res       | High Efficiency Cooling        | 2.13 | 940          | 868             | 887,335     | 869          | 761           | 729,366     | 784          | 921           | 876,278     |
| Res       | Appliance Recycling            | 1.95 | 289          | 78              | 389,927     | 419          | 09            | 268,116     | 451          | 9             | 288,041     |
| Res       | High Efficiency Appliances     | 3.15 | 1,795        | 152             | 204,012     | 1,285        | 117           | 149,550     | 1,343        | 122           | 160,397     |
| Res       | Online Audit                   | A/N  | 1,500        | N/A             | N/A         | 1,250        | N/A           | N/A         | 1,400        | N/A           | N/A         |
| C&I       | Prescriptive                   | 3.18 | 2,012        | 2,724           | 11,861,361  | 1,490        | 2,357         | 8,830,697   | 1,591        | 2,557         | 9,806,374   |
| C&I       | Small Business Direct Lighting | 2.64 | 625          | 1,697           | 4,305,006   | 450          | 1,223         | 3,103,307   | 200          | 1,361         | 3,453,262   |
| C&I       | Custom                         | 4.51 | 26           | 514             | 1,903,532   | 17           | 336           | 1,244,617   | 19           | 375           | 1,391,042   |
| C&I       | New Construction               | 1.76 | 15           | 48              | 229,235     | 11           | 36            | 168,106     | 13           | 42            | 198,670     |
| C&I       | Self Direction                 | 95'5 | 8            | 222             | 823,416     | 9            | 167           | 617,562     | 7            | 194           | 720,489     |
| Special   | School Education Kits          | 1.56 | 2,250        | 8               | 757,373     | 1,500        | 5             | 504,916     | 1,500        | 2             | 504,916     |
| Special   | Low Income                     | 5.53 | 8,700        | 1,315           | 1,672,406   | 5,820        | 868           | 1,136,416   | 5,850        | 930           | 1,168,635   |
| Special   | Pre-Pay Metering Pilot         | N/A  | 833          | N/A             | N/A         | 522          | N/A           | N/A         | 222          | N/A           | N/A         |
| Total     | Total Program                  | 3.56 | 186,460      | 8,202           | 30,935,509  | 129,941      | 6,341         | 22,285,611  | 148,458      | 7,017         | 24,992,465  |

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|---------|--------------------------------|---------------------------------|-----------|-----------|-------------|------------|-------------|-------------|-----------|-----------|-------------|------------|-------------|-------------|-----------|-----------|-------------|------------|-------------|
| Sector  | Program Name                   | Incentives                      | Admin     | Market    | Delivery    | Evaluation | Total       | Incentives  | Admin     | Market    | Delivery    | Evaluation | Total       | Incentives  | Admin     | Market    | Delivery    | Evaluation | Total       |
| Res     | High Efficiency Lighting       | \$172,500                       | \$12,938  | \$12,938  | \$157,590   | \$14,239   | \$370,204   | \$115,000   | \$8,625   | \$8,625   | \$105,060   | \$9,492    | \$246,802   | \$125,000   | \$9,375   | \$9,375   | \$115,360   | \$10,364   | \$269,474   |
| Res     | High Efficiency Cooling        | \$334,850                       | \$25,114  | \$25,114  | \$5,000     | \$15,603   | \$405,681   | \$243,750   | \$18,281  | \$18,281  | \$5,000     | \$11,413   | \$296,725   | \$271,000   | \$20,325  | \$20,325  | \$5,000     | \$12,666   | \$329,316   |
| Res     | Appliance Recycling            | \$26,900                        | \$6,053   | \$6,053   | \$53,800    | \$3,712    | \$96,517    | \$19,000    | \$4,275   | \$4,275   | \$38,000    | \$2,622    | \$68,172    | \$20,500    | \$4,613   | \$4,613   | \$41,000    | \$2,829    | \$73,554    |
| Res     | High Efficiency Appliances     | \$30,750                        | \$2,306   | \$2,306   | \$2,000     | \$10,495   | \$47,857    | \$20,600    | \$1,545   | \$1,545   | \$2,000     | \$10,028   | \$35,718    | \$21,750    | \$1,631   | \$1,631   | \$2,000     | \$10,081   | \$37,093    |
| Res     | Online Audit                   | \$0                             | \$3,150   | \$3,150   | \$42,000    | \$1,932    | \$50,232    | 0\$         | \$2,400   | \$2,400   | \$32,000    | \$1,472    | \$38,272    | 0\$         | \$2,400   | \$2,400   | \$32,000    | \$1,472    | \$38,272    |
| C&I     | Prescriptive                   | \$1,272,800                     | \$63,640  | \$95,460  | \$95,460    | \$56,594   | \$1,583,954 | \$1,076,130 | \$53,807  | \$80,710  | \$80,710    | \$47,154   | \$1,338,510 | \$1,195,665 | \$59,783  | \$89,675  | \$89,675    | \$52,892   | \$1,487,690 |
| C&I     | Small Business Direct Lighting | \$1,079,700                     | \$291,519 | \$205,143 | \$241,087   | \$68,198   | \$1,885,647 | \$778,800   | \$218,064 | \$155,760 | \$187,273   | \$49,096   | \$1,388,993 | \$867,300   | \$242,844 | \$173,460 | \$207,572   | \$55,147   | \$1,546,323 |
| C&I     | Custom                         | \$225,000                       | \$16,875  | \$16,875  | \$90,000    | \$13,950   | \$362,700   | \$150,000   | \$11,250  | \$11,250  | \$60,000    | \$9,300    | \$241,800   | \$165,000   | \$12,375  | \$12,375  | \$66,000    | \$10,230   | \$265,980   |
| C&I     | New Construction               | \$112,500                       | \$8,438   | \$8,438   | \$8,438     | \$5,513    | \$143,325   | \$82,500    | \$6,188   | \$6,188   | \$6,188     | \$4,043    | \$105,105   | \$97,500    | \$7,313   | \$7,313   | \$7,313     | \$4,778    | \$124,215   |
| C&I     | Self Direction                 | N/A                             | N/A       | N/A       | N/A         | N/A        | N/A         | N/A         | N/A       | N/A       | N/A         | N/A        | N/A         | N/A         | N/A       | N/A       | N/A         | N/A        | N/A         |
| Special | School Education Kits          | \$0                             | \$8,606   | \$0       | \$114,750   | \$5,738    | \$129,094   | 0\$         | \$5,738   | \$0       | \$76,500    | \$3,825    | \$86,063    | \$0         | \$5,738   | 0\$       | \$76,500    | \$3,825    | \$86,063    |
| Special | Low Income                     | 0\$                             | \$6,491   | \$6,491   | \$865,500   | \$19,560   | \$898,043   | 0\$         | \$4,433   | \$4,433   | \$591,000   | \$13,357   | \$613,222   | 0\$         | \$4,590   | \$4,590   | \$612,000   | \$13,831   | \$635,011   |
| Special | Pre-Pay Metering Pilot         | \$0                             | \$10,275  | \$13,700  | \$136,995   | \$5,480    | \$166,449   | 0\$         | \$8,495   | \$11,326  | \$113,261   | \$4,530    | \$137,612   | 0\$         | \$11,891  | \$11,891  | \$158,549   | \$6,342    | \$188,673   |
| Total   | Total Program                  | \$3,255,000 \$455,404 \$395,666 | \$455,404 |           | \$1,812,620 | \$221,013  | \$6,139,702 | \$2,485,780 | \$343,099 | \$304,792 | \$1,296,991 | \$166,331  | \$4,596,993 | \$2,763,715 | \$382,877 | \$337,647 | \$1,412,968 | \$184,457  | \$5,081,664 |
|         |                                |                                 |           |           |             |            |             |             |           |           |             |            |             |             |           |           |             |            |             |

# Black Hills Colorado Program Budgets - Stakeholder Input

|         |                                |             |           | . Yq                | PY1 - 2012  |            |             |             |           | PY2       | PY2 - 2013  |            |             |             |           | λd        | PY3 - 2014  |            |             |
|---------|--------------------------------|-------------|-----------|---------------------|-------------|------------|-------------|-------------|-----------|-----------|-------------|------------|-------------|-------------|-----------|-----------|-------------|------------|-------------|
| Sector  | Program Name                   | Incentives  | Admin     | Market              | Delivery    | Evaluation | Total       | Incentives  | Admin     | Market    | Delivery    | Evaluation | Total       | Incentives  | Admin     | Market    | Delivery    | Evaluation | Total       |
| Res     | High Efficiency Lighting       | \$235,000   | \$17,625  | \$17,625            | \$186,430   | \$18,267   | \$474,947   | \$165,000   | \$12,375  | \$12,375  | \$132,870   | \$12,905   | \$335,525   | \$180,000   | \$13,500  | \$13,500  | \$148,320   | \$14,213   | \$369,533   |
| Res     | High Efficiency Cooling        | \$341,890   | \$25,642  | \$25,642            | \$9,500     | \$16,107   | \$418,780   | \$247,642   | \$18,573  | \$18,573  | \$8,250     | \$11,722   | \$304,760   | \$275,968   | \$20,698  | \$20,698  | \$8,500     | \$13,035   | \$338,898   |
| Res     | Appliance Recycling            | \$26,900    | \$6,053   | \$6,053             | \$53,800    | \$3,712    | \$96,517    | \$19,000    | \$4,275   | \$4,275   | \$38,000    | \$2,622    | \$68,172    | \$20,500    | \$4,613   | \$4,613   | \$41,000    | \$2,829    | \$73,554    |
| Res     | High Efficiency Appliances     | \$43,500    | \$3,263   | \$3,263             | \$2,000     | \$11,081   | \$63,106    | \$29,475    | \$2,211   | \$2,211   | \$2,000     | \$10,436   | \$46,332    | \$32,100    | \$2,408   | \$2,408   | \$2,000     | \$10,557   | \$49,472    |
| Res     | Online Audit                   | 0\$         | \$3,150   | \$3,150             | \$42,000    | \$1,932    | \$50,232    | 0\$         | \$2,400   | \$2,400   | \$32,000    | \$1,472    | \$38,272    | 0\$         | \$2,400   | \$2,400   | \$32,000    | \$1,472    | \$38,272    |
| C&I     | Prescriptive                   | \$1,272,800 | \$63,640  | \$95,460            | \$97,335    | \$26,669   | \$1,585,904 | \$1,076,130 | \$53,807  | \$80,710  | \$82,335    | \$47,219   | \$1,340,200 | \$1,195,665 | \$59,783  | \$89,675  | \$91,425    | \$52,962   | \$1,489,510 |
| C&I     | Small Business Direct Lighting | \$1,079,700 | \$291,519 | \$205,143           | \$241,087   | \$68,198   | \$1,885,647 | \$778,800   | \$218,064 | \$155,760 | \$187,273   | \$49,096   | \$1,388,993 | \$867,300   | \$242,844 | \$173,460 | \$207,572   | \$55,147   | \$1,546,323 |
| C&I     | Custom                         | \$315,000   | \$23,625  | \$23,625            | \$126,000   | \$19,530   | \$507,780   | \$198,000   | \$14,850  | \$14,850  | \$79,200    | \$12,276   | \$319,176   | \$225,000   | \$16,875  | \$16,875  | \$90,000    | \$13,950   | \$362,700   |
| C&I     | New Construction               | \$112,500   | \$8,438   | \$8,438             | \$8,438     | \$5,513    | \$143,325   | \$82,500    | \$6,188   | \$6,188   | \$6,188     | \$4,043    | \$105,105   | \$97,500    | \$7,313   | \$7,313   | \$7,313     | \$4,778    | \$124,215   |
| C&I     | Self Direction                 | N/A         | N/A       | N/A                 | N/A         | N/A        | N/A         | N/A         | N/A       | N/A       | N/A         | N/A        | N/A         | N/A         | N/A       | N/A       | N/A         | N/A        | N/A         |
| Special | School Education Kits          | 0\$         | \$12,825  | 0\$                 | \$171,000   | \$8,550    | \$192,375   | 0\$         | \$8,550   | 0\$       | \$114,000   | \$5,700    | \$128,250   | 0\$         | \$8,550   | 0\$       | \$114,000   | \$5,700    | \$128,250   |
| Special | Low Income                     | \$0         | \$6,491   | \$6,491             | \$865,500   | \$19,560   | \$898,043   | \$0         | \$4,433   | \$4,433   | \$591,000   | \$13,357   | \$613,222   | \$0         | \$4,590   | \$4,590   | \$612,000   | \$13,831   | \$635,011   |
| Special | Pre-Pay Metering Pilot         | \$0         | \$10,275  | \$13,700            | \$136,995   | \$16,439   | \$177,409   | \$0         | \$8,495   | \$11,326  | \$113,261   | \$13,591   | \$146,673   | \$0         | \$11,891  | \$11,891  | \$158,549   | \$19,026   | \$201,357   |
| Total   | Total Program                  | \$3,427,290 | \$472,544 | \$472,544 \$408,588 | \$1,940,085 | \$245,559  | \$6,494,066 | \$2,596,547 | \$354,219 | \$313,100 | \$1,386,376 | \$184,438  | \$4,834,679 | \$2,894,033 | \$395,464 | \$347,421 | \$1,512,678 | \$207,498  | \$5,357,094 |

# Black Hills Colorado Program Budgets - Stakeholder Input Final

|         |                                |   |           | L         | 7 I - 2012  |            |             |             |           | P12       | PT2 - 2013  |            |             |             |           | FT        | 73 - 2014   |            |             |
|---------|--------------------------------|---|-----------|-----------|-------------|------------|-------------|-------------|-----------|-----------|-------------|------------|-------------|-------------|-----------|-----------|-------------|------------|-------------|
| Sector  | Program Name                   | Incentives                                  | Admin     | Market    | Delivery    | Evaluation | Total       | Incentives  | Admin     | Market    | Delivery    | Evaluation | Total       | Incentives  | Admin     | Market    | Delivery    | Evaluation | Total       |
| Res     | High Efficiency Lighting       | \$240,000                                   | \$18,000  | \$18,000  | \$173,040   | \$17,962   | \$467,002   | \$180,000   | \$13,500  | \$13,500  | \$120,510   | \$13,100   | \$340,610   | \$225,000   | \$16,875  | \$16,875  | \$139,050   | \$15,912   | \$413,712   |
| Res     | High Efficiency Cooling        | \$355,835                                   | \$26,688  | \$26,688  | \$13,600    | \$16,912   | \$439,723   | \$261,260   | \$19,595  | \$19,595  | \$13,250    | \$12,548   | \$326,247   | \$293,890   | \$22,042  | \$22,042  | \$14,200    | \$14,087   | \$366,260   |
| Res     | Appliance Recycling            | \$29,450                                    | \$6,626   | \$6,626   | \$58,900    | \$4,064    | \$105,667   | \$20,925    | \$4,708   | \$4,708   | \$41,850    | \$2,888    | \$75,079    | \$22,550    | \$5,074   | \$5,074   | \$45,100    | \$3,112    | \$80,909    |
| Res     | High Efficiency Appliances     | \$44,750                                    | \$3,356   | \$3,356   | \$2,238     | \$11,148   | \$64,848    | \$31,100    | \$2,333   | \$2,333   | \$2,238     | \$10,520   | \$48,523    | \$33,600    | \$2,520   | \$2,520   | \$2,238     | \$10,635   | \$51,513    |
| Res     | Online Audit                   | \$0   | \$3,150   | \$3,150   | \$42,000    | \$1,932    | \$50,232    | \$0         | \$2,400   | \$2,400   | \$32,000    | \$1,472    | \$38,272    | \$0         | \$2,400   | \$2,400   | \$32,000    | \$1,472    | \$38,272    |
| C&I     | Prescriptive                   | \$1,232,865                                 | \$61,643  | \$92,465  | \$94,215    | \$54,748   | \$1,535,936 | \$1,038,015 | \$51,901  | \$77,851  | \$79,226    | \$45,380   | \$1,292,373 | \$1,138,375 | \$56,919  | \$85,378  | \$86,878    | \$50,202   | \$1,417,752 |
| C&I     | Small Business Direct Lighting | \$1,079,700                                 | \$291,519 | \$205,143 | \$241,087   | \$68,198   | \$1,885,647 | \$778,800   | \$218,064 | \$155,760 | \$187,273   | \$49,096   | \$1,388,993 | \$867,300   | \$242,844 | \$173,460 | \$207,572   | \$55,147   | \$1,546,323 |
| C&I     | Custom                         | \$234,000                                   | \$17,550  | \$17,550  | \$93,600    | \$14,508   | \$377,208   | \$153,000   | \$11,475  | \$11,475  | \$61,200    | \$9,486    | \$246,636   | \$171,000   | \$12,825  | \$12,825  | \$68,400    | \$10,602   | \$275,652   |
| C&I     | New Construction               | \$112,500                                   | \$8,438   | \$8,438   | \$8,438     | \$5,513    | \$143,325   | \$82,500    | \$6,188   | \$6,188   | \$6,188     | \$4,043    | \$105,105   | \$97,500    | \$7,313   | \$7,313   | \$7,313     | \$4,778    | \$124,215   |
| C&I     | Self Direction                 | \$116,519                                   | \$8,739   | \$8,739   | \$34,956    | \$6,758    | \$175,710   | \$87,389    | \$6,554   | \$6,554   | \$25,441    | \$2,038    | \$130,975   | \$101,954   | \$7,647   | \$7,647   | \$35,266    | \$6,101    | \$158,613   |
| Special | School Education Kits          | \$0   | \$12,825  | \$0       | \$171,000   | \$8,550    | \$192,375   | \$0         | \$8,550   | \$0       | \$114,000   | \$5,700    | \$128,250   | \$0         | \$8,550   | \$0       | \$114,000   | \$5,700    | \$128,250   |
| Special | Low Income                     | 0\$   | \$6,491   | \$6,491   | \$865,500   | \$19,560   | \$898,043   | 0\$         | \$4,433   | \$4,433   | \$591,000   | \$13,357   | \$613,222   | 0\$         | \$4,590   | \$4,590   | \$612,000   | \$13,831   | \$635,011   |
| Special | Pre-Pay Metering Pilot         | \$0   | \$10,275  | \$13,700  | \$136,995   | \$16,439   | \$177,409   | 0\$         | \$8,495   | \$11,326  | \$113,261   | \$13,591   | \$146,673   | 0\$         | \$11,891  | \$11,891  | \$158,549   | \$19,026   | \$201,357   |
| Total   | Total Program                  | \$3,445,619 \$475,300 \$410,345 \$1,935,568 | \$475,300 | \$410,345 | \$1,935,568 | \$246,292  | \$6,513,123 | \$2,632,989 | \$358,194 | \$316,121 | \$1,387,436 | \$186,218  | \$4,880,957 | \$2,951,169 | \$401,488 | \$352,014 | \$1,522,565 | \$210,604  | \$5,437,840 |

|                                       |  | TOTA TOTAL |                          | 6707-711                     |                      | 207.51.4           |  | STATE OF THE PARTY | OP AUDITORY),  | IOI : II I   | 2702          |             |               | P18: 4014    |               | 6   | BLACK HIS COLORADO ENCUNC  |           | 2001-111       |               | 5,013          | Pr8 - 200         |
|---------------------------------------|--|------------|--------------------------|------------------------------|----------------------|--------------------|--|--|--|--------------|---------------|-------------|---------------|--------------|---------------|---|--|-----------|----------------|---------------|----------------|-------------------|
|                                       |  |            | Your NAME Startings Pro- | of do an to Savines hitch Sa | Taylors Participants | Sevines 1990 Sevin | Changes from Feed to Adjust 58                                       |  |  |              | KWM Savines   | Saring      | MAP Savines   |              |               |   | y tor Posters Note   |           | Savions        |               | KWM Savines    | Mid names Savines |
|                                       |  |            | 474 6.80,533             | 102,000 836 4,54             | 67,022 112,000       | 347 \$012,0        | 2  | L  |  |              | 8,137,868     | 100         | 5,796,435     |              |               |   | Se Michigal demoy Lighting   |           | 995            |               | 8,532,959      | 135,000 643       |
|                                       |  | -          | 6675,830                 | 908                          | L                    | _                  | Singresedpartic  | Hes  | 900  | 3.12 175,000 | 540 7,788,479 | 125,000 385 | \$563,199 140 | 000 432 6,25 | 30' 282' 302' | Decreased Yearly Participation Re         | 80,0   |           | 9962 075 00    | 6,643 110,000 | 351 5,064,430  | 125,000 399       |
|                                       | (6)  | 1.47 1,500 | 7 122,540                | 1,000                        | 81,693 1,000         | 5 81,              | pedpagnop  | Res  | 5030   | 1.47 3,000   | 14 265,079    | 2,000 9     | 163,886 2,    | χ 6 000      | 3,386 1006    | horeased Yearly Participation Pl.         | 50,0   | 334 4,00  | 21 375         | \$600 3500    | 19 338,650     | 5,000 27          |
|                                       | Fatures  | 1,500      |                          | *                            |                      |                    | ÷  | Hes  |  | 153 3000     | 9 304,810     | 2,000 6     | 2,            | 9            | 4             | Ī   |  | 1.74 4,00 | 100            | 1862 3,500    | 12 150,879     | 5,000             |
|                                       | 0.0000000000000000000000000000000000000  | 810        |                          | 98                           | 1                    | 1                  |  | 100  | S ORYGE HIGH ETTS ENLY COOKING   | K.80 805     | 896 906757    | 190 20      |               | 718          | 1             | Ī   | New devices in gh. E.  | 213       | 280 881        | 7,835 693     | 101 729,866    | 204 921           |
|                                       | CONTRACTOR SERVICES  | 0 7 7      | 20 30,030                | 07 07                        | 100000               | 31,                |  | GI I   | CONTRIBUTE SCHOOL STANDARS   | 00 107       | 20 34,034     | 20 70       | 10,000        | 00 Or        | 1000          |   | AS THE PERSON OF | 007       | 00 00          | 1000          | 20,120         | 100               |
|                                       | And the second s | 00 W       | 37,703                   | 0 W W                        | OLO BOTO             |                    | A déserto conecsos   | COL.   | AND SOURCE SOURCE AND STATE OF SOURCE | OH 157       | 10 10 10 10   | 00 00       | 2010          | 10 00        | 0.000 0.000   | Comment Vessels Bartle lossing            | MILL   | 00.V      | 20 00          | 3007          | 27 21 004      | 50 00             |
|                                       | Ale Sealon from 15th A ONE of orticol  | Parks.     | PACA.                    | NAM.                         | Parks.               | +                  | ۳  | COL.   | ALC FEMALE SOUTH LY OF THE   | 10.10        | 10 11 101     | 0 0         | 14 360        | 10 10        | A 1970 SON    | Monotonial Newfork Indication             | An Soul or Economic Annual Communication (National Communication)  | 10.47     | 20 10 20       | 5300          | 57 31,776      | 20 20             |
|                                       | A 1 To a  | NI NI      | NI NI                    | N N                          | N/W                  | ٠                  | Т  | - Del  | Wall bord at coffice & Ore 2   | 1111         | 00 213        | 13 9        | 41.030        | 900          | 2554 6006     | Accounted Worth Buttle Southern Ste       | Wallerdalon Board of Section 2011  | 11.04     | 200 100        | 0100          | 000 000 000    | 200 300           |
|                                       | Heat Purit Water Heater  | 100        | 8 41,219                 | 15 3                         | 26,882               | 887                | D D  | Nes  | Heat Punp Water Heater   | 1.08 23      | 5 41,219      | 15 3        | 28892         | 0 0          | 5,842 1006    | 98  | Yes Heat Pump Water Heator   | 121       | 23 6 47        | 51 8282       | 90,899         | 20 5              |
|                                       | Central AC SER 2 S, EER 2 12.5   | 1.78       |                          | 81 99                        | 41,213               |                    | 3  | Res  | Central ACSERR 15, ER 2 12.5   | 1.76         | 25 58,491     | 65 18       | 42,243        | 20 20        |               | Increased Of Participation Re             | Ves Central A C SER 2 15, RP 2 12.5  | 1.75      | 92 96          | 9943          | 19 43,214      | 70 20             |
|                                       | Central AC 900 2 16  | 2.03 90    | 82 65,948                | 65 23                        | 07,196 70            | 25 50,             |  | Hes  | 01 2 888 2 V CONTRA AC 988 2 16  | 193 90       | 33 66,981     | 65 24       | 48,375        | 30 DE        |               | Increased Or Participation Re             | Ves Control ACSER 2.16   | 5 261     | 90 34 66       | 8187 65       | 24 49,487      | 70 26             |
|                                       | Evaporative Cooler 32,500 GFM  |            | L                        | 267                          |                      | L                  | 89   | Hes  | Evaporable Cooler >2,500 ORA   | 4.72         | 992 97,874    | 300 294     | 278,906       | 825 819 34   | L             | ž.  | Ves Evaporative Cooker>2,500 GFM   | 295 40    | 222 223        | 3270 300      | 176 166,702    | 825 190           |
|                                       | Euporative Cooler Mad a Saturation 165%  | 6.48 105   | 195 185,062              | 70 130 1                     | 123,388 80           | 141,               | 313  | Res  | Eupporative Cooler Med a Sauration >85%  | 4.50 105     | 195 185,082   | 70 130      | 123,388       | 1 691 08     | V1,015 S996   | 4   | les Evaporati ve Cooler Media Saturati on >85%   | 316 10    | 05 132 125     | \$515         | 88 83,677      | 80 101            |
|                                       | Euporative Cooler - Whole House Cooler   | 2.07       | 28 7,017                 | 8 19                         | 4,678                | 21 5,              | 69   | Res  | Evaporative Cooler - Who le House Cooler   | 2.07         | 28 7,017      | 8 19        | 8/678         | 9 21         | -             | 4   | les Evaporative Cooler - Whole House Cooler  | 2.87      | 12 32 8        | 3,066 8       | 21 5,377       | 9 24              |
|                                       | tid & Small Business Applicance Recycling  |            |                          | 69                           |                      | _                  | 99   | Res Pt.  | vi dential & Small Business Applicance Recycling   | 2.98 538     | 93 474,644    | 380 69      | . 0           | 75           |               | 4   | hes Residential & Small Busin as Applicance Recycling  | 1.95      | 89 78 389      | 3,927 419     | 60 268,116     | 461 65            |
|                                       | Refrigorator Recycle   | 2.54 80    | 53 348,493               | 7 22                         | žį.                  | 96 238,            | 99   | Res  | Refrigerator Recycle   | 254 850      | 53 348,493    | 225 34      | 224,031       | 200 36 2.    | 4             | increased Participation 10% per year. Pt. | tes Netrigerator Necycle   | 191 8     | 85 41 276      | 8,780 248     | 26 10,787      | 264 28            |
|                                       | Freezers Recycle   | 1.81 5     | 8 87,646                 | 2                            | 64,274               | 2 70               | 17   | Res  | Freezers Regide  | 131 75       | 3 87,646      | 2 2         | 64,274        | 00 2         | 200           |   |  | 8 660     | 88 2 88        | 5010 61       | 2 62,477       | 66 2              |
|                                       | Air Conditionary Recycle   | 113        |                          | 33                           |                      |                    | 88   | Res  |  | 550 113      | 87 88,505     | 100 88      | 9             | 8            | 2000          |   |  | 4.14      | 21 25          | 6187 110      | 32,851         | 121 85            |
|                                       |  | 1,575      |                          | 85                           |                      |                    | #1 Added ES Releasions and Heat Purip Water Heaters                  | Res Pt.  |  | 8.10 1,765   | 140 184,276   | 1,220 107,  |               | 111          | 4             | é   |  | 8.15 1,79 | 95 152 204     | 1,256         | 117 149,550    | 1,848 122         |
|                                       | ENERGY STAR Refrigorator   |            | 31,795                   | 200 2                        | 21,197 210           | 2 22,              | 25   | Res  | ENBROYSTAR Nehigerator   | 211 300      | 3 31,795      | 200 2       | 21,197        | 2.00         | -             | ď   | 965 EMERGY STARRESTOR  | 235 80    | 8 8            | \$623 200     | 22,415         | 210 2             |
|                                       | BNENSY STAR Freez er   |            | 1 7530                   | 100                          | 5,020 110            | 1 5,               | 22   | Res  | ENERGY STAR Freezer  | 0.85 150     | 1 7,530       | 100 1       | 5,020         | 1.00         | 5,522 92%     | 4   | bes ENBROYSTAR Freezer   | 0.91      | 50 1 7         | 7,963 100     | 1, 5,309       | 110 1             |
|                                       | Heat Purip Water Haiter  | N/A        | N/W                      | 10,00                        | N/W                  | _                  |  | Res  | Heat Punp Water Heater   | 1.03         | 5 35,842      | 15 3,       | 26,882        | 28 4         | -             | 4   | les Heat Pump Water Heator   | 1.18      | 20 5 41        | 1198 15       | 4 30,899       | 18 5              |
|                                       | BVERSY STAR Television   | N/W        | N/A                      | N/A                          | N/W                  |                    | 1  | Res  | ENERGY STAR Television   | 1.48 150     | 9 16,596      | 85 5,       | 9,404         | 9 06         |               | Increased Yearly Participation Ri.        | les ENBISY STAFTelevision  | 1.57      | 00 13 29       | 3398 150      | 10 17,549      | 150 10            |
|                                       |  | 928        |                          | 76                           |                      | L                  | 75   | Res  | Snart Power Brips  | S28 669      | 116 76,699    | 26 059      | 00/90         | 96 99        | _             | ži.                                       | Ves Swart Power Strips   | 189       | 18 EU ST       | 1107 650      | 97 63,903      | 101 519           |
|                                       | ERSYSTAR Standard Dishwesher 6:307 kWh & S. OQpC)  | 1.81       | 3 7530                   | 85 2                         | 4,267                | 2 4,               | 81   | Res  | ENERGY STAR SUnderd Diamacher (6307 W/h & 5.06 p.C)  | 187          | 3 7,530       | 85 2        | 4,267         | 2 06         | 4,518 92%     | ži.                                       | TAR Sunderd Didmisdres   | 51 661    | 8 05           | 58 8967       | 2 4,513        | 2 06              |
|                                       |  |            | 3 8,784                  | 85 2                         | 9699                 | 2 4,               | 0.2  | Res  | ENBROYSTAR Compact Chamadaer (s222 Wkh & 3.56 p.C)   | 150          | 3 8,284       | 85 2        | 26972         | 2 06         |               | ži.                                       | Ves ERENGY STAR Conquect Dis Investiger (SZ22 MAI) & 3.55G/C)  | 51 207    | 8 8            | 38 094.8      | 2 4,964        | 2 06              |
|                                       |  | 1,500      |                          | 0                            |                      |                    |  | Res O.   | -sine Audit  | N/A 1,900    | 0             | 1,250 0     | 0             | 0            | _             | 4   | Nes Online Audit   | 1         | 0              |               | 0 0            | _                 |
|                                       |  | 2,175      |                          | 2,606                        |                      | _                  | 48   | OS PRO   | verearcial Prescriptive Rebate Program   | 2,075        | _             | _           | 9,450,130     | 2,871        |               | d   | "3d Commercial Prescriptive Rebate Program   |           | 2,724          |               | _              | _                 |
|                                       | Exporative Cooler 30, 500 CFM  | 3.13 250   | 245 232,421              | 172 172 1                    | 162,695 190          | 186 176,           | 09-  | OS.  | Evaporable Cooler >2,500 ORA   | 3.13 250     | 245 282, 421  | 175 172     | 162,695       | 150 186 1.   |               | Reduced Participation in PY3 Cu.          | "84 Evaporative Co.oler >2,500 GFM   | 2.88 25   | 50 225 213     | 3,721 175     | 158 140,605    | 180 162           |
|                                       | Eviporative Cooler Middle Saturation 185%  |            |                          | 80 169 x                     | 141,015              |                    | 42   | ž  | Eviporative Cooler Med a Situration >85%   | 2.98 100     | 186 TN, 268   | 80 169      | 141,015       | 90 167 1.    | -             | Reduced Participation in PYS C.           | 781 Evaporative Cooler Media Saturation 285%   | 2.74      | 00 171 163     | 3 (89)        | 137 12,669     | 85 145            |
|                                       |  |            |                          | 15 70 2,4                    | 273, 557             | 84 2,728,          | 96   | ž  | Energy Management System   | 127 25       | 117 3,789,562 | 15 70       | 2,273,737     | 27.7         | 4             | ď   | 784 Energy Management, Systom  | 127       | 25 117 3788    | 9562 15       | 70 2,273,737   | 18 84             |
|                                       | _  | y.         | 89 82,417                | 80 69                        | 64,102 375           | 74 68,             | 18   | 250  | PTMC   | 4.05 450     | 89 82,417     | 350 69      | 64,102        | 375 74 1     | -             | Reduced Participation in all years C.     | 786  | 8.72      | 67 67 63       | 1807 250      | 45 42,103      | 250 45            |
|                                       | CAC 155ER  | 2.06       | 21 63,451                | 65 18                        | 54,991 70            | 19 59,             | 21. Added GM to installation cods and sawings for 3i of participants | CS1  | CAC IS SER   | 2.04         | 21 65,037     | 65 18       | 56,956        | 20 20        | 40,702 80%    | Increased CF Participation C.             | 784 CAC15 SERR   | 1.84      | 70 18 56       | 5545 55       | 14 43,857      | 60 16             |
|                                       | Ar Source Heat Pump  | 2.52 5     | 59 56,757                | 66 51                        | 49,150 70            | 55 52,             | 73   | OS.  | Air Source Hast Pump   | 252 75       | 56,757        | 66 51       | 49,190        | 20 55        | 12,973 80%    | Reduced Participation in all years Cu.    | 281 Air Source Heat Purre  | 232       | 60 43 41       | 1753 45       | 32, 31, 314    | 50 36             |
|                                       | Ground Source Heat Pump  | 2.35 40    | 46 44,906                | 35 40                        | 38,768 40            | 46 44,             | 90   | OS.  | Ground Source Heat Pump  | 2.35 40      | 46, 44, 306   | 35 40       | 38,768        | 40 46        |               | Reduced Participation in all years Cu.    | "3d Ground Source Heat Purre   | 2.16      | 30 32 30       | 0556 25       | 27, 25,463     | 30 32             |
|                                       | Heat Purip Water Holder  | 1.76 25    | 6 44,903                 | 20 8                         | 35,942 25            | 6 44,              | 0.0  | OS.  | Heat Punp Water Heater   | 1.76 25      | 6 44,803      | 20 5        | 35,842        | 2 6          | _             | Reduced Participation in PY2 & PY3 C.     | 3d Heat Pump Water Heator  | 2.00      | 25 7 51        | 1498 15       | 4 30,899       | 18 5              |
|                                       | Magors   | 2.62 30    | 10 50,768                | 38 11                        | 62266                | 13 67,             | 16   | 780  | Motors   | 297          | 10 50,768     | 35 11       | 62266         | 40 13        | 7991 68W      | Reduced Participation in all years Oz.    | No.0008  | 2 661     | 9 97           | 1608 20       | 5 25,287       | 25 6              |
|                                       | Alt Cool of Chiller  | 6.12 40    | 321 644,198              |                              | 905,247 55           |                    | u u  | 180  | Ar Cooled Chill et   | 4.12 40      | 321 684,198   | 109 05      | 805,247       | 95 441 85    | 801.0         | 0   | 381 Air Cooked Chiller   | 3.80      | 40 265 590     | 2366 50       | 369 780,457    | 55 406            |
|                                       | Water Cooled Chill or  | 3.03 40    | 542 1,087,368            | 50 677 1,5                   | 107650               | _                  | n  | 780  | Water Cooled Chiller   | 3.03         | 542 1,087,961 | 449 05      | 1,359,201     | 95 745 1,85  | 908 171 908   | ď   | 28 Water Cooled Chiller  | 2 087     | 966 99 07      | 83.5          | 1,249,840      | 99 99             |
|                                       | U#6/6(TLZ to TB  |            |                          |                              |                      |                    | 92   | 780  | Ug/M/rg (712 to T8)  | 263 275      | 313 1,009,360 | 175 199     | 642,320       | 190 216 65   | 77,376 84%    | Reduced Participation in PY1 & PY3 Co.    | 781<br>Lighting (T12 to T8)  | 52 552    | S8 SZ 05       | 521 6965      | 192 60,171     | 185 203           |
|                                       | U8/N/N (400 MH to 300 PSAM)  | 052 230    | 352 1,393,198            | 175 176 5                    | 305,235              | 191 982            | a.   | 180  | HA250 DS 01 HW 000 Ng VI V   | 680 250      | 252 1,293,193 | 175         | 905235        | 161 061      | 358 TSST      | Reduced Participation in PY3 Co.          | 184 URS 01 WHO 020 BROWN   | 52 459    | 8071 898 05    | 871 0098      | 170 876,020    | 185 180           |
|                                       | Ughting (40) MHto HF T940)   | 9.16       | 555 2,958,038            | 175 888 226                  | 2700620              |                    | 10   | 180  | Ugliding BOOMH to HE TSHO!   | 914 250      | 555 2,958.028 | 175 388     | 2070520       | 190 422 2,2% | 978 101 849   | Reduced Participation in PY3 Co.          | CHSL4H40000000000000000000000000000000000  | 57 988    | 987 98 05      | 2009          | 875 1,999,219  | 185 396           |
|                                       | Printing (1)   | 4.25       | 68788                    | 2 08                         | 30,791               | 8                  | 05   | 780  | PART OFF   | 4.25         | 88,489        | 7 80        | 30,791        | 8 06         | L             | Reduced Participation in all years Co.    | Profit CO  | 6.10      | 7 89           | 3446          | 27,871         | 88 7              |
|                                       | Lighting De Lamping  | 8.57       | 89/61 5                  | 2 08                         | 18931                | 4 175              |  | 780  | Lighting De Langing  | 356          | 5 19,988      | 80          | 18991         | 9 06         | 7,569 84%     | Reduced Participation in all years Co.    | 38 Ultring De Langing  | 3.64      | 2 06           | 52 999        | 3 14,474       | 88                |
|                                       | Variable Formune v Drives  | 8.00       | 241 1056.88              | 7 1/68 7                     | 190,782              | 192 845.0          | 8  | 180  | Variable frequency Orbins  | 202          | 141 1.056831  | 168         | 739,762       | 40 192 84    | 5005          |   | Participal Section Colored   | 2,00      | 90, 09 05      | 285.0         | 136 59,711     | 40 166            |
|                                       |  | 509        | L                        | 1.80                         | L                    | ۰                  |  | 750  | Will & Med Business Liebtine Direct In stall   | 2.95 635 15  | 90519179 095  | 1.182       | 2,000,000     | 1,816 8.85   | 2153          | 10  | 'Ne Swall & Mad Basiness Lideline Dieset Wetall  | 266       | 25 1,007 6,105 | 9001          | 1228 \$108.107 | 500 1.161         |
| 1   1   1   1   1   1   1   1   1   1 | Pt. Social Districtory   | 100        | L                        | ۰                            | 202.293              | ٠                  |  | 183  | months of the South Street   | 034          | 910 3 054 939 | 003 030     | 1 467 747     | 121 222      | 30.00 SAS V   |   | 92 SEPTEMBER STORY   | 22.5      | 211            | 030 5         | 1 510 153      | 555               |
| 1                                     | 1  | 24         | 010 010 010              | 300 000                      | 366 261.667          | ļ                  |  | 780  | Series Manufacture Series  | 304          | 230 3-106,669 | 100         | 1000100       | 000 300      | 3000          |   | 91 919 919 919   | 100       | 20,000         | 0010          | 1 504 064      | 316 300           |
|                                       | L  | 91         | 566 2.001.703            | 20 896 1.39                  | 98.539               | L                  | 2 Added Design increases and increased participation                 | 700  |  | 4.20         | 35.660.635    | 22 86       | 1,518,92      | 25 470 1.76  | 1917          | CA CONTRACTOR OF 1018                     | Na Caroum  | 159       | 1001 919 92    | D D D         | 1.264617       | 19 375            |
| 1   1   1   1   1   1   1   1   1   1 |  | 1 40       | 338.666                  | 11 18                        | 21 200 43            | 1                  | 47.  | 100  | Wijaranayangr,   | 1 10         | 216.666       | 11 88       | 187.300       | 91 00        | 1             | 10  | as continue continue   | 100       | 229            | II man        | 168106         | 18 42             |
|                                       |  | WW.        | N/A                      | N/A                          | NA NA                | 1                  |  | 100  | 2 Soft Greation  | MA N/A N     | V/A V.        | NA NA       |               | N/A          | 200           | Added as new constant CA                  | A CA Self Direction  | 953       | 8 222 828      | 9 9 9         | 295219 291     | 7 194             |
|                                       | l  | 2350       | \$10.909                 | 9                            | 1200                 | ٠                  | Danied Often to 1905   | Snedal   | York Bas of Energy Education Program   | 1.86 2.250   | 7 668.915     | 1,500       | 111           | 3            | 1             | Ī   | well Shod flued feet fide at on Program  | 156 2.29  | 8 05           | 1.500         | 916703         | 1,500             |
|                                       |  |            | 617 98.194               | 431                          | L                    | ٠                  | 000000000000000000000000000000000000000                              | or leaves  | witness Assistance Program   | 2.6          | 517 955,194   | 5800 @1     | 100           | 416          | +             | 15  | vectal from th come do detame Program  | 25.8      | 2291 3181 00   | 02.2          | 11156416       | 016 038'S         |
|                                       | OTHER SEGMENT PROPERTY AND ADDRESS OF THE PARTY AND ADDRESS OF THE PART | 2 00 2 000 | 920 920 920              | 2000                         | 700 C 0000           | 1                  | 8.7  | Special II.  | MINISTER ASSESSED TRUBERT  | 2000         | 10 000 000    | 2000        | 222526        | 000 000      | 4             | - 3                                       | Section to the management of the section of the sec | 220 00.0  | 101 101 101    | 2000          | 10 100 700     | 5000 10           |
|                                       | 11 - Budi secretor cool to concett   | 0.10       | 10303 9                  | 3,000                        | AD AGA A A A A       | 430 450            | 070  | Spill man  | Bodisson to conference   | 000 000      | 200.00        | A100 A2     | 40,000        | 2 7 700      | +             | 100                                       | Well with the second se | 27 010    | 4 4            | 2002          | 200 000 000    | 2000              |
|                                       | +  | 009        | 118235 000               | 009                          | 12.00                |                    | 91   | Appendix .   | 14 Sympostyles codes (regalations)   | 009 et a     | 118 2/8       | 200 010     | 181171        | 417          | +             | 18  |  |           | 1 280 1 210    | 2000          | 000 000        | 800 809           |
|                                       | the first field the sense  | 688        | L                        | 900                          | L                    |                    | W consessed earth refers I arthur                                    | П  | Bookston   | 0.00         | 74 619.410    | 999         | 416.00        | 97           | 4             | - 3                                       | Doc that the filter that thousand  | 10.00     | 20 20          | 333           | 100007         | 93 20             |
|                                       | and a supplied and a  | 655        | 030' m39                 | ía                           | 999                  |                    | TO PROPERTY EVENDED OF DOUBLE  |  | e-ray out right and morphism   | 0.44         | 000000        | 200         | 0.00          | 9            |               | _   | Section the new orange months of the section and the section a | 2         | 60             | 900           | 9              | 200               |

Summary of BHE Original DSM Plan vs. Settlement Agreement

# **Colorado PUC E-Filings System**

Black Hills Colorado Electric Program Design Comparison: Filed Plan

# vs. Final Settlement Changes

|                 |          | kW         |          |               | kWh                   |          |                              | Budget      |               |
|-----------------|----------|------------|----------|---------------|-----------------------|----------|------------------------------|-------------|---------------|
|                 | Original | Final      | % Change | Original Plan | Final                 | % Change | Original Plan                | Final       | % Change      |
|                 | Plan     | Settlement |          |               | Settlement            |          |                              | Settlement  | - C. C. C. C. |
| PY1 - 2012/2013 | 7,346    | 8,202      | 11.7%    | 28,986,114    | 28,986,114 30,935,509 | 6.7%     | 6.7% \$6,139,702 \$6,513,123 | \$6,513,123 | 6.1%          |
| PY2 - 2014      | 5,661    | 6,341      | 12.0%    |               | 20,649,673 22,285,611 | 7.9%     | \$4,596,993 \$4,880,957      | \$4,880,957 | 6.2%          |
| PY3 - 2015      | 6,218    | 7,017      | 12.8%    | 22,870,328    | 22,870,328 24,992,465 | 9.3%     | 9.3% \$5,081,664 \$5,437,840 | \$5,437,840 | 7.0%          |
|                 |          |            |          |               |                       |          |                              |             |               |

## **Black Hills Energy Pre-Pay Metering Pilot Program**

## **Program Objectives**

- Measure participant consumption and evaluate potential energy savings
- Increased customer satisfaction through voluntary participation in a new customer billing/payment option
- Provides participants the ability to monitor account frequently via customer alerts and web portal
- Determine ability to increase cash flow, reduce outstanding receivables and limit future bad debt

## **Program Overview**

Black Hills Energy ("BHE") proposes a Pre-Pay metering pilot program where participants pay for their energy in advance by phone, mail, on-line, or in person at a BHE office or authorized payment location. Participants will be able to track their daily energy usage through a web portal instead of receiving a monthly bill. Participants can opt for notification by phone, email, or text message when their account balance reaches a customer-selected dollar amount. Participants will be able to access and manage energy usage through a personal computer interface or over the phone. BHE expects that the observance of the relationship between energy consumption and the depletion of the credit balance will provide signals to consumers that will impact and influence energy consumption behaviors.

## **Target Market**

The program will be marketed to all program eligible residential customers. Black Hills will make best efforts to promote the program to a representative group of the residential customer base. Marketing and promotion activities may include bill inserts, print and electronic advertisements, television and radio advertisements, media and community events, direct mail and other tactics.

## **Program Details**

## **Eligibility**

Eligibility is capped at 2,000 customers in any given year. Enrollment will be phased in per the BHE-Efficiency Plan 2012-2015, based on the following three year phase-in schedule:

- Program Year 2012/13: Eligible participants are limited to 833 customers enrolled in a first come first served basis.
- Program Year 2014: Eligible participants are limited up to 555 customers enrolled in a first come first served basis.
- Program Year 2015: Eligible participants are limited up to 555 customers enrolled in a first come first served basis.

Over the lifetime of the pilot program, cumulative participation is not to exceed 2,000 participants in any given year.

## **Program Budget**

No incentives will be given for participation in the program.

| Program | Incentiv | Admin    | Market   | Delivery  | Evaluatio | Total     |
|---------|----------|----------|----------|-----------|-----------|-----------|
| Year    | es       |          |          |           | n         |           |
| 2012/13 | \$0      | \$10,275 | \$13,700 | \$136,995 | \$16,439  | \$177,409 |
| 2014    | \$0      | \$ 8,495 | \$11,326 | \$113,261 | \$13,591  | \$146,673 |
| 2015    | \$0      | \$11,891 | \$11,891 | \$158,549 | \$19,026  | \$201,357 |

## **Enrollment procedures**

Potential participants will complete an application and return to BHE (on-line or paper application). The Company will verify that the applicant is an active customer. From there, BHE will process the application within 3 days of receipt of the properly completed application. This entails replacing customers current AMI meter with the program-required remote disconnect AMI meter. Customer will be informed of the start date of Pre-Pay meter billing.

Pre-pay customers are required to sign up for Black Hills Energy eBill program. Electronic Billing or eBill allows a customer to receive and pay their bill online. Upon activation, customer will no longer receive a paper bill. Instead, customer will receive a monthly e-mail reminder when bill is available online. Features of the eBill service include:

- Electronic paperless billing: By creating a user id and password at BlackHillsEnergy.com, customers enroll in the eBill program and select their bill delivery method.
- Free online payments: Customers can use their checking or savings account to pay their bill with NO CONVENIENCE FEES when they enroll in the eBill program.
- Secure and convenient: Electronic billing gives customers secure, convenient delivery and saves time and money.

A welcome packet with all applicable program rules and details plus available utility energy efficiency tips/offerings will provided to all participants.

Existing customers may convert to Pre-Pay Metering. If an existing customer has a utility deposit held on the account, the deposit will first be applied toward any outstanding balance and any remaining balance will be applied to the purchase of future energy use. Debt recovery percentage, if applicable, will be noted on the pilot program agreement.

Once a customer has been accepted into the pilot program, the customer will be responsible for deciding how and when they want to be notified when their account balance is running low. BHE will provide a customer alert to all participants when their account balance falls to ten dollars (\$10.00) by the same alert method (text, phone message, email) chosen for customer designated alerts. All participating customers will have free access to a web portal to monitor usage and account balance information.

## **Billing**

The Regular residential standard rate will apply and will be prorated to a daily basis as required. Customers under the Medical Extension Service Program or those billed on the non-standard residential service tariff (i.e. net metering, low income) are not eligible for participation in the Pre-Pay pilot program.

Pre-Pay billing option will begin during participants' October 2012 bill cycle to coincide with the roll out of the Black Hills Meter Data Management System ("MDMS").

## **Contract Period**

The initial contract period for service under this pilot shall be for thirty (30) days. A participant may request termination of service under this pilot program at any time following the expiration of the initial Contract Period with any outstanding payment balance being refunded after all deferred arrearages are satisfied.

## **Payments**

Each participant will be required to initially fund their Pre-Pay account with at least fifty dollars (\$50.00). Subsequent payments can be made in smaller, more frequent amounts at the customer's choice. The minimum Pre-Pay payment amount accepted is five dollars (5.00). All payment methods available to customers except the company initiated automated bank transfer ("ABT") are available to Pre-Pay participants. Upon verified payment receipt by company, the Pre-Pay account balance will be recharged and the updated balance reflected on web portal and service restored.

## **Shutoff/Disconnect Timing**

At such time as the value of the electric service used equals or exceeds the prepaid purchases, the Pre-Pay account will not have a credit balance, exigent circumstances will exist, and the condition of nonpayment for regulated service will exist. At that time, the participant's electric service will be scheduled to be disconnected remotely by the AMI metering system unless additional funds are deposited in the account. Pre-Pay participants will not receive written notice of disconnection by mail or hand-delivery, but will be notified of pending disconnection by the method of notice chosen by customer. Disconnections will occur between the hours of 9:00AM through 5:00pm, normal business days. Disconnections shall not take place on weekend days or holidays. Daily charges associated with the customer charge will continue to accrue during the period of service disconnection and will immediately deducted from the next payment.

## Reconnections

If a participating customer has been disconnected, they must bring their account credit balance to ten dollars (\$10.00) before service will be restored. Automatic reconnections will occur within two hours of payment receipt, typically in as little as fifteen minutes after verified payment receipt.

## Arrearages

Arrearage repayment option is available when converting to Pre-Pay pilot program. A graduated split of all future payments made by participant will be made until the full arrearage repayment has been satisfied. The arrearage repayment option shall be structured to reduce the pre-existing arrearages to \$0 over twelve months from enrollment into Pre-Pay pilot program. Approved pre-

existing arrears shall not serve as the basis for disconnection of service for non-payment so long as the account balance for current usage does not reach a zero balance.

| <u>Arrearage level</u> | Percentage of each payment applied to Arrearage         |
|------------------------|---|
| <u>Balance</u>         |   |
| \$0 - \$300            | 25% of all future payments applied to arrearage balance |
| \$301-\$600            | 40% of all future payments applied to arrearage balance |
| \$601- above           | 50% of all future payments applied to arrearage balance |

## **Evaluation Plan**

BHE will survey program participants annually to aid in evaluating the programs' effectiveness and satisfaction levels. Aspects of the program that will be surveyed will include:

- 1. Customer satisfaction Were participants satisfied with the Pre-Pay pilot? Would they recommend the program to friends and family?
- 2. Energy savings Do participants feel their usage monitoring has led to reduced usage and dollar savings? Do they feel they are more conscientious and conservative about energy usage? What actions have they taken to conserve energy since they have been participating in the pilot?
- 3. Communications effectiveness How do they monitor their usage and account balance? Usefulness of each different alert method (phone, text, email)

  Does the Pre-Pay internet site provide clear and adequate information? Do they take action as a result of an alert? Do they use each type of alert (Daily Balance, Low Balance, Pending Disconnect, Reconnect confirmation, Account Recharged)?
- 4. Bad Debt reductions Did Company notice a reduction in bad debt, reduced O&M expenses related to Pre-Pay pilot?

In addition, BHE's third party Evaluation, Measurement and Verification ("EM&V") consultant will quantify the level of energy savings resulting from participation in the pilot program. This will be done through a consumption analysis of pilot participants and a comparison group of nonparticipants. The consumption analysis will compare pre-pilot consumption (12 months of historical data) and post-pilot consumption (12 months of consumption) for participants and nonparticipants to quantify any net energy savings resulting from the pilot. Results of the evaluation of the energy savings as well as the other key areas above will determine how successful the pilot program has been.

## **Program Integration**

Weatherization/Energy Efficiency/DSM: Once enrolled in the Pre-Pay pilot, participants will be provided a welcome packet with all information on the Pre-Pay pilot program, payment locations/options as well as other important energy efficiency options. This will enable the participant to have a better understanding and greater control of their energy use and the associated cost of their consumption patterns. By participation in the Pre-Pay pilot, customers are still eligible to participate in any other Black Hills Energy electric DSM programs and measures.

 BLACK HILLS/COLORADO ELECTRIC UTILITY COMPANY, LP
 Colo. PUC No. 8

 d/b/a BLACK HILLS ENERGY
 First Revised
 Sheet No. 53a

 105 South Victoria
 Cancels
 Original
 Sheet No.

## RESIDENTIAL PRE-PAY PILOT PROGRAM ELECTRIC

## RATE DESIGNATION - RS-PP

Pueblo, Colorado 81003

Classification: Residential customers. Customers who are accepted into the Pre-pay Pilot Program

will be participants in a unique Demand Side Management pilot program. Unlike other residential customers, this select group of customers will be able to pay for their electricity in advance of usage, to track their daily energy usage through a web portal instead of receiving a monthly bill, to opt for notification by phone, email, or text message when their account balance reaches a customer-selected dollar

amount, and to access and manage their energy usage through a personal computer

interface or over the telephone.

Availability: Service hereunder is available to a maximum of two thousand (2000)

residential customers in any given year, when the Company has installed all required Advanced Metering Infrastructure (AMI) equipment necessary to bill for this type of

service.

This pilot program is available until December 31, 2015.

Character of Service: Alternating current, 60 Hertz, single-phase, 120/240 V or 208Y/120 V\*.

Available only at option of Company.

Monthly Rate: All electric energy delivered by the Company to the Customer shall be received

and paid for by the Customer under the applicable residential service schedule as such rates, terms and conditions are on file and in effect from time to time with the Commission. Non-metered charges are pro-rated and charged on a daily basis.

Program Description: The Company will provide residential customers a pay-as-you- go billing option,

access to telephone and web based feedback on their daily balance and energy usage, multiple account notification types of alerts as selected by the participant and energy conservation information to provide a greater awareness of their usage pattern to more easily remain under the customer's budget. A more detailed explanation of the Pilot Program, which was approved by the Commission In Docket No. 12A-100E, can be found in that docket in the document entitled "Black Hills"

Energy Pre-Pay Metering Pilot Program."

Payments: Each participant will be required to fund their Pre-Pay account initially with at least

fifty dollars (\$50.00). The minimum Pre-Pay payment amount thereafter is five dollars (\$5.00). Subsequent payments can be made in smaller, more frequent amounts at the customer's choice, as often as needed to maintain a credit balance on the account. The customer is solely in control of and responsible for maintaining a credit balance on the account, managing the account and updating notification

alert settings.

| Advice Letter No.                                | Decision or Authority No.   |  |
|--|-----------------------------|--|
| Signature of Issuing Officer /s/ Ann Hendrickson | Issue Date January 31,2012  |  |
| Title Manager-<br>Regulatory Affairs             | Effective Date July 1, 2012 |  |

## **Exhibit D**

BLACK HILLS/COLORADO ELECTRIC UTILITY COMPANY, LP

Colo. PUC No. Sheet No. 53b d/b/a BLACK HILLS ENERGY First Revised 105 South Victoria Cancels Sheet No. Original Pueblo, Colorado 81003

## RESIDENTIAL PRE-PAY PILOT PROGRAM **ELECTRIC**

Terms and Conditions of Delivery:

- The Customer will be required to complete an enrollment agreement following 1. program explanation with a company program representative.
- 2. Eligible customers shall be provided the rules and requirements of Pre-Pay pilot program billing and must confirm their full understanding of this information prior to enrolling for participation in the pilot program.
- 3. Pre-pay customers are required to sign up for Black Hills Energy Electronic Billing ("eBill") program.
- 4. If an existing customer has a utility deposit held on the account, the deposit will first be applied toward any outstanding balance and any remaining balance will be applied to the purchase of future energy use.
- 5. Upon enrollment, Pre-Pay participants will choose a dollar threshold which will trigger alerts that the account balance must be replenished, as well as the method, type and frequency of alerts/communications when the selected dollar threshold is reached.
- Company will provide a customer alert to all Pre-Pay participants when their 6. account balance falls to ten dollars (\$10.00) by the same alert method (text. phone message, email) chosen for customer designated alerts.
- 7. The initial contract period for service under this pilot shall be for thirty (30) days. A participant may request termination of service under this pilot program, or to leave the pilot program and return to standard monthly billing, at any time following the expiration of the initial Contract Period with any outstanding payment balance being refunded after all deferred arrearages are
- 8. Pre-Pay accounts are not eligible for budget billing.
- Electric Service may be subject to immediate disconnection if at any time the 9. account does not have a credit balance. Reconnection is initiated once a credit balance is re-established.
- Pre-Pay participants will not receive written notice of disconnection by mail or 10. hand-delivery, but will be notified of pending disconnection by the method of notice chosen by customer.
- Customers under the Medical Extension Service Program are not eligible for 11. participation in the Pre-Pay pilot program.
- 12. If a Pre-Pay customer wishes to leave the pilot program and return to standard monthly billing, any credit balance in the account will be applied to the first standard monthly billing amount.

| Advice Letter No.                                | Decision or Authority No.   |
|--|-----------------------------|
| Signature of Issuing Officer /s/ Ann Hendrickson | Issue Date January 31,2012  |
| Title Manager-<br>Regulatory Affairs             | Effective Date July 1, 2012 |

## BLACK HILLS/COLORADO ELECTRIC UTILITY COMPANY, LP

d/b/a Black Hills Energy Colo. PUC No. 8
105 South Victoria Second Revised Sheet No. 50
Pueblo, Colorado 81003-0075 Cancels First Revised Sheet No. 50

DEMAND SIDE MANAGEMENT COST ADJUSTMENT (DSMCA)

ELECTRIC

Definitions: Effective July 1, 2012, the annual determination periods, DSMCA filing dates and goals will be as follows:

|                      | Year 1       | Year 2       | Year 3       |   |
|----------------------|--------------|--------------|--------------|---|
| Determination Period | 07/01/2012 - | 01/01/2014 - | 01/01/2015 - | Т |
|                      | 12/31/2013   | 12/31/2014   | 12/31/2015   | Т |
| First DSMCA Filing   | 04/01/2013   | 04/01/2014   | 04/01/2015   | Т |
| Second DSMCA Filing  | 10/01/2013   | 10/01/2014   | 10/01/2015   | Т |
| Energy Savings Goal  | 30,935,509   | 22,285,611   | 24,992,465   | Т |
| _                    | kWh          | kWh          | kWh          | Т |

<u>Determination Period</u>: The period in which DSMP costs, DSMP revenues, and DSMP cost remainder are accumulated for Public Utilities Commission ("PUC") review and authorized recovery.

<u>First DSMCA Filing Date.</u> The annual date at which the Company will formally submit an Annual Report on the status and performance of each DSM program and apply with the PUC for revisions to its DSMCA to reflect recovery of the Financial Disincentive Offset and Performance Incentive and any over or under collection of prior year costs. The DSMCA rate will be calculated to recover these costs over twelve consecutive billing months beginning July 1 (ninety days after filing).

<u>Second DSMCA Filing Date</u>: The annual date at which the Company will formally apply with the PUC for revisions to its annual Demand Side Management Cost Adjustment ("DSMCA") to reflect the approved budget for the next Plan Year The DSMCA rate will be calculated to recover these costs over twelve consecutive billing months beginning January 1 of the next year (ninety days after filing).

<u>DSMP Costs</u>: Costs eligible for DSMCA treatment include the actual demand side management expenses associated with contractors, load research equipment, computer equipment and other miscellaneous program costs associated with the Demand Side Management Program ("DSMP"). DSMCA program expenses directly related to ERP planning will not be eligible for recovery through the DSMCA. Company DSM-related employee costs that are covered by base rates will not be eligible for recovery through the DSMCA. Company will not be permitted to recover any lost revenue associated with the DSM programs.

Recovered DSMP Costs: Amount billed to customers for recovery of DSMP costs: calculated by multiplying the actual sales revenue billed to customers in applicable rate classes times the DSMCA Rider then in effect.

| Advice Letter No.   | Decision or Authority No.   |
|---|-----------------------------|
| Signature of Issuing Officer  | Issue Date January 31,2012  |
| Title- Manager-Colorado<br>Electric Regulatory Affairs<br>Black Hills Corporation | Effective Date July 1, 2012 |

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## BLACK HILLS/COLORADO ELECTRIC UTILITY COMPANY, LP

| d/b/a Black Hills Energy    |                     | Co                 | lo. PUC No | 8  |   |
|-----------------------------|---------------------|--------------------|------------|----|---|
| 105 South Victoria          |                     | Second Revised     | Sheet No.  | 51 |   |
| Pueblo, Colorado 81003-0075 | Cancels             | First Revised      | Sheet No.  | 51 |   |
| DEMAND SIDE MANAGEMEN       | IT COST AD ILISTMEN | T (DSMCA) (CONTINI | IED)       |    | _ |

ELECTRIC (CONTINUED)

Definitions:

<u>DSMP Revenues</u>: Application fees or other revenues collected from DSMP participants.

<u>DSMP Cost Remainder</u>: The net difference between the actual DSMP costs, recovered DSMP costs and DSMP Revenues for a Determination Period. This net difference will be accumulated and collected or refunded over twelve consecutive billing months as approved for the First DSMCA Filing.

<u>Financial Disincentive Offset.</u> Contingent upon the successful implementation of Commission approved DSM programs, the Company is authorized to collect \$150,000 in additional after-tax revenue annually through the DSMCA. Successful implementation is accomplished when eighty percent of the annual Energy Savings Goal is achieved. Application for recovery of the Financial Disincentive Offset shall be made with the Second DSMCA Filing in conjunction with the filing of the Annual Report.

<u>Performance Incentive.</u> Contingent upon the successful execution of Commission approved DSM programs, the Company is authorized to collect a performance incentive as follows:

- For each one percent of DSM Energy Savings Goal attainment beyond eighty percent, the Company shall earn two tenths of one percent of the net economic benefits achieved, up to a level of ten percent at one hundred thirty percent of goal attainment.
- For each one percent of DSM Energy Savings Goal attainment beyond one hundred thirty percent, the Company shall earn one tenth of one percent of the net economic benefits achieved, up to a level of twelve percent at one hundred fifty percent of goal attainment.

Application for recovery of the performance incentive bonus shall be made with the Second DSMCA Filing in conjunction with the filing of the Annual Report.

<u>Incentive Cap.</u> The sum of the Financial Disincentive Offset and the Performance Incentive shall be limited to an amount equal to twenty percent of the total annual expenditure on DSM for each program year.

<u>Projected Sales Revenue</u>: Projected electric revenue to be collected from applicable rate classes during the period a DSMCA Rider is in effect excluding revenue from the RESA and TCA Riders.

<u>DSMCA Rider</u>: The percentage to be applied to sales revenue for collection from customers in applicable rate classes.

<u>Applicable Rate Classes</u>: The rate classes the rider shall be applied to consist of RS-1, SGS-N, SGS-D, LGS-S, LGS-P, LPS-S, LPS-P, LPS-T and IP-1.

| Advice Letter No.   | Decision or Authority No.   |
|---|-----------------------------|
| Signature of Issuing Officer  | Issue Date January 31,2012  |
| Title- Manager-Colorado Electric Regulatory Affairs Black Hills Corporation | Effective Date July 1, 2012 |

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## BLACK HILLS/COLORADO ELECTRIC UTILITY COMPANY, LP

 d/b/a Black Hills Energy
 Colo. PUC No.
 8

 105 South Victoria
 Second Revised
 Sheet No.
 52

 Pueblo, Colorado 81003-0075
 Cancels
 First Revised
 Sheet No.
 52

## DEMAND SIDE MANAGEMENT COST ADJUSTMENT (DSMCA) (CONTINUED) ELECTRIC

Application:

The base rate for electricity will be adjusted subject to application and approval by the PUC. Such application will include the determination period costs and revenues. In addition, the application will include the calculated DSMCA rider rounded to the nearest 0.00%.

The DSMCA Rider formula:

(C-F+R+B+P)/S

Where:

C = Projected DSMP costs for the current Determination Period

F = Projected DSMP revenue for the current Determination Period

R = DSMP cost remainder from the prior Determination Period

B = Financial Disincentive Offset from the prior Determination Period

P = Performance Incentive from the prior Determination Period

S = Projected Sales Revenue (Dollars)

Annual Report Filing

The following information will be submitted on the annual report filing date:

Requirements:

- status and performance report for each DSM program for which recovery is being sought;
- actual and projected costs (for the remaining determination periods) including itemized DSM-related employee costs for each DSM program for which recovery is being sought;
- 3. estimated DSM program costs for each program for the remaining determination periods;
- 4. total actual and projected annual DSMP costs, DSMP revenues, and DSMP cost remainders;
- 5. projected sales revenues;
- 6. actual and projected DSMCA riders; and
- 7. actual and projected average rate impacts.

This Demand Side Management Cost Adjustment tariff will expire on December 31, 2015.

| Advice Letter No.   | Decision or Authority No.   |
|---|-----------------------------|
|   |                             |
| Signature of Issuing Officer  | Issue Date January 31,2012  |
| Title- Manager-Colorado Electric Regulatory Affairs Black Hills Corporation | Effective Date July 1, 2012 |

## BLACK HILLS/COLORADO ELECTRIC UTILITY COMPANY, LP

d/b/a Black Hills EnergyColo. PUC No.8105 South VictoriaFifth RevisedSheet No.53Pueblo, Colorado 81003-0075CancelsFourth RevisedSheet No.53

DEMAND SIDE MANAGEMENT COST ADJUSTMENT (DSMCA) (CONTINUED) ELECTRIC

## Demand Side Management Cost Adjustment Data Under Colorado P.U.C. No. 8 Electric

|               | Т  |
|---------------|--|
| \$ 6,513,123  | 1  |
| \$ -0-        |  |
| \$ -0-        |  |
| \$ 6,513,123  | 1  |
| \$ -0-        |  |
| \$ -0-        |  |
| \$357,656,381 | I  |
| 1.82 %        | I  |
|               | \$ -0-<br>\$ -0-<br>\$ 6,513,123<br>\$ -0-<br>\$ -0-<br>\$ 357,656,381 |

| Advice Letter No.   | Decision or Authority No.      |
|---|--------------------------------|
| Signature of Issuing Officer  | Issue Date<br>January 31,2012  |
| Title- Manager-Colorado<br>Electric Regulatory Affairs Black<br>Hills Corporation | Effective Date<br>July 1, 2012 |