

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Otter Tail Corp / Dakota Valley Electric
Wahpeton Area
Service Area Agreement**

Case No. PU-08-804

**Otter Tail Corporation
Wahpeton Area - Service Area Agreement
Public Convenience and Necessity**

Case No. PU-08-851

**ORDER APPROVING ELECTRIC SERVICE AREA AGREEMENT
December 17, 2008**

On October 2, 2008, Otter Tail Corporation (Otter Tail) d/b/a Otter Tail Power Company and Dakota Valley Electric Cooperative, Inc. (Dakota Valley) filed a joint application for approval of a Service Area Agreement to establish service areas and designate service locations to be served by Otter Tail and Dakota Valley within the City of Wahpeton, North Dakota and areas adjacent to the City of Wahpeton. Applicants further requested that Otter Tail be issued a certificate of public convenience and necessity authorizing it to extend service to locations within the Otter Tail service area set forth in the agreement.

On October 30, 2008 the Commission issued a Notice of Filing, Notice of Informal Hearing and Notice of Opportunity for Hearing, which provided until December 2, 2008 for receiving written comments or hearing requests. No response has been received. The notice identified the issues to be considered in this proceeding as whether the Service Area Agreement complies with section 49-03-06 of the North Dakota Century Code and whether the approval of the Service Area Agreement and resulting certificate issuance are compatible with the public interest.

On December 3, 2008, the Commission discussed the issues with Commission staff and the applicants at an informal hearing. The applicants contend that the agreement will:

1. Create the certainty necessary for both applicants to plan and operate efficiently within the service territory granted to them;
2. Establish service areas which will avoid unreasonable duplication of electric facilities;
3. Mandate that both parties provide electric service consistent with applicable standards specified therein, so as to best assure adequate and reliable electric service to customers; and
4. Establish agreements which will help avoid territorial disputes between the parties regarding their service in and around the City of Wahpeton.

Having considered this matter the Commission finds that the Service Area Agreement complies with N.D.C.C. section 49-03-06 and that approval of the Service

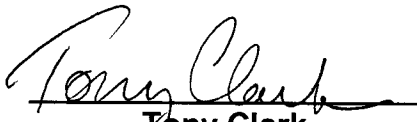

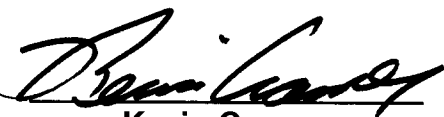
Area Agreement and resulting certificate issuance are compatible with the public interest. Therefore, the Commission issues the following:

Order

The Commission Orders:

1. The electric service agreement filed jointly by Otter Tail and Dakota Valley is APPROVED.
2. Otter Tail is issued Certificate of Public Convenience and Necessity No. 5386 authorizing the provision of electric service to customers within the agreed upon service area adjacent to the city of Wahpeton.

PUBLIC SERVICE COMMISSION

		
Tony Clark Commissioner	Susan E. Wefald President	Kevin Cramer Commissioner

**PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity
Certificate Number 5386**

This is to certify that public convenience and necessity require and permission is granted for Otter Tail Corporation to provide electric service to customers in areas adjacent to the city of Wahpeton, North Dakota as established in an electric service agreement negotiated with Dakota Valley Electric Cooperative, Inc. and approved by the Commission in Case No. PU-08-804.


This certificate is issued in accordance with the Order of this Commission dated December 17, 2008 in Case Nos. PU-08-804 and PU-08-851, and is subject to the conditions and limitations noted in the Order.

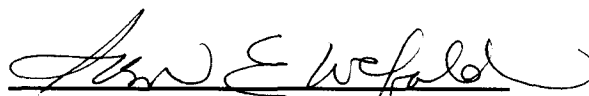
This certificate is conditioned upon Otter Tail Corporation securing the franchise or other authority of the proper municipal or other public authority for the exercise of these rights and privileges.

Bismarck, North Dakota, December 17, 2008.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Director


Commissioner