

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

<b>IN THE MATTER OF THE PETITION OF )</b>	<b>ORDER ESTABLISHING THE</b>
<b>OTTER TAIL POWER COMPANY TO )</b>	<b>ENVIRONMENTAL QUALITY COST</b>
<b>ESTABLISH AN ENVIRONMENTAL )</b>	<b>RECOVERY TARIFF</b>
<b>QUALITY COST RECOVERY TARIFF )</b>	

**EL14-082**

On August 29, 2014, the South Dakota Public Utilities Commission (Commission) received a Petition of Otter Tail Power Company (Otter Tail) requesting Commission approval of an Environmental Quality Cost Recovery Rider tariff. The purpose of this request is to begin the recovery of Otter Tail's share of the costs of the required environmental retrofits to the Big Stone Plant located near Big Stone City, South Dakota and the Hoot Lake Plant, located near Fergus Falls, Minnesota. Otter Tail anticipates the rate impact of this request for both projects will be approximately 7.1 percent on average in the first year of the rider. Once the construction is complete in 2015, Otter Tail estimates the rate impact will be slightly less than 12 percent. Otter Tail proposes a November 1, 2014, effective date.

On September 4, 2014, the Commission electronically transmitted notice of the filing and the intervention deadline of September 19, 2014, to interested persons on the Commission's PUC Weekly Filings electronic listserv. On September 18, 2014, the Commission issued an Order Assessing Filing Fee assessing a fee up to the statutory limit of \$50,000 to cover the Commission's actual expenses incurred in processing this docket. On November 6, 2014, Otter Tail filed revised tariff pages reflecting a proposed effective date of December 1, 2014. On November 18, 2014, the Commission's staff ("Staff") filed a Staff Memorandum recommending Commission approval of the Environmental Quality Cost Recovery Rider tariff as filed.

The revised tariff sheets are as follows:

South Dakota P.U.C. Volume II – Electric Rate Schedule

Index

Fourth Revised Sheet No. 4

Cancelling Third Revised Sheet No. 4

Section 13.00

Third Revised Sheet No. 1

Cancelling Second Sheet No. 1

Third Revised Sheet No. 2

Cancelling Second Sheet No. 2

Section 13.06

Original Sheet No. 1

Section 13.07

Original Sheet No. 1

Section 13.08

Original Sheet No. 1

Original Sheet No. 2

The Commission has jurisdiction over this matter pursuant to SDCL Chapters 1-26 and 49-34A, specifically SDCL 49-34A-97 through 49-34A-100.

At its regularly scheduled meeting on November 25, 2014, the Commission considered this matter. Commission Staff recommended approval with an effective date of December 1, 2014. The Commission voted unanimously to approve the establishment of the Environmental Quality Cost Recovery Rider tariff, revised tariff sheets, and proposed adjustment factor with an effective date of December 1, 2014. It is therefore

ORDERED, that Otter Tail's request for approval to establish the Environmental Quality Cost Recovery Rider tariff is granted. It is further

ORDERED, that the aforementioned tariff sheets are approved with an effective date of December 1, 2014.

Dated at Pierre, South Dakota, this 10<sup>th</sup> day of December, 2014.

<p style="text-align: center;"><b>CERTIFICATE OF SERVICE</b></p> <p>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, electronically.</p> <p>By: <u><i>[Signature]</i></u></p> <p>Date: <u>12.10.14</u></p> <p style="text-align: center;">(OFFICIAL SEAL)</p>
---

BY ORDER OF THE COMMISSION:

*[Signature]*  
GARY HANSON, Chairman

*[Signature]*  
CHRIS NELSON, Commissioner

*[Signature]*  
KRISTIE FIEGEN, Commissioner