

Appendix A

Attachments 1, 2, 3, & 4

On December 30, 2011 Otter Tail Power Company, filed with the South Dakota Public Utilities Commission revised Rate Designations 12.01, 12.02, and 12.03, which affect Otter Tail Power's Small Power Producers & Cogeneration electric customers in South Dakota. The revised rates and South Dakota rules and regulations are available in this office for inspection. Please inquire at the cashier's desk.

**Energy Payment Schedule
Otter Tail Power Company**

	Summer		Winter	
	June 01 to September 30		October 01 to May 31	
	<u>On-Peak</u>	<u>Off-Peak</u>	<u>On-Peak</u>	<u>Off-Peak</u>
System Incremental Energy Costs (Dollars per MWh) for Rates 903 and 904	35.22	26.69	43.11	24.68
Weighted Average of all Periods (mills per kWh)	31.910	-	-	-
Sum of weighted Marginal Energy Costs (cents per kWh)	0.03191	-	-	-
Renewable Energy Credit (cents per kWh)	0.00091	-	-	-
Total Sum of Weighted Marginal Energer Costs (cents per kWh) for Rate 902	<u><u>0.03282</u></u>	-	-	-

CAPACITY PAYMENT SCHEDULE FOR RATE 12.03

OTTER TAIL POWER COMPANY

Year of Filing	2012
Year of Deficit	2012
Inflation Rate	0.03
Cost of Capital	0.0913
Project Life	35

Contract Term	Multiplier	\$/kW-Month Gross Capacity Rate	\$/kW-Month Net Capacity Rate	\$/kW-Month Net Levelized Rate
1	0.6724	\$13.65	\$9.18	\$9.18
2	0.6831	\$13.65	\$9.32	\$9.32
3	0.6937	\$13.65	\$9.47	\$9.47
4	0.7043	\$13.65	\$9.61	\$9.61
5	0.7149	\$13.65	\$9.76	\$9.76
6	0.7254	\$13.65	\$9.90	\$9.90
7	0.7358	\$13.65	\$10.04	\$10.04
8	0.7461	\$13.65	\$10.18	\$10.18
9	0.7564	\$13.65	\$10.32	\$10.32
10	0.7666	\$13.65	\$10.46	\$10.46
11	0.7767	\$13.65	\$10.60	\$10.60
12	0.7868	\$13.65	\$10.74	\$10.74
13	0.7967	\$13.65	\$10.88	\$10.88
14	0.8066	\$13.65	\$11.01	\$11.01
15	0.8164	\$13.65	\$11.14	\$11.14
16	0.8262	\$13.65	\$11.28	\$11.28
17	0.8358	\$13.65	\$11.41	\$11.41
18	0.8454	\$13.65	\$11.54	\$11.54
19	0.8549	\$13.65	\$11.67	\$11.67
20	0.8643	\$13.65	\$11.80	\$11.80
21	0.8736	\$13.65	\$11.92	\$11.92
22	0.8829	\$13.65	\$12.05	\$12.05
23	0.8921	\$13.65	\$12.18	\$12.18
24	0.9013	\$13.65	\$12.30	\$12.30
25	0.9104	\$13.65	\$12.43	\$12.43
26	0.9194	\$13.65	\$12.55	\$12.55
27	0.9284	\$13.65	\$12.67	\$12.67
28	0.9374	\$13.65	\$12.80	\$12.80
29	0.9463	\$13.65	\$12.92	\$12.92
30	0.9553	\$13.65	\$13.04	\$13.04
31	0.9642	\$13.65	\$13.16	\$13.16
32	0.9731	\$13.65	\$13.28	\$13.28
33	0.9821	\$13.65	\$13.41	\$13.41
34	0.9910	\$13.65	\$13.53	\$13.53
35	1.0000	\$13.65	\$13.65	\$13.65

ARSD 20:10:13:26 Report to commission of tariff schedule changes on notice.

1 Utility Name: OTTER TAIL POWER COMPANY
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<u>Section & Volume No.</u>	<u>Class of Service</u>	<u>Rate Code</u>
Section 12 Volume II	Occasional Delivery Energy Service, Rate Designation 12.01	71-902
Section 12 Volume II	Time of Delivery Energy Service, Rate Designation 12.02	71-903
Section 12 Volume II	Dependable Service, Rate Designation 12.03	71-904

3 Description of Change: Otter Tail updated the Energy and Capacity payment rates, which are based on Otter Tail's avoided costs.

4 Reason for Change: Otter Tail is updating the Energy and Capacity payment rates, which were last updated June 1, 2010 in Docket No. EL09-026.

5 Present Rates Please see Rate Schedules

6 Proposed Rates Please see Rate Schedules

7 Effective Date of Rate: March 1, 2012

8 Approximation of annual amount of increase or decrease in revenue.

Otter Tail currently has four Small Power Producer customers which are all on the Occasional Delivery Energy Service rate, Rate Designation 12.01. Only one customer generates enough energy for payment by Otter Tail. Below is a summary of this customers generation, charges, and payments for the last year of service. Based on the one year of generation the customer will see a slight decrease in payments based on the proposed Customer and Energy charges.

Present Rates		Rate	\$ Amount
# of Bills	12	-\$3.70	-\$44.40
kWhs generated	2,573	\$0.03441	\$88.54
Total payment to Customer			\$44.14

Proposed Rates		Rate	\$ Amount
# of Bills	12	-\$3.70	-\$44.40
kWhs generated	2,573	\$0.03282	\$84.45
Total payment to Customer			\$40.05

9 Points affected: Otter Tail currently has 4 Small Power Producer customers.

10 Number of customers whose cost of service will be affected and annual amounts of either increase or decrease.

Please see above #8.

11 Statement of facts, expert opinions, documents and exhibits to support the proposed changes.

Otter Tail has included Attachments in this filing to support all rate changes and costs.