

PUBLIC UTILITIES COMMISSION OF SOUTH DAKOTA

BLACK HILLS POWER AND LIGHT COMPANY
RAPID CITY, SOUTH DAKOTA
BILLING CODES 14 and 16

SECTION NO. 3A
SECOND REVISED SHEET NO. 1
REPLACES FIRST REVISED SHEET NO. 1

RESIDENTIAL DEMAND SERVICE (OPTIONAL) RATE NO. RD-3 (T)
Page 1 of 2

AVAILABLE

At points on the Company's existing secondary distribution lines supplied by its interconnected transmission system.

APPLICABLE

At the customer's election, to any single-family private dwelling unit supplied through one meter with qualifying minimum usage of 1,000 kWh per month on average. This rate will be applicable for service provided during the first complete billing period following the installation of appropriate metering equipment. (T)

This schedule is not applicable to a residence which is used for commercial, professional, or any other gainful enterprise; however, if the domestic use can be separately metered, this schedule is applicable to the metered domestic portion of energy use.

A single family dwelling in which four sleeping rooms or more are rented or are available for rent is considered non-domestic and the applicable General Service Rate shall apply.

CHARACTER OF SERVICE

Alternating current, 60 hertz, single phase, at nominal voltages of 120/240 volts.

NET MONTHLY BILL

Rate

Customer Charge \$10.00

Energy Charge
All usage at 2.92¢ per kWh

Demand Charge
All kW of Billing Demand at \$4.25 per kW

Minimum
The Customer Charge

BILLING DEMAND

Customer's average kilowatt load during the fifteen-minute period of maximum use during the month.

Maximum Value Option

Optional time-of-use metering is available for customers owning demand controllers N ready to receive a control signal. When a residential time-of-use meter is used for billing purposes, the Billing Demand is the customer's average kilowatt load during the fifteen minute period of maximum on-peak use during the month. The ON-PEAK periods are Monday through Friday, 7:00 a.m. to 11:00 p.m. from November 1st through March 31st and Monday through Friday, 10:00 a.m. to

DATE FILED: February 6, 1995

EFFECTIVE DATE: For service on and after
February 8, 1995

ISSUED BY:

Kyle D. White

Kyle D. White
Director, Rates and Demand-Side Management

PUBLIC UTILITIES COMMISSION OF SOUTH DAKOTA

BLACK HILLS POWER AND LIGHT COMPANY
RAPID CITY, SOUTH DAKOTA
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SECTION NO. 3A
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Page 2 of 2

10:00 p.m. from April 1st through October 31st. In addition to the normal OFF-PEAK periods, the following holidays are considered OFF-PEAK: New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, and Christmas Day. N

FUEL AND PURCHASED POWER ADJUSTMENT

The above schedule of charges shall be adjusted in accordance with the Fuel and Purchased Power Adjustment tariff as set forth beginning on Sheet No. 31 through Sheet No. 42 which are made a part hereof by express reference as if set forth verbatim herein.

PAYMENT

Net monthly bills are due and payable twenty days from the date of the bill, and after that date, the account becomes delinquent. A late payment charge of 1.5% on the current unpaid balance shall apply to delinquent accounts. A nonsufficient funds check charge of \$5.00 shall apply for returned checks. If a bill is not paid, the Company shall have the right to suspend service, providing ten days written notice of such suspension has been given. When service is suspended for nonpayment of a bill, a Customer Service Charge will apply.

TERMS AND CONDITIONS

1. Service will be rendered under the Company's General Rules and Regulations.
2. Service provided hereunder shall be on a continuous basis. Service under this rate shall be for a minimum of twelve consecutive months and thereafter unless the customer then elects to have service provided under other applicable residential service rates.
3. Company-approved water heaters shall have a tank capacity of not less than 30 gallons and an electric capacity of not more than 4,500 watts at 240 volts. If two elements are used, interlocking controls are required to prevent simultaneous operation.

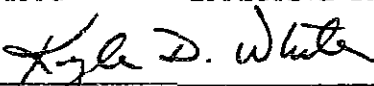
TAX ADJUSTMENT

Bills computed under the above rate will be increased by the applicable proportionate part of any impost, assessment or charge imposed or levied by any governmental authority as a result of laws or ordinances enacted, which is assessed or levied on the basis of revenue for electric energy or service sold, and/or the volume of energy generated and sold.

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013254

BLACK HILLS POWER AND LIGHT COMPANY

P.O. BOX 1600 625 NINTH STREET
RAPID CITY, SOUTH DAKOTA 57709

KYLE D. WHITE
DIRECTOR, RATES AND
DEMAND-SIDE MANAGEMENT

TELEPHONE
(605) 348-1700

DOCKET NUMBER **EL 95-002**

January 12, 1995

RECEIVED
JAN 17 1995
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Mr. Greg Rislov
Director of Fixed Utilities
State Capitol
500 E Capitol
Pierre, South Dakota 57501

Subject: Revisions to Black Hills Power and Light Company's
Optional Residential Demand Service Tariff

Dear Mr. Rislov:

In December of 1982, the South Dakota Public Utilities Commission approved several optional energy management rate schedules for Black Hills Power and Light Company. The most significant rate schedule to have been approved is the optional Residential Demand Service. As of November 1994, 1,749 South Dakota customers have elected to receive service under this demand-side management rate schedule.

The rate schedule is applicable to our larger use residential customers, who can control their electric demand, and thereby improve their monthly load factors. In order to maximize their savings, customers install a demand controller which monitors the home's entire electric demand and cycles on and off the larger deferrable electric loads within the home. The controlled loads include electric resistance heat, water heating, the compressor for air conditioners and heat pumps, hot tubs, and the heating element for electric clothes dryers. The demand controller does not cycle loads such as cooking and refrigeration, since these loads have been determined to be priority loads for our customers. We estimate that 95% or more of our customers receiving service under this rate have installed demand controllers in their home in order to maximum their savings potential.

Building for the future...

Mr. Greg Rislov
Page 2
January 12, 1995

The demand controller is sold by Black Hills Power and Light Company to our customers. At this time, we also offer free installation with the purchase of a demand controller from Black Hills Power and Light Company. We have found this to be a cost effective and successful way of marketing this rate to our new and existing higher use residential electric customers. The demand controller technology has changed through the years, so that demand controllers today are capable of communicating with time-of-use meters. What this means is that, rather than having the demand controller control demands during all time periods, as is the practice today, the current generation of demand controllers can receive a signal from the Company's time-of-use meter indicating whether it is a time period during which demand needs to be controlled, or a time period when demand, due to typical system operating conditions, does not need to be controlled. Off-peak periods for Black Hills Power and Light Company are nights, weekends, and holidays. We have been testing the feasibility of allowing our customers the option of purchasing a demand controller in conjunction with the installation of time-of-use metering.

Our evaluation indicates that customers purchasing demand controllers capable of communicating with a time-of-use meter would be more receptive to service under the rate, and we are proposing in the attached revised tariff that the Billing Demand section be modified to allow new customers under the rate, to be billed for only the registered on-peak demand during the billing period. The additional cost to the Company related to providing this customer convenience is the extra investment cost for the time-of-use meter, which we estimate to be approximately \$80.

We have also researched the feasibility of allowing our existing customers taking service under the rate to convert their demand controller, so that it is capable of communicating with a time-of-use meter. We do not intend to promote this new option to our existing customers, since a conversion by an existing customer would return a residential demand service meter to our meter inventory. These meters are only useful for our small commercial rates; and therefore, the conversion of a significant number of the 1749 customers would create an overstock of this type of meter, since we are adding only between 100-200 new commercial accounts per year. Our intent in making the conversion option available for existing customers is to address special circumstances as they arise. The conversion package for existing customers is expected to cost \$175. This \$175 compares to the purchase of a new demand controller, which depending upon the customer's electric equipment, ranges between \$500 and \$700.

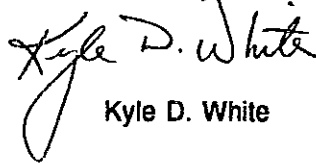
Mr. Greg Rislov
Page 3
January 12, 1995

We are preparing to implement this new "option" for our residential customers, and we request that the Commission provide approval of the revised Residential Demand Service tariff with an effective date of February 1, 1995. The revised tariff sheets for Black Hills Power and Light Company's Rate Book are designated:

Section No. 3A, Second Revised Sheet No. 1
Section No. 3A, Second Revised Sheet No. 2

If you have any questions regarding our request, please contact me.

Sincerely



Kyle D. White

KDW:glm
Enclosure
xc: SD BHPL District Offices
Mutch Usera

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BILLING DEMAND

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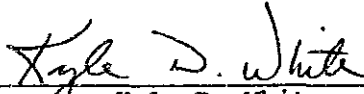
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