

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

IN THE MATTER OF THE REQUEST FOR )  
 APPROVAL OF A HEAT PUMP TARIFF, FOR )  
 APPROVAL TO REVISE THE EXISTING )  
 CONTROLLED AIR CONDITIONING AND )  
 WATER HEATING RIDER, AND FOR )  
 APPROVAL TO REVISE THE EXISTING SMALL )  
 GENERAL SERVICE TARIFF BY NORTHERN )  
 STATES POWER COMPANY )

**ORDER GRANTING  
APPROVAL**

**EL95-001**

On January 9, 1995, Northern States Power Company (NSP) filed with the Public Utilities Commission (Commission) a proposed tariff designated as Section No: 3, 3rd Revised Sheet No: 6.2 for approval of a Residential Heat Pump Tariff. NSP stated: "This proposed tariff is a new option we intend to offer customers as a way to encourage energy efficiency and promote electrification technologies that will be beneficial to the NSP load factor and to our business. NSP proposes to offer a new space heating and cooling rate option to residential customers. This tariff implements a 'firm' winter-time rate of 4.28 cents per kWh rate for space heating and an 'interruptible' summer-time rate to customers of 6.16 cents per kWh rate for cooling. The NSP 'Saver's Switch' technology would be used to cycle the heat pump's cooling on summer control days. This tariff is also proposed to implement metering the heating and cooling energy used by a heat pump separately from the other electrical energy the customer may use." NSP filed revisions to the filing on February 1 and February 22, 1995.

On January 9, 1995, NSP also filed a petition for approval to expand the availability of the Controlled Air Conditioning and Water Heating Rider to include General Service Customers in Tariff Section No: 3, 8th Revised Sheet No: 22. NSP states that the reason for the change is: "To provide a direct load control option to commercial customers that have qualifying central air conditioning (AC) units sized at 7.5 tons or less. On NSP system peak days, the switch will interrupt the AC compressor control circuit for 15 minutes each half hour. The commercial Controlled Air Conditioning program is an extension of the residential Controlled Air Conditioning program. NSP has about 6,000 switches installed on residential units at this time. It is expected that commercial units are more likely to be operating during peak times than residential units and therefore the impact of controlling them will equal or exceed the impact of the residential program. It is estimated that a switch will save 0.45 kW per ton (a 5 ton unit will reduce system peak demand by 2.25 kW). This program is a service to our customers by providing an option for them to reduce their electric bills. This program is also intended to improve the utilization of NSP's generation, transmission, and distribution equipment. Finally, this filing expands our controlled air conditioning program to general service customers with qualifying equipment." NSP filed revisions to the initial filing on February 1, 1995.

On January 9, 1995, NSP also filed a petition for approval of a change in the Terms and Conditions of Service to the Small General Service Tariff in Section No: 3, 12th Revised Sheet No: 24 and Small General Time of Day Service Tariff in Section No: 3, 12th

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Revised Sheet No: 26. NSP describes the change as: "To allow a customer who only occasionally exceeds the 25 kW demand limit to remain on the small general service if they can demonstrate that the load requirements do not exceed 25 kW during NSP system peaks. When a customer uses less than 25 kW demand they have a choice between the Small General Service Tariff or the General Service Tariff. The situation exists where a low load factor customer will only occasionally go over the 25 kW limit. Under our present tariff conditions, exceeding the 25 kW limit requires a rate change from Small General Service to General Service. The result of the rate change would be to increase that customer's bill from \$1200 to \$1700 per year. By modifying the Conditions of Service, this customer would be allowed to stay on the Small General Service rate and not experience the increase in their bill. This change would also encourage facilities like small churches to improve the utilization of their facilities without worry that an occasional increase in off-peak demand above the 25 kW will require them to switch to the General Service rate." NSP filed revisions to the initial filing on February 22, 1995.

On February 23, 1995, at its regularly scheduled meeting, the Commission reviewed the application. Commission Staff recommended approval provided that NSP file an annual report on the Residential Heat Pump Service Tariff.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-34A, specifically SDCL 49-34A-4, 49-34A-6, 49-34A-9, and 49-34A-12. Further, the filing is just and reasonable and shall be approved. As the Commission's final decision in this matter, it is therefore

ORDERED that NSP's above-mentioned tariffs are approved and are effective for service rendered on and after the date of this order; and it is

FURTHER ORDERED that NSP shall file an annual report on the Residential Heat Pump Service Tariff for 3 years.

Dated at Pierre, South Dakota, this 7<sup>th</sup> day of March, 1995.

<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>Paul K. Woodrow</u>
Date: <u>3-8-95</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