

EL 97-014

In the Matter of

IN THE MATTER OF THE FILING BY
NORTHWESTERN PUBLIC SERVICE
COMPANY FOR TARIFF REVISIONS

File Fee

Public Utilities Commission of the State of South Dakota

DATE	MEMORANDA
7/15/97	Filed and docketed.
8/27/97	Order suspending rate,
9/29/97	revised tariff sheets,
10/27/97	revised tariff sheet 211,
11/9/97	Order approving tariff revisions,
11/13/97	Docket closed.



Northwestern Public Service
3 Third Street SE
Huron, SD 57350-1625
Telephone: (605) 352-8411
Facsimile: (605) 353-8286

EL97-014

RECEIVED

July 14, 1997

JUL 15 1997

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Mr. William Bullard Jr., Executive Director
South Dakota Public Utilities Commission
State Capitol Building
Pierre, South Dakota 57501

Dear Mr. Bullard:

Enclosed herein are three (3) copies of Original Sheet No. 21, 21.1 and 21.2 of Northwestern's Electric Tariff.

Sheet No. 21.1 and 21.2 are descriptive of Northwestern's new Extended Service Rider, Option L. Some of our large industrial customers expressed interest in developing long-term arrangements. Development of long-term relationships are to the benefit of the specific customer and to our system as a whole as the industry enters a more competitive environment.

Northwestern proposes to phase in the eligibility of this scheduled service, with initial availability to customers with demands of at least 1,000 KW per month. This will initially affect 13 customers and produce a potential revenue reduction of \$292,000 per year.

Sheet No. 21.2 represents the discount contract to be signed by the customer.

NPS proposes that Option L be approved to be effective August 15, 1997.

Should you have any questions regarding the above changes, please advise.

Sincerely,

Jeff J. Decker
Director-Price Analysis

Enclosures

REPORT TO COMMISSION OF TARIFF SCHEDULE CHANGES ON NOTICE

- (1) Name and address of the public utility;

Northwestern Public Service Company
P. O. Box 1318
33 Third Street SE
Huron, SD 57350-1318

- (2) Section and sheet number of tariff schedule;

Original Sheet No. 21, 21.1, 21.2

- (3) Description of the change.

Electric customer will be given a discount of up to 8% on the non-fuel portion of the commodity rate. Available to customers with a demand of at least 1,000 KW. Contract will be for a length of up to 10 years.

- (4) Reason for the change.

Some of our large industrial customers expressed interest in developing long-term arrangements. Development of long-term relationships are to the benefit of the specific customer and to our system as a whole as the industry enters a more competitive environment.

- (5) Present Rate: N/A

- (6) Proposed Rate:

The following discounts shall be applied to the non-fuel portion of the commodity rate.

<u>Months Remaining in Contract Term</u>	<u>Discount</u>
49 - 120	8 percent
37 - 48	4 percent
25 - 36	3 percent
13 - 24	2 percent
12 or less	1 percent

- (7) Proposed effective date of modified rate;

August 15, 1997

- 01411.02
- (8) Approximation of annual amount of increase or decrease in revenue,

\$292,000 decrease

- (9) Points affected,

All South Dakota customers with demand of at least 1,000 KW.

- (10) Estimation of the number of customers whose cost of service will be affected and annual amounts of either increases or decreases, or both

13 customers, \$292,000 annual revenue decrease

SOUTH DAKOTA ELECTRIC RATE SCHEDULE

NORTHWESTERN PUBLIC SERVICE COMPANY HURON SOUTH DAKOTA	Original <hr style="width: 100%;"/> Canceling	Section No. 3 No. 21 Sheet No. 21
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Extended Service Rider

OPTION L

CLASS OF SERVICE: Commercial and Industrial Service

APPLICABILITY

This rider is available to Commercial and Industrial customers for loads which represent a maximum demand of 1000 KW or greater. The applicability of this rider is subject to consummation of an agreement between Northwestern and customer and shall be effective on a prospective basis only. Customers have primary responsibility for applying for service pursuant to this rider.

TERRITORY

Northwestern's Assigned Service Area

RATE

The following discounts shall be applied to the non-fuel portion of the commodity rate

<u>Months Remaining in Contract Term</u>	<u>Discount</u>
49 - 120	8 percent
37 - 48	4 percent
25 - 36	3 percent
13 - 24	2 percent
12 or less	1 percent

All provisions of Northwestern's filed tariff not specifically changed by this rider schedule shall apply. Option L can be contracted for a period of up to 10 years.

(Continued)

Date Filed: July 15, 1997

Effective Date: August 15, 1997

R. F. Levendecker
 Issued By: Vice-President, Market Development

SOUTH DAKOTA ELECTRIC RATE SCHEDULE

NORTHWESTERN PUBLIC SERVICE COMPANY
HURON
SOUTH DAKOTA

Section No. 3
No. 21.1
Sheet No.21.1
Original
Canceling

Extended Service Rider

OPTION L

(Continued)

OTHER PROVISIONS

- 1) The applicability of monthly customer and minimum charges, adjustment clauses and other provisions is unaffected by this rider. Stated provisions of tariff schedule under which load is being served shall remain in effect.
- 2) This discount may not be used concurrently with any other discounting pursuant to tariff or special contract.
- 3) Option L may be renewed on an annual basis, at the discretion of Northwestern and the customer.
- 4) Northwestern reserves the right to reject customer loads for which sufficient capacity is not available or where said loads may otherwise jeopardize Northwestern's system or the welfare of existing customers.
- 5) Northwestern, at its option, may terminate the Option L agreement if the customers Demand or energy use is reduced on an annual basis by 10% or more.

Date Filed: July 15, 1997

Effective Date: August 15, 1997

R. F. Leyendecker
Issued By: Vice-President, Market Development

SOUTH DAKOTA ELECTRIC RATE SCHEDULE

NORTHWESTERN PUBLIC SERVICE COMPANY
 HURON
 SOUTH DAKOTA

Section No. 3
 No. 21.2
 Canceling _____ Sheet No.21.2

EXTENDED SERVICE AGREEMENT

NAME(S) _____ DATE _____

SERVICE ADDRESS _____ CITY _____

ACCOUNT NO _____ RATE NO _____ BILLING CYCLE _____

The undersigned Customer and Northwestern Public Service "Northwestern" agree that electricity will be provided by Northwestern to Customer as follows:

- (1) Customer has had a peak demand of at least 1000 KW within the last 12 months and is receiving electric service from Northwestern under the rate listed above.
- (2) During the term of this Agreement, the rate per KWH of electricity delivered by Northwestern to Customer will be subject to the discounts on the non-fuel portion of the commodity rate in accordance with the following:

Months Remaining in Contract Term	Discount
49 - 120	8 percent
37 - 48	4 percent
25 - 36	3 percent
13 - 24	2 percent
12 or less	1 percent

(3) The term of this Agreement shall be _____ years, beginning with the execution of this Agreement.

(4) All provisions of Northwestern's filed tariff listed above, including Northwestern's General Terms and Conditions, all as amended from time to time and filed with the South Dakota Public Utilities Commission, not specifically changed by this Agreement shall apply.

Accepted and approved this _____ day of _____, 19 _____

NORTHWESTERN PUBLIC SERVICE

CUSTOMER

By _____

By _____

Title _____

Title _____

Date Filed: July 15, 1997

Effective Date: August 15, 1997

R. F. Levendecker
 Issued By: Vice-President, Market Development

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE FILING BY) ORDER SUSPENDING RATE
NORTHWESTERN PUBLIC SERVICE)
COMPANY FOR TARIFF REVISIONS) EL97-014

On July 15, 1997, Northwestern Public Service Company (Northwestern) filed tariff revisions with the South Dakota Public Utilities Commission (Commission). Northwestern enclosed copies of Original Sheet Nos. 21, 21.1 and 21.2. Sheet Nos. 21.1 and 21.2 are descriptive of Northwestern's new Extended Service Rider, Option L. Northwestern proposed to phase in the eligibility of this scheduled service, with initial availability to customers with demands of at least 1,000 KW per month. Sheet No. 21.2 represents the discount contract to be signed by the customer. Northwestern proposed that Option L be approved effective August 15, 1997.

At its regularly scheduled meeting of August 18, 1997, the Commission considered this matter. Commission Staff recommended suspending the rate up to 90 days.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-34A, specifically 49-34A-14. The Commission unanimously voted to suspend the rate up to 90 days after the proposed effective date. It is therefore

ORDERED, that the effective date for Northwestern's rate be suspended for no more than 90 days after the proposed effective date.

Dated at Pierre, South Dakota, this 27th day of August, 1997.

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: [Signature]

Date: 9/2/97

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

[Signature]
JAMES A. BURG, Chairman

[Signature]
PAM NELSON, Commissioner

[Signature]
LASKA SCHOENFELDER, Commissioner



Northwestern Public Service
33 Third Street SE
Huron, SD 57350-1605
Telephone: (605) 352-8411
Facsimile: (605) 353-8286

September 26, 1997

RECEIVED

SEP 29 1997

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Mr. Camron Hoseck
Staff Counsel
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, SD 57501-5070

Re: EL97-014
Extended Service Rider, Option L
Revised Tariffs

Dear Mr. Hoseck:

Enclosed is an original and 3 copies of revised tariff sheets to implement the proposed Extended Service Rider, Option L. These tariffs have been adjusted to reflect Commission Staff's suggested language changes. The tariff sheets also reflect a proposed effective date of November 1, 1997.

Sincerely,

A handwritten signature in cursive script that reads 'Thomas P. Hitchcock'.

Thomas P. Hitchcock
Manager - Regulatory & Pricing Services

Enclosure

0141-28-9

SOUTH DAKOTA ELECTRIC RATE SCHEDULE

NORTHWESTERN PUBLIC SERVICE COMPANY
HURON
SOUTH DAKOTA

Section No. 3
Original No. 21
Canceling Sheet No. 21

Extended Service Rider

OPTION L
RECEIVED

CLASS OF SERVICE: Commercial and Industrial Service

SEP 29 1997

APPLICABILITY

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

This rider is available to Commercial and Industrial customers for loads which represent either (1) a trailing 12 month average demand of 1,000 KW or greater and an average load factor greater than 50 percent or (2) a trailing 12 month average load factor greater than 75 percent and an average demand of 500 KW or greater. The applicability of this rider is subject to consummation of an agreement between Northwestern and customer and shall be effective on a prospective basis only. Customers have primary responsibility for applying for service pursuant to this rider.

TERRITORY

Northwestern's Assigned Service Area

RATE

The following discounts shall be applied to the non-fuel portion of the total demand and energy charges

Months Remaining in Contract Term	Discount
49 - 120	8 percent
37 - 48	4 percent
25 - 36	3 percent
13 - 24	2 percent
12 or less	1 percent

All provisions of Northwestern's filed tariff not specifically changed by this rider schedule shall apply. Option L can be contracted for a period of up to 10 years.
(Continued)

Date Filed: September 29, 1997

Effective Date: November 1, 1997

R. F. Levendecker

Issued By: Vice-President, Market Development

SOUTH DAKOTA ELECTRIC RATE SCHEDULE

NORTHWESTERN PUBLIC SERVICE COMPANY
HURON
SOUTH DAKOTA

Section No. 3
Original No. 21.1
Canceling Sheet No.21.1

Extended Service Rider OPTION L

(Continued)

OTHER PROVISIONS

- 1) The applicability of monthly customer and minimum charges, adjustment clauses and other provisions is unaffected by this rider. Stated provisions of tariff schedule under which load is being served shall remain in effect.
- 2) This discount may not be used concurrently with any other discounting pursuant to tariff or special contract.
- 3) Option L may be renewed on an annual basis, at the discretion of Northwestern and the customer.
- 4) Northwestern reserves the right to reject customer loads for which sufficient capacity is not available or where said loads may otherwise jeopardize Northwestern's system or the welfare of existing customers.
- 5) Northwestern, at its option, may terminate the Option L agreement if the customers Demand or energy use is reduced on an annual basis by 10% or more.
- 6) Discounts given to customers under Option L shall be reviewed in future rate proceedings, or a proceeding pursuant to SDCL 49-34A-26, to determine net benefit or cost to Northwestern's customers. Any net cost incurred as a result of the implementation of Option L shall not be recovered from customers irrespective of their customer class.
- 7) Discounts offered under Option L shall be applied to standard rates as approved by the South Dakota Public Utilities Commission from time to time.

Date Filed: September 29, 1997

Effective Date: November 1, 1997

R. F. Lexendecker

Issued By: Vice-President, Market Development

SOUTH DAKOTA ELECTRIC RATE SCHEDULE

NORTHWESTERN PUBLIC SERVICE COMPANY
 HURON
 SOUTH DAKOTA

Section No. 3
 Original No. 21.2
 Canceling Sheet No. 21.2

EXTENDED SERVICE AGREEMENT

NAME(S) _____ DATE _____

SERVICE ADDRESS _____ CITY _____

ACCOUNT NO _____ RATE NO _____ BILLING CYCLE _____

The undersigned Customer and Northwestern Public Service "Northwestern" agree that electricity will be provided by Northwestern to Customer as follows

(1) Customer has either (1) a trailing 12 month average demand of 1,000 KW or greater and an average load factor greater than 50 percent or (2) a trailing 12 month average load factor greater than 75 percent and an average demand of 500 KW or greater and is receiving electric service from Northwestern under the rate listed above

(2) During the term of this Agreement, the rate per KWH of electricity delivered by Northwestern to Customer will be subject to the discounts on the non-fuel portion of the demand and energy charges in accordance with the following

Months Remaining in Contract Term	Discount
49 - 120	8 percent
37 - 48	4 percent
25 - 36	3 percent
13 - 24	2 percent
12 or less	1 percent

(3) The term of this Agreement shall be _____ years, beginning with the execution of this Agreement

(4) All provisions of Northwestern's filed tariff listed above, including Northwestern's General Terms and Conditions, all as amended from time to time and filed with the South Dakota Public Utilities Commission, not specifically changed by this Agreement shall apply.

Accepted and approved this _____ day of _____, 19____

NORTHWESTERN PUBLIC SERVICE

CUSTOMER

By _____

By _____

Title _____

Title _____

Date Filed: September 29, 1997Effective Date: November 1, 1997R. F. Levendecker

Issued By: Vice-President, Market Development



Northwestern Public Service
33 Third Street SE
Huron, SD 57350-1625
Telephone: (605) 352-8411
Facsimile: (605) 353-8286

RECEIVED

OCT 27 1997

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

October 24, 1997

Mr. Camron Hoseck
Staff Counsel
South Dakota Public Utilities Commission
State Capito' Building
500 East Capitol Avenue
Pierre, SD 57501-5070

Re: EL97-014
Extended Service Rider, Option L
Revised Tariffs

Dear Mr. Hoseck:

Enclosed is an original and 3 copies of revised tariff Sheet No. 21.1 to implement the proposed Extended Service Rider, Option L. This sheet has been adjusted to reflect Commission Staff's suggested language change to provision 6, relating to the treatment of Option L discounts in future rate proceedings. This tariff sheet also reflects a proposed effective date of November 1, 1997.

Sincerely,

A handwritten signature in cursive script that reads 'Thomas P. Hitchcock'.

Thomas P. Hitchcock
Manager - Regulatory & Pricing Services

Enclosure

SOUTH DAKOTA ELECTRIC RATE SCHEDULE

NORTHWESTERN PUBLIC SERVICE COMPANY
HURON
SOUTH DAKOTA

Section No. 3
Original No. 21.1
Canceling Sheet No.21.1

Extended Service Rider OPTION L

(Continued)

OTHER PROVISIONS

- 1) The applicability of monthly customer and minimum charges, adjustment clauses and other provisions is unaffected by this rider. Stated provisions of tariff schedule under which load is being served shall remain in effect.
- 2) This discount may not be used concurrently with any other discounting pursuant to tariff or special contract
- 3) Option L may be renewed on an annual basis, at the discretion of Northwestern and the customer
- 4) Northwestern reserves the right to reject customer loads for which sufficient capacity is not available or where said loads may otherwise jeopardize Northwestern's system or the welfare of existing customers
- 5) Northwestern, at its option, may terminate the Option L agreement if the customers Demand or energy use is reduced on an annual basis by 10% or more
- 6) Revenues which may be lost by Northwestern by reason of its entering into agreements under Option L shall not be recovered from its customers irrespective of their customer class. The determination of whether revenues have been lost shall be made by the South Dakota Public Utilities Commission in a rate proceeding or in a proceeding pursuant to SDCL 49-34A-26
- 7) Discounts offered under Option L shall be applied to standard rates as approved by the South Dakota Public Utilities Commission from time to time

Date Filed: October 20, 1997

Effective Date: November 1, 1997

R. F. Leventecher

Issued By: Vice-President, Market Development

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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
NORTHWESTERN PUBLIC SERVICE COMPANY) REVISIONS
FOR TARIFF REVISIONS)
)
EL97-014**

On July 15, 1997, Northwestern Public Service Company, Huron, SD (NWPS), filed with the Public Utilities Commission (Commission) a proposed new Extended Service Rider termed "Option L." Option L involves long-term service agreements with large industrial customers of NWPS and discounts for service depending on the length of the agreement.

The proposed additions to NWPS' South Dakota Electric Rate Schedule are as follows:

IN SECTION 3:

Original Sheet No. 21
Original Sheet No. 21.1
Original Sheet No. 21.2

At a regularly noticed and scheduled meeting on October 28, 1997, the Commission considered approval of the application. Commission Staff recommended approval as the tariffs now include language as proposed by staff.

The Commission found that it has jurisdiction over this matter pursuant to SDCL Chapter 49-34A. The Commission found that NWPS must file an annual report that depicts the following:

1. The current extended service agreement for each customer.
2. The previous 12 months' usage and margin from the date of the extended service agreement for each customer.
3. A comparison of the margin that would have been received under the applicable tariff without the discount and the margin with the discount for each customer for the reporting period.
4. The usage for each customer for the reporting period.

Further, the Commission found that the revised tariffs are just and reasonable and shall be approved. As the Commission's final decision in this matter, it is therefore

0114402

ORDERED, that Northwestern Public Service Company's revised tariffs as described above are approved and shall be effective for service rendered on and after November 1, 1997, and it is

FURTHER ORDERED, that NWPS shall file an annual report as discussed above.

Dated at Pierre, South Dakota, this 3rd day of November, 1997.

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	<u>William Kuchs</u>
Date	<u>11/4/97</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner