

**Volume II
Section 13
Tariff Sheets**

**Otter Tail Power
Company**



Fergus Falls, Minnesota

South Dakota P.U.C. Volume II
Section 13.00
ELECTRIC RATE SCHEDULE
Mandatory Riders – Applicability Matrix

Third Revised Sheet No. 1 Cancelling Second Sheet No. 1

MANDATORY RIDERS - APPLICABILITY MATRIX

The amount of a bill for service will be modified by any Mandatory Rate Riders that must apply, and by any Voluntary Rate Riders selected by the Customer, and charges listed in the General Rules and Regulations.

 Applicability Matrix	Mandatory Riders	Fuel Adjustment Clause Rider	Reserved for Future Use	Reserved for Future Use	Energy Efficiency Partnership (EEP) Cost Recovery Rider	Transmission Cost Recovery Rider	Reserved for Future Use	Reserved for Future Use	Environmental Cost Recovery Rider
Base Tariffs	Section Numbers	13.01	13.02	13.03	13.04	13.05	13.06	13.07	13.08
RESIDENTIAL & FARM SERVICES									
Residential Service	9.01								
Residential Demand Control Service	9.02								
Farm Service	9.03								
GENERAL SERVICES									
Small General Service (Less than 20 kW)	10.01								
General Service (20 kW or Greater)	10.02								
General Service - Time of Use	10.03								
Large General Service	10.04								
Large General Service - Time of Day	10.05								
OTHER SERVICES									
Standby Service	11.01								
Irrigation Service	11.02								
Outdoor Lighting - Energy Only	11.03								
Outdoor Lighting	11.04								
Municipal Pumping Service	11.05								
Fire Sirens - Civil Defense	11.06								
Key: <input checked="" type="checkbox"/> = May apply <input type="checkbox"/> = Mandatory <input type="checkbox"/> = Not Applicable									

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION
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Thomas R. Brause
Vice President, Administration

EFFECTIVE with bills rendered on and after December 1, 2014, in South Dakota



Fergus Falls, Minnesota

South Dakota P.U.C. Volume II
 Section 13.00
ELECTRIC RATE SCHEDULE
 Mandatory Riders -- Applicability Matrix

Third Revised Sheet No. 2 Cancelling Second Sheet No. 2

(Continued)

 Applicability Matrix		Mandatory Riders	Fuel Adjustment Clause Rider	Reserved for Future Use	Reserved for Future Use	Energy Efficiency Partnership (EEP) Cost Recovery Rider	Transmission Cost Recovery Rider	Reserved for Future Use	Reserved for Future Use	Environmental Cost Recovery Rider	
Base Tariffs		Section Number	13.01	13.02	13.03	13.04	13.05	13.06	13.07	13.08	
Fuel Adjustment Clause Rider		13.01									
Reserved for Future Use		13.02									
Reserved for Future Use		13.03									
Energy Efficiency Project (EEP) Rider		13.04									
Transmission Cost Recovery Rider		13.05									
Reserved for Future Use		13.06									
Reserved for Future Use		13.07									
Environmental Cost Recovery Rider		13.08									
VOLUNTARY RIDERS											
Water Heating - Controlled Service		14.01									
Real Time Pricing Rider		14.02									
Large General Service Rider		14.03	✓								
Controlled Service - Interruptible Load (CT Metering) Rider		14.04									
Controlled Service - Interruptible Load (Self-Contained Metering) Rider		14.05									
Controlled Service - Deferred Load Rider		14.06									
Fixed Time of Delivery Rider		14.07									
Air Conditioning Control Rider		14.08									
Renewable Energy Rider		14.09									
Released Energy Rider		14.11									
Bulk Interruptible Application and Pricing Guidelines Rider		14.12									
Key:		✓ = May apply	■ = Mandatory								□ = Not Applicable

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Fergus Falls, Minnesota

FUEL ADJUSTMENT CLAUSE RIDER

DESCRIPTION	RATE CODE
Fuel Adjustment Clause Rider	71-540

RULES AND REGULATIONS: Terms and conditions of this electric rate schedule and the General Rules and Regulations govern use of this rider.

There shall be added to the monthly bill the amount per Kilowatt-Hour (rounded to the nearest 0.001¢) of the average cost of fuel per Kilowatt-Hour. The average cost of fuel per Kilowatt-Hour for the current period shall be calculated from data covering actual costs from the most recent three month period as follows:

Energy costs from actual months 1, 2 and 3 plus unrecovered (or less over recovered) prior cumulative energy costs plus (or minus) the carrying charge, divided by the associated energy (reduced for average system losses) associated with retail sales for actual months 1, 2 and 3 equals the cost of energy amount.

The applicable adjustment will be applied month to month on a uniform billing cycle to each Customer's bill beginning with cycle 1 of the calendar month following the month when the adjustment is calculated. The cost of fuel shall be determined as follows:

1. The expense of fossil and other fuels, including but not limited to, biomass, wood, refuse-derived fuel (RDF), and tire-derived fuel (TDF), as recorded in Account 151 of the FERC's Uniform System of Accounts for Public Utilities and Licensees, used in the Company's generating plants, and the costs of reagents and emission allowances for the Company to operate its generating plants in compliance with the associated Federal Environmental Protection Agency rules and regulations.
2. The utility's share of the expense of fossil fuel, as recorded in Account 151, used in jointly owned or leased plants.
3. The net energy cost of energy purchases when such energy is purchased on an economic dispatch basis, exclusive of Capacity or Demand charges.
4. The net cost of energy purchases from any facility utilizing wind or other renewable energy conversion systems for the generation of electric energy, whether or not those purchases occur on an economic dispatch basis.

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Fergus Falls, Minnesota

(Continued)

South Dakota P.U.C. Volume II
Section 13.01
ELECTRIC RATE SCHEDULE
Fuel Adjustment Clause Rider

Second Revised Sheet No. 2 Cancelling First Revised Sheet No. 2

- 5. Renewable energy purchased for the TailWinds program is not included in the Fuel Adjustment Clause Rider calculation. L
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- 6. Costs or revenues linked to the utility's load serving obligation, associated with participation in wholesale electric energy markets operated by Regional Transmission Organizations, Independent System Operators or similar entities that have received Federal Energy Regulatory Commission approval to operate the energy markets.
- 7. The actual identifiable fossil and nuclear fuel expense associated with energy purchased for reasons other than identified in 3 and 4 above.
- 8. Less the fuel and other related costs recovered through intersystem sales.
- 9. One hundred percent (100%) of the Company's South Dakota jurisdictional asset-based margins shall be credited to the Fuel Adjustment Clause Rider. The margins will be calculated after the close of the calendar month and included as a credit in the calculation of the monthly Fuel Adjustment Clause Rider. Asset-based margins are defined as revenue minus expenses associated with asset-based transactions energy sales.
- 10. MISO Ancillary Services Market ("ASM") transactions (excluding ancillary services revenues and expenses derived through OTP's individual FERC-approved Control Area Services Operations Tariff) shall flow through the Fuel Adjustment Clause Rider.
- 11. Ninety percent (90%) of South Dakota renewable energy credits sold shall be credited to the Fuel Adjustment Clause Rider.
- 12. Any allocable emission allowances sold shall be credited to (flow through) the Fuel Adjustment Clause Rider.
- 13. Twenty-five percent (25%) of the Company's South Dakota jurisdictional non-asset based wholesale margins shall be credited to the Fuel Adjustment Clause Rider calculation. The margins will be calculated annually after the close of each calendar year and the twenty-five percent (25%) will be credited only if the calendar year margin is positive; and the twenty-five percent (25%) to be credited will be apportioned and applied equally each month (1/12th) over the following 12-month period. Non-asset based margins are defined as revenue minus expenses associated with non-asset based transactions.



Fergus Falls, Minnesota

South Dakota P.U.C. Volume II
Section 13.02
ELECTRIC RATE SCHEDULE
Reserved for Future Use

First Revised Sheet No. 1 Cancelling Original Sheet No. 1

Section 13.02 RESERVED FOR FUTURE USE

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EFFECTIVE with bills
rendered on and after
June 1, 2011,
in South Dakota



Fergus Falls, Minnesota

South Dakota P.U.C. Volume II
Section 13.03
ELECTRIC RATE SCHEDULE
Reserved for Future Use

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in South Dakota



Fergus Falls, Minnesota

**ENERGY EFFICIENCY PARTNERSHIP (EEP)
COST RECOVERY RIDER**

DESCRIPTION	RATE CODE
Energy Efficiency Partnership (EEP)	71-531

RULES AND REGULATIONS: Terms and conditions of this electric rate schedule and the General Rules and Regulations govern use under this rider.

APPLICATION OF RIDER: This rider is applicable to electric service under all of the Company's retail rate schedules, except for Standby Service, Section 11.01.

ENERGY EFFICIENCY ADJUSTMENT: There shall be added to each Customer's bill an Energy Efficiency Adjustment based on the applicable adjustment factor multiplied by the Customer's monthly Energy (kWh) usage.

DETERMINATION OF ENERGY EFFICIENCY ADJUSTMENT: The Energy Efficiency Adjustment shall be the quotient of the recoverable EEP Tracker Balance, divided by projected retail sales (kWh) for a designated 12-month recovery period. The Adjustment may be updated annually by approval of the South Dakota Public Utilities Commission (SD PUC). The recoverable EEP Tracker Balance is determined as follows:

1. EEP Tracker account balance as of the end of the prior year;
2. Plus EEP expenditures;
3. Plus financial incentives awarded by the SD PUC;
4. Plus carrying charge;
5. Minus EEP cost recovery through this rider or base rates, if any.

All costs appropriately charged to the EEP Tracker account shall be eligible for recovery through this rider and all revenues received from the application of the Energy Efficiency Adjustment shall be credited to the EEP Tracker account.

ENERGY EFFICIENCY ADJUSTMENT FACTOR: Effective with bills rendered on and after July 1, 2015, the Energy Efficiency Adjustment Factor is \$0.00152.

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MANDATORY AND VOLUNTARY RIDERS: The amount of a bill for service will be modified by any Mandatory Rate Riders that must apply and by any Voluntary Rate Riders selected by the Customer, unless otherwise noted in this rider. See Sections 12.00, 13.00 and 14.00 of the South Dakota electric rates for the matrices of riders.



Fergus Falls, Minnesota

South Dakota P.U.C. Volume II
Section 13.05
ELECTRIC RATE SCHEDULE
Transmission Cost Recovery Rider

Fourth Revised Sheet No. 1 Cancelling Third Revised Sheet No. 1

TRANSMISSION COST RECOVERY RIDER

DESCRIPTION	RATE CODE
Large General Service	71-510
Controlled Service	71-511
Lighting	71-512
All Other Service	71-513

REGULATIONS: Terms and conditions of this tariff and the General Rules and Regulations govern use of this rider. T

APPLICATION OF RIDER: This rider is applicable to any electric service under all of the Company's retail rate schedules. T

COST RECOVERY FACTOR: There shall be included on each South Dakota Customer's monthly bill a Transmission Cost Recovery charge, which shall be calculated before any applicable municipal payment adjustments and sales taxes as provided in the General Rules and Regulations for the Company's electric service. The following charges are applicable in addition to all charges for service being taken under the Company's standard rate schedules.

RATE:

TRANSMISSION COST RECOVERY			
Energy Charge per kWh:	kWh	kW	
Large General Service (a)	0.167 ¢/kWh	\$0.442	II I I I
Controlled Service (b)	0.065 ¢/kWh	N/A	
Lighting (c)	0.284 ¢/kWh	N/A	
All Other Service	0.476 ¢/kWh	N/A	
<p>(a) Rate schedules 10.04 Large General Service, 10.05 Large General Service – Time of Day, 14.02 Real Time Pricing Rider and 14.03 Large General Service Rider.</p> <p>(b) Rate Schedules 14.01 Water Heating, 14.04 Interruptible Load (CT Metering), 14.05 Interruptible Load (Self-Contained Metering), 14.06 Deferred Load, and 14.07 Fixed Time of Service</p> <p>(c) Rate Schedules 11.03 Outdoor Lighting (energy only) and 11.04 Outdoor Lighting</p>			

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EFFECTIVE with bills rendered on and after March 1, 2015, in South Dakota



Fergus Falls, Minnesota

South Dakota P.U.C. Volume II
Section 13.05
ELECTRIC RATE SCHEDULE
Transmission Cost Recovery Rider

First Revised Sheet No. 2 Cancelling Original Sheet No. 2

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DETERMINATION OF DEMAND CHARGE (LARGE GENERAL SERVICE CLASS ONLY): The demand charge shall be billed according to the demand charge as defined in the applicable rate schedule the Customer is taking service.

MANDATORY AND VOLUNTARY RIDERS: The amount of a bill for service will be modified by any Mandatory Rate Riders that must apply or Voluntary Rate Riders selected by the Customer, unless otherwise noted in this rider. See sections 12.00, 13.00 and 14.00 of the Minnesota electric rates for the matrices of riders.

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Thomas R. Brause
Vice President, Administration

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in South Dakota

EL12-017



Fergus Falls, Minnesota

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ELECTRIC RATE SCHEDULE
Reserved for Future Use

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Section 13.06 RESERVED FOR FUTURE USE

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EFFECTIVE with bills rendered
on and after
December 1, 2014,
in South Dakota



Fergus Falls, Minnesota

South Dakota P.U.C. Volume II
Section 13.07
ELECTRIC RATE SCHEDULE
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EFFECTIVE with bills rendered
on and after
December 1, 2014,
in South Dakota



Fergus Falls, Minnesota

First Revised Sheet No. 1 Cancelling Original Sheet No. 1

ENVIRONMENTAL COST RECOVERY RIDER

DESCRIPTION	RATE CODE
Environmental Costs	71-570

REGULATIONS: Terms and conditions of this electric rate schedule and the General Rules and Regulations govern use of this rider.

APPLICATION OF SCHEDULE: This rider is applicable to any electric service under all of the Company’s retail rate schedules.

COST RECOVERY ADJUSTMENT: There shall be included on each South Dakota Customer’s monthly bill an Environmental Cost Recovery (ECR) Adjustment, which shall be the ECR Adjustment Factor multiplied by the customer’s billing kWh for electric service. The ECR Adjustment shall be calculated before any applicable municipal payment adjustments and sales taxes as provided in the General Rules and Regulations for the Company’s electric service. The following charges are applicable in addition to all charges for service being taken under the Company’s rate schedules.

RATE:

ENVIRONMENTAL COST RECOVERY ADJUSTMENT FACTOR	
Energy Charge per kWh:	
All Customers	0.643 ¢/kWh

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MANDATORY AND VOLUNTARY RIDERS: The amount of a bill for service will be modified by any Mandatory Rate Riders that must apply or Voluntary Rate Riders selected by the Customer, unless otherwise noted in this rider. See sections 12.00, 13.00 and 14.00 of the South Dakota electric rates for the matrices of riders.



Fergus Falls, Minnesota

Original Sheet No. 2

(Continued)

DETERMINATION OF ECR ADJUSTMENT FACTOR: An ECR Adjustment Factor shall be determined by dividing the forecasted balance of the ECR Tracker account by the forecasted retail sales for the upcoming year (or such other period as may be approved by the South Dakota Public Utilities Commission (Commission)). The ECR Adjustment Factor shall be rounded to the nearest \$0.00001 per kWh. The ECR Adjustment Factor may be adjusted annually (or other approved periods) with approval of the Commission. N
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Recoverable Environmental Measure Costs shall be the annual revenue requirements associated with environmental measures eligible for recovery under SDCL 49-34A-97 that are determined by the Commission to be eligible for recovery under this ECR Rider. A standard model will be used to calculate the total forecasted revenue requirements for eligible measures for the designated period. All costs appropriately charged to the ECR Tracker account shall be eligible for recovery through this Rider, and all revenues recovered from the ECR Adjustment shall be credited to the ECR Tracker account. N
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Forecasted retail sales shall be the estimated total retail electric sales for the designated recovery period. N
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TRUE-UP: For each recovery period, a true-up adjustment to the ECR Tracker account will be calculated reflecting the difference between actual prior period ECR Adjustment recoveries and actual prior period revenue requirements. Any resulting over/under recovery will be reflected as a carryover balance and included in calculating the ECR Adjustment Factor. N
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