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September 1, 2011



Ms. Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
Capitol Building, 1st Floor
500 East Capitol Avenue
Pierre, SD 57501-5070

**RE: In the Matter of the Request to Amend Rules Regarding ARSD Chapter 20:10:17
Gas and Electric Customer Billing
Dockets No. RM10-001**

and

**In the Matter of the Adoption of Rules Regarding Renewable, Recycled and
Conserved Energy.
Docket No. RM09-002**

Dear Ms. Van Gerpen:

Otter Tail Power Company (“Otter Tail” or “the Company”) respectfully submits these comments to the South Dakota Public Utilities Commission (“Commission”) regarding the revised draft rules issued in the above dockets on August 4, 2011. Otter Tail appreciates the opportunity to comment on the revised draft rules.

Otter Tail’s comments are limited to proposed rule 20:10:17:09.1 (Timeframe for overcharge or undercharge payments) and proposed rules 20:10:38:01, :03, :06 and :07 (Definitions, Measurement and Verification of Energy Efficiency Measures, Measurement and Verification of Demand Response Measures and Annual Reporting Requirements).

Proposed Rule 20:10:17:09.1

This rule establishes the time period for refund of an overcharge and customer repayment schedule for billing of an undercharge, both of which would be related to metering and billing errors. Otter Tail agrees with the thirty day time requirement for issuing a refund associated with an overcharge and the calculation of the time period for customer repayment of an undercharge. However, the rule as written for the time period for customer repayment of an undercharge does not allow for a customer to choose a shorter repayment period. In cases where an undercharge has occurred, there may be customers who would prefer to complete the repayment in a period less than two times the number of months in which the error occurred. Otter Tail believes the customer should have an option to select a

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shorter repayment period if the customer so desires. Otter Tail proposes the language for rule 20:10:17:09.1 be amended to allow the customer the option to repay an undercharged amount based on a repayment schedule equal to or less than two times the time period in which the error occurred. Otter Tail proposes the following text be added to the end of rule 20:10:17:09.1.

The customer may select a repayment schedule with a duration less than or equal to two times the number of undercharged months.

Proposed Rules 20:10:38:01, :03, :06 and :07

It is Otter Tail's understanding that South Dakota staff has indicated that these proposed draft rules and supporting definitions are intended to apply only in instances where the utility plans to use energy efficiency or demand response towards meeting the South Dakota Renewable, Recycled, and Conserved Energy Objective (RRCEO) of 10 percent by 2015. Otter Tail supports this application of these rules, and requests that this scope of application be expressly stated in the rules and definitions. If the scope of the rules and definitions is expanded beyond the RRCEO to Otter Tails currently approved demand response portfolio or energy efficiency plan, the Company would recommend that modifications similar to those recommended by Xcel Energy on December 17, 2010 be adopted.

Otter Tail appreciates the opportunity to comment and we look forward to the opportunity to appear before the Commission at a hearing in this matter to discuss our recommendations.

If you have any questions, regarding this filing, please contact me at 218 739-8838 or rlspangler@otpc.com.

Sincerely,

/s/ RON L. SPANGLER JR.

Ron L. Spangler Jr.

Rate Case Manager

Tariff Application and Compliance

By electronic filing