

EL 96-017

KC/BR

DOCKET NO. EL 96-017

In the Matter of IN THE MATTER OF THE FILING BY
NORTHERN STATES POWER
COMPANY FOR TARIFF REVISIONS

Public Utilities Commission of the State of South Dakota

DATE	MEMORANDA
7/2 96	Filed and Accepted;
7/12 96	Replacement Sheet, Section 3, No. 43;
9/18 96	Order Approving Tariff Revisions;
9/18 96	Check Closed.

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EL96-017



Northern States Power Company
South Dakota

Jim Wilcox, Manager,
Community & Government Relations
500 West Russell Street
P. O. Box 968
Sioux Falls, SD 57101-0968
Telephone (605) 339-8300 fax 339-8204
email James.C.Wilcox@nspco.com

July 1, 1996

Mr. William Bullard, Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

RECEIVED

JUL 11 1996

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Dear Mr. Bullard:

Please find enclosed an original and 10 copies of a petition for a miscellaneous tariff change providing a credit to high load factor customers.

If anyone has any questions, please call me at 339-8350

Sincerely,

Jim Wilcox

c. Mike Hanson

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EL96-017

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JUL 02 1996

**PUBLIC UTILITIES COMMISSION
STATE OF SOUTH DAKOTA**

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

In the Matter of the Request for Approval
of an Energy Use Credit for Demand Billed
Commercial and Industrial Customers

Docket No. EL96-____

**PETITION FOR APPROVAL OF A MISCELLANEOUS TARIFF CHANGE
INCORPORATING AN ENERGY USE CREDIT FOR DEMAND BILLED
COMMERCIAL AND INDUSTRIAL CUSTOMERS.**

Northern States Power Company ("NSP" or "the Company") hereby petitions the South Dakota Public Utilities Commission ("Commission") for approval of miscellaneous tariff change associated with a credit for customers who use more than 360 times their peak kW demand during a 30 day billing cycle. The requested miscellaneous tariff change involves the addition of an Energy Use Credit Provision to the tariff sheets in Section 3, sheet numbers 37, 39, 40.1, 40.3, 43.

Pursuant to South Dakota Administrative Rules Section 20.10.13.26, NSP provides the following information:

(1) Name, Address and Telephone Number of the Utility

Northern States Power Company
500 West Russell
PO Box 988
Sioux Falls, SD 57101-0988
(605) 339-8350

(2) Section and Sheet Number of the Tariff Schedule

- Section 3, Sheet No. 37
- Section 3, Sheet No. 39
- Section 3, Sheet No. 40.1
- Section 3, Sheet No. 40.3
- Section 3, Sheet No. 43

(3) Description of the Change

The purpose of this miscellaneous filing is to modify NSP's demand-metered firm and controllable service tariffs by providing a credit to those commercial and industrial customers who have a high monthly load factor. A high load factor customer is defined as a customer whose energy use exceeds 360 times the peak kW demand during a 30 day billing cycle. The credit will provide incentive for customers to improve their load factor resulting in better utilization of NSP-SD's assets and eventually reducing the overall cost to all NSP-SD customers.

(4) Reason for the Change

The Energy Use Credit provides a meaningful discount and useful price signals to NSP's South Dakota customers that have, or achieve, a high load factor. NSP-SD, as a highly capital intensive company, can provide electric service to this type of customer at a lower cost because they make more effective use of the Company's generating, transmission, and distribution assets. Company research indicates that Large C&I customers generally have a higher load factor and a more favorable time-of-use load pattern than other C & I customers. The research suggests that this type of customer utilizes NSP's system more fully and therefore the cost to serve is lower and should be reflected in their bills. Further analysis of high load factor customers' preferences disclosed a preference for the high hours use discount vs. other means of reducing rates, such as revised tariff sheets with lower rates.

The Energy Use Credit concept has existed for over 90 years. Most of the other electric utilities in South Dakota have some type of high load factor discount incorporated in their rates, recognizing that these loads make efficient use of the electric utilities' investment. NSP has incorporated the Energy Use Credit in its rates in other jurisdictions.

NSP- Minnesota modified the General Service, General Service TOD and the Peak Controlled Tariffs to include an energy charge discount of \$0.007 per kWh for energy in excess of 400 hours use, limited to 50 percent of any customer's total energy use. NSP Wisconsin Company also has an Energy Use Credit of \$0.004 per kWh for use over 400 hours with the 50 percent of total energy limit. NSP North Dakota Company has a discount of \$0.007 per kWh for use over 400 hours without the 50 percent of total energy use limit.

NSP-SD proposes an Energy Use Discount for qualifying South Dakota customers that is similar to NSP's other jurisdictions except that the discount will begin in excess of 360 hours use instead of 400 hours use and the credit would be 0.55 cents instead of 0.7 cents. This would allow approximately 300 additional customers to benefit from this provision at a slightly lower credit amount. This level is more in line with surrounding utility rate schedules. It also takes into account the slightly lower average load factor of NSP-SD C&I customers versus other jurisdictions. The attached graphs compare the existing to proposed rate and the impact on a 100 kW customer.

Finally, one of the most important benefits of the proposed Energy Use Credit is the incentive it gives to customers that are not presently considered high load factor, but who could improve their load factors by changing their processes. Changes may be as simple as modifying their use patterns, or may involve an investment in more efficient equipment.

(5) Present Rate

Rate categories affected are General Service, General Service time of day, Peak Controlled, Peak Controlled time of day, and Energy Controlled Service

(6) Proposed Rate

The customer would also receive a \$0.0055 per kWh discount for energy used in excess of 360 hours use times billed demand, limited to 50 percent of a customer's total energy use. This discount would send a clear price signal to customers to improve their load factor by either reducing on-peak monthly demand or increasing non peak usage.

(7) Proposed Effective Date of Modified Rate

The Company requests that these miscellaneous tariff changes become effective 30 days after approval in 1996.

(8) Approximation of Annual Amount of Increase or Decrease in Revenue

The estimated revenue impact of this change is \$800,000 per year. This is a revenue decrease to NSP.

After the initial revenue impact of implementing this discount, an increase in load factor by a customer will have a positive impact on reducing the incremental cost of electricity to the NSP-SD business unit which, in turn, will tend to offset the revenue reduction in the future.

(9) Points Affected

Demand billed commercial and industrial customers who have a high load factor or can increase load factor to benefit from this credit.

(10) Estimation of the Number of Customers Whose Cost of Service Will be Affected and Annual Amounts of Either Increases or Decreases, or Both, in Cost of Service to Those Customers

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Approximately 1,350 commercial and industrial customers will benefit from the implementation of this Energy Use Credit. These customers will experience approximately a zero (0) to five (5) percent decrease in cost of service based on hours use in excess of 360 hours times billed demand per 30 day month.

(11) Statement of Facts, Expert Opinions, Documents and Exhibits to Support the Proposed Changes

See attached proposed tariff schedules in South Dakota Electric Rate Book - SDPUC No. 1.

CONCLUSION

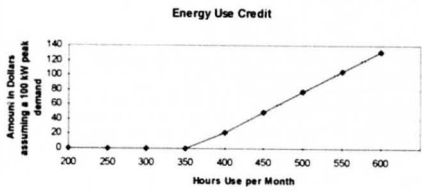
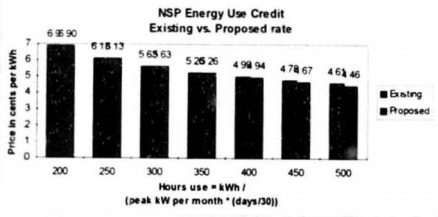
NSP respectfully requests that the Commission approve this miscellaneous request to incorporate an Energy Use Credit. The proposed tariff changes allow NSP to provide an additional billing incentive for customers to improve their load factor by either increasing off-peak usage or decreasing on-peak demand.

Dated: July 1, 1996

NORTHERN STATES POWER COMPANY

BY: 

Jim Wilcox
Manager, Community & Government Relations
(605) 339-8350



55 cents at 360 hours

GENERAL SERVICE

Availability: Available to any non-residential customer for general service except customers with connected load greater than 100 kW and who provide more than 25 percent of total energy requirements with own generation facilities, must take service through the General Time of Day Service rate.

Rate:

Customer Charge per Month \$15.25

Service at Secondary Voltage:

	<u>Oct-May</u>	<u>June-Sept</u>
Demand Charge per Month All kW - per kW	\$ 6.74	\$ 9.35
Energy Charge All kWh - per kWh		3.09¢
Energy Charge Credit per Month All kWh in Excess of 360 Hours Times the Billing Demand		0.55¢

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	<u>January - December</u>	
	<u>Per kW</u>	<u>Per kWh</u>
Voltage Discounts per Month:		
Primary Voltage	\$.80	.06¢
Transmission Transformed Voltage	\$ 1.50	.09¢
Transmission Voltage	\$ 2.05	.12¢

Fuel Clause: Bills subject to the adjustment provided for in Fuel Clause Rider.

Late Payment Charge: A late payment charge of 1% of the unpaid balance will be added to the next month's Bill after the date due.

Determination of Demand: The adjusted demand in kilowatts for billing purposes shall be determined by dividing the maximum actual demand in kilowatts by the power factor expressed in percent but not more than a 90% power factor and multiplying the quotient so obtained by 90% and rounding to the nearest whole kW. But in no month shall the billing demand be greater than the value in kW determined by dividing the kWh sales for the billing month by 75 hours per month.

Maximum Demand: The maximum actual demand in kilowatts shall be the greatest 15-minute average load during the period for which bill is rendered.

Power Factor: For three phase customers with services above 200 amperes or above 480 V, the power factor for the month shall be determined by permanently installed metering equipment.

For all single phase customers and three phase customers with services 200 amperes or less, a power factor of 90% will be assumed.

Standby Service: Standby Service is available under this schedule subject to the provisions contained in the Standby Service Rider.

Minimum Demand to be Billed: The monthly minimum billing demand shall not be less than provided above, whether or not energy is used.

(Continued on following sheet)

Rate Code

	<u>Secondary</u>	<u>Primary</u>	<u>Transmission Transformed</u>	<u>Transmission</u>
Small	DKS04	DKS14	DKS24	DKS34
Large	GKS04	GKS14	GKS24	GKS34

Date Filed:

By: Michael J. Hanson
 General Manager & Chief Executive

Effective:

SDPUC Docket No.

Order Date:

GENERAL TIME OF DAY SERVICE

Availability: Available to any non-residential customer for general service.

Rate:

Customer Charge per Month	\$18.25	
	<u>Oct-May</u>	<u>June-Sept</u>
Service at Secondary Voltage:		
Demand Charge per Month		
On-Peak Period Demand - per kW	\$ 6.74	\$ 9.35
Off-Peak Period Demand in Excess of On-Peak Period Demand - per kW	\$ 2.05	\$ 2.05
Energy Charge		
On-Peak Period Energy - per kWh		3.56¢
Off-Peak Period Energy - per kWh		2.67¢
Energy Charge Credit per Month		
All kWh in Excess of 360 Hours Times the On-Peak Period Billing Demand,		
Not to Exceed 50 Percent of Total kWh		0.55¢
	<u>January - December</u>	
	<u>Per KW</u>	<u>Per KW</u>
Voltage Discounts per Month:		
Primary Voltage	\$.80	.06¢
Transmission Transformed Voltage	1.50	.09¢
Transmission Voltage	2.05	.12¢

Fuel Clause: Bills subject to the adjustment provided for in Fuel Clause Rider.

Late Payment Charge: A late payment charge of 1% of the unpaid balance will be added to the next month's bill after the date due.

Definition of Peak Periods: The on-peak period is defined as those hours between 9 a.m. and 9 p.m. Monday through Friday, except the following holidays: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. When a designated holiday occurs on Saturday, the preceding Friday will be designated a holiday. When a designated holiday occurs on Sunday, the following Monday will be designated a holiday. The off-peak period is defined as all other hours. Definition of on-peak and off-peak period is subject to change with change in Company's system operating characteristics.

Determination of On-Peak Period Demand: The actual on-peak period demand in kilowatts shall be the greatest 15-minute average load for the on-peak period during the period for which the bill is rendered. The adjusted on-peak period demand in kilowatts for billing purposes shall be determined by dividing the actual on-peak period demand by the power factor expressed in percent but not more than 90%, multiplying the quotient so obtained by 90%, and rounding to the nearest whole kW. In no month shall the on-peak billing demand be greater than the value in kW determined by dividing the kWh sales for the billing month by 75 hours per month.

(Continued on following sheet)

Rate Code

	<u>Secondary</u>	<u>Primary</u>	<u>Transmission Transformed</u>	<u>Transmission</u>
Customer and On-Peak Usage				
Small	DT804	DT814	DT824	DT834
Large	GT804	GT814	GT824	GT834
Off-Peak Usage				
Small	DT805	DT815	DT825	DT835
Large	GT805	GT815	GT825	GT835

Date Filed:

By: Michael J. Hanson
 General Manager & Chief Executive

Effective:

SDPOC Docket No.

Order Date:

PEAK-CONTROLLED SERVICE

Availability: Available to any non-residential customer for general service who agrees to control demand to a predetermined level whenever required by Company. Availability is restricted to customers with a minimum controllable demand of 50 kW.

Rate:

Customer Charge per Month \$40.25

	Firm Demand		Controllable Demand	
	Oct-May	June-Sept	Oct-May	June-Sept
Service at Secondary Voltage:				
Demand Charge per Month - Per kW				
Option A	\$ 6.74	\$ 9.35	\$ 4.49	\$ 4.49
Option B (Closed)	\$ 6.74	\$ 9.35	\$ 3.99	\$ 6.10
Energy Charge - per kWh			3.09¢	
Energy Charge Credit per Month				
All kWh in Excess of 360 Hours Times the Sum of All Billing Demands			0.55¢	

	January - December	
	Per kW	Per kWh
Voltage Discounts per Month:		
Primary Voltage	\$.80	.06¢
Transmission Transformed Voltage	1.50	.09¢
Transmission Voltage	2.05	.12¢

Fuel Clause: Bills subject to the adjustment provided for in Fuel Clause Rider.

Late Payment Charge: A late payment charge of 1% of the unpaid balance will be added to the next month's bill after the date due.

Determination of Demand:

Maximum Actual Demand in kilowatts shall be the greatest 15-minute load during the billing month.

Adjusted Demand in kilowatts for billing purposes shall be determined by dividing the maximum actual demand in kilowatts by the power factor expressed in percent but not more than a 90% power factor and multiplying the quotient so obtained by 90% and rounding to the nearest whole kW.

(Continued on following sheet)

Rate Code

	Secondary	Primary	Transmission Transformed	Transmission
Option A:				
Standard PDL-Small	DP804	DP814	DP824	DP834
Standard PDL-Large	GP604	GP814	GP824	GP834
Optional PDL-Small	DP806	DP816	DP826	DP836
Optional PDL-Large	GP806	GP816	GP826	GP836
Option B: (Closed):				
Standard PDL-Small	DK904	DK914	DK924	DK934
Standard PDL-Large	GK904	GK914	GK924	GK934
Optional PDL-Small	DK906	DK916	DK926	DK936
Optional PDL-Large	GK906	GK916	GK926	GK936

Date Filed: By: Michael J. Hanson Effective:
 General Manager & Chief Executive

SDPOC Docket No:

Order Date:

PEAK-CONTROLLED TIME OF DAY SERVICE

Availability: Available to any non-residential customer for general service who agrees to control demand to a predetermined level whenever required by Company. Availability is restricted to customers with a minimum controllable demand of 50 kW.

Rate:
 Customer Charge per Month \$43.25

	Firm Demand		Controllable Demand	
	Oct-May	June-Sept	Oct-May	June-Sept
Service at Secondary Voltage:				
Demand Charge per Month				
On-Peak Period Demand - per kW				
Option A	\$ 6.74	\$ 9.35	\$ 4.49	\$ 4.49
Option B (Closed)	\$ 6.74	\$ 9.35	\$ 3.99	\$ 6.10
Off-Peak Period Demand in Excess of On-Peak Period Demand - per kW	\$ 2.05	\$ 2.05	\$ 2.05	\$ 2.05
Energy Charge - per kWh				
On-Peak Period Energy			3.56¢	
Off-Peak Period Energy			2.67¢	
Energy Charge Credit per Month				
All kWh in Excess of 360 Hours Times the Sum of All On-Peak Period Billing Demands, Not to Exceed 50 Percent of Total kWh			0.55¢	
Voltage Discounts per Month:				
Primary Voltage	\$.80		.06¢	
Transmission Transformed Voltage	1.50		.09¢	
Transmission Voltage	2.05		.12¢	

(Continued on following sheet)

Rate Code	Secondary	Primary	Transmission Transformed	Transmission
<u>Option A</u>				
<u>Standard PDL</u>				
On-Peak-Small	DP904	DP914	DP924	DP934
On-Peak-Large	GP904	GP914	GP924	GP934
Off-Peak-Small	DP905	DP915	DP925	DP935
Off-Peak-Large	GP905	GP915	GP925	GP935
<u>Optional PDL</u>				
On-Peak-Small	DP906	DP916	DP926	DP936
On-Peak-Large	GP906	GP916	GP926	GP936
Off-Peak-Small	DP907	DP917	DP927	DP937
Off-Peak-Large	GP907	GP917	GP927	GP937
<u>Optional B (Closed)</u>				
<u>Standard PDL</u>				
On-Peak-Small	DT904	DT914	DT924	DT934
On-Peak-Large	GT904	GT914	GT924	GT934
Off-Peak-Small	DT905	DT915	DT925	DT935
Off-Peak-Large	GT905	GT915	GT925	GT935
<u>Optional PDL</u>				
On-Peak-Small	DT906	DT916	DT926	DT936
On-Peak-Large	GT906	GT916	GT926	GT936
Off-Peak-Small	DT907	DT917	DT927	DT937
Off-Peak-Large	GT907	GT917	GT927	GT937

Date Filed: By: Michael J. Hanson Effective:
 General Manager & Chief Executive
 SDPUC Docket No: Order Date:

ENERGY-CONTROLLED SERVICE

Availability: Available to any non-residential customer for general service who agrees to control demand to a predetermined level whenever required by Company. Availability is restricted to customers with a minimum controllable demand of 75 kW.

Rate:
 Customer Charge per Month \$43.25

Service at Secondary Voltage:	Firm Demand		Controllable Demand	
	Oct-May	June-Sept	Oct-May	June-Sept
Demand Charge per Month				
On-peak period demand				
All kW - per kW	\$ 6.74	\$ 9.35	\$ 4.28	\$ 4.28
Off-Peak Period Demand in Excess of On-Peak Period Demand - per kW	\$ 2.05	\$ 2.05	\$ 2.05	\$ 2.05

Energy Charge - per kWh				
On-Peak Period Energy			3.10¢	T
Off-Peak Period Energy			2.46¢	T
Control Period Energy			10.00¢	

Energy Charge Credit per Month				
All kWh in Excess of 360 Hours Times the Sum of All On-Peak Period Billing Demands, Not to Exceed 50 Percent of Total kWh			0.55¢	N

Voltage Discounts per Month:	January - December	
	Per kW	Per kWh
Primary Voltage	\$.80	.06¢
Transmission Transformed Voltage	1.50	.09¢
Transmission Voltage	2.05	.12¢

Fuel Clause: Bills subject to the adjustment provided for in Fuel Clause Rider No. 1.

Late Payment Charge: A late payment charge of 1% of the unpaid balance will be added to the next month's bill after the date due.

Definition of Peak Periods: The on-peak period is defined as those hours between 9 a.m. and 9 p.m. Monday through Friday, except the following holidays: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. When a designated holiday occurs on Saturday, the preceding Friday will be designated a holiday. When a designated holiday occurs on Sunday, the following Monday will be designated a holiday. The off-peak period is defined as all other hours. Definition of on-peak and off-peak period is subject to change with change in Company's system operating characteristics.

Determination of Demand:

Actual On-peak Period Demand in kilowatts shall be the greatest 15-minute load for the on-peak period during the billing month.

(Continued on following sheet)

Rate Code	Secondary	Primary	Transmission Transformed	Transmission
On-Peak:				
Small	DL904	DL914	DL924	DL934
Large	GL904	GL914	GL924	GL934
Off-Peak:				
Small	DL905	DL915	DL925	DL935
Large	GL905	GL915	GL925	GL935

Filing Date: By: Michael J. Hanson **Effective:**
 General Manager & Chief Executive

SDPUC Docket No.

Order Date:

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E296-017



Northern States Power Company

PO Box 988
Sioux Falls SD 57101
Telephone (605)330-8345

July 10, 1996

Bob Knadle
South Dakota PUC
500 E. Capital Bldg
Pierre, SD 57501

RECEIVED
JUL 12 1996
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Dear Bob,

Attached is the original and 10 copies of the Energy-Controlled Service sheet Section 3 number 43 to replace the sheet included in the Energy Use Credit filing. Please insert this sheet in place of the one that was in the filing.

Sincerely,

Wm Duff Robinson

encl: 11

ENERGY-CONTROLLED SERVICE

Availability: Available to any non-residential customer for general service who agrees to control demand to a predetermined level whenever required by Company. Availability is restricted to customers with a minimum controllable demand of 75 kW.

Rate:

Customer Charge per Month

\$43.25

	<u>Firm Demand</u>		<u>Controllable Demand</u>	
	<u>Oct-May</u>	<u>June-Sept</u>	<u>Oct-May</u>	<u>June-Sept</u>
Service at Secondary Voltage:				
Demand Charge per Month				
On-peak period demand				
All kW - per kW	\$ 6.74	\$ 9.35	\$ 4.28	\$ 4.28
Off-Peak Period Demand in Excess of On-Peak Period				
Demand - per kW	\$ 2.05	\$ 2.05	\$ 2.05	\$ 2.05
Energy Charge - per kWh				
On-Peak Period Energy		3.56¢		3.10¢
Off-Peak Period Energy		2.67¢		2.46¢
Control Period Energy				10.00¢
Energy Charge Credit per Month				
All kWh in Excess of 360 Hours Times the Sum of All On-Peak Period Billing Demands, Not to Exceed 50 Percent of Total kWh			0.55¢	
		<u>January</u>	-	<u>December</u>
		<u>Per kW</u>		<u>Per kW</u>
Voltage Discounts per Month:				
Primary Voltage	\$.80		.06¢	
Transmission Transformed Voltage	1.50		.09¢	
Transmission Voltage	2.05		.12¢	

Fuel Clause: Bills subject to the adjustment provided for in Fuel Clause Rider No. 1.

Late Payment Charge: A late payment charge of 1% of the unpaid balance will be added to the next month's bill after the date due.

Definition of Peak Periods: The on-peak period is defined as those hours between 9 a.m. and 9 p.m. Monday through Friday, except the following holidays: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. When a designated holiday occurs on Saturday, the preceding Friday will be designated a holiday. When a designated holiday occurs on Sunday, the following Monday will be designated a holiday. The off-peak period is defined as all other hours. Definition of on-peak and off-peak period is subject to change with change in Company's system operating characteristics.

Determination of Demand:

Actual On-peak Period Demand in kilowatts shall be the greatest 15-minute load for the on-peak period during the billing month.

(Continued on following sheet)

Rate Code

	<u>Secondary</u>	<u>Primary</u>	<u>Transmission Transformed</u>	<u>Transmission</u>
On-Peak:				
Small	DL904	DL914	DL924	DL934
Large	GL904	GL914	GL924	GL934
Off-Peak:				
Small	DL905	DL915	DL925	DL935
Large	GL905	GL915	GL925	GL935

Filing Date:By: Michael J. Hanson
General Manager & Chief Executive**Effective:**

SDPUC Docket No.

Order Date:

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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

**IN THE MATTER OF THE FILING BY) ORDER APPROVING TARIFF
NORTHERN STATES POWER COMPANY FOR) REVISIONS
TARIFF REVISIONS) EL96-017**

On July 2, 1996 the Public Utilities Commission (Commission) received an application from Northern States Power Company (NSP) requesting approval of miscellaneous tariff changes associated with a credit for customers who use more than 360 times their peak kW demand during a 30 day billing cycle. The requested miscellaneous tariff change involves the addition of an Energy Use Credit Provision to the applicable tariff sheets. NSP filed the following tariff sheets in their filing:

Section No. 3 14th Revised Sheet No. 37
Section No. 3 11th Revised Sheet No. 39
Section No. 3 13th Revised Sheet No. 40 1
Section No. 3 11th Revised Sheet No. 40 3
Section No. 3 14th Revised Sheet No. 43

NSP's application stated: "The purpose of this miscellaneous filing is to modify NSP's demand-metered firm and controllable service tariffs by providing a credit to those commercial and industrial customers who have a high monthly load factor. The credit will provide incentive for customers to improve their load factor resulting in better utilization of NSP-SD's assets and eventually reducing the overall cost to all NSP-SD customers."

At its regularly scheduled September 11, 1996 meeting the Commission discussed final approval of the application. Commission Staff recommended approval of the tariff revisions.

The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-34A, specifically 49-34A-4, 49-34A-6, 49-34A-8, 49-34A-10 and 49-34A-12. The Commission found the rate changes are just and reasonable and approved the revised tariffs. As the Commission's final decision in this matter, it is therefore:

ORDERED that NSP's aforementioned tariffs are approved and shall be effective for service rendered on and after the date of this Order.

Dated at Pierre, South Dakota, this 18th day of September, 1996.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail in properly addressed envelopes, with charges prepaid thereon.

By: Arlaine Kalbo

Date: 9/19/96

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Kenneth Stofferahn
KENNETH STOFFERAHN, Chairman

James A. Burg
JAMES A. BURG, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner



Northern States Power Company
South Dakota

Jim Wilcox, Manager
Community & Government Relations
500 West Russell Street
P. O. Box 988
Sioux Falls, SD 57101-0988
Telephone (605) 339-8350

October 7, 1996

RECEIVED

OCT 17 1996

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Mr. William Bullard, Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

Re: In the Matter of the Filing by Northern States Power Company for Tariff Revisions
Docket No. EL96-017

Dear Mr. Bullard:

Enclosed for your current copy of Northern States Power Company's South Dakota electric rate book are revised tariff pages reflecting modifications approved by the South Dakota Public Utilities Commission as a result of the Company's petition, filed on July 2, 1996, to implement a new Energy Use Credit for Demand Billed C&I Customers:

Section 3, 14th Revised Sheet No. 37 **Section 3, 11th Revised Sheet No. 40.3**
Section 3, 11th Revised Sheet No. 39 **Section 3, 14th Revised Sheet No. 43.**
Section 3, 13th Revised Sheet No. 40.1

The Company's new Energy Use Credit provision provides a meaningful discount and useful price signal to firm and controllable commercial and industrial customers who have, or achieve, a high monthly load factor. A high load factor customer is defined as a customer whose energy use exceeds 360 times the peak kW demand during an exact 30 day billing period. For all energy use in excess of this kWh benchmark, the energy price is discounted \$0.0055 per kWh, except that the discount is limited to 50% of total energy use for customers on Time-of-Day service schedules.

The Commission approved NSP's request on September 18, 1996, under Docket No. EL96-017. The effective date is the order date. The new discount will be implemented with customer bills mailed on and after October 29, 1996.

If you have any questions regarding this matter, please contact me at (605) 339-8350.

Sincerely,

Jim Wilcox
Manager, Community & Government Relations

encl.

cc Michael J. Hanson, NSP-SD
Joyce V. Gutkowski, NSP-MN

GENERAL SERVICE

Availability: Available to any non-residential customer for general service except customers with connected load greater than 100 kW and who provide more than 25 percent of total energy requirements with own generation facilities, must take service through the General Time of Day Service rate.

Rate:

Customer Charge per Month	\$15.25		
Service at Secondary Voltage:	<u>Oct-May</u>	<u>June-Sept</u>	
Demand Charge per Month			
All kW - per kW	\$6.74	\$ 9.35	
Energy Charge			
All kWh - per kWh	3.09¢		
Energy Charge Credit per Month per kW			
All kWh in Excess of 360 Hours Times the Billing Demand	0.55¢		
	<u>January - December</u>		
	<u>Per kW</u>	<u>Per kWh</u>	
Voltage Discounts per Month:			
Primary Voltage	\$.80	.06¢	
Transmission Transformed Voltage	\$ 1.50	.09¢	
Transmission Voltage	\$ 2.05	.12¢	

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Fuel Clause: Bills subject to the adjustment provided for in Fuel Clause Rider.

Late Payment Charge: A late payment charge of 1% of the unpaid balance will be added to the next month's bill after the date due.

Determination of Demand: The adjusted demand in kilowatts for billing purposes shall be determined by dividing the maximum actual demand in kilowatts by the power factor expressed in percent but not more than a 90% power factor and multiplying the quotient so obtained by 90% and rounding to the nearest whole kW. But in no month shall the billing demand be greater than the value in kW determined by dividing the kWh sales for the billing month by 75 hours per month.

Maximum Demand: The maximum actual demand in kilowatts shall be the greatest 15-minute average load during the period for which bill is rendered.

Power Factor: For three phase customers with services above 200 amperes or above 480 V, the power factor for the month shall be determined by permanently installed metering equipment.

For all single phase customers and three phase customers with services 200 amperes or less, a power factor of 90% will be assumed.

Standby Service: Standby Service is available under this schedule subject to the provisions contained in the Standby Service Rider.

Minimum Demand to be Billed: The monthly minimum billing demand shall not be less than provided above, whether or not energy is used.

(Continued on following sheet)

Rate Code

	<u>Secondary</u>	<u>Primary</u>	<u>Transmission Transformed</u>	<u>Transmission</u>
Small	DKS04	DKB14	DKB24	DKB34
Large	GKS04	GKB14	GKB24	GKB34

Date Filed: 7-2-96

By: Michael J. Hanson
General Manager & Chief Executive

Effective: 9-18-96

SDPOC Docket No. EL96-017

Order Date: 9-18-96

GENERAL TIME OF DAY SERVICE

Availability: Available to any non-residential customer for general service.

Rate:

Customer Charge per Month	\$18.25	
	<u>Oct-May</u>	<u>June-Sept</u>
Service at Secondary Voltage:		
Demand Charge per Month		
On-Peak Period Demand - per kW	\$ 6.74	\$ 9.35
Off-Peak Period Demand in Excess of On-Peak Period Demand - per kW	\$ 2.05	\$ 2.05
Energy Charge		
On-Peak Period Energy - per kWh		3.56¢
Off-Peak Period Energy - per kWh		2.67¢
Energy Charge Credit per Month per kWh All kWh in Excess of 360 Hours Times the On-Peak Period Billing Demand, Not to Exceed 50 Percent of Total kWh		0.55¢
	<u>January - December</u>	
	<u>Per kW</u>	<u>Per kWh</u>
Voltage Discounts per Month:		
Primary Voltage	\$.80	.06¢
Transmission Transformed Voltage	1.50	.09¢
Transmission Voltage	2.05	.12¢

Fuel Clause: Bills subject to the adjustment provided for in Fuel Clause Rider.

Late Payment Charge: A late payment charge of 1% of the unpaid balance will be added to the next month's bill after the date due.

Definition of Peak Periods: The on-peak period is defined as those hours between 9 a.m. and 9 p.m. Monday through Friday, except the following holidays: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. When a designated holiday occurs on Saturday, the preceding Friday will be designated a holiday. When a designated holiday occurs on Sunday, the following Monday will be designated a holiday. The off-peak period is defined as all other hours. Definition of on-peak and off-peak period is subject to change with change in Company's system operating characteristics.

Determination of On-Peak Period Demand: The actual on-peak period demand in kilowatts shall be the greatest 15-minute average load for the on-peak period during the period for which the bill is rendered. The adjusted on-peak period demand in kilowatts for billing purposes shall be determined by dividing the actual on-peak period demand by the power factor expressed in percent but not more than 90%, multiplying the quotient so obtained by 90%, and rounding to the nearest whole kW. In no month shall the on-peak billing demand be greater than the value in kW determined by dividing the kWh sales for the billing month by 75 hours per month.

(Continued on following sheet)

Rate Code

	<u>Secondary</u>	<u>Primary</u>	<u>Transmission Transformed</u>	<u>Transmission</u>
Customer and On-Peak Usage				
Small	DT804	DT814	DT824	DT834
Large	GT804	GT814	GT824	GT834
Off-Peak Usage				
Small	DT805	DT815	DT825	DT835
Large	GT805	GT815	GT825	GT835

Date Filed: 7-2-96

By: Michael J. Hanson
 General Manager & Chief Executive

Effective: 9-18-96

SDPUC Docket No. EL96-017

Order Date: 9-18-96

PEAK-CONTROLLED SERVICE

Availability: Available to any non-residential customer for general service who agrees to control demand to a predetermined level whenever required by Company. Availability is restricted to customers with a minimum controllable demand of 50 kW.

Rate:
 Customer Charge per Month \$40.25

	Firm Demand		Controllable Demand	
	OCT-May	June-Sept	OCT-May	June-Sept
Service at Secondary Voltage:				
Demand Charge per Month - Per kW				
Option A	\$ 6.74	\$ 9.35	\$ 4.49	\$ 4.49
Option B (Closed)	\$ 6.74	\$ 9.35	\$ 3.99	\$ 6.10
Energy Charge - per kWh			3.09¢	
Energy Charge Credit per Month per kWh				
All kWh in Excess of 360 Hours Times				
the Sum of All Billing Demands			0.55¢	
Voltage Discounts per Month:				
Primary Voltage		\$.80		.06¢
Transmission Transformed Voltage		1.50		.09¢
Transmission Voltage		2.05		.12¢

Fuel Clause: Bills subject to the adjustment provided for in Fuel Clause Rider.

Late Payment Charge: A late payment charge of 1% of the unpaid balance will be added to the next month's bill after the date due.

Determination of Demand:

Maximum Actual Demand in kilowatts shall be the greatest 15-minute load during the billing month.

Adjusted Demand in kilowatts for billing purposes shall be determined by dividing the maximum actual demand in kilowatts by the power factor expressed in percent but not more than a 90% power factor and multiplying the quotient so obtained by 90% and rounding to the nearest whole kW.

(Continued on following sheet)

Rate Code	Secondary	Primary	Transmission Transformed	Transmission
Option A:				
Standard PDL-Small	DP804	DP814	DP824	DP834
Standard PDL-Large	GP804	GP814	GP824	GP834
Optional PDL-Small	DP806	DP816	DP826	DP836
Optional PDL-Large	GP806	GP816	GP826	GP836
Option B: (Closed):				
Standard PDL-Small	DK904	DK914	DK924	DK934
Standard PDL-Large	GK904	GK914	GK924	GK934
Optional PDL-Small	DK906	DK916	DK926	DK936
Optional PDL-Large	GK906	GK916	GK926	GK936

Date Filed: 7-2-96 By: Michael J. Hanson Effective: 9-18-96
 General Manager & Chief Executive

SDPOC Docket No: EL96-017

Order Date: 9-18-96

PEAK-CONTROLLED TIME OF DAY SERVICE

Availability: Available to any non-residential customer for general service who agrees to control demand to a predetermined level whenever required by Company. Availability is restricted to customers with a minimum controllable demand of 50 kW.

Rate:
 Customer Charge per Month

\$43.25

	Firm Demand		Controllable Demand	
	Oct-May	June-Sept	Oct-May	June-Sept
Service at Secondary Voltage:				
Demand Charge per Month				
On-Peak Period Demand - per kW				
Option A	\$ 6.74	\$ 9.35	\$ 4.49	\$ 4.49
Option B (Closed)	\$ 6.74	\$ 9.35	\$ 3.99	\$ 6.10
Off-Peak Period Demand in Excess of On-Peak Period Demand - per kW	\$ 2.05	\$ 2.05	\$ 2.05	\$ 2.05
Energy Charge - per kWh				
On-Peak Period Energy			3.56¢	
Off-Peak Period Energy			2.67¢	
Energy Charge Credit per Month per kWh				
All kWh in Excess of 360 Hours Times the Sum of All On-Peak Period Billing Demands, Not to Exceed 50 Percent of Total kWh			0.55¢	
			January	- December
			Per kW	Per kW
Voltage Discounts per Month:				
Primary Voltage			\$.80	.06¢
Transmission Transformed Voltage			1.50	.09¢
Transmission Voltage			2.05	.12¢

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(Continued on following sheet)

Rate Code

	Secondary	Primary	Transmission Transformed	Transmission
<u>Option A</u>				
<u>Standard PDL</u>				
On-Peak-Small	DP904	DP914	DP924	DP934
On-Peak-Large	GP904	GP914	GP924	GP934
Off-Peak-Small	DP905	DP915	DP925	DP935
Off-Peak-Large	GP905	GP915	GP925	GP935
<u>Optional PDL</u>				
On-Peak-Small	DP906	DP916	DP926	DP936
On-Peak-Large	GP906	GP916	GP926	GP936
Off-Peak-Small	DP907	DP917	DP927	DP937
Off-Peak-Large	GP907	GP917	GP927	GP937
<u>Optional B (Closed)</u>				
<u>Standard PDL</u>				
On-Peak-Small	DT904	DT914	DT924	DT934
On-Peak-Large	GT904	GT914	GT924	GT934
Off-Peak-Small	DT905	DT915	DT925	DT935
Off-Peak-Large	GT905	GT915	GT925	GT935
<u>Optional PDL</u>				
On-Peak-Small	DT906	DT916	DT926	DT936
On-Peak-Large	GT906	GT916	GT926	GT936
Off-Peak-Small	DT907	DT917	DT927	DT937
Off-Peak-Large	GT907	GT917	GT927	GT937

Date Filed: 7-2-96

By: Michael J. Hanson
 General Manager & Chief Executive

Effective: 9-18-96

SDPOC Docket No: EL96-017

Order Date: 9-18-96

ENERGY-CONTROLLED SERVICE

Availability: Available to any non-residential customer for general service who agrees to control demand to a predetermined level whenever required by Company. Availability is restricted to customers with a minimum controllable demand of 75 kW.

Rate:

Customer Charge per Month

\$43.25

Service at Secondary Voltage:	Firm Demand		Controllable Demand	
	Oct-May	June-Sept	Oct-May	June-Sept
Demand Charge per Month				
On-peak period demand				
All kW - per kW	\$ 6.74	\$ 9.35	\$ 4.28	\$ 4.28
Off-Peak Period Demand in Excess of On-Peak Period Demand - per kW	\$ 2.05	\$ 2.05	\$ 2.05	\$ 2.05
Energy Charge - per kWh				
On-Peak Period Energy	3.56¢		3.10¢	
Off-Peak Period Energy	2.67¢		2.46¢	
Control Period Energy			10.00¢	
Energy Charge Credit per Month per kWh				
All kWh in Excess of 360 Hours Times the Sum of All On-Peak Period Billing Demands, Not to Exceed 50 Percent of Total kWh			0.55¢	
Voltage Discounts per Month:		January -	December	
Primary Voltage		Per kW	Per kWh	
Transmission Transformed Voltage	\$.80		.06¢	
Transmission Voltage	1.50		.09¢	
	2.05		.12¢	

Fuel Clause: Bills subject to the adjustment provided for in Fuel Clause Rider No. 1.

Late Payment Charge: A late payment charge of 1% of the unpaid balance will be added to the next month's bill after the date due.

Definition of Peak Periods: The on-peak period is defined as those hours between 9 a.m. and 9 p.m. Monday through Friday, except the following holidays: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. When a designated holiday occurs on Saturday, the preceding Friday will be designated a holiday. When a designated holiday occurs on Sunday, the following Monday will be designated a holiday. The off-peak period is defined as all other hours. Definition of on-peak and off-peak period is subject to change with change in Company's system operating characteristics.

Determination of Demand:

Actual On-peak Demand in kilowatts shall be the greatest 15-minute load for the on-peak period during the billing month.

(Continued on following sheet)

Rate Code

	Secondary	Primary	Transmission Transformed	Transmission
On-Peak:				
Small	DL904	DL914	DL924	DL934
Large	GL904	GL914	GL924	GL934
Off-Peak:				
Small	DL905	DL915	DL925	DL935
Large	GL905	GL915	GL925	GL935

Filing Date: 7-2-96

By: Michael J. Hanson
 General Manager & Chief Executive

Effective: 9-18-96

SDPOC Docket No. EL96-017

Order Date: 9-18-96