

Docket EL18-021
Settlement Stipulation
Exhibit A



Fergus Falls, Minnesota

Fourth Revised Sheet No. 15 Cancelling Third Revised Sheet No. 15

(Continued)

NOTICE OF PROPOSED DISCONNECTION

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NOTICE OF PROPOSED DISCONNECTION



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OTTER TAIL POWER COMPANY
PO BOX 2002
FERGUS FALLS MN 56538-2002

Mary Customer
TEST MAIL ADDR1
CORONA SD 57227-0051



Total Amount Due: \$327.41
Disconnect Amount: \$206.13
Disconnect Date: Apr 24, 2018
14-02-074 999999-8 \$327.41

Account Number: 14-999999-8 Service Location: TEST ADDR1
CORONA SD 57227

DISCONNECTION NOTICE



If you have already sent your payment, please
accept our thanks and disregard this notice.

YOUR ELECTRIC SERVICE AT: TEST ADDR1
CORONA SD 57227

WILL BE SUBJECT TO DISCONNECTION AFTER 10 AM Apr 24, 2018
BECAUSE YOUR ACCOUNT IS PAST DUE IN THE AMOUNT OF \$206.13

Account Number: 14-999999
Mary Customer
TEST ADDR1
CORONA SD 57227

ACCESS CODE: 9141

IF FULL PAYMENT OF THE DISCONNECTION AMOUNT OF \$206.13 IS NOT RECEIVED AT
PO BOX 2002, FERGUS FALLS, MN BEFORE 10 AM APR 24 YOUR ELECTRIC
SERVICE WILL BE SUBJECT TO DISCONNECTION.

If you have any questions about the disconnect amount or need to make
arrangements for payment, call Otter Tail at 800-257-4044 or 218-739-8877
between 8 a.m. and 5 p.m. Monday-Friday.

Anyone with an unresolved dispute may request appeal and mediation from the
South Dakota PUC, Capitol Bldg, Pierre, SD 57501 or call 605-773-3201 or
1-800-332-1782.

Total Amount Due: \$327.41

If your electric service has been disconnected, the ~~total amount~~ disconnect
amount due plus a reconnection charge will be required.
If your electric service has been disconnected, a deposit may become due.
Dates and amounts due from prior notices remain in effect.

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Fergus Falls, Minnesota

RATE APPLICATION

SECTION 2.01 ASSISTING CUSTOMERS IN RATE SELECTION

The Company shall make its rate schedules available for public inspection in the Company’s office(s), on the Company’s website, and any other manner prescribed by the Commission. If expressly requested by a Customer eligible to receive service under more than one rate schedule, the Company **will assist the customer in the selection of the rate schedule or schedules that, in the Company's judgment, will result in the lowest cost of projected consumption, based on twelve (12) months' service and on the information made known to the Company.** ~~will endeavor to assist the Customer in the choice of the most advantageous rate schedule, either for initial service or subsequent thereto, based on 12 months’ service and the Customer’s stated requirements.~~ In providing assistance, the Company does not guarantee that the Customer will at all times be served under the most favorable rate; nor will the Company assume responsibility for the Customer’s rate schedule choice(s). The Company will not make refunds representing the difference in charges between the rate for which service was actually billed and another rate which is or may subsequently become available, except as required by South Dakota law.

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Fergus Falls, Minnesota

**SUPER LARGE GENERAL SERVICE
APPLICATIONS AND ELIGIBILITY REQUIREMENTS**

DESCRIPTION	RATE CODE
Primary Service	72-690
Transmission Service	72-691

RULES AND REGULATIONS: Terms and conditions of this electric rate schedule and the General Rules and Regulations govern use of this rider.

APPLICATION OF SCHEDULE: This rate schedule is applicable to greenfield Customers who meet certain conditions described herein.

The rate schedule will be available to greenfield Customers who reasonably demonstrate to the Company (1) an expected Metered Demand of at least 25 MW at a single Metering point, (2) an expected load factor of at least 80%, and (3) expected annual Energy sales of at least 175,000 MWh's over 12 consecutive billing months. Customers seeking service under this rate schedule shall provide the Company data and written assurances supporting the Customer's application. Customers shall meet the above criteria to obtain and maintain service on this rate. Customers who are served on this rate and do not meet the above criteria will be moved to the most applicable rate schedule. The Company will require, a written electric service agreement ("ESA") between the Company and the Customer.

This schedule is not applicable for Energy for resale. Emergency and supplementary/standby service will be supplied only as allowed by law.

PURPOSE & SCOPE OF RATE SCHEDULE: To attract new large and high load factor Customer loads that provide net benefits the Company's South Dakota Customers and communities served by the Company.

The marginal cost estimates that form the basis of the Super Large General Service rate capture the marginal/incremental costs the utility expects to incur serving the Customer's load during the period the rate is in effect. There may be additional costs that were not anticipated when the rate was set. These incremental costs will be recovered through the corresponding Mandatory Rate Riders applied to the Customer.



Fergus Falls, Minnesota

(Continued)

COMMISSION-APPROVAL PROCESS: This rate schedule ~~requires that the Commission pre-approve a rate formula that~~ allows the Company to respond to service inquiries by providing potential Customers ~~Commission-approved~~ rate quotes and final rates **based on a rate formula reviewed by Commission Staff.** This process enables potential Customers to make timely business decisions, protects the Company’s ratepayers by ensuring net benefits, and allows the Company to plan service to the new load(s). **However, Staff review of the rate formula and rate quotes does not preclude Commission review and approval. The Company will file the Customer's executed ESA as a contract with deviations for Commission approval.**

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RATE DETERMINATION: The rate specified in each Customer's ESA shall be based upon and reflect either the marginal unit costs expected during the effective rate period, or the marginal unit costs plus an appropriate margin determined on a case-by-case basis. The marginal unit cost estimates will be consistent with those included in the Company’s most recent marginal cost study for the corresponding voltage level of service, and adjusted for annual inflation as required. The marginal unit costs applied to the Customer’s load requirements will determine the minimum incremental revenue collected under this rate. Any margin recovered on the incremental costs will collect a share of the Company’s costs from the new Customer, thus reducing the fixed costs allocated to existing Customers.

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MANDATORY AND VOLUNTARY RIDERS: The amount of a bill for service will be modified by any Mandatory Rate Riders and by any Voluntary Rate Riders selected by the Customer, unless otherwise noted in this schedule. See Sections 12.00, 13.00 and 14.00 of the South Dakota electric rates for the matrices of riders.

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TERMS AND CONDITIONS: The Company will offer the Customer the rate schedule under the following terms:

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1. The minimum rate under this schedule shall recover **at least** the incremental cost of providing service, including any Energy-related marginal costs, the cost of additional Generation Capacity, the cost of network Capacity that is expected to be added while the rate is in effect, and any marginal Customer-related costs. The goal of this calculation is ~~to establish a floor price~~ to ensure that the revenue requirement of other Customers will not increase due to the addition of the new large load.
2. The final rate offered to the Customer under this rate schedule shall not exceed the Company's applicable Standard Tariff and all applicable riders, and shall not be lower than incremental costs as described in the preceding paragraph.
3. The Company will utilize its proprietary model to compare expected revenues from the prospective Customer and expected costs of serving the added load over the time period described in paragraph 4 of these terms and conditions. The model will be made available only to the Commission to verify the calculations used to establish the rate quote and final rate offered to the Customer.

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Fergus Falls, Minnesota

(Continued)

- 4. Service under this rate schedule requires an ESA with a term of at least five years, with the term commencing on the first day of commercial operations. N
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- 5. At the end of terms of the ESA, and any extensions thereof, Customers may elect to move from a full marginal cost-based rate to an embedded cost-based rate such as the applicable Standard Tariff offered to existing Customers, or a two-part market-based rate that would price a Customer- baseline load (CBL) at the embedded unit cost and any load above the CBL at marginal cost. Customers who elect to move away from the full marginal cost-based rate will not be able to return to it. N
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- 6. Changes to the ESA that impact Customer(s) revenue and/or other ratepayers will require approval from the Commission. N
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- 7. Customers who do not meet the 3-year minimum revenue guarantee as per OTP’s line extension policy will not qualify for this rate schedule. N
N
- 8. Customer will allow Company to undertake an Energy efficiency audit of the facility. N
- 9. The Company will provide the Commission annual compliance updates to the trade-secret model and approved Customer rate while this rate schedule is in effect. N
N



Fergus Falls, Minnesota

ECONOMIC DEVELOPMENT RATE RIDER - LARGE GENERAL SERVICE APPLICATIONS AND ELIGIBILITY REQUIREMENTS

N
N

DESCRIPTION	RATE CODE
Secondary Service	72-690
Primary Service	72-691
Transmission Service	72-692

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REGULATIONS: Terms and conditions of this electric rate schedule and the General Rules and Regulations govern use of this rider.

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N

APPLICATION OF RIDER: This rider is applicable to the following Customers:

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(i) Greenfield Customers with: expected Metered Demand of at least 500 kW at a single metering point, and seasonal load factor that is above the seasonal system average load factor and above the seasonal class average load factor corresponding to existing Customers under the otherwise applicable standard Tariff.

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(ii) Existing Customers with: Metered Demands of at least 1,000 kW that increase measured Demand by at least 500 kW at a single new metering point, and seasonal load factor above the seasonal system average load factor and above the seasonal class average load factor under the otherwise applicable standard Tariff.

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SCOPE OF RIDER: To attract new Customer load that provides net benefits to ratepayers.

N

COMMISSION-APPROVAL PROCESS: The nature of this rider requires Commission approval of the Rate Discount offered to the Customer. The final offered rate shall be calculated by the Company using its proprietary pricing model and produce net benefits to ratepayers. **The company will file the Customer's executed ESA as a contract with deviations for Commission approval.**

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RATE DISCOUNT: To be specified in each Customer's contract, in the form of a discount from the Company's applicable standard Tariff (Section 10.03 or 10.05), plus applicable riders that follows the Commission-Approval Process described herein.

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MANDATORY AND VOLUNTARY RIDERS: The amount of a bill for service will be modified by any Mandatory Rate Riders that must apply and by any Voluntary Rate Riders selected by the Customer, unless otherwise noted in this schedule. See Sections 12.00, 13.00 and 14.00 of the South Dakota electric rates for the matrices of riders.

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