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May 13, 2014

Dr. Burl Haar
Executive Secretary
Minnesota Public Utilities Commission
350 Metro Square Building
121 7th Place East
St. Paul, MN 55101-2147



**Re: In the Matter of Otter Tail Power Company's Petition for Approval of a Variance to the Customer Service Rules Governing Billing Errors
Docket No. E017/M-14-_____**

Dear Dr. Haar:

Enclosed for filing, please find the Petition of Otter Tail Power Company ("Otter Tail") requesting approval of a variance to Minnesota Rule 7820.3800 and a one-time modification to the terms of Otter Tail's Billing Adjustments – Overbilled tariff language contained in its Tariff Book.

Prior to submitting this Petition, Otter Tail has informally provided a brief summary of this filing to the Commission's Consumer Affairs Office and Minnesota Department of Commerce, as outlined in the March 29, 2010 Order in Minnesota Docket No. E017/M-09-1302. Otter Tail will inform the customer of this filing and instructions on how to access and/or participate in the docketing process.

Otter Tail has electronically filed this document with the Commission. In compliance with Minn. Rule 7829.1300, subp. 2, Otter Tail is serving a copy of this filing on the Division of Energy Resources, Department of Commerce and the Office of Attorney General, Antitrust and Utilities Division. A Summary of the filing has been served on all persons on Otter Tail's General Service List. A Certificate of Service is also enclosed.

Should you have any questions regarding this filing, please contact me at (218) 739-8799 or sfedje@otpc.com.

Very truly yours,

/s / SVETLANA A. FEDJE
Svetlana A. Fedje
Pricing Analyst

wao
Enclosures
By electronic filing
c: Service List

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

In the Matter of Otter Tail Power Company's
Petition for Approval of a Variance to the
Customer Service Rules Governing Billing
Errors

Docket No. E017/M-14-_____

SUMMARY OF FILING

Pursuant to Minn. Rules part 7829.3200, Otter Tail Power Company petitions the Minnesota Public Utilities Commission for approval of a variance to the Minn. Rules 7820.3800 and a one-time modification to Otter Tail's Billing Adjustments – Overbilled section 4.09 of its General Rules and Regulations.

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

In the Matter of Otter Tail Power Company's
Petition for Approval of a Variance to the
Customer Service Rules Governing Billing
Errors

Docket No. E017/M-14-_____

PETITION OF OTTER TAIL POWER COMPANY

I. INTRODUCTION

Pursuant to Minn. Rules 7829.3200, Otter Tail Power Company ("Otter Tail" or the "Company"), respectfully requests the Minnesota Public Utilities Commission ("Commission") approve a variance to the Minn. Rules 7820.3800 ("Billing Errors Rule") and a one-time modification to Otter Tail's Billing Adjustments – Overbilled section 4.09 of its General Rules and Regulations ("Billing Adjustment tariff"), approving a refund to a customer for an overcharge during the billing period November 2006 – March 2014 due to the incorrect connection of the meter.

II. SUMMARY OF FILING

Pursuant to Minn. Rules 7829.1300, subp. 1, a one-paragraph summary of the Petition is attached.

III. SERVICE ON OTHER PARTIES

Pursuant to Minn. Stat. § 216.17, subd. 3, and Minn. Rules 7829.1300, subp. 2, Otter Tail has served a copy of this filing on the Minnesota Department of Commerce, Division of Energy Resources and the Office of Attorney General, Antitrust and Utilities Division. A summary of the filing prepared in accordance with Minn. Rules 7829.1300, subp. 1 was served on all parties on the attached general service list.

IV. GENERAL FILING INFORMATION

Pursuant to Minn. Rules 7829.1300, subp. 3, Otter Tail provides the following general information:

A. **Name, Address, and Telephone Number of Utility.**
(Minn. Rules 7829.1300, subp. 3(A))

Otter Tail Power Company
215 South Cascade Street
P. O. Box 496
Fergus Falls, MN 56538-0496
(218) 739-8200

B. **Name, Address, and Telephone Number of Utility Attorney.**
(Minn. Rules 7829.1300, subp. 3(B))

Bruce Gerhardson
Otter Tail Power Company
215 South Cascade Street
P. O. Box 496
Fergus Falls, MN 56538-0496
(218) 739-8475

C. **Date of Filing.**
(Minn. Rules 7829.1300, subp. 3(C))

This Petition is being filed on May 13, 2014. The Company requests approval of the proposed variance to Minn. Rules 7820.3800 and one-time modification to the Billing Error Tariff provisions in its Tariff Book to be effective immediately upon issuance of the Commission's Order granting our Petition.

D. **Statute Controlling Schedule for Processing the Filing.**
(Minn. Rules 7829.1300, subp. 3(D))

This Petition is made pursuant to Minn. Stat. § 216B.16, subd. 1, which prescribes general timelines for rate and tariff changes, including but not limited to, a requirement of 60-day notice prior to any rate or tariff change.

Commission Rules define this filing as a "miscellaneous tariff filing" under Minn. Rules 7829.0100, subp. 11 since no determination of Otter Tail's overall revenue requirement is necessary. Minn. Rules 7829.1400, subp. 1 and 4 permits comments in

response to a miscellaneous filing to be filed within 30 days and reply comments to be filed not later than 10 days thereafter.

E. Title of Utility Employee Responsible for Filing.
(Minn. Rules 7829.1300, subp. 3(E))

Svetlana A. Fedje
Pricing Analyst
Otter Tail Power Company
215 South Cascade Street
P. O. Box 496
Fergus Falls, MN 56538-0496
(218) 739-8799
sfedje@otpc.com

F. Service List.

Pursuant to Minn. Rules 7829.0700, Otter Tail requests that the following persons be placed on the Commission's official service list for this proceeding:

Svetlana A. Fedje
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215 South Cascade Street
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David G. Prazak
Supervisor, Pricing & Tariff Administration
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215 South Cascade Street
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dprazak@otpc.com

V. DESCRIPTION OF FILING

A. Background.

On April 1, 2014 Otter Tail employees discovered a Customer was overcharged due to an incorrect connection of the meter/radio receiver circuit. The Customer was incorrectly billed under the Large Dual Fuel (Section 14.04) Penalty rate code 881. This error resulted in Otter Tail inadvertently overbilling the Customer during the period November 2006 – March 2014. The meter/radio receiver control connection has been corrected by Otter Tail and is now working properly.

The incorrect connection of the meter/radio receiver occurred when Otter Tail agreed to accommodate the customer's non-standard load/connection leads. At that time, Otter Tail believed it could reconfigure the connection of the customer's load to Otter Tail's radio receiver and still be able to control the loads like all other control installations. As a result of this case, the re-configuration did not appropriately measure usage during control periods. The lesson learned in this case is to adhere to Otter Tail wiring control standards and if any deviation is required, a full investigation of optional wiring configurations would need to be tested and approved prior to implementation.

The Billing Errors Rule limits the period for refunding overcharges to three years. In order to fully correct the inadvertent overcharges, Otter Tail is requesting a variance from the three-year limitation on refunds contained in the Billing Errors Rule and a one-time modification to Otter Tail's Billing Adjustments tariff.

Therefore, the Customer is due a refund for the incorrectly billed penalty measurements. The total amount overbilled, over the said time period including interest, is \$7,032.62.

B. Company Action.

Shortly after discovery of this billing error and effective with the March 2014 ending readings, Otter Tail corrected the wiring configuration of the radio receiver. Otter Tail has already provided a refund to the Customer for the period within Minnesota Billing Errors Rule and our Billing Adjustment tariff. On April 21, 2014 Otter Tail refunded the principal amount with interest totaling \$4,652.40 to the Customer.

The time period associated with this billing error exceeds the three-year timeframe identified in the Commission's Billing Errors Rule and Otter Tail's Billing Adjustments tariff. Because this timeframe has been exceeded, a variance to the Commission Billing Errors Rule and a one-time modification to our tariff provisions are required in order for Otter Tail to provide the Customer with an additional refund.

Otter Tail has calculated and provided the refund amounts in accordance with Minn. Rules 7820.3800 and calculated interest consistent with Minn. Stat. § 325E.02(b). Table 1 below shows the total overbilled and corresponding interest amounts owed to the Customer for the periods within and exceeding the Commission Billing Errors Rule.

Table 1			
Time Period	Principal	Interest	Total
<i>Within</i> Commission Rules and Tariff period: April 2011 through March 2014	\$4,647.65	\$4.75	\$4,652.40
<i>Exceeding</i> Rules and Tariff Period: November 2006 – March 2011	\$2,282.01	\$98.21	\$2,380.22
Total	\$6,929.66	\$102.96	\$7,032.62

C. Applicable Law.

Minn, Rules 7820.3800, subp. 1 provides the criteria for remedy of billing errors related to electric bills, and provides in relevant part:

When a customer has been overcharged.... as a result of incorrect reading of the meter, incorrect application of rate schedule, incorrect connection of the meter[emphasis added], application of an incorrect multiplier or constant or other similar reasons, the amount of the overcharge shall be refunded to the customer...

Minn. Rules 7820.3800, subp. 2 provides the method of calculating and the time period for providing refunds associated with billing errors to customers and states in relevant part:

...the utility shall calculate the difference between the amount collected for service rendered and the amount the utility should have collected for service rendered, plus interest, for the period beginning three years before the date of discovery... If the date the error occurred can be fixed with reasonable certainty, the remedy shall be calculated on the basis of payments for service rendered after that date, but in no event for a period beginning more than three years before the discovery of an overcharge...

In this situation, the Customer was overcharged due to an incorrect connection of the meter. Incorrect connection of the meter is one of the criteria identified in Minn. Rules 7820.3800, subp. 1 for when a billing error warrants a remedy. The Company's Billing Adjustments tariff contains similar provisions that permit an adjustment for overcharges up to a maximum of three years from the date of discovery of the billing error.

Otter Tail is seeking a variance from Commission's Billing Errors Rule and a one-time modification to our Billing Adjustments tariff to allow a refund of the charges billed to the customer that exceed the three-year timeframe identified in the Commission's Billing Errors Rule and the Company's Tariff Book.

VI. REQUEST FOR VARIANCE

In this Petition Otter Tail seeks authority to refund charges and interest associated with the over-billing to the Customer, beyond the three-year limitation contained in the Billing Errors Rule.

Otter Tail believes the circumstances of this billing error warrant that the Customer should receive a full and complete refund of the overcharges. Therefore, based upon the foregoing, Otter Tail requests a variance to the Billing Errors Rule and a one-time modification to our Billing Adjustment tariff to allow a refund of the over-billing for the period in excess of the Rule's three-year limitation period. Minn. Rules 7829.3200 sets forth the criteria for evaluating variance requests:

- (1) Enforcement of the rule would impose an excessive burden upon the applicant or others affected by the rule.
- (2) Granting the variance would not adversely affect the public interest.
- (3) Granting the variance would not conflict with standards imposed by law.

Otter Tail believes that its request satisfies these criteria.

A. Enforcement of the Rule Would Impose an Excessive Burden on Customer.

Given the period of time at hand, strict enforcement of the rule would impose an excessive and unreasonable burden on the Customer by limiting the refund for the total over-billed amount.

B. Granting the Variance Does Not Adversely Affect the Public Interest.

Granting the waiver as requested does not adversely affect the public interest.

C. **Granting the Variance would not Conflict with Standards Imposed by Law.**

Otter Tail is not aware of any conflict with any standards imposed by law. Indeed, the rules expressly contemplate waivers under circumstances like those presented here. The Commission has, on several occasions, granted variances to the limitation on refunds for over-billings.

VII. CONCLUSION

For the foregoing reasons, Otter Tail respectfully requests that the Commission grant a variance to the Billing Errors Rule and a one-time modification to our Billing Adjustments tariff as requested herein.

Dated: May 13, 2014

Respectfully submitted,

OTTER TAIL POWER COMPANY

By: /s/ SVETLANA A. FEDJE

Svetlana A. Fedje

Pricing Analyst

Otter Tail Power Company

215 South Cascade Street, P. O. Box 496

Fergus Falls, MN 56538-0496

(218) 739-8799

CERTIFICATE OF SERVICE

Re: In the Matter of Otter Tail Power Company's Petition for Approval of a Variance to the Customer Service Rules Governing Billing Errors
Docket No. E017/M-14-_____

I, Wendi A. Olson, hereby certify that I have this day served a copy of the following, or a summary thereof, on Dr. Burl W. Haar and Sharon Ferguson by e-filing, and to all other persons on Otter Tail Power Company's attached General Service List by electronic service or by first class mail.

Otter Tail Power Company
Initial Filing

Dated this **13th** day of **May 2014**.

/s/ WENDIA. OLSON

Wendi A. Olson
Regulatory Filing Coordinator
Otter Tail Power Company
215 South Cascade Street
Fergus Falls MN 56537
(218) 739-8699

Otter Tail Power Company
General Service List

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_Variance General Service List
Michael	Bradley	mike.bradley@lawmoss.com	Moss & Barnett	Suite 4800 90 S 7th St Minneapolis, MN 55402-4129	Electronic Service	No	GEN_SL_Otter Tail Power Company_Variance General Service List
Gary	Chesnut	gchesnut@agp.com	AG Processing Inc. a cooperative	12700 West Dodge Road PO Box 2047 Omaha, NE 681032047	Electronic Service	No	GEN_SL_Otter Tail Power Company_Variance 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_Variance General Service List
Svetlana	Fedje	sfedje@otpc.com	Otter Tail Power Company	215 S Cascade St Fergus Falls, MN 56537	Electronic Service	No	GEN_SL_Otter Tail Power Company_Variance 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_Variance 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_Variance General Service List
Burl W.	Haar	burl.haar@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551012147	Electronic Service	No	GEN_SL_Otter Tail Power Company_Variance 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_Variance 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_Variance 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_Variance General Service List

Otter Tail Power Company
General Service List

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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_Variance General Service List
Kavita	Maini	kmairi@wi.rr.com	KM Energy Consulting LLC	961 N Lost Woods Rd Oconomowoc, WI 53066	Electronic Service	No	GEN_SL_Otter Tail Power Company_Variance General Service List
Andrew	Moratzka	apmoratzka@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Otter Tail Power Company_Variance General Service List
David G.	Prazak	dprazak@otpc.com	Otter Tail Power Company	P.O. Box 496 215 South Cascade Street Fergus Falls, MN 565380496	Electronic Service	No	GEN_SL_Otter Tail Power Company_Variance General Service List
Larry L.	Schedin	Larry@LLSResources.com	LLS Resources, LLC	12 S 6th St Ste 1137 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Otter Tail Power Company_Variance General Service List
Stuart	Tommerdahl	stommerdahl@otpc.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_Variance General Service List