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June 25, 2008

Ms. Patricia Van Gerpen  
Executive Director  
South Dakota Public Utilities Commission  
Capitol Building, 1st floor  
500 East Capitol Avenue  
Pierre, SD 57501-5070

Dear Ms. Van Gerpen:

Pursuant to Administrative Rules of South Dakota Part 20:10:13:09, enclosed for filing please find a Municipal Contract with the City of Peever, SD effective August 1, 2008, and Otter Tail Power Company's ("Otter Tail") Summary List of Contracts with Deviations Section 4, Sheet 3.

The municipal contract for the City of Peever, SD was updated because the old contract will expire on August 1, 2008. The new contract does not include any new rates that would be considered a deviation. Therefore Otter Tail respectfully requests that the City of Peever, SD be removed from Otter Tail's Summary List of Contracts with Deviations.

If you have any questions regarding this filing, please contact me at 218-739-8838, or [rlspangler@otpc.com](mailto:rlspangler@otpc.com).

Sincerely,

A handwritten signature in cursive script, appearing to read "Ron Spangler Jr.", is written in black ink.

Ron Spangler Jr.  
Rate Case Manager  
Regulatory Services Department

Enclosures

**MUNICIPAL SERVICE AGREEMENT**

1. THIS AGREEMENT, made this 1st day of August, 2008 by and between the Otter Tail Power Company, a division of Otter Tail Corporation, hereinafter called Otter Tail Power, a corporation, duly organized and existing under and by virtue of the laws of the State of Minnesota, and the City, of Peever, SD hereinafter called the Municipality, WITNESSETH:
2. That, in consideration of the payments to be made and the mutual covenants herein contained and subject to the terms and conditions of this agreement, Otter Tail Power agrees to supply all municipal electric services to the Municipality, and the Municipality agrees to take and use the services and all electric energy requested therefore, and to pay the rates and charges for Street Lighting, Municipal Pumping and Fire Sirens, all as hereinafter specifically set forth for a term of (1) one year with an effective date of the term to be August 1, 2008, and terminating August 1, 2009, and thereafter shall be renewed for periods of one year each, unless written notice to the contrary is given by either party to the other not less than thirty (30) days before the expiration of this agreement or any renewal thereof.
3. The rates to be charged for the municipal electric service shall be Otter Tail Power's standard rates as determined by its standard rate schedule as specifically filed with and approved by the Public Utilities Commission for Street lighting Municipal Pumping and Fire Sirens and which are in effect at the execution of this agreement and/or such superseding amendments or changes as are approved by the South Dakota Public Utilities Commission during the terms of this agreement.
4. Otter Tail Power is subject to the jurisdiction of the South Dakota Public Utilities Commission and when required by the Commission's Order or Rules and Regulations, may submit this agreement for review and approval.

**STREET LIGHTING**

5. Otter Tail Power agrees to own and operate a street lighting system in the municipality, consisting of supply circuits, control circuits, controls, and brackets and fixtures as provided in this agreement.
6. The Municipality shall have the right to erect, operate, and maintain at its own expense a white way system and/or main street lighting system, ready for connection to Otter Tail Power's supply source. Otter Tail shall supply any necessary meters and make the final connection to its supply system. Otter Tail Power shall supply the necessary electric energy to light such system. The rates, terms and conditions of a white way system and/or main street lighting system, shall be determined by Otter Tail Power's "Outdoor Lighting Energy Only Rate" and/or such superseding amendments or changes as are approved by the South Dakota Utilities Commission during the terms of this agreement.
7. The residential, white way, and main street lighting installation covered by this agreement shall consist of the following:

No. of Units	Type	Lumens	Ownership			Pole		Service		Lamp Renewal By	Monthly Chg. Per Unit
			Fixture	Pole	Wire	Wood	Metal	O/H	U/G		
14	HPS-14	14000	OTP	OTP	OTP	X		X		OTP	\$10.60
22	MV6	6000	OTP	OTP	OTP	X		X		OTP	\$6.30
1	400MAF	30000	OTP	OTP	OTP	X		X		OTP	\$16.70

8. The total number of fixtures shall not be reduced to less than sixty percent of the total as shown in Paragraph 7 above, except by mutual consent of the parties.

9. Fixtures installed after the date of this agreement shall be billed at the schedule of rates in effect at the time of installation and/or such superseding amendments or changes as are approved by the South Dakota Utilities Commission during the terms of this agreement.

**MUNICIPAL PUMPING**

10. Otter Tail Power agrees to furnish electric power and energy to operate the pumps for the Municipality's present water supply system and present sewage system, and such additions to these systems as may be mutually agreed upon, in accordance with the terms and conditions as set forth in this agreement.
11. Electric energy used for lighting, heating, power tools, and other uses necessary for the normal operation of these systems, on approval of Otter Tail Power, may be included. Otter Tail Power shall supply any necessary meters. The Municipality agrees to provide a suitable location for meters to be installed on its premises.
12. The Municipality will pay for all electric energy used for municipal pumping and incidental uses as described in Paragraphs 10 and 11 above, in accordance with the provisions and changes contained in the applicable rate schedule in effect at the execution of this agreement and/or such superseding amendments or changes as are approved by the South Dakota Public Utilities Commission during the terms of this agreement.

**FIRE SIRENS**

13. The Municipality operates fire/warning sirens as listed below:

Location	Metered		Horsepower	Account Number	Billing Amount
	Yes	No			
City Pump	X		5	14-001380	Metered

**GENERAL PROVISIONS**

14. Otter Tail Power shall use due diligence and care in maintaining service, but shall not be liable for loss or damage arising from failure, either partial or total, of the service from any cause, but this shall not be construed to exempt Otter Tail Power from liability for negligence.
15. In case a meter fails to properly record the energy used, an equitable estimate will be made for the energy used during the period in question and shall be based on the best information available.
16. All previous agreements, if any, between the parties hereto, covering the subject matter hereof, are hereby cancelled and terminated as of the effective date specified in Paragraph 2 of this agreement, except as specifically provided in this agreement.

17. IN WITNESS WHEREOF, the respective parties hereto have caused this agreement to be executed by their proper officers thereunto duly authorized, and the same shall be equally binding to the respective parties and each of their successors and assigns.

OTTER TAIL POWER COMPANY,  
a division of Otter Tail Corporation

In the presence of:

\_\_\_\_\_

By *Scott Wilson*

Title *Customer Service Manager*

MUNICIPALITY

In the presence of:

\_\_\_\_\_

City of Peever

By *Joel Fortness*  
Mayor

(Municipal Seal)

(For Company use only)	Date	By
Entered to Billing Record		

SUMMARY OF CONTRACTS WITH DEVIATIONS

<u>CUSTOMER</u>	<u>CLASS OF SERVICE</u>	<u>EXECUTION AND EXPIRATION DATES</u>	<u>NON-STANDARD RATES</u>
Town of New Effington New Effington	Street Light	5/1/2002 5/1/2012	Contract period of 10 years.
City of Oldham Oldham	Street Light	5/15/2002 5/15/2012	Contract period of 10 years.
Town of Roslyn Roslyn	Street Light	10/28/1999 10/28/2009	Contract period of 10 years.
Valley Queen Cheese Boiler - Milbank	Bulk Interruptible	6/1/2005 6/1/2009	See 1st Revised Sheet No. 50.7 Code 42-680

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