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March 17, 2008

Ms. Patricia VanGerpen, Executive Director
S.D. Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, SD 57501

Re: Rate 19 and Rate 56 Mercury Vapor changes.

Dear Ms. VanGerpen:

With this letter, NorthWestern Corporation ("NorthWestern" or the "Company"), doing business as NorthWestern Energy, is filing with the Commission revisions to its Rate 19 and Rate 56 tariffs. NorthWestern respectfully requests Commission approval of these proposed revisions to its Electric Tariff.

Pursuant to ARSD 20:10:13:39, the Company states:

1. The documents submitted with this filing include:

Reddy Guard Rate 19	Section No. 3, 7 th revised Sheet No. 8
Reddy Guard Rate 19	Section No. 3, 1st revised Sheet No. 8.1
Street Area Lights Rate 56	Section No. 3, 3rd revised Sheet No. 25.1
Street Area Lights Rate 56	Section No. 3, 1st revised Sheet No. 25.2

2. The proposed effective date for the tariff revisions is May 1, 2008.
3. Brief description of the tariff changes:

In both the rate 19 and rate 56 tariff sheets, the Company is adding the language: "Due to the U.S. Government Energy Act of 2005, after May 1, 2008, the Company will no longer install Mercury Vapor fixtures for new installations." As of January 1, 2008, the Act prohibits the manufacture or import of Mercury Vapor Ballasts. As the Company will no longer be able to purchase the Mercury Vapor Fixtures, new install customers will need to install Fixtures other than Mercury Vapor Fixtures. Our supplier indicates the Mercury Vapor bulbs may be available through at least 2009.

4. Reasons for the proposed tariff changes:

See item 3.

5. Number of customers whose cost of service will be affected and annual changes in cost of service to such customers.

The Company currently has approximately 4,400 customers using Mercury Vapor Fixtures. As an example of the cost impact, the residential customer currently using a 175 Mercury Vapor would likely change to a 100 High Pressure Sodium to approximate the same number of lumens. This would result in an increase of \$1.69 per month. The Company is developing plans for replacement of fixtures over several years. The plan is dependent upon the length of time the Mercury Vapor bulbs will be available from the manufacturers, the desires of the customer and the required workload of the Company.

Sincerely,



Jeff J. Decker
Regulatory Specialist

SOUTH DAKOTA ELECTRIC RATE SCHEDULE

**NORTHWESTERN PUBLIC SERVICE COMPANY
HURON
SOUTH DAKOTA**

Section No. 3
Sheet No. 8
Canceling 7th Revised 6th Revised Sheet No. 8

CLASS OF SERVICE: Reddy-Guard

RATE NO. 19

APPLICABILITY

This schedule is available for outdoor lighting of Residential, Commercial, Industrial, Farm and rural areas and for street or highway lighting if regular street lighting is not feasible.

TERRITORY

Company's Assigned Service Area.

<u>RATE</u>	Nominal Rating <u>In Watts</u>	Rate Per Month <u>Unmetered</u>	Rate Per Month <u>Metered</u>
High Pressure Sodium Vapor	35	\$3.19622	\$2.90
	50	\$3.32325	\$2.90
	100	\$5.02952	\$4.00
	150	\$5.24555	\$4.00
	250	\$7.42098	\$5.20
	400	\$8.76245	\$5.45
	1000	\$18.33081	\$10.10
Mercury Vapor	175	\$3.33768	\$1.85
	250	\$4.22287	\$2.30
	400	\$6.27156	\$2.90
	1000	\$11.89056	\$4.85

The "Unmetered" cost per lamp applies if the service to the Reddy-Guard unit is not metered. The "Metered" cost per lamp applies if the kilowatt hour use is metered and included with the Customer's service bill.

Adjustment Clauses

- a. Adjustment Clause shall apply.
- b. Tax Adjustment Clause shall apply.
- c. Bill Crediting Program shall apply.

OTHER PROVISIONS

Due to the U.S. Government Energy Act of 2005, after May 1, 2008, the Company will no longer install Mercury Vapor fixtures for new installations. (N)

Service will be furnished under the Company's General Terms and Conditions and the following provisions:

(Continued)

Date Filed: March 17, 2008

Effective Date: May 1, 2008

Jeff Decker
Issued by: Regulatory Specialist

SOUTH DAKOTA ELECTRIC RATE SCHEDULE

NORTHWESTERN PUBLIC SERVICE COMPANY
HURON
SOUTH DAKOTA

1st Revised
Canceling Original

Section No. 3
Sheet No. 8.1
Sheet No. 8.1

CLASS OF SERVICE: Reddy-Guard

RATE NO. 19

(continued)

1. The lighting unit defined as a bracket and fixture, shall be installed on a pole or other facility approved by the Company. If the lighting unit is installed on the Customer's premise, the Customer shall furnish all facilities necessary to operate the lighting unit. The light shall be controlled automatically to provide dusk to dawn service.

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2. Maintenance and repair shall be provided during normal working hours by the Company after notification by the Customer.

3. Electric service to Reddy-Guard lighting units installed on Company owned facilities other than a distribution pole, shall be furnished under Rate Schedule No. 56.

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SOUTH DAKOTA ELECTRIC RATE SCHEDULE

**NORTHWESTERN PUBLIC SERVICE COMPANY
HURON
SOUTH DAKOTA**

Section No. 3
Sheet No.25.1
3rd Revised
Canceling 2nd Revised Sheet No.25.1

CLASS OF SERVICE: Company or Customer Owned Highway,
Street and Area Lighting Systems
(continued) **RATE NO. 56**

	<u>Nominal Rating In Watts</u>	<u>Company Owned Rate Per Month</u>	<u>Customer Owned Rate Per Month</u>
<u>Distribution Pole Mounting</u>			
High Pressure Sodium Vapor	100	\$5.02952	\$1.02952
	150	\$5.24555	\$1.44555
	250	\$7.42098	\$2.22098
	400	\$8.76245	\$3.31245
	1000	\$18.33081	\$8.23081
Mercury Vapor	175	\$3.33768	\$1.48768
	250	\$4.22287	\$1.92287
	400	\$6.27156	\$3.37156
	1000	\$11.89056	\$7.04056

Adjustment Clauses

- a. Adjustment Clause shall apply.
- b. Tax Adjustment Clause shall apply.
- c. Bill Crediting Program shall apply.

OTHER PROVISIONS

Due to the U.S. Government Energy Act of 2005, after May 1, 2008, the Company will no longer install Mercury Vapor fixtures for new installations. (N)
(N)

Service will be furnished under the Company's General Terms and Conditions and the following provisions:

Company Owned

1. The Company shall install, own and operate the lighting system. The type and kind of luminaries and supports will comply with Company specifications.
2. The lamp shall be lighted and extinguished by a photo-electric control furnished by the Company. The hours of burning shall be every night from dusk until dawn.

(Continued)

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SOUTH DAKOTA ELECTRIC RATE SCHEDULE

NORTHWESTERN PUBLIC SERVICE COMPANY
HURON
SOUTH DAKOTA

Section No. 3
Sheet No.25.2
1st Revised
Canceling Original Sheet No.25.2

CLASS OF SERVICE: Company or Customer Owned Highway, RATE NO. 56
Street and Area Lighting Systems

(continued)

3. Replacement of lamps due to ordinary burnout shall be made at Company expense during regularly scheduled working hours.

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4. Installations served pursuant to this rate schedule shall be unmetered.

5. Company will disconnect and reconnect the lighting systems as requested. Billings for this service will not be less than the Customer Connection Charge. The Customer will be billed the costs directly chargeable to the job unless that cost is less than the Customer's Connection Charge.

Customer Owned

1. Customer shall install, own and maintain the lighting system consisting of the poles, fixtures, and circuits up to the nearest point of attachment to Company's facilities used to deliver power to Customer's system. The nearest point will be designated by the Company.

2. At the Customer's request, the Company will perform maintenance work on the Customer's lighting system. The Company's cost shall include all labor, transportation and material cost directly chargeable to the job, which costs will be billed to the Customer.

3. Company will disconnect and reconnect the lighting systems as requested. Billings for this service will not be less than the Customer Connection Charge. The Customer will be billed the costs directly chargeable to the job unless that cost is less than the Customer Connection Charge.

4. Installations served pursuant to this rate schedule shall be unmetered.

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a result, is including the water conservation standards for commercial prerinse spray valves in 10 CFR Part 431. Commercial prerinse spray valves manufactured on or after January 1, 2006, shall have a flow rate of not more than 1.6 gallons per minute.

K. Mercury vapor lamp ballasts.

Section 135(c) amends section 325 of EPCA to add subsection (ee) prohibiting the manufacture or importation of mercury vapor lamp ballasts. As discussed above, apparently due to an error in legislative drafting, EPACT 2005 inserted provisions for mercury vapor lamp ballasts, a commercial product, into Part B of EPCA instead of into Part C of EPCA. DOE anticipates that this error will be corrected and as a result, is including the standards for mercury vapor lamp ballasts in 10 CFR Part 431. EPACT 2005 requires that mercury vapor lamp ballasts shall not be manufactured or imported after January 1, 2008. With regard to imported ballasts, the standard applies to both the importing of ballasts as well as the importing of mercury vapor lamp luminaires with ballasts, since importing a mercury vapor lamp luminaire with a mercury vapor lamp ballast would be the same as importing a mercury vapor lamp ballast. Therefore, as of January 1, 2008, luminaires cannot be imported with mercury vapor lamp ballasts.

L. Commercial package air-conditioning and heating equipment. Section 136(b) of EPACT 2005 amends section 342(a) of EPCA to add subsections (7)–(9) setting energy conservation standards for commercial package air-conditioning and heating equipment. Commercial package air-conditioning and heating equipment manufactured on or after January 1, 2010, shall meet specific minimum energy efficiency levels, depending on category, product capacity (Btu per hour) and the type of heating the equipment has, if any. DOE had begun a rulemaking to set standards for small commercial package air-conditioning and heating equipment (greater than or equal to 65,000 Btu per hour cooling capacity and less than 135,000 Btu per hour cooling capacity) and large commercial package air-conditioning and heating equipment (greater than or equal to 135,000 Btu per hour cooling capacity and less than 240,000 Btu per hour cooling capacity), in accordance with section 342(a)(6)(A) of EPCA, and published an advance notice of proposed rulemaking in the *Federal Register* on July 29, 2005. 68 FR 45460. As a result of EPACT 2005, the rulemaking is moot, and DOE has terminated the rulemaking for small and

large commercial package air conditioning and heating equipment.

M. Commercial refrigerators, freezers, and refrigerator-freezers. Section 136(c) of EPACT 2005 amends section 342 of EPCA to add paragraph (c), setting energy conservation standards for commercial refrigerators, freezers and refrigerator-freezers. Commercial refrigerators, freezers and refrigerator-freezers with doors and a self-contained condensing unit manufactured on or after January 1, 2010, shall meet specific maximum allowable daily energy use levels, depending on temperature applications, holding or pull-down applications, door type, and product capacity (cubic feet).

N. Automatic commercial ice makers. Section 136(d) of EPACT 2005 amends section 342 of EPCA to add paragraph (d), setting energy conservation standards for automatic commercial ice makers that produce between 50 and 2500 pounds of cube type ice per 24-hour period. Automatic commercial ice makers manufactured on or after January 1, 2010, shall meet specific maximum allowable energy use levels and maximum allowable condenser water use levels, depending on equipment type, cooling type (water or air), and harvest rate (pounds of ice per 24 hour period).

O. Commercial clothes washers. Section 136(e) of EPACT 2005 amends section 342 of EPCA to add paragraph (e), setting energy conservation and water conservation standards for commercial clothes washers. The standards for commercial clothes washers are a modified energy factor of at least 1.26 and a water factor of not more than 9.5. As discussed above, EPACT 2005 includes energy conservation standards for commercial clothes washers, based on the test procedures for residential clothes washers found at Appendix J1 to Subpart B of 10 CFR Part 430. EPACT 2005 also adds a water factor requirement for commercial clothes washers which is not found in 10 CFR Part 430 for residential clothes washers. However, the DOE test procedure found at Appendix J1 to Subpart B of Part 430 includes a measurement of water consumption, i.e., water consumption factor. Therefore, for the benefit of stakeholders looking for the energy conservation standards specified in EPACT 2005, DOE is incorporating the modified energy factor and water factor requirements adopted by EPACT 2005 into section 431.156 of 10 CFR Part 431.

III. Procedural Requirements

A. Review Under Executive Order 12866, "Regulatory Planning and Review"

Today's final rule is not a "significant regulatory action" under section 3(f)(1) of Executive Order 12866, "Regulatory Planning and Review." 58 FR 51735 (October 4, 1993). Accordingly, today's action was not subject to review by the Office of Information and Regulatory Affairs (OIRA) in the Office of Management and Budget (OMB).

B. Review Under the Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) requires preparation of an initial regulatory flexibility analysis for any rule that by law must be proposed for public comment, unless the agency certifies that the rule, if promulgated, will not have a significant economic impact on a substantial number of small entities. As required by Executive Order 13272, *Proper Consideration of Small Entities in Agency Rulemaking*, 67 FR 53461 (August 16, 2002), DOE published procedures and policies on February 19, 2003, to ensure that the potential impacts of its rules on small entities are properly considered during the rulemaking process. 68 FR 7990. The Department has made its procedures and policies available on the Office of General Counsel's Web site: <http://www.gc.doe.gov>. DOE today is revising the Code of Federal Regulations to incorporate, without substantive change, energy conservation standards prescribed by Congress in the Energy Policy Act of 2005. Because this is a technical amendment for which a general notice of proposed rulemaking is not required, the Regulatory Flexibility Act does not apply to this rulemaking.

C. Review Under the Paperwork Reduction Act of 1995

This rulemaking will impose no new information or recordkeeping requirements. Accordingly, Office of Management and Budget clearance is not required under the Paperwork Reduction Act. (44 U.S.C. 3501 *et seq.*)

D. Review Under the National Environmental Policy Act of 1969

DOE has determined that this rule is covered under the Categorical Exclusion found in DOE's National Environmental Policy Act regulations at paragraph A.6 of Appendix A to Subpart D, 10 CFR part 1021, which applies to rulemakings that are strictly procedural. Accordingly, neither an environmental

“(E) Lamp life.

“(2) The Secretary may, by rule, establish requirements for color quality (CRI), power factor, operating frequency, and maximum allowable start time based on the requirements prescribed by the August 9, 2001, version of the Energy Star Program Requirements for Compact Fluorescent Lamps.

“(3) The Secretary may, by rule—

“(A) revise the requirements established under paragraph (2); or

“(B) establish other requirements, after considering energy savings, cost effectiveness, and consumer satisfaction.

“(cc) DEHUMIDIFIERS.—(1) Dehumidifiers manufactured on or after October 1, 2007, shall have an Energy Factor that meets or exceeds the following values:

“Product Capacity (pints/day):	Minimum Energy Factor (Liters/kWh)
25.00 or less	1.00
25.01 – 35.00	1.20
35.01 – 54.00	1.30
54.01 – 74.99	1.50
75.00 or more	2.25

Deadline.
Publication.
Regulations.

“(2)(A) Not later than October 1, 2009, the Secretary shall publish a final rule in accordance with subsections (o) and (p), to determine whether the energy conservation standards established under paragraph (1) should be amended.

“(B) The final rule published under subparagraph (A) shall—

“(i) contain any amendment by the Secretary; and

Applicability.

“(ii) provide that the amendment applies to products manufactured on or after October 1, 2012.

“(C) If the Secretary does not publish an amendment that takes effect by October 1, 2012, dehumidifiers manufactured on or after October 1, 2012, shall have an Energy Factor that meets or exceeds the following values:

“Product Capacity (pints/day):	Minimum Energy Factor (Liters/kWh)
25.00 or less	1.20
25.01 – 35.00	1.30
35.01 – 45.00	1.40
45.01 – 54.00	1.50
54.01 – 74.99	1.60
75.00 or more	2.5

“(dd) COMMERCIAL PRERINSE SPRAY VALVES.—Commercial prerinse spray valves manufactured on or after January 1, 2006, shall have a flow rate of not more than 1.6 gallons per minute.

“(ee) MERCURY VAPOR LAMP BALLASTS.—Mercury vapor lamp ballasts shall not be manufactured or imported after January 1, 2008.

“(ff) CEILING FANS AND CEILING FAN LIGHT KITS.—(1)(A) All ceiling fans manufactured on or after January 1, 2007, shall have the following features:

“(i) Fan speed controls separate from any lighting controls.

“(ii) Adjustable speed controls (either more than 1 speed or variable speed).

“(iii) Adjustable speed controls (either more than 1 speed or variable speed).

“(iv) The capability of reversible fan action, except for—