

BLACK HILLS POWER, INC.
d/b/a BLACK HILLS ENERGY
SD PUC DOCKET: EL16-042

REQUEST DATE : 1/6/17

RESPONSE DATE : 1/20/17

REQUESTING PARTY: Staff

SDPUC Request No. 1-3:

Provide a detailed explanation of why BHP uses three different schedules to apply this cogeneration and small power production credit to customers. Explain how these three schedules apply differently.

Response to SDPUC Request No. 1-3:

Black Hills has three different schedules in its tariff to accommodate different customer needs. The difference between the three schedules are as follows:

Schedule 1 - is applicable to a cogeneration customer only that chooses to rely on their cogeneration for all their power and energy needs. The customer can contract with Black Hills for added firm or interruptible power and energy under this schedule (emergency or maintenance power and energy). This schedule allows for customer net billing. Black Hills has never had any customers utilize this schedule.

Schedule 2 - is applicable to either a cogeneration or small power production customer. This schedule allows for metering and billing based upon simultaneous purchase and sale of energy only (gross sales and gross purchases). Under this schedule all the energy produced by the customer will be metered on a dedicated production meter and the Company will pay the customer the generation credit stated in the schedule. All the energy purchased by the customer will be metered on a separate dedicated sales meter and charged to the Customer at their applicable Company rate schedule. Black Hills has never had any customers utilize this schedule.

Schedule 3 - is applicable to either a cogeneration or small power producer customer that wants the metering and billing capability of simultaneous net bill (net sales and purchases). Under this schedule all the energy produced satisfies the customer's energy needs first. If any remaining generation exists, that generation is fed back to the utility's system and the Customer receives from the Company the generation credit amount stated in this schedule. If the customer generation does not satisfy the customer's energy needs, the customer purchases their energy shortfall under their applicable Company rate schedule. These simultaneous purchases and sales are net billed each cycle under this schedule. All Black Hills small power production customers are under this schedule.

Attachments:

None