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February 1, 2016

Patricia Van Gerpen  
Executive Director  
South Dakota Public Utilities Commission  
500 East Capitol Avenue  
Pierre, SD 57501

**Re: In the Matter of the Consideration of Standards to Govern Avoided Cost Determinations  
SDPUC Docket No. RM13-002  
COMMENTS**

Dear Ms. Van Gerpen:

These Comments are filed in response to the South Dakota Public Utilities Commission's (Commission's) November 30, 2015 Order regarding LEO Creation Rules in the above-referenced docket. In its Order, the Commission directed that interested parties should submit comments regarding the draft rules related to LEO creation filed by Commission staff on November 5, 2015.

Otter Tail Power Company (Otter Tail) is supportive of the draft rules related to LEO creation as filed by Commission staff. In an attempt to provide clarity and to ensure protection of Otter Tail's customers from the impacts related to the addition of a qualifying facility, the company recommends the following additions:

- In the definition of "Avoided cost" (Section 20:10:40:01), Otter Tail recommends the following two sentences be added: "The purchasing utility may recover from the qualifying facility any costs incurred by the purchasing utility that result from the addition of the qualifying facility to the system. Such increased costs may include, but are not limited to, increased costs for congestion management, transmission service expenses, ancillary services expenses and similar items."
- In the Applicability of Rules (Section 20:10:40:02), Otter Tail recommends the following phrase be added: "...except as otherwise exempted by the FERC pursuant to 18 C.F.R sections 292.309 and 292.310." Qualifying facilities may have nondiscriminatory access to wholesale markets, including MISO. The above references incorporate some of those concepts.

Patricia Van Gerpen

February 1, 2016

Page 2

Otter Tail appreciates the opportunity to offer comments and looks forward to working with the Commission as it continues in its deliberations in this rulemaking proceeding.

Sincerely,

*/s/ BRIAN DRAXTEN*

Brian Draxten

Manager, Resource Planning

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By electronic filing