

**Volume II
Section 8
Tariff Sheets**

**Otter Tail Power
Company**



Fergus Falls, Minnesota

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

GLOSSARY AND SYMBOLS

Section 8.01 GLOSSARY

Glossary of terms used in Tariffs and riders

Account – The Customer-specific identifier for tracking the service the Company provides through a Meter(s) at a specific Customer service location. One Customer may have several Accounts within the Company’s service territory.

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Billing Demand – A charge applied to an Energy Customer for Capacity reserved or made available explicitly for that Customer. Customer’s Demand as used by Company for billing purposes. Billing Demand is calculated and specified in applicable Tariffs.

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Capacity – The maximum amount of power, normally expressed in Kilowatts (kW) or Megawatts (MW), that a given system or subsystem can carry or produce at a particular moment.

Commercial – A business consumer of Energy.

Commission – The state agency that oversees the rates, and terms and conditions of investor-owned utilities. (See South Dakota Public Utilities Commission.)

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Company - Otter Tail Power Company, a Minnesota corporation, or the Utility, a regulated power company providing electricity to Customers in Minnesota, North Dakota and South Dakota.

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Control Criteria - The terms and guidelines governing the supply of electricity to non-firm electric loads.

CT Metering - A watthour Meter that is used with current transformers. The current transformer reduces the primary current to a secondary current applied to the Meter in a known proportion. Used when the current exceeds 400 amperes.

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Customer – Any party that is involved in the purchase or sale of retail electrical Energy with the Company.

Customer Charge – Part of the monthly basic Distribution charge to partially cover costs for billing, Meter reading, equipment, service line maintenance and equipment. This charge is the same no matter how much electricity is used.



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Demand – The rate at which electric Energy is delivered to or by a system, part of a system, or piece of equipment and is expressed in Kilowatts (kW) or Megawatts (MW).

Demand Interval – The specified interval of time on which a Demand measurement is based.

Distribution - The local wires, transformers, substations and other equipment used to deliver electricity to end-use consumers.

Distribution Facilities - Company facilities as defined in Section 5.03 of these General Rules and Regulations.

Energy – The Customer’s electric consumption requirement measured in Kilowatt-Hours (kWh).

Energy Charge – The amount on Customer billings reflecting the actual Energy used over the billing period.

Excess Expenditure – Certain costs incurred by Company in the construction of Special Facilities, as defined in Section 5.03 of these General Rules and Regulations.

Facilities Charge – An amount to be paid by the Customer on the basis of the Customer’s design or metered Demand.

Farm – A Customer classification where ordinary farming operations of a Commercial scale are conducted from which Customer derives income.

Generator – A general name given to a machine for transforming mechanical Energy into electrical Energy.

Governmental Unit - A city, town, county, or other local unit of government with jurisdiction over the use of the public rights of way or other public areas.

Kilovolt (kV) – A unit of pressure equal to one thousand volts.

Kilowatt (kW) – A unit of electrical power equal to one thousand watts. Electric power is usually expressed in Kilowatts. A watt = volts times amps times power factor. One watt = 1/746 Horsepower and a Kilowatt = 1,000 watts or 1.34 Horsepower.

Kilowatt-Hour (kWh) - A Kilowatt-Hour is the standard unit of measure for electricity for which most Customers are charged in cents per kWh. One kWh is equal to 1,000 watt-hours. The total number of kWh charged to your bill is determined by your electricity use. For example, if you used a 100-watt light bulb for 10 hours, one kWh (100-watts x 10 hours = 1,000 watt-hours) would be billed.

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Megawatt (MW) – A unit of electrical power equal to one million watts.

Meter – An electric indicating instrument used to measure kWh and/or kW.

Meter Multiplier – A meter multiplier is needed for billing Energy and Demand when the actual amount of Energy and Demand used is too large to be registered. Therefore the Meter displays only a fraction of the actual Energy and Demand used. A Multiplier is then applied to the difference between the present and previous reads to determine the Customer's actual Energy and Demand use. Residential service applications typically have a Multiplier of 1. Some Commercial type applications may have a Multiplier greater than one in order to properly measure the Customer's actual Energy and Demand use.

Midwest Independent System Operator (MISO) – An independent third-party operating in the Midwest states and formed to operate the transmission system in a way that provides fair access for all electricity suppliers. The ISO maintains instantaneous balance of the Grid system by controlling the dispatch of flexible plants to ensure that loads match resources available to the system. It is regulated by the Federal Energy Regulatory Commission (FERC).

Reactive Demand - A term used in the calculation of power factor defined as the relationship between the total power (kVa) and the real power (kW) for loads such as motors that require magnetizing current to operate.

Reliability – The providing of adequate and dependable generation, Transmission and Distribution service. Electric system Reliability has two components – adequacy and security. Adequacy is the ability of the electric system to supply the aggregate electrical Demand and Energy requirements of Customers at all times, taking into account scheduled and unscheduled outages of system facilities. Security is the ability of the electric system to withstand sudden disturbances such as electric short circuits or unanticipated loss of system facilities.

Residential – An Energy consumer consisting of a single private household, but not necessarily a single-family dwelling.

Seasonal Customer – A Customer who receives utility service periodically each year, intermittently during the year, or at other irregular intervals.

Self-Contained Metering – A wathour Meter that has sufficient current-carrying Capacity to meet the specific Demand for which it is



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designed without the need for a current transformer. Used to measure current up to 400 amperes.

Single-phase – An alternating current circuit in which only one phase of current is available in a two-conductor or three-conductor system.

South Dakota Public Utilities Commission (SD PUC) – The regulating entity operated by the State of South Dakota that oversees the operations of investor-owned electric utilities such as Otter Tail Power Company.

Space Conditioning Loads – Electrical processes used to condition air or water, such as heating, cooling, dehumidifying, or humidifying.

Special Facilities - Company provided facilities as defined in Section 5.03 of these General Rules and Regulations.

Standard Facilities – Company provided facilities as defined in Section 5.03 of these General Rules and Regulations.

Summer Season or Summer – The period of time beginning June 1 and ending September 30.

System Marginal Energy Price – The Company's hourly system Incremental Energy cost plus applicable losses, transmission, and a profit margin.

Tariff (Tariff Schedules) – A document filed with the regulatory authority(s) specifying lawful rates, charges, rules and conditions under which the Company provides service to the public.

Three-phase – A term applied to circuits carrying three voltages 120 degrees apart in phase.

Total Coincident Demand – The sum of two or more Demands that occur in the same Demand Interval as determined by the Company.

Transmission Facilities – Company-provided facilities as defined in Section 5.02 of these General Rules and Regulations.

Transmission Service – The reservation and transmission of Capacity and Energy on either a firm or non-firm basis, and as defined in Section 5.02 of these General Rules and Regulations.

Winter Season or Winter – The period of time beginning October 1 and ending May 31.

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION
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

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Section 8.02 DEFINITION OF SYMBOLS

The following symbols on rate schedules or rules and regulations shall signify the following revisions:

- (a) "C" shall signify a changed listing, rule, or condition which may affect rates or charges;
- (b) "D" shall signify discontinued material, including any listing, rate, rule, or condition;
- (c) "I" shall signify an increase in the rate;
- (d) "L" shall signify material relocated from or to another part of Tariff Schedules with no change in text, rate, rule, or condition; **T**
- (e) "N" shall signify new material including a listing, rate, rule, or condition;
- (f) "R" shall signify a reduction in the rate;
- (g) "T" shall signify a change in the wording of text with no change in the rate, rule, or condition.