

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Otter Tail Corporation / McLean Electric Coop
Garrison Area
Service Area Agreement**

Case No. PU-10-334

**Otter Tail Corporation
Garrison Area – Service Area Agreement
Public Convenience & Necessity**

Case No. PU-10-417

ORDER APPROVING ELECTRIC SERVICE AREA AGREEMENT

September 22, 2010

On July 12, 2010, Otter Tail Corporation d/b/a Otter Tail Power Company (Otter Tail) and McLean Electric Cooperative (McCLEan) filed a joint application (Case No. PU-10-334) for approval of a Service Area Agreement to establish service areas and designate service locations to be served by Otter Tail and McLean within and around the City of Garrison, North Dakota. Otter Tail further requested it be issued a certificate of public convenience and necessity (Case No. PU-10-417) authorizing it to extend service to locations within the Otter Tail service area set forth in the agreement.

On July 14, 2010 the Commission issued a Notice of Filing, Notice of Informal Hearing and Notice of Opportunity for Hearing, which provided until September 3, 2010 for receiving written comments or hearing requests. No response has been received. The Notice identified the issues to be considered in these proceedings as whether the Service Area Agreement complies with section 49-03-06 of the North Dakota Century Code (N.D.C.C.), and whether the approval of the Service Area Agreement and resulting certificate issuance are compatible with the public interest.

On September 8, 2010, the Commission discussed the issues with Commission staff and the applicants at an informal hearing. Otter Tail contend that the agreement will:

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

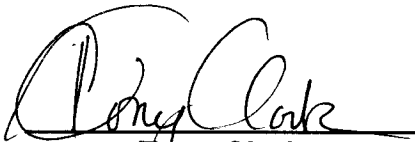
Having considered this matter the Commission finds that the Service Area Agreement complies with N.D.C.C. section 49-03-06, and that approval of the Service Area Agreement and the resulting certificate issuance are compatible with the public interest. Therefore, the Commission issues the following:

Order

The Commission Orders:

1. The electric service agreement filed jointly by Otter Tail Corporation d/b/a Otter Tail Power Company and Northern Plains Electric Cooperative is APPROVED.
2. Otter Tail Corporation d/b/a Otter Tail Power Company is issued Certificate of Public Convenience and Necessity No. 5422 authorizing the provision of electric service to customers within the agreed-upon service areas around the city of Garrison.

PUBLIC SERVICE COMMISSION



Tony Clark
Commissioner



Kevin Cramer
Chairman



Brian P. Kalk
Commissioner

**PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity
Certificate Number 5422**

This is to certify that public convenience and necessity require, and permission is granted for Otter Tail Power Company, to provide electric service to customers around the City of Garrison, North Dakota as established in an electric service area agreement negotiated with McLean Electric Cooperative and approved by the Commission in Case No. PU-10-334.

This certificate is issued in accordance with the Order of this Commission dated September 22, 2010 in Case Nos. PU-10-334 and PU-10-417, and is subject to the conditions and limitations noted in the Order.

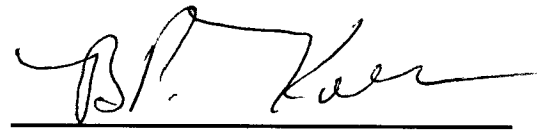
This certificate is conditioned upon Otter Tail Power Company securing the franchise or other authority of the proper municipal or other public authority for the exercise of these rights and privileges.

Bismarck, North Dakota, September 22, 2010.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner