

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

**IN THE MATTER OF THE APPLICATION OF ) ORDER GRANTING LATE  
OTTER TAIL POWER COMPANY FOR ) FILED INTERVENTION  
AUTHORITY TO INCREASE ITS ELECTRIC )  
RATES )** **EL18-021**

On April 20, 2018, the South Dakota Public Utilities Commission (Commission) received an application from Otter Tail Power Company (Otter Tail or Company) for approval to increase rates for electric service in its South Dakota service territory (Application). Otter Tail states that it proposes a two-step increase to rates, with the first step increasing rates by \$3,358,547 annually or 10.10 percent based on Otter Tail's 2017 test year. Otter Tail states a typical residential customer will see an increase of \$11.29 per month under the rate design proposed by the Company. Otter Tail proposes to implement \$2,386,538, or 7.17 percent, of this increase on an interim basis on May 21, 2018, once the 30 days have passed from the date of the filing, pursuant to SDCL 49-34A-17, with the full amount step-one increase becoming effective upon the Commission's final disposition in this case. The second step proposes an additional \$629,107, or 1.72 percent, increase to rates, effective January 1, 2020. This second step will facilitate the recovery of the Merricourt Wind Project, which is currently projected to enter service later in 2019. A typical residential electric customer using 927 kWh will see an additional increase of \$1.75 a month as a result of the step increase. The proposed rates may potentially affect approximately 11,700 customers in Otter Tail's South Dakota service territory.

On April 26, 2018, the Commission electronically transmitted notice of the Application and the intervention deadline of June 1, 2018, to interested individuals and entities on the Commission's PUC Weekly Filings listserv. On May 16, 2018, the Commission issued an Order Suspending Operation of Proposed Rates; Order Assessing Filing Fee; Order Authorizing Consulting Contracts. On June 28, 2018, Valley Queen Cheese Factory, Inc. filed a Petition to Intervene.

The Commission has jurisdiction in this matter pursuant to SDCL 1-26, 49-1A, 49-34A, and ARSD 20:10:13 and 20:10:01:15.02 through 20:10:01:15.05.

At its regularly scheduled meeting on July 10, 2018, the Commission considered this matter. Otter Tail and Commission staff stated neither party objected to granting the Petition to Intervene. Finding that the late filed Petition to Intervene demonstrated good cause to grant intervention and that it would not unduly prejudice the rights of the other parties, the Commission voted unanimously to grant Valley Queen Cheese Factory, Inc.'s Petition to Intervene. It is therefore

ORDERED, that Valley Queen Cheese Factory, Inc.'s Petition to Intervene is hereby granted.

Dated at Pierre, South Dakota, this 16<sup>th</sup> day of July 2018.

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 or by mail.	
By:	<u>Adam DeHueckle</u>
Date:	<u>7/16/18</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

Kristie Fiegen  
KRISTIE FIEGEN, Chairperson

Gary Hanson  
GARY HANSON, Commissioner

Chris Nelson  
CHRIS NELSON, Commissioner