

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Otter Tail Power Company
41.6 kV & 12.5 kV Rugby Project
Public Convenience and Necessity**

Case No. PU-16-625

ORDER GRANTING CERTIFICATE

November 2, 2016

On September 1, 2016, Otter Tail Power Company (Otter Tail) filed an application for a certificate of public convenience and necessity. On September 9, 2016 Otter Tail filed an amendment to the application. Otter Tail proposes to construct and operate a Rugby Project consisting of two parallel 41.6 kV transmission lines approximately 0.56 miles in length and two 12.5 kV lines approximately 0.56 and 1.23 miles in length and related substation work, including construction of a 41.6 kV switchyard, to connect existing electric facilities into Otter Tail's existing Rugby 230/115 kV substation.

On September 21, 2016 the Commission issued a Notice of Opportunity for Hearing, which provided until October 31, 2016 for receiving written comments or requests for hearing. No response was received. The Notice identified the following issues to be considered:

1. Whether public convenience and necessity will be served by construction and operation of the facilities.
2. Whether the applicant is fit, willing, and able to provide service.

Otter Tail is a Minnesota corporation duly authorized to conduct business in North Dakota as a foreign corporation and is doing business in North Dakota as a public utility subject to the jurisdiction and regulation of this Commission. Otter Tail is an experienced regional generation, transmission and distribution utility with the expertise and resources to construct the proposed Rugby Project. Otter Tail is fit, willing and able to provide service.

Otter Tail proposes to reconfigure substations serving the community of Rugby to increase the load serving capability of its Rugby North distribution substation and replace its Rugby South substation, which is nearing the end of its useful life. Otter Tail proposes to expand its existing 230/115 kV substation near Rugby to accommodate a new 41.6/12.5 kV distribution transformer and associated distribution facilities in lieu of placing those same facilities at the Rugby South distribution substation.

Otter Tail further plans transmission related work to enhance the reliability of its 41.6 kV transmission system serving the area. Otter Tail plans to install a new 41.6 kV switchyard at its Rugby 230/115 kV substation along with four new 41.6 kV circuit breakers to protect the 41.6 kV transmission system. These enhancements will require construction of two new parallel 41.6 kV lines routed west and north to tap into an

existing 41.6 kV transmission line between Devils Lake and Rugby for a total distance of 0.56 miles per line. Otter Tail states this transmission work will help alleviate an extended outage of Central Power Electric Cooperative's (CPEC's) 115/41.6 kV transformer at CPEC's Rugby substation, which was recently taken out of service due to internal problems and has no specified return-to-service date. Overall, Otter Tail expects this new 41.6 kV connection into its existing 230/115 kV substation will provide a better source for the 41.6 kV transmission system in the area.

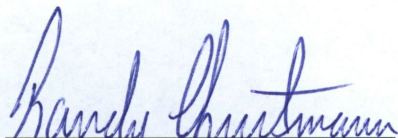
The Commission finds public convenience and necessity will be served by construction and operation of these facilities. Therefore, the Commission issues the following:

Order

The Commission Orders:

1. Otter Tail's amended application for a certificate of public convenience and necessity is granted.
2. Certificate of Public Convenience and Necessity No.5893 is issued to Otter Tail Power Company.

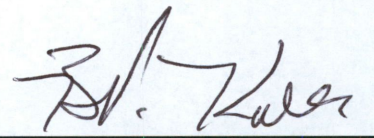
PUBLIC SERVICE COMMISSION



Randy Christmann
Commissioner



Julie Fedorchak
Chairman



Brian P. Kalk
Commissioner

**PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity
Certificate Number 5893**

This is to certify that public convenience and necessity require, and permission is granted for Otter Tail Power Company, to construct and operate two segments of 41.6 kV transmission line and two segments of 12.5 kV distribution line and associated facilities to interconnect Otter Tail Power Company's existing 41.6 kV and 12.5 kV networks into its existing Rugby 230/115 kV substation.

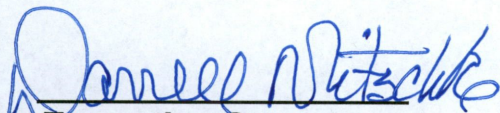
This certificate is issued in accordance with the Order of this Commission dated November 2, 2016 in Case No. PU-16-625, and is subject to the conditions and limitations noted in the Order.

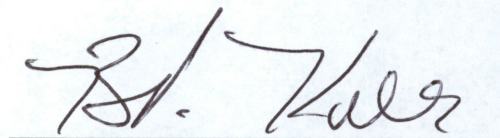
This certificate is conditioned upon Otter Tail Power Company securing the franchise or other authority of the proper municipal or other public authority for the exercise of these rights and privileges.

Bismarck, North Dakota, November 2, 2016.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner