

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

Docket No. EL13-014

In the Matter of Otter Tail Power
Company's Customer Information
Brochure update

**APPLICATION FOR RECONSIDERATION OF THE JUNE 18, 2013 DECISION BY
THE PUBLIC UTILITIES COMMISSION**

Pursuant to ARSD 20:10:01:29 and 20:10:01:30.01, Otter Tail Power Company, ("Otter Tail"), hereby submits this Application to the South Dakota Public Utilities Commission ("Commission") to reconsider its June 18, 2013 decision in the matter of Otter Tail's Customer Information Brochure update, more specifically the Deposit section of the brochure addressing early payment lists.

PROCEDURAL BACKGROUND

On April 30, 2013 Otter Tail filed with the Commission a request to update its Customer Information Brochure, specifically the first two paragraphs under the Customer Service section on page one of the brochure. Through formal and informal Information Requests with South Dakota Staff, Otter Tail was asked to remove the Commission's toll free number and to enhance the Deposit section of the customer information brochure by adding a paragraph describing early payment lists. Otter Tail agreed the Deposit section of the Customer Information Brochure should include a description of the early payment lists. The paragraph Otter Tail added to the Deposit section describing the early payment lists was taken directly from Otter Tail's South Dakota General Rules and Regulations Section 1.03 Sheet 2 of 2, which states:

"In lieu of accepting a cash deposit or a guarantee agreement, the Company may, place a

customer on an early payment list as defined by South Dakota Administrative Rules 20:10:19:05. Customers placed on an early payment list are required to pay a bill within five (5) business days of the due date on the bill. A customer on the early payments list will be subject to disconnection if the bill is not paid within five (5) business days.”

During the June 18, 2013 Commission meeting, the Commission determined the paragraph describing the early payment list should read as follows, as shown in strike through underline format.

“In lieu of accepting a cash deposit or a guarantee agreement, the Company may, place a customer on an early payment list as defined by South Dakota Administrative Rules 20:10:19:05. Customers placed on an early payment list are required to pay a their bill ~~within five (5) business days of the due date on the bill by the due date on the bill~~. A customer on the early payments list will be subject to disconnection if the bill is not paid within five (5) business days.”

THE PURPOSE OF SOUTH DAKOTA ADMINISTRATIVE RULE 20:10:19:05 AND THE IMPACT TO OTTER TAIL AS A RESULT OF THE COMMISSION DECISION ON THE EARLY PAYMENT PARAGRAPH.

South Dakota Administrative Rule 20:10:19:05 states, in part “The requirement of an early payment of bills may be applied in lieu of a deposit. For early payment, early disconnection shall be proper when a customer fails to pay a bill within a minimum of five working days.” Otter Tail believes this Rule is rather vague and could be interpreted in different ways. We believe the purpose of the early payment list is to give customers with unsatisfactory credit the flexibility to not have to pay a deposit and in return the customer is required to pay their bill prior to the due date on the bill. In addition, the requirement of early payment provides Otter Tail reasonable assurance of receiving timely payments from customers with unsatisfactory credit. Otter Tail believes the Commission decision on the language changes to the paragraph describing early payment lists is inconsistent with South Dakota Administrative Rule 20:10:19:05. The Commission’s decision results in customers with unsatisfactory credit and on

an early payment list would not have to pay a bill any earlier than customers with satisfactory credit. Otter Tail also believes the language changes made during the June 18, 2013 Commission meeting would place Otter Tail in the position of being treated differently than other South Dakota utilities in terms of early payment list requirements.

REQUEST FOR RECONSIDERATION ON EARLY PAYMENT LISTS.

For the above described reasons, Otter Tail respectfully requests the Commission reconsider its June 18, 2013 decision on Otter Tail's Customer Information Brochure update, more specifically the Deposit section of the brochure addressing early payment lists. If the Commission chooses to reconsider its June 18, 2013 decision, Otter Tail respectfully proposes the following changes to the description of the early payment lists in the Deposit section of Otter Tail's South Dakota Customer Information Brochure. Otter Tail's proposed changes are shown in strike through underline format.

“In lieu of accepting a cash deposit or guarantee agreement, a customer may be placed on an early payment list as defined by South Dakota Administrative Rules 20:10:19:05. Customers placed on an early payment list are required to pay their bill ~~within~~ at least five (5) business days ~~by~~ prior to the due date on the bill. A customer on the early payments list will be subject to disconnection if the bill is not paid ~~within~~ at least five (5) business days prior to the due date on the bill.”

As we described earlier, the original early payment list language added to the Deposit section of Otter Tail's South Dakota Customer Information Brochure was taken from our General Rules and Regulations Section 1.03 Sheet 2 of 2. If the Commission accepts Otter Tail's above proposal, we believe the tariff also needs to be revised so that the language in the Customer Information Brochure and our General Rules and Regulations are consistent. Therefore Otter Tail has attached a revised General Rules and Regulations Section 1.03, Sheet 2 of 2 in both

redline and non-redline format incorporating Otter Tail's proposed changes described above.

CONCLUSION

For the foregoing reasons, Otter Tail respectfully requests the Commission grant this Application for Reconsideration, approve Otter Tail's proposed language on early payment list in the Deposit section of its Customer Information Brochure and approve the revisions to Otter Tail's General Rules and Regulations, Section 1.03, Sheet 2 of 2.

Date: June 28, 2013

Respectfully submitted,

OTTER TAIL POWER COMPANY

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