

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

IN THE MATTER OF THE FILING BY) OTTER TAIL POWER COMPANY) REGARDING ITS PROPOSED SOUTH) DAKOTA ENERGY EFFICIENCY PLAN) FOR 2017-2019)	ORDER APPROVING SOUTH DAKOTA ENERGY EFFICIENCY PLAN FOR 2017-19 EL16-020
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On April 29, 2016, the South Dakota Public Utilities Commission (Commission) received a filing from Otter Tail Power Company (Otter Tail) requesting approval of its proposed South Dakota Energy Efficiency Plan for 2017-2019 (2017-19 SD EEP). In the 2017-19 SD EEP, Otter Tail plans to continue, with modifications, its current portfolio of cost-effective energy efficiency projects in South Dakota. Otter Tail is not proposing to include new projects in the 2017-19 SD EEP; however, proposed modifications to the plan incorporate new technologies. Finally, Otter Tail proposes to increase the 2017-19 EEP budget to \$449,000 and continue the fixed percentage incentive at 30 percent of actual expenses with a cap set at 30 percent of the approved budget.

On May 5, 2016, the Commission electronically transmitted notice of the filing and the intervention deadline of May 20, 2016, 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 over this matter pursuant to SDCL 49-34A, specifically, 49-34A-6, 49-34A-8, and 49-34A-8.2.

At the Commission's regularly scheduled meeting on November 22, 2016, the Commission considered this matter. Staff recommended approval of Otter Tail's 2017-19 SD EEP and budget as filed, subject to the following conditions: 1) Otter Tail shall use the company's weighted average cost of capital, 8.5 percent, as the discount rate when calculating the Total Resource Cost test; 2) for the residential lighting pilot program for students, Otter Tail shall estimate the number of students receiving LED light bulbs that reside in the company's service territory and only claim energy savings for those students; 3) the fixed percentage incentive shall be calculated as 30 percent of actual expenses, with a cap set at 30 percent of the approved budget; and 4) actual spending shall not exceed 10 percent above the approved budget, unless approved by the Commission. Finding that Otter Tail's 2017-19 SD EEP, subject to Staff's recommendations, is just and reasonable, the Commission voted unanimously to approve the 2017-19 SD EEP. It is therefore

ORDERED, that Otter Tail's South Dakota Energy Efficiency Plan for 2017-19 and budget is approved subject to Staff's recommendations set forth above.

Dated at Pierre, South Dakota, this 28th day of November, 2016.

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 or by mail.	
By:	<u>Adam deHueck</u>
Date:	<u>11/28/16</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

Chris Nelson
CHRIS NELSON, Chairman

Kristie Fiegen
KRISTIE FIEGEN, Commissioner

Gary Hanson
GARY HANSON, Commissioner