

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA**

<b>IN THE MATTER OF THE APPLICATION OF OTTER TAIL CORPORATION D/B/A OTTER TAIL POWER COMPANY FOR AUTHORITY TO INCREASE ITS ELECTRIC RATES</b>	) ) ) ) )	<b>ORDER GRANTING JOINT MOTION FOR APPROVAL OF SETTLEMENT STIPULATION EL08-030</b>
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On October 31, 2008, Otter Tail Corporation d/b/a Otter Tail Power Company (OTP), filed with the Public Utilities Commission (Commission) an application to increase rates for electric service to customers in its service territory by \$3,883,399 annually or approximately 15.3% based on OTP's 2007 test year. The company states the proposed increase for a residential customer would be \$10.68 per month or 15.0%. The proposed rates may potentially affect approximately 11,700 customers in OTP's service territory.

At its regularly scheduled meeting of November 25, 2008, the Commission found that pursuant to SDCL 49-1A-8, OTP shall be assessed a filing fee as requested by the deputy executive director up to the statutory limit of \$100,000. The Commission further established an intervention deadline of December 19, 2008. Pursuant to SDCL 49-34A-14, the Commission suspended the operation of the schedule of rates proposed by OTP for 90 days beyond November 30, 2008. At its regularly scheduled meeting of February 10, 2009, the Commission further suspended the operation of the schedule of rates proposed by OTP for 60 days beyond February 28, 2009. On April 16, 2009, the Commission received a Request for Authority to Use Current Rate Design when Implementing "Interim" Rate Increase Pursuant to SDCL Section 49-34A-17 on May 1, 2009, and Until Commission Makes Final Determination in this Matter from OTP. On April 17, 2009, the Commission received a supplemental filing to its Request from OTP. At its regularly scheduled meeting of April 21, 2009, the Commission voted unanimously to approve the Request for Authority to Use Current Rate Design when Implementing "Interim" Rate Increase Pursuant to SDCL Section 49-34A-17 on May 1, 2009, and Until Commission Makes Final Determination in this Matter.

On June 5, 2009, the Commission received a Joint Motion for Approval of Settlement Stipulation and Settlement Stipulation signed by the parties and Staff Memorandum Supporting Settlement Stipulation. On June 15, 2009, the Commission received a South Dakota Information Brochure and Residential Service, Farm Service and Commercial and General Service Rate Brochures and Revised Tariff Sheets from OTP.

The Commission has jurisdiction in this matter pursuant to SDCL Chapters 1-26 and 49-34A, specifically 49-34A-4, 49-34A-6, 49-34A-8, 49-34A-10, 49-34A-11, 49-34A-12, 49-34A-13, 49-34A-13.1, 49-34A-17, 49-34A-19, and 49-34A-21.

The Settlement Stipulation was duly noticed for Commission consideration and action at a Commission meeting to be held at 1:30 p.m. on June 23, 2009. The meeting was held as scheduled with a continuance of the start time until 2:00 p.m. due to the length of proceedings on a preceding agenda item. The Commission heard from OTP and Commission Staff concerning the proposed Settlement Stipulation. During the meeting, OTP represented it will make personal contact to those customers on the two discontinued rate schedules, G-02S General Service – Commercial Demand Control and G-93S General Service – Electric Climate Control, whose annual bill will increase \$500 or more per year. Having thoroughly reviewed the filings in the docket and made inquiry of the

parties at the meeting, including the representations made by OTP, the Commission found and concluded that the rates, terms and conditions proposed in the Stipulation and Tariff were just, reasonable and in the public interest and that good and sufficient cause was demonstrated to approve the Stipulation, including the Tariff and the rates contained therein, and the Commission voted unanimously to grant the Joint Motion for Approval of Settlement Stipulation. Commission Staff recommended that the Commission grant a waiver of ARSD 20:10:13:04. The Commission voted unanimously to grant a waiver of ARSD 20:10:13:04.

The revised tariff sheets proposed by OTP, effective for bills rendered on and after July 1, 2009, are as follows and replace OTP's prior tariff in its entirety which is hereby cancelled:

South Dakota P.U.C. Volume II  
Electric Rate Schedule

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It is therefore

**ORDERED**, that the Joint Motion for Approval of Settlement Stipulation is hereby granted. The Settlement Stipulation is incorporated by reference into this Decision and Order the same as if it had been set forth in its entirety herein; and it is further

ORDERED, that the aforementioned tariff sheets are approved for service rendered on and after July 1, 2009; and it is further

ORDERED, that the Commission waives ARSD 20:10:13:04.

Dated at Pierre, South Dakota, this 30<sup>th</sup> day of June, 2009.

<b>CERTIFICATE OF SERVICE</b>
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically.
By: <u>    Melaine Kolbe    </u>
Date: <u>    6/30/09    </u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

    Dustin M. Johnson      
DUSTIN M. JOHNSON, Chairman *dk*

    Steve Kolbeck      
STEVE KOLBECK, Commissioner

    Gary Hanson      
GARY HANSON, Commissioner