

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



January 17, 2017

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

**RE: In the Matter of Otter Tail Power Company's Rates for Small Power Production and Cogeneration.
Docket No. EL17-**

Dear Ms. Van Gerpen:

Otter Tail Power Company (Otter Tail) submits this filing for approval of updates to Otter Tail's Small Power Producer Riders, Sections 12.01, 12.02, and 12.03 of our Tariff Book. These rate schedules set forth the rates under which Otter Tail is obligated to purchase energy and capacity from qualifying facilities.

In this filing, Otter Tail is proposing to update the energy and capacity payments, and the renewable energy credit values. The Small Power Producer Payment Schedules were last updated in Docket No. EL16-002.

The date of this filing is January 17, 2017. The proposed effective date, with Commission approval, for these rates is with billings on or after March 1, 2017. As directed by Order F-3365, Otter Tail plans to file the Small Power Producer rates every two years or annually as warranted.

Pursuant to South Dakota Codified Laws Section 49-34A-10 and Administrative Rules of South Dakota (ARSD) Part 20:10:01:02:05, this filing has been electronically submitted to the Commission. If you have any questions, please contact me at (218) 739-8799 or sfedje@otpc.com.

Sincerely,

/s/ SVETLANA A. FEDJE
Svetlana A. Fedje
Pricing Analyst
Regulatory Administration

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Enclosures
By electronic service