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February 27, 2014

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

**RE: In the Matter of the Application of Otter Tail Power Company for
Authority to use Deferred Accounting
Case No. PU-09-739
And
In the Matter of the Application of Otter Tail Power Company for a Determination of
Prudence to Discontinue Participation in the Big Stone II Generating Plant
Case No. PU-10-30**

Dear Mr. Nitschke:

In compliance with the North Public Service Commission's (Commission) July 30, 2013 Order, Otter Tail is notifying the Commission that Otter Tail's Big Stone II Cost Recovery Rider Tariff will be cancelled at the end of March 2014.

Enclosed are red-line and clean versions of Otter Tail Power Company's (Otter Tail) Big Stone II Cost Recovery Rider - Electric Rate Schedule 13.06, Mandatory Riders – Applicability Matrix - Electric Rate Schedule 13.00 and North Dakota Electric Service Index (page 4 of 5) for filing in the above-referenced matter.

The July 30, 2013 Order also requires "any remaining balance will be credited or deducted from either the Environmental or Transmission Cost Recovery Rider for inclusion in the next update of the rates of one of these schedules, whichever is updated first". The amount of over/under collection will not be known until after the Big Stone II Cost Recovery Rider is discontinued. Otter Tail will credit or deduct the remaining amount (over/under collection) from either the Environmental or Transmission Cost Recovery Rider whichever is filed first after March 31, 2014.

Otter Tail has included two revisions of Electric Rate Schedule 13.06. The first revision (redline and clean) of the Big Stone II Cost Recovery Rider - Electric Rate Schedule 13.06 adds the title *****CANCELLED*****. The addition of the word cancelled is done for clarity so there is no confusion about the cancellation of both pages of the rate schedule. The second revision (redline and clean) strikes

86 PU-10-30 Filed 02/27/2014 Pages: 15
Compliance filing - Notification of cancellation of Big Stone II Cost Recovery Rider Tariff
Otter Tail Power Company

An Equal Opportunity Employer

76 PU-09-739 Filed 02/27/2014 Pages: 15
Compliance filing - Notification of cancellation of Big Stone II Cost Recovery Rider Tariff
Otter Tail Power Company

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the word ***CANCELLED***in addition to the entire rate schedule and inserts the terms RESERVED FOR FUTURE USE. The second revision is being done simply for the purpose of keeping Otter Tail's electric rate schedule numbering sequential.

The Mandatory Riders – Applicability Matrix - Electric Rate Schedule 13.00 indicates the “Reserved for Future Use” in the column for Electric Rate Schedule 13.06 and removes any applicability indicators.

The North Dakota Electric Service Index page 4 of 5 replaces the title Big Stone II Cost Recovery Rider for section 13.06 with the following “N/A (reserved for future use)”.

Each of the three affected Electric Rate Schedules: Big Stone II Cost Recovery Rider - Electric Rate Schedule 13.06, Mandatory Riders – Applicability Matrix - Electric Rate Schedule 13.00 and North Dakota Electric Service Index (page 4 of 5) indicate the April 1, 2014 effective date of the change (cancellation of the Big Stone II Cost Recovery Rider).

As this filing is being made to comply with the Commission's July 30, 2013 Order, no further action is required.

An electronic copy of this Application is being sent to you at dnitschk@nd.gov and to NDPSC@nd.gov. The original and seven copies will be sent to you by First Class mail.

If you have any questions, do not hesitate to contact me at (218) 739-8607 or pbeithon@otpc.com.

Very truly yours,

/s/ PETE BEITHON

Pete Beithon
Manager, Regulatory Recovery

jce
Enclosures
By electronic service and First Class mail

*****CANCELLED*****

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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
	Large General Service (a)	0.062	¢/kWh
All Other Service	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.

DETERMINATION OF DEMAND CHARGE (LARGE GENERAL SERVICE CLASS ONLY): The demand charge shall be billed consistent with the billing demand as defined in

NORTH DAKOTA PUBLIC
SERVICE COMMISSION
North Dakota
Case No. PU-10-30
Filed: ~~July 16, 2010~~ February 27, 2014
Thomas R. Brause

EFFECTIVE with bills rendered on
and after ~~August 1, 2010~~ April 1, 2014, in

APPROVED:

Vice President, Administration



the applicable rate schedule under which the Customer is taking service.

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
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EFFECTIVE with bills rendered on
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APPROVED:

Vice President, Administration

CANCELLED

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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
Large General Service (a)	0.062 ¢/kWh	\$0.075
All Other Service	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.		

DETERMINATION OF DEMAND CHARGE (LARGE GENERAL SERVICE CLASS ONLY): The demand charge shall be billed consistent with the billing demand as defined in the applicable rate schedule under which the Customer is taking service.



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.



~~***CANCELLED***~~ **Section 13.06 RESERVED FOR FUTURE USE**

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~~**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
— Large General Service — (a)	0.062	¢/kWh	\$0.075
— All Other Service	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.			

~~**DETERMINATION OF DEMAND CHARGE (LARGE GENERAL SERVICE CLASS ONLY):** The demand charge shall be billed consistent with the billing demand as defined in the applicable rate schedule under which the Customer is taking service.~~

~~**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.~~

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Section 13.06 RESERVED FOR FUTURE USE

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NORTH DAKOTA PUBLIC
SERVICE COMMISSION
Case No. PU-10-30
Filed: February 27, 2014

EFFECTIVE with bills rendered on
and after April 1, 2014, in North Dakota


APPROVED: Thomas R. Brause
Vice President, Administration

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.

 Applicability Matrix	Mandatory Riders	Energy Adjustment Rider	Renewable Resource Cost Recovery Rider	Economic Development Cost Removal Rider	Cost Recovery Rider Reserved for Future Use	Transmission Cost Recovery Rider	Environmental Cost Recovery Rider
Base Tariffs	Section Numbers	13.01	13.04	13.05	13.06	13.07	13.08
RESIDENTIAL & FARM SERVICES							
Residential Service	9.01						
Residential Demand Control Service	9.02						
Farm Service	9.03						
GENERAL SERVICES							
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						
OTHER SERVICES							
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						
Key: <input checked="" type="checkbox"/> = May apply <input type="checkbox"/> = Mandatory <input type="checkbox"/> = Not Applicable							


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 Applicability Matrix		Mandatory Riders	Energy Adjustment Rider	Renewable Resource Cost Recovery Rider	Economic Development Cost Removal Rider	Big Stone II Cost Recovery Rider Rider Reserved for Future Use	Transmission Cost Recovery Rider	Environmental Cost Recovery Rider
Base Tariffs	Section Numbers	13.01	13.04	13.05	13.06	13.07	13.08	
MANDATORY RIDERS								
Energy Adjustment Rider	13.01							
Renewable Resource Cost Recovery Rider	13.04							
Economic Development Cost Removal Rider	13.05							
Big Stone II Cost Recovery Rider Rider Reserved for Future Use	13.06							
Transmission Cost Recovery Rider	13.07							
Environmental Cost Recovery Rider	13.08							
VOLUNTARY RIDERS								
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							
Key:		✓ = May apply	■ = Mandatory	□ = Not Applicable				


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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.

 Applicability Matrix	Mandatory Riders	Energy Adjustment Rider	Renewable Resource Cost Recovery Rider	Economic Development Cost Removal Rider	Reserved for Future Use	Transmission Cost Recovery Rider	Environmental Cost Recovery Rider
Base Tariffs	Section Numbers	13.01	13.04	13.05	13.06	13.07	13.08
RESIDENTIAL & FARM SERVICES							
Residential Service	9.01						
Residential Demand Control Service	9.02						
Farm Service	9.03						
GENERAL SERVICES							
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						
OTHER SERVICES							
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						
Key: <input checked="" type="checkbox"/> = May apply <input type="checkbox"/> = Mandatory <input type="checkbox"/> = Not Applicable							

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 Applicability Matrix		Mandatory Riders	Energy Adjustment Rider	Renewable Resource Cost Recovery Rider	Economic Development Cost Removal Rider	Reserved for Future Use	Transmission Cost Recovery Rider	Environmental Cost Recovery Rider
Base Tariffs	Section Numbers	13.01	13.04	13.05	13.06	13.07	13.08	
MANDATORY RIDERS								
Energy Adjustment Rider	13.01							
Renewable Resource Cost Recovery Rider	13.04							
Economic Development Cost Removal Rider	13.05							
Reserved for Future Use	13.06							
Transmission Cost Recovery Rider	13.07							
Environmental Cost Recovery Rider	13.08							
VOLUNTARY RIDERS								
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							
Key:		✓ = May apply	■ = Mandatory	□ = Not Applicable				

Section *Prior Sheet* *Item*

11.00 OTHER SERVICES

11.01	71.1 71.2	Standby Service
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 • <i>Applicable to <u>all</u> services and riders unless otherwise stated in the mandatory riders matrix</i>	
13.04	98.8	Renewable Resource Cost Recovery Rider	
13.05	N/A	Economic Development Cost Removal Rider	
13.06	N/A	N/A (reserved for future use) Big Stone II Cost Recovery Rider	<u>C</u>
13.07	N/A	Transmission Cost Recovery Rider	
13.08	N/A	Environmental Cost Recovery Rider	N

Section *Prior Sheet* *Item*

11.00 OTHER SERVICES

11.01	71.1 71.2	Standby Service
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 <ul style="list-style-type: none"> • <i>Applicable to <u>all</u> services and riders unless otherwise stated in the mandatory riders matrix</i>
13.04	98.8	Renewable Resource Cost Recovery Rider
13.05	N/A	Economic Development Cost Removal Rider
13.06	N/A	N/A (reserved for future use)
13.07	N/A	Transmission Cost Recovery Rider
13.08	N/A	Environmental Cost Recovery Rider

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