

**Volume II
Section 5
Tariff Sheets**

**Otter Tail Power
Company**



Fergus Falls, Minnesota

STANDARD INSTALLATION AND EXTENSION RULES

Section 5.01 SERVICE CONNECTION

The Customer, without cost to the Company, grants the Company and its successors and assigns a perpetual easement and right-of-way on, over, across and under the Customer's property for the installation, operation, maintenance, repair, extension and removal of equipment necessary to provide electric service, such as overhead or underground Transmission and Distribution lines, service conductors and other equipment, and necessary fixtures and all other devices in connection therewith; together with the right to permit the attachment of other wires to the poles or in a common trench for purposes of telecommunications or cable communication systems.

The Customer further grants the Company and its successors and assigns the right and perpetual easement to place, position and locate the butts of the main poles, pole structures or underground wires over, across or under the Customer's property in such manner and location as the Company and the Customer may mutually agree. The Company shall have the right of ingress and egress at all reasonable times, for the purpose of the perpetual rights and easements granted, and shall have the right to cut down and trim trees and vegetation as reasonably necessary to keep the wires of the Company's electric lines clear, so as to be maintained in accordance with the Company's standards of construction and maintenance. The Customer agrees to provide, without cost to the Company, such other rights of way or permits (including railroad permits), as may be necessary to provide electric service.

The Customer will also provide and maintain on its property, at a location satisfactory to the Company, proper space for the Company's transformers, metering equipment, and other equipment. The Customer will ensure the safekeeping of the Company's Meters and other facilities and reimburse the Company for the cost of any alternations to the Company's lines, Meters, or other facilities requested by the Customer and for any loss or damage to the Company's property located at the service location, except when such loss or damage is beyond the reasonable control of the Customer.

Where the Customer has blocked or restricted access to the Company facilities through plantings, construction, pavement, or other object(s), all costs of obtaining access for maintenance, repairs or replacement of the facilities, whether underground or overhead, together with all costs of site restoration including, but not limited to, trenching, tree removal, earth removal, reconstruction or repaving, shall be the responsibility of the Customer.

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If the Company is required to change the service lines or its equipment used to provide electric service to the Customer for any reason other than normal maintenance or inadequate Capacity, the Customer shall pay all costs connected with the change.

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Where the Customer requests electric service and service is provided by means of an underground service lateral, owned and installed by the Company, the Customer shall, except for backfilling, assume, at its own expense, the necessary land restoration, including, but not limited to, yard maintenance, grass planting, and trench leveling.

Except as may be agreed in writing, title and ownership of all lines, extensions and equipment furnished by the Company shall be and remain in the Company, and shall not be owned by nor become a part of the property of the Customer. The service conductors as installed by the Company from the Distribution line to the point of connection with the Customer's service entrance conductors will be the Company's property and will be maintained by the Company at its own expense. The Customer will allow the Company access to the service conductors to perform maintenance.

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In the event of the failure of the Customer to make payment for service provided by the Company and service is disconnected, as permitted by these General Rules and Regulations in Section 3.01, the Company may remove any and all equipment, extensions of lines and other property installed by the Company on the Customer's property.

Transformers, service conductors, Meters, and other equipment used in furnishing electric service to a Customer have a definite Capacity. Therefore, the Customer shall make no material increase in load or equipment without first making arrangements with the Company for the additional electric supply.



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Section 5.02 VOLTAGE CLASSIFICATION

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The Company will provide service to the Customer at any specific standard voltage that is available in the local service area. The Company will supply the Customers with a list of the available voltages at which the Customer may take service from the Company.

The Company provides service at the following nominal voltage levels:

Service at Secondary Voltage

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Secondary voltage service is defined as Single- or Three- phase alternating current either 1) below 2,400 volts or 2) from 2,400 volts up to, but not including, 15,000 volts where the substation and Distribution systems are provided by the Company.

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Service at Primary Voltage

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Primary voltage service is defined as Single or Three-phase alternating current supplied at the same voltage as the low side of the local substation which may include voltages from 2,400 volts up to, but not including, 41,600 volts where the substation is provided by the Company and the Distribution system (including Distribution transformers, if any), is provided by the Customer.

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Service at Transmission Voltage

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Transmission voltage service is defined as Three-phase alternating current at 41,600 volts or higher. The availability of service at transmission voltage will be determined by the Company when requested by the Customer. The service voltage available will vary, depending on the voltage in the vicinity of the Customer's service location. Customers electing Transmission Service for any portion of the service will be considered a Transmission Service Customer. The Customer will own the substation and all facilities on the Customer side of the Meter.

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Transmission voltage service will be provided under the following conditions:

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1) Such service does not adversely affect the Reliability of the rest of the system or cause an expense on other Customers.

2) The Customer will be metered at a voltage determined by the Company and then adjusted, if necessary, to compensate for transformer losses so as to be the equivalent of metering at the service delivery voltage.

Service Installation

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The Company will install, own, and maintain on an individual project basis the



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Distribution Facilities necessary to provide service. The Customer will be required to pay, in addition to the applicable rate, the following amounts, if applicable, to the Company.

The Company will extend its facilities, on private property, to a Company-designated service location. The total cost of the Company facilities must not exceed a three-year projection of revenue received from the Customer's applicable rate(s). When the cost of the necessary extension exceeds this limit, the Customer will be charged in accordance with the Company's extension rules identified in Section 5.04.

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When underground facilities are installed, such work will be subject to a Winter construction charge when Winter conditions exist where snow removal or plowing is required to install service, or burners must be set at the underground facilities in order to install service for the entire length of the underground service. Winter construction will not be undertaken by the Company where prohibited by law or where it is not practical to install underground facilities during the Winter Season. The Company reserves the right to charge Customers for any unusual Winter construction expenses. All Winter construction charges are non-refundable and are in addition to any normal construction charges. The Company will determine payment requirements based on actual costs.



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First Revised Sheet No. 3 Cancelling Original Section 5.02 Sheet No. 3

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First Revised Sheet No. 4 Cancelling Original Section 5.02 Sheet No. 4

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First Revised Sheet No. 5 Cancelling Original Section 5.02 Sheet No. 5

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SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION
Filed on: August 20, 2010
Approved by order dated:
Docket No. EL10-011

Thomas R. Brause
Vice President, Administration

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



Fergus Falls, Minnesota

Section 5.03 FACILITIES, DEFINITIONS, INSTALLATIONS, AND PAYMENTS

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"Standard Facilities" are those facilities whose design or location constitutes the reasonable and prudent, least-cost alternative that is consistent with the existing electric system configuration, will meet the needs of the Company's Customers, and will maintain system Reliability and performance under the circumstances. In determining the design or location of a "Standard Facility," the Company shall use good utility practices and evaluate all of the circumstances surrounding the proposal, including 1) public and employee safety in the installation, operation and maintenance of the facility; 2) compliance with applicable engineering standards, codes, electric utility norms and standards; 3) electric system Reliability requirements; 4) the presence, age, condition and configuration of existing facilities in the affected area; 5) the presence and size of existing right-of-way in the affected area; 6) existing topography, soil, spacing, and any environmental limitations in the specific area; 7) existing and reasonably projected development in the affected area; 8) installation, maintenance, useful life and replacement cost factors; and 9) other relevant factors under the particular circumstances.

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"Distribution Facilities" are defined as all wires, poles, insulators, transformers, fixtures, underground cable, and other associated accessories and equipment, including substation equipment, rated below 41,600 volts, whose express function and purpose is for the Distribution of electrical power from the Company's Distribution substation directly to the Customer's point of connection. Distribution Facilities may also include a radial line rated equal to or greater than 41,600 volts dedicated to serve Customers on Transmission rates. Distribution Facilities exclude all facilities used primarily for the purpose of transferring electricity from a Generator to a substation and/or from one substation to another substation.

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"Transmission Facilities" are defined as poles, towers, wires, insulators, transformers, fixtures, underground cable, and other associated structures, accessories and equipment, including substation equipment, rated equal to or greater than 41,600 volts, whose express function and purpose is the transmission of electricity from a Generator to a substation or substations, and from one substation to another.

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"Special Facilities" are non-Standard Facilities or the non-standard design or non-standard location of facilities. Common examples of Special Facilities include duplicate service facilities, special switching equipment, special service voltage, Three-phase service where Single-phase service is reasonably determined by the Company to be adequate, facilities for intermittent Customer equipment, mobile home park Distribution systems, conversion from overhead to underground service, specific area or other special undergrounding, location and relocation or replacement of existing Company facilities.

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The Company is not obligated to provide any Special Facilities and may refuse to do so at its sole discretion.

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"Excess Expenditure" is defined as the total reasonable incremental cost above that of Standard Facilities, for construction of Special Facilities, including: the value of the un-depreciated life of existing facilities being removed and removal costs less salvage; the fully allocated incremental labor costs for design, surveying, engineering, construction, administration, operations or any other activity associated with the project; the incremental easement or other land costs incurred by the Company; the incremental costs of immediately required changes to associated electric facilities, including backup facilities, to ensure Reliability, structural integrity and operational integrity of the electric system; the incremental taxes associated with requested or ordered Special Facilities; the incremental cost represented by accelerated replacement cost if the Special Facility has a materially shorter life expectancy than the standard installation; the incremental material cost for all items associated with the construction, less salvage value of removed facilities; and any other prudent costs incurred by the Company directly related to the applicable Special Facilities.

Facilities Installations

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When the Company is requested by a Customer, group of Customers, developer, or Governmental Unit to provide types of service that result in expenditure in excess of the Company designated Standard Facility installation, the requesting Customer, group of Customers, developer, or Governmental Unit shall be responsible for the Excess Expenditure, unless otherwise required by applicable law, rule or regulation.

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When requested, the Company will evaluate the circumstances and determine the Standard Facilities that would be appropriate to the particular situation and determine what, if any, Excess Expenditures are associated with a Customer request or Customer requirement for Special Facilities.

Subject to the requirements of applicable laws, rules and regulations, and subject to the Company's previously scheduled or emergency work, the Company will install Special Facilities, or replace, modify or relocate to a Company-approved location or route its existing Distribution Facilities or Transmission Facilities a) upon the request of a Customer, a group of Customers, developer, or upon request or lawful order of a Governmental Unit if the Company determines the requested or ordered Special Facilities will not adversely affect the Reliability, structural integrity, ability to efficiently expand Capacity or operational integrity of the Company's Distribution Facilities or Transmission Facilities; and b) the requesting or ordering Customer, group of Customers, developer, or Governmental Unit arranges for payment of the Excess Expenditures, or a requesting or ordering Governmental Unit elects that the Excess Expenditures be recovered by surcharge.

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Special Facilities in Public Right-Of-Way

Whenever a Governmental Unit orders or requests the Company to replace, modify or relocate its existing Distribution Facilities or Transmission Facilities located by permit in the public right-of-way to the extent necessary to avoid interference and not merely for the convenience for the local Governmental Unit, in connection with: 1) a present or future local government use of the right-of way for a public project; 2) the public health or safety; 3) the safety and convenience of travel over the right-of-way, such facilities will be replaced, modified or relocated at the Company's expense, provided the construction is the Standard Facilities installation designated by the Company. T
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If the Governmental Unit requests or orders a facility other than the Standard Facilities, the Company will provide the Governmental Unit notification of the Excess Expenditures to be incurred for Special Facilities, compared to Standard Facilities. If the Governmental Unit requests or orders a type of construction with costs in excess of Company-designated Standard Facilities construction, the Company shall be entitled to recovery of the Excess Expenditures as provided in this Section. T
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Except in emergencies, the Company has no obligation to commence initial construction of new Special Facilities, or to commence construction for replacement, modification, reconstruction or relocation of existing facilities, until the Company receives a permit, or other written authorization required from the Governmental Unit (or its designee) having jurisdiction over use of the applicable public right-of-way, authorizing the construction at a Company-approved reasonable location within the public right-of-way or at a location established by lawful order of the Governmental Unit. T
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Underground Facilities Requirements

The following provisions apply when replacing overhead facilities with underground facilities at the request of a Customer or Governmental Unit: C

When required, the Customer at Customer's expense, must engage an electrician to adapt the Customer's electrical facilities to accept service from the Company's underground facilities. T

The Company will allow reasonable time for the Customer to make the necessary alterations to the Customer's facilities before removal of the existing overhead facilities. The Customer, group of Customers, developer or Governmental Unit must provide the Company reasonable notice of the undergrounding request so the Company may efficiently plan and install such facilities. T
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Perpetual easements will be granted to the Company at no cost to the Company whenever any portion of the underground Distribution system is located on private land and the undergrounding is requested by the Customer or ordered by a Governmental Unit. These easements also will grant the Company access for inspection, maintenance, and repair of Company facilities. C
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The Company must receive full access to its facilities installed underground for the purpose of inspection, maintenance, and repair of such facilities, such right of access to include the right to open public ways. T

Where a Governmental Unit is requesting undergrounding, the Governmental Unit will give sufficient notice and will allow the Company sufficient time to place its facilities beneath public ways while the same are torn up for resurfacing. A Governmental Unit shall provide the Company with access to the torn up public ways during such period so that the Company will have unobstructed use of sufficiently large sections of the public ways to allow installation of the underground facilities in an economic manner. T
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The Customer shall install, own and maintain the necessary conduits and Secondary Service conductors to a point of common connection designated by the Company for secondary voltage service supplied from an underground Distribution lateral. A point of common connection can be the secondary compartment of the transformer, a current transformer cabinet, a Self-Contained Meter socket, or other type of Company-approved junction box. The Company will make final connection of the Customer's secondary service conductors to the Company's facilities. T
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Secondary voltage service supplied from underground secondary service conductors requires that the Customer install, own, or maintain necessary conduits on private property to a point designated by the Company. Secondary service conductors usually will be installed by the Customer in the Customer's conduit, however, in some installations it may be preferred to have the Company provide a continuous installation from the Company facilities through the Customer conduit to the Customer's service equipment. T

In these installations the Customer must pay the total installed cost of the Company's cable installed on private property. The Company will make the final connection of the Customer's secondary service conductors to the Company's facilities.

Special Facilities Payments L

Where the requesting or ordering Customer or Governmental Unit is required to prepay T



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or agrees to prepay or arrange payment for Special Facilities, the requesting or ordering Customer or Governmental Unit shall execute an agreement or service form pertaining to the installation, operation and maintenance, and payment for the Special Facilities.

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Payments required will be made on a nonrefundable basis and may be required in advance of construction unless other arrangements are agreed to in writing with the Company. The facilities installed by the Company shall be the property of the Company. Any payment by a requesting party shall not change the Company's ownership interest or rights.

Charges for Special Facilities shall be an annual fixed charge of 18% of the costs associated with the Excess Expenditures billed in 12 equal monthly installments.

Alternatively, the Customer may prepay the Excess Expenditure amount and then, in lieu of the 18% annual fixed charge, pay an annual fixed charge of 3.5% of the Excess Expenditure amount billed in 12 equal monthly installments.

The monthly charge shall be discontinued if the Special Facilities are removed or if the Special Facilities eventually qualify as Standard Facilities.

The Company shall provide to the Customer an estimate with detail of the costs prior to construction.



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SECTION 5.04 EXTENSION RULES AND MINIMUM REVENUE GUARANTEE

The Company will, at its own expense, extend, enlarge, or change its Distribution or other facilities for supplying electric service when the anticipated revenue from the sale of additional service at the location justifies the expenditure. If it reasonably appears to the Company that the expenditure may not be justified based on a three-year projection of revenue received from the applicable rate schedule(s) under which the Customer is taking service, the Company may require the Customer to sign an Electric Service Agreement guaranteeing a minimum payment of no less than three years use of electric service, and require the Customer to pay in advance if the Company has reason to question whether the Customer will maintain adequate creditworthiness over the period or for any other reason may fail to make payments for service, including the service extension charges, over the period.

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The Company shall provide to the Customer an estimate with detail of the extension charges prior to construction.

If at the point of true-up at the end of the initial three-year contract period of service, the Customer uses and pays for more than the specified guaranteed minimum amount of electric service, which the Customer contracted to purchase, any advance that may have been made in excess of the guaranteed minimum amount when calculated based on actual usage will be refunded to the Customer together with interest at the rate provided for Customer deposits under South Dakota Public Utilities Commission Administrative Rule 20:10:19:08. However, if the Customer uses less than the guaranteed minimum, the amount of the difference between the guaranteed minimum and the actual usage will be billed to the Customer.

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EL12-038



South Dakota P.U.C. Volume II
General Rules and Regulations – Section 5.04
ELECTRIC RATE SCHEDULE
Extension Rules and Minimum Revenue Guarantee

Fergus Falls, Minnesota

First Revised Sheet No. 2 Cancelling Original Section 5.02 Sheet No. 2

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SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION
Filed on: August 20, 2010
Approved by order dated:
Docket No. EL10-011

Thomas R. Brause
Vice President, Administration

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EFFECTIVE with bills
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June 1, 2011,
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Section 5.05 TEMPORARY SERVICES

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Pursuant to South Dakota Administrative Rules 20:10:18:01, the Company may require the Customer to make an advance deposit sufficient to cover the estimated costs of installing and removing temporary service. Customers taking temporary service shall pay the regular rates applicable to the class or classes of service rendered. In addition, the Company may require the Customer to pay the installation and removal cost, less salvage value, of facilities installed by the Company to furnish temporary service to the Customer. If service is taken for less than one normal Billing Period, the Customer's bill will not be prorated. Such Customer is billed as though service had been taken for an entire month.



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First Revised Sheet No. 2 Cancelling Original Section 5.05 Sheet No. 2

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