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May 20, 2016



Mr. Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East
Suite 350
St. Paul, MN 55101-2147

**RE: In the Matter of Otter Tail Power Company's Petition for Approval of a
Transfer of Property
Docket No. E017/PA-16-**

Dear Mr. Wolf:

Pursuant to Minnesota Statute § 216B.50 and Minnesota Rules 7825.1700 and 7825.1800, Otter Tail Power Company (Otter Tail) files this petition for approval of a transfer of property, specifically the acquisition of approximately 3.5 miles of electric transmission facilities in Moody County, South Dakota.

Otter Tail has included a Summary with this filing. As reflected in the attached Certificate of Service, the Summary has been served on all parties on Otter Tail's General Service List.

Please contact me if you have any questions regarding this filing.

Very truly yours,

/s/MARK B. BRING
Mark B. Bring
Associate General Counsel
MBB:jch

jch
Enclosures
By electronic filing
c: Service List

May 20, 2016

NOTICE TO ALL INTERESTED PARTIES

SUBJECT: Otter Tail Power Company's Petition for Approval of a Transfer of Property
Docket No. E017/PA-16-

Enclosed is a Summary of Otter Tail Power Company's Petition for Approval of a Transfer of Property, specifically the acquisition of approximately 3.5 miles of electric transmission facilities in Moody County, South Dakota, which was filed today.

A copy of this document is available for public inspection at the locations listed below:

Otter Tail Power Company
215 South Cascade
Fergus Falls, MN 56537

Division of Energy Resources, MN Dept of Commerce
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

Please contact me at 218-739-8922 if you wish to receive a copy of the above document or have any questions.

Very truly yours,

/s/ MARK B. BRING

Mark B. Bring
Associate General Counsel
MBB:jch

Enclosures

CERTIFICATE OF SERVICE

**RE: In the Matter of Otter Tail Power Company's Petition for Approval of a
Transfer of Property
Docket No. E017/PA-16-**

I, Jana Hrdlicka, hereby certify that I have this day served a copy of the following, or a summary thereof, on Daniel P. Wolf and Sharon Ferguson by e-filing, and to all other persons on the attached service list by electronic service or by First Class Mail.

**Otter Tail Power Company
Initial Filing**

Dated this **20th** day of **May**, **2016**

/s/ JANA HRDLICKA

Jana Hrdlicka
Regulatory Filings Coordinator
Otter Tail Power Company
215 South Cascade Street
Fergus Falls MN 56537
(218) 739-8879

**STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION**

In the Matter of the Petition of
Otter Tail Power Company
for Approval of a Transfer of Property

Docket No. E017/PA-16-

SUMMARY OF FILING

Please take notice that on May 20, 2016, Otter Tail Power Company (Otter Tail) filed a petition with the Minnesota Public Utilities Commission pursuant to Minnesota Statute § 216B.50 and Minnesota Rules 7825.1600 – 7825.1800, for Commission review and approval of Otter Tail’s proposed acquisition of approximately 3.5 miles of electric transmission facilities in Moody County, South Dakota from Northern States Power Company.

**STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION**

Beverly Jones Heydinger	Chair
Nancy Lange	Vice-Chair
Dan Lipschultz	Commissioner
Matt Schuerger	Commissioner
John Tuma	Commissioner

In the Matter of the Petition of
Otter Tail Power Company
for Approval of a Transfer
of Property

Docket No. E017/PA-16-

**PETITION FOR APPROVAL OF A
TRANSFER OF PROPERTY**

I. INTRODUCTION

Pursuant to Minnesota Statute § 216B.50 and Minnesota Rules 7825.1700 and 7825.1800, Otter Tail Power Company (Otter Tail) hereby petitions the Commission for approval to acquire from Northern States Power Company (NSP) approximately 3.5 miles of electric transmission facilities in Moody County, South Dakota. Otter Tail submits that the proposed acquisition is consistent with the public interest, pursuant to subd. 1 of Minnesota Statute § 216B.50, for the reasons set forth in this petition. Otter Tail requests that the Commission give its consent and approval by order in writing, upon investigation without public hearing.

II. DESCRIPTION OF THE TRANSACTION

Otter Tail is an electric utility company that provides retail electric service in the states of Minnesota, North Dakota, and South Dakota. The property involved in the transaction consists of 3.5 miles of electric transmission facilities (steel poles, conductor, shield wire, crossarms, foundations, etc.). Easements associated with the electric transmission facilities will be assigned by NSP to Otter Tail. The aggregate purchase price of the property will be the net book value of the electric transmission facilities as of the date of closing, less Forty Thousand Dollars (\$40,000). The reduction of \$40,000 is to cover the cost of Otter Tail to remove NSP's de-energized conductor at a later date. Closing is contingent upon final orders of the Commission and the Federal Energy Regulatory Commission approving the acquisition. Based upon information provided to Otter Tail by NSP, the original cost of the electric transmission facilities

was \$1,177,378.75 and the easements were \$43,401.00. According to NSP, the depreciation and amortization reserves applicable to the electric transmission facilities are \$676,451.32 as of December 31, 2015.

III. COMMISSION APPROVAL

Minnesota Statute § 216B.50, subd. 1 provides in part: “No public utility shall ... acquire ... any plant as an operating unit or system in this state for a total consideration in excess of \$100,000 ... without first being authorized to do so by the commission.” Section 216B.50 further authorizes the Commission to investigate an application for approval and consent without public hearing. Section 216B.50 further provides that “[i]f the commission finds that the proposed action is consistent with the public interest, it shall give its consent and approval by order in writing.”

Minnesota Rules 7825.1700 provides, in part: “A public utility, prior to entering into a transaction, shall petition for and receive from the commission by formal written order approval for such transaction.” In the context of mergers, the Commission in 1997 established that the phrase “consistent with the public interest” under Minn. Stat. 216B.50 does not require an affirmative finding of public benefit, just a finding the transaction is compatible with the public interest. *In the Matter of the Proposed Merger of Minnegasco, Inc., Docket G-008/PA-96-950.*

In 1986 the Commission established that it has jurisdiction when property subject to a proposed transaction would be part of the integrated operating system serving Minnesota ratepayers. *In the Matter of the Application of Interstate Power Company for Authority to Increase its Rates for Electric Service in Minnesota, Docket E-001/GR-86-384.* This property would become part of Otter Tail’s operating unit or system serving customers in three states, including Minnesota.

The proposed acquisition is compatible with the public interest because it minimizes cost impact to Otter Tail’s customers. Otter Tail’s 41.6 kilovolt conductor is co-located on the electric transmission facilities. If Otter Tail elected not to purchase these assets, it would have to acquire new rights-of-way and build new transmission facilities for this conductor. In addition to these costs, Otter Tail would need to research, plan and construct new facilities.

Minnesota Rules 7825.1800 also requires that a petition for approval of a transfer of property be accompanied by all information required in Minnesota Rules 7825.1400, items A to

J, which primarily relates to capital structure approval. Otter Tail believes that it has provided all relevant information called for by Minnesota Rules 7825.1400, items A to J. At the time of filing of the petition, Otter Tail does not know of any person who is an “affiliated interest” within the meaning of Minnesota Statutes § 216B.48, subd. 1. Furthermore, there are no securities associated with the proposed transfer of property.

IV. MISCELLANEOUS INFORMATION

In support of this Petition, Otter Tail respectfully states and represents as follows:

A. The exact name of the petitioner and the address of its principal business office.

Mark B. Bring	Otter Tail Power Company
Associate General Counsel	215 South Cascade Street, PO Box 496
Otter Tail Power Company	Fergus Falls, MN 56538-0496
215 South Cascade Street, PO Box 496	
Fergus Falls, MN 56538-0496	

B. Notices.

Pursuant to Minnesota Rules Part 7829.0700, Otter Tail requests the following person be placed on the Commission’s service list for this matter:

Mark B. Bring
Associate General Counsel
Otter Tail Power Company
215 South Cascade Street, PO Box 496
Fergus Falls, MN 56538-0496
Telephone: (218) 739-8922

Thomas R. Brause
Vice President Administration
Otter Tail Power Company
215 South Cascade Street, PO Box 496
Fergus Falls, MN 56538-0496
Telephone: (218) 739-8525

V. REQUEST FOR ORDER

Otter Tail respectfully requests the Commission approve the proposed transaction as consistent with the public interest for the reasons set forth in this petition. Otter Tail further requests that the Commission give its consent and approval by order in writing, upon investigation without public hearing.

Dated: May 20, 2016

Respectfully Submitted,

OTTER TAIL POWER COMPANY

By: /s/ MARK B. BRING

Mark B. Bring

Associate General Counsel

Otter Tail Power Company

215 South Cascade Street

P. O. Box 496

Fergus Falls, MN 56538-0496

(218) 739-8922

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022191	Electronic Service	No	GEN_SL_Otter Tail Power Company_GENERAL SERVICE LIST
Ray	Choquette	rchoquette@agp.com	Ag Processing Inc.	12700 West Dodge Road PO Box 2047 Omaha, NE 68103-2047	Electronic Service	No	GEN_SL_Otter Tail Power Company_GENERAL SERVICE LIST
James C.	Erickson	jericksonkbc@gmail.com	Kelly Bay Consulting	17 Quechee St Superior, WI 54880-4421	Electronic Service	No	GEN_SL_Otter Tail Power Company_GENERAL SERVICE LIST
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500 Saint Paul, MN 551012198	Electronic Service	No	GEN_SL_Otter Tail Power Company_GENERAL SERVICE LIST
Bruce	Gerhardson	bgerhardson@otpc.com	Otter Tail Power Company	PO Box 496 215 S Cascade St Fergus Falls, MN 565380496	Electronic Service	No	GEN_SL_Otter Tail Power Company_GENERAL SERVICE LIST
Shane	Henriksen	shane.henriksen@enbridge.com	Enbridge Energy Company, Inc.	1409 Hammond Ave FL 2 Superior, WI 54880	Electronic Service	No	GEN_SL_Otter Tail Power Company_GENERAL SERVICE LIST
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	GEN_SL_Otter Tail Power Company_GENERAL SERVICE LIST
James D.	Larson	james.larson@avantenergy.com	Avant Energy Services	220 S 6th St Ste 1300 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Otter Tail Power Company_GENERAL SERVICE LIST
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	No	GEN_SL_Otter Tail Power Company_GENERAL SERVICE LIST
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First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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Stuart	Tommerdahl	stommerdahl@otpco.com	Otter Tail Power Company	215 S Cascade St PO Box 496 Fergus Falls, MN 56537	Electronic Service	No	GEN_SL_Otter Tail Power Company_GENERAL SERVICE LIST
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	No	GEN_SL_Otter Tail Power Company_GENERAL SERVICE LIST