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July 31, 2013

Dr. Burl W. Haar  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, MN 55101-2147

**Re: In the Matter of the Petition of Otter Tail Power Company for Approval of an  
Environmental Upgrades Cost Recovery Rider  
Docket No. E017/M-13-\_\_\_\_  
Initial Filing**

Dear Dr. Haar:

Otter Tail Power Company ("Otter Tail") hereby submits its Petition to the Minnesota Public Utilities Commission ("Commission") for approval of an Environmental Upgrades Cost Recovery Rider.

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 Office of Energy Security of the Department of Commerce and the Office of Attorney General-Residential 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.

If you have any questions regarding this filing, please contact me at 218-739-8607 or at [pbeithon@otpc.com](mailto:pbeithon@otpc.com).

Sincerely,

/s/ Peter J. Beithon  
Peter J. Beithon, Manager  
Regulatory Recovery

dm  
Enclosures  
By electronic filing  
c: Service List

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

**In the Matter of the Petition of  
Otter Tail Power Company for  
Approval of an Environmental  
Upgrades Cost Recovery Rider**

**Docket No. E017/M-13-\_\_\_**

**SUMMARY OF FILING**

Pursuant to Minn. Stat. §216B.1692 (the “Emissions-Reduction Rider Statute”), Otter Tail Power Company (“Otter Tail”) submits this Petition to the Minnesota Public Utilities Commission (“Commission”) for approval of an Environmental Upgrades Cost Recovery Rider.

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

In the Matter of Otter Tail Power Company's  
Petition for Approval of an Environmental  
Upgrades Cost Recovery Rider

Docket No. E017/M-13-\_\_\_\_\_

**PETITION**

**I. INTRODUCTION**

Otter Tail Power Company ("Otter Tail") submits this Petition to the Minnesota Public Utilities Commission ("Commission") for an Environmental Upgrades Cost Recovery Rider ("ECR Rider"). This filing is made pursuant to Minnesota Stat. § 216B.1692 (the "Emissions-Reduction Rider Statute").

The ECR Rider will allow Otter Tail to commence rate recovery for its share of costs for the Air Quality Control System ("AQCS") project being installed at the Big Stone Generation Station Plant located near Big Stone, South Dakota ("Big Stone Plant"). The Big Stone Plant is a multiple-owner plant that Otter Tail owns with Montana Dakota Utilities and NorthWestern Energy. Otter Tail owns 53.9 percent of the plant.

The AQCS project equipment has been approved as the Best Available Retrofit Technology ("BART") under the U.S. Environmental Protection Agency's Regional Haze Rules and the project has received an Advance Determination of Prudence ("ADP") from the Commission in an Order dated January 23, 2012 in Docket No. E017/M-10-1082.

The project components have been described in great detail in the ADP proceeding. In brief summary, the AQCS project includes the installation of a dry scrubber for Sulfur Dioxide reduction, and selective catalytic reduction ("SCR") for nitrogen oxide reduction. The project also includes a new baghouse because the existing

baghouse was built with an operating pressure that's much lower than new the air-quality control system will require. Also, mercury reduction is not required to meet BART guidelines, but the dry scrubber and baghouse make a good combination for mercury reduction. By adding halogenated activated carbon to the flue gas, mercury emissions will be significantly reduced. Therefore, the AQCS project also includes an activated carbon injection (“ACI”) system. The AQCS system components will reduce nitrogen oxide, sulfur dioxide, particulate matter, and mercury by about 90 percent.<sup>1</sup>

This Petition for an ECR Rider is made pursuant to Minn. Stat. § 216B.1692, subd. 1(b), which was amended in 2013 to allow rider recovery for required environmental upgrades to out-of-state generating stations that serve Minnesota customers, provided they have received an ADP from the Commission.

As described in this Petition, for the period of October 2013 through September 2014, the proposed ECR Rider rate is 3.958 percent using a percent-of-bill rate design method. Otter Tail estimates the Rider rates will increase to about 6.9 percent (calculated as an aggregate revenue increase over current rates) for the period October 2014 through September 2015. Otter Tail will make an annual ECR Rider Rate Update request by August 1, 2014, with up-to-date actual cost information and rate calculations. The actual annual Update request will depend on construction progress and actual costs incurred. The project is scheduled to be completed and in service late in 2015. An additional increase of approximately 5.6 percent is expected when the project goes into service, inclusive of recovery for the total estimated capital expenditures and operating and maintenance expenses that commence when the project goes into service. The total aggregate rate increase expected for the project through the in-service date is estimated to be approximately 12.5 percent.

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<sup>1</sup> Because the Commission’s ADP did not include an ADP for the baghouse and ACI, those project components have not been included in OTP’s ECR Rider. At this time, Otter Tail expects to pursue recovery of the costs of the baghouse and ACI equipment in a general rate case after the AQCS project goes into service.

## **II. SUMMARY OF FILING**

Pursuant to Minn. Rules 7829.1300, subp.1, a one-paragraph summary of the filing accompanies this Petition.

## **III. GENERAL FILING INFORMATION**

Pursuant to Minn. Rules 7829.1300, subp. 3, the following information is provided.

### **A. Name, address, and telephone number of utility**

(Minn. Rules 7829.1300, subp. 3(A))

Otter Tail Power Company  
215 South Cascade Street  
Fergus Falls, Minnesota 56538-0496  
(218) 739-8200

### **B. Name, address, and telephone number of utility attorney**

(Minn. Rules 7829.1300, subp. 3(B))

Bruce Gerhardson  
Associate General Counsel  
Otter Tail Power Company  
215 South Cascade Street  
Fergus Falls, Minnesota 56538-0496  
(218) 739-8475

### **C. Date of filing and proposed effective date of rates**

(Minn. Rules 7829.1300, subp. 3(C))

The date of this filing is July 31, 2013. Otter Tail has calculated rates for the 2013 ECR Rider based upon an implementation beginning October 1, 2013. If final rates are effective on another date, an appropriate recalculation of the information provided in this Petition will be made.

**D. Statutes controlling schedule for processing the filing**  
(Minn. Rules 7829.1300, subp. 3(D))

This filing is a “miscellaneous tariff filing” as defined by the Commission’s rules at Minn. Rules 7829.0100, subp. 11. No determination of Otter Tail’s overall revenue requirement is necessary (or required under the Statute). Minn. Rules 7829.1400, subps. 1 and 4 permit comments in response to a miscellaneous tariff filing to be filed within 30 days and reply comments to be filed no later than 10 days thereafter.

**E. Title of utility employee responsible for filing**  
(Minn. Rules 7829.1300, subp. 3(E))

Peter J. Beithon  
Manager, Regulatory Recovery  
Otter Tail Power Company  
215 South Cascade Street  
Fergus Falls, Minnesota 56538-0496  
(218) 739-8607

**F. Service list**  
(Minn. Rules 7829.0700)

Otter Tail requests that the following persons be placed on the Commission’s official service list for this matter and that any trade secret comments, requests, or information be provided to the following on behalf of Otter Tail:

Peter J. Beithon  
Manager, Regulatory Recovery  
Otter Tail Power Company  
215 South Cascade Street  
Fergus Falls, MN 56538-0496  
(218) 739-8607  
pbeithon@otpc.com

Bruce Gerhardson  
Associate General Counsel  
Otter Tail Power Company  
215 Cascade Street  
Fergus Falls, MN 56538-0496  
(218) 739-8475  
bgerhardson@otpc.com

**G. Service on other parties**  
(Minn. Rules 7829.1300, subp. 2; Minn. Rules 7829.0600)

Otter Tail has served a copy of this Petition on the Division of Energy Resources of the Department of Commerce and the Residential Utilities Division of the Office of the Attorney General. A summary of the filing was served on all parties on the attached list.

#### **IV. DESCRIPTION AND PURPOSE OF FILING**

##### **A. Background**

Otter Tail operates the Big Stone plant near Big Stone City, South Dakota. The Big Stone plant is co-owned by NorthWestern Corporation d/b/a NorthWestern Energy, Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc., and Otter Tail. The Big Stone boiler was originally designed to burn lignite coal fuel and began operation in 1975. Designed by Babcock & Wilcox (“B&W”), the boiler is a Caroline type balanced-draft pump-assisted radiant machine. In 1995, the boiler was converted to burn Powder River Basin (“PRB”) coal fuel. With the conversion to PRB coal fuel, a simplified Separated Overfire Air (“SOFA”) system was installed to reduce nitrogen oxide (“NO<sub>x</sub>”) emissions. The boiler also has a flue gas recirculation (“FGR”) system to control main steam and reheat temperatures. From the boiler, flue gas travels to two air heaters. The unit currently has a conventional pulse-jet fabric filter for control of particulate emissions that will be replaced as part of this project. Ash is currently sent to a fly ash storage silo located directly south of the plant, where it is then trucked to a landfill. Flue gas from the fabric filter flows to four centrifugal-induced draft (“ID”) fans. The ID fans discharge the flue gas to the chimney, which has two breech openings.

The owners of the Big Stone plant are installing the AQCS equipment to reduce emissions of sulfur dioxide (“SO<sub>2</sub>”) and NO<sub>x</sub>, pursuant to the United States Environmental Protection Agency’s (“EPA’s”) approved South Dakota Haze State Implementation Plan (“SD Haze SIP”). The EPA’s approval of the SD Haze SIP was published in the Federal Register on April 26, 2012 and became effective on May 29, 2012. Pursuant to the approved SD Haze SIP, the AQCS equipment has been determined the Best Available Retrofit Technology (“BART”) for the Big Stone plant. The implementing rules and the SD Haze SIP require that the Big Stone AQCS be installed as expeditiously as practicable, but no later than five years from the date of the approval of the SD Haze SIP. The project has also received an Advance Determination of Prudence (“ADP”) from the Commission in an Order dated January 23, 2012 in Docket No. E017/M-10-1082. The project components have been described in great detail in the

ADP proceeding. In brief summary, the AQCS project includes the installation of a dry scrubber for Sulfur Dioxide reduction, and selective catalytic reduction (“SCR”) for nitrogen oxide reduction. The project also includes a new baghouse because the existing baghouse was built with an operating pressure that's much lower than new the air-quality control system will require, and it includes an activated carbon injection (“ACI”) system to control mercury for compliance with the mercury and air toxics rule.<sup>2</sup> The AQCS system components will reduce nitrogen oxide, sulfur dioxide, particulate matter, and mercury by about 90 percent.

At the time of the ADP proceeding, the estimated capital cost of the AQCS project was \$491 million (inclusive of \$40 million for a new baghouse and \$2.1 million for ACI system, which are excluded from the ECR Rider, as explained below). Since the ADP was approved, the projected costs of the project have been reduced by \$86 million (17.5 percent). As Otter Tail reported in its quarterly update to the Commission in the ADP docket, design and engineering modifications account for approximately 45 percent of the cost reductions (for example, changes to the design of boiler modifications eliminated costs associated with major plant structural changes). The project delivery method, timing and market conditions account for approximately 35 percent of the cost reduction. Otter Tail has taken on the duties of construction management for the project, which accounts for approximately 13 percent of the cost reduction. Also, as a consequence of the reduction in overall project costs the contingency amount for the project is also reduced; this reduction accounts for about 7 percent of the budget reduction. Reflecting these reductions to estimated project costs, the total cost estimate for the AQCS project is now \$405 million (2015 dollars).

Otter Tail’s ownership share in the Big Stone Plant is 53.9 percent, and therefore Otter Tail is responsible for 53.9 percent of the shared project costs. Because Otter Tail is a multi-jurisdictional utility, the ECR Rider is designed to recover only Otter Tail’s Minnesota Jurisdictional share of these costs (about 50 percent of Otter Tail’s total cost

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<sup>2</sup> Because the Commission’s ADP did not include the baghouse or the ACI equipment, those project components have not been included in OTP’s ECR Rider. At this time, Otter Tail expects to pursue recovery of the costs of the baghouse and the ACI equipment in a general rate case after the AQCS project goes into service.



responsibility). In addition to its share of the shared project costs which it divides among the plant owners, Otter Tail will incur some additional capital costs relating to its individual interest in the project. In total, Otter Tail's estimated project costs are \$221.5 million, including Otter Tail's ownership share of shared project costs, the additional costs incurred directly by Otter Tail relating to its individual interest in the project and an allowance for funds used during construction ("AFUDC") accrued prior to October 1, 2013, the commencement date of the first ECR Rider recovery period. Otter Tail's Minnesota jurisdictional share of this cost responsibility is approximately \$112 million (50 percent of Otter Tail's total cost responsibility).

Otter Tail's Project costs to date (through June 2013) are \$39.8 million (\$18.3 million Minnesota jurisdictional share, excluding baghouse and ACI costs). Otter Tail's share of total expected project expenditures (cumulative) through the first Rider recovery period of June 2013 through September 2014 are \$147.5 million (\$67.4 million Minnesota jurisdictional share, excluding baghouse and ACI costs). Otter Tail's share of total expected project expenditures (cumulative) through the second annual recovery period, October 2014 through September 2015, is \$213.7 million (\$97.3 million Minnesota jurisdictional share, excluding baghouse and ACI costs). Once the project is complete, Otter Tail's share of the total costs is anticipated to be \$221.5 million, or \$112.4 million Minnesota jurisdictional share (including baghouse and ACI costs). If Otter Tail were to file a general rate case at the completion of the AQCS project, the costs of the Baghouse and Active Carbon Injection would be included in the total. For purposes of the rider, those costs have been excluded. In addition to these capitalized costs, the AQCS project will require some increased operating and maintenance ("O & M") expense. While most of the O & M increases commence upon the in-service date, some O & M expense may be incurred prior to the in-service date for things such as AQCS specific labor, training, etc. Any such expenses that may be incurred during the second annual ECR Rider recovery period have not yet been quantified. If any such O & M expenditures are quantified for inclusion in the Rider they will be explained in the ECR Rider update for that period. It is noted that specific expenditures in each period are likely to vary based upon the speed of construction, construction conditions and other

factors. Updates of construction progress and costs expended will be included in the annual updates to the ECR Rider and in the quarterly reports filed in compliance with the Commission's Order approving the ADP for the project.

**B. Eligibility of the AQCS project for ECR Rider Recovery.**

Minn. Stat. § 216B.1692 , subd. 1(b), as amended by the 2013 legislature states: *“ . . . a project may be approved for the emission reduction rate rider allowed in this section if the project is to be installed on existing large electric generating power plants, as defined in section 216B.2421, subdivision 2, clause (1), that are located outside the state and are needed to comply with state or federal air quality standards, but only if the project has received an advance determination of prudence from the commission under section 216B.1695.”*

Additional amendments to Minn. Stat. § 216B.1692 made at that time, include an amendment to clarify that “Subdivisions 2, 4, and 5, paragraph (c), clause (1), do not apply to projects qualifying under subdivision 1, paragraph (b);” (subd. 1a); that the sunset for the ECR statute is extended to December 31, 2020 (subd. 8); and that the return on investment in the rider for projects qualifying under the ADP provisions shall be at the level approved by the Commission in the public utility's last general rate case, unless the Commission determines that a different rate of return is in the public interest (subd. 5a).

As indicated, the Big Stone AQCS is eligible for an emission rate rider under Minn. Stat. § 216B.1692 , subd. 1(b). Big Stone is a large electric generating power plant as defined in Minn. Stat. § 216B.2421, subd. 2, clause (1), and is located outside the state of Minnesota (in South Dakota). The AQCS project is needed to comply with EPA's Regional Haze Rule under South Dakota's State Implementation Plan (“SIP”). The Big Stone Air Quality Control System project received an Advance Determination of Prudence (“ADP”) on January 23, 2012 in Docket No. E017/M-10-1082. Pursuant to the terms of the ADP, Otter Tail has excluded costs related to the baghouse and ACI from this request.

The ADP petition and contested case in Docket No. E017/M-10-1082 established a record which met the requirements of Minn. Stat. § 216B.1692 , subd. 3, which states:

*“Filing petition to recover project costs. (a) A public utility may petition the commission for approval of an emissions-reduction rider to recover the costs of a qualifying emissions-reduction project outside of a general rate case proceeding under section 216B.16. In its filing, the public utility shall provide:*

- (1) a description of the planned emissions-reduction project;*
- (2) the activities involved in the project;*
- (3) a schedule for implementation;*
- (4) any analysis provided to the Pollution Control Agency regarding the project;*
- (5) an assessment of alternatives to the project, including costs, environmental impact, and operational issues;*
- (6) the proposed method of cost recovery;*
- (7) any proposed recovery above cost; and*
- (8) the projected emissions reductions from the project.*

The project is described in detail in the ADP proceedings, including the activities involved in the project, the schedule for the project’s implementation, an assessment of alternatives to the project, and the projected emissions from the project. The method proposed for cost recovery is described in detail in this filing. Additionally, in compliance with the January 23, 2012 Order approving the ADP for the project (Docket No. E017/M-10-1082), Otter Tail supplies quarterly updates to the Commission to describe progress on the project. Attachment 1 is the most recent quarterly report filed on July 12, 2013.

**C. The Elements of the ECR Rider Mechanism.**

The elements of OTP’s proposed ECR Rider are in compliance with the elements anticipated in Minn. Stat. § 216B.1692 , subd. 5 (b), which authorizes the Commission to approve a Rider that:

- (1) allows the utility to recover costs of qualifying emissions-reduction projects net of revenues attributable to the project;*
- (2) allows an appropriate return on investment associated with qualifying emissions-reduction projects at the level established in the public utility's last general rate case;*
- (3) allocates project costs appropriately between wholesale and retail customers;*
- (4) provides a mechanism for recovery above cost, if necessary to improve the overall economics of the qualifying projects to ensure implementation;*

- (5) *recovers costs from retail customer classes in proportion to class energy consumption; and*
- (6) *terminates recovery once the costs of qualifying projects have been fully recovered.*

Otter Tail's Rider is designed to recover the Minnesota Jurisdictional costs of the AQCS project and it meets each of the statutory elements referenced above. Otter Tail does not anticipate any revenues attributable to the project but will credit them in the Rider tracker if any such revenues are earned in the future. Otter Tail has calculated the ECR Rider rate using the return on investment established in its last general rate case, Docket E017/GR-10-239. The costs of the project are appropriately allocated between wholesale and retail customers under the mechanism approved for crediting Otter Tail's asset based wholesale sales revenues to retail customers through its fuel adjustment clause (i.e. all wholesale revenues are credited to retail customers, so no separate allocations are required to remove costs associated with wholesale sales from the retail revenue requirement). Otter Tail's ECR Rider is designed to recover its revenue requirement for the costs invested in the AQCS project; Otter Tail is not requesting a mechanism for recovery above cost. Otter Tail's ECR Rider is designed to recover costs from retail customer classes in proportion to class energy consumption; specifically the rate design proposed is a percent-of-bill rate design, so customers' AQCS charges for the AQCS will track with their usage for other bill components. The Rider is designed to terminate once the costs of the qualifying project have been fully recovered or when the costs are transitioned from the Rider to base rates as the result of a general rate case.

**D. 2013 ECR Rider Revenue Requirement Calculations**

Our 2013 Environmental Upgrade Tracker Report (Attachment 4) includes calculations for the AQCS project. The revenue requirement for the project included in the Rider includes several components described below.

- *Rate base section.* Lines 1-12 of the tracker provide details on the amount of:
  - *Plant in service.*(When applicable)
  - *Accumulated Depreciation.* (When applicable)
  - *Construction Work in Progress* (“CWIP”). MN Statute 216B.1692 allows a current return on CWIP

- *Accumulated Deferred Taxes.* (When Applicable)
  - *Average Rate Base.* This amount is based on a 13-month average calculation.
  - *Return on Rate Base.* The return on investment utilizes the cost of capital approved in Otter Tail’s most recent general rate case which is 8.61 percent.
  - *Available for Return.* This amount is the equity portion of the Return on Rate base.
  
- *Expense section.* The expenses applicable to the project are listed on lines 15-27 and include operation costs, property taxes, depreciation and income taxes.
  - *O&M Expense.* Otter Tail will track O&M costs specifically related to the AQCS project.
  - *Property taxes.* The property tax calculation is based on Otter Tail’s composite tax rate for South Dakota, the jurisdiction where Big Stone is located and will be calculated in accordance with the procedures specified by each state.
  - *Depreciation Expense.* Depreciation expense is calculated using Otter Tail’s latest composite depreciation rate.
  - *Income Tax Expense.* Total income tax expense is based on the combined federal and MN tax rate.
  
- *Revenue requirement section.* Lines 31- 45 show the components of the revenue requirements calculation. Included are the items computed from the sections previously mentioned, including expenses and return on rate base.
  - *Jurisdictional allocator.* Otter Tail has applied jurisdictional allocators E1 and D1 as determined by the Commission in Otter Tail's most recent general rate case.
  
- *Baghouse and ACI exclusion.* The Commission’s ADP approval did not include the new baghouse portion of the AQCS project or the ACI system that is being added to comply with the MATS rule. The baghouse was not part of the ADP approval because the Commission determined it to be beyond the scope of the ADP statute, not because it was found imprudent. The ACI system was not included in Otter Tail’s ADP request, because it did not fit within the scope of the ADP statute. The construction of the baghouse is expected to cost \$40 million (total project). The construction of the ACI system equipment is expected to cost approximately \$2.1 million (total project). To remove these costs, a portion of the monthly CWIP balance is

removed in the same ratio as the cost of the baghouse and ACI as compared to the total AQCS project cost. The ratio is found by dividing the total projected cost of the baghouse and ACI by the total projected cost of the AQCS project (inclusive of the baghouse and ACI). The ratio is approximately 10.40 percent and this amount is removed from the project costs to arrive at the AQCS costs excluding the baghouse and ACI.

**E. Tracker Balance**

Otter Tail maintains a tracker account worksheet and accounting system to track and account for retail revenue requirements associated with the project compared to the actual collections received through the billing and collections received under the Rider's approved rates. Project costs will remain in the tracker until all costs have either been fully recovered within the Rider, or the costs have been moved into rate base and reflected in base rates as part of a general rate case. The tracker account information compares Otter Tail's Minnesota jurisdictional costs and the amount recovered through Minnesota retail revenue. The tracker account balance (either positive or negative) will accrue monthly carrying charges at a rate of 1/12 of Otter Tail's cost of capital times the tracker balance. Carrying charges on a negative tracker balance will accrue to the benefit of retail customers and carrying charges on a positive tracker balance will accrue to the benefit of Otter Tail.

Otter Tail anticipates making annual filings to revise the Environmental Cost Recovery rates to reflect updated revenue requirements and additional new environmental measure projects which qualify for ECR Rider recovery, if any. When submitting annual filings, the tracker account will be updated so that any over/under recovered amount at the end of the previous year will be reflected in the Rider adjustment for the upcoming year. This approach ensures that no under/over recovery occurs. The tracker balance detail is included in Attachment 2.

**F. Rate Design**

Otter Tail proposes to use the "percent of bill" method to allocate costs to classes. This method appropriately matches the rate design with other baseload plant ratebase and operating expenses by applying the percent to only base rates. The customer's base rate

charges in the bill are an appropriate reflection of the Company’s CCOSS and energy and demand components and therefore, the percent of bill method provides a fair and suitably representative rate design for cost responsibility among and within classes. Furthermore, this method is also simple to administer. The rate design is shown on Attachment 4.

**G. Revenue Requirements, Rate Application and Impact**

Otter Tail proposes that the Rider should be applicable to electric service under all of Otter Tail’s retail rate schedules. The charge will be included as part of the Resource Adjustment line on customers’ bills.

The total 2013 revenue requirement, as shown on line 3 in Attachment 2, page 1 of 3 is \$6,134,925. The proposed rate is then calculated in Attachment 4.

The estimated increase for a residential customer using 750 kWh would be \$69.94 times 3.958%, or \$2.77 per month. The following table shows the estimated rate increase over the previous rate by individual rates:

	Energy Usage	Demand Usage	Total Bill before Riders	ECR Charge
Residential (101 Rate)	750		\$69.94	<b>\$2.77</b>
Small Commercial (404 Rate)	750		\$73.88	<b>\$2.92</b>
Large Commercial (603 Rate)	100,000	200	\$6,280.00	<b>\$248.56</b>
<b>Proposed ECR Rider Rate</b>				<b>3.958%</b>

The above rate has been calculated based on an expected implementation date of October 1, 2013. Revenue Requirement calculations are based on October 2013 through September 2014 costs, assuming revenue collection occurs October 2013 through September 2014. The costs incurred up to September 2013 include AFUDC accrued through September 2013. If the effective date is significantly later than October 1, 2013,

Otter Tail requests the option to recalculate the rate in order to recover all approved costs over the remainder of the proposed recovery period.

For the period of October 2013 through September 2014, the proposed ECR Rider rate is 3.958 percent using a percent-of-bill rate design method. Otter Tail estimates the Rider rates will increase to about 6.9 percent (calculated as an aggregate revenue increase over current rates) for the period October 2014 through September 2015. Otter Tail will make an annual ECR Rider Rate Update request by August 1, 2014, with up-to-date actual cost information and rate calculations. The actual annual Update request will depend on construction progress and actual costs incurred. The project is scheduled to be completed and in service late in 2015. An additional increase of approximately 5.6 percent is expected when the project goes into service, inclusive of recovery for the total estimate capital expenditures and operating and maintenance expenses that commence when the project goes into service. The total aggregate rate increase expected for the project through the in-service date is estimated to be approximately 12.5 percent.

#### **H. Customer notification and billing**

Otter Tail plans to provide notice to customers regarding the 2013 Environmental Upgrades Rider to be reflected in their monthly electric bills. The following is our proposed language, to be included as a notice on customers' bills during the month that the 2013 Rider is implemented:

*Starting this month, the Environmental Cost Recovery Rider has been added to your bill which recovers costs associated with new environmental controls, which reduce particulate matter and other pollutants, being installed at Otter Tail Power's Big Stone Power Plant. Questions? Contact us at 800-257-4044.*

Consistent with past practice, Otter Tail is prepared to work with the Department of Commerce and Commission Staff regarding our proposed customer notice.



## **V. PROPOSED RATE SCHEDULE**

Otter Tail's proposed rate schedule Section 13.08 is provided in Attachment 5a.

## **VI. REVISIONS TO OTHER RATE SCHEDULES**

Redline and proposed final versions of Otter Tail's Rate Schedule Index Sheet 4 of 5 (Attachment 5b) and Mandatory Rider – Applicability Matrix, Rate Schedule 13.00 Sheet 1 and Sheet 2 (Attachment 5c), showing the addition of the Environmental Cost Recovery Rider are included with this application. In addition, Mandatory Riders – Applicability Matrix, Rate Schedule 13.00 Sheet 2 of 2, reflects a change to the Energy Adjustment column, Real Time Pricing row, the box color changed from a checkmark to white as the Energy Adjustment does not apply to Real Time Pricing. Because Otter Tail does not currently have rates in Minnesota in Section 13.06 and 13.07, pages have been added to reserve these sections for future use. They can be found on Attachment 5d.

## **VII. CONCLUSION**

Otter Tail respectfully requests the Commission approve the 2013 Environmental Upgrades Cost Recovery Rider effective October 1, 2013.

Dated: July 31, 2013

Respectfully Submitted,

**OTTER TAIL POWER COMPANY**

By: /s/ Peter J Beithon

Peter J. Beithon

Manager Regulatory Recovery

Otter Tail Power Company

215 South Cascade Street

Fergus Falls, MN 56538-0496

218-739-8607

OTTER TAIL POWER COMPANY  
ENVIRONMENTAL COST RECOVERY RIDER FILING ATTACHMENTS

Attachment 1	Quarterly Progress Report from Docket No. E017/M-10-1082
Attachment 2	Revenue Requirements Summary and Calculation
Attachment 3	Environmental Cost Recovery Rider Tracker Report
Attachment 4	Rate Design
Attachment 5a	Environmental Cost Recovery Rider
Attachment 5b	Rate Schedule Index Sheet 4
Attachment 5c	Mandatory Rider – Applicability Matrix, Rate Schedule 13.00 Sheet 1 and Sheet 2
Attachment 5d	Reserved for Future Use (Sections 13.06 and 13.07)

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July 12, 2013

Dr. Burl Haar  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, MN 55101-2147

**RE: In the Matter of Otter Tail Power Company's Petition for an Advance Determination of Prudence (ADP) for the Big Stone Air Quality Control System Project  
Docket No. E017/M-10-1082  
Compliance Filing**

Dear Dr. Haar:

On January 23, 2012 the Minnesota Public Utilities Commission issued an Order Granting Advance Determination of Prudence and Setting Reporting Requirements in the above described docket. In compliance with ordering paragraph 3, Otter Tail Power Company ("Otter Tail") hereby submits its Big Stone Air Quality Control System Project Quarterly Report.

Otter Tail has electronically filed this document with the Commission. A Certificate of Service is enclosed.

If you have any questions regarding this report, please contact me at 218-739-8648 or [mrolfes@otpc.com](mailto:mrolfes@otpc.com).

Sincerely,

*/s/MARK ROLFES*  
Mark Rolfes, P.E.  
Manager, Generation Development

wao  
Enclosures  
By electronic filing  
c: Service List  
William Rhoads (by email)

**BIG STONE PLANT  
AIR QUALITY CONTROL SYSTEM PROJECT  
QUARTERLY REPORT**

**TO THE**

**MINNESOTA PUBLIC UTILITIES COMMISSION**

**FOR THE**

**PERIOD APRIL 1, 2013 TO JUNE 30, 2013**



**July 12, 2013**

Otter Tail Power Company submits this report on the Big Stone Plant Air Quality Control System (“AQCS”) Project in compliance with the Minnesota Public Utilities Commission January 23, 2012 Order in Docket E017/M-10-1082, ordering paragraph 3.

This report describes progress made on the Project during the quarter ending June 30, 2013. Specifically, in compliance with the above-referenced Order, this report includes information on the status of the United States Environmental Protection Agency (“EPA”) review of the South Dakota Regional Haze State Implementation Plan (“SIP”); it describes the types and amounts of costs incurred on the Project to date; and it describes changed circumstances that are expected to affect the cost, schedule or installation of the AQCS Project.

## **Section I**

### **Status of the United States Environmental Protection Agency’s (“EPA”) review of the South Dakota Regional Haze State Implementation Plan (“SIP”)**

On March 29, 2012, the Administrator for EPA Region 8 signed as a final rule the approval of South Dakota’s Regional Haze SIP. The final rule was published in the *Federal Register* on April 26, 2012 and became effective on May 29, 2012.

## **Section II**

### **Types and amounts of Project cost actually incurred**

Actual construction commenced on the Project on March 18, 2013. A groundbreaking ceremony was held on April 26, 2013. Significant construction progress has been made during the quarter. Examples of accomplishments include:

- All 305 auger cast piles were completed as of July 2. These are poured-in- place concrete piles to support AQCS foundations.
- 8,720 ft. (of a total 19,760 ft.) of underground piping have been installed. This includes fire protection, water supply, storm sewer and ammonia piping.
- Boiler building steel modification.
- We have completed the first large concrete pour of the Project for the waste ash/pebble lime silo area.
- Approximately 150 people are currently working on construction at the site (in addition to the regular plant operational staff).
- 5-10 semi-loads of steel are being delivered to the site each day.

On June 21 a storm caused significant damage to a construction trailer (see photograph below). Clean-up of that damage took about one week, but it did not materially delay construction progress. There have been additional weather challenges that affected construction activities during the quarter.



Costs incurred through June 30, 2013, can be broken down into the following general categories:

<b>Category</b>	<b>Costs Through June 30, 2013</b>
<b>Equipment/Material Procurement:</b>	\$32.2M
<b>Construction:</b>	\$11.6M
<b>Engineering/Field Engineering Support:</b>	\$13.9M
<b>Owners Cost:</b>	\$5.0M
<b>Total:</b>	<b>\$62.7M</b>

(Project costs identified do not include individual company costs.)

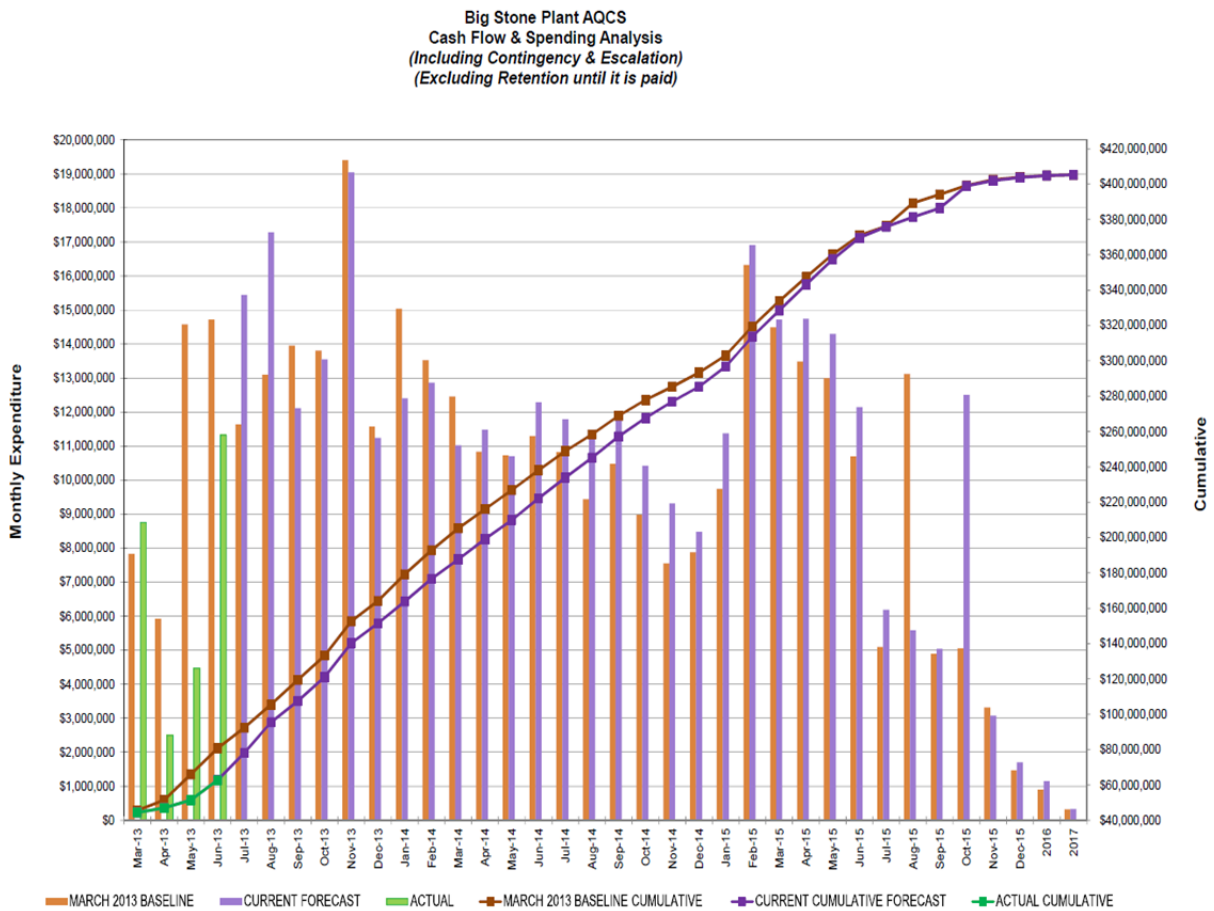
Equipment and Material Procurement: All owner-procured material for the Project, such as the flue-gas desulfurization system equipment, selective catalytic reduction catalyst, induced draft fans and their motors, transformers, structural steel, ductwork, ammonia handling equipment and the Distributed Control System.

Construction: Payments made to Graycor (the General Work Contractor), site preparation work, testing work, surveying work and work to remove equipment that is no longer needed or which needs to be moved.

Engineering and Field Engineering Support: Engineering and procurement work done by Sargent & Lundy (Project engineer) and engineering field support for construction and commissioning.

Owners Cost: Items such as labor for Project development and construction management, and such things as insurance, legal costs, permitting, office space and equipment; also spare parts and consumables used during testing and commissioning.

Actual Project cash flow and spending through June 2013, and forecast through Project completion, is illustrated below:



As described in the last report, the overall Project budget was reduced from \$489M to \$405M. There are also some timing adjustments in the forecasted spending for 2013. We currently expect to spend approximately 10 percent (\$13M) less than originally budgeted for 2013. These expenditures will occur later in the Project than originally anticipated.

The following photographs illustrate various construction activities on the Project during the quarter.



04-19 Auger cast pile installation waste ash/pebble lime silo



05-07 Production piles south SCR tower



05-29 Baghouse excavation



06-22 Baghouse SW view



04-22 Waste ash/pebble lime silo



06-22 Waste ash/pebble lime silo





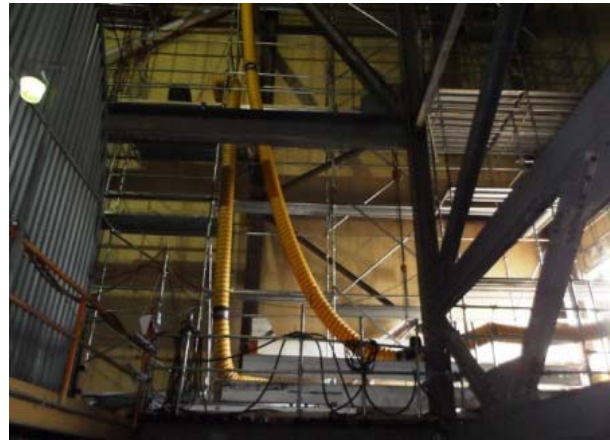
05-03 Pipe trench E4746 south view



06-10 Ash pipe trench installation SE view



04-16 Column line 1 structural modifications



06-24 8<sup>th</sup> floor boiler scaffolding



04-03 Plant south



06-24 Overview

Safety is emphasized on this Project. The table below is included to provide information on recordable and lost-time injuries and near miss incidents for the total labor hours worked on the Project through June 2013:

	<b>Hours</b>	<b>Recordable</b>	<b>Lost Time</b>	<b>Near Miss</b>	<b>First Aid</b>
Graycor	78,249	0	0	1	4
Project Team & Contractors	36,617	0	0	0	0
Engineering	120,730	0	0	0	0
<b>Totals</b>	<b>235,595</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>4</b>

### **Section III**

#### **Any changed circumstances that will affect cost or Project installation**

The EPA has issued the Mercury and Air Toxic Standards (“MATS”) rule, also known as the utility Maximum Achievable Control Technology (“MACT”) rules, which require control of hazardous air pollutants. While the final rule has been issued, several petitions for review have been filed in United States Court of Appeals for the D.C. Circuit which could ultimately delay its effective date. The rule as issued requires the Big Stone Plant to reduce mercury emissions, which can be controlled by adding ACI to the project. The estimated cost to add ACI as a standalone project is \$5M. Because of the synergies of installing the system at the same time as the AQCS, the owners have decided to include the ACI system as part of the scope of the AQCS Project. Because of the synergies captured by doing construction at the same time as the AQCS Project, we have only increased the projected cost of the AQCS Project by \$2.1M to account for the ACI system.

Procurement activity is nearing completion for the Project. At this time 99.8 percent of the Project’s direct procurement costs are under contract.

The last quarterly report, filed on April 12, documented the reevaluation of the Project cost after all of the major contracts were completed. Last quarter’s report explained why the owners were able to reduce the overall Project cost projection by approximately \$86M dollars. Construction has now been underway for three months and no unforeseen issues have arisen to alter projections.

#### **Summary**

The Big Stone AQCS Project is currently on schedule and on budget. Last quarter the projected Project cost was reviewed and reduced to \$405,175,000. This is an approximate reduction of \$86M. Construction has been underway since March 18, 2013.

## **CERTIFICATE OF SERVICE**

**RE: In the Matter of Otter Tail Power Company's Petition for an Advance Determination of Prudence (ADP) for the Big Stone Air Quality Control System Project  
Docket No. E017/M-10-1082**

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 the attached service list by electronic service or by first class mail.

**Otter Tail Power Company  
Compliance Filing – Quarterly Report**

Dated this **12th** day of **July 2013**.

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

**Summary of Revenue Requirements**

Line No.	Revenue Requirements	2013-2014
1	Air Quality Control System	\$6,173,838
2	Carrying Cost	<u>(38,914)</u>
3	Total	<u><u>\$6,134,925</u></u>





Otter Tail Power Company  
Environmental Cost Recovery Rider Tracker  
MN PUC Docket No.

Line No.	TRACKER SUMMARY Requirements Compared to Billed:	2013			2014									Collection Period
		October Projected	November Projected	December Projected	January Projected	February Projected	March Projected	April Projected	May Projected	June Projected	July Projected	August Projected	September Projected	
1	Revenue Requirements													
2	Air Quality Control System	229,590	229,590	229,590	609,452	609,452	609,452	609,452	609,452	609,452	609,452	609,452	609,452	6,173,838
3	Billed (forecast kWh x adj factor)	428,075	481,310	532,476	607,366	611,406	547,610	514,795	457,178	466,438	492,336	507,441	488,493	6,134,925
4														
5	Difference	(198,485)	(251,721)	(302,886)	2,086	(1,954)	61,842	94,657	152,274	143,014	117,116	102,011	120,959	
6	Carrying Charge	0	(1,424)	(3,241)	(5,437)	(5,461)	(5,515)	(5,110)	(4,468)	(3,407)	(2,406)	(1,582)	(862)	
7	Cumulative Difference	(198,485)	(451,630)	(757,757)	(761,108)	(768,523)	(712,196)	(622,649)	(474,843)	(335,236)	(220,526)	(120,097)	(0)	
8														
9	Carrying Charge Calculation	(1,424)	(3,241)	(5,437)	(5,461)	(5,515)	(5,110)	(4,468)	(3,407)	(2,406)	(1,582)	(862)	(0)	(38,914)
10	Cumulative Carrying Charge	(1,424)	(4,665)	(10,102)	(15,564)	(21,078)	(26,189)	(30,657)	(34,064)	(36,469)	(38,052)	(38,914)	(38,914)	
11	Carrying cost	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	
12														
13														
14	Forecasted Sales (MWh)	158,566	178,285	197,238	224,978	226,475	202,844	190,688	169,346	172,776	182,370	187,965	180,946	2,272,477

<b>SUMMARY</b>		<u>Oct 2013 - Sept 2014</u>
Revenue Requirements		\$6,173,838
Carrying Charge		(38,914)
Total Revenue Requirements		\$6,134,925
Oct 2013 - Sept 2014 projected sales in mWh		2,272,477
Average Rate		\$0.00270

Minnesota Revenue Requirements

\$6,134,925

**Percent of Revenue**

Forecasted Retail Sales, all classes (Oct 2013 - Sept 2014)	\$155,012,492
12 Month Revenue Requirement	\$6,134,925
Percentage of revenue rate	3.958%



**ATTACHMENT 5a**

**ENVIRONMENTAL COST RECOVERY RIDER**

**(Section 13.08)**



Fergus Falls, Minnesota

ENVIRONMENTAL COST RECOVERY RIDER

N

Table with 2 columns: DESCRIPTION, RATE CODE. Row 1: Environmental Cost Recovery Rider, 31-570

RULES AND REGULATIONS: Terms and conditions of this electric rate schedule and the General Rules and Regulations govern use of this rider.

APPLICATION OF RIDER: This rider is applicable to electric service under all of the Company's retail rate schedules in Sections 9, 10, 11, 12 and 14, except for Section 14.09 (TailWinds) and Section 14.11 (Released Energy).

COST RECOVERY FACTOR: There shall be included on each Minnesota Customer's monthly bill an Environmental Cost Recovery ("ECR") charge based on the applicable cost recovery factor multiplied by the Customer's monthly bill. The Customer's monthly bill shall be based on all applicable charges and credits under the Company's retail rate schedules in Sections 9, 10, 11, 12 and 14, except for Section 14.09 (TailWinds) and Section 14.11 (Released Energy). The Environmental Cost Recovery Charge will not apply to any Mandatory Riders or sales tax and any local assessments as provided in the General Rules and Regulations for the Company's electric service. The Environmental Cost Recovery charge will be included in the Resource Adjustment line item on the Customer's bill.

The Environmental Cost Recovery Factor is 3.958 percent.

DETERMINATION OF ECR ADJUSTMENT FACTOR: An ECR Adjustment Factor shall be determined by dividing the forecasted balance of the ECR Tracker account by the forecasted retail revenue for the upcoming year (or such other period as may be approved by the Minnesota Public Utilities Commission ("Commission")). The ECR Adjustment Factor shall be rounded to the nearest 0.001%. The ECR Adjustment Factor may be adjusted annually (or other approved periods) with approval of the Commission.

Recoverable Environmental Measures Costs shall be the annual revenue requirements associated with environmental measures eligible for recovery under MN Statute 216B.1692 that are determined by the Commission to be eligible for recovery under this ECR Rider. A standard model will be used to calculate the total forecasted revenue requirements for eligible measures for the designated period. All costs appropriately charged to the ECR Tracker account shall be eligible for recovery through this Rider, and all revenues recovered from the ECR Adjustment shall be credited to the ECR Tracker account.



Fergus Falls, Minnesota

Minnesota Public Utilities Commission  
Section 13.08  
ELECTRIC RATE SCHEDULE  
Environmental Cost Recovery Rider

Page 2 of 2  
Original

Forecasted retail revenue shall be the estimated total retail electric revenue for the designated recovery period.

**TRUE-UP:** For each recovery period, a true-up adjustment to the ECR Tracker account will be calculated reflecting the difference between actual prior period ECR Adjustment recoveries and the actual prior period revenue requirements. Any resulting over/under recovery will be reflected as a carryover balance and included in calculating the ECR Adjustment Factor.

N

**ATTACHMENT 5b**  
**ELECTRIC SERVICE – MINNESOTA - INDEX**  
**Redline and Final Versions**

Section                      Item \_\_\_\_\_

## 11.00      OTHER SERVICES

11.01	Standby Service
11.02	Irrigation Service
11.03	Outdoor Lighting – Energy Only – Dusk to Dawn
11.04	Outdoor Lighting – Dusk to Dawn
11.05	Municipal Pumping Service
11.06	Civil Defense - Fire Sirens

## 12.00      PURCHASE POWER RIDERS AND AVAILABILITY MATRIX

12.01	Small Power Producer Rider (Net Energy Billing Rate)
12.02	Small Power Producer Rider (Simultaneous Purchase and Sale Billing Rate)
12.03	Small Power Producer Rider (Time-of-Day Purchase Rates)
12.04	Distributed Generation Service Rider
12.05	Community-Based Energy Development (C-BED) Tariff

## 13.00      MANDATORY RIDERS AND APPLICABILITY MATRIX

13.01	Energy Adjustment Rider <ul style="list-style-type: none"> <li>• <i>Applicable to <u>all</u> services and riders unless otherwise stated in the mandatory riders matrix</i></li> </ul>
13.02	Conservation Improvement Project (CIP) Rider <ul style="list-style-type: none"> <li>• <i>Applicable to <u>all</u> services unless otherwise stated in the mandatory riders matrix</i></li> </ul>
13.03	Competitive Rate Rider - Large General Service
13.04	Renewable Resource Cost Recovery Rider
13.05	Transmission Cost Recovery Rider
<u>13.06</u>	<u>Reserved for Future Use</u>
<u>13.07</u>	<u>Reserved for Future Use</u>
<u>13.08</u>	<u>Environmental Cost Recovery Rider</u>

*Section*                      *Item* \_\_\_\_\_

**11.00      OTHER SERVICES**

11.01		Standby Service
11.02		Irrigation Service
11.03		Outdoor Lighting – Energy Only – Dusk to Dawn
11.04		Outdoor Lighting – Dusk to Dawn
11.05		Municipal Pumping Service
11.06		Civil Defense - Fire Sirens

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13.04		Renewable Resource Cost Recovery Rider
13.05		Transmission Cost Recovery Rider
13.06		Reserved for Future Use
13.07		Reserved for Future Use
13.08		Environmental Cost Recovery Rider

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N

**ATTACHMENT 5c**

**MANDATORY RIDER – APPLICABILITY MATRIX**

**Redline and Final Versions**



Fergus Falls, Minnesota

Minnesota Public Utilities Commission  
 Section 13.00  
**ELECTRIC RATE SCHEDULE**  
**Mandatory Riders – Applicability Matrix**

Page 1 of 2  
~~Second-Third~~ Revision

**MANDATORY RIDERS - APPLICABILITY MATRIX**

The amount of a bill for service will be modified by any Mandatory Rate Riders that must apply, by any Voluntary Rate Riders selected by the Customer, and charges listed in the General Rules and Regulations.

 <b>Applicability Matrix</b>		<b>Mandatory Riders</b>	Energy Adjustment Rider	Conservation Improvement (CIP) Rider	Competitive Rate to Large General Service Rider	Renewable Resource Cost Recovery Rider	Transmission Cost Recovery Rider	Reserved for Future Use	Reserved for Future Use	Environmental Cost Recovery Rider
<b>Tariffs</b>	Section Numbers	13.01	13.02	13.03	13.04	13.05	13.06	13.07	13.08	
<b>RESIDENTIAL &amp; FARM SERVICES</b>										
Residential Service	9.01									
Residential Demand Control Service	9.02									
Farm Service	9.03									
<b>GENERAL SERVICES</b>										
Small General Service (Under 20 kW)	10.01									
General Service (20 kW or Greater)	10.02			✓						
General Service - Time of Use	10.03			✓						
Large General Service	10.04			✓						
Large General Service - Time of Day	10.05			✓						
<b>OTHER SERVICES</b>										
Standby Service	11.01									
Irrigation Service	11.02									
Outdoor Lighting - Energy Only - Dusk to Dawn	11.03									
Outdoor Lighting - Dusk to Dawn	11.04									
Municipal Pumping Service	11.05			✓						
Civil Defense - Fire Sirens	11.06									
Key: ✓ = May apply		■ = Mandatory		□ = Not Applicable						





Fergus Falls, Minnesota

Minnesota Public Utilities Commission  
 Section 13.00  
**ELECTRIC RATE SCHEDULE**  
**Mandatory Riders – Applicability Matrix**

Page 2 of 2  
*Second-Third Revision*

<b>Applicability Matrix</b>									
	Mandatory Riders	Energy Adjustment Rider	Conservation Improvement (CIP) Rider	Competitive Rate to Large General Service Rider	Renewable Resource Cost Recovery Rider	Transmission Cost Recovery Rider	Reserved for Future Use	Reserved for Future Use	Environmental Cost Recovery Rider
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<b>MANDATORY RIDERS</b>									
Energy Adjustment Rider	13.01								
Conservation Improvement (CIP) Rider	13.02								
Competitive Rate to Large General Service Rider	13.03								
Renewable Cost Recovery Rider	13.04								
Transmission Cost Recovery Rider	13.05								
Reserved for Future Use	13.06								
Reserved for Future Use	13.07								
Environmental Cost Recovery Rider	13.08								
<b>VOLUNTARY RIDERS</b>									
Water Heating Control Rider	14.01								
Real Time Pricing Rider	14.02	✗							
Large General Service Rider	14.03	✓							
Controlled Service - Interruptible Load (CT Metering) Rider	14.04								
Controlled Service - Interruptible Load (Self-Contained Metering) Rider	14.05								
Controlled Service - Deferred Load Rider	14.06								
Fixed Time of Service Rider	14.07								
Air Conditioning Control Rider	14.08								
Renewable Energy Rider	14.09								
WAPA Bill Crediting Program Rider	14.10								
Released Energy Rider	14.11								
<b>Key:</b> ✓ = May apply    ■ = Mandatory    □ = Not Applicable									



Fergus Falls, Minnesota

Minnesota Public Utilities Commission  
 Section 13.00  
**ELECTRIC RATE SCHEDULE**  
**Mandatory Riders – Applicability Matrix**

Page 1 of 2  
 Third Revision

**MANDATORY RIDERS - APPLICABILITY MATRIX**

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Residential Demand Control Service	9.02								
Farm Service	9.03								
<b>GENERAL SERVICES</b>									
Small General Service (Under 20 kW)	10.01								
General Service (20 kW or Greater)	10.02			✓					
General Service - Time of Use	10.03			✓					
Large General Service	10.04			✓					
Large General Service - Time of Day	10.05			✓					
<b>OTHER SERVICES</b>									
Standby Service	11.01								
Irrigation Service	11.02								
Outdoor Lighting - Energy Only - Dusk to Dawn	11.03								
Outdoor Lighting - Dusk to Dawn	11.04								
Municipal Pumping Service	11.05			✓					
Civil Defense - Fire Sirens	11.06								
Key: ✓ = May apply   ■ = Mandatory   □ = Not Applicable									

N



Fergus Falls, Minnesota

Minnesota Public Utilities Commission  
 Section 13.00  
**ELECTRIC RATE SCHEDULE**  
**Mandatory Riders – Applicability Matrix**

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 Third Revision

Applicability Matrix		Mandatory Riders	Energy Adjustment Rider	Conservation Improvement (CIP) Rider	Competitive Rate to Large General Service Rider	Renewable Resource Cost Recovery Rider	Transmission Cost Recovery Rider	Reserved for Future Use	Reserved for Future Use	Environmental Cost Recovery Rider
Tariffs	Section Numbers	13.01	13.02	13.03	13.04	13.05	13.06	13.07	13.08	
<b>MANDATORY RIDERS</b>										
Energy Adjustment Rider	13.01									
Conservation Improvement (CIP) Rider	13.02									
Competitive Rate to Large General Service Rider	13.03									
Renewable Cost Recovery Rider	13.04									
Transmission Cost Recovery Rider	13.05									
Reserved for Future Use	13.06									
Reserved for Future Use	13.07									
Environmental Cost Recovery Rider	13.08									
<b>VOLUNTARY RIDERS</b>										
Water Heating Control Rider	14.01									
Real Time Pricing Rider	14.02									
Large General Service Rider	14.03	✓								
Controlled Service - Interruptible Load (CT Metering) Rider	14.04									
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Controlled Service - Deferred Load Rider	14.06									
Fixed Time of Service Rider	14.07									
Air Conditioning Control Rider	14.08									
Renewable Energy Rider	14.09									
WAPA Bill Crediting Program Rider	14.10									
Released Energy Rider	14.11									
Key:		✓ = May apply	■ = Mandatory	□ = Not Applicable						

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C  
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**ATTACHMENT 5d**  
**RESERVED FOR FUTURE USE**  
**(Sections 13.06 and 13.07)**



Fergus Falls, Minnesota

Minnesota Public Utilities Commission  
ELECTRIC RATE SCHEDULE

Section 13.06

Reserved for Future Use

Page 1 of 1

Original

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**SECTION 13.06 RESERVED FOR FUTURE USE**

**N**

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MINNESOTA PUBLIC  
UTILITIES COMMISSION

Approved: \_\_\_\_\_  
Docket No. E-017/M-13-\_\_\_\_\_

Thomas R. Brause  
Vice President, Administration

EFFECTIVE with bills rendered  
on and after  
October 1, 2013  
in Minnesota



Fergus Falls, Minnesota

Minnesota Public Utilities Commission  
ELECTRIC RATE SCHEDULE

**Section 13.07**

**Reserved for Future Use**

Page 1 of 1

*Original*

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**SECTION 13.07 RESERVED FOR FUTURE USE**

**N**

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MINNESOTA PUBLIC  
UTILITIES COMMISSION

Approved: \_\_\_\_\_  
Docket No. E-017/M-13-\_\_\_\_\_

Thomas R. Brause  
Vice President, Administration

EFFECTIVE with bills rendered  
on and after  
October 1, 2013  
in Minnesota

## CERTIFICATE OF SERVICE

**RE: In the Matter of Otter Tail Power Company's Petition for  
Approval of an Environmental Upgrades Cost Recovery Rider  
MPUC Docket No. E017/M-13-\_\_\_\_\_**

I, Diane Merz, 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 the attached service list by electronic service or by First Class mail.

**Otter Tail Power Company  
Initial Filing**

Dated this **31st** day of **July 2013**.

*/S/ DIANE MERZ*

---

Diane Merz, Regulatory Filing Coordinator  
Otter Tail Power Company  
215 South Cascade Street  
Fergus Falls MN 56537  
(218) 739-8608

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
Michael	Bradley	bradleym@moss- barnett.com	Moss & Barnett	4800 Wells Fargo Ctr 90 S 7th St Minneapolis, MN 55402-4129	Electronic Service	No	GEN_SL_Otter Tail Power Company_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_GENERAL SERVICE LIST
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