

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

IN THE MATTER OF THE PETITION OF)	ORDER GRANTING JOINT
OTTER TAIL POWER COMPANY FOR)	MOTION FOR APPROVAL OF
APPROVAL OF ITS 2014 TRANSMISSION)	SETTLEMENT STIPULATION
COST RECOVERY ELIGIBILITY AND)	
RATE ADJUSTMENT)	EL13-029

On August 30, 2013, Otter Tail Power Company (OTP) filed with the South Dakota Public Utilities Commission (Commission) a Petition for Annual Update to Transmission Cost Recovery Rider Rate. OTP requests approval of the annual update to its Transmission Cost Recovery Rider (TCR) rate. According to the filing, the TCR rate has been adjusted to reflect the TCR revenue requirements for the next recovery period (calendar year 2014). The update includes the tracker balance estimated for the end of the current recovery period so that no over or under-recovery of TCR costs occurs. The update also includes the costs of one new transmission project that is not currently in base rates and has not previously been approved for inclusion in the TCR. The overall increase in rates is approximately 0.8% for both residential and large general service customers. The impact of the change in rates for a residential customer using 759 kWh per month is an increase of 49 cents per month. For a large general service customer using 486 kW and 222,350 kWh, the bill impact of this update is an increase of \$91.04 per month. OTP proposes an effective date of January 1, 2014.

On September 5, 2013, the Commission electronically transmitted notice of the filing and the intervention deadline of September 20, 2013, to interested individuals and entities on the Commission's PUC Weekly Filings electronic listserv. No petitions to intervene or comments were received. On September 16, 2013, the Commission issued an Order Assessing Filing Fee and Suspending Operation of Rate Schedule. On February 10, 2014, a Settlement Stipulation was filed with the Commission, with a proposed effective date for the revised TCR rate of March 1, 2014. On February 11, 2014, Commission staff (Staff) filed its Staff Memorandum Supporting Settlement Stipulation, and on February 14, 2014, OTP filed OTP and Staff's Joint Motion for Approval of Settlement Stipulation.

The revised tariff sheet attached to the Settlement Stipulation effective for service rendered on and after March 1, 2014, is as follows:

South Dakota P.U.C. Volume II – Electric Rate Schedule

Section 13.05

Third Revised Sheet No. 1

Cancelling Second Revised Sheet No. 1

The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-34A, specifically 49-34A-4, 49-34A-6, 49-34A-8, 49-34A-8.4, 49-34A-10, 49-34A-11, 49-34A-12, 49-34A-25 et seq., and ARSD 20:10:13:19, 20:10:13:20 and 20:10:13:21.

At its regularly scheduled meeting on February 18, 2014, the Commission considered this matter. The Commission heard from OTP concerning the proposed Settlement Stipulation. Having thoroughly reviewed the filings in the docket and made further inquiry of the parties at the meeting, 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. It is therefore

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

ORDERED, that the aforementioned tariff sheet is approved with an effective date of March 1, 2014.

Dated at Pierre, South Dakota, this 21st day of February, 2014.

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: Joy Lashley

Date: 2-21-14

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Gary Hanson
GARY HANSON, Chairman

Chris Nelson
CHRIS NELSON, Commissioner

Kristie Fiegen
KRISTIE FIEGEN, Commissioner