

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

<b>IN THE MATTER OF THE PETITION OF OTTER )</b>	<b>ORDER APPROVING</b>
<b>TAIL POWER COMPANY FOR APPROVAL OF )</b>	<b>PETITION</b>
<b>DEFERRED ACCOUNTING FOR CERTAIN )</b>	
<b>TRANSMISSION-RELATED COSTS FOR BIG )</b>	<b>EL13-007</b>
<b>STONE II )</b>	

On March 28, 2013, the South Dakota Public Utilities Commission (Commission) received a Petition from Otter Tail Power Company (Otter Tail) for authority to use deferred accounting until its next rate case for certain transmission-related costs incurred during its participation in the Big Stone II generation project. The Commission previously granted deferral of generation-related and transmission-related costs in Docket EL09-024 and authorized recovery of generation-related costs in Docket EL10-011.

On April 4, 2013, the Commission electronically transmitted notice of the Petition and the intervention deadline of April 19, 2013, to interested individuals and entities on the Commission's PUC Weekly Filings electronic listserv. No petitions to intervene or comments were filed. The Commission has jurisdiction in this matter pursuant to SDCL 49-34A.

On April 23, 2013, the Commission considered this matter. Staff recommended approval of the Petition with the conditions that: 1) the deferral/amortization accounting method and the resulting creation of a regulatory asset (the deferred balance) shall not preclude Commission review of these amounts for reasonableness and possible disallowance of the rate recovery in any determination of rates, including both rate filings by the company and rate reviews initiated by the Commission; 2) this allowance of a deferral/amortization accounting method and the resulting creation of a regulatory asset, after the related costs have been incurred, is not to be interpreted as allowing future post expenditure deferrals; and 3) the Commission's decision in this case is based on the facts of this case and any future allowance of the deferral/amortization accounting method and the resulting creation of a regulatory asset must be approved by the Commission. The Commission voted unanimously to approve the relief requested in the Petition with the conditions recommended by Staff. It is therefore

ORDERED, that Otter Tail Power Company's Petition is approved subject to the following conditions:

1) that: the deferral/amortization accounting method and the resulting creation of a regulatory asset (the deferred balance) shall not preclude Commission review of these amounts for reasonableness and possible disallowance of the rate recovery in any determination of rates, including both rate filings by the company and rate reviews initiated by the Commission;

2) that this allowance of a deferral/amortization accounting method and the resulting creation of a regulatory asset, after the related costs have been incurred, is not to be interpreted as allowing future post expenditure deferrals; and

3) that the Commission's decision in this case is based on the facts of this case and any future allowance of the deferral/amortization accounting method and the resulting creation of a regulatory asset must be approved by the Commission.

Dated at Pierre, South Dakota, this 30<sup>th</sup> day of April, 2013.

**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:

*[Handwritten signature]*  
\_\_\_\_\_  
Date: 4.30.13

Date:

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

*[Handwritten signature: Gary Hanson]*  
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GARY HANSON, Chairman

*[Handwritten signature: Chris Nelson]*  
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CHRIS NELSON, Commissioner

*[Handwritten signature: Kristie Fiegen]*  
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KRISTIE FIEGEN, Commissioner