

KC/M

DOCKET NO. \_\_\_\_\_

In the Matter of **IN THE MATTER OF THE PETITION OF**  
**OTTER TAIL POWER COMPANY, A**  
 DIVISION OF OTTER TAIL  
 CORPORATION, TO REVISE ITS FUEL  
 ADJUSTMENT CLAUSE TARIFF TO  
 ACCOMMODATE PURCHASED  
 ENERGY FROM RENEWABLE  
 RESOURCES

**Public Utilities Commission of the State of South Dakota**

DATE	MEMORANDA
9/25 03	<i>Filed and Notated;</i>
10/2 03	<i>Weekly Filings;</i>
11/13 03	<i>Order Approving Tariff Revisions;</i>
11/13 03	<i>Docket Closed.</i>
12/12 03	<i>Revised Tariff Page.</i>



EL03-024

Fargo office: 3203 32nd Avenue S.W.  
Suite 110, P.O. Box 9156  
Fargo, ND  
58106-9156  
Fax: 701-232-4108

Fergus Falls office: 215 S. Cascade Street  
P.O. Box 496  
Fergus Falls, MN  
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Fax: 218-998-3165

1-866-410-8780 • www.ottertail.com

September 23, 2003

Ms. Pamela Bonrud, Executive Director  
South Dakota Public Utilities Commission  
State Capitol  
500 East Capitol Street  
Pierre, SD 57501-5070

RECEIVED

SEP 25 2003

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

**Re: In the Matter of the Petition of Otter Tail Power Company, a division of Otter Tail Corporation, to revise its Fuel Adjustment Clause Tariff to accommodate purchased energy from renewable resources, SDPUC Docket No. \_\_\_\_\_**

Pursuant to South Dakota Codified Laws Section 49-34A-10 and Administrative Rules of South Dakota ("ARSD") Part 20:10:13:12, enclosed for filing please find an original and 10 copies of Otter Tail Power Company's, a division of Otter Tail Corporation, petition for approval of revisions to its Fuel Adjustment Clause tariff.

Should you have any questions with respect to this filing, please contact me at (218) 998-7108 or Bernadeen Brutlag, Manager, Regulatory Services, Otter Tail Power Company, at (218) 739-8289 or [bbrutlag@otpc.com](mailto:bbrutlag@otpc.com).

Very truly yours,

  
Bruce Gerhardson  
Associate General Counsel

Enclosures

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

RECEIVED  
SEP 27 2003

**SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION**

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In the Matter of the petition of Otter Tail Power Company, a division of Otter Tail Corporation, to revise its Fuel Adjustment Clause Tariff to accommodate purchased energy from renewable resources.

---

Docket No. \_\_\_\_\_

**I. INTRODUCTION.**

Pursuant to South Dakota Codified Laws Section 49-34A-10 and Administrative Rules of South Dakota (“ARSD”) Part 20:10:13:12, Otter Tail Power Company, a division of Otter Tail Corporation (“Otter Tail”), petitions the South Dakota Public Utilities Commission (“the Commission”) for approval of revisions to its Fuel Adjustment Clause (“FAC”) tariff. The revisions are requested to permit the inclusion of purchase power costs related to renewable energy purchases. Otter Tail’s requested modifications are not unusual—on January 3, 2003, the commission approved Montana Dakota Utilities Fuel Clause tariff revisions to include renewable energy purchases, in Docket No. EL02-023 —and the modifications serve to clarify the treatment of a renewable energy purchase being added to Otter Tail’s resource mix. For these reasons, Otter Tail requests an expedited review and approval of this petition.

**II. GENERAL FILING INFORMATION.**

Pursuant to ARSD Part 20:10:13:12, Otter Tail provides the following general information.

**A. Name, Address, and Telephone Number of Utility.**

Otter Tail Power Company  
215 South Cascade Street  
P. O. Box 496  
Fergus Falls, MN 56538-0496  
(218) 739-8200

**B. Name, Address, and Telephone Number of Utility Attorney.**

Bruce Gerhardson  
Associate General Council  
Otter Tail Corporation  
215 South Cascade Street  
P. O. Box 496  
Fergus Falls, MN 56538-0496  
(218) 998-7108

**C. Date of Filing and Date Changes Will Take Effect.**

This petition is being filed on September 23, 2003 and Otter Tail requests approval effective as of the earliest possible date.

**D. Rule Controlling Schedule for Processing the Filing.**

ARSD Part 20:10:13:15 requires a 30-day notice to the Commission of a proposed change in a utilities tariff schedule, after which time the proposed changes take effect unless suspended. Otter Tail requests an expedited and informal proceeding, including any variances that may be necessary.

**E. Rule Controlling the Notice of the proposed tariff change.**

ARSD Part 20:10:13:18 requires Utilities to post notice of proposed changes in rates and charges or rules and regulations in the business offices of the utility in the territory affected for at least 30 days before the date the change becomes effective. The notice shall state that proposed

rates and rules and regulations are available in that office for inspection. Otter Tail will comply with this rule by posting the Notice shown in Attachment 3 in each of its Customer Service Centers that provide service to South Dakota customers.

**F. Rule Controlling the Report of Tariff Changes.**

ARSD Part 20:10:13:26 requires utilities to submit a report to the Commission of tariff schedule changes on notice. Included in Attachment 4, is Otter Tail's South Dakota "Report of Tariff Schedule Changes" form.

**G. Title of Utility Employee Responsible for Filing.**

Bernadeen Brutlag  
Manager, Regulatory Services  
Otter Tail Power Company  
215 South Cascade Street  
P. O. Box 496  
Fergus Falls, MN 56538-0496  
(218) 739-8289

**III. Data Requirements Pursuant to Docket No. F-3563.**

**A. Background.**

Otter Tail requests approval of proposed modifications to its FAC tariff to include energy purchases from facilities utilizing wind or other renewables. On April 1, 2003, Otter Tail entered into a Power Purchase Agreement ("Agreement") with FPL Energy ("FPL") to purchase the electric energy generated by 14 wind turbines with an approximate output of 21 megawatts. Because the wind turbines are expected to be operational in October 2003, Otter Tail is requesting expedited review and approval of this request. The Agreement includes provisions for Otter Tail to seek regulatory commission approvals for treatment of the purchase power costs in its FAC tariff. Such treatment is considered important by wind developers and the entities

providing the financing for the development of wind farms. Under the terms of the Agreement, FPL will own the towers, the collector system, the transmission line and the 34.5/41.6-kv substation. Each of the 14 towers supports a 1.5-megawatt wind energy turbine. The facilities will be located near Edgeley, ND, where they will tie into Otter Tail's 41.6-kv system. Otter Tail will purchase the entire output of the facility at a fixed price per kWh produced for the term of the Agreement. The energy will be part of Otter Tail's resources used to serve customers in South Dakota, North Dakota and Minnesota. The expected annual generation will represent about 1.9 percent of our company's annual retail energy sales in all states.

The terms and charges contained in the Agreement represent confidential business information of both parties. Therefore, Otter Tail is also filing a request for confidential treatment of information covering the entire contract.

Otter Tail believes that approval of the inclusion of the costs of energy purchased from renewable sources is appropriate because when it is competitively priced, renewable energy is an appropriate addition to Otter Tail's resource mix. The contract price of the wind resource discussed here is consistent with Otter Tail's most recent resource plan.

**B. Explanation.**

1. The proposed tariff changes will impact all classes of electric service.
2. The proposed Tariff sheets are:
  - Section No. 3, 5th Rev. Sheet No. 98-Super. 52
  - Fuel Adjustment Clause Rate Designation M-60S,
3. The proposed tariff changes apply to the following types of service:
  - Commercial Time-of-Use
  - Farm Service
  - Fire Sirens

- General Service
- General Service - Controlled Demand
- General Service Electric Climate Control
- General Service Time of Use Rider
- Irrigation Service
- Large General Service
- Large General Service Off Peak Rider
- Real Time Pricing
- Residential Service
- Residential Service-Controlled Demand
- Water Heating

4. The affected tariffs are applicable to all areas served with electricity serviced by Otter Tail in South Dakota.
5. There are no additional special conditions, limitations, qualifications or restrictions upon the proposed tariffs.

**C. Financial Impact**

Not available

**D. Precedential Effect**

None.

**III. Proposed Tariff Changes.**

The proposed changes to Otter Tail’s FAC tariff are shown in Attachment 1, redline version, and Attachment 2, non-redline version, is Otter Tail’s proposed final version of its FAC tariff. To clarify how the costs associated with renewable energy purchases will be included in Otter Tail’s FAC calculation, Otter Tail requests the addition of the following paragraph to its Tariff:

“The net energy cost of purchases from any facility utilizing wind or other renewable energy conversion systems for the generation of electric energy, whether or not those purchases occur on an economic dispatch basis.”

1. In addition, in order to avoid confusion and clarify that energy related to Otter Tail's *TailWinds* program is not subject to the adjustment, Otter Tail requests that the following provision be added to the tariff:

“Renewable energy purchased for the *TailWinds* program is not included in the cost of energy adjustment calculation.”

The *TailWinds* program was discussed in docket No. EL01-005.

2. The proposed tariff changes also include minor language changes for clarification as well as to reflect the inclusion of the use of biomass, wood, refuse-derived fuel, and tire-derived fuel in Otter Tail's FAC calculation. The costs of these fuels are immaterial when compared with Otter Tail's total fuel costs.

### **III. CONCLUSION.**

For the foregoing reasons, Otter Tail respectfully requests that the Commission approve the proposed revisions to its FAC tariff, to be effective as of the earliest possible date.

Dated: September 23, 2003



Respectfully submitted,

**OTTER TAIL POWER COMPANY, a division  
of Otter Tail Corporation**

By: 

Bruce Gerhardson  
Associate General Council  
Otter Tail Corporation  
215 South Cascade Street  
P. O. Box 496  
Fergus Falls, MN 56538-0496  
(218) 998-7108

Bernadeen Brutlag  
Manager, Regulatory Services  
Otter Tail Power Company  
215 South Cascade Street  
P. O. Box 496  
Fergus Falls, MN 56538-0496  
(218) 739-8289

**FUEL ADJUSTMENT CLAUSE**

There shall be added to or deducted from the monthly bill the amount per kilowatt-hour (rounded to the nearest 0.001¢) that the average cost of fuel is above or below 1.5460¢ per kilowatt-hour. The average cost of fuel per kilowatt-hour for the current period shall be calculated from data covering actual costs from the most recent three-month period as follows:

|  
(T)  
|

Energy costs from actual months 1, 2 and 3 plus unrecovered (or less over recovered) prior cumulative energy costs plus (or minus) the carrying charge, divided by the associated energy (reduced for average system losses) associated with retail sales for actual months 1, 2 and 3 equals the cost of energy amount.

The applicable adjustment will be applied month to month on a uniform billing cycle to each customer's bill at the earliest practical date following the three-month period. The cost of fuel shall be determined as follows:

1. The expense of fossil and other fuels, including but not limited to, biomass, wood, refuse-derived fuel (RDF) and tire derived fuel (TDF), as recorded in Account 151 of the FERC's Uniform System of Accounts for Public Utilities and Licensees, used in the Company's generating plants. (N)
2. The utility's share of the expense of fossil fuel, as recorded in Account 151, used in jointly-owned or leased plants.
3. The net energy cost of energy purchases when such energy is purchased on an economic dispatch basis, exclusive of capacity or demand charges.
4. The net cost of energy purchases from any facility utilizing wind or other renewable energy conversion systems for the generation of electric energy, whether or not those purchases occur on an economic dispatch basis. (N)
5. Renewable energy purchased for the TailWinds program is not included in the fuel clause adjustment calculation. (N)
- 4-6. The actual identifiable fossil and nuclear fuel expense associated with energy purchased for reasons other than identified in 3 and 4 above. (L)  
(T)
- 5-7. Less the fossil fuel and other -related costs recovered through intersystem sales, including the fuel costs and or renewal energy costs related to economy energy sales and other energy sold on an economic dispatch basis. (L)  
(T)

Where, for any reason, billed system sales cannot be coordinated with fuel and other related costs, sales may be equated to the total of: (N)

1. Net generation
2. Purchases and net interchange in, less
3. Intersystem sales, less
4. Losses on system retail sales

A carrying charge or credit will be included to determine the monthly fuel adjustment factor. The carrying charge or credit will be determined by applying one-twelfth (1/12) of the overall rate of return granted by the Commission in the most recent rate decision to the recorded deferred fuel cost balance of the latest fuel adjustment calculation.

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION		EFFECTIVE for services rendered on and after November 1, 1987, in SD
Approved: October 30, 1987		APPROVED: Jay D. Myster
Docket No. F-3691		Corporate Secretary

(T)  
|

**FUEL ADJUSTMENT CLAUSE**

There shall be added to or deducted from the monthly bill the amount per kilowatt-hour (rounded to the nearest 0.001¢) that the average cost of fuel is above or below 1.5460¢ per kilowatt-hour. The average cost of fuel per kilowatt-hour for the current period shall be calculated from data covering actual costs from the most recent three-month period as follows: (T)

Energy costs from actual months 1, 2 and 3 plus unrecovered (or less over recovered) prior cumulative energy costs plus (or minus) the carrying charge, divided by the associated energy (reduced for average system losses) associated with retail sales for actual months 1, 2 and 3 equals the cost of energy amount.

The applicable adjustment will be applied month to month on a uniform billing cycle to each customer's bill at the earliest practical date following the three-month period. The cost of fuel shall be determined as follows:

1. The expense of fossil and other fuels, including but not limited to, biomass, wood, refuse-derived fuel (RDF), and tire-derived fuel (TDF), as recorded in Account 151 of the FERC's Uniform System of Accounts for Public Utilities and Licensees, used in the Company's generating plants. (N)
2. The utility's share of the expense of fossil fuel, as recorded in Account 151, used in jointly-owned or leased plants.
3. The net energy cost of energy purchases when such energy is purchased on an economic dispatch basis, exclusive of capacity or demand charges.
4. The net cost of energy purchases from any facility utilizing wind or other renewable energy conversion systems for the generation of electric energy, whether or not those purchases occur on an economic dispatch basis. (N)
5. Renewable energy purchased for the TailWinds program is not included in the fuel clause adjustment calculation. (N)
6. The actual identifiable fossil and nuclear fuel expense associated with energy purchased for reasons other than identified in 3 and 4 above. (L)  
(T)
7. Less the fossil fuel and other related costs recovered through intersystem sales, including the fuel costs and or renewable energy costs related to economy energy sales and other energy sold on an economic dispatch basis. (L)  
(T)

Where, for any reason, billed system sales cannot be coordinated with fuel and other related costs, sales may be equated to the total of: (N)

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION		EFFECTIVE for services rendered on and after
Approved:		APPROVED:
Docket No.		

1. Net generation
2. Purchases and net interchange in, less
3. Intersystem sales, less
4. Losses on system retail sales

A carrying charge or credit will be included to determine the monthly fuel adjustment factor. The carrying charge or credit will be determined by applying one-twelfth (1/12) of the overall rate of return granted by the Commission in the most recent rate decision to the recorded deferred fuel cost balance of the latest fuel adjustment calculation.

SOUTH DAKOTA PUBLIC		EFFECTIVE for services rendered on
UTILITIES COMMISSION		and after
Approved:		APPROVED:
Docket No.		

**On September 23, 2003, Otter Tail Power Company, a division of Otter Tail Corporation, filed with the South**

**Dakota Public Utilities Commission a revised Fuel Adjustment Clause rate Fuel Adjustment Clause Rate Designation M-60S, which affects Otter Tail Power Company's electric customers in South Dakota. The revised rate and South Dakota rules and regulations are available in this office for inspection. Please ask the Customer Service Representative for more details.**

Report of Tariff Schedule Change

NAME OF UTILITY: Otter Tail Power Company, A division of Otter Tail Corporation  
 ADDRESS: 215 S Cascade St  
 Fergus Falls, MN 56537

Section No.	Class of Service	New Sheet No.
3	Fuel Adjustment Clause M-60S	6 <sup>th</sup> Revised Sheet No. 52

Change: Applicability  
 (State part of the tariff schedule affected by change, such as: Applicability, Rates, etc.)

Reason for change: Provide for the recovery of renewable energy costs through the fuel cost adjustment.

Present Rates.....  
 Proposed Rates.....  
 Approximate annual reduction in revenue..... N/A  
 Approximate annual increase in revenue..... N/A

Points Affected	Estimated Number of Customers Whose Cost of Service will be:					
	Reduction		Increase		Unchanged	
	# of Customers	Amount in \$	# of Customers	Amount in \$	# of Customers	Amount in \$
All	N/A	N/A	N/A	N/A	N/A	N/A

Include Statements of Facts, expert opinions, documents and exhibits supporting the change requested.

Received: \_\_\_\_\_

Otter Tail Power Company  
 (Reporting Utility)

By: \_\_\_\_\_  
 Executive Director  
 South Dakota  
 Public Utilities Commission

By: Bernadeen Brutlag  
 Manager, Regulatory Services  
 (Name and Title)



**Fargo office:** 3203 32nd Avenue S.W.  
Suite 110, P.O. Box 9156  
Fargo, ND 58106-9156  
Fax: 701-232-4108

**Fergus Falls office:** 215 S. Cascade Street  
P.O. Box 496  
Fergus Falls, MN 56538-0496  
Fax: 218-998-3165

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September 23, 2003

Ms. Pamela Bonrud, Executive Director  
South Dakota Public Utilities Commission  
State Capitol  
500 East Capitol Street  
Pierre, SD 57501-5070

**RECEIVED**

SEP 25 2003

**SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION**

**Re: Docket No. \_\_\_\_\_  
Request for confidential treatment**

Pursuant to South Dakota Codified Laws Section 49-34A-10 and Administrative Rules of South Dakota ("ARSD") Part 20:10:13:12, enclosed for filing please find an original and 10 copies of Otter Tail Power Company's, a division of Otter Tail Corporation ("Otter Tail"), request for confidential treatment of information covered in a Power Purchase Agreement by and between Florida Light & Power and Otter Tail as fully described in the attached request. The Power Purchase Agreement is being filed in the docket entitled "In the Matter of the petition of Otter Tail Power Company, a division of Otter Tail Corporation, to revise its Fuel Adjustment Clause Tariff to accommodate purchased energy from renewable resources". A docket number has not yet been assigned to this docket. The Power Purchase Agreement may in the near future be amended to reflect certain issues relating to a transmission Interconnection Agreement for which approvals are pending at FERC. Said amendment will not alter the price or basic terms of the Power Purchase Agreement. Rather it will simply explain the parties' agreements on interconnection issues.

Please acknowledge receipt by stamping or initialing the duplicate copy of this letter attached hereto and returning the same in the enclosed self-addressed stamped envelope.

Should you have any questions with respect to this filing, please contact me at (218) 998-7108 or Bernadeen Brutlag, Manager, Regulatory Services, Otter Tail Power Company's at (218) 739-8289.

Very truly yours,

  
Bruce Gerhardson  
Associate General Counsel

Enclosures



Fargo office: 3203 32nd Avenue S.W.  
Suite 110, P.O. Box 9156  
Fargo, ND 58106-9156  
Fax: 701-232-4108

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September 23, 2003

Ms. Pamela Bonrud, Executive Director  
South Dakota Public Utilities Commission  
State Capitol  
500 East Capitol Street  
Pierre, SD 57501-5070

**DUPLICATE**

**Re: Docket No. \_\_\_\_\_  
Request for confidential treatment**

Pursuant to South Dakota Codified Laws Section 49-34A-10 and Administrative Rules of South Dakota ("ARSD") Part 20:10:13:12, enclosed for filing please find an original and 10 copies of Otter Tail Power Company's, a division of Otter Tail Corporation ("Otter Tail"), request for confidential treatment of information covered in a Power Purchase Agreement by and between Florida Light & Power and Otter Tail as fully described in the attached request. The Power Purchase Agreement is being filed in the docket entitled "In the Matter of the petition of Otter Tail Power Company, a division of Otter Tail Corporation, to revise its Fuel Adjustment Clause Tariff to accommodate purchased energy from renewable resources". A docket number has not yet been assigned to this docket. The Power Purchase Agreement may in the near future be amended to reflect certain issues relating to a transmission Interconnection Agreement for which approvals are pending at FERC. Said amendment will not alter the price or basic terms of the Power Purchase Agreement. Rather it will simply explain the parties' agreements on interconnection issues.

Please acknowledge receipt by stamping or initialing the duplicate copy of this letter attached hereto and returning the same in the enclosed self-addressed stamped envelope.

Should you have any questions with respect to this filing, please contact me at (218) 998-7108 or Bernadeen Brutlag, Manager, Regulatory Services, Otter Tail Power Company's at (218) 739-8289.

Very truly yours,

  
Bruce Getzardson  
Associate General Counsel

Enclosures



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

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In the Matter of the petition of Otter Tail Power Company, a division of Otter Tail Corporation, to revise its Fuel Adjustment Clause Tariff to accommodate purchased energy from renewable resources.

---

Docket No. \_\_\_\_\_

**REQUEST FOR CONFIDENTIAL TREATMENT OF INFORMATION**

COMES NOW, Otter Tail Power Company, a division of Otter Tail Corporation (“Otter Tail”) respectfully moves the South Dakota Public Utilities Commission (“the Commission”) for confidential treatment of information pursuant to Administrative Rules of South Dakota (“ARSD”) 20:10:01:41.

The specific information, which requires confidential treatment of the Power Purchase Agreement (“Agreement”) entered into on April 1, 2003 by and between FPL Energy (“FPL”) and Otter Tail. Under the terms of the agreement, FPL will construct wind-generating facilities and Otter Tail will purchase the electric energy generated by such facilities. Otter Tail also filed a request for approval of changes to its Fuel Adjustment Clause (“FAC”) tariff to include the cost of purchase energy from renewable sources such as those proposed under the Agreement.

Section 8.1 of the Agreement specifies, “The parties have and will develop certain information, processes, know-how, techniques and procedures concerning the Wind Project that they consider confidential and proprietary (together with the terms and conditions of this Agreement, the “Confidential Information”). Accordingly, Otter Tail requests that confidential

treatment be given to the entire Agreement. Such information is not publicly available, and is treated as confidential business information in accordance with the provisions of the Agreement. Otter Tail believes that disclosure of the information would be of independent economic value to competitors and would create a competitive disadvantage for Otter Tail and FPL if publicly disclosed to others because of the competitive nature of the Agreement. There are a number of wind farms, which are planned or already in place in South Dakota and North Dakota that will be in competition with each other for sales to various utilities serving in the area. The Agreement therefore meets the definition of “trade secret” under the SDCL §37-29-1(4)(1), the South Dakota Uniform Trade Secret Act, which is defined as information that “Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use....”

Confidentiality is requested for the duration of the Agreement. Otter Tail requests that, upon issuance of an order, the material is returned to Otter Tail.

**Please refer all inquires regarding this filing to:**

Bruce Gerhardson  
Associate General Council  
Otter Tail Corporation  
215 South Cascade Street  
P. O. Box 496  
Fergus Falls, MN 56538-0496  
(218) 998-7108

Bernadeen Brutlag  
Manager, Regulatory Services  
Otter Tail Power Company  
215 South Cascade Street  
P. O. Box 496  
Fergus Falls, MN 56538-0496  
(218) 739-8289

The information for which confidential treatment is requested is printed on yellow paper with each page stamped "confidential" and is included in the attached sealed envelope marked "confidential".

Dated: September 23, 2003

Respectfully submitted,

**OTTER TAIL POWER COMPANY, a division  
of Otter Tail Corporation**

By: 

Bruce Gerhardson  
Associate General Council  
Otter Tail Corporation  
215 South Cascade Street  
P. O. Box 496  
Fergus Falls, MN 56538-0496  
(218) 998-7108

Bernadeen Brutlag  
Manager, Regulatory Services  
Otter Tail Power Company  
215 South Cascade Street  
P. O. Box 496  
Fergus Falls, MN 56538-0496(218) 739-  
8289

CONFIDENTIAL

# 1

**South Dakota Public Utilities Commission**  
**WEEKLY FILINGS**

**For the Period of September 25, 2003 through October 1, 2003**

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Kolbo within five business days of this report. Phone: 605-773-3201

**CONSUMER COMPLAINTS**

**CT03-149** In the Matter of the Complaint filed by Allen Funk, Bath, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.

Complainant states that he purchased a seven-year pre-paid long distance service plan with a December 14, 1999, activation date. The calling cards are no longer valid. Complainant seeks to be reimbursed for the pre-paid service not provided plus any punitive damages that can be levied by the Commission.

Staff Analyst: Jim Mehlhaff  
Staff Attorney: Kelly Frazier  
Date Docketed: 09/25/03  
Intervention deadline: N/A

**CT03-150** In the Matter of the Complaint filed by Derek Jensen on behalf of Evanson-Jensen Funeral Home, Lemmon, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.

Complainant's representative states that it purchased a four-year pre-paid long distance service plan on September 11, 2002. Service was terminated on or about June 2, 2003. Complainant seeks to be reimbursed for the pre-paid service not provided.

Staff Analyst: Jim Mehlhaff  
Staff Attorney: Kelly Frazier  
Date Docketed: 09/26/03  
Intervention deadline: N/A

**CT03-151** In the Matter of the Complaint filed by Tim Sandress on behalf of Auto Shoppe Inc., Mitchell, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.

Complainant's representative states that it purchased a five-year pre-paid long distance service plan. Service was terminated after only five months of service. Complainant seeks to be reimbursed for the pre-paid service not provided.

Staff Analyst: Jim Mehlhaff  
Staff Attorney: Kelly Frazier  
Date Docketed: 09/29/03  
Intervention deadline: N/A

**CT03-152** In the Matter of the Complaint filed by Joseph A. and Penny L. Schonebaum, Burke, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.

Complainants state that they purchased a seven year pre-paid long distance service plan. Service was terminated after only three years of service. Complainants seek to be reimbursed for the pre-paid service not provided.

Staff Analyst: Jim Mehlhaff  
Staff Attorney: Kelly Frazier  
Date Docketed: 10/01/03  
Intervention deadline: N/A

#### ELECTRIC

**EL03-024** In the Matter of the Petition of Otter Tail Power Company, a Division of Otter Tail Corporation, to Revise its Fuel Adjustment Clause Tariff to Accommodate Purchased Energy from Renewable Resources.

On September 25, 2003, Otter Tail Power Company filed a petition for approval to revise its Fuel Adjustment Clause Tariff. The revisions are requested to permit the inclusion of purchase power costs related to renewable energy purchases. On April 1, 2003, Otter Tail entered into a Power Purchase Agreement with FPL Energy to purchase the electric energy generated by 14 wind turbines with an approximate output of 21 megawatts. Otter Tail believes that approval of the inclusion of the costs of energy purchased from renewable sources is appropriate because when it is competitively priced, renewable energy is an appropriate addition to Otter Tail's resource mix.

Staff Analyst: Michele Farris  
Staff Attorney: Karen Cremer  
Date Docketed: 09/25/03  
Intervention Deadline: 10/15/03

**EL03-025** In the Matter of the Filing by Otter Tail Power Company for Approval of Tariff Revisions.

Application by Otter Tail Power Company for approval to revise its tariffed Summary List of Contracts with Deviations. The existing contract with the City of Veblen will expire on November 3, 2003. Otter Tail states the new agreement does not contain any deviations from Otter Tail's currently filed tariff and therefore requests that reference to a contract with the City of Veblen be removed from the Summary List of Contracts with Deviations.

Staff Analyst: Dave Jacobson  
Staff Attorney: Kelly Frazier  
Date Docketed: 09/29/03  
Intervention Deadline: 10/15/03

**EL03-026** In the Matter of the Filing by Otter Tail Power Company for Approval of Tariff Revisions.

Application by Otter Tail Power Company for approval to revise its tariffed Summary List of Contracts with Deviations. The existing contract with the City of Clair City will expire on November 1, 2003. Otter Tail states the new agreement does not contain any deviations from Otter Tail's currently filed tariff and therefore requests that reference to a contract with the City of Clair City be removed from the Summary List of Contracts with Deviations.

Staff Analyst: Dave Jacobson  
Staff Attorney: Kelly Frazier  
Date Docketed: 09/29/03  
Intervention Deadline: 10/15/03

## TELECOMMUNICATIONS

### **TC03-180 In the Matter of the Application of Gold Line Telemanagement Inc. for a Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota.**

On September 26, 2003, Gold Line Telemanagement Inc. filed an application seeking a Certificate of Authority to provide interexchange telecommunications services in South Dakota. The Applicant is a reseller which intends to offer interexchange services, including 1+ and 101XXXX outbound dialing, 800/888 toll-free inbound dialing, directory assistance, data services, travel card services and prepaid calling card services.

Staff Analyst: Keith Senger  
Staff Attorney: Kelly Frazier  
Date Docketed: 09/26/03  
Intervention Deadline: 10/17/03

### **TC03-181 In the Matter of the Implementation of the Federal Communications Commission's Triennial Review Order Regarding Unbundling Obligations.**

On August 21, 2003, the Federal Communications Commission (FCC) released its Triennial Review Order. Memorandum Opinion and Order, Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers, CC Docket Nos. 01-338, 96-98, 98-147. In its Triennial Review Order, the FCC directed the state commissions to make certain determinations regarding the unbundling obligations of incumbent local exchange carriers. The FCC required the state commissions to make these determinations within nine months from the effective date of the Order. On September 29, 2003, the Commission opened a docket requesting that any person or entity that intends to present evidence challenging the FCC's findings of impairment regarding access to loops, dedicated transport, or local circuit switching for mass market customers shall file a notice of such intent on or before October 10, 2003. The notice shall identify each network element that the person or entity intends to challenge regarding the FCC's findings of impairment. In addition, the Commission requested written comments regarding recommendations on how the Commission should proceed. These comments are also due on or before October 10, 2003.

Staff Analyst: Harlan Best  
Staff Attorney: Karen Cremer  
Date Opened: 09/29/03  
Comments and Notices Due: 10/10/03

**TC03-182      In the Matter of the Filing for Approval of an Amendment to an  
Interconnection Agreement between Qwest Corporation and PrairieWave  
Telecommunications, Inc.**

On September 29, 2003, the Commission received a Filing of Toll and Local Billing Records Terms and Conditions Amendment to the Interconnection Agreement between PrairieWave Telecommunications, Inc. and Qwest Corporation). According to the parties, the amendment is a negotiated amendment to the agreement made between the parties in Docket TC97-126, which was approved by the Commission on October 21, 1998. The amendment is made in order to add the Toll and Local Billing Records Terms and Conditions as set forth in Attachment 1 and Exhibit A, attached to the filing. Any party wishing to comment on the agreement may do so by filing written comments with the Commission and the parties to the agreement no later than October 20, 2003. Parties to the agreement may file written responses to the comments no later than twenty days after the service of the initial comments.

Staff Attorney: Kelly Frazier  
Date Docketed: 09/29/03  
Initial Comments Due: 10/20/03

**TC03-183      In the Matter of the Request of Farmers Mutual Telephone Company for  
Certification Regarding its Use of Federal Universal Service Support.**

On October 1, 2003, Farmers Mutual Telephone Company (Farmers Mutual) provided information constituting Farmers Mutual's plan for the use of its federal universal service support and to otherwise verify that Farmers Mutual will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best  
Staff Attorney: Karen E. Cremer  
Date Docketed: 10/01/03  
Intervention Deadline: 10/10/03

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

**IN THE MATTER OF THE PETITION OF OTTER ) ORDER APPROVING TARIFF  
TAIL POWER COMPANY, A DIVISION OF ) REVISIONS  
OTTER TAIL CORPORATION, TO REVISE ITS )  
FUEL ADJUSTMENT CLAUSE TARIFF TO ) EL03-024  
ACCOMMODATE PURCHASED ENERGY )  
FROM RENEWABLE RESOURCES )**

On September 25, 2003, Otter Tail Power Company, a Division of Otter Tail Corporation (Otter Tail), filed with the Public Utilities Commission (Commission) a petition for approval to revise its Fuel Adjustment Clause Tariff. The revisions were requested to permit the inclusion of purchase power costs related to renewable energy purchases. On April 1, 2003, Otter Tail entered into a Power Purchase Agreement with FPL Energy to purchase the electric energy generated by 14 wind turbines with an approximate output of 21 megawatts. Otter Tail believes that approval of the inclusion of the costs of energy purchased from renewable sources is appropriate because when it is competitively priced, renewable energy is an appropriate addition to Otter Tail's resource mix. The proposed tariff sheet is:

Section No. 3, Volume I, 6th Revised Sheet No. 98-Super. 52, Canceling 5th Revised Sheet No. 52, Rate Designation M-60S

At its regularly scheduled meeting of November 4, 2003, the Commission considered approval of the petition to revise Otter Tail's fuel adjustment clause tariff. Commission Staff recommended approval.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-34A, specifically SDCL 49-34A-25. Further, the revisions are just and reasonable and shall be approved. As the Commission's final decision in this matter, it is therefore

ORDERED, that Otter Tail's revised tariff as described above is approved and shall be effective as of the date of this order.

Dated at Pierre, South Dakota, this 13<sup>th</sup> day of November, 2003.

<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><i>Delaine Kolko</i></u>
Date: <u>11/14/03</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

*Robert K. Sahr*  
ROBERT K. SAHR, Chairman

*Gary Hanson*  
GARY HANSON, Commissioner

*James A. Burg*  
JAMES A. BURG, Commissioner

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SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

December 5, 2003



Ms. Pamela Bonrud  
South Dakota Public Utilities Commission  
State Capitol Building  
500 East Capitol Avenue  
Pierre, SD 57501-5070

**RE: SD PUC Docket EL03-024  
Otter Tail Power Company's Approved Revised Fuel Adjustment Clause Tariff**

Dear Ms. Bonrud:

Enclosed you will find an approved copy of Otter Tail Power Company's Revised Fuel Adjustment Clause Tariff with the rate designation of M-60S for your files.

The rate schedule, with an approved date of November 13, 2003, is effective for service rendered on and after November 13, 2003.

Please note this Tariff is the Sixth Revised Sheet No. 98, Canceling Fifth Revised Sheet No. 52, as directed per the Commission.

Sincerely yours,

Bernadeen Brutlag  
Manager, Regulatory Services

Enclosures

RECEIVED

DEC 12 2003

(T)

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SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

FUEL ADJUSTMENT CLAUSE

There shall be added to or deducted from the monthly bill the amount per kilowatt-hour (rounded to the nearest 0.001¢) that the average cost of fuel is above or below 1.5460¢ per kilowatt-hour. The average cost of fuel per kilowatt-hour for the current period shall be calculated from data covering actual costs from the most recent three-month period as follows: (T)

Energy costs from actual months 1, 2 and 3 plus unrecovered (or less over recovered) prior cumulative energy costs plus (or minus) the carrying charge, divided by the associated energy (reduced for average system losses) associated with retail sales for actual months 1, 2 and 3 equals the cost of energy amount.

The applicable adjustment will be applied month to month on a uniform billing cycle to each customer's bill at the earliest practical date following the three-month period. The cost of fuel shall be determined as follows:

1. The expense of fossil and other fuels, including but not limited to, biomass, wood, refuse-derived fuel (RDF), and tire-derived fuel (TDF), as recorded in Account 151 of the FERC's Uniform System of Accounts for Public Utilities and Licensees, used in the Company's generating plants. (N)
2. The utility's share of the expense of fossil fuel, as recorded in Account 151, used in jointly-owned or leased plants.
3. The net energy cost of energy purchases when such energy is purchased on an economic dispatch basis, exclusive of capacity or demand charges.
4. The net cost of energy purchases from any facility utilizing wind or other renewable energy conversion systems for the generation of electric energy, whether or not those purchases occur on an economic dispatch basis. (N)
5. Renewable energy purchased for the TailWinds program is not included in the fuel clause adjustment calculation. (N)
6. The actual identifiable fossil and nuclear fuel expense associated with energy purchased for reasons other than identified in 3 and 4 above. (L) (T)
7. Less the fossil fuel and other related costs recovered through intersystem sales, including the fuel costs and or renewal energy costs related to economy energy sales and other energy sold on an economic dispatch basis. (L) (T)

Where, for any reason, billed system sales cannot be coordinated with fuel and other related costs, sales may be (N) equated to the total of:

1. Net generation
2. Purchases and net interchange in, less
3. Intersystem sales, less
4. Losses on system retail sales

A carrying charge or credit will be included to determine the monthly fuel adjustment factor. The carrying charge or credit will be determined by applying one-twelfth (1/12) of the overall rate of return granted by the Commission in the most recent rate decision to the recorded deferred fuel cost balance of the latest fuel adjustment calculation.