

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Otter Tail Power Company
69 kV Transmission Segment & Three Substations
Public Convenience & Necessity

Case No. PU-19-298

ORDER

December 18, 2019

Preliminary Statement

On August 20, 2019, Otter Tail Power Company (Otter Tail) filed an application for a certificate of public convenience and necessity authorizing the acquisition of certain equipment owned by Central Power Electric Cooperative (CPEC) at Otter Tail's Bottineau, Wahpeton and Rugby substations and a four-mile segment of Otter Tail's 69 kV Rolette transmission line now owned by CPEC.

On September 19, 2019, the North Dakota Public Service Commission (Commission) issued a Notice of Opportunity for Hearing providing until October 31, 2019 for receiving written comments or requests for hearing. No response or request for hearing was received. The notice identified the following issues:

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

On November 21, 2019, the Commission discussed these matters with Otter Tail and Commission staff during an informal hearing.

Discussion

Otter Tail Power Company is a foreign corporation authorized to do business in North Dakota with principal address of 215 South Cascade Street, Fergus Falls, Minnesota 56537.

Otter Tail is engaged in the business of generating, transmitting and selling electric power and energy related services and provides electricity to residential, industrial, farm, commercial, and municipal customers over a 70,000 square-mile area within Minnesota, North Dakota and South Dakota. Otter Tail presently serves more than 131,000 retail electric customers throughout its service territory.

Otter Tail requests approval of the acquisition and ownership of the following facilities to be purchased from Central Power Electric Cooperative (CPEC):

- CPEC equipment within the Otter Tail Bottineau 115-43.8kV Substation,
- CPEC equipment within the Otter Tail Wahpeton 230-115-43.8kV Substation,
- CPEC equipment within the Otter Tail Rugby 230-115-43.8kV Substation, and
- CPEC's Rolette line segment – OTP Rolette four-mile long 69kV line.

Otter Tail indicates the primary benefits of the acquisition are the efficiencies and benefits gained by a more seamless ownership (sole ownership) of facilities that comprise the transmission system that supports the retail distribution of electric power to customers in the areas of Bottineau, Wahpeton, Rugby and Rolette, in North Dakota. Efficiencies gained in operations and maintenance will promote safe, reliable and cost-effective service to Otter Tail retail customers. Otter Tail will realize financial benefits that will result in a financial benefit to Otter Tail customers.

Otter Tail states that the acquisition assets are in good working order and are suitable for providing continued reliable service to North Dakota customers for many years into the future.

The public convenience and necessity will be served by the acquisition and operation of the facilities. Otter Tail is fit, willing, and able to provide service.

Order

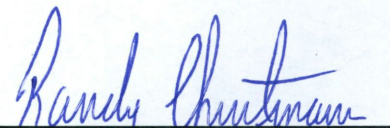
The Commission orders:

1. Otter Tail's application for acquisition of certain equipment, currently owned by Central Power Electric Cooperative, at Otter Tail's Bottineau, Wahpeton and Rugby substations and a four-mile segment of Otter Tail's 69 kV Rolette transmission line, currently owned by Central Power Electric Cooperative, is granted.
2. Certificate of Public Convenience and Necessity No. 5935 is issued to Otter Tail Power Company authorizing it to acquire and operate the electric facilities.

PUBLIC SERVICE COMMISSION


Julie Fedorchak
Commissioner


Brian Kroshus
Chairman


Randy Christmann
Commissioner

**PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA**

Certificate of Public Convenience and Necessity

Certificate Number 5935

This is to certify that public convenience and necessity require, and permission is granted for Otter Tail Power Company to acquire and operate certain equipment owned by Central Power Electric Cooperative at Otter Tail's Bottineau, Wahpeton and Rugby substations and a four-mile segment of a 69 kV Rolette transmission line now owned by Central Power Electric Cooperative.

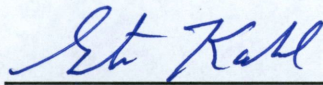
This certificate is issued in accordance with the Order of this Commission dated December 18, 2019, in Case No. PU-19-298, and is subject to the conditions and limitations noted in the Order.

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 18, 2019.

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Secretary



Commissioner