

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Otter Tail Corporation
Renewable Resource Cost Recovery Rider 2009
Tariff**

Case No. PU-08-742

**Otter Tail Corporation
Electric Rate Increase
Application**

Case No. PU-08-862

**NOTICE OF HEARING, NOTICE OF CONTINUED HEARING
AND NOTICE OF PUBLIC INPUT SESSION**

March 11, 2009

Case No. PU-08-742

On September 2, 2008, Otter Tail Corporation (Otter Tail) filed an application for approval of the 2009 Renewable Resource Cost Recovery Rider (Rider) and an advance determination of prudence for its 48 MW ownership share in the Ashtabula Wind Energy Center, Case No PU-08-742. The effect of the Rider on a typical residential customer consuming 750 kilowatt-hours is \$3.82 per month.

The Commission issued a Notice of Opportunity for Hearing in Case No. PU-08-742. Written comments and a request for hearing were received from the North Dakota Large Industrial Energy Group, comprised of Goodrich Corporation, Cargill Corporation, Cavendish Farms, Inc., Archer Daniels Midland Company, ComDel Innovation, and Tharaldson Ethanol LLC. They indicated their intention to litigate the issues and asked that the Commission combine this case for hearing with the pending rate increase application filed by Otter Tail in Case No. PU-08-862, or hear the two matters on a schedule that allows the North Dakota Large Industrial Energy Group to more easily participate in both.

On January 14, 2009, intervention was granted to the North Dakota Large Industrial Energy Group. The Commission also ordered the hearing on Case No. PU-08-742 combined with the hearing on the pending rate increase application, Case No. PU-08-862, and approved the Rider on an interim basis, subject to review and revision as a result of the combined hearing.

61 **PU-08-862** Filed: 3/11/2009 Pages: 4
**Notice of Hearing, Notice of Continued Hearing and
Notice of Public Input Session**

Public Service Commission

46 **PU-08-742** Filed: 3/11/2009 Pages: 4
**Notice of Hearing, Notice of Continued Hearing and
Notice of Public Input Session**

Public Service Commission

Case No. PU-08-862

On November 3, 2008, Otter Tail filed a Notice for Change in Rates for Electric Service under North Dakota Century Code Section 49-05-05 and North Dakota Administrative Code Section 69-09-02-01. Otter Tail proposes a \$6 million or 5 percent increase in its annual North Dakota electric revenues. The proposed rates would affect Otter Tail's service to all of its approximately 57,000 retail electric customers in the State of North Dakota.

On December 17, 2008 the Commission issued a Notice of Hearing, Public Input Sessions and Intervention Deadline in Case No. PU-08-862, scheduling the formal hearing to begin April 27, 2009. On March 11, 2009 the Commission continued the hearing to May 11, 2009.

Issues in Case No. PU-08-742 and Case No. PU-08-862:

Issues to be considered in these matters include:

1. What is the value of Otter Tail's property, used and useful, for the service and convenience of the public in North Dakota?
2. What is Otter Tail's rate of return on its property, used and useful, for the service and convenience of the public in North Dakota?
3. What is a just and reasonable rate of return on Otter Tail's property, used and useful, for the service and convenience of the public in North Dakota?
4. What rates and charges are necessary to provide a just and reasonable rate of return on Otter Tail's property, used and useful, for the service and convenience of the public in North Dakota?
5. Are Otter Tail's proposed rate schedules designed in such a manner that they result in a basis of charge to its customers that is just and reasonable without discrimination?
6. Is Otter Tail's investment in the Ashtabula Wind Energy Center prudent?
7. Should the commission approve the 2009 Renewable Resource Cost Recovery Rider as filed?
8. Should Otter Tail be permitted to recover any generation costs through a Rider?
9. Other relevant information or proposals concerning the proceedings.

Formal Hearing

A consolidated hearing for Case No. PU-08-742 and Case No. PU-08-862 will begin May 11, 2009 at 8:30 a.m. CDT in the Commission hearing room, State Capitol, 12th Floor, Bismarck, North Dakota 58505.

Public Input Session

A Public Input Session on both cases will be held via interactive television on March 23, 2009 at 12:00 noon CDT at locations set forth below. Members of the public are invited to appear and participate in the informal discussion. The session is not considered part of the technical hearing and the discussion at the session will not become part of the evidence reviewed by the Commission in making its decision. The discussion will, however, aid the Commission and its staff in identifying areas of concern to the members of the public and help customers better understand the applications.

Public Input Session Locations

Devils Lake Lake Area Career and Technological Center 205-16 th St. NW Devils Lake, ND	Jamestown James Valley Career and Technological Center 910-12 th Ave. NE, Room A Jamestown, ND
Washburn Washburn Public School Boardroom 713-7 th St. Washburn, ND	Wahpeton Richland County Courthouse Commission Room 418-2 nd Ave. N. Wahpeton, ND
Bismarck Public Service Commission 12 th Floor, State Capitol 600 E. Boulevard Avenue Bismarck, ND	


The public will also be able to hear the input session by connecting to the Commission's web site <http://www.nd.gov/psc> and then clicking on the link at the bottom of the home page that says Broadcast of Public Input Sessions over IVN. The Commission will receive e-mail questions during the session at ndpsc@nd.gov.

For more information contact the Public Service Commission, State Capitol, Bismarck, North Dakota 58505, 701-328-2400 or Relay North Dakota 1-800-366-6888 TTY. If you require any auxiliary aids or services, such as readers, signers, or Braille materials, please notify, Darrell Nitschke, Executive Secretary, at least 24 hours in advance.

PUBLIC SERVICE COMMISSION



Tony Clark
Commissioner



Kevin Cramer
President



Brian P. Kalk
Commissioner