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October 4, 2013

Dr. Burl W. Haar
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 Request to Amend the
Standby Service Tariff
Docket No. E017/M-13-609
Reply Comments**

Dear Dr. Haar:

Otter Tail Power Company ("Otter Tail") respectfully submits this letter as its Reply Comments in response to the Minnesota Department of Commerce, Division of Energy Resources ("Department") Comments submitted August 2, 2013 in this docket, and to recent Comments submitted by the Department in other related standby investor-owned utility dockets¹ stemming from the change in the standby service eligibility level included in the 2013 energy legislation².

Background

Otter Tail filed its initial petition in this docket on July 17, 2013 to amend its Standby Service Tariff to increase the size at which it may not impose a standby charge from 60 kW to 100 kW, consistent with the revisions to Minn. Stat. §216B.164. On August 2, 2013, the Department recommended approval of our filing. Otter Tail agrees with the Department's recommendation.

Subsequent Department Comments for the other referenced investor-owned utility dockets added the following comments, "...the Department recommends the Commission open a generic proceeding to address the statutory requirement for a Commission Order

¹ Xcel E002/M-13-642, Minnesota Power E015/M-13-770, and Interstate Power E001/M-13-667

² Minn. Stat. 2013 § 216B.164

before a utility may impose standby charges on facilities over 100 kW. A generic proceeding could address the methodology for determining standby rates, the appropriateness of existing charges and how those rates are applied.”

The Department also included recommendations in Xcel’s similar standby docket, E002/M-13-642, to “open a generic proceeding...to determine REC ownership in cases of non-solar, net metered facilities (p. 6).” Minn. Stat. §216B.164, Subd. 10(i) provides no guidance on these types of facilities.

Otter Tail believes it should be able to provide comments regarding the Department recommendations to the other utility’s dockets referenced herein. Otter Tail acknowledges the notification from the Minnesota Public Utilities Commission Staff regarding the additional Department Comments as described above.

Otter Tail Comments Regarding Recent Department Proposals

At this time, Otter Tail does not support a generic proceeding as recommended by the Department on either: a) standby or b) a determination of REC ownership in cases of non-solar, net metered facilities.

- a) Otter Tail does not support a generic standby proceeding because an Order from the Commission already exists³, is appropriate, and believes further efforts are unnecessary. The utility standby services in effect today, at the 60 kW or greater level, are still appropriate for customers over 100 kW who seek backup, maintenance, supplemental, and other services⁴. Solar, and other generation systems, were represented, addressed, and included in the E999/CI-01-1023 attachments (i.e. associated process, requirements, and agreements).
- b) Otter Tail also does not support a separate generic proceeding for determination of REC ownership in cases of non-solar, net metered facilities, but instead believes it would be more appropriate, and does support, the Department’s suggestion in Xcel’s Docket No. E002/M-13-642, to determine REC ownership in cases of non-solar, net metered facilities in the Commission’s rulemaking proceeding in Docket No. E999/R-13-729 (p. 5).

If the Commission decides to open generic proceedings as recommended by the Department, Otter Tail expects to participate.

³ In the Matter of Establishing Generic Standards for Utility Tariffs for Interconnection and Operation of Distributed Generation Facilities under Minnesota Laws 2001, Chapter 212. Order Establishing Standards, Docket No. E999/CI-01-1023, September 28, 2004.

⁴ See Attachment 6, Rates, included in the Order Establishing Standards, Docket No. E999/CI-01-1023, September 28, 2004.

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Otter Tail has electronically filed this document with the Commission and has served a copy on all persons on the attached service list. A Certificate of Service is also enclosed.

Please contact me by phone at (218) 739-8595 or by email at dprazak@otpc.com if you have any questions.

Sincerely,

/s/ DAVID G. PRAZAK
David G. Prazak
Supervisor Pricing & Load Research

wao
By electronic filing
c: Service List

CERTIFICATE OF SERVICE

**Re: In the Matter of Otter Tail Power Company's request to Amend the
Standby Service Tariff
Docket No. E017/M-13-609**

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
Reply Comments**

Dated this **4th** day of **October 2013**.

/s/ WENDIA. OLSON

Wendi A. Olson
Regulatory Filing Coordinator
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