

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

**IN THE MATTER OF THE PETITION OF)
OTTER TAIL POWER COMPANY TO)
ESTABLISH A TRANSMISSION COST)
RECOVERY TARIFF)
)**

**ORDER GRANTING JOINT
MOTION FOR APPROVAL OF
STIPULATION**

EL10-015

On November 5, 2010, the Commission received a petition from Otter Tail Power Company (Otter Tail) requesting approval to establish a Transmission Cost Recovery (TCR) Tariff (Petition). The proposed tariff mechanism provides for the automatic adjustment of charges to recover the jurisdictional costs of new or modified transmission facilities and federally regulated costs to increase regional transmission capacity or reliability. On November 11, 2010, the Commission electronically transmitted the Petition and the intervention deadline of November 26, 2010, to interested individuals and entities. No petitions to intervene were filed.

On November 16, 2011, the Commission received a Joint Motion for Approval of Settlement Stipulation, Settlement Stipulation signed by Otter Tail and the Commission's Staff (Staff) and Attachments. On November 16, 2011, the Commission received Staff Memorandum Supporting Settlement Stipulation.

The Commission has jurisdiction over this matter pursuant to SDCL Chapters 1-26 and 49-34A, including 1-26-20, and 49-34A-25.1 through 49-34A-25.4, and ARSD 20:10:01:19.

The Settlement Stipulation was duly noticed for Commission consideration and action at a Commission meeting to be held at 9:30 a.m. on November 22, 2011. The meeting was held as scheduled. The Commission heard from Otter Tail and Staff concerning the proposed Settlement Stipulation. Staff recommended that the Settlement Stipulation be approved as filed with one minor modification to Attachment 10, the Notice to Otter Tail Power Company Customers, in part to conform the notice to the requirements of ARSD 20:10:16:01(2). Otter Tail agreed with this modification on the record at the hearing. Having thoroughly reviewed the filings in the docket and made inquiry of the parties at the hearing, the Commission found and concluded that the rates, terms and conditions proposed in the Settlement Stipulation and TCR Tariff with the modification proposed by Staff and agreed to by Otter Tail were just, reasonable and in the public interest and that good and sufficient cause was demonstrated to approve the Settlement Stipulation as so modified, including the TCR Tariff sheets attached thereto, and the Commission voted unanimously to grant the Joint Motion for Approval of Settlement Stipulation.

The TCR Tariff sheets attached to the Settlement Stipulation and approved by the Commission, effective for service rendered on and after December 1, 2011, are as follows:

Section No.13.05

Original Sheet No.1, Page 1 of 2
Original Sheet No.1, Page 2 of 2

It is therefore

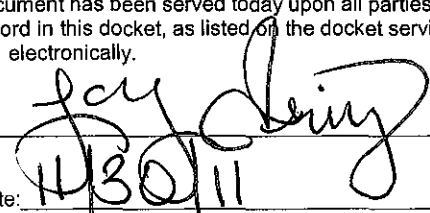
ORDERED, that the Joint Motion for Approval of Settlement Stipulation is granted, and the Settlement Stipulation entered into between Otter Tail Power Company and Staff as modified as described above is approved and shall be incorporated by reference into this Order the same as if it had been set forth in its entirety herein; and it is further

ORDERED, that the aforementioned Transmission Cost Recovery Tariff sheets are approved with an effective date of December 1, 2011, and Otter Tail shall be authorized to charge the rates and administer the transmission cost recovery mechanism as stated in such TCR Tariff, subject to the Specific Understandings and Agreements contained in the Settlement Stipulation; and it is further

ORDERED, that Otter Tail and Staff shall file a revised Attachment 10 to reflect the modification to the customer notice approved by the Commission; and it is further

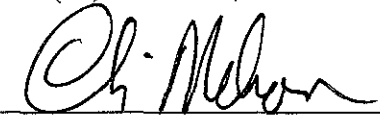
ORDERED, that Otter Tail shall promptly file updated versions of the tariff sheets filed with the original Application for which modification is required to incorporate the addition of the TCR Tariff as Section No. 13.05 of Otter Tail's tariff.

Dated at Pierre, South Dakota, this 30 day of November, 2011.

CERTIFICATE OF SERVICE	
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:	
Date:	<u>11/30/11</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:


GARY HANSON, Chairman


CHRIS NELSON, Commissioner


KRISTIE FIEGEN, Commissioner