

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

**IN THE MATTER OF THE PETITION OF)
OTTER TAIL POWER COMPANY FOR)
APPROVAL OF THE ENVIRONMENTAL)
COST RECOVERY RIDER CHARGE)
)**

**ORDER APPROVING
ENVIRONMENTAL COST
RECOVERY RIDER CHARGE**

EL16-030

On August 31, 2016, the South Dakota Public Utilities Commission (Commission) received an application by Otter Tail Power Company (Otter Tail) for approval of its annual update to the Environmental Cost Recovery Rate under Otter Tail's Environmental Cost Recovery Rider, Rate Schedule 13.08, for the actual and forecasted cost and revenue through the recovery period of November 2016 through October 2017 for Big Stone Plant's Air Quality Control System (AQCS) and Hoot Lake Plant's Mercury and Air Toxics Standards (MATS). Otter Tail states the rate impact of this request (for both projects) will decrease the ECR Rider Rate from \$0.00643 per kWh to \$0.00536 per kWh. The bill decrease for a typical residential customer averaging 955 kWh per month will be approximately \$1.02 or 1.15%.

On September 1, 2016, the Commission electronically transmitted notice of the filing and the intervention deadline of September 16, 2016, to interested persons and entities on the Commission's PUC Weekly Filings electronic listserv. No petitions to intervene or comments were filed. On September 15, 2016, the Commission issued an Order Assessing Filing Fee. On September 29, 2016, Otter Tail filed a revised application. On October 20, 2016, the Commission's staff (Staff) filed a Staff Memorandum recommending Commission approval of the Environmental Cost Recovery Rider Charge as filed.

The revised tariff sheet is as follows:

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

Section 13.08

Second Revised Sheet No. 1

Cancelling First Sheet No. 1

The Commission has jurisdiction over this matter pursuant to SDCL Chapters 1-26 and 49-34A, specifically SDCL 49-34A-97 through 49-34A-100.

At its regularly scheduled meeting on October 26, 2016, the Commission considered this matter. Commission Staff recommended approval of the revised Environmental Cost Recovery Charge with an effective date of November 1, 2016. The Commission voted unanimously to approve the Environmental Cost Recovery Rider Charge and associated tariff revisions with an effective date of November 1, 2016. It is therefore

ORDERED, that Otter Tail's Environmental Cost Recovery Charge, including the above referenced tariff sheet, is hereby approved, effective on and after November 1, 2016.

Dated at Pierre, South Dakota, this 31st day of October, 2016.

<p style="text-align: center;">CERTIFICATE OF SERVICE</p> <p>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.</p> <p>By: <u>Adam Hoffbeck</u></p> <p>Date: <u>10/31/16</u></p> <p style="text-align: center;">(OFFICIAL SEAL)</p>

BY ORDER OF THE COMMISSION:

Chris Nelson
CHRIS NELSON, Chairman

Kristie Fiegen
KRISTIE FIEGEN, Commissioner

Gary Hanson
GARY HANSON, Commissioner