

215 South Cascade Street
PO Box 496
Fergus Falls, Minnesota 56538-0496
218 739-8200
www.otpc.com (web site)

EL01-007

VIA OVERNIGHT MAIL

May 1, 2001



Mr. William Bullard, Director
South Dakota Public Utilities Commission
State Capitol
500 East Capitol Street
Pierre, SD 57501-5070

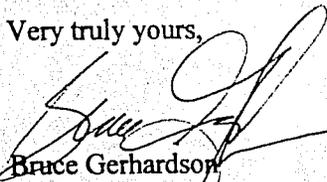
**Re: In the Matter of Otter Tail Corporation's Petition for
Re-Approval of a Released Energy Tariff
SDPUC Case No. _____**

Dear Mr. Bullard:

Pursuant to South Dakota Codified Laws Section 49-34A-10 and Administrative Rules of South Dakota ("ARSD") Part 20:10:13:03, enclosed for filing please find an original and ten (10) copies of Otter Tail Corporation's Petition for Re-Approval of a Released Energy Tariff.

Should you have any questions with respect to this filing, please contact me at (218) 739-8350 or Mr. David Prazak, Otter Tail's Senior Pricing Analyst, Regulatory Services, at (218) 739-8595.

Very truly yours,


Bruce Gerhardson
Associate General Counsel
BG:dm

Enclosures

RECEIVED

MAY 03 2001

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

EL 01-007

STATE OF SOUTH DAKOTA
BEFORE THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

In the Matter of Otter Tail Power Company's¹
Request for Re-Approval of a Released
Energy Tariff

Docket No.

PETITION OF OTTER TAIL POWER COMPANY

1. INTRODUCTION.

Pursuant to South Dakota Codified Laws Section 49-34A-10 and Administrative Rules of South Dakota ("ARSD") part 20:10:13:03, Otter Tail Power Company hereby petitions the South Dakota Public Utilities Commission for re-approval of a Released Energy Tariff ("Tariff"). Re-Approval of the Tariff will continue to allow Otter Tail's native load retail customers to "release" energy back to Otter Tail, who will then market the energy and share the associated revenue with the customer.

2. GENERAL FILING INFORMATION.

Pursuant to ARSD Part 20:10:13:03, Otter Tail provides the following general information.

A. Name, Address, and Telephone Number of Utility.

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

RECEIVED

MAY 03 2001

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

¹ Otter Tail Company is a registered trade name of Otter Tail Corporation

B. Name, Address, and Telephone Number of Utility Attorney.

Bruce Gerhardson
Associate General Counsel
Otter Tail Corporation
215 South Cascade Street
P. O. Box 496
Fergus Falls, MN 56538-0496
(218) 739-8350

C. Date of Filing and Date Tariff Will Take Effect.

This Released Energy Tariff is being filed on May 1, 2001 and Otter Tail requests approval effective June 15, 2001.

D. Statute Controlling Schedule for Processing the Filing.

ARSD Part 20:10:13:15 required 30 days notice to the Commission of a proposed new tariff, after which time the proposed new tariff takes effect unless suspended. Because no determination of Otter Tail's general revenue requirement is necessary, the report called for under Part 20:10:13:26 and the general notice provisions applicable to changes in rates is not applicable in this filing. Otter Tail requests an expedited and informal proceeding, including any variances that may be necessary.

E. Title of Utility Employee Responsible for Filing.

David G. Prazak
Supervisor, Pricing
Regulatory Services
Otter Tail Power Company
215 South Cascade Street
P. O. Box 496
Fergus Falls, MN 56538-0496
(218) 739-8595

3. DESCRIPTION OF FILING.

A. Background.

Otter Tail originally received approval of an experimental Released Energy Tariff on July 20, 2000. The tariff expired on December 31, 2000. In the fall of 2000, Otter Tail experienced only one transaction under the Tariff. Nevertheless Otter Tail views the experimental Tariff as successful. In order to continue to offer released energy opportunities to its customers, Otter Tail seeks re-approval of the Tariff. The revised Tariff is shown as Attachment 1.

In addition to re-approval, Otter Tail requests one minor change to the Tariff; that the requirement of five megawatts (5 MW) total reduction be at Otter Tail's discretion (see Section B.1, in this petition)

The Released Energy Tariff gives participating customers an incentive to voluntarily curtail their energy use, and thereby "release" that energy back to Otter Tail. Otter Tail can then sell the "bought-back" energy off-system on the wholesale market or use it to replace higher cost resources which it would otherwise purchase to serve retail native load. Either way, the participating customer is compensated for curtailing its energy use and non-participating customers benefit from lower priced purchased power resources. The Tariff is modeled after Minnesota Power's Rider for Released Energy and NSP's Customer Buyback Program.

Like the MP and NSP programs, the Tariff provides two primary benefits: (1) it allows customers to maximize their business by voluntarily curtailing electric service when it is economically advantageous; and (2) it provides Otter Tail with an additional resource from which to manage system requirements and prudently serve retail customers. The Tariff also provides Otter Tail and customers with valuable experience in reacting to fluctuations in energy prices.

B. Summary of Key Tariff Terms and Conditions.

1. Applicability. Like MP's and NSP's tariffs, there are limitations regarding participation. The original first-year Tariff has been applicable to any customer who agreed to release a minimum of one-megawatt (1 MW) over the Release Period. In addition, because Otter Tail's wholesale marketing requires a certain mass before it can effectively market energy, the Tariff has required a minimum of five megawatts (5 MW) of total load reduction over the Release Period. For example, if two customers each agreed to release one megawatt and another customer agreed to release two megawatts, all over the same Release Period, the Tariff has been inapplicable because only four megawatts in total were released.

Otter Tail requests that the re-approved Tariff retain the one-megawatt (1 MW) minimum for any customer. However, Otter Tail requests that the five-megawatt (5 MW) minimum total release requirement be applicable at Otter Tail's discretion.

Both Otter Tail and customers have the option to request the release of energy under the Tariff. Customers are not obligated to release and Otter Tail is not obligated to purchase the energy until the parties agree on Compensation, the Release Period, and other applicable terms.

2. Compensation. The Tariff provides the customer with a financial incentive to curtail its operations and thereby release energy. The compensation will be on a negotiated basis between Otter Tail and the customer and will depend on the particular circumstances of the market at the time of the transaction. Compensation will be made either through a megawatt-per-hour ("MWh") credit to the customer's electric bill or as a cash payment.

A negotiated rate for the re-purchase of released energy is consistent with both the MP and NSP programs.²

The released energy can be re-purchased by Otter Tail either for purposes of making off-system sales or for serving retail load at times when Otter Tail would otherwise be purchasing energy at wholesale to meet its firm energy requirements. When Otter Tail purchases released energy to meet native load firm energy requirements, Otter Tail intends to pass the costs associated with the purchase through its fuel adjustment clause. This is also consistent with the MP and NSP programs.

3. Release Period. The Tariff defines the Release Period as the period during which the Company agrees to purchase energy from the Customer.

4. Notice to Release Energy. Similar to NSP's program, Otter Tail will provide participating customers with advanced notice of its interest in activating the release of energy. The notice may include either a purchase price offer for the Release Period or request a selling price from the customer. Otter Tail will endeavor to notify all participating customers at the same time of all prospective Release Periods along with expected prices.

5. Committed Load Reduction/Release Period. Otter Tail has borrowed from the NSP program to determine the amount of load reduction to which the company and the customer will agree. This provision establishes parameters on how much energy is being released and for how long.

² In the MP Rider, the utility and the customer negotiate a percentage of the sale margin for each hour the sale opportunity occurs. This percentage is then paid to the customer in the form of a bill credit. In the NSP Plan, NSP provides the customer a quote on the price it is willing to re-purchase the energy, and the customer is able to accept, deny, or provide a counter-offer. Once the parties have agreed on compensation, NSP will pay the customer either through a bill credit or cash payment.

6. Released Energy Profile. Both the MP and NSP models require load forecasts in advance of the curtailment and the release of energy. The purpose of the forecast is to establish a baseline from which to measure the amount of released energy. NSP has proposed establishing a "Reference Load Profile," developed from customer load interval from the five-day rolling average of uninterrupted, non-holiday weekday loads ending the day before energy is released. Minnesota Power simply requires that the customer provide "accurate advance load forecasts." While the NSP method takes much of the guesswork out of forecasts, developing a rolling-average isn't practical in every situation, especially for some of Otter Tail's customers likely to participate.

To address this, Otter Tail has built flexibility into the Tariff by allowing use of a rolling-average where practical. Where a rolling average is impractical or otherwise not preferred, the Tariff allows other acceptable forecast methods to be used.

Otter Tail has termed this forecast the Released Energy Profile.

7. Penalty for Insufficient Load Control. Where the customer has agreed to release energy but fails to curtail to its Committed Load Reduction, the customer will forfeit any compensation for that period. In addition, the customer will be liable to Otter Tail for any losses or damages that Otter Tail sustains as result of the customer's failure to curtail. Again, this is consistent MP's Rider.

8. Communication and Metering Requirements. Participating customers will be required to use company-approved and/or -specified communication and metering equipment.

9. Fuel Clause Treatment. Like the NSP and MP tariffs, one of the tariff's primary goals is to reduce total energy costs by replacing higher priced wholesale energy with

lower priced energy "purchased" from customers. Transactions are most likely to take place only under high price, or "spike" energy periods. Like the current MP and NSP tariffs, Otter Tail's Tariff includes the cost of energy purchases resold to native load energy consumers - so-called "avoided energy purchases" - in Account 555, and passes the costs through its Fuel Adjustment Clause.

C. Proposed Effective Date.

In order for the Tariff to be re-approved before the completion of the one-year experimental Tariff, Otter Tail requests the Tariff be approved with an effective date no later than June 15, 2001.

D. Tariff Limited to One Year. Because of its continued experimental nature, Otter Tail requests that the Tariff be approved on a one-year basis, after which its effectiveness can be determined.

4. CONCLUSION.

For the foregoing reasons, Otter Tail respectfully requests that the Commission approve at the earliest possible date the enclosed Released Energy Tariff, to be effective June 15, 2001.

Dated: May 1, 2001.

Respectfully submitted,

OTTER TAIL POWER COMPANY

By: Bruce Gerhardson

Bruce Gerhardson
Associate General Counsel
Otter Tail Corporation
215 South Cascade Street
P. O. Box 496
Fergus Falls, MN 56538-0496
(218) 739-8350

David G. Prazak,
Supervisor, Pricing
Otter Tail Power Company
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P. O. Box 496
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(218) 739-8289

OTTER TAIL POWER COMPANY
Fergus Falls, Minnesota
ELECTRIC RATE SCHEDULE

Section No. 3, Volume I
First Revised Sheet No. 91
Canceling Original Sheet No. 91
Rate Designation M-10S, Page 1 of 3

RELEASED ENERGY TARIFF
(Experimental)

Effective Date: June 15, 2001
Expiration Date: FURTHER ORDERED, that this approved tariff as described above shall expire on June 14, 2002

APPLICATION

The Tariff is applicable to any customer who agrees to release a minimum of one megawatt (1 MW) over the Release Period. A minimum of five megawatts (5 MW) of total load reduction may be required over the Release Period at Company's discretion. For example, if two customers each agree to release one megawatt and another customer agrees to release two megawatts, all over the same Release Period, the Tariff is inapplicable because only four megawatts in total were released.

Both the Company and the Customer have the option to request the release of energy under the Tariff. The Customer is not obligated to release and Otter Tail is not obligated to purchase the energy until the parties agree on Compensation, the Release Period, and other applicable terms. Customer participation is voluntary.

COMPENSATION

Compensation for Off-System Sales

As compensation for participation, the Customer shall receive a credit or payment during any billing month in which Customer and Company have cooperated to make a short-term off-system energy sale, or other mutually agreed method of compensation ("Compensation"). The Compensation shall be a per megawatt-hour ("MWh") credit or payment for each hour subject to an off-system energy sale. The Compensation shall equal a negotiated percentage of the sale margin for each hour that such sale opportunity occurs.

Compensation for Avoided Energy Purchases

The Company may request, and the Customer may voluntarily reduce, Customer's energy requirement during periods when Company is purchasing energy to meet its firm energy requirement, thereby enabling Company and its customers to avoid higher cost energy purchases. Company shall provide the Customer Compensation in the form of a credit or cash payment for the reduced energy usage. The Compensation shall equal a negotiated percentage up to ninety percent (90%) of the avoided energy purchase cost for each hour that such an avoided purchase occurs. The Compensation provided shall be allowed as a recoverable cost for Fuel Adjustment Clause purposes.

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION
Approved:
Case No.

EFFECTIVE for services rendered on
and after June 15, 2001 in SD

APPROVED: Doug Kjellerup
Chief Operating Officer, Energy Delivery

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Release Period

The Release Period is the period during which the Company agrees to purchase energy from the Customer.

CONDITIONS

1. Purchase is non-firm. If Customer makes energy available for sale but no sale of the released energy or avoided purchase is actually completed (for example, due to transmission constraints), the Compensation shall be zero. In the event that a scheduled released energy sale or avoided energy purchase is not completed or the terms and conditions change, Company shall so notify the Customer as soon as possible.
2. Committed Load Reduction. The Committed Load Reduction is the load reduction the Customer and Company agree the Customer will provide for the Release Period, relative to the Released Energy Profile. The Committed Load Reduction must be one-megawatt or greater.
3. Released Energy Profile/Controllable Service Limit. The Company will determine a Released Energy Profile ("REP") for each Release Period. The REP may be developed by using load interval from the five-day rolling average of uninterrupted, non-holiday weekday loads up to the day before a Release Period begins or in another manner as determined by the Company. The rolling average will exclude days not representative of load characteristics expected during the Release Period, such days to be determined solely by the Company.

The Company has controllable electric retail service options that define a Customer's firm demand level as the maximum allowable load during control periods. If the Customer receives this type of controllable service from the Company, the REP may not exceed its predetermined firm demand for load intervals that occur during an applicable control period.

4. Notice. When opportunities for released energy are anticipated, the Company shall provide advance notice, if possible, of the approximate margins or available energy purchase costs and hours of sale or purchase opportunity available to interested Customers. Opportunities for voluntary load reductions shall be given simultaneously to all eligible customers. When possible, notice shall also be made via phone calls to individuals designated by the Customer.

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION
Approved:
Case No.

EFFECTIVE for services rendered on
and after June 15, 2001 in SD

APPROVED: Doug Kjellerup
Chief Operating Officer, Energy Delivery

Customer may also notify Company when C customer desires to reduce energy requirements for released energy sales or avoided energy purchase opportunities. Customer may, in lieu of daily elections, have a "standing agreement" with Company regarding the conditions for releasing energy, including the Release Period, required margins, margin sharing, etc. These standing agreements, along with daily elections, may be made on a Customer-by-Customer basis and shall be considered by the Company on a confidential basis without notice to other Customers.

5. Communication Requirements. The Customer agrees to use Company-specified communication requirements and procedures when submitting any offer for released energy. These requirements may include specific computer software and/or electronic communication procedures.
6. Metering Requirements. Company approved metering equipment capable of providing load interval information is required for Tariff participation. Customer agrees to pay for the additional cost of such metering when not provided in conjunction with existing retail electric service.
7. Liability. The Company and Customer agree that Company has no liability for indirect, special, incidental, or consequential loss or damages to Customer, including but not limited to Customer's operations, site, production output, or other claims by the Customer as a result of participation in this Tariff.
8. Provision of Ancillary Services. The Company and Customer agree that Tariff participation does not represent any form of Customer self-provision of ancillary services that may be included in any retail electric service provided to the Customer.
9. Dispute Resolution. The Company and Customer agree that any disputes arising out of this Tariff shall be settled by arbitration under the terms and provisions of the American Arbitration Association.
10. Penalty For Insufficient Load Control. In the event that Company has entered into a sale or purchase agreement for energy made available by a Customer, and Customer subsequently fails to maintain sufficient load control during the time(s) of the released energy sale or avoided energy purchase, the Customer will forfeit any compensation for that period. Customer shall also be responsible for any and all costs incurred by Company due as result of the customer's failure to curtail.

South Dakota Public Utilities Commission

WEEKLY FILINGS

For the Period of May 3, 2001 through May 9, 2001

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Kolbo within five business days of this filing. Phone: 605-773-3705 Fax: 605-773-3809

CONSUMER COMPLAINTS

CT01-021 In the Matter of the Complaint filed by Roxy Rasmussen and Mick Bettmeng, Black Hawk, South Dakota, against U.S. Republic Communications, Inc. Regarding Unauthorized Long Distance Services, Failure to Cancel and Continued Billing.

Complainants allege unauthorized switching of long distance services several times by U.S. Republic Communications, Inc.; unauthorized charges and failure to cancel account. Complainants request full reimbursement of charges and one thousand dollars for their trouble and other fines and penalties as allowed by SD law.

Staff Analyst: Charlene Lund
Staff Attorney: Kelly Frazier
Date Docketed: 05/03/01
Intervention Deadline: N/A

CT01-022 In the Matter of the Complaint filed by Judy C. Foster, Sioux Falls, South Dakota, against WebNet Communications, Inc. and ILD Teleservices, Inc. Regarding Unauthorized Switching of Services.

Complainant alleges that she never ordered or approved long distance service with WebNet (ILD). Complainant believes these companies should pay for their dishonest business practices and she is asking for \$1000 restitution as provided by SD law.

Staff Analyst: Charlene Lund
Staff Attorney: Kelly Frazier
Date Docketed: 05/07/01
Intervention Deadline: N/A

CT01-023 In the Matter of the Complaint filed by Ten Thousand Villages, Sioux Falls, South Dakota, against NCP, Inc. and ILD Teleservices, Inc. Regarding Unauthorized Billing for Services.

The Complainant's representative states that her business was billed for a collect call that was not accepted at her business. Complainant's representative states that she was told on three different occasions that the charge would be removed and that her business would receive a credit on its Qwest statement. Complainant has not received the credit and is asking for \$1,000.00.

Staff Analyst: Mary Healy
Staff Attorney: Kelly Frazier
Date Filed: 05/09/01
Intervention Deadline: N/A

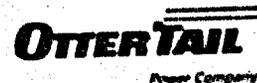
ELECTRIC

EL01-007 In the Matter of the Petition of Otter Tail Power Company for Approval of a Renewal of a Released Energy Tariff.

Otter Tail Power Company (OTP) is requesting the Commission renew its Released Energy Tariff. The original tariff was approved by the Commission on July 13, 2000 and expired December 31, 2000. This renewal would allow OTP to purchase energy from its large customers who curtail their load.

215 South Cascade Street
PO Box 496
Fergus Falls, Minnesota 56538-0496
218 739-8200
www.otpeco.com (web site)

June 6, 2001



RECEIVED

JUN 08 2001

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Mr. Keith Senger
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

Re: Revised Released Energy Tariff EL01-007

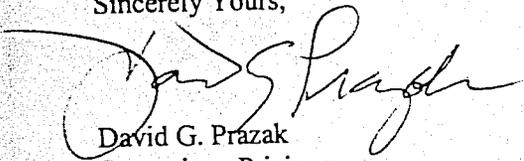
Dear Keith:

Enclosed is a revised copy of the Released Energy Tariff. The revision is a minor change in wording. Otter Tail Power Company is requesting to add the following words "may be" which replaces the word "is" to the Applicability section of the tariff, as shown underlined below

"For example, if two customers each agree to release one megawatt and another customer agrees to release two megawatts, all over the same Release Period, the Tariff may be inapplicable because only four megawatts in total were released."

You recently indicated the change was reasonable. Please call me if you have any questions.

Sincerely Yours,


David G. Prazak
Supervisor, Pricing

OTTER TAIL POWER COMPANY
Fergus Falls, Minnesota
ELECTRIC RATE SCHEDULE

Section No. 3, Volume 1
First Revised Sheet No. 91
Canceling Original Sheet No. 91
Rate Designation M-10S, Page 1 of 3

RECEIVED

RELEASED ENERGY TARIFF
(Experimental)

JUN 08 2001

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Effective Date: June 15, 2001
Expiration Date: FURTHER ORDERED, that this approved tariff as described above shall
expire on June 14, 2002

APPLICATION

The Tariff is applicable to any customer who agrees to release a minimum of one megawatt (1 MW) over the Release Period. A minimum of five megawatts (5 MW) of total load reduction may be required over the Release Period at Company's discretion. For example, if two customers each agree to release one megawatt and another customer agrees to release two megawatts, all over the same Release Period, the Tariff may be inapplicable because only four megawatts in total were released.

Both the Company and the Customer have the option to request the release of energy under the Tariff. The Customer is not obligated to release and Otter Tail is not obligated to purchase the energy until the parties agree on Compensation, the Release Period, and other applicable terms. Customer participation is voluntary.

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Compensation for Off-System Sales

As compensation for participation, the Customer shall receive a credit or payment during any billing month in which Customer and Company have cooperated to make a short-term off-system energy sale, or other mutually agreed method of compensation ("Compensation"). The Compensation shall be a per megawatt-hour ("MWh") credit or payment for each hour subject to an off-system energy sale. The Compensation shall equal a negotiated percentage of the sale margin for each hour that such sale opportunity occurs.

Compensation for Avoided Energy Purchases

The Company may request, and the Customer may voluntarily reduce, Customer's energy requirement during periods when Company is purchasing energy to meet its firm energy requirement, thereby enabling Company and its customers to avoid higher cost energy purchases. Company shall provide the Customer Compensation in the form of a credit or cash payment for the reduced energy usage. The Compensation shall equal a negotiated percentage up to ninety percent (90%) of the avoided energy purchase cost for each hour that such an avoided purchase occurs. The Compensation provided shall be allowed as a recoverable cost for Fuel Adjustment Clause purposes.

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION
Approved:
Case No.

EFFECTIVE for services rendered on
and after June 15, 2001 in SD

APPROVED: Doug Kjellerup
Chief Operating Officer, Energy Delivery

OTTER TAIL POWER COMPANY
Fergus Falls, Minnesota
ELECTRIC RATE SCHEDULE

Section No. 3, Volume I
First Revised Sheet No. 91
Canceling Original Sheet No. 91
Rate Designation M-10S, Page 2 of 3

Release Period

The Release Period is the period during which the Company agrees to purchase energy from the Customer.

CONDITIONS

1. Purchase is non-firm. If Customer makes energy available for sale but no sale of the released energy or avoided purchase is actually completed (for example, due to transmission constraints), the Compensation shall be zero. In the event that a scheduled released energy sale or avoided energy purchase is not completed or the terms and conditions change, Company shall so notify the Customer as soon as possible.
2. Committed Load Reduction. The Committed Load Reduction is the load reduction the Customer and Company agree the Customer will provide for the Release Period, relative to the Released Energy Profile. The Committed Load Reduction must be one-megawatt or greater.
3. Released Energy Profile/Controllable Service Limit. The Company will determine a Released Energy Profile ("REP") for each Release Period. The REP may be developed by using load interval from the five-day rolling average of uninterrupted, non-holiday weekday loads up to the day before a Release Period begins or in another manner as determined by the Company. The rolling average will exclude days not representative of load characteristics expected during the Release Period, such days to be determined solely by the Company.

The Company has controllable electric retail service options that define a Customer's firm demand level as the maximum allowable load during control periods. If the Customer receives this type of controllable service from the Company, the REP may not exceed its predetermined firm demand for load intervals that occur during an applicable control period.

4. Notice. When opportunities for released energy are anticipated, the Company shall provide advance notice, if possible, of the approximate margins or available energy purchase costs and hours of sale or purchase opportunity available to interested Customers. Opportunities for voluntary load reductions shall be given simultaneously to all eligible customers. When possible, notice shall also be made via phone calls to individuals designated by the Customer.

Customer may also notify Company when C customer desires to reduce energy requirements for released energy sales or avoided energy purchase opportunities. Customer may, in lieu of daily elections, have a "standing agreement" with Company regarding the conditions for releasing energy, including the Release Period, required margins, margin sharing, etc. These standing agreements, along with daily elections, may be made on a Customer-by-Customer basis and shall be considered by the Company on a confidential basis without notice to other Customers.

5. Communication Requirements. The Customer agrees to use Company-specified communication requirements and procedures when submitting any offer for released energy. These requirements may include specific computer software and/or electronic communication procedures.
6. Metering Requirements. Company approved metering equipment capable of providing load interval information is required for Tariff participation. Customer agrees to pay for the additional cost of such metering when not provided in conjunction with existing retail electric service.
7. Liability. The Company and Customer agree that Company has no liability for indirect, special, incidental, or consequential loss or damages to Customer, including but not limited to Customer's operations, site, production output, or other claims by the Customer as a result of participation in this Tariff.
8. Provision of Ancillary Services. The Company and Customer agree that Tariff participation does not represent any form of Customer self-provision of ancillary services that may be included in any retail electric service provided to the Customer.
9. Dispute Resolution. The Company and Customer agree that any disputes arising out of this Tariff shall be settled by arbitration under the terms and provisions of the American Arbitration Association.
10. Penalty For Insufficient Load Control. In the event that Company has entered into a sale or purchase agreement for energy made available by a Customer, and Customer subsequently fails to maintain sufficient load control during the time(s) of the released energy sale or avoided energy purchase, the Customer will forfeit any compensation for that period. Customer shall also be responsible for any and all costs incurred by Company due as result of the customer's failure to curtail.

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE PETITION OF OTTER) ORDER APPROVING TARIFF
TAIL POWER COMPANY FOR APPROVAL OF) REVISIONS
A RELEASED ENERGY TARIFF) EL01-007

On May 3, 2001, Otter Tail Power Company, Fergus Falls, Minnesota (OTP), filed with the Public Utilities Commission (Commission) a proposed revision to its South Dakota Electric Rate Schedule, specifically the Released Energy Tariff. On June 8, 2001, the Commission received an additional revision from OTP to the tariff:

Section No. 3, Volume I, First Revised Sheet No. 91, Canceling Original
Sheet No. 91, Rate Designation M-10S, Released Energy Tariff, Pages 1,
2 and 3

The Released Energy Tariff allows OTP to make energy purchases from its South Dakota customers who voluntarily agree to interrupt their firm load. OTP will then market the energy and share the associated revenue with the customer. In addition to re-approval, OTP is requesting one minor change to the tariff; that the requirement of five megawatts (5 MW) total reduction be at OTP's discretion, and it is requesting that the Commission relax the reporting requirements so that OTP can file the same year-end reports for this tariff in all three states in which it does business.

On May 10, 2001, the Commission electronically transmitted notice of the filing and the intervention deadline of May 18, 2001, to interested individuals and entities. No petitions to intervene or comments were filed. At its regularly scheduled meeting of June 19, 2001, the Commission considered approval of the application. Commission Staff recommended approval as filed with the continuation of the restrictions and reporting requirements found in EL00-018 except for #5 under Reporting Requirements.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-34A. The Commission voted to approve the tariff revisions. The Commission finds the revisions are just and reasonable. As the Commission's final decision in this matter, it is therefore

ORDERED, that OTP's revised tariff, as described above, is approved as filed with the continuation of the restrictions and reporting requirements found in EL00-018 except for #5 under Reporting Requirements, and it shall be effective for service rendered on and after June 19, 2001. It is

FURTHER ORDERED, that this approved tariff as described above shall expire one year from the date of this Order. In the future, should OTP wish to continue this program after this expiration date, OTP will have to come before the Commission in another proceeding. It is

FURTHER ORDERED, that the requirement of five megawatts (5 MW) total reduction be at OTP's discretion. It is

FURTHER ORDERED, that OTP can file the same year-end reports as it does in the other three states in which it does business.

Dated at Pierre, South Dakota, this 22nd day of June, 2001.

<p align="center">CERTIFICATE OF SERVICE</p> <p>The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.</p> <p>By: <u><i>Delaine Keels</i></u></p> <p>Date: <u>6/25/01</u></p> <p align="center">(OFFICIAL SEAL)</p>
--

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

215 South Cascade Street
PO Box 496
Fergus Falls, Minnesota 56538-0496
218 739-8200
www.otpc.com (web site)

RECEIVED

FEB 04 2002

VIA FAX AND OVERNIGHT MAIL

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

January 31, 2002



FAX Received JAN 31 2002

Ms. Debra Elofson, Executive Director
South Dakota Public Utilities Commission
State Capitol
500 East Capitol Street
Pierre, SD 57501-5070

**Re: In the Matter of Otter Tail Power Company's Responses to
Released Energy Reporting Requirements
SD ELOP-018 007**

Dear Ms. Elofson:

This letter is submitted to satisfy the reporting requirements in the Commission's June 22, 2001 Order (June 22 Order) in the above-referenced Case.

Otter Tail reports that there were no Released Energy transactions with any customer since the June 22 Order.

A. Background

The June 22 Order approved Otter Tail Power Company's (Otter Tail's) Released Energy Tariff. Part of the Order requires Otter Tail to report certain information no later than January 31, 2002. Pursuant to the June 22 Order, Otter Tail is required to report on each of the following:

- (1) a schedule of buy-back energy purchased from each South Dakota customer. This schedule shall include the date, time period, kWh or MWh purchased and the purchase price for each customer buy-back purchase;
- (2) the expected range of energy prices when the decision was made to purchase energy from the buyback customers;
- (3) a representative after-the-fact market price of the energy during the period of the buy-back
- (4) a schedule of the off-system sales. This schedule shall include the date, time period, kWh or MWh sold and the sell price for each off-system sale transactions overlapping the buy-back period reported above;

A. Background (continued)

- (5) fuel clause related costs allocated to off-system sales during a buy-back period:

B. Reporting Requirements

Provided below is the information required by the June 22 Order.

- (1) a schedule of buy-back energy purchased from each South Dakota customer. This schedule shall include the date, time period, kWh or MWh purchased and the purchase price for each customer buy-back purchase

No South Dakota customer has participated in a buy-back purchase.

- (2) the expected range of energy prices when the decision was made to purchase energy from the buyback customers

No South Dakota customer has participated in a buy-back purchase

- (3) a representative after-the-fact market price of the energy during the period of the buy-back

No South Dakota customer has participated in a buy-back purchase

- (4) a schedule of the off-system sales. This schedule shall include the date, time period, kWh or MWh sold and the sell price for each off-system sale transactions overlapping the buy-back period reported above

No South Dakota customer has participated in a buy-back purchase.

- (5) fuel clause related costs allocated to off-system sales during a buy-back period

No South Dakota customer has participated in a buy-back purchase.

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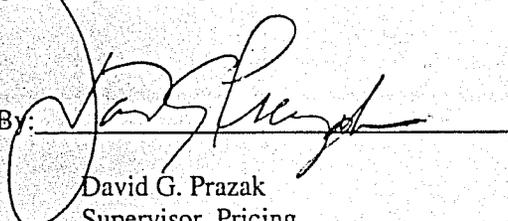
Should the Commission have any questions with respect to the information contained in this letter, please do not hesitate to contact the undersigned.

Dated: January 31, 2002.

Respectfully submitted.

OTTER TAIL POWER COMPANY

By: _____



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