

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

**IN THE MATTER OF THE APPLICATION)
OF OTTER TAIL POWER COMPANY FOR)
AUTHORITY TO INCREASE ITS)
ELECTRIC RATES)
)
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)
)**

**ORDER GRANTING JOINT
MOTION FOR APPROVAL OF
SETTLEMENT STIPULATION;
ORDER APPROVING
SETTLEMENT STIPULATION**

EL18-021

On April 20, 2018, the South Dakota Public Utilities Commission (Commission) received an application from Otter Tail Power Company (Otter Tail) for approval to increase rates for electric service in its South Dakota service territory (Application). Otter Tail proposed a two-step increase to base rates, with the first step increasing revenues by a net \$3,358,547 annually or 10.10 percent based on Otter Tail's 2017 test year. Otter Tail states a typical residential customer will see an increase of \$11.29 per month under the rate design proposed by Otter Tail. The second step proposed is an additional \$629,107, or 1.72 percent increase to revenues, effective January 1, 2020. Otter Tail states a typical residential customer will see an additional increase of \$1.75 per month as a result of the step increase. The proposed rates may potentially affect approximately 11,700 customers in Otter Tail's South Dakota service territory.

On April 26, 2018, the Commission electronically transmitted notice of the Application and the intervention deadline of June 1, 2018, to interested individuals and entities on the Commission's PUC Weekly Filings listserv. On May 16, 2018, the Commission issued an Order Suspending Operation of Proposed Rates; Order Assessing Filing Fee; Order Authorizing Consulting Contracts. On June 28, 2018, Valley Queen Cheese Factory, Inc. filed a Petition to Intervene which was granted by the Commission on July 16, 2018. On October 18, 2018, Otter Tail implemented interim rates pursuant to 49-34A-17. On November 1, 2018, Otter Tail filed supplemental direct testimony and an errata filing. On February 5, 2019, Otter Tail and Commission staff (staff) filed a Stipulation for Procedural Schedule. On February 7, 2019, the Commission issued a Scheduling Order. On February 15, 2019, staff and Otter Tail filed a Joint Motion for Approval of Settlement Stipulation and Settlement Stipulation resolving all issues except for return on equity. On February 21, 2019, staff filed its Memorandum.

The Commission has jurisdiction in this matter pursuant to SDCL Chapters 1-26 and 49-34A, specifically, 1-26-20, 49-34A-3, 49-34A-4, 49-34A-6, 49-34A-8, 49-34A-8.4, 49-34A-10, 49-34A-11, 49-34A-12, 49-34A-13, 49-34A-14, 49-34A-17, 49-34A-19, 49-34A-21.

The Joint Motion for Approval of Settlement Stipulation was noticed for Commission consideration and action at its regularly scheduled meeting on March 1, 2019. The Commission heard from Otter Tail and staff concerning the Joint Motion for Approval of Settlement Stipulation and the related Settlement Stipulation. Having thoroughly reviewed the filings in the docket and after making further inquiry of the parties, the Commission found that the terms and conditions proposed in the Settlement Stipulation were just, reasonable, and in the public interest, and that good and sufficient cause was demonstrated to approve the Settlement Stipulation. The Commission voted unanimously to grant the Joint Motion for Approval of Settlement Stipulation and approve the Settlement Stipulation. It is therefore

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

Dated at Pierre, South Dakota, this 6th day of March 2019.

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 or by mail.

By: Karen E. Cremer

Date: 03/06/19

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Gary Hanson
GARY HANSON, Chairman

Chris Nelson
CHRIS NELSON, Commissioner

Kristie Fiegen
KRISTIE FIEGEN, Commissioner