

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Otter Tail Power Company / North Central
Electric
Bottineau Area
Service Area Agreement**

Case No. PU-11-659

**Otter Tail Power Company
Bottineau Area – Bottineau County
Public Convenience & Necessity**

Case No. PU-11-660

ORDER APPROVING ELECTRIC SERVICE AREA AGREEMENT

December 21, 2011

On October 13, 2011, North Central Electric Cooperative, Inc. and Otter Tail Power Company filed a joint application for approval of a Service Area Agreement to establish service areas and designate service locations to be served by North Central and Otter Tail within and around the City of Bottineau, North Dakota. Applicants further request Otter Tail be issued a certificate of public convenience and necessity authorizing it to extend service to locations within the Otter Tail service area set forth in the agreement.

On November 10, 2011 the Commission issued a Notice of Filing, Notice of Informal Hearing and Notice of Opportunity for Hearing, which provided until December 6, 2011 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 December 7, 2011, the Commission discussed the issues with Commission staff and the applicants at an informal hearing. It was discussed that applicants were negotiating an amendment to define the term of the agreement. That amendment was filed on December 16, 2011. Applicants 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 Bottineau.

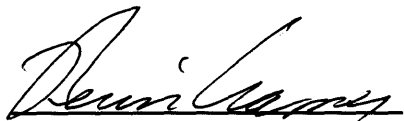
Having considered this matter the Commission finds that the amended Service Area Agreement complies with N.D.C.C. section 49-03-06, and that approval of the amended Service Area Agreement and the resulting certificate issuance are compatible with the public interest. Therefore, the Commission issues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

Order


The Commission Orders:

1. The amended electric service agreement filed jointly by Otter Tail Corporation d/b/a Otter Tail Power Company and North Central Electric Cooperative is APPROVED.
2. Otter Tail Corporation d/b/a Otter Tail Power Company is issued Certificate of Public Convenience and Necessity No. 5459 authorizing the provision of electric service to customers within the agreed-upon service areas around the city of Bottineau.

PUBLIC SERVICE COMMISSION



Kevin Cramer
Commissioner



Tony Clark
Chairman



Brian P. Kalk
Commissioner

**PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity
Certificate Number 5459**

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 Bottineau, North Dakota as established in an electric service area agreement negotiated with North Central Electric Cooperative and approved by the Commission in Case No. PU-11-659.

This certificate is issued in accordance with the Order of this Commission dated December 21, 2011 in Case Nos. PU-11-659 and PU-11-660, 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, December 21, 2011.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner