

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

IN THE MATTER OF THE APPLICATION BY) OTTER TAIL POWER COMPANY FOR) AUTHORITY TO INCREASE RATES FOR) ELECTRIC SERVICE IN SOUTH DAKOTA))		ORDER FOR AND NOTICE OF PROCEDURAL SCHEDULE AND NOTICE OF HEARING EL10-011
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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.

The Commission has jurisdiction in this matter pursuant to SDCL Chapters 1-26 and 49-34A, specifically 49-34A-4, 49-34A-6, 49-34A-8, 49-34A-10, 49-34A-11, 49-34A-12, 49-34A-13, 49-34A-13.1, 49-34A-17, 49-34A-19, and 49-34A-21.

Staff and Otter Tail agree the procedural schedule regarding unresolved issues shall be as follows:

DATE	PROCEDURAL SCHEDULE
February 18, 2011	Staff Testimony Due
March 28, 2011	OTP Rebuttal Testimony Due
April 12, 13 and 14, 2011	Hearing

A hearing shall be held commencing at 9:00 a.m., with marking of exhibits to begin at 8:00 a.m., on Tuesday, April 12, 2011, and continuing at 9:00 a.m., on April 13 and 14, 2011, in Room 412, State Capitol, 500 East Capitol Building, Pierre, South Dakota. The hearing is open to the public. All persons testifying shall be subject to cross-examination.

The issue at the hearing is whether any or all of the Luverne wind farm and its related costs are appropriate for rate recovery.

The hearing shall be an adversary proceeding conducted pursuant to SDCL Chapter 1-26. All parties have the right to be present and to be represented by an attorney. These rights and other due process rights shall be forfeited if not exercised at the hearing. If a party or its representative fails to appear at the time and place set for the hearing, the Final Decision will be based solely on the testimony and evidence provided, if any, during the hearing or a Final Decision may be issued by default pursuant to SDCL 1-26-20. After the hearing the

Commission will consider all evidence and testimony that was presented at the hearing. The Commission will then enter Findings of Fact, Conclusions of Law, and a Final Decision regarding this matter. As a result of this hearing, the Commission shall determine whether any or all of the Luverne wind farm and its related costs are appropriate for rate recovery. The Commission's Final Decision may be appealed by the parties to the state Circuit Court and the state Supreme Court as provided by law.

It is therefore

ORDERED, that the procedural schedule set forth above shall be followed by all parties to these proceedings. It is further

ORDERED, that the hearing shall commence at 9:00 a.m., with marking of exhibits to begin at 8:00 a.m., on Tuesday, April 12, 2011, and continuing at 9:00 a.m., on April 13 and 14, 2011, in Room 412, State Capitol Building, 500 East Capitol, Pierre, South Dakota.

Pursuant to the Americans with Disabilities Act, this hearing is being held in a physically accessible location. Please contact the Public Utilities Commission at 1-800-332-1782 at least 48 hours prior to the hearing if you have special needs so arrangements can be made to accommodate you.

Dated at Pierre, South Dakota, this 18th day of February, 2011.

<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.</p> <p>By: <u><i>Scanned [Signature]</i></u></p> <p>Date: <u>2/18/11</u></p> <p style="text-align: center;">(OFFICIAL SEAL)</p>
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BY ORDER OF THE COMMISSION:

Steve Kolbeck
STEVE KOLBECK, Chairman

Gary Hanson
GARY HANSON, Commissioner

Chris Nelson
CHRIS NELSON, Commissioner