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**VIA E-FILING**

December 16, 2008

Darrell Nitschke  
Executive Secretary and Director of Administration  
North Dakota Public Service Commission  
State Capitol  
600 East Boulevard, Dept. 408  
Bismarck, ND 58505-0480

Re: Application of Otter Tail Corporation d/b/a Otter Tail Power Company for Authority to Increase Rates for Electric Service in North Dakota  
Notice of Change in Rates for Electric Service  
Case No. PU-08-862

Dear Mr. Nitschke:

Otter Tail Corporation d/b/a Otter Tail Power Company ("OTP") submits this filing in response to the North Dakota Public Service Commission's (the "Commission") December 3, 2008, ORDER ON INTERIM RATES ("ORDER") in this proceeding.

The Commission's Order was silent on the requirement to submit a compliance filing containing approved interim rate schedules effective January 2, 2009. However, OTP submits this filing to provide the Commission with OTP rate schedules with an approval date of December 3, 2008 and the complete Docket number for this proceeding.

I am providing this information both by U.S. mail (original + 10 copies) and electronically to you at [dnitschk@nd.gov](mailto:dnitschk@nd.gov) and to [ndpsc@nd.gov](mailto:ndpsc@nd.gov).

Please contact me at (218) 739-8838, or [rlspangler@otpc.com](mailto:rlspangler@otpc.com) should you have any questions with respect to this filing.

Very truly yours,

/s/ RON L. SPANGLER, JR.  
Ron L. Spangler, Jr.  
Rate Case Manager

Enclosures

14 PU-08-862 Filed 12/17/2008 Pages: 75  
Compliance Filing Containing Schedules for Approved Interim Rates Effective 1-2-09  
Otter Tail Corporation  
RateCaseMgr., Ron Spangler

**RESIDENTIAL SERVICE**

	<u>RATE ZONE 1</u>	<u>RATE ZONE 9</u>
Residential Service with Water Heating	44-101	44-109
Residential Service with Direct Control Water Heating	44-111	44-119
Residential Service without Water Heating	44-121	44-129
Total Electric Heating	44-201	44-209
Total Electric Heating with Direct Control Water Heating	44-211	44-219
Supplemental Heating	44-221	44-229
Supplemental Heating with Direct Control Water Heating	44-231	44-239

**APPLICATION OF SCHEDULE:** This schedule is applicable for single phase service through one meter for lighting, incidental uses of appliances for heating, cooking, refrigeration, air conditioning and incidental domestic power, provided that no motor with a rated capacity in excess of 5 hp shall be served on this rate. Water heating may be served under this rate. This schedule is also applicable for space heating; if more than one-half of the customer's residence is heated by electricity, the customer shall comply with the Electric Home provisions of this rate. This schedule is applicable for service to single family dwellings and individually metered dwelling units in apartments, condominiums, town houses or mobile homes.

**RATE:** Customer Charge   Zone 1   \$4.74 or  
   Zone 9   \$5.65 plus  
       First 1000   kWh used per month - 6.977¢ per kWh  
       Next 1000   kWh used per month - 5.474¢ per kWh  
       Excess       kWh used per month - 4.675¢ per kWh

**CHANGE IN BASE COST OF ENERGY:**

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N  
N

**INTERIM RATE ADJUSTMENTS:**

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N  
N  
N  
N

**MONTHLY MINIMUM CHARGE:** Customer Charge   Zone 1   \$4.74 or  
   Zone 9   \$5.65

NORTH DAKOTA PUBLIC  
 SERVICE COMMISSION  
 Approved: December 3, 2008  
 Case No. PU-08-862

RATES EFFECTIVE with bills rendered  
 on and after January 2, 2009, in ND

APPROVED: Bernadeen Brutlag  
 Manager, Regulatory Services

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**WATER HEATING CREDIT:** A \$2.00 credit per month shall be applied to all bills having direct control water heating.

**COST OF ENERGY ADJUSTMENT:** The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate M-60N, or any amendments or superseding provisions applicable thereto.

**PAYMENT:** Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

**CONTRACT PERIOD:** One year, except that service can be discontinued for a period of 30 days or more at any time upon 10 days' written notice being given by the customer to the Company.

**REGULATIONS:** General Rules and Regulations govern use under this schedule.

**ADJUSTMENT FOR MUNICIPAL PAYMENTS:** Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

As a requirement before this rate will be applied, the following conditions must be complied with:

Electric Home

1. The house must be adequately insulated and equipped with storm windows, storm doors, weather stripping where required or with devices of equal efficiency to insure that the heat loss from the house shall be kept at an economical minimum.
2. The Company reserves the right to reduce voltage and/or control the demand of space heating units for a reasonable period during the time of the Company's peak load.
3. Authorized employees of the Company shall be allowed full access to the plans and specifications for the house and allowed full opportunity to inspect the house and the heating and control installation.

The Company may require that a control system capable of automatically limiting the demand of water heaters and space heaters be installed. The control system shall be of a design acceptable to the Company.

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**RATE ZONE 9**

**ADDITIONAL RATES, RULES AND REGULATIONS FOR SEASONAL AND LAKE COTTAGE SERVICE AND RESIDENTIAL SERVICE IN RURAL AREAS**

1. These rates and regulations shall apply to seasonal and lake cottage service and to rural residential service only. Resorts, stores, farms and other commercial establishments will be billed at the rates provided for such classes of service.

2. Rate to year-around customers: Residential Service - Rural.

3. Seasonal customers will be billed at the same rate as year-around customers, except as follows:

A fixed charge of \$4.74 will be billed each seasonal customer in addition to the rate provided above. The fixed charge will be included in the first bill rendered for each season.

Each customer will be billed for the number of months each season that his residence or cottage is in use, but not less than a minimum of four months, plus the seasonal fixed charge. The Company will normally read meters and render a bill during the months of June, July, August and September. At the option of the Company, meters may be read at other times during the year and a bill will be rendered if energy recorded on the meter exceeds 100 kilowatthours.

Billing may be rendered on a two-month basis at the option of the Company; when the energy used exceeds 100 kilowatthours and more than 55 days have elapsed since the previous meter reading, the bill will be rendered on a two-month basis.

Seasonal customers will also be subject to a connection charge as provided in paragraphs 10 and 10(a).

4. The customer shall read the meter and report the reading to the Company within five days after receipt of the meter reading card when requested to do so by the Company.

5. The customer may be required to make a deposit to insure payment of bills when due. This deposit will be returned when service is disconnected, provided all obligations of the customer to the Company have been discharged, or it will be applied to the liquidation of the account.

6. The customer shall grant the right of free access to the customer's premises at all reasonable times for the purpose of reading meters or inspecting any of the electrical equipment by any of the

Company's authorized employees.

7. Service will be 120/240 volts, single phase, 60-cycle, alternating current.
8. All installations must conform to the rules and specifications of the Company and be approved by its inspector before service is allowed.
9. Off-peak water heating will be billed at the rate applicable to off-peak water heating in rural areas. All installations must conform exactly to the Company's rules and regulations, and specifications.
10. Where new service is applied for, it will be supplied in accordance with and within the limitations of the applicable policy of the Company. If a connection charge has been established for a certain beach, or certain area, a new customer applying for service in such area must pay such connection charge before receiving service, in addition to the charges specified in any rate schedule at which he is served.
- 10(a). The connection charge for a seasonal cottage connection shall be \$40.00.
11. If farming operations are carried on, then the customer must be classed as a farm and the farm rate, or other applicable rate, be charged. Raising a garden for the customer's own use shall not be classed as farming, but any ordinary farming operations, on a commercial scale, from which the customer derives income, shall be classed as farming.

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**RESIDENTIAL SERVICE**  
**(Controlled Demand)**

Rate Zones 1 & 9      Code 44-241

**APPLICATION OF SCHEDULE:** This schedule is applicable to residential or farm service customers with approved demand control systems. This schedule is applicable for single phase service through one meter for lighting, incidental uses of appliances for heating, cooking, refrigeration, air conditioning and incidental domestic power. Water heating may be served under this rate. This schedule is also applicable for space heating; the customer shall comply with the Electric Home provisions of this rate if electric heat is used.

**RATE:** Customer Charge - \$9.38

Demand: Winter, November - April - \$7.32 per kW of billing demand.

Summer, May - October - \$3.69 per kW of billing demand.

Energy: All kWh used per month - 2.909¢ per kWh

**CHANGE IN BASE COST OF ENERGY:**

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N  
N

**INTERIM RATE ADJUSTMENTS:**

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N  
N  
N  
N

**MONTHLY MINIMUM CHARGE:** Customer Charge - \$9.38

**BILLING DEMAND DETERMINATION:** The demand will be determined based on the peak 1 hour demand reading during the winter controlled period for the most recent 12 months. An estimated demand will be used for new customers until the actual controlled demand is established.

**CONTROL CRITERIA:** Service will be delivered without control for a minimum of 10 hours during any 24-hour period. Controlled periods will typically occur during the day Monday through Saturday when temperatures are below zero. Water heaters may also be controlled during the summer period.

**COST OF ENERGY ADJUSTMENT:** The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate M-60N, or any amendments or superseding provisions applicable thereto.

**PAYMENT:** Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

**CONTRACT PERIOD:** Not less than one year, unless otherwise authorized by Otter Tail Power Company.

**REGULATIONS:** General Rules and Regulations govern use under this schedule.

**ADJUSTMENT FOR MUNICIPAL PAYMENTS:** Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

As a requirement before this rate will be applied, the following conditions must be complied with if electric heat is used:

1. The house must be adequately insulated and equipped with storm windows, storm doors, weather stripping where required or with devices of equal efficiency to insure that the heat loss from the house shall be kept at an economical minimum.
2. The Company reserves the right to reduce voltage and/or control the demand of space heating units for a reasonable period during the time of the Company's peak load.
3. Authorized employees of the Company shall be allowed full access to the plans and specifications for the house and allowed full opportunity to inspect the house and the heating and control installation.

The Company may require that a control system capable of automatically limiting the demand of water heaters and space heaters be installed. The control system shall be of a design acceptable to the Company or one which is compatible with Otter Tail's radio load control system.

**WATER HEATING (OFF-PEAK)**

Rate Zones 1 & 9      Code 44-191

**APPLICATION OF SCHEDULE:** This schedule is applicable for service for residential or commercial purposes under the following limitations:

1. The tank and control equipment shall be suitable for the service and acceptable to the Company.
2. The tank is to have well-insulated covering.
3. Heating elements to be controlled by the Company's load control equipment.
4. Heating elements will be controlled so that energy will be supplied during periods deemed advisable by the Company, and hours of operation may be a minimum of 10 hours during any 24-hour period.

**RATE:** Customer Charge \$1.34 plus  
All kWh used per month - 4.015¢ per kWh

**CHANGE IN BASE COST OF ENERGY:**

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N  
N

**INTERIM RATE ADJUSTMENTS:**

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N  
N  
N  
N

**MONTHLY MINIMUM CHARGE:** Customer Charge \$1.34

**COST OF ENERGY ADJUSTMENT:** The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate M-60N, or any amendments or superseding provisions applicable thereto.

**PAYMENT:** Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

**CONTRACT PERIOD:** One year. Service may, however, be discontinued at the customer's

written request for a period of 30 days or longer.

**REGULATIONS:** General Rules and Regulations govern use under this schedule.

**ADJUSTMENT FOR MUNICIPAL PAYMENTS:** Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

**ADDITIONAL REGULATIONS APPLYING TO WATER HEATING (OFF-PEAK)**

1. Water heaters of less than 40 gallons capacity will not be served on this rate.
2. Any water heater installation with heating elements which can be energized to total over 5,500 watts at any one time requires authorization by the Company's division manager before connection to our lines.
3. The total wattage under this controlled service may be divided between an upper and a lower element, in which event both elements shall be connected to the controlled service circuit. Each element shall be controlled by a thermostat located closely adjacent to the element it controls.
4. Heating elements connected to the controlled service circuit may be used only during the hours as controlled by the Company under the provisions of this rate schedule.
5. Electrical circuits connected to the controlled service elements must be permanently wired in accordance with the Company's specifications.

**FARM SERVICE**

Rate Zone 9

				With Direct Control Water Heating
Total Use	- One Meter		44-361	44-371
Option I	- Two Meters	-- Home Use	44-241	
		-- Farm Use	44-361	
Option II	- Two Meters	-- Electric Home	44-209	44-219
		-- Farm Use	44-701	

**AVAILABILITY:** Available for single phase service to farm customers for general farm and home uses, including lighting, incidental appliances, refrigeration, cooking and power for motors.

**RATE:** Customer Charge \$7.51 plus  
 First 150 kWh used per month - 7.647¢ per kWh  
 Next 1450 kWh used per month - 5.762¢ per kWh  
 Excess kWh used per month - 4.675¢ per kWh

**CHANGE IN BASE COST OF ENERGY:**

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N  
N

**INTERIM RATE ADJUSTMENTS:**

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N  
N  
N  
N

**OPTION I RATES:** The electricity used in the farm home, for residential uses, will be billed at the Residential Controlled Demand Rate, if an approved controlled demand system is installed and all other rules and requirements specified for in that rate are satisfied, and the electricity used for "farm purposes" will be billed at farm rate 361, provided the customer gives notice to this effect and installs (at the customer's expense) the proper wiring necessary for separate metering of the farm home and the "farm uses."

**OPTION II RATES:** (Closed to new customers.) The electricity used in the farm home for total space heating and other residential uses will be billed at the Residential Rate, Zone 9, and the electricity used for "farm purposes" will be billed at 4.675¢ per kWh, provided the customer gives notice to this effect in his application and provided he separates the wiring, at his expense, to provide for separate metering of the farm home and the "farm uses."

**WATER HEATING CREDIT:** A \$2.00 credit per month shall be applied to all bills that have direct control water heating.

**MONTHLY MINIMUM CHARGE:** \$7.51 net in all cases where a single customer requires transformer capacity no greater than 25 kva. When more than 25 kva of transformer capacity is required, the above

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minimum monthly charges shall be increased at the rate of 71.797¢ for each additional kva or fraction thereof.

**COST OF ENERGY ADJUSTMENT:** The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate M-60N, or any amendments or superseding provisions applicable thereto.

**PAYMENT:** Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

**REGULATIONS:** General Rules and Regulations govern use under this schedule.

**ADJUSTMENT FOR MUNICIPAL PAYMENTS:** Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

#### **ADDITIONAL RULES AND REGULATIONS FOR RURAL ELECTRIC SERVICE**

1. Service will be 120/240 volt, single phase, 60-cycle, alternating current.
2. The Company will not connect a customer for electric service until the customer has obtained all necessary permits from the proper authorities. Service may be denied to any customer for failure to comply with the applicable requirements of these rules, or with the service regulations of the Company on file with any regulatory body having jurisdiction.
3. Customers located in rural areas shall, upon request of the Company, report the reading of his meter monthly on forms provided by the Company. The Company will verify such readings by having one of its employees read such meters at intervals of approximately 12 months.
4. The Company shall have the right to transmit electric energy over any and all extensions of lines owned by customers to be delivered to other customers who shall apply for service to be furnished either by connecting with any such existing extensions of lines or by erecting and installing a new extension of lines to connect with any such existing extension, providing that such service to any such other customer shall not interfere with the service to customers owning any such existing extensions of lines, and if it will so interfere the Company will provide and install the necessary equipment to prevent such interference, title to which additional equipment shall vest in the owners of such existing extension of lines.

#### **REGULATIONS APPLYING TO WATER HEATING**

5. Electric water heaters served at this rate shall be of a design satisfactory to the Company. Wattage of elements in use at any one time shall not exceed 5,500 watts per water heater. The Company reserves the right to limit use of the heating element during time of Company's peak load.
6. The Company has provided recommendations and regulations governing the installation of electric water heaters. These regulations should be followed in order to provide the most effective and efficient use of the service.

**GENERAL SERVICE**

		With Direct Control <u>Water Heating</u>
Rate Zone 1	44-401	44-451
Rate Zone 9	44-409	44-459

**APPLICATION OF SCHEDULE:** This schedule is applicable for 120/240-volt single and 240-volt three-phase (3 or 4-wire) electric service supplied through one meter. Three-phase service to customers located in rural areas will be supplied by contract in accordance with Otter Tail's regular policy. Service will be supplied at other available distribution voltages only upon approval by Otter Tail. This rate is not applicable for emergency, supplementary or standby service, nor for energy for resale, nor for municipal streetlighting.

All equipment to be served must be of such voltage and electrical characteristics that it can be served from the circuit provided for the main part of the load and the electricity used properly measured by the meter ordinarily installed on such a circuit. If the equipment to be served is such that this is impossible, the customer must provide any necessary transformers, auto transformers or other devices suitable for connection to the circuit provided by the Company.

Intermittent and highly fluctuating loads requiring a separate service line or separate transformer may be served through a separate meter, on this rate, with a separate billing.

**RATE:** Customer Charge Zone 1 \$6.65 or  
 Zone 9 \$7.95 plus  
 First 1000 kWh used per month - 9.153¢ per kWh  
 Next 1000 kWh used per month - 8.054¢ per kWh  
 Excess kWh used per month - 6.589¢ per kWh  
  
 Except all kWh in excess of 200 kWh  
 per month per kW of billing demand - 4.928¢ per kWh

**CHANGE IN BASE COST OF ENERGY:**

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N  
 N

**INTERIM RATE ADJUSTMENTS:**

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N  
 N  
 N  
 N

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**DISCOUNT AVAILABLE:**

**PRIMARY METERING** -- Metering may be at primary voltage (available line voltage but not less than 2,400 volts) at the option of Otter Tail. In this event, a discount of 2% will be allowed to compensate customer for transformer losses, etc.

**PRIMARY SERVICE** -- 3% if transformers, associated equipment and necessary supporting structures, and other distributing facilities between the transformers and the load are supplied by the customer but metering is at secondary voltage.

**PRIMARY METERING & PRIMARY SERVICE** -- 5% if service is metered at primary voltage and customer supplies transformers, associated equipment and necessary supporting structures, and distributing facilities.

**WATER HEATING CREDIT:** A \$2.00 credit per month shall be applied to all bills that have direct control water heating.

**MONTHLY MINIMUM CHARGE** - Rate Zone 1 (Urban) Service Area:

\$6.65 for lighting, motors individually rated at less than one horsepower, ordinary appliances and domestic-type ranges, plus:

57.438¢ per kva for the first 20 kva of all other connected load.

28.719¢ per kva for any additional kva of other connected load.

Connected Load -- shall be the rated maximum kva operating input to each unit of equipment as determined from the nameplate. Connected load of motors shall be assumed as one kva per horsepower of nameplate rating. If a nameplate does not contain sufficient data to determine the rating, the connected load may be determined by test under maximum operating conditions.

Equipment not counted in determining connected load -- lighting, 120-volt appliances individually rated at 15 amperes or less, motors individually rated at less than one horsepower, and domestic-type ranges.

**MONTHLY MINIMUM CHARGE:** Rate Zone 9 - Rural Areas \$7.95 in all cases where a single customer requires transformer capacity no greater than 10 kva. When more than 10 kva of transformer capacity is required, the above minimum monthly charges shall be increased at the rate of 71.797¢ for each additional kva or fraction thereof.

**DETERMINATION OF DEMAND:** The billing demand shall be the maximum demand in kW as measured by a maximum demand meter, for any period of 15 consecutive minutes during the month for which the bill is rendered, but in no event will it be considered less than 3 kW.

If a major part of the load is intermittent and highly fluctuating, and of such a nature that ordinary demand meters will not register the true amount of demand required by the load, the billing demand may be computed in accordance with the Company's rules and regulations; or may be the instantaneous maximum demand computed from the nameplate rating or from tests under maximum operating conditions, or may be considered to be the rated capacity in kva of the transformers needed to serve the load satisfactorily.

If it is impractical or impossible to measure the demand and the current used with one meter or metering equipment, the Company may, at its option, install separate meters and combine the readings of such meters before applying the rate. If this is done, no allowance shall be made for diversity, but all demands and consumptions shall be added together to determine the totals on which billing will be made.

Because of the expense involved in reading and resetting demand meters in a rural area, a demand established by test during a normal period of use and this demand, if less than 10 kW, may be considered the billing demand, subject to recheck from time to time. Demands consistently exceeding 10 kW will normally be established by a demand meter read monthly.

**COST OF ENERGY ADJUSTMENT:** The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate Designation M-60N, or any amendments or superseding provisions applicable thereto.

**PAYMENT:** Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

**REGULATIONS:** General Rules and Regulations govern use under this schedule.

**ADJUSTMENT FOR MUNICIPAL PAYMENTS:** Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

**GENERAL SERVICE  
 (Controlled Demand - Experimental)**

Rate Zone 1 & 9

On-Peak	44-433
Off-Peak	44-434

**APPLICATION OF SCHEDULE:** This schedule is limited to 40 general service customers. This schedule is applicable for 120/240-volt single and 240-volt three-phase (3 or 4-wire) electric service supplied through one meter. Three-phase service to customers located in rural areas will be supplied by contract in accordance with Otter Tail's regular policy. Service will be supplied at other available distribution voltages only upon approval by Otter Tail. This rate is not applicable for emergency, supplementary or standby service, nor for energy for resale, nor for municipal streetlighting. Water heating and space heating may be served under this rate.

**RATE:**

Facilities Charge: \$14.12

Demand:

	<u>On-Peak</u>	<u>Off-Peak</u>
Winter, November - April	\$7.51 per kW of billing demand.	\$0.96 per kW of billing demand.
Summer, May - October	\$5.60 per kW of billing demand.	\$0.96 per kW of billing demand.

Energy: All kWh used per month - 3.473¢ per kWh

**CHANGE IN BASE COST OF ENERGY:**

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N  
N

**INTERIM RATE ADJUSTMENTS:**

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N  
N  
N  
N

**BILLING DEMAND DETERMINATION:** The on-peak winter demand will be based on the maximum 1 hour demand reading during the winter controlled period for the most recent 12

months. The on- peak summer demand will be based on the maximum 1 hour demand reading during the summer controlled period for the most recent 12 months. The winter off-peak demand will be based on the maximum 1 hour demand reading during the winter uncontrolled period for the most recent 12 months. The summer off-peak demand will be based on the maximum 1 hour demand reading during the summer uncontrolled period for the most recent 12 months.

**CONTROL CRITERIA:** Service will be delivered without control for a minimum of 10 hours during any 24-hour period. Controlled winter periods will typically occur during the day Monday through Saturday when temperatures are below zero. Controlled summer periods will typically occur during the day Monday through Saturday when temperatures are above 80 degrees.

**COST OF ENERGY ADJUSTMENT:** The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate Designation M-60N, or any amendments or superseding provisions applicable thereto.

**PAYMENT:** Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

**MONTHLY MINIMUM CHARGE:** \$14.12 plus the applicable on-peak and off-peak demand charge.

**CONTRACT PERIOD:** Not less than one year, unless otherwise authorized by Otter Tail Power Company.

**REGULATIONS:** General Rules and Regulations govern use under this schedule.

**ADJUSTMENT FOR MUNICIPAL PAYMENTS:** Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

As a requirement before this rate will be applied, authorized employees of the Company shall be allowed full access to the plans and specifications for the building and allowed full opportunity to inspect the building and the heating and control installation.

The Company may require that a control system capable of automatically limiting the demand of water heaters and space heaters be installed. The control system shall be of a design acceptable to the Company or one which is compatible with Otter Tail's radio control system.

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**ELECTRIC CLIMATE CONTROL  
(Non-Residential General Service) (Closed)  
Rate Zones 1 & 9**

Rate E - not less than 10% of total	44-493
Rate E - not less than 50% of total	44-494

**APPLICATION OF SCHEDULE:** This schedule shall be applicable to any non-residential customer requesting electric service for heating and general service in compliance with the requirements outlined as follows:

1. The customer shall have installed and in use an approved electric space heating installation which is the sole means for heating certain specific areas, complying with Otter Tail's specifications and requirements;
2. The customer may also have installed and in use an approved air conditioning (cooling) installation which is the sole means for cooling certain specific areas, complying with Otter Tail's specifications and requirements;
3. The customer may also have installed and in use an approved electric cooking or process heating installation which is the sole means for providing heat for this equipment. Electric water heaters may be included;
4. Electric heating equipment used pursuant to either No. 1 or No. 3 above shall be resistance non-inductive type or heat pump (reverse refrigeration cycle) or combination of the two. Other types of heating equipment will be served at this rate only by special authorization.

**RATE:**

**CUSTOMER CHARGE** \$7.90 plus the minimum billing under E shall be the greater of 10% of the total kwh used during the month or 300 kwh (but not to exceed the total kwh used); except that if the space heating included in H shall be the source of heat for only a portion of the premises and shall be less than 30% of the total connected load, in that event the minimum billing under E shall be the greater of 50% of the total kwh used during the month or 300 kwh (but not to exceed the total kwh used). Except to comply with these qualifications, the rate will be applied as follows:

H. First 200 kwh used per month per installed kw of electric space heating equipment during the 8 heating months of January, February, March, April, May, October, November and December --

Heating - 4.832¢ per kwh

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**RATE:**

A. C. First 200 kwh used per month for each 5,000 Btu per hour of electric air conditioning (cooling) during the 4 months of June, July, August and September --

Air Conditioning - 4.832¢ per kwh

Where the air conditioning systems cool only the same specific area heated by electricity, the Btu allowance will be based on the installed capacity of the air conditioning equipment. Where the air conditioning systems cool more than the areas heated electrically, the Btu allowance shall be based on 2,000 Btu per hour for each kw of installed heating. There shall be no Btu allowance for cooling capacity in areas not heated electrically.

C. Next 30 kwh used per month per kw of installed electric cooking, process heating, food heating and water heating equipment --

Cooking - 4.832¢ per kwh

E. Next 1000 kwh used per month - 10.354¢ per kwh  
Next 1000 kwh used per month - 8.968¢ per kwh  
Excess kwh used per month - 7.207¢ per kwh

All kwh included in E in excess of 200 kwh  
per kw of billing demand - 5.325¢ per kwh

**CHANGE IN BASE COST OF ENERGY:**

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N  
N

**INTERIM RATE ADJUSTMENTS:**

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N  
N  
N  
N

**DISCOUNTS AVAILABLE:** Discounts for Primary Service or Primary Metering are available by mutual agreement in accordance with the rule attached.

**MONTHLY MINIMUM CHARGE:** Customer Charge \$7.90

**SERVICE SUPPLY, UTILIZATION EQUIPMENT:** This schedule is applicable for 120/240 volt single and 240 volt three-phase (3 or 4 wire) electric service supplied through one meter.

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Service will be supplied at other available distribution voltages only upon approval by Otter Tail. This rate is not applicable for emergency, supplementary or standby service, nor for energy for resale, nor for municipal streetlighting.

All equipment to be served must be of such voltage and electrical characteristics that it can be served from the circuit provided for the main part of the load and the electricity used properly measured by the meter ordinarily installed on such a circuit. If the equipment to be served is such that this is impossible, the customer must provide any necessary transformers, auto transformers or other devices suitable for connection to the circuit provided by the Company.

Intermittent and highly fluctuating loads requiring a separate service line or separate transformer may be served through a separate meter, on this rate, with a separate billing.

**DETERMINATION OF DEMAND:** The billing demand shall be the maximum demand in kw, as measured by a demand meter, for any period of fifteen consecutive minutes during the month for which the bill is rendered, but in no event shall it be considered less than 10 kw. Fractions of a kw will be dropped.

If a major part of the load is intermittent and highly fluctuating, and of such a nature that ordinary demand meters will not register the true amount of demand required by the load, the billing demand may be computed in accordance with the Company's rules and regulations; or may be the instantaneous maximum demand computed from the nameplate rating or from tests under maximum operating conditions, or may be considered to be the rated capacity in kva of the transformers needed to serve the load satisfactorily.

If it is impractical or impossible to measure the demand and the current used with one meter or metering equipment, the Company may, at its option, install separate meters and combine the readings of such meters before applying the rate. If this is done, no allowance shall be made for diversity, but all demands and consumptions shall be added together to determine the totals on which billing will be made.

**COST OF ENERGY ADJUSTMENT:** The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate M-60N, or any amendments or superseding provisions applicable thereto.

**TAX REFORM ACT CREDIT ADJUSTMENT:** A tax credit adjustment of 4.27% shall be subtracted from all billings.

**PAYMENT:** Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

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**CONTRACT PERIOD:** Not less than one year, unless otherwise authorized by Otter Tail.

**REGULATIONS:** For regulations governing use under this schedule, apply to the Company.

**ADJUSTMENT FOR MUNICIPAL PAYMENTS:** Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

**DISCOUNTS AVAILABLE:**

**PRIMARY METERING** - Metering may be at primary voltage (available line voltage but not less than 2,400 volts) at the option of Otter Tail. In this event, a discount of 2% will be allowed to compensate customer for transformer losses, etc.

**PRIMARY SERVICE** - 3% if transformers, associated equipment and necessary supporting structures, and other distributing facilities between the transformers and the load are supplied by the customer but metering is at secondary voltage.

**PRIMARY METERING & PRIMARY SERVICE** - 5% if service is metered at primary voltage and customer supplies transformers, associated equipment and necessary supporting structures, and distributing facilities.

**SPECIAL REQUIREMENTS:**

1. The specifications for an Approved Electric Space Heating Installation are as follows:
  - a. The areas considered to be heated by the electric space heating equipment shall be partitioned off or otherwise separated from areas heated by other fuels in such manner that no significant portion of the heat requirement is provided from non-electric sources.
  - b. The Space Heating Equipment considered in the application of "H" shall not exceed by more than 15% the heat loss in kw of the premises heated thereby, as computed, or agreed to by Otter Tail.
  - c. In a building where a significant amount of the space heating is accomplished by heat derived from other electric equipment, not specifically considered to be Space Heating Equipment, the installed kw of electric space heating equipment may be adjusted therefore or may be considered to be the heat loss of the building, as agreed to by Otter Tail.
  - d. The premises must be adequately insulated and equipped with storm windows, storm doors, weather stripping where required or with devices of equal efficiency to meet established

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standards of the Power Company to insure that the heat loss shall be kept at an economical minimum.

e. The space heating equipment shall be rated 240 volts (unless otherwise approved), of adequate size, properly located, so as to heat the premises to a comfortable temperature during normal winter weather experienced in this area, of a design acceptable to the Power Company, shall be permanently installed and shall be the sole source of space heating for the specific areas as designated.

f. All space heating electricity must be supplied through the general service meter serving the customer's electrically-heated premises.

g. Authorized employees of the Power Company shall be allowed full access to the plans and specifications for the building and allowed full opportunity to inspect the premises and the heating, cooling and control installation.

The inspection of the installation by an authorized representative of the Power Company is necessary before application of this rate is permitted.

2. The specifications for an Approved Electric Air Conditioning Installation are as follows:

a. Air conditioning equipment serving customer's premises and under his control must utilize electricity as the sole source of energy for the operation of such equipment.

b. Air conditioning equipment must be of refrigeration type utilizing compressors driven by electric motors.

3. The specifications for an Approved Electric Cooking Installation are as follows:

a. The electric cooking equipment may be either commercial or domestic type.

b. Major units of equipment must be permanently wired.

c. Electrically heated steam tables, radiant heaters or infrared lamps or other electrical devices used for similar purposes may be considered electric cooking equipment.

d. Equipment considered must be in active, regular use. Duplicate reserve equipment or equipment which is infrequently used will not be included.

4. Process Heating equipment may include:

- a. Electrically heated melting pots for typecasting or similar machines.
- b. Electrically heated equipment for heat treating of metal or metal parts, including induction heating equipment.
- c. Electrically operated induction heating or dielectric heating equipment.
- d. Other devices or new types of equipment may be authorized if through electric heating they perform similar work.
- e. Equipment considered must be in active, regular use.
- f. X-ray equipment, diathermy machines, etc., will not be included.

**LARGE GENERAL SERVICE**

Rate Zones 1 & 9

Transmission Service	44-632
Primary Service	44-602
Secondary Service	44-603

**APPLICATION OF SCHEDULE:** This schedule is applicable upon request for single and three-phase electric service supplied through one meter. This rate is not applicable for energy for resale, nor for municipal streetlighting. Emergency, supplementary or standby service will be supplied only in accordance with the terms applying to such service.

All equipment to be served must be of such voltage and electrical characteristics that it can be served from the circuit provided for the main part of the load and the electricity used properly measured by the meter ordinarily installed on such a circuit. If the equipment to be served is such that this is impossible, the customer must provide any necessary transformers, auto transformers or other devices suitable for connection to the circuit provided by the Company.

Intermittent and highly fluctuating loads requiring a separate service line or separate transformer may be served through a separate meter, on this rate, with a separate billing.

**RATE:**

Demand:	<u>Transmission Service</u>	<u>Primary Service</u>	<u>Secondary Service</u>
First 100 kW of billing demand	\$7.23 /kW	\$8.04 /kW	\$8.33 /kW
Excess kW of billing demand	\$5.65 /kW	\$6.51 /kW	\$6.80 /kW

PLUS:

Energy:

All over 360 kWh per kW of billing demand	-- 2.935¢ per kWh
First 700,000 kWh	-- 3.784¢ per kWh
Excess kWh	-- 2.979¢ per kWh

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**CHANGE IN BASE COST OF ENERGY:**

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N  
N

**INTERIM RATE ADJUSTMENTS:**

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N  
N  
N  
N

**MONTHLY MINIMUM CHARGE:** The demand charge, computed in accordance with the terms of this rate.

**DETERMINATION OF BILLING DEMAND:** Otter Tail Power, at its option, will calculate the billing demand as: 1) the maximum kW as measured by a suitable demand meter for any period of 15 consecutive minutes during the months for which the bill is rendered adjusted for excess reactive demand; or 2) the standard minimum; or 3) the special billing demand as defined below.

(Standard Minimum) the greater of 80 kW or

25% of the first	500 kW plus
50% of the next	500 kW plus
75% of the excess	kW of billing demand in excess of 1000 kW, established during the preceding 11 months.

**SPECIAL BILLING DEMAND:** Upon customer request, Otter Tail Power may calculate the demand used for billing as the average of the previous twelve billing demands. The use of, or occurrences of, a special billing demand shall not exceed six billing months during any twelve month billing period. Otter Tail Power may agree to the use of the special billing demand upon conditions where customers have incurred, or can take advantage of, increased demand levels and the increased demand levels did not, or will not, increase Otter Tail Power's peak load. During the period under which the customer's billing demand is calculated in accordance to the provision of the Special Billing Demand, Otter Tail Power reserves the right to curtail the customer's additional demand (i.e., any demand over the special billing demand level) back to the customer's special billing demand in order to maintain the integrity of Otter Tail Power's generation and transmission systems.

**ADJUSTMENT FOR EXCESS REACTIVE DEMAND:** The billing demand shall be increased by one kW for each whole 10 kvar of reactive demand in excess of 50% of the measured demand in kW.

**METERING:** If it is impractical or impossible to measure the demand and the energy used with one meter or metering equipment, Otter Tail may, at its option, install separate meters and combine the readings of such meters before applying the rate. If this is done, no allowance shall be made for

diversity but all demands and consumptions shall be added together to determine the totals on which billing will be made.

**EMERGENCY, SUPPLEMENTARY OR STANDBY SERVICE:** Emergency, supplementary or standby service will be provided only subject to individual negotiation, in each instance.

**COST OF ENERGY ADJUSTMENT:** The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate M-60N, or any amendments or superseding provisions applicable thereto.

**PAYMENT:** Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

**CONTRACT PERIOD:** This rate is applicable only by signed agreement, setting forth the location and conditions applicable to the electric service, and providing for an initial minimum contract period of three years, unless otherwise authorized by Otter Tail.

**REGULATIONS:** General Rules and Regulations govern use under this schedule.

**ADJUSTMENT FOR MUNICIPAL PAYMENTS:** Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

## REAL TIME PRICING RIDER

### Rates Zones 1 & 9

Transmission Service	44-660
Primary Service	44-662
Secondary Service	44-664

**AVAILABILITY:** This rider is available on a voluntary basis.

**APPLICABILITY:** This rider will be provided to any customer served under Rate Designations C-02N, C-04N, and G-01N who has maintained a measured demand of at least 200 kW during the historical period used for Customer Baseline Load (“CBL”) development.

**TYPE OF SERVICE:** Three phase, 60 hertz at any available standard voltage.

**TERM OF SERVICE:** Service under this rider shall be for a period not less than one year. The customer shall take service under this rider by either signing new electric service agreements with Otter Tail Power or by entering into amendments of existing electric service agreements. A customer who voluntarily cancels service under this rider is not eligible to receive service again under this rider for a period of one year.

**PRICING METHODOLOGY:** Hourly prices are determined for each day based on projections of the hourly system incremental generation costs, transmission costs, losses according to voltage level, hourly outage costs (when applicable), and profit margin.

**CUSTOMER BASELINE LOAD:** The Customer Baseline Load is specific to each Real Time Pricing (“RTP”) Customer and is developed using a 12-month period of hourly (8,760) energy levels (kWh) as well as the corresponding twelve monthly billing demands based on the customer's rate schedule under which it was being billed immediately prior to taking service under the RTP Rider. The customer’s CBL must be agreed to in writing by the customer as a precondition of receiving service under this rider.

### **CUSTOMER BASELINE LOAD:**

The customer’s CBL is a representation of its typical pattern of electricity consumption and is derived from historical usage data. The CBL is used to produce the Standard Bill and from which to measure changes in consumption for purposes of billing under the RTP rider.

**STANDARD BILL:** The Standard Bill is calculated by applying the charges in the rate

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schedule under which the customer was being billed immediately prior to taking service under the RTP rider to both the customer's CBL demand (adjusted for reactive demand) and the CBL level of energy usage for each month of the RTP service year. Otter Tail Power will immediately adjust a customer's Standard Bill to reflect any changes which are approved by the North Dakota Public Service Commission to the applicable rate schedule.

**BILL DETERMINATION:** A Real Time Pricing bill will be rendered after each monthly billing period. The bill consists of an Administrative Charge, a Standard Bill, a charge (or credit) for consumption changes from the CBL, and an excess reactive demand charge/credit. The monthly bill is calculated using the following formula:

$$\text{RTP Bill}_{\text{Mo}} = \text{Adm. Charge} + \text{Std Bill}_{\text{Mo}} + \text{Consumption Changes from CBL}_{\text{Hr}} + \text{Excess Reactive Demand}$$

Where:

RTP Bill<sub>Mo</sub> = Customer's monthly bill for service under this Rider

Adm. Chg. = See Administrative Charge section below

Std. Bill<sub>Mo</sub> = See Standard Bill section above

Consumption Changes From CBL =  $3 \{ \text{Price}_{\text{Hr}} \times \{ \text{Load}_{\text{Hr}} - \text{CBL}_{\text{Hr}} \} \}$

Excess Reactive Demand = See Excess Reactive Demand section below

3 = Sum over all hours of the monthly billing period

Price<sub>Hr</sub> = Hourly RTP price as defined under Pricing Methodology

Load<sub>Hr</sub> = Customer's actual load for each hour of the billing period

CBL<sub>Hr</sub> = Customer's CBL energy usage for each hour of the billing period

**ADMINISTRATIVE CHARGE:** An Administrative Charge in the amount of \$180 will be applied to each monthly bill to cover billing, administrative, metering, and communication costs associated with real-time pricing.

**CHANGE IN BASE COST OF ENERGY:**

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N  
N

**INTERIM RATE ADJUSTMENTS:**

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N  
N  
N  
N

**CONSUMPTION CHANGES FROM CBL:** Hourly RTP prices are applied only to the difference, determined in kWhs for each hour of the billing period, between the customer's actual energy usage and its CBL energy usage.

**EXCESS REACTIVE DEMAND:** The Reactive Demand shall be the maximum KVAR registered over any period of one hour during the month for which the bill is rendered. A separate charge or credit will be made on the bill to reflect incremental changes from the reactive demand used in the Standard Bill calculation.

**DETERMINATION OF THE CBL:**

1. Development of the customer's CBL.

For a customer who elects to take service under this RTP rider, Otter Tail Power and the customer will develop a CBL using hourly load data from a representative 12-month period. The representative hourly load data to be used will be historical data that originates within two years (24 months) of the date that the customer begins receiving service under the RTP rider.

In situations where hourly data are not available for a particular customer, a CBL will be made by using available aggregate metered usage data and load shapes from customers with similar usage patterns along with engineering and operating data provided by the Customer and which is verified by Otter Tail.

2. Calendar Mapping of the Base-Year CBL to the RTP service year.

To provide the customer with the appropriate CBL for each day of the RTP service year, each day of the base-year CBL is calendar-mapped to the corresponding day of the RTP service year. Calendar-mapping is a day-matching exercise performed to assure that Mondays are matched to Mondays, Tuesdays are matched to Tuesdays, holidays to holidays, and so forth. Calendar-mapping also reflects customer shutdown schedules. Calendar-mapping is performed prior to each year of RTP service, after any necessary adjustments (as defined below) are made to the CBL.

**CBL ADJUSTMENTS:** In order to assure that the CBL accurately reflects the energy that the customer would consume on its otherwise applicable rate schedule, adjustments to the CBL shall be made for:

1. The installation of permanent energy efficiency measures as a result of participation in

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Otter Tail's Conservation Improvement Project or other verifiable conservation or technology efficiency improvement measures. At any time during the RTP service year, customers can request that CBL adjustments be made to reflect efficiency improvements and that the adjustment coincide with the time of the installation or change-out.

2. The permanent removal of customer equipment or a change to operating procedures that results in a significant and permanent reduction of electrical load. At any time before or during the RTP service year, Otter Tail will make adjustments to the CBL to coincide with the time that the equipment is removed or changes to operating procedures.

**CBL ADJUSTMENTS:** (Continued)

3. The permanent addition of customer equipment that has been or will be made prior to the *initial* RTP service year is based upon known changes in customer usage and/or demand that are not directly related to the introduction of RTP.
4. One-time, extraordinary events such as a tornado or other natural causes or disasters outside the control of the customer or Otter Tail. In these cases, Otter Tail will make adjustments to the CBL as warranted by the circumstance.

**CBL RECONTRACTING:** RTP customers, at the time of initial subscription and during future re-subscription periods, shall select a recontracting Adjustment Factor that will be used in the CBL adjustment rule defined below for the next RTP service year. The Adjustment Factor shall be a number between zero and one inclusive.

After taking service under the RTP rider for one full year, the CBL for the second (and subsequent) year(s) of RTP service will be based on both the CBL and the actual load. CBLs will be developed for subsequent years based upon the following general rule:

$$CBL_{t+1} = CBL_t + \{ \text{Adjustment Factor} \times (\text{Actual load}_t - CBL_t) \}$$

**PRICE NOTIFICATION:** Otter Tail Power shall make available to customers, no later than 4:00 p.m. (Central Time) of the preceding day, hourly RTP prices for the next business day. Except for unusual periods where an outage is at high risk, Otter Tail will make prices for Saturday through Monday available to customers on the previous Friday. More than one-day-ahead pricing may also be used for the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas.

Because high-outage-risk circumstances prevent Otter Tail from projecting prices more than one day in advance, Otter Tail reserves the right to revise and make available to customers prices for Sunday, Monday, any of the holidays mentioned above, or for the day following a holiday. Any

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revised prices shall be made available by the usual means no later than 4:00 p.m. of the day prior to the prices taking effect.

Otter Tail is not responsible for a customer's failure to receive or obtain and act upon the hourly RTP prices. If a customer does not receive or obtain the prices made available by Otter Tail, it is the customer's responsibility to notify Otter Tail by 4:30 p.m. (Central Time) of the business day preceding the day that the prices are to take effect. Otter Tail will be responsible for notifying the customer if prices are revised.

**SPECIAL PROVISIONS:**

1. If there is a change in the legal identity of the customer receiving service under this RTP rider, service shall be terminated unless Otter Tail and the customer make other mutually agreeable arrangements.
2. All equipment to be served must be of such voltage and electrical characteristics so that it can be served from the circuit provided for the main part of the load and so that the electricity used can be properly measured by the meter ordinarily installed on such a circuit. If the equipment is such that it is impossible to serve from existing circuits, the customer must provide any necessary transformers, auto transformers, or any other devices so that connection can be made to the circuit provided by Otter Tail.
3. If the customer's actual load exceeds the CBL by an amount that requires Otter Tail to install additional facilities to serve the customer, the customer will be responsible for any and all costs incurred by Otter Tail to install the facilities.

**REGULATIONS:** General Rules and Regulations govern use under this schedule.

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**OFF-PEAK RIDER**  
**(Applicable to Large General Service)**

Rate Zones 1 & 9

Transmission Service	44-634
Primary Service	44-604
Secondary Service	44-605

**AVAILABLE:** To customers who make written application to the Company for operation on an off-peak basis.

**RATE:** Large General Service except for the following:

Billing Demand: Billed at the demand charge as specified in the rate. The billing demand shall be the greater of the maximum kW established during the "On- Peak" period for the month for which the bill is rendered;

or two-thirds of the maximum demand established during the hours from 6:00 a.m. to 8:00 a.m. and 10:00 p.m. to 12:00 midnight, Monday through Saturday of each week,

or one-half of the maximum demand established during the hours from 12:00 midnight to 6:00 a.m., Monday through Saturday of each week and from 12:01 a.m. to 12:00 midnight all day Sunday,

or not less than 75% of the highest billing demand established during the previous five months of the corresponding seasonal period.

If the billing period ends during the summer period from May 1 to October 31, the "previous five months" shall be those falling only within a summer period. If the billing period ends during the winter period from November 1 to April 30, the "previous five months" shall be those falling only within a winter period.

"On-Peak" hours: 8:00 a.m. to 10:00 p.m. Monday through Saturday of each week for both summer and winter periods.

"Off-Peak" hours and Demand: The "Off-Peak" hours shall be all those hours not falling within the hours specified as "On-Peak." Demands established during the off-peak period shall be billed only as provided for under the "Billing Demand" provision in this rider. All demands shall be adjusted for excess reactive demand as provided for in the basic rate schedule.

**CHANGE IN BASE COST OF ENERGY:**

**N**

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NORTH DAKOTA PUBLIC  
SERVICE COMMISSION  
Approved: December 3, 2008  
Case No. PU-08-862

RATES EFFECTIVE with bills rendered  
on and after January 2, 2009, in ND

APPROVED: Bernadeen Brutlag  
Manager, Regulatory Services

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule. N

**INTERIM RATE ADJUSTMENTS:**

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, N  
Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the N  
monthly Minimum Charge. N

**LARGE GENERAL SERVICE - TIME OF DAY**  
 Rate Zones 1 & 9

	<u>On-Peak</u>	<u>Shoulder</u>	<u>Off-Peak</u>
Transmission Voltage Service	44-611	44-614	44-613
Primary Voltage Service	44-610	44-615	44-612
Secondary Voltage Service	44-639	44-637	44-640

**APPLICATION OF SCHEDULE:** This schedule is applicable upon request for customers with a load of at least 80 kW for single or three-phase electric service supplied through one meter. This rate is not applicable for energy for resale, municipal streetlighting, emergency, supplementary or standby service.

All equipment to be served must be of such voltage and electrical characteristics that it can be served from the circuit provided for the main part of the load and the electricity used properly measured by the meter ordinarily installed on such a circuit. If the equipment to be served is such that this is impossible, the customer must provide and maintain any necessary transformers, auto transformers or other devices suitable for connection to the circuit provided by the Company.

Intermittent and highly fluctuating loads requiring a separate service line or separate transformer may be served through a separate meter, on this rate, with a separate billing.

**RATE:**

	Transmission Voltage Service	Primary Voltage Service	Secondary Voltage Service
Customer Charge \$/Month	\$135.00	\$135.00	\$119.00
<u>Customer Owned Facilities</u>	<u>Required</u>	<u>Required</u>	<u>Not Required</u>
Energy Charges \$/kWh			
Winter			
Peak	\$0.0624	\$0.0685	\$0.0692
Shoulder	\$0.0427	\$0.0471	\$0.0476
Off-Peak	\$0.0119	\$0.0139	\$0.0140
Summer			
Peak	\$0.0900	\$0.1049	\$0.1061
Shoulder	\$0.0322	\$0.0366	\$0.0369
Off-Peak	\$0.0106	\$0.0127	\$0.0129

**RATE (continued):**

	Transmission Voltage Service	Primary Voltage Service	Secondary Voltage Service
Distribution Facilities Charge \$/kW of Annual Peak/Month			
Less than 150 kW	Not Applicable	Not Applicable	\$0.29
150 kW - 299 kW	Not Applicable	Not Applicable	\$0.20
300 kW - 499 kW	Not Applicable	Not Applicable	\$0.16
Greater than 500 kW	Not Applicable	Not Applicable	\$0.13
Power Factor Penalty \$/Excess kW per Month			
	\$6.60	\$6.60	\$7.10

Minimum Bill: Applies to all service levels - 2.5 times sum of customer and facility charges

**RATE DEFINITIONS:**

Customer Owned Facilities:

Transmission Voltage Service customers own the substation and all distribution facilities.

Primary Voltage Service customers own all distribution facilities dedicated to serve the customers load.

Distribution Facilities Charge: Applies to Secondary Voltage Service customers only. This monthly charge is based on customer's annual maximum metered 15-minute demand as recorded in the current or previous 11 months, but no less than 80 kW.

Power Factor Penalty: defined as one kW for each whole 10 kvar of reactive demand in excess of 50% of the peak measured demand in the billing month.

**CHANGE IN BASE COST OF ENERGY:**

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N  
N

**INTERIM RATE ADJUSTMENTS:**

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N  
N  
N  
N

**COST OF ENERGY ADJUSTMENT:** The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate Designation M-60N, or any amendments or superseding provisions applicable thereto.

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**CUSTOMER CONNECTION CHARGE:** Refer to Payment Policy Rate Schedule, Rate Designation M-62N.

**PAYMENT:** Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

**CONTRACT PERIOD:** This rate is applicable only by signed agreement, setting forth the location and conditions applicable to the electric service, and providing for an initial minimum contract period of one year, unless otherwise authorized by Otter Tail.

**REGULATIONS:** General Rules and Regulations govern use under this schedule.

**ADJUSTMENT FOR MUNICIPAL PAYMENTS:** Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

**DEFINITION OF ON-PEAK, SHOULDER AND OFF-PEAK PERIODS BY SEASON:**

**Summer Season: June – September billings**

On-Peak: Monday – Friday, from 11:01 am to 9:00 pm

Shoulder: Monday – Friday from 9:01 am to 11:00 am and from 9:01 pm to 11:00 pm;  
Saturday from 6:01 am to 10:00 pm

Off-Peak: All remaining hours.

**Winter Season: October – May billings**

On-Peak: Monday – Friday, from 8:01 am to 9:00 pm

Shoulder: Monday – Friday from 6:01 am to 8:00 am and from 9:01 pm to 11:00 pm;  
Saturday from 6:01 am to 10:00 pm

Off-Peak: All remaining hours.

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**CONTROLLED SERVICE - INTERRUPTIBLE LOAD**

Rate Zones 1 & 9  
80 kW Capacity and Greater

Controlled Service - 80 kW Capacity & Greater	44-170
Controlled Service – 80 kW Capacity & Greater (short duration cycling)	44-165
Penalty	44-199

**APPLICATION OF SCHEDULE:** This schedule is applicable for residential or commercial service to any approved permanently connected interruptible load with capacity of 80 kW or greater; such loads are primarily the electric heating portion of alternate fuel heating systems. Electric heating systems may include heat pumps used for both heating and cooling. Domestic electric water heating and/or other permanently connected approved loads may be served under the provisions of this rate schedule. Electric fans, pumps or associated equipment used in the distribution of heat shall be wired for service through the customer's residential, farm, general service, or large general service meter unless approved by Otter Tail Power Company.

Alternate fuel energy heating sources, when service to space heating equipment on this rate is curtailed, cannot be electric except for approved supplemental units on the main use meter.

**RATE:** Customer Charge: \$4.74 plus

Energy = November - April: 2.253¢ per kWh

May - October: 2.253¢ per kWh

Penalty: All kWh - 10.088¢ per kWh in addition to the off-peak charge.

Penalty periods are defined as periods when the Company's control equipment has operated to provide a switching signal to switch off customer's controlled service loads during winter or summer peaking conditions. Penalty usage will be recorded on the peak register, and the total register of the dual register meters. Installation of a dual register meter will be at the option of the Company.

**INTERIM RATE ADJUSTMENT**

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N  
N  
N

**CONTROL CRITERIA:** Interruptible loads, such as alternate fuel -- 0 to 24 hours service per day and 10 or more hours service to other approved deferred loads. Short-duration cycling is 15-minutes off / 15-minutes on of appropriate cooling equipment during the summer season (May 1-Oct 31).

**MONTHLY MINIMUM CHARGE:** Customer Charge \$4.74

**EQUIPMENT SUPPLIED:** Otter Tail will supply and maintain the necessary metering and control equipment. Wiring by the customer shall be such that the meter and associated controlling devices are separate and located adjacent to each other. For large controlled loads, the customer's controllable load interrupting device may, with Otter Tail's approval, be located inside the building adjacent to the customer's main disconnects.

**OTHER PROVISIONS:**

1. Otter Tail Power Company recommends that the installed capacity of electric space heating equipment be sufficient to heat the structure or specified area during normal winter weather to permit maximum utilization of the rate for the benefit of the customer.
2. If the installed capacity for electric space heating is insufficient to provide adequate heating down to outdoor design temperature during normal winter months, the customer must incorporate his or her own outdoor thermostat in conjunction with Otter Tail's control equipment.
3. The Company reserves the right to control loads on this rate during emergencies.
4. The Company shall not be liable for loss or damage caused by normal interruption of service.

**CUSTOMER CONNECTION CHARGE:** Refer to General Rules and Regulations.

**PAYMENT:** Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

**CONTRACT PERIOD:** Not less than one year, unless otherwise authorized by Otter Tail Power Company.

**REGULATIONS:** General Rules and Regulations govern use under this schedule.

**ADJUSTMENT FOR MUNICIPAL PAYMENTS:** Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

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**CONTROLLED SERVICE - INTERRUPTIBLE LOAD**

Rate Zones 1 & 9  
Less Than 80 kW Capacity

Controlled Loads-Less Than 80 kW Capacity	
With Credit-Closed to New Customers	44-180
Without Credit	44-190
Controlled Loads-Less than 80 kW Capacity (short duration cycling)	44-185
Penalty	44-199

**APPLICATION OF SCHEDULE:** This schedule is applicable for residential or commercial service to any approved permanently connected interruptible load or loads that can be served under the limited conditions provided; such loads are primarily thermal storage and the electric heating portion of alternate fuel heating systems. Electric heating systems may include heat pumps used for both heating and cooling. Domestic electric water heating and/or other permanently connected approved loads may be served under the provisions of this rate schedule. Electric fans, pumps or associated equipment used in the distribution of heat shall be wired for service through the customer's residential, farm, general service, or large general service meter unless approved by Otter Tail Power Company.

Alternate fuel energy heating sources, when service to space heating equipment on this rate is curtailed, cannot be electric except for approved supplemental units on the main use meter.

**CONTROL CRITERIA:** Interruptible loads, such as alternate fuel---- 0 to 24 hours per day and 10 or more hours of service to other approved deferred loads.

**RATE:** Customer Charge \$3.78 plus

Energy: November - April =

First 5000 kWh - 3.097¢ per kWh (less .383¢ per kWh for first three years-closed)  
Excess kWh - 2.815¢ per kWh (less .67¢ per kWh for first three years-closed)

May - October =

First 1500 kWh - 2.956¢ per kWh (less .383¢ per kWh for first three years-closed)  
Excess kWh - 2.675¢ per kWh (less .67¢ per kWh for first three years-closed)

Penalty: All kWh - 10.088¢ per kWh in addition to the off-peak charge.

Penalty periods are defined as periods when the Company's control equipment has operated to provide a switching signal to switch off customer's controlled service loads during winter or summer peaking conditions. Penalty usage will be recorded on the peak register, and the total register of the dual register meters. Installation of a dual register meter will be at the option of the Company.

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**INTERIM RATE ADJUSTMENT**

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N  
N  
N

**COST OF ENERGY ADJUSTMENT:** Does not apply.

**MONTHLY MINIMUM CHARGE:** Customer Charge \$3.78.

**FIRST THREE YEARS:** (Closed to New Customer). Three years following the date service is first supplied on this rate.

**EQUIPMENT SUPPLIED:** Otter Tail will supply and maintain the necessary metering and control equipment. Wiring by the customer shall be such that the meter and associated controlling devices are separate and located adjacent to each other. For large controlled loads, the customer's controllable load interrupting device may, with Otter Tail's approval, be located inside the building adjacent to the customer's main disconnects.

**OTHER PROVISIONS:**

1. Otter Tail Power Company recommends that the installed capacity of electric space heating equipment be sufficient to heat the structure or specified area during normal winter weather to permit maximum utilization of the rate for the benefit of the customer.
2. If the installed capacity for electric space heating is insufficient to provide adequate heating down to outdoor design temperature during normal winter months, the customer must incorporate his or her own outdoor thermostat in conjunction with Otter Tail's control equipment.
3. The Company reserves the right to substitute central control for time-temperature control and has the right to control loads on this rate during emergencies.
4. The Company shall not be liable for loss or damage caused by normal interruption of service.

**PAYMENT:** Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

**CONTRACT PERIOD:** Not less than one year, unless otherwise authorized by Otter Tail Power Company.

**REGULATIONS:** General Rules and Regulations govern use under this schedule.

**ADJUSTMENT FOR MUNICIPAL PAYMENTS:** Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

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**CONTROLLED SERVICE - DEFERRED LOAD**

Rate Zones 1 & 9

Deferred Loads	44-197
Deferred Loads (Short Duration Cycling)	44-195
Penalty	44-199

**APPLICATION OF SCHEDULE:** This schedule is applicable for residential or commercial service to any approved permanently connected deferred loads that can be served under the limited conditions provided; such loads are primarily thermal storage. Deferred Loads may include heat pumps used for both heating and cooling. Domestic electric water heating and/or other permanently connected approved loads may be served under the provisions of this rate schedule. Electric fans, pumps or associated equipment used in the distribution of heat shall be wired for service through the customer's residential, farm, general service, or large general service meter unless approved by Otter Tail Power Company.

**RATE:** Customer Charge -- \$1.34 plus

Energy: 3.643¢ per kWh

Penalty: All kWh - 10.088¢ per kWh in addition to the off-peak charge.

On-Peak periods are defined as periods when the Company's control equipment has operated to provide a switching signal to switch off customer's controlled service loads during winter or summer peaking conditions. Peak usage will be recorded on the peak register, and the total register of the dual register meters. Installation of a dual register meter will be at the option of the Company.

**CHANGE IN BASE COST OF ENERGY:**

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N  
N

**INTERIM RATE ADJUSTMENTS:**

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N  
N  
N  
N

**CONTROL CRITERIA:** Deferred loads such as thermal storage - minimum of 10 to 24 hours of service per 24-hour period. Short-duration cycling is 15-minutes off / 15-minutes on of appropriate cooling equipment during the summer season (May 1-Oct 31).

**MONTHLY MINIMUM CHARGE:** \$1.34

**EQUIPMENT SUPPLIED:** Otter Tail will supply and maintain the necessary metering and control equipment. Wiring by the customer shall be such that the meter and associated controlling devices are separate and located adjacent to each other. For large controlled loads, the customer's controllable load interrupting device may, with Otter Tail's approval, be located inside the building adjacent to the customer's main disconnects.

**OTHER PROVISIONS:**

1. Otter Tail Power Company recommends that the installed capacity of electric space heating equipment be sufficient to heat the structure or specified area during normal winter weather to permit maximum utilization of the rate for the benefit of the customer.
2. If the installed capacity for electric space heating is insufficient to provide adequate heating down to outdoor design temperature during normal winter months, the customer must incorporate his or her own outdoor thermostat in conjunction with Otter Tail's control equipment.
3. The Company reserves the right to substitute central control for time-temperature control and has the right to control loads on this rate during emergencies.
4. The Company shall not be liable for loss or damage caused by normal interruption of service.

**COST OF ENERGY ADJUSTMENT:** The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate Designation M-60N, or any amendments or superseding provisions applicable thereto.

**CUSTOMER CONNECTION CHARGE:** Refer to General Rules and Regulations.

**PAYMENT:** Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

**CONTRACT PERIOD:** Not less than one year, unless otherwise authorized by Otter Tail Power Company.

**REGULATIONS:** General Rules and Regulations govern use under this schedule.

**ADJUSTMENT FOR MUNICIPAL PAYMENTS:** Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

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**FIXED TIME OF DELIVERY SERVICE**  
**(Less Than 100 kW)**

Code 44-301

**APPLICATION OF SCHEDULE:**

This schedule is applicable to any customer taking service at the secondary voltage level with thermal storage space heating (or other approved) loads and having permanently connected, installed loads of less than 100 kW that are suitable for service under the limitations of the terms stated herein.

**RATE:**

Facilities Charge: \$3.78 per month  
Energy Charge: 2.722¢ per kWh

**INTERIM RATE ADJUSTMENT:**

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N  
N  
N

**CONTROL CRITERIA:**

The customer will receive electric service from 11:00 p.m. until 7:00 a.m. each day. In all other hours, the customer's load will be controlled.

**ADJUSTMENTS:**

Cost of Energy Adjustment will not apply. This rate will be adjusted based on competitive fuel prices, subject to Commission approval.

**MINIMUM MONTHLY CHARGE:** \$3.78 per month

**EQUIPMENT SUPPLIED:**

Otter Tail will supply and maintain the necessary metering and control equipment. Wiring by the customer shall be such that the meter and associated controlling devices are separate and located adjacent to each other. For large controlled loads, the customer's controllable load interrupting device may, with Otter Tail's permission, be located inside the building adjacent to the customer's main disconnects.

**OTHER PROVISIONS:**

1. Otter Tail Power Company recommends that the installed capacity of electric space heating equipment be sufficient to heat the structure or specified area during normal winter weather to permit maximum utilization of the rate for the benefit of the customer.
2. If the installed capacity for electric space heating is insufficient to provide adequate heating down to outdoor design temperature during normal winter months, the customer must incorporate his or her own outdoor thermostat in conjunction with Otter Tail's control equipment.
3. The Company reserves the right to control loads on this rate during emergencies.
4. The Company shall not be liable for loss or damage caused by normal interruption of service.

**CUSTOMER CONNECTION CHARGE:** Refer to Payment Policy Rate Schedule, Rate Designation M-62N.

**PAYMENT:** Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

**CONTRACT PERIOD:** Not less than one year, unless otherwise authorized by Otter Tail Power Company.

**REGULATIONS:** General Rules and Regulations govern use under this schedule.

**ADJUSTMENT FOR MUNICIPAL PAYMENTS:** Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

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**FIXED TIME OF DELIVERY SERVICE**  
**(100 kW or More)**

Code 44-302

**APPLICATION OF SCHEDULE:**

This schedule is applicable to any customer taking service at the secondary voltage level with thermal storage space heating (or other approved) loads and having permanently connected, installed loads of 100 kW or more that are suitable for service under the limitations of the terms stated herein.

**RATE:**

Facilities Charge: \$8.18 per month  
Energy Charge: 2.346¢ per kWh

**INTERIM RATE ADJUSTMENT:**

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N  
N  
N

**CONTROL CRITERIA:**

The customer will receive electric service from 11:00 p.m. until 7:00 a.m. each day. In all other hours, the customer's load will be controlled.

**ADJUSTMENTS:**

Cost of Energy Adjustment will not apply. This rate will be adjusted based on competitive fuel prices, subject to Commission approval.

**MINIMUM MONTHLY CHARGE:**

\$8.18 per month

**EQUIPMENT SUPPLIED:**

Otter Tail will supply and maintain the necessary metering and control equipment. Wiring by the customer shall be such that the meter and associated controlling devices are separate and located adjacent to each other. For large controlled loads, the customer's controllable load interrupting device may, with Otter Tail's permission, be located inside the building adjacent to the customer's main disconnects.

**OTHER PROVISIONS:**

1. Otter Tail Power Company recommends that the installed capacity of electric space heating equipment be sufficient to heat the structure or specified area during normal winter weather to permit maximum utilization of the rate for the benefit of the customer.
2. If the installed capacity for electric space heating is insufficient to provide adequate heating down to outdoor design temperature during normal winter months, the customer must incorporate his or her own outdoor thermostat in conjunction with Otter Tail's control equipment.
3. The Company reserves the right to control loads on this rate during emergencies.
4. The Company shall not be liable for loss or damage caused by normal interruption of service.

**CUSTOMER CONNECTION CHARGE:** Refer to Payment Policy Rate Schedule, Rate Designation M-62N.

**PAYMENT:** Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

**CONTRACT PERIOD:** Not less than one year, unless otherwise authorized by Otter Tail Power Company.

**REGULATIONS:** General Rules and Regulations govern use under this schedule.

**ADJUSTMENT FOR MUNICIPAL PAYMENTS:** Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

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**FIXED TIME OF DELIVERY SERVICE**  
**(Primary Service)**

Code 44-303

**APPLICATION OF SCHEDULE:**

This schedule is applicable to any customer taking service at the primary voltage level with thermal storage space heating (or other approved) loads and having permanently connected, installed loads that are suitable for service under the limitations of the terms stated herein.

**RATE:**

Facilities Charge: \$77.88 per month  
Energy Charge: 2.018¢ per kWh

**INTERIM RATE ADJUSTMENT:**

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N  
N  
N

**CONTROL CRITERIA:**

The customer will receive electric service from 11:00 p.m. until 7:00 a.m. each day. In all other hours, the customer's load will be controlled.

**ADJUSTMENTS:**

Cost of Energy Adjustment will not apply. This rate will be adjusted based on competitive fuel prices, subject to Commission approval.

**MINIMUM MONTHLY CHARGE:** \$77.88 per month

**EQUIPMENT SUPPLIED:**

Otter Tail will supply and maintain the necessary metering and control equipment. Wiring by the customer shall be such that the meter and associated controlling devices are separate and located adjacent to each other. For large controlled loads, the customer's controllable load interrupting device may, with Otter Tail's permission, be located inside the building adjacent to the customer's main disconnects.

**OTHER PROVISIONS:**

1. Otter Tail Power Company recommends that the installed capacity of electric space heating equipment be sufficient to heat the structure or specified area during normal winter weather to permit maximum utilization of the rate for the benefit of the customer.
2. If the installed capacity for electric space heating is insufficient to provide adequate heating down to outdoor design temperature during normal winter months, the customer must incorporate his or her own outdoor thermostat in conjunction with Otter Tail's control equipment.
3. The Company reserves the right to control loads on this rate during emergencies.
4. The Company shall not be liable for loss or damage caused by normal interruption of service.

**CUSTOMER CONNECTION CHARGE:** Refer to Payment Policy Rate Schedule, Rate Designation M-62N.

**PAYMENT:** Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

**CONTRACT PERIOD:** Not less than one year, unless otherwise authorized by Otter Tail Power Company.

**REGULATIONS:** General Rules and Regulations govern use under this schedule.

**ADJUSTMENT FOR MUNICIPAL PAYMENTS:** Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

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**BULK INTERRUPTIBLE SERVICE  
APPLICATION AND PRICING GUIDELINES**

Rate Zones 1 and 9

Code 44-680

**APPLICATION OF SCHEDULE:** This service will be applicable to interruptible loads of 750 kw or larger by signed contract only.

**CONTRACT PERIOD AND FUTURE RESPONSIBILITIES:** Contracts will be for a maximum period of five years, renewable only at the Company's option. The customer will be responsible for all energy supply after the contract period. The Company will not guarantee any energy supply to replace the bulk interruptible service after the contract expires.

**ENERGY RATE DETERMINATION:** An energy rate will be negotiated separately with each customer in order to maximize the margin. The minimum energy rate that will be accepted is the energy cost of service plus a margin of \$0.002 per kWh.

**CHANGE IN BASE COST OF ENERGY:**

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N  
N

**INTERIM RATE ADJUSTMENTS:**

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N  
N  
N  
N

**FIXED CHARGE DETERMINATION:** A monthly fixed charge will be established to recover Otter Tail's investment related costs. This charge will be determined based on a monthly rate of 1.5% (18% annually) applied to the total installed cost of all Otter Tail supplied equipment.

**ENERGY ESCALATION:** A maximum energy escalation rate of 4% per six-month period may be established. The actual escalation rate will be determined by competitive price conditions, contract language and negotiations with the customer.

**MINIMUMS:** The fixed charge will constitute the minimum payment. In addition, the customer must agree to utilize electricity as long as the total cost of the electricity offered under this rate is competitive with the customer's existing alternate fuel.

**OTHER PROVISIONS:** Customers will be responsible for backup service when supply of bulk energy is interrupted.

Company will control the interruptions.  
Company will not be liable for any loss or damage  
to customer due to interruptions.

**REGULATIONS:** General Rules and Regulations govern use under this contract.

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**SMALL POWER PRODUCER RIDER  
OCCASIONAL DELIVERY ENERGY SERVICE  
(Net Energy Billing Rate)**

Base Avoided Costs	Rates Zone 1 & 9	Code 9020
Base Avoided Costs plus Renewable Energy Credit	Rates Zone 1 & 9	Code 9021

**AVAILABILITY:** Available to any qualifying facility not exceeding 100 kW of generating capacity.

**METERING CHARGE:** \$1.40 per month

**PAYMENT SCHEDULES:** Base Avoided Costs: 3.614¢ per kWh  
Base Avoided Costs plus Renewable Energy Credit: 3.839¢ per kWh

**SPECIAL CONDITIONS OF SERVICE:**

The minimum contracted term of service is 12 months.

**REGULATIONS:** General Rules and Regulations govern service under this schedule.

**INTERIM RATE ADJUSTMENT:**

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N  
N  
N

**TERMS AND CONDITIONS:**

The use of this rate requires that special precautions be taken in the design of associated metering and control systems. The following terms and conditions describe these precautions and shall be followed on all customer-owned small qualifying facilities (SQF).

1. The customer will be compensated monthly for all net energy received from the SQF less the metering charge. Net energy is that energy delivered by the SQF to the Company in excess of that received by the SQF from the Company during the same billing period. The schedule for these payments is subject to annual review.
2. If the SQF is located at a site outside of the Company's service territory and energy is delivered to the Company through facilities owned by another utility, energy payments will be adjusted downward reflecting losses occurring between the point of metering and the point of delivery.
3. A separate meter will be furnished, owned and maintained by the Company to measure the energy to the Company.

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4. The SQF shall make provision for on-site metering. All energy received from and delivered to the Company shall be separately metered. On site use of the SQF output shall be unmetered for purposes of compensation.
  5. In the event the SQF desires wheeling by the Company of the SQF output, arrangements will be made subject to special consideration.
  6. The customer shall pay for any increased capacity of the distribution equipment serving him and made necessary by the installation of his generator.
  7. Power and energy purchased by the SQF from the Company shall be under the available retail rates for the purchase of electricity.
  8. The customer's 60 hertz generator output must be at the voltage and phase relationship of the existing service or of one mutually agreeable to the Company and the customer.
  9. The customer will provide equipment to maintain a unity power factor + or - 10% during periods of generator operation.
  10. The Company reserves the right to disconnect the customer's generator from its system if it interferes with the operation of the Company's equipment or with the equipment of other company customers.
  11. Prior to installation, a detailed diagram of the generator and related equipment must be furnished to the Company for its approval.
  12. The customer shall execute an electric service agreement with the Company which may include, among other provisions, a minimum term of service.
  13. The SQF shall indemnify and save harmless the Company from and against any and all claims for damages to property and injury or death to persons which may arise out of or be caused by the erection, maintenance, presence, operation or removal of the SQF or by any related act or omission of the SQF, its employees, agents, contractors or subcontractors.
  14. Equipment shall be provided by the customer that provides a positive means of preventing feedback to the Company during an outage or interruption of that system.
  15. The customer shall install, own, and maintain all equipment deemed necessary by the Company to assure proper parallel operation of the system.
  16. Any renewable energy credits associated with the renewable energy sold to the Company will be transferred to the Company and the renewable generator will be compensated an additional payment of \$2.25/MWh (\$0.00225/kWh), as shown in the payment schedule.

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**SMALL POWER PRODUCER RIDER  
TIME OF DELIVERY ENERGY SERVICE**

Base Avoided On-Peak Costs	Rates Zone 1 & 9	Code 9030
Base Avoided Off-Peak Costs	Rates Zone 1 & 9	Code 9031
Base Avoided On-Peak Costs Plus Renewable Energy Credit	Rates Zone 1 & 9	Code 9032
Base Avoided Off-Peak Costs Plus Renewable Energy Credit	Rates Zone 1 & 9	Code 9033

**AVAILABILITY:** Available to any Qualifying Facility not exceeding 100 kW of generating capacity. Available to any Qualifying Facility exceeding 100 kW upon the approval of the Company. The Company reserves the right to require the Qualifying Facility to sign an Agreement.

**METERING CHARGE:** \$12.85 per month

**PAYMENT SCHEDULE:**

Base Avoided Costs	<u>On-Peak</u>	<u>Off-Peak</u>
Summer	3.886¢ per kWh	2.232¢ per kWh
Winter	6.049¢ per kWh	3.226¢ per kWh

Base Avoided Costs Plus Renewable Energy Credit	<u>On-Peak</u>	<u>Off-Peak</u>
Summer	4.111¢ per kWh	2.457¢ per kWh
Winter	6.274¢ per kWh	3.451¢ per kWh

**SPECIAL CONDITIONS OF SERVICE:**

The minimum contracted term of service is 12 months.

**REGULATIONS:** General Rules and Regulations govern service under this schedule.

**INTERIM RATE ADJUSTMENT:**

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N  
N  
N

**DEFINITIONS:**

Summer On-Peak: May 1 through October 31 including those hours from 8:00 a.m. to 10:00 p.m., Monday through Friday.

Summer Off-Peak: All other hours including the three holidays of Memorial Day, Independence Day and Labor Day.

Winter On-Peak: November 1 through April 30 including those hours from 7:00 a.m. to 10:00 p.m., Monday through Friday.

Winter Off-Peak: All other hours including the three holidays of Thanksgiving Day, Christmas Day and New Years Day.

**TERMS AND CONDITIONS:**

The use of this rate requires that special precautions be taken in the design of associated metering and control systems. The following terms and conditions describe these precautions and shall be followed on all customer-owned small qualifying facilities (SQF).

1. The customer will be compensated monthly for all net energy received from the SQF less the metering charge. Net energy is that energy delivered by the SQF to the Company in excess of that received by the SQF from the Company during the same billing period. The schedule for these payments is subject to annual review.
2. If the SQF is located at a site outside of the Company's service territory and energy is delivered to the Company through facilities owned by another utility, energy payments will be adjusted downward reflecting losses occurring between the point of metering and the point of delivery.
3. A separate meter will be furnished, owned and maintained by the Company to measure the energy to the Company.
4. The SQF shall make provision for on-site metering. All energy received from and delivered to the Company shall be separately metered. On site use of the SQF output shall be unmetered for purposes of compensation.
5. In the event the SQF desires wheeling by the Company of the SQF output, arrangements will be made subject to special consideration.

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6. The customer shall pay for any increased capacity of the distribution equipment serving him and made necessary by the installation of his generator.
  7. Power and energy purchased by the SQF from the Company shall be under the available retail rates for the purchase of electricity.
  8. The customer's 60 hertz generator output must be at the voltage and phase relationship of the existing service or of one mutually agreeable to the Company and the customer.
  9. The customer will provide equipment to maintain a unity power factor + or - 10% during periods of generator operation.
  10. The Company reserves the right to disconnect the customer's generator from its system if it interferes with the operation of the Company's equipment or with the equipment of other company customers.
  11. Prior to installation, a detailed diagram of the generator and related equipment must be furnished to the Company for its approval.
  12. The customer shall execute an electric service agreement with the Company which may include, among other provisions, a minimum term of service.
  13. The SQF shall indemnify and save harmless the Company from and against any and all claims for damages to property and injury or death to persons which may arise out of or be caused by the erection, maintenance, presence, operation or removal of the SQF or by any related act or omission of the SQF, its employees, agents, contractors or subcontractors.
  14. Equipment shall be provided by the customer that provides a positive means of preventing feedback to the Company during an outage or interruption of that system.
  15. The customer shall install, own and maintain all equipment deemed necessary by the Company to assure proper parallel operation of the system.
  16. Any renewable energy credits associated with the renewable energy sold to the Company will be transferred to the Company and the renewable generator will be compensated an additional payment of \$2.25/MWh (\$0.00225/kWh), as shown in the payment schedule.

**SMALL POWER PRODUCER RIDER  
 DEPENDABLE SERVICE**

Base Avoided On-Peak Costs	Rates Zone 1 & 9	Code 9040
Base Avoided Off-Peak Costs	Rates Zone 1 & 9	Code 9041
Base Avoided On-Peak Costs Plus Renewable Energy Credit	Rates Zone 1 & 9	Code 9042
Base Avoided Off-Peak Costs Plus Renewable Energy Credit	Rates Zone 1 & 9	Code 9043

**AVAILABILITY:** Available to any qualifying facility which is capable of delivering power and energy to the Company on a dependable basis.

**METERING CHARGE:** \$12.85 per month

**PAYMENT SCHEDULE:**

**ENERGY:**

Base Avoided Costs	<u>On-Peak</u>	<u>Off-Peak</u>
Summer	3.886¢ per kWh	2.232¢ per kWh
Winter	6.049¢ per kWh	3.226¢ per kWh

Base Avoided Costs Plus Renewable Energy Credit	<u>On-Peak</u>	<u>Off-Peak</u>
Summer	4.111¢ per kWh	2.457¢ per kWh
Winter	6.274¢ per kWh	3.451¢ per kWh

**CAPACITY:**

	Monthly \$/kW	Monthly \$/kW
Contract	Net Capacity	Levelized
<u>Term</u>	<u>Rate</u>	<u>Rate</u>
60 mos.	\$7.41	\$7.41
120 mos.	7.94	7.94
180 mos.	8.45	8.45
240 mos.	8.94	8.94
300 mos.	9.40	9.40
360 mos.	9.85	9.85

Energy payment will be adjusted annually to reflect energy costs.

NORTH DAKOTA PUBLIC  
 SERVICE COMMISSION  
 Approved: December 3, 2008  
 Case No. PU-08-862

RATES EFFECTIVE with bills rendered  
 on and after January 2, 2009, in ND

APPROVED: Bernadeen Brutlag  
 Manager, Regulatory Services

Total capacity payment equals (accredited capacity value of the QF) times  
(capacity ratio) times (appropriate levelized capacity rate).

Capacity Ratio equals (Qualifying Facility on-peak capacity factor)  
65%

The Capacity Ratio shall not exceed a value of 1

**or**

If the Qualifying Facility is dispatchable by Otter Tail  
and tested under the Mid-Continent Area Power Pool guidelines,  
then the capacity ratio automatically equals 1.

**SPECIAL CONDITIONS OF SERVICE:**

1. A qualifying facility, desiring dependable service compensation shall execute a contract agreement for a term of 5, 10, 15, 20, 25, or 30 years.
2. In the event that a qualifying facility terminates service, the Dependable Service severance penalty payment will be determined as follows:

The remaining percentage of the contract term will be multiplied by the average capacity compensation per month and the result multiplied by six months. The average capacity compensation per month will be determined for the last three years or from the contract's initiation, whichever is the shorter period.

In addition, capacity compensation from the initiation of the contract will be recalculated at the capacity payment of the longest contract term filled. The following table illustrates the longest contract term filled given the number of months that payments were made:

<u>Months of Payments</u>	<u>Contract Term Filled</u>
0 - 119	60
120 - 179	120
180 - 239	180
240 - 299	240
300 - 360	300

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**SPECIAL CONDITIONS OF SERVICE:**

The difference between the actual payments made and the recalculated payments must be repaid with interest. The interest rate used will be the average prime interest rate during the contract period prior to the severance.

3. Qualifying facility may select a total of 30 scheduled maintenance days per year, to be taken in two periods, neither of which shall be less than one week in duration at a time agreeable to Otter Tail. A 30-day prior notice must be given to Otter Tail before a scheduled maintenance period can be established.

Capacity payment for a monthly period in which scheduled maintenance has occurred will be the greater of the capacity payment using the regular billing procedure or the average billing capacity payment since the previous month in which a scheduled maintenance period occurred.

**REGULATIONS:** General Rules and Regulations govern service under this schedule.

**INTERIM RATE ADJUSTMENT:**

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N  
N  
N

**DEFINITIONS:**

Dependable Service: Qualifying facility can deliver power at a minimum of 65% on-peak capacity factor in each month; can deliver power during the Company's winter and summer system peaks; and is accredited according to Section 5.2 of the Mid-Continent Area Power Pool Engineering Handbook.

Capacity Factor: The number of kilowatthours delivered during the period divided by the product of the accredited capacity times the number of hours in the period. The maximum capacity factor is 1.0.

Summer On-Peak: May 1 through October 31 including those hours from 8:00 a.m. to 10:00 p.m., Monday through Friday.

Summer Off-Peak: All other hours including the three holidays of Memorial Day, Independence Day and Labor Day.

Winter On-Peak: November 1 through April 30 including those hours from 7:00 a.m. to 10:00 p.m., Monday through Friday.

Winter Off-Peak: All other hours including the three holidays of Thanksgiving Day, Christmas Day and New Years Day.

**TERMS AND CONDITIONS:**

The use of this rate requires that special precautions be taken in the design of associated metering and control systems. The following terms and conditions describe these precautions and shall be followed on all customer-owned small qualifying facilities (SQF).

1. The customer will be compensated monthly for all energy received from the SQF less the metering charge. The schedule for these payments is subject to annual review.
2. If the SQF is located at a site outside of the Company's service territory and energy is delivered to the Company through facilities owned by another utility, energy payments will be adjusted downward reflecting losses occurring between the point of metering and the point of delivery.
3. A separate meter will be furnished, owned and maintained by the Company to measure the energy to the Company.
4. The SQF shall make provision for on-site metering. All energy received from and delivered to the Company shall be separately metered. On site use of the SQF output shall be unmetered for purposes of compensation.
5. In the event the SQF desires wheeling by the Company of the SQF output, arrangements will be made subject to special consideration.
6. The customer shall pay for any increased capacity of the distribution equipment serving him and made necessary by the installation of his generator.

7. Power and energy purchased by the SQF from the Company shall be under the available retail rates for the purchase of electricity.
8. The customer's 60 hertz generator output must be at the voltage and phase relationship of the existing service or of one mutually agreeable to the Company and the customer.
9. The customer will provide equipment to maintain a unity power factor + or - 10% during periods of generator operation.
10. The Company reserves the right to disconnect the customer's generator from its system if it interferes with the operation of the Company's equipment or with the equipment of other company customers.
11. Prior to installation, a detailed diagram of the generator and related equipment must be furnished to the Company for its approval.
12. The customer shall execute an electric service agreement with the Company which may include, among other provisions, a minimum term of service and generator capacity rating.
13. The SQF shall indemnify and save harmless the Company from and against any and all claims for damages to property and injury or death to persons which may arise out of or be caused by the erection, maintenance, presence, operation or removal of the SQF or by any related act or omission of the SQF, its employees, agents, contractors or subcontractors.
14. Equipment shall be provided by the customer that provides a positive means of preventing feedback to the Company during an outage or interruption of that system.
15. The customer shall install, own and maintain all equipment deemed necessary by the Company to assure proper parallel operation of the system.
16. Any renewable energy credits associated with the renewable energy sold to the Company will be transferred to the Company and the renewable generator will be compensated an additional payment of \$2.25/MWh (\$0.00225/kWh), as shown in the payment schedule.

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**STANDBY SERVICE  
(Under 100 kw Capacity)**

Rates Zones 1 & 9

	<u>Code</u>
Standard	918
Temperature Time of Day:	
On-Peak	919
Off-Peak	920

**APPLICATION OF SCHEDULE:** This schedule is applicable for standby electric service for a maximum of 800 hours per season. Capacity is to be limited to under 100 kW. A specific capacity must be requested which reflects the maximum anticipated standby service demand.

All equipment to be served must be of such voltage and electrical characteristics that it can be served from the circuit provided for the main part of the load and the electricity used properly measured by the meter ordinarily installed on such a circuit. If the equipment to be served is such that this is impossible, the customer must provide any necessary transformers, auto transformers or other devices suitable for connection to the circuit provided by the Company.

Intermittent and highly fluctuating loads requiring a separate service line or separate transformer may be served through a separate meter, on this rate, with a separate billing.

**RATE:**

Facilities Charge: \$10.34 for standard rate or \$12.06  
for temperature-time of day.

**PLUS:**

Demand: \$3.22 per kW  
Energy: Standard Rate 1.736¢ per kWh

**OR:**

Temperature-Time of Day

SUMMER

ON-PEAK  
2.111¢ per kWh

OFF-PEAK  
1.538¢ per kWh

WINTER

ON-PEAK  
2.393¢ per kWh

OFF-PEAK  
1.802¢ per kWh

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**INTERIM RATE ADJUSTMENTS:**

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N  
N  
N

**MINIMUM CHARGE:** Demand Charge plus Facilities Charge.

**DETERMINATION OF BILLING DEMAND:** The billing demand shall be the greater of the maximum quarter hour kW demand during the past 12 months or the requested kW capacity as established in the electric service agreement. Quarter hour kW demand is determined by measuring kW for any period of 15 consecutive minutes by a suitable demand meter.

**DEFINITIONS:**

Summer On-Peak: May 1 through October 31 including those hours from 6:00 a.m. to 10:00 p.m., Monday through Saturday when the outside temperature exceeds 80 degrees F., excluding holidays.

Summer Off-Peak: All other hours.

Winter On-Peak: November 1 through April 30 including those hours from 6:00 a.m. to 10:00 p.m., Monday through Saturday when the outside temperature is less than 0 degrees F., excluding holidays.

Winter Off-Peak: All other hours.

Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

**PAYMENT:** Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

**CONTRACT PERIOD:** This rate is applicable only by signed agreement, setting forth the location and conditions applicable to the electric service, and providing for an initial minimum contract period of one year, unless otherwise authorized by Otter Tail.

**REGULATIONS:** General Rules and Regulations govern use under this schedule. Company must have a detailed wiring diagram of service connections for Company approval prior to installation.

**ADJUSTMENT FOR MUNICIPAL PAYMENTS:** Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

**STANDBY SERVICE  
 (100 kW Capacity or More)**

Rates Zones 1 & 9

	<u>On-Peak Code</u>	<u>Off-Peak Code</u>
Transmission Service	921	922
Primary Service	923	924
Secondary Service	925	926

**APPLICATION OF SCHEDULE:** This schedule is applicable for standby electric service for a maximum of 800 hours per season. Capacity is to be 100 kW or more. A specific capacity must be requested which reflects the maximum anticipated standby service demand.

All equipment to be served must be of such voltage and electrical characteristics that it can be served from the circuit provided for the main part of the load and the electricity used properly measured by the meter ordinarily installed on such a circuit. If the equipment to be served is such that this is impossible, the customer must provide any necessary transformers, auto transformers or other devices suitable for connection to the circuit provided by the Company.

Intermittent and highly fluctuating loads requiring a separate service line or separate transformer may be served through a separate meter, on this rate, with a separate billing.

**RATE:**

Facilities Charge: \$25.18

**PLUS:**

Demand:	<u>Transmission Service</u>	<u>Primary Service</u>	<u>Secondary Service</u>
	\$3.54 per kW	\$5.22 per kW	\$5.55 per kW

Energy:

Temperature-Time of Day

SUMMER

<u>ON-PEAK</u>	<u>OFF-PEAK</u>
2.111¢ per kWh	1.538¢ per kWh

WINTER

<u>ON-PEAK</u>	<u>OFF-PEAK</u>
2.393¢ per kWh	1.802¢ per kWh

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**INTERIM RATE ADJUSTMENTS:**

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N  
N  
N

**MINIMUM CHARGE:** Demand Charge plus Facilities Charge.

**DETERMINATION OF BILLING DEMAND:** The billing demand shall be the greater of the maximum quarter hour kW demand during the past 12 months or the requested kW capacity as established in the electric service agreement. Quarter hour kW demand is determined by measuring kW for any period of 15 consecutive minutes by a suitable demand meter.

**DEFINITIONS:**

Summer On-Peak: May 1 through October 31 including those hours from 6:00 a.m. to 10:00 p.m., Monday through Saturday when the outside temperature exceeds 80 degrees F., excluding holidays.

Summer Off-Peak: All other hours.

Winter On-Peak: November 1 through April 30 including those hours from 6:00 a.m. to 10:00 p.m., Monday through Saturday when the outside temperature is less than 0 degrees F., excluding holidays.

Winter Off-Peak: All other hours.

Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

**PAYMENT:** Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

**CONTRACT PERIOD:** This rate is applicable only by signed agreement, setting forth the location and conditions applicable to the electric service, and providing for an initial minimum contract period of one year, unless otherwise authorized by Otter Tail.

**REGULATIONS:** General Rules and Regulations govern use under this schedule. Company must have a detailed wiring diagram of service connections for Company approval prior to installation.

**ADJUSTMENT FOR MUNICIPAL PAYMENTS:** Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

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**IRRIGATION SERVICE**

Rate Zones 1 & 9

Option 1	44-703
Option 2	
Off-Peak	44-706
Intermediate	44-705
On-Peak	44-704

**AVAILABILITY:** Available to customers for pumping water for irrigation of land, during the irrigation season - April 15 to November 1, subject to the rules and regulations for Irrigation Service.

**CHARACTER AND CONDITIONS OF SERVICE:** This rate is based upon the seasonal availability of excess capacity in the generating, transmitting, and distribution systems of the Company during the irrigation season. The Company reserves the right to interrupt this service in case of an emergency. As a condition to receiving service at this rate, the customer shall, when notified to do so, abide by such restrictions.

**RATE:** New customers served under this rate shall pay an annual fixed charge equal to 18% of the investment of the Company in the extension of lines, including any rebuilding or cost of capacity increase in lines or apparatus, necessitated because of the irrigation pumping load. This charge shall be reviewed if additional customers are connected to the extension within five years. An agreement will be entered into with each customer, specifying the investment necessary to supply service and the fixed charge. The annual fixed charge will be billed in five equal monthly installments May through September of each year, plus:

Option 1: Connected Load Charge - \$0.29 per horsepower per month  
(May through September) and  
All kWh used per month - 3.912¢ per kWh

OR

Option 2: Off-peak energy - 2.639¢ per kWh for all kWh. Off-peak rate level will apply Monday through Saturday from 7:00 p.m. to 11:00 a.m., Sunday, and holidays (Memorial Day, July 4, Labor Day).

Intermediate peak energy - 5.508¢ per kWh for all kWh. Intermediate rate level will apply Monday through Saturday from 11:00 a.m. to 7:00 p.m., except peak summer days.

On-peak energy - 7.756¢ per kWh for all kWh. On-peak rate level will apply Monday through Saturday from 11:00 a.m. to 7:00 p.m. only on days when Otter Tail is experiencing summer peak conditions. The number of hours at peak level is not expected to exceed 300 hours per season.

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**CHANGE IN BASE COST OF ENERGY:**

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N  
N

**INTERIM RATE ADJUSTMENTS:**

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N  
N  
N  
N

**COST OF ENERGY ADJUSTMENT:** The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate M-60N, or any amendments or superseding provisions applicable thereto.

**PAYMENT:** Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

**CONTRACT PERIOD:** 5 years.

**SEASONAL SERVICE:** The Company may, at its option, disconnect the service on or after November 1 and reconnect it prior to April 15.

**REGULATIONS:** General Rules and Regulations govern use under this schedule.

**ADJUSTMENT FOR MUNICIPAL PAYMENTS:** Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

**RULES AND REGULATIONS  
FOR IRRIGATION SERVICE**

1. This service is available to customers legally entitled to use water for irrigation.
2. Service will be 60-cycle alternating current, single-phase or three-phase at such voltage as determined by the economically available source of supply. Motors individually rated at less than 1 horsepower will not be included in the connected load charge.
3. All installations must conform to the rules of the Company and be approved by its inspector before service is allowed.
4. The customer may be required to make a deposit to insure payment of bills when due. This deposit will be returned when service is disconnected, provided all obligations of the customer to the Company have been discharged, or it will be applied to the liquidation of the account.
5. The customer shall grant the right of free access to the customer's premises at all reasonable times, for the purpose of reading meters or inspecting any of the equipment by any of its authorized employees.
6. The customer will report the reading of his meter once each month when requested to do so by the Company.

7. Where new service is applied for, the necessary extension of lines including poles, wires, crossarms, insulators, transformers and other equipment in connection therewith, necessary to furnish service and to transmit electric energy to the customer shall be made in accordance with, and within the limitations of the policy of the Company governing such extensions, and in accordance with an agreement between the customer and the Company.

8. The customer may build or purchase the extension of lines not needed to serve other customers. The agreement between the customer and the Company shall definitely identify that portion of the extension and equipment which is the property of the customer. In that event, the cost of that portion owned by the customer will be excluded from the investment of the Company in computing the fixed charge. Operation and maintenance of the property of the customer shall be by and at the expense of the customer.

If at any time, in the opinion of the Company, that portion of the extension owned by the customer shall interfere with the operation of the Company's line, or shall be a hazard to persons or property, the Company reserves the right to discontinue service until it has been restored to a safe and proper condition.

The Company will operate and maintain the customer's line by written agreement only.

9. The Company shall have the right to transmit electric energy over any and all extensions of lines used to supply this service to other customers who shall apply for service either by connecting with existing extensions of lines or by erecting and installing new extensions of lines, providing that such service to such other customers shall not interfere with the service furnished under this schedule.

10. Because of the investment of the customer in pumping and irrigation equipment, and of the Company in the extension of lines, the Company shall enter into a written agreement with each customer to serve him at this rate and the customer shall agree to pay for service at this rate for a period of five years.

If, during the terms of such agreement, the Company shall establish a superseding rate for this service, the customer shall be billed at the superseding rate for the balance of the term of his contract and shall comply with all terms and conditions of the superseding rate. Unless there is additional investment by the Company, there shall be no change in the amount of the fixed charge during the term of such agreement regardless of the provisions of any superseding rate.

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**OUTDOOR LIGHTING – ENERGY ONLY**

Rate Zones 1 & 9

Street and Area Lighting - Metered 44-748  
Street and Area Lighting - Non-Metered 44-749

**APPLICATION OF TARIFF:** This tariff is applicable to both private and governmental entities. The tariff will allow the Company to sell electric energy to municipal and other outdoor area lighting customers who choose to own, install, and maintain the lighting equipment. Under the tariff, Otter Tail will provide only the electric energy.

**EQUIPMENT AND SERVICE OWNERSHIP:** The customer or other third party shall install and own all equipment necessary for service beyond the point of connection with Company's electrical system. The point of connection shall be at the meter or disconnect switch, for service provided either overhead or underground. The customer will be responsible for furnishing and installing a master disconnect switch at the point of connection so as to isolate the customer's equipment from Company's electrical system. The customer's disconnect switch must meet the Company's specifications.

The customer is responsible for the cost of providing maintenance on the equipment it owns. The Company reserves the right to disconnect the customer's equipment from the Company's electrical system if, in the Company's determination, the customer's lighting equipment is operated or maintained in an unsafe or improper manner.

**RATE - METERED**

Facilities Charge: \$1.40 /month  
Energy Charge: \$0.05898/kWh  
  
Minimum Monthly Charge: \$1.40/month

**RATE – NON-METERED**

Monthly Charge = *Connected kW* x \$20.15, where *Connected kW* is the rated power of the lighting fixture (including ballast)

**CHANGE IN BASE COST OF ENERGY:**

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N  
N

**INTERIM RATE ADJUSTMENTS:**

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N  
N  
N  
N

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NORTH DAKOTA PUBLIC  
SERVICE COMMISSION  
Approved: December 3, 2008  
Case No. PU-08-862

EFFECTIVE with bills rendered on  
and after January 2, 2009, in ND

APPROVED: Bernadeen Brutlag Manager,  
Regulatory Services

**SERVICE CONDITIONS:** Service shall be provided off of standard distribution facilities typical of those in the general area. If it is necessary for the Company to install non-standard distribution facilities in order to provide service, the customer shall be responsible for any additional costs associated with the non-standard facilities.

As part of this tariff, the Company will provide an extension of up to one span of wire, not to exceed 300 feet.

No additional transformer capacity shall be provided without additional charges.

The customer shall indemnify, defend, and save the Company harmless from any liability, loss, or expense arising from or growing out of injury to persons, including death, or property damages incurred by persons other than the Company or the customer, which may occur on the electrical system of the customer (i.e., the customer's side of the point of connection), unless such loss is due to the negligence of Company.

Company shall have the right to periodically review the customer's lighting equipment to verify that the rated power (kW) of the non-metered fixtures is consistent with the Company's records.

**PAYMENT:** Refer to Payment Policy Rate Schedule, Rate Designation M-62N, any superseding amendments, or other provisions allowed by law.

**REGULATIONS:** The Company's General Rules and Regulations, on file with the Commission, continue to be applicable to service under this tariff.

**ADJUSTMENT FOR MUNICIPAL PAYMENTS:** Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

**OUTDOOR LIGHTING**

Rate Zones 1 & 9

Street and Area Lighting	44-741
Floodlighting	44-743
Sign Lighting	44-744

**APPLICATION OF SCHEDULE:** This schedule is applicable to any customer, including a village, town or city, for automatically operated outdoor lighting supplied and operated by the Company.

**RATE:**

STREET AND AREA LIGHTING

<u>Unit Type</u>	<u>Lumen Rating</u>	<u>Monthly Charge</u>
MV-6	6,000	\$ 5.84
MV-6PT	6,000	8.33
MV-11	11,000	10.58
MV-21	21,000	13.93
MV-35	35,000	20.44
MV-55	55,000	26.13
MA-8*	8,500	7.05
MA-14*	14,000	13.42
MA-20*	20,500	15.32
MA-36*	36,000	15.00
MA-110*	110,000	32.01
*Cut off fixtures are available.		
HPS-9	9,000	6.27
HPS-9PT	9,000	8.10
HPS-14	14,000	9.76
HPS-14PT	14,000	10.44
HPS-19	19,000	11.34
HPS-23	23,000	12.83
HPS-44	44,000	15.84

FLOODLIGHTING

<u>Fixture</u>	<u>Unit Type</u>	<u>Monthly Charge</u>
400 MV-Flood	Mercury Vapor	\$14.46
400 MA-Flood	Metal Additive Mercury	15.41
400 HPS-Flood	High Pressure Sodium	15.75
1,000 MV-Flood	Mercury Vapor	25.37
1,000 MA-Flood	Metal Additive Mercury	26.76

Due to the federal Energy Policy Act of 2005, after July 1, 2008, the Company will no longer install Mercury Vapor fixtures for new installations.

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**INTERIM RATE ADJUSTMENT:**

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N  
N  
N

**SEASONAL CUSTOMERS:** Seasonal customers will be billed at the same rate as year-around customers, except as follows:

A fixed charge of \$9.00 will be billed each seasonal customer once per season per fixture in addition to the rate provided above. The fixed charge will be included in the first bill rendered for each season.

Each customer will be billed for the number of months each season that the outdoor lighting fixture is in use, but not less than a minimum of four months, plus the seasonal fixed charge.

**UNDERGROUND SERVICE:** If the customer requests underground service to any outdoor lighting unit or sign, the Company will supply the equivalent of one span of underground and add an additional \$1.63 to the monthly rate specified above. If overhead service is not available, there is no additional charge. **There is no additional charge for the MV-6 PT, HPS-9 PT or the HPS-14 PT fixtures.**

**SIGN LIGHTING:**

Rate: \$1.58 per month for each 100 watts of lighting load supplied by unmetered electric service. Lighting load shall be determined by the lamp size plus the necessary ballast.

Equipment and Service Supplied: The Company will supply the necessary electricity to light the sign. Any necessary extension of the Company's 120-volt supply beyond one span of wire will be at the expense of the customer. The customer shall also supply the mounting point for the Company's service wires and provide the lamps and photo-electric or other device to control the operating hours and keep such equipment in good operating order.

**EQUIPMENT AND SERVICE SUPPLIED BY THE COMPANY:** The Company will install, own and operate a high intensity discharge light including suitable reflector or a floodlight including a lamp, bracket for mounting on wood poles with overhead wiring and photo-electric or other device to control operating hours. The light shall operate from dusk to dawn. The Company will supply the necessary electricity and maintenance for the unit. The Company will continue to own and operate existing fluorescent fixtures at the rates indicated above at specified lumen ratings.

**MOUNTING LOCATION:** The light shall be mounted upon a suitable new or existing Company-owned pole at which unmetered 120-volt supply is available. Any necessary extension of the Company's 120-volt supply beyond one span of wire will be at the expense of the customer.

**CONTRACT PERIOD:** Minimum of one year or minimum of one season. A season is defined as a minimum of four months.

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**PAYMENT:** Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

**REGULATIONS:** General Rules and Regulations govern use under this schedule.

**ADJUSTMENT FOR MUNICIPAL PAYMENTS:** Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

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**MUNICIPAL PUMPING SERVICE**

Rate Zones 1 & 9      Code 44-872

**APPLICATION OF SCHEDULE:** This rate schedule is available for municipal or other governmental use only. It shall apply to electric service for motor driven pumps for use at water pumping and treating plants, sewage disposal and treating plants and sewage lift stations and all lighting and other electrical requirements incidental to the operation of such plants and lift stations. Municipal buildings adjacent to, but not incidental to the pumping operation, may not be served at this rate except upon approval of Otter Tail Power Company where separate metering is not practical for a small connected load. Service shall be at the available secondary voltage, and where the electric supply is three-phase, the municipality shall provide the necessary wiring and equipment for its single phase requirements.

Where electric service is provided at an available primary voltage, billing for energy shall be reduced by 2% to compensate the municipality for transformer losses.

The rate schedule and monthly minimum shall apply to each meter in service except that where service through a meter is for electric space heating only the energy on this meter shall be added to the pumping meter for billing purposes. Seasonal service is not permitted.

**RATE:**    First    2500    kWh or less used per month    - 5.809¢ per kWh  
              Next    1500    kWh used per month                - 4.289¢ per kWh  
              Excess        kWh used per month                - 3.425¢ per kWh

**CHANGE IN BASE COST OF ENERGY:**

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N  
N

**INTERIM RATE ADJUSTMENTS:**

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N  
N  
N  
N

**MONTHLY MINIMUM CHARGE:** \$3.30 for each metering point.

**COST OF ENERGY ADJUSTMENT:** The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate Designation M-60M, or any amendments or superseding provisions applicable thereto.

**PAYMENT:** Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

**REGULATIONS:** General Rules and Regulations govern use under this schedule.

**ADJUSTMENT FOR MUNICIPAL PAYMENTS:** Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

**FIRE SIRENS**

Rate Zones 1 & 9      Code 843

**APPLICATION OF SCHEDULE:** This schedule is applicable to separately served municipal fire sirens.

**RATE:** 57¢ per connected horsepower per month where the siren is served separately. Billing includes any kWh used.

**INTERIM RATE ADJUSTMENT:**

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N  
N  
N

**OTHER FIRE SIREN SERVICE:** If the siren is served through the City Hall, fire hall or other meter, no separate billing shall be made for the siren, but the horsepower (or recorded demand if applicable) of the siren motor will be figured into the monthly minimum charge of the applicable rate covering service at this point.

**PAYMENT:** Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

**ADJUSTMENT FOR MUNICIPAL PAYMENTS:** Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

### **COST OF ENERGY ADJUSTMENT CLAUSE**

There shall be added to or deducted from the monthly bill the amount per kilowatthour (rounded to the nearest 0.001¢) that the average cost of energy is above or below 3.0945¢ per kilowatthour. The average cost of energy per kilowatthour for the current period shall be calculated from data covering actual costs from the most recent four month period as follows: R

Energy costs from actual months 1, 2, 3, and 4 plus unrecovered (or less over recovered) prior cumulative energy costs divided by the associated energy (reduced for average system losses) associated with retail sales for actual months 1, 2, 3, and 4 equals the cost of energy adjustment for month 6.

The applicable adjustment will be applied effective on any billing dated on or after the first day of each calendar month. The average cost of energy shall be determined as follows:

1. The cost of fossil fuel, as recorded in Account 151, used in the Company's generating plants. Energy from the Company's hydro generating plants shall be included at zero cost.
2. The energy cost of purchased power included in Account 555 when such energy is purchased on an economic dispatch basis, exclusive of capacity or demand charges. This includes but is not limited to net costs linked to the utility's load serving obligation, associated with participation in wholesale electric energy markets operated by Regional Transmission Organizations, Independent System Operators or similar entities that have received Federal Energy Regulatory Commission approval to operate the energy markets.
3. The actual identifiable fossil and nuclear fuel costs associated with energy purchased for reasons other than identified in 2 above.
4. Less the fuel related costs recovered through intersystem sales.