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September 11, 2012

Ms. Patricia Van Gerpen  
Executive Director  
South Dakota Public Utilities Commission  
Capitol Building, 1<sup>st</sup> floor  
500 E. Capitol Ave.  
Pierre, SD 57501-5070

**RE: In the Matter of Otter Tail Power Company's Request for Approval to Revise its Fuel Adjustment Clause Rider to Include Emission Costs  
SDPUC Docket No. EL12-021  
Notice of Withdrawal**

Dear Ms. Van Gerpen:

Subject to S.D. Admin. Rule 20:10:01:02.04, this letter is Otter Tail Power Company's ("Otter Tail's") Notice of Withdrawal of its request in the above-referenced docket to include in its Fuel Adjustment Clause Rider certain specified costs for purchase of emission allowances necessary to comply with the Cross-State Air Pollution Rule ("CSAPR") as promulgated by the Federal Environmental Protection Agency ("EPA").

On January 3, 2012, the U.S. Court of Appeals for the D.C. Circuit ("Court") stayed CSAPR while it considered challenges raised by a coalition of more than 40 power companies, states, and labor unions. Prior to the Court's stay of the rule, the CSAPR was due to go into effect January 1, 2012. On March 1, 2012 Otter Tail filed its application in this matter, anticipating that, if upheld, CSAPR rule might go into effect by the middle of 2012. The litigation case was argued to the Court on April 13, 2012. On May 23, 2012 Otter Tail informally discussed with South Dakota Public Utilities Commission Staff the status of the litigation and requested any further action in this Commission docket to be delayed until the Court made its decision.

On August 21, the Court issued its ruling vacating CSAPR. It is not known whether the EPA will attempt to promulgate a new set of rules on the subjects addressed by CSAPR and, if so, when they

Ms. Patricia Van Gerpen

September 11, 2012

Page 2

might be effective and what they might require. For that reason Otter Tail withdraws its request in this docket.

Sincerely,

/s/ *PETE BEITHON*

Pete Beithon

Manager, Regulatory Recovery

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By electronic filing