

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

IN THE MATTER OF THE JOINT) REQUEST FOR SERVICE RIGHTS) EXCEPTION BETWEEN OTTER TAIL) POWER COMPANY AND LAKE REGION) ELECTRIC ASSOCIATION, INC.))	ORDER GRANTING APPROVAL OF AN EXCEPTION TO ASSIGNED ELECTRIC SERVICE TERRITORY EL12-052
--	---

On August 17, 2012, the South Dakota Public Utilities Commission (Commission) received a filing from Otter Tail Power Company (Otter Tail) requesting approval pursuant to SDCL 49-34A-55 of a Service Territory Exception Agreement (Agreement) between Otter Tail and Lake Region Electric Association (LREA). The Agreement will allow Otter Tail to provide three-phase service to the Blue Dog Hatchery located in LREA's service territory and will automatically terminate upon removal or abandonment of such services. The reason for the Agreement and requested service rights exception is that Otter Tail has three phase service at a more convenient location near the hatchery than does LREA.

On August 23, 2012, the Commission electronically transmitted notice of the filing and the intervention deadline of September 7, 2012, to interested individuals and entities. No petitions to intervene or comments were filed. The Commission has jurisdiction over this matter pursuant to SDCL 49-34A, specifically 49-34A-42 through 49-34A-44 and 49-34A-55.

At its regularly scheduled meeting on September 11, 2012, the Commission considered this matter. Commission Staff recommended approval of the joint request but recommended that the Commission include specific language in the order specifying that the grant for electric service territory rights exception is made contingent on the parties' ability to obtain approval and acquire land rights from the Bureau of Indian Affairs and relevant private land owners to permit the necessary transmission and distribution infrastructure to be installed on the proposed route.

Finding that the Agreement meets the standards for approval under SDCL 49-34A-55 and is in the public interest, the Commission voted unanimously to approve the Agreement and service rights exception to permit Otter Tail to provide three-phase electric service to the Blue Dog Hatchery service sites located in LREA's service territory subject to the terms of the Agreement and subject to the condition that Otter Tail is able to obtain the necessary approvals and land rights from the Bureau of Indian Affairs and private land owners to permit the service infrastructure to be installed on an acceptable route. It is therefore

ORDERED, that an exception to the assigned territory electric service rights of the parties as described herein is hereby approved subject to the terms of the Agreement. It is further

ORDERED, that this approval of an exception to established electric service territory service rights is subject to the condition that Otter Tail is able to acquire such

approvals and land rights from the Bureau of Indian Affairs and private land owners as are necessary to permit the necessary distribution infrastructure to be installed on an acceptable route for service to Blue Dog Hatchery.

Dated at Pierre, South Dakota, this 13th day of September, 2012.

<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>[Signature]</i></u></p> <p>Date: <u>Sept. 13, 2012</u></p> <p style="text-align: center;">(OFFICIAL SEAL)</p>

BY ORDER OF THE COMMISSION:

Chris Nelson
CHRIS NELSON, Chairman

Kristie Fiegen
KRISTIE FIEGEN, Commission

Gary Hanson
GARY HANSON, Commission