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January 15, 2016

Ms. Patricia Van Gerpen, Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, SD 57501-5070

**RE: In the Matter of Otter Tail Power Company's Rates for Small Power Production and Cogeneration.
South Dakota Docket No. EL16-___**

Dear Ms. Van Gerpen:

Otter Tail Power Company ("Otter Tail") submits this filing for approval of updates to Otter Tail's Small Power Producer Riders, Sections 12.01, 12.02, and 12.03 of our Tariff Book. These rate schedules set forth the rates under which Otter Tail is obligated to purchase energy and capacity from qualifying facilities.

In this filing, Otter Tail is proposing to update the energy and capacity payments, and the renewable energy credit values. The Small Power Producer Payment Schedules were last updated in Docket No. EL15-006.

The date of this filing is January 15, 2016. The proposed effective date, with Commission approval, for these rates is with billings on or after March 1, 2016. As directed by Order F-3365, Otter Tail plans to file the Small Power Producer rates every two years or annually as warranted.

Pursuant to South Dakota Codified Laws Section 49-34A-10 and Administrative Rules of South Dakota ("ARSD") Part 20:10:01:02:05, this filing has been electronically submitted to the Commission.

Ms. Patricia Van Gerpen

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If you have any questions, please contact me at (218) 739-8799 or sfedje@otpc.com.

Sincerely,

/s/ SVETLANA A. FEDJE

Svetlana A. Fedje

Pricing Analyst

Regulatory Administration

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Enclosures

By electronic service