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July 18, 2014

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 2013 Annual Safety, Reliability and Service Quality Report and Proposed SAIFI, SAIDI and CAIDI Reliability Standards for 2014
Docket No. E017/M-14-279
Amended Reply Comments

Dear Dr. Haar:

Otter Tail Power Company ("Otter Tail") submits these Amended Reply Comments in response to the Department of Commerce, Division of Energy Resources ("Department") July 7, 2014 Comments in the above-captioned matter.

Otter Tail discovered an error in Table 1 provided in its July 17, 2014 Reply Comments. The SAIDI, CAIDI and SAIFI results with June 20-22, 2013 weather event excluded resulted in zero sustained outages for the Milbank CSC. The correction to the Table 1 and the preceding paragraph are reflected in the attached Amended Reply Comments.

A Certificate of Service on all parties is also enclosed.

We are available to provide any additional information or respond to any questions you may have. Feel free to contact me at (218) 739-8395 or email me at jfyhrie@otpco.com, should you have any questions with respect to this matter.

Sincerely,

/s/ JESSICA FYHRIE
Jessica Fyhrie
State Regulatory Compliance Specialist

jce
Enclosures
By electronic filing
c: Service List

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

In the Matter of Otter Tail Power Company
2013 Annual Safety, Reliability and Service
Quality Report and Proposed SAIFI, SAIDI
and CAIDI Reliability Standards for 2014

Docket No. E017/M-14-279

**OTTER TAIL POWER COMPANY'S
AMENDED REPLY COMMENTS**

I. INTRODUCTION

These Amended Reply Comments respond to the Comments filed on July 7, 2014 by the Minnesota Department of Commerce, Division of Energy Resources (“Department”) in the above-captioned matter. Otter Tail Power Company (“Otter Tail” or “Company”) appreciates the Department’s thorough review of Otter Tail’s 2013 Safety, Reliability, and Service Quality Report (“Report”).

The Department Comments recommend that the Commission accept Otter Tail’s report and set Otter Tail’s 2014 SAIFI, SAIDI and CAIDI Standards at the 2013 levels until Otter Tail demonstrates improvement in meeting its performance standards. Otter Tail accepts this recommendation. However, to provide a somewhat deeper look into the 2013 results, these Reply Comments provide analysis of one 2013 event to illustrate how sensitive the indices can be to a single storm event and whether that storm event meets the criteria for exclusion as a “major event day.”

II. OTTER TAIL ANALYSIS

Otter Tail emphasizes the importance of reliable service throughout the organization. Recognizing the number of reliability indices that were not met in 2013 and considering reliability performance in recent years, Otter Tail has continued to add processes to track and improve reliability. These efforts have been effective and will continue to improve reliability. The sensitivity of reliability results to a particular storm event highlighted by considering the outages that occurred over June 20-22, 2013. To illustrate this sensitivity, Otter Tail offers the following analysis comparing the impact on the reliability indices *if* the storm activity would have risen to an excludable level.

The west central and southwest central Minnesota portion of Otter Tail’s service territory experienced several bands of bad weather from June 20-22 that had a significant impact to Otter Tail’s reliability indices. These weather systems saw 70 mph winds, 2 inch diameter hail, and left parts of the region with six inches of rain. Back-to-back storms delivered a one-two punch that allowed enough time for only partial restoration. These storm systems caused 47 SAIDI minutes in 2013. Consequently, although these weather events caused significant outages, the events did not meet the criteria of the IEEE 2.5 beta method to be excluded as a major event day. Otter Tail offers Table 1 which illustrates the impact the June 20-22 weather system had on the Company’s reliability indices. Had the weather system on June 20-22 been excluded, Otter Tail would have met fourteen of the eighteen reliability indices for 2013 instead of just six. Such results would impact the trends that may not otherwise reflect the efforts undertaken.

Table 1¹
 Otter Tail Analysis Comparing Results without June 20-22 Storms

CSC		2013 Performance	2013 Goals	Excluding June 20-22
Bemidji	SAIDI	90.57	70.64	90.57
	SAIFI	1.11	1.26	1.11
	CAIDI	81.43	56.06	81.43
Crookston	SAIDI	37.6	69.33	36.3
	SAIFI	0.58	1.19	0.55
	CAIDI	65.24	58.26	66.5
Fergus Falls	SAIDI	108.98	66.97	63.7
	SAIFI	1.29	1.11	0.85
	CAIDI	84.29	60.33	74.94
Milbank	SAIDI	127.03	75.49	0
	SAIFI	0.74	1.82	0
	CAIDI	170.94	41.48	0
Morris	SAIDI	117.51	55.78	44.83
	SAIFI	1.44	1.01	0.92
	CAIDI	81.33	55.23	48.88
Wahpeton	SAIDI	45.24	57.24	12.04
	SAIFI	1.28	1.13	0.37
	CAIDI	35.88	50.65	32.63

¹Shading indicates goals met

To be clear, Otter Tail is not requesting to depart from applying the IEEE 2.5 beta method or to have these days excluded from the 2013 results, and Otter Tail accepts the Department's recommendation to set Otter Tail's 2014 SAIFI, SAIDI and CAIDI Standards at the 2013 levels. This information and analysis is provided to deliver additional perspective and demonstrate that the 2013 results do not indicate a lack of effort to improve reliability performance. The Company is taking effective steps to achieve improved reliability.

III. CONCLUSION

Otter Tail accepts the Departments recommendation to set 2014 SAIDI, SAIFI and CAIDI goals at 2013 levels. The illustration provided by the above analysis is informative and to demonstrate how sensitive the indices are to an individual weather system. Otter Tail will continue to emphasize reliability and is confident the steps taken will improve results over time.

Dated: July 18, 2014

Respectfully submitted,

OTTER TAIL POWER COMPANY

By: /s/ JESSICA J FYHRIE
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CERTIFICATE OF SERVICE

**RE: In the Matter of Otter Tail Power Company 2013 Annual Safety, Reliability and Service Quality Report and Proposed SAIFI, SAIDI and CAIDI Reliability Standards for 2014
Docket No. E017/M-14-279**

I, Jana Emery, 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
Amended Reply Comments**

Dated this **18th** day of **July, 2014**

/s/ JANA EMERY

Jana Emery
Regulatory Filing Coordinator
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