February 10, 2006



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

# Subject: In the Matter of a Request for Approval to add New Rate Codes for Otter Tail Corporation, d/b/a Otter Tail Power Company.

Dear Ms. Van Gerpen:

Enclosed is a miscellaneous filing, asking for the addition of three additional rate codes.

In this filing, Otter Tail is proposing to ask for approval of administrative changes to three controlled service tariffs. The additional rate codes allow cycling control for certain cooling technologies. Otter Tail's new load management system allows greater flexibility for load management, particularly in summer.

The date of this filing is February 10, 2006. The proposed effective date, with Commission approval, will be the date April 1, 2006.

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 Corporation, d/b/a Otter Tail Power Company, Petition for approval of the addition of new rate codes to the Controlled Service-Interruptible Load Tariffs.

Included with the petition are the "Clean" tariff sheets.

An electronic copy of the Petition is being sent to you at patriciavangerpen@state.sd.us.

If you have any questions with respect to this filing, please contact me at (218) 739-8896 or Mr. Bruce Gerhardson, Associate General Counsel, Otter Tail Power Company at (218) 998-7108.

Very truly yours,

Danie R

Dave Ross Tariff Specialist

Enclosures

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

In the Matter of Otter Tail Power Company's Request for Approval for New Rate Codes

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

#### APPLICATION OF OTTER TAIL POWER COMPANY

#### I. INTRODUCTION.

Otter Tail Corporation, d/b/a Otter Tail Power Company ("Otter Tail"), hereby applies to the North Dakota Public Service Commission ("Commission") for approval of administrative changes to three controlled service tariffs. The additional rate codes allow cycling control for certain cooling technologies. Otter Tail's new load management system allows greater flexibility for load management, particularly in summer, as explained herein. Otter Tail's rate codes are part of its published and approved tariff sheets, and therefore approval of the Commission is required to add new rate codes.

#### II. GENERAL FILING INFORMATION.

A. Name, address, and telephone number of utility making the filing.

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 attorney for Otter Tail.

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

## C. Title of utility employee responsible for filing.

David Ross Tariff Specialist, Regulatory Services Otter Tail Power Company 215 South Cascade Street P.O. Box 496 Fergus Falls, MN 56538-0496 (218) 739-8896 dross@otpco.com

## D. The date of filing and the date changes will take effect.

This petition is being filed on February 10, 2006. Otter Tail proposes to add three new

rate codes, effective on or before April 1, 2006.

#### E. Statute 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. Because no determination of Otter Tail's general revenue requirement is necessary, the report called for under Part 20:10:13:26 and the general notice provisions applicable to changes in rates is not applicable in this filing. Otter Tail requests an expedited and informal proceeding, including any variances that may be necessary.

### III. DESCRIPITION OF FILING.

Otter Tail requests approval to add a new rate code to three of its controlled service tariff sheets as follows:

Rate designationNew codeI-01S Controlled Service - Interruptible Load,16580 KW capacity and greater102S Controlled Service - less than 80 KW185I-03S Controlled Service - Deferred Load195

Otter Tail has received approval for similar changes in Minnesota<sup>1</sup>.

Attached are redline versions of each of these tariffs showing the proposed changes. The attachments are as follows:

Attachment 1: Controlled Service-80 kW or Greater. Rate Designation I-01S.

Attachment 2: Controlled Service-Less than 80 kW. Rate Designation I-02S.

Attachment 3: Controlled Service-Deferred Load. Rate Designation I-03S.

The reasons for this filing lie in two events: (1) Otter Tail is in the process of installing a new load management system, which will allow greater flexibility and segmentation for load control purposes. (2) Otter Tail has an increasing need to mange its load during the summer season (May 1-October 31).

Otter Tail is installing a new load management system. The installation is planned over a three-year period in order schedule around normal operation and maintenance activities. The installation is about half completed. The new system allows end uses to be identified and

<sup>&</sup>lt;sup>1</sup> – Minnesota Docket No. E-017/M-05-1740. Approved on December 21, 2005. Approval of New Rate Codes.

segmented to a greater degree than in the past. Since end uses tend to be somewhat homogeneous within rate codes, the load management system uses these rate codes to assign control patterns. Some customers on each of the tariffs listed above are likely to have cooling equipment that can be controlled during the summer cooling season, identified as May 1 through October 31.

Traditionally, other than water heating, Otter Tail has done very little load management during the summer. This is partly because its previous load management system did not have the capability to cycle the load control devices. Its load management was done by interrupting service for blocks of time, sometimes several hours. An overriding consideration, however, for Otter Tail using little summer load management in the past is that Otter Tail has been, and still is, a winter peaking utility. As Otter Tail's load grows, and as summer capacity and energy becomes higher priced and less abundant, Otter Tail needs to be able to manage its summer load more effectively.

The tariffs listed above allow Otter Tail to control load at any time, while adhering to the minimum hours of service set forth. However, controlling cooling equipment for hours at a time becomes uncomfortable for customers using certain cooling technologies. Using a control schedule of 15 minutes off and 15 minutes on is a way to reduce electric usage while providing enough cooling for reasonable customer comfort. When Otter Tail explored using cycling for summer control, it was determined that some equipment could be damaged by cycling. Therefore, customers' equipment needs to be identified and separated into that which can and should be cycled, and that which should not be cycled. In order to do this, Otter Tail needs to add a new rate code to each of the above-listed tariffs.

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Otter Tail is developing a plan to contact, verify, and implement appropriate control strategy for customers on these tariffs. Upon approval of the new rate codes, Otter Tail will begin informing the appropriate customers of these changes.

#### IV. PROPOSED IMPLEMENTATION PLAN

The implementation of the rate changes would take place no later than April 1, 2006.

#### V. CONCLUSION

Based on the information provided herein, Otter Tail respectfully requests approval of administrative changes to three controlled service tariffs. The additional rate codes allow for cycling control for certain cooling technologies.

Date: February 10, 2006

Respectfully submitted:

Danie Ru

David Ross Tariff Specialist, Regulatory Services Otter Tail Power Company 215 South Cascade Street P.O. Box 496 Fergus Falls, MN 56538-0496 Phone (218) 739-8896

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

Section No. 3, Volume I SecondThird Revised Sheet No. 50 Canceling First-Second Sheet No. 50 Rate Designation I-01S, Page 1 of 2

## **CONTROLLED SERVICE - INTERRUPTIBLE LOAD**

Rate Zones 1 & 9 80 kW Capacity and Greater

Controlled Service - 80 kW Capacity & Greater	42-170
Controlled Service- 80 kW Capacity & Greater (short duration cycling)	42-165
Penalty	42-199

**APPLICATION OF SCHEDULE:** This schedule is applicable for residential or commercial service to any approved permanently connected interruptible load with capacity of 80 kW or greater; such loads are primarily the electric heating portion of alternate fuel heating systems. Electric heating systems may include heat pumps used for both heating and cooling. Domestic electric water heating and/or other permanently connected approved loads may be served under the provisions of this rate schedule. Electric fans, pumps or associated equipment used in the distribution of heat shall be wired for service through the customer's residential, farm, general service, or large general service meter unless approved by Otter Tail Power Company.

Alternate fuel energy heating sources, when service to space heating equipment on this rate is curtailed, cannot be electric except for approved supplemental units on the main use meter.

**<u>RATE:</u>** Customer Charge: \$5.00, plus:

Energy =	November - April:	2.40¢ per kWh
	May - October:	2.40¢ per kWh
Penalty:	All kWh - 11.50¢ pe	r kWh in addition to the off-peak charge.

Penalty periods are defined as periods when the Company's control equipment has operated to provide a switching signal to switch off customer's controlled service loads during winter or summer peaking conditions. Penalty usage will be recorded on the peak register, and the total register of the dual register meters. Installation of a dual register meter will be at the option of the Company.

**<u>CONTROL CRITERIA</u>**: Interruptible loads, such as alternate fuel -- 0 to 24 hours service per day and 10 or more hours service to other approved deferred loads. Short-duration cycling is 15-minutes off / 15-minutes on of appropriate cooling equipment during the summer season (May 1-Oct 31).

## MONTHLY MINIMUM CHARGE: Customer Charge \$5.00

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

Section No. 3, Volume I SecondThird Revised Sheet No. 50 Canceling First-Second Sheet No. 50 Rate Designation I-01S, Page 2 of 2

## CONTROLLED SERVICE - INTERRUPTIBLE LOAD (Continued)

**EQUIPMENT SUPPLIED:** Otter Tail will supply and maintain the necessary metering and control equipment. Wiring by the customer shall be such that the meter and associated controlling devices are separate and located adjacent to each other. For large controlled loads, the customer's controllable load interrupting device may, with Otter Tail's approval, be located inside the building adjacent to the customer's main disconnects.

#### **OTHER PROVISIONS:**

1. Otter Tail Power Company recommends that the installed capacity of electric space heating equipment be sufficient to heat the structure or specified area during normal winter weather to permit maximum utilization of the rate for the benefit of the customer.

2. If the installed capacity for electric space heating is insufficient to provide adequate heating down to outdoor design temperature during normal winter months, the customer must incorporate his or her own outdoor thermostat in conjunction with Otter Tail's control equipment.

3. The Company reserves the right to substitute central control for time-temperature control and has the right to control loads on this rate during emergencies.

4. The Company shall not be liable for loss or damage caused by normal interruption of service.

**<u>CUSTOMER CONNECTION CHARGE</u>**: Refer to Rate Schedule, Rate Designation M-61S.

**PAYMENT:** Bills will be due ten days after the billing date; net payment will be accepted through the 21st day. On the 22nd day after billing an account with an unpaid balance of \$5.00 or more (after allowance for any EMP credit) will be considered late and a late payment charge will apply. The late payment charge shall be 1.5% of the unpaid balance plus a collection charge of \$2.00, except that a customer with at least 12 successive payments of regular bills prior to the 22nd day after the billing date shall not be billed a late payment charge. Where a customer is disconnected for nonpayment of a bill, a reconnection charge will be made; the charge will be the Customer Connection Charge as provided for in Rate M-61S, or any amendments or superseding provisions applicable thereto, plus direct labor costs for reconnection outside of regular business hours. A \$10.00 charge will be made subsequent to a customer's check being returned from the bank because of nonsufficient funds.

**<u>CONTRACT PERIOD</u>**: Not less than one year, unless otherwise authorized by Otter Tail Power Company.

**<u>REGULATIONS</u>**: General Rules and Regulations govern use under this schedule.

<u>ADJUSTMENT FOR MUNICIPAL PAYMENTS</u>: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

Approved: March 25, 1993 Docket No. EL93-003 EFFECTIVE for services rendered on and after March 25, 1993 April 1,2006, in SD APPROVED: Jay D. MysterBernadeen Brutlag Manager, Regulatory Services Otter Tail Corporation d/b/a OTTER TAIL POWER COMPANY Fergus Falls, Minnesota ELECTRIC RATE SCHEDULE

#### **CONTROLLED SERVICE** Less Than 80 kW Capacity

Rate Zones 1 & 9

Controlled Service With Credit-Closed to New Customers	42-180
Controlled Service Without Credit	42-190
Controlled Service (short duration cycling)	42-185
Penalty	42-199

**APPLICATION OF SCHEDULE:** This rate schedule is applicable for residential or commercial service to any approved permanently connected interruptible load or loads that can be served under the limited conditions provided; such loads are primarily the electric heating portion of alternate fuel heating systems. Electric heating systems may include heat pumps used for both heating and cooling. Domestic electric water heating and/or other permanently connected approved loads may be served under the provisions of this rate schedule. Electric fans, pumps or associated equipment used in the distribution of heat shall be wired for service through the customer's residential, farm, general service, or large general service meter unless approved by Otter Tail Power Company.

Alternate fuel energy heating sources, when service to space heating equipment on this rate is curtailed, cannot be electric except for approved supplemental units on the main use meter.

**<u>CONTROL CRITERIA</u>**: Interruptible loads, such as alternate fuel--0 to 24 hours service per day and 10 or more hours service to other approved deferred loads. Short-duration cycling is 15-minutes off / 15-minutes on of appropriate cooling equipment during the summer season (May 1-Oct 31).

RATE: Customer Charge: \$1.75, plus:

November-April =

First 5000kWh -  $3.300\phi$  per kWh (less  $.4\phi$  per kWh for first three years-closed)ExcesskWh -  $3.000\phi$  per kWh (less  $.7\phi$  per kWh for first three years-closed)

May-October =

First 1500kWh -  $3.150\phi$  per kWh (less  $.4\phi$  per kWh for first three years-closed)ExcesskWh -  $2.850\phi$  per kWh (less  $.7\phi$  per kWh for first three years-closed)

Penalty:All kWh - 11.500¢ per kWh in addition to the off-peak charge.

Penalty periods are defined as periods when the Company's control equipment has operated to provide a switching signal to switch off customer's controlled service loads during winter or summer peaking conditions. Penalty usage will be recorded on the peak register, and the total register of the dual register meters. Installation of a dual register meter will be at the option of the Company.

**FUEL ADJUSTMENT CLAUSE:** Does not apply.

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

Approved: March 25, 1993 Docket No. EL93-003 EFFECTIVE for services rendered on and after March 25, 1993, April 1, 2006 in SD APPROVED:-Bernadeen Brutlag Manager, Regulatory Services

Section No. 3, Volume I Second Third Revised Sheet No. 50.1 Canceling First Second Sheet No. 50.1 Rate Designation I-02S, Page 2 of 2

#### **CONTROLLED SERVICE (Continued)**

#### MONTHLY MINIMUM CHARGE: Customer Charge \$1.75

**FIRST THREE YEARS:** (Closed to New Customers). Three years following the date service is first supplied on this rate.

**EQUIPMENT SUPPLIED:** Otter Tail will supply and maintain the necessary metering and control equipment. Wiring by the customer shall be such that the meter and associated controlling devices are separate and located adjacent to each other. For large controlled loads, the customer's controllable load interrupting device may, with Otter Tail's approval, be located inside the building adjacent to the customer's main disconnects.

#### **OTHER PROVISIONS:**

1. Otter Tail Power Company recommends that the installed capacity of electric space heating equipment be sufficient to heat the structure or specified area during normal winter weather to permit maximum utilization of the rate for the benefit of the customer.

2. If the installed capacity for electric space heating is insufficient to provide adequate heating down to outdoor design temperature during normal winter months, the customer must incorporate his or her own outdoor thermostat in conjunction with Otter Tail's control equipment.

3. The Company reserves the right to substitute central control for time-temperature control and has the right to control loads on this rate during emergencies.

4. The Company shall not be liable for loss or damage caused by normal interruption of service.

**PAYMENT:** Bills will be due ten days after the billing date; net payment will be accepted through the 21st day. On the 22nd day after billing an account with an unpaid balance of \$5.00 or more (after allowance for any EMP credit) will be considered late and a late payment charge will apply. The late payment charge shall be 1.5% of the unpaid balance plus a collection charge of \$2.00, except that a customer with at least 12 successive payments of regular bills prior to the 22nd day after the billing date shall not be billed a late payment charge. Where a customer is disconnected for nonpayment of a bill, a reconnection charge will be made; the charge will be the Customer Connection Charge as provided for in Rate M-61S, or any amendments or superseding provisions applicable thereto, plus direct labor costs for reconnection outside of regular business hours.

A \$10.00 charge will be made subsequent to a customer's check being returned from the bank because of nonsufficient funds.

**CONTRACT PERIOD:** Not less than one year, unless otherwise authorized by Otter Tail Power Company.

**<u>REGULATIONS</u>**: General Rules and Regulations govern use under this schedule.

**ADJUSTMENT FOR MUNICIPAL PAYMENTS:** Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

Approved: March 25, 1993 Docket No. EL93-003 EFFECTIVE for services rendered on and after March 25, 1993, April 1, 2006 in SD APPROVED:-Bernadeen Brutlag Manager, Regulatory Services Otter Tail Corporation d/b/a OTTER TAIL POWER COMPANY Fergus Falls, Minnesota ELECTRIC RATE SCHEDULE Section No. 3, Volume I Third Revised Sheet No.-50.2 Canceling-SecondSheet No. 50.2 Rate Designation I-03S, Page 1 of 2

# **CONTROLLED SERVICE - DEFERRED LOAD**

Rate Zones 1 & 9

Deferred Loads	42-197
Deferred Loads (Short Duration Cycling)	42-195
Penalty	42-199

**APPLICATION OF SCHEDULE:** This schedule is applicable for residential or commercial service to any approved permanently connected deferred loads that can be served under the limited conditions provided; such loads are primarily thermal storage. Deferred loads may include heat pumps used for both heating and cooling. Domestic electric water heating and/or other permanently connected approved loads may be served under the provisions of this rate schedule. Electric fans, pumps or associated equipment used in the distribution of heat shall be wired for service through the customer's residential, farm, general service, or large general service meter unless approved by Otter Tail Power Company.

**<u>RATE:</u>** Customer Charge: \$1.75, plus:

Energy: 3.369¢ per kWh

Penalty: All kWh - 11.50¢ per kWh in addition to the off-peak charge. On-Peak periods are defined as periods when the Company's control equipment has operated to provide a switching signal to switch off customer's controlled service loads during winter or summer peaking conditions. Peak usage will be recorded on the peak register, and the total register of the dual register meters. Installation of a dual register meter will be at the option of the Company.

**<u>CONTROL CRITERIA</u>**: Deferred loads such as thermal storage — minimum of 10 to 24 hours of service per 24-hour period. Short-duration cycling is 15-minutes off / 15-minutes on of appropriate cooling equipment during the summer season (May 1-Oct 31).

# MONTHLY MINIMUM CHARGE: \$1.75

**FUEL ADJUSTMENT CLAUSE:** The energy charges under this schedule are subject to a Fuel Adjustment Clause as provided in Rate M-60S, or any amendments or superseding provisions applicable thereto.

**EQUIPMENT SUPPLIED:** Otter Tail will supply and maintain the necessary metering and control equipment. Wiring by the customer shall be such that the meter and associated controlling devices are separate and located adjacent to each other. For large controlled loads, the customer's controllable load interrupting device may, with Otter Tail's approval, be located inside the building adjacent to the customer's main disconnects.

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION Approved: March 25, 1993 Docket No. EL93-003 EFFECTIVE for services rendered on and after April 1, 2006, in SD APPROVED: Bernadeen Brutlag Manager, Regulatory Services

Section No. 3, Volume I Third Revised Sheet No<del>. 5</del>0.2 Canceling-SecondSheet No. 50.2 Rate Designation I-03S, Page 2 of 2

# CONTROLLED SERVICE - DEFERRED LOAD (Continued)

# **OTHER PROVISIONS:**

1. Otter Tail Power Company recommends that the installed capacity of electric space heating equipment be sufficient to heat the structure or specified area during normal winter weather to permit maximum utilization of the rate for the benefit of the customer.

2. If the installed capacity for electric space heating is insufficient to provide adequate heating down to outdoor design temperature during normal winter months, the customer must incorporate his or her own outdoor thermostat in conjunction with Otter Tail's control equipment.

3. The Company reserves the right to substitute central control for time-temperature control and has the right to control loads on this rate during emergencies.

4. The Company shall not be liable for loss or damage caused by normal interruption of service.

**CUSTOMER CONNECTION CHARGE:** Refer to Rate Schedule, Rate Designation M-61S.

**PAYMENT:** Bills will be due ten days after the billing date; net payment will be accepted through the 21st day. On the 22nd day after billing an account with an unpaid balance of \$5.00 or more (after allowance for any EMP credit) will be considered late and a late payment charge will apply. The late payment charge shall be 1.5% of the unpaid balance plus a collection charge of \$2.00, except that a customer with at least 12 successive payments of regular bills prior to the 22nd day after the billing date shall not be billed a late payment charge. Where a customer is disconnected for nonpayment of a bill, a reconnection charge will be made; the charge will be the Customer Connection Charge as provided for in Rate M-61S, or any amendments or superseding provisions applicable thereto, plus direct labor costs for reconnection outside of regular business hours. A \$10.00 charge will be made subsequent to a customer's check being returned from the bank because of nonsufficient funds.

**<u>CONTRACT PERIOD</u>**: Not less than one year, unless otherwise authorized by Otter Tail Power Company.

**<u>REGULATIONS</u>**: General Rules and Regulations govern use under this schedule.

**ADJUSTMENT FOR MUNICIPAL PAYMENTS:** Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION Approved: March 25, 1993 Docket No. EL93-003 EFFECTIVE for services rendered on and after April 1, 2006, in SD APPROVED: Bernadeen Brutlag Manager, Regulatory Services

## **CONTROLLED SERVICE - INTERRUPTIBLE LOAD**

Rate Zones 1 & 9

80 kW Capacity and Greater

Controlled Service - 80 kW Capacity & Greater	42-170	
Controlled Service- 80 kW Capacity & Greater (short duration cycling)	42-165	-N-
Penalty	42-199	

**APPLICATION OF SCHEDULE:** This schedule is applicable for residential or commercial service to any approved permanently connected interruptible load with capacity of 80 kW or greater; such loads are primarily the electric heating portion of alternate fuel heating systems. Electric heating systems may include heat pumps used for both heating and cooling. Domestic electric water heating and/or other permanently connected approved loads may be served under the provisions of this rate schedule. Electric fans, pumps or associated equipment used in the distribution of heat shall be wired for service through the customer's residential, farm, general service, or large general service meter unless approved by Otter Tail Power Company.

Alternate fuel energy heating sources, when service to space heating equipment on this rate is curtailed, cannot be electric except for approved supplemental units on the main use meter.

**<u>RATE:</u>** Customer Charge: \$5.00, plus:

Energy =	November - April:	2.40¢ per kWh
	May - October:	2.40¢ per kWh
Penalty:	All kWh - 11.50¢ pe	r kWh in addition to the off-peak charge.
	Penalty periods are defined as periods when the Company's control equipment has operated to provide a switching signal to switch off customer's controlled service loads during winter or summer peaking conditions. Penalty usage will be recorded on the peak register, and the total register of the dual register meters. Installation of a dual register meter will be at the option of the Company.	

**<u>CONTROL CRITERIA</u>**: Interruptible loads, such as alternate fuel -- 0 to 24 hours service per day and 10 or more hours service to other approved deferred loads. . Short-duration cycling is 15-minutes off / 15-minutes on of appropriate cooling equipment during the summer season (May 1-Oct 31).

MONTHLY MINIMUM CHARGE: Customer Charge \$5.00

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION Approved: Docket No. EFFECTIVE for services rendered on and after April 1,2006, in SD

APPROVED: Bernadeen Brutlag Manager, Regulatory Services -N-

-N-

## CONTROLLED SERVICE - INTERRUPTIBLE LOAD (Continued)

**EQUIPMENT SUPPLIED:** Otter Tail will supply and maintain the necessary metering and control equipment. Wiring by the customer shall be such that the meter and associated controlling devices are separate and located adjacent to each other. For large controlled loads, the customer's controllable load interrupting device may, with Otter Tail's approval, be located inside the building adjacent to the customer's main disconnects.

## **OTHER PROVISIONS:**

1. Otter Tail Power Company recommends that the installed capacity of electric space heating equipment be sufficient to heat the structure or specified area during normal winter weather to permit maximum utilization of the rate for the benefit of the customer.

2. If the installed capacity for electric space heating is insufficient to provide adequate heating down to outdoor design temperature during normal winter months, the customer must incorporate his or her own outdoor thermostat in conjunction with Otter Tail's control equipment.

3. The Company reserves the right to substitute central control for time-temperature control and has the right to control loads on this rate during emergencies.

4. The Company shall not be liable for loss or damage caused by normal interruption of service.

**<u>CUSTOMER CONNECTION CHARGE</u>**: Refer to Rate Schedule, Rate Designation M-61S.

**PAYMENT:** Bills will be due ten days after the billing date; net payment will be accepted through the 21st day. On the 22nd day after billing an account with an unpaid balance of \$5.00 or more (after allowance for any EMP credit) will be considered late and a late payment charge will apply. The late payment charge shall be 1.5% of the unpaid balance plus a collection charge of \$2.00, except that a customer with at least 12 successive payments of regular bills prior to the 22nd day after the billing date shall not be billed a late payment charge. Where a customer is disconnected for nonpayment of a bill, a reconnection charge will be made; the charge will be the Customer Connection Charge as provided for in Rate M-61S, or any amendments or superseding provisions applicable thereto, plus direct labor costs for reconnection outside of regular business hours. A \$10.00 charge will be made subsequent to a customer's check being returned from the bank because of nonsufficient funds.

**<u>CONTRACT PERIOD</u>**: Not less than one year, unless otherwise authorized by Otter Tail Power Company.

**<u>REGULATIONS</u>**: General Rules and Regulations govern use under this schedule.

**ADJUSTMENT FOR MUNICIPAL PAYMENTS**: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION Approved: Docket No. EFFECTIVE for services rendered on and after April 1,2006, in SD

Otter Tail Corporation d/b/a OTTER TAIL POWER COMPANY Fergus Falls, Minnesota ELECTRIC RATE SCHEDULE

## **CONTROLLED SERVICE** Less Than 80 kW Capacity

Rate Zones 1 & 9

Controlled Service With Credit-Closed to New Customers	42-180	
Controlled Service Without Credit	42-190	
Controlled Service (short duration cycling)	42-185	-N-
Penalty	42-199	

**APPLICATION OF SCHEDULE:** This rate schedule is applicable for residential or commercial service to any approved permanently connected interruptible load or loads that can be served under the limited conditions provided; such loads are primarily the electric heating portion of alternate fuel heating systems. Electric heating systems may include heat pumps used for both heating and cooling. Domestic electric water heating and/or other permanently connected approved loads may be served under the provisions of this rate schedule. Electric fans, pumps or associated equipment used in the distribution of heat shall be wired for service through the customer's residential, farm, general service, or large general service meter unless approved by Otter Tail Power Company.

Alternate fuel energy heating sources, when service to space heating equipment on this rate is curtailed, cannot be electric except for approved supplemental units on the main use meter.

**<u>CONTROL CRITERIA</u>**: Interruptible loads, such as alternate fuel--0 to 24 hours service per day and 10 or more hours service to other approved deferred loads. Short-duration cycling is 15-minutes off / 15-minutes on of appropriate cooling equipment during the summer season (May 1-Oct 31).

RATE: Customer Charge: \$1.75, plus:

November-April =

First 5000kWh - 3.300¢ per kWh (less .4¢ per kWh for first three years-closed)ExcesskWh - 3.000¢ per kWh (less .7¢ per kWh for first three years-closed)

May-October =

First 1500kWh -  $3.150\phi$  per kWh (less  $.4\phi$  per kWh for first three years-closed)ExcesskWh -  $2.850\phi$  per kWh (less  $.7\phi$  per kWh for first three years-closed)

Penalty:All kWh - 11.500¢ per kWh in addition to the off-peak charge.

Penalty periods are defined as periods when the Company's control equipment has operated to provide a switching signal to switch off customer's controlled service loads during winter or summer peaking conditions. Penalty usage will be recorded on the peak register, and the total register of the dual register meters. Installation of a dual register meter will be at the option of the Company.

FUEL ADJUSTMENT CLAUSE: Does not apply.

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION Approved: Docket No. EFFECTIVE for services rendered on and after April 1, 2006 in SD

APPROVED: Bernadeen Brutlag Manager, Regulatory Services -N-

Section No. 3, Volume I Third Revised Sheet No. 50.1 Canceling Second Sheet No. 50.1 Rate Designation I-02S, Page 2 of 2

#### **CONTROLLED SERVICE (Continued)**

#### MONTHLY MINIMUM CHARGE: Customer Charge \$1.75

**<u>FIRST THREE YEARS</u>**: (Closed to New Customers). Three years following the date service is first supplied on this rate.

**EQUIPMENT SUPPLIED:** Otter Tail will supply and maintain the necessary metering and control equipment. Wiring by the customer shall be such that the meter and associated controlling devices are separate and located adjacent to each other. For large controlled loads, the customer's controllable load interrupting device may, with Otter Tail's approval, be located inside the building adjacent to the customer's main disconnects.

#### **OTHER PROVISIONS:**

1. Otter Tail Power Company recommends that the installed capacity of electric space heating equipment be sufficient to heat the structure or specified area during normal winter weather to permit maximum utilization of the rate for the benefit of the customer.

2. If the installed capacity for electric space heating is insufficient to provide adequate heating down to outdoor design temperature during normal winter months, the customer must incorporate his or her own outdoor thermostat in conjunction with Otter Tail's control equipment.

3. The Company reserves the right to substitute central control for time-temperature control and has the right to control loads on this rate during emergencies.

4. The Company shall not be liable for loss or damage caused by normal interruption of service.

**PAYMENT:** Bills will be due ten days after the billing date; net payment will be accepted through the 21st day. On the 22nd day after billing an account with an unpaid balance of \$5.00 or more (after allowance for any EMP credit) will be considered late and a late payment charge will apply. The late payment charge shall be 1.5% of the unpaid balance plus a collection charge of \$2.00, except that a customer with at least 12 successive payments of regular bills prior to the 22nd day after the billing date shall not be billed a late payment charge. Where a customer is disconnected for nonpayment of a bill, a reconnection charge will be made; the charge will be the Customer Connection Charge as provided for in Rate M-61S, or any amendments or superseding provisions applicable thereto, plus direct labor costs for reconnection outside of regular business hours.

A \$10.00 charge will be made subsequent to a customer's check being returned from the bank because of nonsufficient funds.

**CONTRACT PERIOD:** Not less than one year, unless otherwise authorized by Otter Tail Power Company.

**<u>REGULATIONS</u>**: General Rules and Regulations govern use under this schedule.

**ADJUSTMENT FOR MUNICIPAL PAYMENTS:** Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

EFFECTIVE for services rendered on and after April 1, 2006 in SD

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## **CONTROLLED SERVICE - DEFERRED LOAD**

Rate Zones 1 & 9

Deferred Loads	42-197	
Deferred Loads (Short Duration Cycling)	42-195	-N-
Penalty	42-199	

**APPLICATION OF SCHEDULE:** This schedule is applicable for residential or commercial service to any approved permanently connected deferred loads that can be served under the limited conditions provided; such loads are primarily thermal storage. Deferred loads may include heat pumps used for both heating and cooling. Domestic electric water heating and/or other permanently connected approved loads may be served under the provisions of this rate schedule. Electric fans, pumps or associated equipment used in the distribution of heat shall be wired for service through the customer's residential, farm, general service, or large general service meter unless approved by Otter Tail Power Company.

**RATE:** Customer Charge: \$1.75, plus:

> 3.369¢ per kWh Energy:

Penalty: All kWh - 11.50¢ per kWh in addition to the off-peak charge. On-Peak periods are defined as periods when the Company's control equipment has operated to provide a switching signal to switch off customer's controlled service loads during winter or summer peaking conditions. Peak usage will be recorded on the peak register, and the total register of the dual register meters. Installation of a dual register meter will be at the option of the Company.

CONTROL CRITERIA: Deferred loads such as thermal storage - minimum of 10 to 24 hours of service per 24-hour period. Short-duration cycling is 15-minutes off / 15-minutes on of appropriate cooling equipment during the summer season (May 1-Oct 31).

# **MONTHLY MINIMUM CHARGE:** \$1.75

FUEL ADJUSTMENT CLAUSE: The energy charges under this schedule are subject to a Fuel Adjustment Clause as provided in Rate M-60S, or any amendments or superseding provisions applicable thereto.

EQUIPMENT SUPPLIED: Otter Tail will supply and maintain the necessary metering and control equipment. Wiring by the customer shall be such that the meter and associated controlling devices are separate and located adjacent to each other. For large controlled loads, the customer's controllable load interrupting device may, with Otter Tail's approval, be located inside the building adjacent to the customer's main disconnects.

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# CONTROLLED SERVICE - DEFERRED LOAD (Continued)

# **OTHER PROVISIONS:**

1. Otter Tail Power Company recommends that the installed capacity of electric space heating equipment be sufficient to heat the structure or specified area during normal winter weather to permit maximum utilization of the rate for the benefit of the customer.

2. If the installed capacity for electric space heating is insufficient to provide adequate heating down to outdoor design temperature during normal winter months, the customer must incorporate his or her own outdoor thermostat in conjunction with Otter Tail's control equipment.

3. The Company reserves the right to substitute central control for time-temperature control and has the right to control loads on this rate during emergencies.

4. The Company shall not be liable for loss or damage caused by normal interruption of service.

**CUSTOMER CONNECTION CHARGE:** Refer to Rate Schedule, Rate Designation M-61S.

**PAYMENT:** Bills will be due ten days after the billing date; net payment will be accepted through the 21st day. On the 22nd day after billing an account with an unpaid balance of \$5.00 or more (after allowance for any EMP credit) will be considered late and a late payment charge will apply. The late payment charge shall be 1.5% of the unpaid balance plus a collection charge of \$2.00, except that a customer with at least 12 successive payments of regular bills prior to the 22nd day after the billing date shall not be billed a late payment charge. Where a customer is disconnected for nonpayment of a bill, a reconnection charge will be made; the charge will be the Customer Connection Charge as provided for in Rate M-61S, or any amendments or superseding provisions applicable thereto, plus direct labor costs for reconnection outside of regular business hours. A \$10.00 charge will be made subsequent to a customer's check being returned from the bank because of nonsufficient funds.

**<u>CONTRACT PERIOD</u>**: Not less than one year, unless otherwise authorized by Otter Tail Power Company.

**<u>REGULATIONS</u>**: General Rules and Regulations govern use under this schedule.

**ADJUSTMENT FOR MUNICIPAL PAYMENTS:** Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION Approved: Docket No. EFFECTIVE for services rendered on and after April 1, 2006, in SD