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PO Box 496  
Fergus Falls, Minnesota 56538-0496  
218 739-8200  
www.otpc.com



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JUL 13 2010

PUBLIC SERVICE COMMISSION

Via Electronic Filing and U.S. Mail

July 12, 2010

Darrell Nitschke  
Executive Secretary and Director of Administration  
North Dakota Public Service Commission  
State Capitol  
600 East Boulevard, Dept. 408  
Bismarck, ND 58505-0480  
Email: dnitschk@nd.gov; ndpsc@nd.gov

**Re: In the Matter of the Application of Otter Tail Power Company for a Determination of Prudence to Discontinue Participation Case No. PU-10-30**

Dear Mr. Nitschke:

In compliance with the North Dakota Public Service Commission ("Commission") order on June 25, 2010 in the above referenced case ("Order"), Otter Tail Power Company ("Otter Tail" or the "Company"), respectfully submits an original and seven (7) copies of the following documents as required by Ordering paragraphs 5 and 6 of the Order.

Ordering paragraph 5 required Otter Tail to file a rate schedule and documentation supporting the calculation of the rates for recovery of the Big Stone II Costs. Otter Tail's tariff book Section 13.06, Big Stone II Cost Recovery Rider is included in Attachment A. Otter Tail has also updated its tariff book index and Section 13.00, Mandatory Riders Matrix, both of which are in redlined and nonredlined formats and are also included in Attachment A. The schedule supporting the calculation of the rates for the Big Stone II Cost Recovery Rider is included in Attachment B.

53 PU-10-30 Filed: 7/13/2010 Pages: 24  
Documentation supporting calculation of cost recovery - draft bill insert

Otter Tail Power Company

Ron Spangler, Jr. - Rate Case Manager

Darrell Nitschke  
July 12, 2010  
Page 2

Case No. PU-08-862

Ordering paragraph 6 required Otter Tail to submit a draft of the bill insert regarding the recovery of Big Stone II generations costs for Commission approval. The draft bill insert is included in Attachment C. Ordering paragraph 6 also requires Otter Tail to include the approved bill insert with customer bills every third month for the 36 month recovery period, which Otter Tail will do.

If you have any questions regarding this filing, please call me at 218-739-8838.

Sincerely,

A handwritten signature in black ink that reads "Ron L. Spangler, Jr." followed by a stylized flourish.

Ron L. Spangler, Jr.  
Rate Case Manager, Regulatory Services

RLS/jwf

Enclosures

c: Richard Savelkoul (rsavelkoul@felhaber.com)  
Annette Bendish (abendish@nd.gov)  
Derrick Braaten (derrick@svlawpartners.com)  
Illona A. Jeffcoat-Sacco (ijs@nd.gov)

**STATE OF NORTH DAKOTA**  
**PUBLIC SERVICE COMMISSION**

**RE: In the Matter of the Application of Otter Tail Power Company for a  
Determination of Prudence to Discontinue Participation  
Case No. PU-10-30**

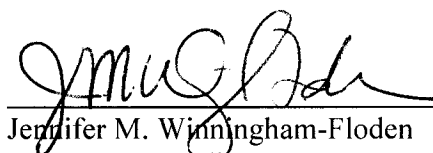
**AFFIDAVIT OF SERVICE BY ELECTRONIC AND REGULAR MAIL**

STATE OF MINNESOTA  
COUNTY OF OTTER TAIL

I, Jennifer M. Winningham-Floden, hereby certify that I have this day served a copy of the following, or a summary thereof, on Mr. Darrell Nitschke by e-mail and overnight delivery, and to all other persons on the attached service list by electronic service and by First Class mail.

**Otter Tail Power Company Filing**

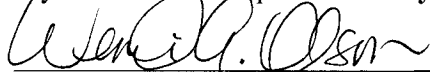
Dated this **12th** day of **July, 2010**.



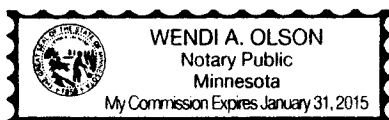
\_\_\_\_\_  
Jennifer M. Winningham-Floden  
Rate Case Coordinator  
Otter Tail Power Company  
215 South Cascade Street  
Fergus Falls MN 56537  
(218) 739-8825

Subscribed and sworn to before me this **12<sup>th</sup>** day of **July, 2010**.

My Commission expires **January 31, 2015**.



\_\_\_\_\_  
Wendi A. Olson, Notary Public



**SERVICE LIST – Case No. PU-10-30**

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General Counsel  
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Email: ijs@nd.gov



North Dakota, Section 13.06  
**ELECTRIC RATE SCHEDULE**  
**Big Stone II Cost Recovery Rider**  
 Page 1 of 1  
 Original

**BIG STONE II COST RECOVERY RIDER**

DESCRIPTION	RATE CODE
Large General Service	50-550
All Other Service	50-551

**RULES AND REGULATIONS:** Terms and conditions of this electric rate schedule and the General Rules and Regulations govern use of this rider.

**APPLICATION OF RIDER:** This rider is applicable to electric service under all of the Company's Retail Rate Schedules.

**COST RECOVERY FACTOR:** There shall be included on each North Dakota Customer's monthly bill a Big Stone II Cost Recovery Charge, which shall be calculated before any applicable municipal payment adjustments and sales taxes as provided in the General Rules and Regulations for the Company's electric service. The following charges are applicable in addition to all charges for service being taken under the Company's standard rate schedules and riders and will be included in the Energy and Renewable Adjustment line item on the Customer's bill. The Cost Recovery Factor will be updated periodically based on the Commission's Order in Case Number and PU-10-30.

**RATE:**

BIG STONE II COST RECOVERY			
Energy Charge per kWh:	kWh		kW
<b>Large General Service (a)</b>	0.062	¢/kWh	\$0.075
<b>All Other Service</b>	0.083	¢/kWh	N/A
(a) Rate schedules 10.03 Large General Service, 10.05 Large General Service – Time of Day, 14.02 Real Time Pricing Rider and 14.03 Large General Service Rider.			

**MANDATORY AND VOLUNTARY RIDERS:** The amount of a bill for service will be modified by any Mandatory Rate Riders that must apply or Voluntary Rate Riders selected by the Customer, unless otherwise noted in this rider. See sections 12.00, 13.00 and 14.00 of the North Dakota electric rates for the matrices of riders.

NORTH DAKOTA PUBLIC  
 SERVICE COMMISSION  
 Case No. PU-10-30  
 Filed: July 12, 2010

EFFECTIVE with bills rendered on  
 and after August 1, 2010, in North Dakota

APPROVED: Thomas R. Brause  
 Vice President, Administration



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## Electric Service – North Dakota - Index

<u>Section</u>	<u>Prior Sheet</u>	<u>Item</u>
<b>1.00</b>		<b>GENERAL SERVICE RULES</b>
1.01	99.9	Scope of General Rules and Regulations
1.02	99.9	Application for Service
1.03	98.3	Deposits, Guarantees and Credit Policy
1.04	98.2	Customer Connection Charge
1.05	N/A	Contracts and Agreements
1.06	N/A	Forecasts for Fuel Clause and Rider Adjustments
<b>2.00</b>		<b>RATE APPLICATION</b>
2.01	N/A	Assisting Customers in Rate Selection
2.02	99.9	Service Classification
<b>3.00</b>		<b>CURTAILMENT OR INTERRUPTION OF SERVICE</b>
3.01	N/A	Disconnection of Service
3.02	N/A	Curtailed or Interruption of Service
3.03	N/A	N/A (reserved for future use)
3.04	N/A	N/A (reserved for future use)
3.05	99.9	Continuity of Service

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NORTH DAKOTA PUBLIC  
SERVICE COMMISSION  
North Dakota

Case No. ~~PU-08-862~~10-30

Approved by order dated November 25, 2009 Filed: July 12, 2010

~~Bernadeen Brutlag~~ Thomas R. Brause

President, Administration

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APPROVED:

Manager, Regulatory Services Vice



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*Section*    *Prior Sheet*    *Item*

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**4.00            METERING & BILLING**

- 4.01    N/A    Meter and Service Installations
- 4.02    N/A    Meter Readings
- 4.03    99.9    Estimated Readings
- 4.04    N/A    Meter Testing
- 4.05    99.9    Access to Customers' Premises
- 4.06    99.9    Establishing Demands
- 4.07    99.9    Monthly Billing Period and Prorated Bills
- 4.08    99.9    Electric Service Statement – Identification of Amounts and Meter Reading
- 4.09    N/A    Billing Adjustments
- 4.10    98.2    Payment Policy
- 4.11    N/A    Even Monthly Payment (EMP)
- 4.12    N/A    Summary Billing Services
- 4.13    N/A    Account History Charge
- 4.14    N/A    Combined Metering

**5.00            STANDARD INSTALLATION AND EXTENSION RULES**

- 5.01    99.9    Extension Rules and Minimum Revenue Guarantee
- 5.02    N/A    Special Facilities
- 5.03    99.9    Temporary Services
- 5.04    N/A    Standard Installation
- 5.05    N/A    Service Connection

**6.00            USE OF SERVICE RULES**

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NORTH DAKOTA PUBLIC  
SERVICE COMMISSION  
North Dakota

Case No. PU-08-86210-30

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President, Administration

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Manager, Regulatory Services Vice



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6.01	99.9	Customer Equipment
6.02	99.9	Use of Service; Prohibition on Resale

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**7.00      COMPANY'S RIGHTS**

7.01	99.9	Waiver of Rights or Default
7.02	N/A	Modification of Rates, Rules and Regulations

**8.00      GLOSSARY AND SYMBOLS**

8.01	N/A	Glossary
8.02	N/A	Definition of Symbols

**Rate Schedules & Riders**

**9.00      RESIDENTIAL AND FARM SERVICES**

9.01	1	Residential Service
9.02	5	Residential Demand Control Service
9.03	16	Farm Service

**10.00     GENERAL SERVICES**

10.01	N/A	Small General Service (Under 20 kW)
10.02	20	General Service (20 kW or Greater)
10.03	30	Large General Service
10.04	N/A	Commercial Service – Time of Use

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NORTH DAKOTA PUBLIC  
SERVICE COMMISSION  
North Dakota

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Manager, Regulatory Services Vice



North Dakota, Index  
ELECTRIC RATE SCHEDULE  
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Twenty-second Revision

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10.05 30.3 Large General Service – Time of Day - Experimental

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NORTH DAKOTA PUBLIC  
SERVICE COMMISSION  
North Dakota

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Manager, Regulatory Services Vice



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*Section*    *Prior Sheet*    *Item*

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**11.00    OTHER SERVICES**

- 11.01    71.1    Standby Service
- 71.2
- 11.02    90        Irrigation Service
- 11.03    93        Outdoor Lighting – Energy Only Dusk to Dawn
- 11.04    94        Outdoor Lighting Dusk to Dawn
- 11.05    95        Municipal Pumping Service
- 11.06    96        Civil Defense - Fire Sirens

**12.00    PURCHASE POWER RIDERS & APPLICABILITY MATRIX**

- 12.01    70.8    Small Power Producer Rider Occasional Delivery Energy Service (Net Energy Billing Rate)
- 12.02    70.9    Small Power Producer Rider Time of Delivery Energy Service
- 12.03    71       Small Power Producer Rider Dependable Service

**13.00    MANDATORY RIDERS & APPLICABILITY MATRIX**

- 13.01    98       Energy Adjustment Rider
  - *Applicable to all services and riders unless otherwise stated in the mandatory riders matrix*
- 13.04    98.8    Renewable Resource Cost Recovery Rider
- 13.05    N/A    N/A (reserved for future use)
- 13.06    N/A    Big Stone II Cost Recovery Rider

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NORTH DAKOTA PUBLIC  
SERVICE COMMISSION  
North Dakota

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Manager, Regulatory Services Vice



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**14.00      VOLUNTARY RIDERS & APPLICABILITY MATRIX**

- 14.01    7      Water Heating Control Rider
- 14.02    30.1    Real Time Pricing Rider
- 14.03    N/A    Large General Service Rider
- 14.04    50      Controlled Service – Interruptible Load CT Metering Rider  
(Large Dual Fuel)
- 14.05    50.1    Controlled Service – Interruptible Load Self-Contained  
Metering Rider (Small Dual Fuel)
- 14.06    50.2    Controlled Service Deferred Load Rider (Thermal Storage)
- 14.07    50.3    Fixed Time of Delivery Rider (Fixed TOD)
- 50.4
- 50.5
- 14.08    N/A    Air Conditioning Control Rider (**CoolSavings**)
- 14.09    91.5    Voluntary Renewable Energy Rider (**TailWinds**)
- 14.10    92      WAPA Bill Crediting Program Rider
- 14.11    91      Released Energy Access Program (REAP) Rider
- 14.12    50.7    Bulk Interruptible Service Application and Pricing  
Guidelines

**15.00      NORTH DAKOTA ELECTRIC SERVICE AREA**

- 15.00      Retail Electric Service to Communities

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NORTH DAKOTA PUBLIC  
SERVICE COMMISSION  
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Manager, Regulatory Services Vice



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## Electric Service – North Dakota - Index

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### **1.00        GENERAL SERVICE RULES**

- |      |      |   |
|------|------|---|
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| 1.02 | 99.9 | Application for Service                         |
| 1.03 | 98.3 | Deposits, Guarantees and Credit Policy          |
| 1.04 | 98.2 | Customer Connection Charge                      |
| 1.05 | N/A  | Contracts and Agreements                        |
| 1.06 | N/A  | Forecasts for Fuel Clause and Rider Adjustments |

### **2.00        RATE APPLICATION**

- |      |      |                                       |
|------|------|---------------------------------------|
| 2.01 | N/A  | Assisting Customers in Rate Selection |
| 2.02 | 99.9 | Service Classification                |

### **3.00        CURTAILMENT OR INTERRUPTION OF SERVICE**

- |      |      |                                      |
|------|------|--------------------------------------|
| 3.01 | N/A  | Disconnection of Service             |
| 3.02 | N/A  | Curtailed or Interruption of Service |
| 3.03 | N/A  | N/A (reserved for future use)        |
| 3.04 | N/A  | N/A (reserved for future use)        |
| 3.05 | 99.9 | Continuity of Service                |



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**4.00            METERING & BILLING**

4.01	N/A	Meter and Service Installations
4.02	N/A	Meter Readings
4.03	99.9	Estimated Readings
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4.08	99.9	Electric Service Statement – Identification of Amounts and Meter Reading
4.09	N/A	Billing Adjustments
4.10	98.2	Payment Policy
4.11	N/A	Even Monthly Payment (EMP)
4.12	N/A	Summary Billing Services
4.13	N/A	Account History Charge
4.14	N/A	Combined Metering

**5.00            STANDARD INSTALLATION AND EXTENSION RULES**

5.01	99.9	Extension Rules and Minimum Revenue Guarantee
5.02	N/A	Special Facilities
5.03	99.9	Temporary Services
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5.05	N/A	Service Connection

**6.00            USE OF SERVICE RULES**

6.01	99.9	Customer Equipment
6.02	99.9	Use of Service; Prohibition on Resale

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NORTH DAKOTA PUBLIC  
SERVICE COMMISSION  
Case No. PU-10-30  
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Vice President, Administration



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*Section*    *Prior Sheet*    *Item*

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**7.00      COMPANY'S RIGHTS**

- 7.01    99.9    Waiver of Rights or Default
- 7.02    N/A      Modification of Rates, Rules and Regulations

**8.00      GLOSSARY AND SYMBOLS**

- 8.01    N/A      Glossary
- 8.02    N/A      Definition of Symbols

**Rate Schedules & Riders**

**9.00      RESIDENTIAL AND FARM SERVICES**

- 9.01    1        Residential Service
- 9.02    5        Residential Demand Control Service
- 9.03    16      Farm Service

**10.00     GENERAL SERVICES**

- 10.01   N/A      Small General Service (Under 20 kW)
- 10.02   20      General Service (20 kW or Greater)
- 10.03   30      Large General Service
- 10.04   N/A      Commercial Service – Time of Use
- 10.05   30.3    Large General Service – Time of Day - Experimental

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NORTH DAKOTA PUBLIC  
SERVICE COMMISSION  
Case No. PU-10-30  
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APPROVED: Thomas R. Brause  
Vice President, Administration



North Dakota, Index  
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*Section Prior Sheet Item*

**11.00 OTHER SERVICES**

- 11.01 71.1 Standby Service
- 71.2
- 11.02 90 Irrigation Service
- 11.03 93 Outdoor Lighting – Energy Only Dusk to Dawn
- 11.04 94 Outdoor Lighting Dusk to Dawn
- 11.05 95 Municipal Pumping Service
- 11.06 96 Civil Defense - Fire Sirens

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- 12.03 71 Small Power Producer Rider Dependable Service

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- 13.01 98 Energy Adjustment Rider
  - *Applicable to all services and riders unless otherwise stated in the mandatory riders matrix*
- 13.04 98.8 Renewable Resource Cost Recovery Rider
- 13.05 N/A N/A (reserved for future use) N
- 13.06 N/A Big Stone II Cost Recovery Rider N

NORTH DAKOTA PUBLIC  
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(Large Dual Fuel)
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Metering Rider (Small Dual Fuel)
- 14.06    50.2    Controlled Service Deferred Load Rider (Thermal Storage)
- 14.07    50.3    Fixed Time of Delivery Rider (Fixed TOD)
- 50.4
- 50.5
- 14.08    N/A    Air Conditioning Control Rider (**CoolSavings**)
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**15.00      NORTH DAKOTA ELECTRIC SERVICE AREA**


- 15.00            Retail Electric Service to Communities



North Dakota, Section 13.00  
**ELECTRIC RATE SCHEDULE**  
**Mandatory Riders - Applicability Matrix**  
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**MANDATORY RIDERS - APPLICABILITY MATRIX**

The amount of a bill for service will be modified by any Mandatory Rate Riders that must apply, Voluntary Rate Riders selected by the Customer, and charges listed in the General Rules and Regulations.

 <b>Applicability Matrix</b>	<b>Mandatory Riders</b>	Energy Adjustment Rider	Renewable Resource Cost Recovery Rider
<b>Base Tariffs</b>	Section Numbers	13.01	13.04
<b>RESIDENTIAL &amp; FARM SERVICES</b>			
Residential Service	9.01	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Residential Demand Control Service	9.02	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Farm Service	9.03	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>GENERAL SERVICES</b>			
Small General Service (Less than 20 kW)	10.01	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
General Service (20 kW or Greater)	10.02	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Large General Service	10.03	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Commercial Service - Time of Use	10.04	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Large General Service - Time of Day	10.05	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>OTHER SERVICES</b>			
Standby Service	11.01	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Irrigation Service	11.02	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Outdoor Lighting - Energy Only	11.03	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Outdoor Lighting	11.04	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Municipal Pumping Service	11.05	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Fire Sirens - Civil Defense	11.06	<input type="checkbox"/>	<input type="checkbox"/>
<b>Key:</b> <input checked="" type="checkbox"/> = May apply <input checked="" type="checkbox"/> = Mandatory <input type="checkbox"/> = Not Applicable			

NORTH DAKOTA PUBLIC SERVICE COMMISSION  
in North Dakota  
Case No. PU-08-86210-30

EFFECTIVE for bills rendered on  
and after ~~December 1, 2009~~ August 1, 2010,

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APPROVED:  
~~Bernadeen Brutlag~~ Thomas R. Brause  
Manager, Regulatory

Services Vice President, Administration



North Dakota, Section 13.00  
**ELECTRIC RATE SCHEDULE**  
**Mandatory Riders - Applicability Matrix**  
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 Original First Revision

<b>Applicability Matrix</b>	<b>Mandatory Riders</b>	Energy Adjustment Rider	Renewable Resource Cost Recovery Rider	Big Stone II Cost Recovery Rider
<b>Base Tariffs</b>	Section Numbers	13.01	13.04	13.06
<b>RESIDENTIAL &amp; FARM SERVICES</b>				
Residential Service	9.01			
Residential Demand Control Service	9.02			
Farm Service	9.03			
<b>GENERAL SERVICES</b>				
Small General Service (Less than 20 kW)	10.01			
General Service (20 kW or Greater)	10.02			
Large General Service	10.03			
Commercial Service - Time of Use	10.04			
Large General Service - Time of Day	10.05			
<b>OTHER SERVICES</b>				
Standby Service	11.01			
Irrigation Service	11.02			
Outdoor Lighting - Energy Only	11.03			
Outdoor Lighting	11.04			
Municipal Pumping Service	11.05			
Fire Sirens - Civil Defense	11.06			
<b>Key:</b>		✓ = May apply	■ = Mandatory	□ = Not Applicable

NORTH DAKOTA PUBLIC SERVICE COMMISSION  
 in North Dakota  
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 Manager, Regulatory

Services Vice President, Administration



North Dakota, Section 13.00  
**ELECTRIC RATE SCHEDULE**  
**Mandatory Riders - Applicability Matrix**  
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 Original First Revision

 <b>Applicability Matrix</b>		<b>Mandatory Riders</b>	<b>Energy Adjustment Rider</b>	<b>Renewable Resource Cost Recovery Rider</b>
<b>Base Tariffs</b>	Section Numbers		13.01	13.04
<b>VOLUNTARY RIDERS</b>				
Water Heating Control Rider	14.01			
Real Time Pricing Rider	14.02			
Large General Service Rider	14.03		✓	
Controlled Service - Interruptible Load CT Metering Rider	14.04			
Controlled Service - Interruptible Load Self-Contained Metering Rider	14.05			
Controlled Service Deferred Load Rider	14.06			
Fixed Time of Delivery Rider	14.07			
Air Conditioning Control Rider	14.08			
Voluntary Renewable Energy Rider	14.09			
WAPA Bill Crediting Program Rider	14.10			
Released Energy Access Program Rider	14.11			
Bulk Interruptible Service Application and Pricing Guidelines	14.12			
<b>Key:</b>		✓ = May apply	☒ = Mandatory	☐ = Not Applicable

NORTH DAKOTA PUBLIC  
 SERVICE COMMISSION  
 in North Dakota  
 Case No. PU-08-86210-30

EFFECTIVE for bills rendered on  
 and after ~~December 1, 2009~~ August 1, 2010,

Approved by order dated November 25, 2009 Filed: July 12, 2009

APPROVED:  
 Bernadeen Brutlag Thomas R. Brause  
 Manager, Regulatory

Services Vice President, Administration



North Dakota, Section 13.00  
**ELECTRIC RATE SCHEDULE**  
**Mandatory Riders - Applicability Matrix**  
 Page 4 of 4  
 Original First Revision

<b>Applicability Matrix</b>	<b>Mandatory Riders</b>	<b>Energy Adjustment Rider</b>	<b>Renewable Resource Cost Recovery Rider</b>	<b>Big Stone II Cost Recovery Rider</b>
<b>Base Tariffs</b>	Section Numbers	13.01	13.04	13.06
<b>VOLUNTARY RIDERS</b>				
Water Heating Control Rider	14.01			
Real Time Pricing Rider	14.02			
Large General Service Rider	14.03	✓		
Controlled Service - Interruptible Load CT Metering Rider	14.04			
Controlled Service - Interruptible Load Self-Contained Metering Rider	14.05			
Controlled Service Deferred Load Rider	14.06			
Fixed Time of Delivery Rider	14.07			
Air Conditioning Control Rider	14.08			
Voluntary Renewable Energy Rider	14.09			
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**MANDATORY RIDERS - APPLICABILITY MATRIX**

The amount of a bill for service will be modified by any Mandatory Rate Riders that must apply, Voluntary Rate Riders selected by the Customer, and charges listed in the General Rules and Regulations.

 <b>Applicability Matrix</b>	<b>Mandatory Riders</b>	Energy Adjustment Rider	Renewable Resource Cost Recovery Rider	Big Stone II Cost Recovery Rider
<b>Base Tariffs</b>	Section Numbers	13.01	13.04	13.06
<b>RESIDENTIAL &amp; FARM SERVICES</b>				
Residential Service	9.01			
Residential Demand Control Service	9.02			
Farm Service	9.03			
<b>GENERAL SERVICES</b>				
Small General Service (Less than 20 kW)	10.01			
General Service (20 kW or Greater)	10.02			
Large General Service	10.03			
Commercial Service - Time of Use	10.04			
Large General Service - Time of Day	10.05			
<b>OTHER SERVICES</b>				
Standby Service	11.01			
Irrigation Service	11.02			
Outdoor Lighting - Energy Only	11.03			
Outdoor Lighting	11.04			
Municipal Pumping Service	11.05			
Fire Sirens - Civil Defense	11.06			
<b>Key:</b> ✓ = May apply   ■ = Mandatory   □ = Not Applicable				

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Vice President, Administration



North Dakota, Section 13.00  
**ELECTRIC RATE SCHEDULE**  
**Mandatory Riders - Applicability Matrix**  
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 <b>Applicability Matrix</b>		<b>Mandatory Riders</b>	Energy Adjustment Rider	Renewable Resource Cost Recovery Rider	Big Stone II Cost Recovery Rider
<b>Base Tariffs</b>	Section Numbers		13.01	13.04	13.06
<b>VOLUNTARY RIDERS</b>					
Water Heating Control Rider	14.01				
Real Time Pricing Rider	14.02				
Large General Service Rider	14.03	✓			
Controlled Service - Interruptible Load CT Metering Rider	14.04				
Controlled Service - Interruptible Load Self-Contained Metering Rider	14.05				
Controlled Service Deferred Load Rider	14.06				
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 Vice President, Administration

Otter Tail Power Company  
Big Stone II Cost Recovery Rider - Rate Calculations

Costs subject of settlement agreement (generation only)						\$10,080,092	
North Dakota share*	40.32%					4,064,293	
Carrying costs (assumes cost recovery begins August 2010)**						285,009	
North Dakota costs						<b>\$4,349,302</b>	
Amount to be recovered in first 12 months						<b>\$1,449,767</b>	
Class factors	Weighting	LGS		All others		Total	
ND E1****	75.285%	33.304%	\$363,499	66.696%	\$727,958	\$1,091,457	
ND D1****	24.72%	24.445%	\$87,589	75.555%	\$270,721	\$358,310	
North Dakota		\$451,088		\$998,679		<b>\$1,449,767</b>	
		LGS		All others			
		Rate	billing units***	Revenue	Rate	billing units***	Revenue
kWh billing		<b>\$0.00062</b>	583,883,308	\$363,499	<b>\$0.00083</b>	1,200,262,883	\$998,679
kW billing		<b>\$0.075</b>	1,174,355	\$87,589	n/a	n/a	n/a
North Dakota				\$451,088			\$998,679
				Total North Dakota year 1 revenue		<b>\$1,449,767</b>	
<p>* Allocated to North Dakota based on a composite of D1 and E1 factors used for generation rate base in Otter Tail's most recent North Dakota rate case, Case No. PU-08-862.  ** Carrying cost is the 2009 average AFUDC rate for 11 months.  *** August 2010 - July 2011 projected year 1 recovery period.  **** Class factors are most recent actual year (2009).</p>							

## **Keeping you informed**

### **Energy and Renewable Adjustment includes Big Stone II costs**

Otter Tail Power Company's electric rates are based on the costs associated with providing service to our customers, including the costs we incur to pursue sensible and necessary infrastructure to meet our customers' needs.

On June 25, 2010, the North Dakota Public Service Commission approved our request to include Big Stone II development costs in the Energy and Renewable Adjustment line on North Dakota customers' bills. We will recover Big Stone II development costs over a 3-year period. This will result in an increase of about 62 cents a month for the average residential customer, and is less than what customers would have paid had we waited to include these costs in a general rate case.

### **Background**

In 2005, our company and six other electric utilities proposed Big Stone II, a coal-fired power plant to be built near Milbank, South Dakota. While regulatory authorities deemed this project both necessary and prudent, uncertainty surrounding federal energy and environmental policy, the broad economic downturn, and the withdrawal of other project participants created circumstances much different than those in 2005 when we decided to participate in the project.

In September 2009 Otter Tail Power Company withdrew from the project because the benefits of Big Stone II diminished while risks increased. As lead developer we incurred about \$10.1 million in plant development costs. Our North Dakota customers' share is about \$4.1 million. Again, we will spread out the recovery of our Big Stone II costs over a 3-year period. That means about 62 cents a month for the average residential customer.

### **For more information**

We continue to evaluate other options to meet our customers' needs for reliable electricity. To learn more about our balanced energy resource plan or to visit about the Energy and Renewable Adjustment, please call our **Customer Service Center at 800-257-4044**.

(ND 8/10)