

# SECTION

# 9



Northern States Power Company  
 Minneapolis, Minnesota 55401

**SOUTH DAKOTA ELECTRIC RATE BOOK - SDPUC NO. 2**

**TECHNICAL AND SPECIAL TERMS AND  
 ABBREVIATIONS FOR COGENERATION AND SMALL  
 POWER PRODUCTION**

Section No. 9  
 Original Sheet No. 1  
 Relocated from SDPUC No. 1 Sheet No. 7-1

**SUBDIVISION 1 DEFINITIONS**

**QUALIFYING FACILITY (QF).** A qualifying facility is a power production or cogeneration facility certified under The Public Utility Regulatory Policies Act of 1978 (PURPA), Title 11, Section 201, by procedures established by the Federal Energy Regulatory Commission regulations under 18 CFR Section 292.207. Hereafter, the term may refer to the physical facility, the facility owner, or the facility operator.

**SMALL QUALIFYING FACILITY (SQF).** A small qualifying facility is a qualifying facility with certified capacity of 100 kW or less.

**METERING CHARGE.** The monthly metering charge recovers the cost of the additional metering equipment and its installation along with the associated billing, operating, and maintenance costs.

**NET INTERCONNECTION CHARGES.** The net interconnection charges will be assessed to recover those costs associated with the addition to or modification of Company facilities to accommodate the SQF in excess of the facilities and expenses recovered in the monthly metering charge. At the option of the SQF, the net interconnection charge shall be a single non-refundable charge for the costs incurred or to be incurred by the Company or a monthly levelized charge being one-twelfth of Company's annual fixed costs plus cost of maintenance. If the SQF opts for a monthly net interconnection charge and permanently disconnects from the Company's system prior to completion of all monthly payments, the SQF will be responsible for making a one-time payment to the Company which will include those net interconnection costs not yet paid plus removal costs minus salvage value along with an administrative charge.

**ON PEAK PERIOD.** The on peak period contains all hours between 9:00 a.m. and 9:00 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.

**OFF PEAK PERIOD.** The off peak period contains all other hours not included in the on peak period. Definition of on peak and off peak period is subject to change with change in Company's system operating characteristics.

**SUBDIVISION 2 ABBREVIATIONS**

QF      Qualifying Facility  
 SQF     Small Qualifying Facility

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Minneapolis, Minnesota 55401  
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**OCCASIONAL DELIVERY ENERGY SERVICE**  
**RATE CODE E50**

Section No. 9  
8th Revised Sheet No. 2  
Canceling 7th Revised Sheet No. 2

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**AVAILABILITY**

Available to any small qualifying facility (SQF) for the delivery of small amounts of energy.

**RATE**

Metering Charge for Single Phase Service per Month **\$3.75**

Payment Schedule for Energy Delivered to Company  
Energy Payment per kWh **\$0.0271**

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**TERMS AND CONDITIONS OF SERVICE**

1. Electric service provided by Company to customer at the same site shall be billed in accordance with the appropriate retail electric tariff.
2. Compensation for energy delivered to Company is limited to payment for a maximum 2,000 kWh delivered per month. Delivery of energy to Company in excess of this limit will be uncompensated.
3. The minimum contracted term of service is 12 months.
4. Interconnection charges will be assessed by the Company on an individual basis for all costs associated with addition to or modification of Company facilities to accommodate the SQF. The monthly metering charge recovers the cost of the additional metering equipment and the associated billing, operating, and maintenance expenses. The net interconnection charge recovers those costs incurred for equipment and expenses in excess of metering equipment and expenses. At the option of the SQF, the net interconnection charge will be a single payment or will be a monthly payment. The calculations of such charges are described in Subdivision 1, DEFINITIONS, in this section.

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SOUTH DAKOTA ELECTRIC RATE BOOK - SDPUC NO. 2

TIME OF DELIVERY ENERGY SERVICE  
RATE CODE E52

Section No. 9  
9th Revised Sheet No. 3  
Canceling 8th Revised Sheet No. 3

**AVAILABILITY**

Available to any small qualifying facility (SQF).

**RATE**

Metering Charge for Single Phase Service per Month	\$4.75
Payment Schedule for Energy Delivered to Company	
On Peak Energy Payment per kWh	\$0.0370
Off Peak Energy Payment per kWh	\$0.0219
Capacity Payment for Firm Power per On Peak kWh	\$0.0075

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**DETERMINATION OF FIRM POWER**

The SQF will have supplied firm power if during the billing period an on peak capacity factor of at least 65% was achieved. The calculation of the on peak capacity factor will be as follows:

The average on peak period metered capacity delivered to the Company for the on peak period of the billing period divided by the greatest 15 minute metered capacity delivered for the on peak period of the same billing period expressed in percent and rounded to the nearest whole percent. If the percent calculated is 65 or greater, capacity payment will be made. If the percent calculated is less than 65, capacity payment will not be made.

**TERMS AND CONDITIONS OF SERVICE**

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2. The minimum contracted term of service is 12 months.
3. Interconnection charges will be assessed by the Company on an individual basis for all costs associated with addition to or modification of Company facilities to accommodate the SQF. The monthly metering charge recovers the cost of the additional metering equipment and the associated billing, operating, and maintenance expenses. The net interconnection charge recovers those costs incurred for equipment and expenses in excess of metering equipment and expenses. At the option of the SQF, the net interconnection charge will be a single payment or will be a monthly payment. The calculations of such charges are described in Subdivision 1, DEFINITIONS, in this section.

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**GENERAL CONDITIONS OF SERVICE -  
 SMALL QUALIFYING FACILITIES**

Section No. 9  
 Original Sheet No. 4  
 Relocated from SDPUC No. 1 Sheet No. 7-4

1. Small qualifying facility (SQF) shall execute an Electric Service Agreement with Company which shall include, among other provisions, a minimum term of service.
2. Power and energy purchased by SQF from Company shall be under the available retail rates for the purchase of electricity.
3. Company shall make compensation monthly for all energy received from SQF less the metering charge. The schedule for these payments is subject to annual review.
4. The metering charge assumes common use of all Company facilities, up to the metering point, for both receipt and delivery of energy. Any additional facilities required by Company to accommodate the SQF will require the SQF to pay a net interconnection charge as defined in Subdivision 1, DEFINITIONS.
5. SQF shall make provision for on-site metering. All energy received from and delivered to Company shall be separately metered. On-site use of SQF output shall be unmetered for purposes of compensation. SQF shall cooperate with and allow Company to install and have access to on-site monitoring equipment for purposes of gathering SQF performance data.
6. Interconnection with Company shall be in accordance with the guidelines set forth in the Company's electric rate book, Section 6, General Rules and Regulations, Section 2.4, STANDBY, SUPPLEMENTARY, EMERGENCY, AND INCIDENTAL SERVICES. SQF shall provide and install a Company approved disconnect device (switch) which will physically and visually open the circuit to SQF. The device shall have unrestricted access at all times without prior notice by Company personnel and shall be lockable in open position by Company; shall open all cables to SQF except the neutral; and shall be located near the interconnection point.
7. SQF shall identify, protect, defend, and save harmless Company from and against any and all claims and demands for damages, remote as well as proximate, to property and injury or death to persons, including payments made under any workmen's compensation law or under any plan for employees' disability and death benefits, which may arise out of or be caused by the erection, maintenance, presence, operation, or removal of the qualifying facility, or by any related act or omission of SQF, its employees, agents, contractors, or subcontractors.

(Continued on Sheet No. 9-5)

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**GENERAL CONDITIONS OF SERVICE -  
SMALL QUALIFYING FACILITIES (Continued)**

Section No. 9  
Original Sheet No. 5  
Relocated from SDPUC No. 1 Sheet No. 7-4

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8. The owner of the SQF shall maintain during the term of this agreement liability insurance which insures customer against all claims for property damage and for personal injury or death arising out of, resulting from, or in any manner connected with the installation, operation, and maintenance of the SQF. The amount of such insurance coverage shall be at least \$300,000 per occurrence. The owner shall furnish a certificate from its insurance carrier showing that it has complied with the provisions of this section and providing that the insurance policy will not be changed or canceled during its term without written 90 day notice to NSP.

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**SOUTH DAKOTA ELECTRIC RATE BOOK - SDPUC NO. 2**

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**STANDARD CONTRACT AND AGREEMENT FORMS**

Section No. 9

Original Sheet No. 6

Relocated from SDPUC No. 1 Sheet No. 7-5

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Listed below are the titles of standard contract or service agreement forms Company requires of customers for cogeneration and small power production purchase services.

1. Electric Service Agreement for Cogeneration and Small Power Production
2. Typical Additional Terms and Conditions of Service for Customer Parallel Operation

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**ELECTRIC SERVICE AGREEMENT FOR  
 COGENERATION AND SMALL POWER PRODUCTION**

Section No. 9  
 Original Sheet No. 7  
 Relocated from SDPUC No. 1 Item No. 1

**ELECTRIC SERVICE AGREEMENT**

Form 17-0848 (11-83)

THIS AGREEMENT, Made this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by and between NORTHERN STATES POWER COMPANY, a Minnesota Corporation, hereinafter called the "Company," and \_\_\_\_\_, hereinafter called the "Customer," engaged in the business of \_\_\_\_\_

WITNESSETH: That the parties hereto, each in consideration of the agreements of the other, agree as follows:

- KIND OF SERVICE:** Company agrees to supply and Customer agrees to accept electric service in the form of \_\_\_\_\_ Phase, \_\_\_\_\_ Wire, Alternating Current at a nominal frequency of 60 Hertz and at a nominal voltage of \_\_\_\_\_ for Customer's use solely for the operation of electric equipment now installed by Customer on the property known as \_\_\_\_\_ located at \_\_\_\_\_
- CAPACITY COMMITMENT:** Company agrees to provide and keep available throughout the term of this Agreement for Customer's use at the above location \_\_\_\_\_ kilovolt-amperes of capacity. Company also agrees to provide additional capacity to an aggregate of \_\_\_\_\_ kilovolt-amperes upon reasonable notice from Customer specifying the additional amount of capacity and the date same will be required. Reasonable notice shall be construed as meaning ample time in which Company can provide such additional capacity in its system as may be necessary.
- ANNUAL MINIMUM CHARGE:** In consideration of the above capacity commitment and its investment in facilities to serve Customer, Customer agrees that if the total net payments during any contract year hereunder, in accordance with the RATE below, amount to less than a minimum charge of \$ \_\_\_\_\_ per year, the difference between such minimum charge and said total net payment shall be included in the bill for the last month of said year and Customer agrees to pay same as a charge for service rendered.
- ~~4. **TERM:** This Agreement shall commence at 12:01 A.M. on \_\_\_\_\_, 19\_\_\_\_, and shall continue for a period ending at 12:01 A.M. on \_\_\_\_\_, 19\_\_\_\_ and, if not then terminated by at least six months prior written notice by either party, shall continue further until so terminated; provided, that if the event Company continues to supply electric service to Customer at this location subsequent to the termination hereof, the demands billed Customer during the eleven months preceding such termination shall be used in applying the rate during the five eleven months of such continued supply of electric service. This Agreement may not be reinstated for the same service within 12 months of the termination date unless the monthly demand minimums, subsequent to the termination date, have been satisfied.~~
- RATE:** Customer agrees to qualify for and elects the rate schedule now in effect being the one attached hereto (Rate Code: \_\_\_\_\_).
- PAYMENT OF BILLS:** All bills are payable at Company's office on or before the tenth working day succeeding the date bill is rendered for service supplied by Company in the preceding billing period.
- TERMS AND CONDITIONS:** The service hereunder shall be supplied for Customer's use subject to the General Rules and Regulations of Company on file with the state Regulatory Commission as they now exist or may hereafter be changed. A copy of such rules and regulations is available from the Company. This agreement is also subject to Section(s) \_\_\_\_\_ appearing under the heading "Additional Terms and Conditions" on the reverse side of or attached to this Agreement. Customer agrees to use electrical service only as herein stated and will not assign this Agreement except upon written consent of Company.

NORTHERN STATES POWER COMPANY \_\_\_\_\_

By \_\_\_\_\_ Title \_\_\_\_\_

By \_\_\_\_\_ Title \_\_\_\_\_

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**TYPICAL ADDITIONAL TERMS AND CONDITIONS OF SERVICE FOR CUSTOMER PARALLEL OPERATION**

Section No. 9  
 Original Sheet No. 8  
 Relocated from SDPUC No. 1 Item No. 2

**TYPICAL ADDITIONAL TERMS AND CONDITIONS OF SERVICE FOR CUSTOMER PARALLEL OPERATION**

1. **FACILITY LOCATION AND COMPLIANCE**  
 Customer agrees to locate the qualifying facility (QF) so as to not cause a hazard to the NSP distribution system. Customer agrees that the installation shall be in compliance with all applicable electric codes and the QF will be operated only after the installation has been inspected and approved by the appropriate authorities. Customer understands and agrees that Company approval of the proposed or installed QF does not preclude the necessity of customer obtaining all required permits, building and zoning variations, and applicable inspections.
2. **CONNECTION AND DISCONNECT SWITCH**  
 NSP agrees to permit customer to connect his proposed QF to the NSP distribution system on the load side of customer's kilowatt-hour meter. The connection must be made through a customer-provided, customer-installed, National Electrical Manufacturer's Association (NEMA) approved manual safety disconnect switch of adequate capacity; the switch shall not open the neutral when the switch is open. This switch shall have provisions for being padlocked in the open position with a standard NSP padlock. Customer agrees to locate said switch in a position accessible to NSP personnel, and further agrees said switch may be operated by NSP personnel at all times that such operation is deemed necessary by NSP for safety and operating reasons. QF's using line-commutated synchronous inverters shall have the inverters connected on the load side (QF side) of the safety disconnect switch.
3. **BACKFEED PREVENTION**  
 Customer agrees to supply NSP a schematic diagram and associated equipment list for the QF control circuitry to enable NSP to determine if the QF safety equipment provides a level of safety consistent with the safety level required by NSP in its electrical equipment. If further analysis of the proposed QF by NSP reveals that it is capable of backfeed into the NSP lines during distribution outages, customer shall immediately disconnect the QF from NSP distribution system and shall only reconnect the QF through a customer-provided, NSP approved interconnect device that will prevent said backfeed.
4. **ADDITIONAL SAFETY DEVICES**  
 Customer understands and agrees that as additional QF's are connected to the NSP distribution system, NSP may require customer to install additional safety devices at customer expense.
5. **DISTRIBUTION SYSTEM ADEQUACY**  
 The proposed QF installation will be reviewed by NSP to determine adequacy of the associated NSP distribution system components; the customer agrees to reimburse NSP for the addition, modification, or replacement of any distribution system components made necessary by customer's QF installation.
6. **INTERFERENCE**  
 Customer agrees to disconnect the QF from the NSP distribution system or to reimburse NSP for cost of necessary system modification if operation of the QF causes radio, television, or electrical service interference to other customers, or interference with the operation of NSP's system.
7. **SPECIAL METERING**  
 Customer agrees to allow NSP, at NSP's expense, to install necessary special metering and measuring equipment at the above address to provide information on the effect of the QF.
8. **DETENTING OF METER FOR PARALLEL OPERATION WITH NO SALE TO COMPANY**  
 Because customer does not intend to be a significant net energy producer, the billing of customer's electrical requirements provided by NSP will be on the available retail rates and the electric meter measuring this consumption will at this time be detented to allow measurement only of power flow into the customer's premises. Customer agrees to reimburse NSP for all meter socket replacement and rewiring costs if such work is required to detent customer's kilowatt-hour meter.
9. **METERING FOR PARALLEL OPERATION WITH SALE OR WHEELAGE OF EXCESS OF ALL OR A PART OF CUSTOMER PRODUCED ENERGY**  
 Two meters will be installed in series. One meter will be installed to record energy delivered by Company. A second meter will be installed to record energy delivered by customer.

(Continued on Sheet No. 9-9)

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SOUTH DAKOTA ELECTRIC RATE BOOK - SDPUC NO. 2

**TYPICAL ADDITIONAL TERMS AND CONDITIONS OF SERVICE FOR CUSTOMER PARALLEL OPERATION (Continued)**

Section No. 9  
Original Sheet No. 9  
Relocated from SDPUC No. 1 Item No. 2

**TYPICAL ADDITIONAL TERMS AND CONDITIONS OF SERVICE FOR CUSTOMER PARALLEL OPERATION (Continued)**

**10. KIND OF CUSTOMER SERVICE SUPPLIED TO COMPANY**

Customer agrees to supply and Company agrees to accept electric service in the form of \_\_\_\_ phase, \_\_\_\_ wire, alternating current at a nominal frequency of 60 hertz, and at a nominal voltage of \_\_\_\_ located at \_\_\_\_\_.

**11. PAYMENT RATE FOR CUSTOMER SALES TO COMPANY**

Customer agrees to qualify for and elects the rate schedule for \_\_\_\_\_. Company agrees to pay customer according to the established rate schedule in effect from time-to-time in this locality for such service, the established rate schedule now in effect being the one attached hereto.

**12. REVENUE LOSS**

Company shall not be liable for revenue lost by customer due to Company's inability to purchase or wheel customer generated energy for any reason not within Company's reasonable control.

**13. PARALLEL OPERATION**

Customer shall provide the necessary equipment as approved by NSP to operate his QF in parallel with NSP's distribution system. The customer shall provide an automatic device which will disconnect the generating equipment from NSP's electric service supply under the following conditions:

- a. deenergized NSP system
- b. sustained line faults on NSP system
- c. faults on customer's system

Customer shall consult with NSP regarding these minimum requirements, additional protection recommended, and proper operation of customer's generating system.

**14. LIGHTNING PROTECTION**

Customer agrees to effectively ground his QF installation and to provide and install adequate surge arrester protection to prevent lightning damage to any NSP distribution system equipment.

**15. TERM**

This Agreement shall become effective on the date hereof and shall continue in force for \_\_\_\_ months and shall continue thereafter until terminated by at least 30 days' prior written notice by either party, and shall at all times be subject to all rules and orders issued by the Public Utilities Commission or other government agency having jurisdiction over the subject matter of this Agreement.

**16. INDEMNITY**

Since under these rates and contract provisions the Company will derive no financial benefit from the QF, it is agreed that the Company will not bear the cost of risks associated with the QF. Customer shall indemnify, protect, defend, and save harmless Company from and against any and all claims and demands for damages, remote as well as proximate, to property and injury or death to persons, including payments made under any workmen's compensation law or under any plan for employees' disability and death benefits, which may arise out of or be caused by the erection, maintenance, presence, operation, or removal of the QF, or by any related act or omission of customer, its employees, agents, contractors, or subcontractors.

**17. INSURANCE**

The customer shall maintain during the term of this Agreement liability insurance which insures customer against all claims for property damage and for personal injury or death arising out of, resulting from, or in any manner connected with the installation, operation, and maintenance of the QF. The amount of such insurance coverage shall be at least \$300,000 per occurrence. Customer shall furnish a certificate from its insurance carrier showing that it has complied with the provisions of this section and providing that the insurance policy will not be changed or canceled during its term without written 90 day notice to NSP.

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**STANDARD CONTRACT AND AGREEMENT FORMS**

Section No. 9  
Original Sheet No. 10

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**TECHNICAL REFERENCE DOCUMENT**

Company's "Distributed Generation Interconnection Manual" is available to interested parties upon a request made to the Company. This document provides information concerning technical interconnection requirements and the administrative process associated with interconnecting distributed generation facilities to the Company distribution system.

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