

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

IN THE MATTER OF THE FILING BY OTTER)	ORDER APPROVING
TAIL POWER COMPANY FOR APPROVAL OF)	ENERGY EFFICIENCY PLAN
ITS ENERGY EFFICIENCY PARTNERSHIP)	MODIFICATIONS
PLAN FOR 2010)	

EL09-022

On October 26, 2009, an application by Otter Tail Power Company (OTP) to update the Commission on its 2009 Energy Efficiency Program and to request approval of its 2010 portfolio was filed. The filing is also requesting budget and financial incentive modifications.

At its February 23, 2010, meeting, the Commission considered OTP's application to request approval of its 2010 portfolio, modifications to OTP's grant program, and budget and financial incentive modifications. Commission Staff recommended approval of the 2010 portfolio as proposed; approval of the modifications to the grant program based on 2009 experience; approval of a budget modification, up to 30 percent, without Commission action; and approval of the requested incentive modifications, with the incentive starting at 90 percent of goal instead of 100 percent.

Commissioner Kolbeck moved to approve OTP's 2010 portfolio, approve the requested modifications to the grant program, allow budget flexibility up to 30% without Commission approval, and approve the financial incentive modifications. The motion passed unanimously. Commissioner Hanson moved to reconsider the action taken by the Commission to modify the grant program to be open to both public and private entities. The motion passed 2 -1 (Kolbeck dissenting).

The Commission finds that it has jurisdiction in the matter pursuant to SDCL 49-34A. Further, the Commission finds that OTP's requests are just and reasonable. As the Commission's final decision in this matter, it is therefore

ORDERED, that OTP's 2010 portfolio is approved as proposed. It is further

ORDERED, that OTP's grant program modification is approved and shall be open to both public and private entities. It is further

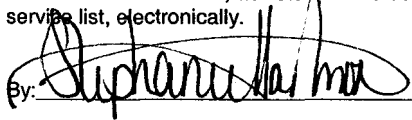
ORDERED, that OTP be granted budget flexibility up to 30 percent without Commission approval. It is further

ORDERED, that OTP's modifications to its performance incentive, with the incentive starting at 90 percent of goal instead of 100 percent is approved.

Dated at Pierre, South Dakota, this 3rd day of March, 2010.

CERTIFICATE OF SERVICE

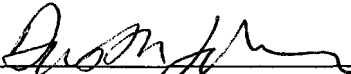
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically.

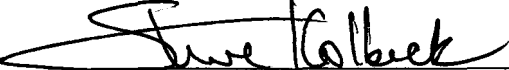
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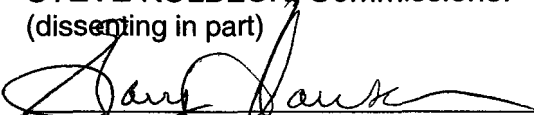
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(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:


DUSTIN M. JOHNSON, Chairman


STEVE KOLBECK, Commissioner
(dissenting in part)


GARY HANSON, Commissioner