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Request IR-1:

The Board letter of December 3, 2015 requested additional detail on "2014 DCRR amounts currently in rates" (item d). NSP's submission response (page 4 of 8) was "This item is addressed above in comments re: 2016-2018 DSM Program Costs". Please indicate where and how any detail on "2014 DCRR amounts currently in rates" is addressed in the referenced section.

Response IR-1:

Please refer to Multeese IR-6.

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Request IR-2:

In its decision regarding the 2016-2018 DSM plan, Matter M06733 the Board states, (paragraph 87- pages 30-31), "As noted earlier, in 2014 approximately $53 Million was in rates in the DSM rider. By order of The Board, at the request of the various customer classes, those funds which were not needed for DSM in 2015 because of the legislated deferral were diverted to pay excess fuel costs. However, those amounts continue in rates and, as E1 argued, and The Board agrees, were put there for the purposes of paying for DSM".

NSP seems to indicate that since there is no specific class DSM Rider in rates for 2015 and 2016 there is no "similar allocation for DSM in NSP's general rates". (Submission page 3 of 8) and would propose a cost of service based cost approach as "a reasonable proxy for how funds being allocated to DSM were collected".

It is apparent from The Board Decision in matter MO6753 that current rates do in fact include a specific charge per KWH for DSM. Please provide the DSM amounts collected for 2014, 2015, and estimate for 2016, by class, based on the last approved rider. Please indicate the portion of any monies collected that NSP feels "were not needed for DSM in 2015" and were "diverted to pay excess fuel costs".

Response IR-2:

Please refer to Multeese IR-6 for the Company's position on how the DCRR is treated.

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Request IR-3:

It is apparent that the benefit of increasing DSM costs is a reduced fuel bill for NSP as a result of reduced KWH production requirements. Please indicate why, or why not, in NSP's opinion DSM costs should or should not, simply be included as part of the FAM in the future.

Response IR-3:

NS Power agrees. NS Power has indicated that as the DSM quantum approved by the UARB is a fully recoverable cost under section 79M(5) of the *Public Utilities Act*, it would be well aligned with the FAM process.