

KC/25

In the Matter of IN THE MATTER OF THE FILING BY
OTTER TAIL POWER COMPANY FOR
APPROVAL OF TARIFF REVISIONS

Public Utilities Commission of the State of South Dakota

DATE	MEMORANDA
2/26 04	Filed andocketed;
3/4 04	Weekly Filing;
3/15 04	Revised Tariff Sheet;
4/15 04	Order Approving Tariff Revisions;
4/15 04	Packet Closed.
4/9 04	Revised Tariff Page.

215 South Cascade Street
 PO Box 496
 Fergus Falls, Minnesota 56538-0496
 218 739-8200
 www.otpco.com (web site)

Via Fax and Overnight Delivery

February 26, 2004



RECEIVED

FEB 27 2004

**SOUTH DAKOTA PUBLIC
 UTILITIES COMMISSION**

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

FAX Received FEB 26 2004

Dear Ms. Bonrud:

Pursuant to Administrative Rules of South Dakota Part 20:10:13:03, enclosed for filing please find ten (10) copies of Municipal Service Agreements for the City of Hetland, SD, City of Lake Preston, SD and the City of Trent, SD and Otter Tail Power Company's Summary List of Contracts with Deviations Sheet No. 2 and No. 4. The Municipal Service Agreement for the City of Hetland, SD was updated because the old contract will expire on April 1, 2004. The Municipal Service Agreement for the City of Lake Preston, SD was updated because the old contract will expire on April 1, 2004. The Municipal Service Agreement for the City of Trent, SD was updated because the old contract will expire on April 1, 2004. None of the new agreements contain any rates, terms and or conditions that would be considered a deviation from Otter Tail Power Company's tariff. Therefore Otter Tail Power Company respectfully requests that the City of Hetland, City of Lake Preston and the City of Trent be removed from Otter Tail Power Company's Summary List of Contracts with Deviations.

If you have any questions regarding this filing, please contact me at 218-739-8838.

Sincerely,

A handwritten signature in cursive script that reads "Ron Spangler Jr."

Ron Spangler Jr.
 Supervisor, Revenue Requirements
 Regulatory Services Department
rlspangler@otpco.com

Enclosures

Cc: Bernadeen Brutlag, Manager, Regulatory Services
 Bruce Gerhardson, Associate General Counsel

SUMMARY OF CONTRACTS WITH DEVIATIONS

<u>CUSTOMER</u>	<u>CLASS OF SERVICE</u>	<u>EXECUTION AND EXPIRATION DATES</u>	<u>NON-STANDARD RATES</u>	
City of Gary Gary	Street Light	12/9/2000 12/9/2010	Municipal Ownership: \$6.25 per month for HPS9 fixtures. Contract period of 10 years.	
City of Grenville Grenville	Street Light	6/1/1997 6/1/2007	Contract period of 10 years.	
Town of LaBolt Labolt	Street Light	2/7/2003 2/7/2013	Contract period of 10 years.	D
City of Lake Norden Lake Norden	Street Light	6/1/1994 6/1/2004	Streetlight Change-out Program: \$6.30 for HPS9 fixtures. \$16.90 for HPS44 fixtures. Contract period of 10 years.	
Village of Marvin	Street Light	7/2/1994 7/2/2004	Contract period to 10 years.	D

MUNICIPAL SERVICE AGREEMENT

1. THIS AGREEMENT, made this 17th day of February, 2004 by and between the Otter Tail Power Company, a division of Otter Tail Corporation, hereinafter called Otter Tail Power, a corporation, duly organized and existing under and by virtue of the laws of the State of Minnesota, and the City, of Hetland, SD, hereinafter called the Municipality, WITNESSETH:
2. That, in consideration of the payments to be made and the mutual covenants herein contained and subject to the terms and conditions of this agreement, Otter Tail Power agrees to supply all municipal electric services to the Municipality, and the Municipality agrees to take and use the services and all electric energy requested therefore, and to pay the rates and charges for Street Lighting, Municipal Pumping and Fire Sirens, all as hereinafter specifically set forth for a term of (1) one year with an effective date of the term to be April 1, 2004, and terminating April 1, 2005, and thereafter shall be renewed for periods of one year each, unless written notice to the contrary is given by either party to the other not less than thirty (30) days before the expiration of this agreement or any renewal thereof.
3. The rates to be charged for the municipal electric service shall be Otter Tail Power's standard rates as determined by its standard rate schedule as specifically filed with and approved by the Public Utilities Commission for Street lighting Municipal Pumping and Fire Sirens and which are in effect at the execution of this agreement and/or such superseding amendments or changes as are approved by the South Dakota Public Utilities Commission during the terms of this agreement.
4. Otter Tail Power is subject to the jurisdiction of the South Dakota Public Utilities Commission and when required by the Commission's Order or Rules and Regulations, may submit this agreement for review and approval.

STREET LIGHTING

5. Otter Tail Power agrees to own and operate a street lighting system in the municipality, consisting of supply circuits, control circuits, controls, and brackets and fixtures as provided in this agreement.
6. The Municipality shall have the right to erect, operate, and maintain at its own expense a white way system and/or main street lighting system, ready for connection to Otter Tail Power's supply source. Otter Tail shall supply any necessary meters and make the final connection to its supply system. Otter Tail Power shall supply the necessary electric energy to light such system. The rates, terms and conditions of a white way system and/or main street lighting system, shall be determined by Otter Tail Power's "Outdoor Lighting Energy Only Rate" and/or such superseding amendments or changes as are approved by the South Dakota Utilities Commission during the terms of this agreement.
7. The residential, white way, and main street lighting installation covered by this agreement shall consist of the following:

No. of Units	Type	Lumens	Ownership			Pole		Service		Lamp Renewal By	Monthly Chg. Per Unit
			Fixture	Pole	Wire	Wood	Metal	O/H	U/G		
18	HPS 9	9,000	OTP	OTP	OTP	X		X		OTP	\$6.90

8. The total number of fixtures shall not be reduced to less than sixty percent of the total as shown in Paragraph 7 above, except by mutual consent of the parties.

9. Fixtures installed after the date of this agreement shall be billed at the schedule of rates in effect at the time of installation and/or such superseding amendments or changes as are approved by the South Dakota Utilities Commission during the terms of this agreement.

MUNICIPAL PUMPING

10. Otter Tail Power agrees to furnish electric power and energy to operate the pumps for the Municipality's present water supply system and present sewage system, and such additions to these systems as may be mutually agreed upon, in accordance with the terms and conditions as set forth in this agreement.
11. Electric energy used for lighting, heating, power tools, and other uses necessary for the normal operation of these systems, on approval of Otter Tail Power, may be included. Otter Tail Power shall supply any necessary meters. The Municipality agrees to provide a suitable location for meters to be installed on its premises.
12. The Municipality will pay for all electric energy used for municipal pumping and incidental uses as described in Paragraphs 10 and 11 above, in accordance with the provisions and changes contained in the applicable rate schedule in effect at the execution of this agreement and/or such superseding amendments or changes as are approved by the South Dakota Public Utilities Commission during the terms of this agreement.

FIRE SIRENS

13. The Municipality operates fire/warning sirens as listed below:

Location	Metered		Horsepower	Account Number	Billing Amount
	Yes	No			

GENERAL PROVISIONS

14. Otter Tail Power shall use due diligence and care in maintaining service, but shall not be liable for loss or damage arising from failure, either partial or total, of the service from any cause, but this shall not be construed to exempt Otter Tail Power from liability for negligence.
15. In case a meter fails to properly record the energy used, an equitable estimate will be made for the energy used during the period in question and shall be based on the best information available.
16. All previous agreements, if any, between the parties hereto, covering the subject matter hereof, are hereby cancelled and terminated as of the effective date specified in Paragraph 2 of this agreement, except as specifically provided in this agreement.

17. IN WITNESS WHEREOF, the respective parties hereto have caused this agreement to be executed by their proper officers thereunto duly authorized, and the same shall be equally binding to the respective parties and each of their successors and assigns.

OTTER TAIL POWER COMPANY,
a division of Otter Tail Corporation

In the presence of:

Ethel Brewer

By *Mark Leonard*

Title *V/P Customer Service*

MUNICIPALITY

In the presence of:

Scott Johnson

CITY OF HETLAND

By *Jean O'Neal*

(Municipal Seal)

(For Company use only)	Date	By
Entered to Billing Record		

South Dakota Public Utilities Commission
WEEKLY FILINGS
For the Period of February 26, 2004 through March 3, 2004

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

ELECTRIC

EL04-006 In the Matter of the Filing by Otter Tail Power Company for Approval of Tariff Revisions.

Application by Otter Tail Power Company (Otter Tail) for approval to revise its tariffed Summary List of Contracts with Deviations. The existing contract with the City of Hetland will expire on April 1, 2004. 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 Hetland be removed from the Summary List of Contracts with Deviations.

Staff Analyst: Dave Jacobson
Staff Attorney: Karen Cremer
Date Filed: 02/26/04
Intervention Deadline: 03/19/04

EL04-007 In the Matter of the Filing by Otter Tail Power Company for Approval of Tariff Revisions.

Application by Otter Tail Power Company (Otter Tail) for approval to revise its tariffed Summary List of Contracts with Deviations. The existing contract with the City of Lake Preston will expire on April 1, 2004. 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 Lake Preston be removed from the Summary List of Contracts with Deviations.

Staff Analyst: Dave Jacobson
Staff Attorney: Karen Cremer
Date Filed: 02/26/04
Intervention Deadline: 03/19/04

EL04-008 In the Matter of the Filing by Otter Tail Power Company for Approval of Tariff Revisions.

Application by Otter Tail Power Company (Otter Tail) for approval to revise its tariffed Summary List of Contracts with Deviations. The existing contract with the City of Trent will expire on April 1, 2004. 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 Trent be removed from the Summary List of Contracts with Deviations.

Staff Analyst: Dave Jacobson
Staff Attorney: Karen Cremer
Date Filed: 02/26/04
Intervention Deadline: 03/19/04

EL04-009 In the Matter of the Application of East River Electric Power Cooperative, Inc. for a Transmission Upgrade to the Sioux Falls Area 115 kV Transmission Project.

On February 27, 2004, East River Electric Power Cooperative filed for approval an application for its proposed Sioux Falls Area 115 kilovolt Transmission Upgrade Project. The proposed project would convert approximately 36 miles of an existing East River 69 kilovolt transmission line and 7 existing East River 69 kilovolt distribution substations to 115 kilovolts. The project is needed for East River to be able to continue to adequately and reliably serve the growing electrical needs of its member distribution systems in the Sioux Falls area.

Staff Analyst: Michele Farris
Staff Attorney: Karen Cremer
Date Filed: 02/27/04
Intervention Deadline: 03/19/04

TELECOMMUNICATIONS

TC04-039 In the Matter of the Request of Qwest Corporation for Certification Regarding its Use of Federal Universal Service Support.

On February 27, 2004, Qwest Corporation (Qwest) provided information constituting Qwest's plan for the use of its federal universal service support and to otherwise verify that Qwest 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 Cremer
Date Docketed: 02/27/04
Intervention Deadline: 03/19/04

TC04-040 In the Matter of the Joint Application of Sioux Valley Telephone Company and Hills Telephone Company, Inc. Regarding the Sale by Sioux Valley Telephone Company of its Valley Springs, East Valley Springs and North Larchwood Exchanges to Hills Telephone Company, Inc.

On March 2, 2004, Hills Telephone Company, Inc. (Hills) and Sioux Valley Telephone Company (Sioux Valley) filed a joint application for the sale of the local telephone exchange facilities serving the Valley Springs, East Valley Springs, and North Larchwood local exchanges from Sioux Valley to Hills.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 03/02/04
Intervention Deadline: 03/19/04

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You may subscribe or unsubscribe to the PUC mailing lists at <http://www.state.sd.us/puc>**



Bob Sahr, Chair
Gary Hanson, Vice-Chair
Jim Burg, Commissioner

ELO4-006
**SOUTH DAKOTA
PUBLIC UTILITIES COMMISSION**

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Capitol Office
(605) 773-3201
(605) 773-3809 fax

Transportation/Warehouse
(605) 773-5280
(605) 773-3225 fax

Consumer Hotline
1-800-332-1782

March 15, 2004

Revised tariff sheet reflecting separately docketed contracts filed 2/26/04, proposed to be removed from Section 4 of Otter Tail's tariff.

Dave Jacobson

SUMMARY OF CONTRACTS WITH DEVIATIONS

<u>CUSTOMER</u>	<u>CLASS OF SERVICE</u>	<u>EXECUTION AND EXPIRATION DATES</u>	<u>NON-STANDARD RATES</u>
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City of Lake Preston Lake Preston	Street Light	4/1/1994 4/1/2004	Municipal Ownership: \$10.52 per month for HPS44 fixtures, \$7.66 and \$9.12 (cleaning included) per month for HPS23 fixtures. Streetlight Change-out Program: \$6.30 for HPS9 fixtures. Contract period of 10 years.
Village of Marvin	Street Light	7/2/1994 7/2/2004	Contract period fo 10 years.

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

**IN THE MATTER OF THE FILING BY OTTER) ORDER APPROVING TARIFF
TAIL POWER COMPANY FOR APPROVAL OF) REVISIONS
TARIFF REVISIONS)
)
) EL04-006**

On February 26, 2004, the Public Utilities Commission (Commission) received a filing by Otter Tail Power Company (Otter Tail) for approval of tariff revisions regarding a Contract with Deviations with the City of Hetland. A new contract replaces a contract between the parties which terminates on April 1, 2004. The new contract does not deviate from Otter Tail's filed tariff. This filing removes the contract from the summary list of contracts with deviations. Otter Tail filed the following tariff sheet for Commission approval:

Section No. 4, Tenth Revised Sheet No. 2, Cancelling Ninth Revised Sheet No. 2

At its March 23, 2004, meeting, the Commission considered the request for approval of the revised tariff sheet. Commission Staff recommended approval.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL 49-34A, specifically, 49-34A-6, 49-34A-8, 49-34A-10, and 49-34A-11. Further, the Commission finds that Otter Tail's request for approval of tariff revisions is just and reasonable and shall be approved. As the Commission's final decision in this matter, it is therefore

ORDERED, that the request seeking approval of tariff revisions is hereby granted. It is further

ORDERED, that the above referenced tariff sheet is effective for service rendered on and after April 1, 2004.

Dated at Pierre, South Dakota, this 5th day of April, 2004.

<p>CERTIFICATE OF SERVICE</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, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.</p> <p>By: <u><i>Melaine Kelso</i></u></p> <p>Date: <u><i>4/6/04</i></u></p> <p align="center"><small>(OFFICIAL SEAL)</small></p>
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BY ORDER OF THE COMMISSION:

Robert K. Sahr
ROBERT K. SAHR, Chairman

Gary Hanson
GARY HANSON, Commissioner

<u>CUSTOMER</u>	<u>CLASS OF SERVICE</u>	<u>EXECUTION AND EXPIRATION DATES</u>	<u>NON-STANDARD RATES</u>
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APR 09 2004

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

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