

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

IN THE MATTER OF THE APPLICATION BY)	ORDER APPROVING THE
OTTER TAIL POWER COMPANY FOR)	JOINT MOTION FOR
AUTHORITY TO INCREASE RATES FOR)	APPROVAL OF THE
ELECTRIC SERVICE IN SOUTH DAKOTA)	SETTLEMENT STIPULATION
)	
)	EL10-011

On August 20, 2010, the Commission received an application by Otter Tail Power Company (Otter Tail) for approval to increase rates for electric service in its South Dakota service territory. Otter Tail states that it proposes to increase rates by \$2,755,954 annually or 9.96% based on Otter Tail's 2009 test year. Otter Tail states a typical residential customer will see an increase of \$9.68 per month under the rate design proposed by the Company. The proposed rate may potentially affect approximately 11,700 customers in Otter Tail's service territory. At its regularly scheduled meeting of September 14, 2010, the Commission assessed a filing fee as requested by the Commission Staff up to the statutory limit of \$125,000. Further an intervention deadline of October 8, 2010, was established. Pursuant to SDCL 49-34A-14, the Commission suspended the operation of the schedule of rates proposed by Otter Tail for 180 days beyond August 20, 2010. No interveners filed in this matter. On January 19, 2011, and January 27, 2011, the Commission received a request from Otter Tail for authority to use current rate design when implementing an interim rate increase on February 17, 2011, pursuant to SDCL Section 49-34A-17 and implementing the interim rate increase at a level lower than the rate increase identified in Otter Tail's initial application. On February 9, 2011, the Commission issued its Order Granting Request for Authority granting such requests related to interim rates. On February 24, 2011, Commission Staff and Otter Tail filed a Joint Motion for Approval of the Settlement Stipulation.

The Joint Motion and Settlement Stipulation were duly noticed for Commission consideration and action at the Commission's regular meeting of March 8, 2011. The Commission heard from Otter Tail and Staff concerning the proposed Settlement Stipulation. Having thoroughly reviewed the filings in the docket and made inquiry of the parties at the meeting, the Commission found that the terms and conditions proposed in the Settlement Stipulation were just, reasonable, and in the public interest and that good and sufficient cause was demonstrated to approve the Settlement Stipulation. The Commission voted unanimously to grant the Joint Motion for Approval of the Settlement Stipulation.

It is therefore

ORDERED, that the Joint Motion for Approval of the Settlement Stipulation is granted. The Settlement Stipulation is incorporated by reference into this Decision and Order the same as if it had been set forth in its entirety herein.

Dated at Pierre, South Dakota, this 14 day of March, 2011.

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.

By: Tina Douglas

Date: 3-4-2011

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Steve Kolbeck
STEVE KOLBECK, Chairman

Gary Hanson
GARY HANSON, Commissioner

Ch. Nelson
CHRIS NELSON, Commissioner