

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

**IN THE MATTER OF THE PETITION OF )  
OTTER TAIL POWER COMPANY FOR )  
APPROVAL OF ITS 2015 TRANSMISSION )  
COST RECOVERY ELIGIBILITY AND RATE )  
ADJUSTMENT )**

**ORDER DENYING NORTH  
AMERICAN ELECTRIC  
RELIABILITY CORPORATION  
COMPLIANCE PROJECT  
COSTS; ORDER APPROVING  
2015 TRANSMISSION COST  
RECOVERY ELIGIBILITY AND  
RATE ADJUSTMENT**

**EL14-090**

On October 31, 2014, the South Dakota Public Utilities Commission (Commission) received a Petition for Annual Update to Transmission Cost Recovery Rider Rate from Otter Tail Power Company (Otter Tail). Otter Tail requests approval of the annual update to its Transmission Cost Recovery Rider (TCR) rate. According to the filing, the TCR rate has been adjusted to reflect the TCR revenue requirements for the next recovery period (March 2015-February 2016). The update includes the projected tracker balance for the end of the current recovery period to help prevent over or under recovery of TCR costs. The update also includes the costs of two new transmission projects that are not currently in base rates and have not previously been approved for inclusion in the TCR. The impact of the change in rates for a residential customer using 750 kWh per month is an increase of 49 cents per month. For a large general service customer using 486 kW and 222,350 kWh, the bill impact of this update is an increase of \$72.30 per month. Otter Tail proposes an effective date of March 1, 2015. The revised tariff sheet effective for service rendered on and after March 1, 2015, is as follows:

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

Section No. 13.05

Fourth Revised Sheet No. 1

Cancelling Third Revised Sheet No. 1

On November 6, 2014, the Commission electronically transmitted notice of the filing and the intervention deadline of November 21, 2014, to interested individuals and entities on the Commission's PUC Weekly Filings electronic listserv. No petitions to intervene or comments were received. On November 19, 2014, the Commission issued an Order Assessing Filing Fee. On February 2, 2015, Otter Tail filed a Supplemental Filing with revised Attachments 1 through 20. On February 6, 2015, Commission staff (Staff) filed its Staff Memorandum.

The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-34A, specifically 49-34A-25.1 through 49-34A-25.4.

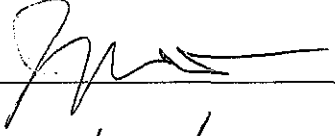
At its regularly scheduled meeting on February 13, 2015, the Commission considered this matter. Having thoroughly reviewed the filings in the docket and made further inquiry of the parties at the meeting, the Commission voted unanimously to deny Otter Tail's request for the North American Electric Reliability Corporation Compliance project costs to be eligible for inclusion in the TCR rider and to approve Staff's recommendation of a TCR revenue requirement and rates with an effective date of March 1, 2015. It is therefore

ORDERED, that Otter Tail's request that the North American Electric Reliability Corporation Compliance project costs be eligible for inclusion in the TCR rider is hereby denied. It is further

ORDERED, that the TCR revenue requirement and rates recommended by Staff are approved. It is further

ORDERED, that the aforementioned tariff sheet is approved with an effective date of March 1, 2015.


Dated at Pierre, South Dakota, this 24<sup>th</sup> day of February, 2015.

<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, electronically or by mail.	
By:	
Date:	<u>2/24/15</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

  
CHRIS NELSON, Chairman

  
KRISTIE FIEGEN, Commissioner

  
GARY HANSON, Commissioner