

EL 96-022

DOCKET NO. EL 96-022

In the Matter of **IN THE MATTER OF THE COMPLAINT  
FILED BY RILEY COMPANY, INC.,  
IRENE, SD, AGAINST TURNER-  
HUTCHINSON ELECTRIC  
COOPERATIVE REGARDING DEMAND  
RATES**

*filed  
file*

**Public Utilities Commission of the State of South Dakota**

DATE	MEMORANDA
9/24/96	<i>Filed and docketed;</i>
9/30/96	<i>Verdict of Turner-Hutchinson;</i>
11/5/96	<i>Order dismissing Complaint and Closing Docket;</i>
11/5/96	<i>Docket Closed.</i>

\*K/0136340

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EL 96-022

RECEIVED

\*\*\*PLEASE TYPE OR PRINT CLEARLY\*\*\*

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA

SEP 24 1996

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

COMPLAINT

Complainant(s): (The party filing the complaint)		Respondent(s): (The person or Company complained against)	
Name	Riley Co. Inc.	Contact Person	Brad Skardin
Address	P.O. Box 178	Company	Turvey - Hatch
City, State, Zip	Irene S.D. 57037	Address	P.O. Box 388 501 S. Highway Ave.
Work Phone	605-263-3371	City, State, Zip	Marion, S.D. 57043-0388
Home Phone	605-263-3962	Work Phone	605-648-3619
Cellular Phone		Cellular Phone	
Fax	605-263-3071	Fax	

If the Complainant is represented by an attorney, please list the attorney's name, address, telephone number and fax number below:  
If Complainant is not represented by an attorney, please leave blank:

The facts giving rise to my complaint:

see attached statement:

①

NOTE: Please attach additional pages, if necessary, to explain your situation. Also enclose copies of any bills or other documents.

00-467-011-0

Sometime ago (4-6 years), Turner-Hutch put us on demand rates. We started to get \$3000-\$4000 per month electricity bills. After many complaints, we were put on a new system about two years ago. Now our rates are lower when not on demand but higher when we are on demand. Also we do know when our demand charges start under this present system. This forces us to shut down our business because we cannot afford the demand rates.

As an example, on September 5, 1996, we had two semi-truck loads of fertilizer arrive at about 4:30pm. At 4:50pm, we were put on demand and had to shut down the unloading process. The demand rate was not lifted until 8:50pm. The next day, we called Mr. Schardin in Marion to complain. He told us that under our normal rate, it would have cost us \$1.32 in energy to unload the two trucks (15 hp for 2 hrs). Under the demand rate, he said it would have cost us \$146.00 (15 hp for 2 hrs) to unload the two trucks.

There are ten users under Turner-Hutch that have these demand rates. We are forced to subsidize all the other Turner-Hutch users. Also we have competitors in Yankton, Mission Hill, Beresford, Vermillion, Menno, Marion, etc. that DO NOT have to pay the high demand rates. This will put us at a disadvantage during peak times when we need energy.

We are also forced to pay \$840.00 per year just for our meter. No one else pays this charge just for a meter. We have no way out, either we pay too much or we shut down. If only there was some competition.

**RESOLUTION REQUEST**

I ask that the Public Utilities Commission grant the following relief. (What do you think the Commission should do to solve this problem?)

NWPS had this problem in the late 1980's and worked  
with users to solve it. NWPS uses a "rate limiter"  
whatever that is? NWPS has a demand charge of only  
15¢ per kWh. They can do it so can users - should

NOTE: Please attach any additional pages, if necessary.

**VERIFICATION**

Signature must be witnessed by a notary public.

Riley Co. Inc. by Ron Huff  
Complainant's Signature

Sept. 23, 1996  
Date

State of South Dakota )  
County of YANKTON )SS

On this 23<sup>rd</sup> day of September, 1996, before me  
personally came and appeared Ron Huff  
known to me to be the individual described herein and who executed the foregoing instrument, and who duly acknowledged to me  
that he/she executed same for the purpose therein contained.

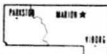
IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Mary J. Mickelson  
Signature of Notary Public

(3)

(SEAL)

11/15/2001



# Turner-Hutchinson

ELECTRIC COOPERATIVE, INC.

501 SOUTH BROADWAY AVENUE  
MARION, SOUTH DAKOTA 57043-0388  
P.O. BOX 388  
PHONE (605) 648-3619 FAX (605) 648-3778

September 27, 1996

Riley Elevator Comp. Inc.  
C/O Ron Graff  
P.O. Box 178  
Irene, SD 57037

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SEP 30 1996

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

Dear Mr. Graff,

We recently received your written complaint from the South Dakota Public Utilities Commission (PUC) pertaining to Turner-Hutchinson Electric Cooperative's (THEC) optional off-peak three phase rate. Copies of your written complaint and the LP-PC rate are enclosed on pages 1 to 5. As per our conversation on Thursday, September 6, 1996, I indicated to you that I would be willing to meet with you that morning or at any time during the following week to review and discuss the off-peak rate option for further clarification. As always we continue to have an open door policy and my offer still stands to review THEC rates and policies with you. It appears to me that based on our discussion and your written complaint to the PUC that it would be very beneficial for both of us to sit down and discuss this issue. It would also be valuable for us to review what other utilities are providing in relation to rate options for their customers.

As you indicated in the first paragraph of your complaint to the PUC, I did meet with your father, Jim Graff, back in July of 1993 to discuss and review the optional off-peak rate and control program with him. Since that time your father has passed away which may be another reason to review those materials again with you and your brother. In September of 1993 Riley Elevator chose to go on the optional rate to take advantage of the power cost savings available to you by utilizing the voluntary control program during our power suppliers peak periods. I stress the words "optional"

"We Put Value On the Line"

and "voluntary" because your Cooperative has made this rate available to large three phase consumers like yourself as an alternative to our regular three phase rate(GS-3LP copy enclosed on pages 6 & 7).

It is important to note that you have saved \$4,162.51 so far in 1996 by utilizing this rate at your business in comparison to the regular rate. Even more significant than your 1996 savings is your savings since the implementation of this rate back in 1993. Over this time period of 36 months you have saved over \$15,000 which averages out to more then \$400 per month. On page 8 we show that you have paid \$15,503.90 for 279,840 kwhs which is an average cost of 5.54 cents per kilowatt hour. Based on those savings and your relatively low cost per kwh it appears that the optional off-peak rate has been a good business decision for Rilev Elevator.

You indicate in the second paragraph of your complaint our discussion from September 6, 1996, pertaining to the peak control period on September 5, 1996. A control signal was sent to your business at 3:41 p.m. indicating the beginning of the voluntary control period. A second signal was sent at 4:46 p.m. indicating that the actual peak power period had begun and it lasted until 8:49 p.m. that night. Our records indicate that this control period was the tenth day control was applied in the September billing period as shown by the control times on pages 9 to 13 of the enclosed material. As we discussed last week if you chose to operate your 3, 5 horsepower motors(15 hspwr x .746 watts/hpwr = 11.2kw) it could have cost you (11.2kw x \$13.10/on peak) \$146.72 in on-peak kw/demand charges if it were on during our peak . That same load off of our peak would have cost you only (11.2 kw x \$1.32/off-peak kw) \$14.78 in off-peak kw/demand charges. All energy used in either case(on or off peak) would have been billed at the 2.6 cents per kilowatt hour(kwh). Our costs from our power supplier based on the 11.2 kw, if it were on during our peak would have been \$133.28.

Based on the above mentioned numbers it is important to note that during this power billing period the peak billing hour occurred on September 4, 1996 at 7:00 p.m. as noted on your most recent power bill on page 14. What that means, in hindsight, is that you would not have been billed an on-peak charge for operating on 9/5/96 to unload the fertilizer trucks since our peak hour occurred on the day before. I realize that makes your decision to operate, or not, an

extremely tough one because neither Riley Elevator, THEC, or our power suppliers know when that peak billing period has occurred until at least a week or two after the billing period is finished. That places you in a position to have to make a tough business decision to either operate and possibly pay the on-peak kw/demand charges, or to voluntarily control your loads to avoid any possibility of them being on during the peak power period. There is no doubt that we truly give you that choice and that the charges associated with the on-peak loads are high for both you and your Electric Cooperative.

We currently have over one hundred irrigation loads on off-peak rates, almost 2000 residential water heaters voluntarily controlled, over 500 dual fuel homes and businesses utilizing off-peak electricity for heating and 13 industrial and commercial users on off-peak rates similar to Riley Elevator. You indicate that you are "forced to subsidize other Turner-Hutch. users" which based on our member participation in load control programs indicates to me that we have numerous members helping their Cooperative control our largest monthly and yearly expense, power costs. Our 1993 rate study completed by Dennis Eicher of Power Systems Engineering indicates that the rates recommended by management and approved by your elected Board of Directors are based on the costs incurred by THEC for each class of consumer/members.

In your written complaint you go on to indicate that your competitors "DO NOT have to pay the high demand rates". I contacted Northern States Power and Northwestern Public Service employees about their rates to see how they bill your competitors. They indicate that they either do not offer off-peak rates or that what they have will not yield a savings as sizable or a cost of operation as low as your current rate. Copies of their rate charts are enclosed on pages 15 and 16. I would like to point out that based on my individual comparison of other utility rates and the LP-PC rate available at THEC, I believe that you may have a competitive advantage because you do have a choice on your power bill. We realize that your choice is not an easy one to make but our power costs associated with the on-peak power loads are reflected in the billing rates we pass on to you.

In reference to your comments on the facility and meter charges in the LP-PC rate. We have provided you with time of use metering equipment, load control equipment and

0136.34.6

notification devices with no up front charges so that you can be able to manage your load during our peak periods. Each month we also have an employee that reads your time of use meter on an individual basis to retrieve the data necessary for your on-peak billing usage. We take those computer readings and interpret that data to provide you with the detailed bill you see on page 14. It has been our practice to associate those costs with the rate classes from which they are incurred.

As a Cooperative form of business we strive to provide our members with options beneficial to you as individuals and to your Cooperative as a whole. We realize that some of the options are very complicated and are tough business decisions to make, which is why we are willing to work with our members on these issues. As I indicated to you on 9/6/96 I would be more then willing to visit with you about the off peak rate option that you are currently using. If you have time available, please let me know when it would work to review this letter with you and to discuss the off-peak program in general.

Thanks for your time and I'll wait to hear from you about a future meeting time.

Sincerely yours,



Brad Schardin,  
General Manager

cc William Bullard, Executive Director  
South Dakota Public Utilities Commission

Doug Eidahl  
South Dakota Rural Electric Association



TURNER-HUTCHINSON ELECTRIC COOPERATIVE, INC.  
MARION, SOUTH DAKOTA

LARGE POWER PEAK CONTROL SERVICE  
SCHEDULE LP-PC

AVAILABILITY

Available to consumers who permit the cooperative to control all or a portion of their load for all types of usage, except irrigation, subject to the established rules and regulations of the cooperative. The load under control must be estimated to contribute at least 40 KW on an average monthly basis to the cooperative's billing demand from its power supplier.

TYPE OF SERVICE

Three phase, 60 hertz, at available secondary voltages.

MONTHLY RATE

Facility Charge	@ \$50.00
Special Metering Charge	@ \$20.00
Demand Charge:	
Coincidental Demand	@ \$13.10 per KW, <u>plus</u>
Maximum Demand	@ \$ 1.32 per KW
Energy Charge	@ \$ 0.026 per KWH

SPECIAL METERING

The special metering charge shall not apply to consumers that allow the cooperative to control their entire load, thus eliminating the need for special time-of-use metering equipment.

MINIMUM CHARGES

The minimum monthly charge shall be the highest one of the following charges:

1. The minimum monthly charge specified in the contract for service.
2. A charge of \$1.20 per KVA or required transformer capacity.
3. The monthly facility charge and special metering charge, if applicable, as shown above.

MINIMUM ANNUAL CHARGES

Unless otherwise stated in the contract for service, a consumer may guarantee a minimum annual charge, in which case, there shall be no minimum monthly charge. The minimum charge shall be sufficient to assure adequate compensation for facilities installed to serve the load and, in no event, shall it be less than twelve times the minimum monthly charge determined in accordance with the foregoing paragraph.

BILLING DEMAND

1. The coincidental demand shall be equal to the customer's contribution to the monthly billing demand from the cooperative's power supplier, East River Electric Power Cooperative.
2. The maximum demand shall be the maximum kilowatt demand established by the

customer for any period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor.

CONTROLLED LOAD

Under the terms of this rate schedule, the cooperative will install remote control equipment or its equivalent to control all or a specified portion of the customer's load during the cooperative's monthly billing demand from its power supplier.

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as nearly as practicable. Demand charges may be adjusted to correct for average power factor lower than 90 percent, and may be so adjusted for other consumers if and when the cooperative deems necessary. Such adjustment will be made by increasing the measured demand one percent for each one percent by which the average power factor is less than 90 percent lagging.

PURCHASED POWER ADJUSTMENT CHARGE

The demand and energy charge is subject to upward or downward adjustment to reflect variations in purchased power costs.

TERMS OF PAYMENT

In the event the current monthly bill is not paid in accordance with the payment dates indicated on the bill, a late payment penalty of 1% of the total bill or \$2.00, whichever is larger, shall apply.

This rate schedule supercedes rate schedule LP-PC adopted November 21, 1991.

EFFECTIVE DATE: September 1994 billing period

DATE ADOPTED BY THE BOARD: August 18, 1994

TURNER-HUTCHINSON ELECTRIC COOPERATIVE, INC.  
MARION, SOUTH DAKOTA

GENERAL SERVICE - THREE PHASE LARGE POWER  
SCHEDULE GS-3LP

AVAILABILITY

Available to consumers for all types of usage, except irrigation purposes, where the average monthly demand exceeds 40 KW subject to the established rules and regulations of the cooperative.

TYPE OF SERVICE

Three phase, 60 cycles, at available secondary voltages.

MONTHLY RATE

Demand Charge	@ \$8.00 per KW
Energy Charge:	
First 200 KWH per KW	@ \$0.038 per KWH
Over 200 KWH per KW	@ \$0.031 per KWH

MINIMUM CHARGES

The minimum monthly charge shall be the highest one of the following charges:

1. The minimum monthly charge specified in the contract for service.
2. A charge of \$1.20 per KVA of required transformer capacity.

MINIMUM ANNUAL CHARGES

Unless otherwise stated in the contract for service, a consumer may guarantee a minimum annual charge, in which case, there shall be no minimum monthly charge. The minimum charge shall be sufficient to assure adequate compensation for facilities installed to serve the load and, in no event, shall it be less than twelve times the minimum monthly charge determined in accordance with the foregoing paragraph.

BILLING DEMAND

The billing demand shall be the maximum kilowatt demand established by the consumer for any period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor.

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as nearly as practicable. Demand charges may be adjusted to correct for average power factor lower than 90 percent, and may be so adjusted for other consumers if and when the cooperative deems necessary. Such adjustment will be made by increasing the measured demand one percent for each one percent by which the average power factor is less than 90 percent lagging.

PURCHASED POWER ADJUSTMENT CHARGE

The demand and energy charge is subject to upward or downward adjustment to reflect variations in purchased power costs.

TERMS OF PAYMENT

In the event the current monthly bill is not paid in accordance with the payment dates indicated on the bill, a late payment penalty of 1% of the total bill or \$2.00, whichever is larger, shall apply.

This rate schedule supercedes rate schedule GS-3LP adopted June 26, 1989.

EFFECTIVE DATE: September 1994 billing period  
DATE ADOPTED BY THE BOARD: August 18, 1994

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RILEY ELEVATOR  
LOC. 60-425

HISTORICAL BILLING DATA

BILLING PERIOD	RATE SCHEDULE	TOTAL KW DEMAND	TOTAL KWH ENERGY	TOTAL BILLED CHARGES	AVERAGE COST PER KWH
Jan-Dec, 1992	GS-3SP	772.0	92,400	\$7,596.75	\$0.0822
Jan-Aug, 1993	GS-3SP	960.0	180,400	\$14,482.81	\$0.0803
TOTALS		1,732.0	272,800	\$22,079.56	\$0.0809
Sep-Dec, 1993	LP-PC	357.2	37,840	\$1,976.38	\$0.0522
Jan-Dec, 1994	LP-PC	751.3	66,240	\$4,333.99	\$0.0654
Jan-Dec, 1995	LP-PC	900.7	91,200	\$4,964.31	\$0.0544
Jan Sep, 1996	LP-PC	614.5	84,560	\$4,229.30	\$0.0500
TOTALS		2,623.7	279,840	\$15,503.98	\$0.0554

INDUSTRIAL	INDUSTRIAL	DOAL	AIR	DEMAND	INDUSTRIAL	
1	2	FUEL	CONDITIONERS	CONTROLLER 1	HEAT	
1-12	1-12	1-12	1-12	1-12	1-12	
1						AM
1						AUG 17
1						PM
1						
1						AM
1						AUG 18
1						PM
1						
1						AM
1						AUG 19
1						PM
1						
1						AM
1						AUG 20
1						PM
1						
1	14:25					AM
1						AUG 21
1	14:25	14:15	15:31	15:33		PM
1	22:32	22:32	21:49	22:32		
1						AM
1						AUG 22
1						PM
1						
1						AM
1						AUG 23
1						PM
1						
1						AM
1						AUG 24
1	17:04	17:34	17:04	17:04		PM
1	19:55	19:55	19:45	19:45		

PEAK Control Periods  
Summary Sheets

EAST RIVER ELECTRIC  
AUGUST 20 1996  
TO  
SEPTEMBER 14, 1996

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09-04-96 07:51:02 LOAD MANAGEMENT FIRST OFF LAST ON REPORT 09-04-96 07:46:51

INDUSTRIAL 1 1-12	INDUSTRIAL 2 1-12	DIAL FUEL 1-12	AIR CONDITIONERS 1-12	DDWARD CONTROLLER 1 1-12	INDUSTRIAL HEAT 1-12	
1						AM
15:07	15:49		15:05	15:05		PM
21:13	21:13		21:13	21:13		
1						AM
						AUG 25
1						PM
1						
1						AM
						AUG 24
1						PM
1						
1						AM
						AUG 27
1						PM
1						
1						AM
						AUG 28
16:41	17:10		16:25	16:25		PM
19:40	19:40		21:38	21:36		
14:52			13:14	13:14		AM
						AUG 29
	14:03					PM
21:14	21:14		22:14	21:34		
1						AM
						AUG 30
16:39			17:24	17:24		PM
19:38			19:46	19:46		
1						AM
						AUG 31
1						PM
1						
1						AM
						AUG
1						PM
1						

EAST RIVER ELECTRIC

SEPTEMBER 1996 BILLING PERIOD

AUGUST 15, 1996  
TO  
SEPTEMBER 14, 1996

10

09-04-96 07:46:51

09-15-96 03:19:03 LOAD MANAGEMENT FIRST OFF LAST CH REPORT 09-15-96 03:15:24

INDUSTRIAL 1 1-12	INDUSTRIAL 2 1-12	DIAL FUEL 1-12	AIR CONDITIONERS 1-12	DEMAND CONTROLLER 1 1-12	INDUSTRIAL HEAT 1-12		
1	1	1	1	1	1	AM	1
1	1	1	1	1	1	PH	SEP 1 1
1	1	1	1	1	1	AM	1
1	17:05	1	17:33	17:33	1	PH	SEP 2 1
1	19:36	1	21:37	21:37	1	AM	1
1	1	1	1	1	1	AM	SEP 3 1
1	17:33	18:01	1	17:42	17:42	PH	1
1	19:46	19:46	1	19:46	19:46	AM	1
1	1	1	1	1	1	AM	SEP 4 1
1	15:43	16:37	1	15:51	15:51	PH	SEP 5 1
1	21:53	21:53	1	21:44	21:44	AM	1
1	1	1	1	1	1	AM	SEP 6 1
1	15:41	16:46	1	15:32	15:32	PH	1
1	20:49	20:49	1	20:04	20:04	AM	1
1	1	1	1	1	1	AM	SEP 7 1
1	1	1	1	1	1	PH	1
1	1	1	1	1	1	AM	1
1	1	1	1	1	1	AM	SEP 8 1
1	1	1	1	1	1	PH	1
1	1	1	1	1	1	AM	1

EAST RIVER ELECTRIC

SEPTEMBER 1996 BILLING PERIOD

START 15, 1996  
TO  
SEPTEMBER 14, 1996

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09-15-96 03:19:32 LOAD MANAGEMENT FIRST OFF LAST ON REPORT 09-15-96 03:35:24

INDUSTRIAL 3 1-12	INDUSTRIAL 2 1-12	DUAL FUEL 1-12	AIR CONDITIONERS 1-12	BOARD CONTROLLER 1 1-12	INDUSTRIAL KBAT 1-12	
0	0	0	0	0	0	AM
0	0	0	0	0	0	SEP 9
0	0	0	0	0	0	PM
0	0	0	0	0	0	
0	0	0	0	0	0	AM
0	0	0	0	0	0	SEP 10
0	0	0	0	0	0	PM
0	0	0	0	0	0	
0	0	0	0	0	0	AM
0	0	0	0	0	0	SEP 11
0	0	0	0	0	0	PM
0	0	0	0	0	0	
0	0	0	0	0	0	AM
0	0	0	0	0	0	SEP 12
0	0	0	0	0	0	PM
0	0	0	0	0	0	
0	0	0	0	0	0	AM
0	0	0	0	0	0	SEP 13
0	0	0	0	0	0	PM
0	0	0	0	0	0	
0	0	0	0	0	0	AM
0	0	0	0	0	0	SEP 14
0	0	0	0	0	0	PM
0	0	0	0	0	0	
0	0	0	0	0	0	AM
0	0	0	0	0	0	SEP 15
0	0	0	0	0	0	PM
0	0	0	0	0	0	
0	0	0	0	0	0	AM
0	0	0	0	0	0	SEP 16
0	0	0	0	0	0	PM
0	0	0	0	0	0	

KAST RIVER ELECTRIC  
SEPTEMBER 1996 BILLING PERIOD

AUGUST 15, 1996  
TO  
SEPTEMBER 14, 1996

12

INDUSTRIAL	INDUSTRIAL	DUAL	ALK	DEMAND	INDUSTRIAL	
1	2	PUREL	CONDITIONERS	CONTROLLEN	MCAT	
1-12	1-12	1-12	1-12	1-12	1-12	
						AM
						PH
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EAST RIVER ELECTRIC  
 SEPTEMBER 1996 BILLING PERIOD

AUGUST 15, 1996  
 TO  
 SEPTEMBER 14, 1996

PostNet Fax Note	7671
Date	9/27
Time	5:00 PM
From	George Colombe
Co	East River
Phone	415 256 8030
Fax	605 648 3778
To	Brad Schardin
Co Dept	T-H

01336.34.20  
TURNER-HUTCHINSON ELECTRIC COOPERATIVE, INC.  
MARION, SOUTH DAKOTA

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BILLING STATEMENT  
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NAME: RILEY ELEVATOR  
ADDRESS: PO BOX 178  
CITY, STATE: IRENE, SOUTH DAKOTA 57037-0178  
LOCATION NUMBER: 60-425  
MEMBER NUMBER: 502900-01

BILLING FOR THE MONTH OF: SEPTEMBER 1996  
USAGE FOR THE PERIOD OF: AUG. 15, 1996 TO SEP. 16, 1996  
DAYS IN BILLING PERIOD: 32 DAYS  
COINCIDENTAL PEAK: SEP. 04, 1996 @ 19:00  
NON-COINCIDENTAL PEAK: AUG. 28, 1996 @ 10:14  
RATE SCHEDULE: LP-PC  
SALES TAX RATE: 6.0%  
MINIMUM MONTHLY BILL: \$270.00

-----  
OFF-PEAK RATE COMPONENTS READINGS RATES CHARGES  
-----  
FACILITY CHARGE \$50.00 PER MONTH \$50.00  
SPECIAL METERING CHARGE \$20.00 PER MONTH 20.00  
  
DEMAND CHARGE:  
COINCIDENTAL DEMAND 1.3 KW @ \$13.10 PER KW = 17.03  
MAXIMUM DEMAND 50.4 KW @ \$1.32 PER KW = 66.53  
  
ENERGY CHARGE 2,880 KWH @ \$0.026 PER KWH = 74.88  
  
SUBTOTAL (monthly minimum bill may apply) \$270.00  
SALES TAX 6.0% 16.20  
-----  
TOTAL BILL \$286.20  
-----

COST COMPARISON WITH REGULAR GENERAL SERVICE RATE (GS-3LP):

-----  
GS-3LP RATE COMPONENTS READINGS RATES CHARGES PER KWH  
-----  
DEMAND CHARGE: 50.4 KW @ \$8.00 PER KW = \$403.20  
  
ENERGY CHARGE:  
200 KWH PER KW 2,880 KWH @ \$0.038 PER KWH = 109.44  
EXCESS KWH 0 KWH @ \$0.031 PER KWH = 0.00  
  
SUBTOTAL (monthly minimum bill may apply) \$512.64  
SALES TAX 6.0% 30.76  
-----  
TOTAL BILL BASED ON GENERAL SERVICE RATE \$543.40 \$0.189  
TOTAL BILL BASED ON OFF-PEAK RATE 286.20 \$0.099  
-----  
SAVINGS (COST) OF OFF-PEAK RATE DURING THIS BILLING PERIOD \$257.20 \$0.089  
  
YTD SAVINGS (COST) OF OFF-PEAK RATE \$4,162.51  
-----

# SOUTH DAKOTA

*NORTHERN STATES POWER Comp.*

**Rate:**  
CUSTOMER CHARGE: \$11.95

**ENERGY CHARGE:**  
(JUN-SEP)  
9.584 per kWh (on-peak)  
3.014 per kWh (off-peak)

(OCT-MAY)  
7.814 per kWh (on-peak)  
3.014 per kWh (off-peak)

On-Peak Hours: 9 a.m. - 9 p.m., MON-FRI, excluding holidays. Holidays are New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

Other provisions same as (41).

### (45) GENERAL SERVICE

**Rate:** DK804 DK814 GK804 GK814 DK824 DK834 GK824 GK834 01/01/89

**Applicable:** To any non-residential customer for all general purposes. Customers with connected load greater than 100 kW and who provide more than 25% of total energy requirements with own generation facilities must take service through (46).

**Character of Service:** ac; 60 cycles, single or 3 phase; 208 volts or higher secondary; 2,400 volts or higher primary. Service voltage available in any given case dependent upon voltage and capacity of utility lines in vicinity of customer's premises.

**Rate:**  
CUSTOMER CHARGE: \$17.50

# 925 ~~\$2.00~~ per kW (JUN-SEP)  
# 674 ~~\$2.00~~ per kW (OCT-MAY)

**ENERGY CHARGE:**  
3.014 per kWh

**Rate Payment:** Same as (41).

#### **Discount:**

Primary voltage	\$0.45 per kW	0.074 per kWh
Transmission transformed voltage	\$1.10 per kW	0.104 per kWh
Transmission voltage	\$1.65 per kW	0.124 per kWh

**Maximum Charge:** The monthly maximum charge for demand and energy shall not exceed \$0.15 per kWh, before application of customer charge and energy cost adjustment.

**Energy Cost Adjustment:** Same as (41).

**Tax Adjustment:** Same as (41).

**Billing Demand:** The demand in kW for billing purposes shall be determined by dividing the maximum actual demand in kW by the power factor expressed in percent (but not more than 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 80 hours per month.

**Power Factor:** The power factor for the month may be determined by permanently installed metering equipment. For all single- and 3-phase customers with services of 200 amperes or less, a power factor of 90% will be assumed.

### (46) GENERAL SERVICE - TIME-OF-USE

**Rate:** DT804 DT814 DT805 DT815 GT804 GT814 GT805 GT815 01/01/89  
GT824 DT825 GT825 DT824 GT824 DT825 GT825 DT824

**Applicable:** To any non-residential customer for all purposes

*changes noted by the  
Marketing Department at  
NSP on 9/25/96 as per  
conversation with Mr.  
Schubert*

*OFF PEAK OPTION  
Same Customer Charge  
Same kW charge  
energy charge  
ON Peak - 3.56¢  
OFF Peak - 2.67¢  
Max 80 hours control/yr  
9 a.m. to 9 p.m. peak  
periods.*

15

2-44-04-8

# SOUTH DAKOTA

primary voltage.

**Rates:**

**DEMAND CHARGE:**  
\$7.10 per kW first 100 kW demand  
6.40 per kW next 400 kW demand  
5.70 per kW all additional kW demand

**ENERGY CHARGE:**  
5.04 per kWh first 100 kWh per kW demand  
3.34 per kWh next 300 kWh per kW demand  
2.84 per kWh next 100 kWh per kW demand  
2.34 per kWh all additional kWh

*Northwestern Public  
Service Company*

**Minimum Bill:** The demand charge plus the energy charge of 100 hours use thereof.

**Discount:** 2% of the metered kWh will be deducted in determining customer's energy charge if metering is at primary voltage.

**Energy Cost Adjustment:** Same as (61).

**Tax Adjustment:** Same as (61).

**New Business Incentive Rider (Option N):** To new industrial customers for new loads which represent minimum additional demand requirements of 5 kW or greater. Customers have primary responsibility for applying for service pursuant to this rider. 30% discount applicable to standard demand charges otherwise applicable based upon utility's filed retail tariff for a period of five years; plus a bonus discount applicable to standard demand charges otherwise applicable based upon achieved load factors during the billing period as follows:

Achieved Load Factor	Bonus Discount
80%	20%
60%	30%
70%	40%
80%	50%

**Increased Usage Incentive Rider (Option I):** Same as Option N above except to existing industrial customers for increased load requirements provided such requirements are identifiable and represent minimum additional demand requirements of 5 kW or greater.

**Billing Demand:** The maximum 15-minute measured demand in the month, but not less than 100 kW.

## (66) COMMERCIAL AND INDUSTRIAL SERVICE

**Rate:** 33

09/01/87

**Applicable:** To commercial and industrial customers for all uses when demand is 5 kW or greater.

**Character of Service:** Same as (67).

**Rates:**

**DEMAND CHARGE:**  
\$7.10 per kW demand

**ENERGY CHARGE:**  
7.14 per kWh first 100 kWh per kW demand  
5.44 per kWh next 300 kWh per kW demand  
3.94 per kWh next 100 kWh per kW demand  
2.94 per kWh all additional kWh

*As per conversations with  
NWPS/Mitchell office on  
9/25/86 this is the rate  
that applies to grain  
elevators with the exception  
of a maximum  
of 4 kWh charge for a maximum  
of 150 kWh.  
No other options are  
available!*

**Minimum Bill:** The demand charge for 5 kW plus energy charge

**Maximum Charge:** The higher of:

- a) the minimum bill; or
- b) the combined average cost of \$0.15 per kWh for demand and energy charges before application of power cost and other applicable adjustments

Other provisions same as (67).

16

22-4-86-13

10-14-96

To: Dave Jacobson S.D. PUC  
 From: Row Graff Riley Co. Inc.

RECEIVED

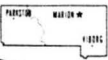
OCT 14 1996

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

Mr. Selvardie From Turner- He tele met with us last week. We think that some of our problems were answered. We have decided to try two months with our present system and if we are not satisfied; we will try something else. So please cancel the hearing on Oct. 24.

Row Graff

42-44-648-8



# Turner-Hutchinson

ELECTRIC COOPERATIVE, INC.

501 SOUTH BROADWAY AVENUE  
MARION, SOUTH DAKOTA 57043-0388  
PHONE (605) 648-3619 FAX (605) 648-3778

October 14, 1996

Riley Elevator Comp. Inc.  
C/O Ron and Bob Graff  
P.O. Box 178  
Irene, SD 57037

RECEIVED  
OCT 16 1996  
SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

Dear Ron and Bob,

I appreciate both of you taking your time last Tuesday, October 8, 1996, to visit with me about your written complaint to the South Dakota Public Utilities Commission (PUC) and my written response on behalf of Turner-Hutchinson Electric Cooperative (THEC). We covered several issues in our one and a half hour meeting and I hope that I answered your questions and concerns. As I indicated THEC's off-peak rate option is somewhat complicated but it has produced some very sizable savings for Riley Elevator over the past couple years.

One area of discussion on the on-peak kW charges that seemed to clarify things pertained to your need to operate during peak control periods. We understand that there may be times when you have to operate some motors to load or unload trucks during peak control periods. When that happens it is important for you to know what you have to operate and the possible on-peak kW/demand costs associated with those loads. We discussed this in detail pertaining to the grain leg and auger motors needed to unload and/or move grain to another bin. Over the course of a thirty(30) day billing period we may have several peak control days but only one thirty minute peak billing period will determine your and our on-peak kW/demand charges. There is not an on-peak kW/demand charge for each time you operate on a peak control day. What this all boils down to is that there may be one or two months in a year that you operate on our peak and you have some on-peak kW/demand charges associated with that load. What these charges will do is lower your overall

**"We Put Value On the Line"**

annual savings, but increase the convenience to you and your customers by getting the work done that is necessary at that time.

As mentioned before we discussed several different issues last week, but I wanted to reiterate the above item in more detail with this follow-up letter. Based on our conversation and discussions that day it was my understanding that you were satisfied with our meeting and had plans to contact the PUC about canceling the formal complaint that you filed on September 24, 1996 with them.

If you have any other questions or concerns that remain unanswered please feel free to contact us directly. We are always willing to sit down and visit with our member/owners on a face to face basis.

Again, Thanks for your time.

Sincerely yours,



Brad Schardin  
General Manager

cc William Bullard-SD PUC  
Doug Eidani-SDREA



BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE COMPLAINT OF )	ORDER DISMISSING
RILEY COMPANY, INC. IRENE, SOUTH )	COMPLAINT AND CLOSING
DAKOTA AGAINST TURNER-HUTCHINSON )	DOCKET
ELECTRIC COOPERATIVE, INC. REGARDING )	
DEMAND RATES )	EL96-022

On September 24, 1996, the Public Utilities Commission (Commission) received a formal complaint from the Riley Company, Inc. of Irene, South Dakota (Riley), concerning demand rates charged by Turner-Hutchinson Electric Cooperative, Inc. (Turner-Hutchinson). Since the filing of the complaint, Commission Staff received word from Riley's representative, Ron Graff that the issues raised in the complaint had been resolved and Riley requested that the complaint be dismissed and the docket closed.

On November 1, 1996, at its regularly scheduled meeting, the Commission reviewed this matter.

The Commission has jurisdiction over this matter pursuant to Chapter 49-34A, SDCL and ARSD Chapter 20 10. As Riley and Turner-Hutchinson have resolved all the issues complained of by Riley and it has requested dismissal and closure of the docket, Commission Staff recommended that the Commission dismiss the complaint and close the docket. It is therefore

ORDERED that the complaint be dismissed and that docket EL96-022 be closed.

Dated at Pierre, South Dakota, this 5th day of November, 1996.

<b>CERTIFICATE OF SERVICE</b>	
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	<u>Hildene Kelle</u>
Date	<u>11/1/96</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION

Kenneth Stofferahn  
KENNETH STOFFERAHN, Chairman

James A. Burg  
JAMES A. BURG, Commissioner

Laska Schoenfelder  
LASKA SCHOENFELDER, Commissioner