OTTER TAIL POWER COMPANY
Docket No: CE15-001

Response to: South Dakota Public Utilities Commission
Analyst:  SDPUC Staff
Date Received:  04/22/2016
Date Due:  04/29/2016
Date of Response: 04/22/2016
Responding Witness: David G. Prazak, Supervisor, Pricing & Tariff Administration - (218) 739-8595

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Information Request:

Refer to DR1-5, explain the difference between billing demand and measured demand. Why is VQC not billed the demand they were actually measured using?

Attachments: 1

Attachment 1 to SD-PUC-03-01.pdf

Response:

The difference between billing demand and measured or metered demand, including reactive demand, is shown below by their definitions, from Otter Tails 10.04 Large General Service Rate Schedule (Attachment 1 to SD-PUC-03-01). Essentially, metered demand is measured demand and billing demand is the metered demand plus any adjustment for excess reactive demand. Billing demand is the unit of demand used for billing purposes.

**METERED DEMAND:** The maximum kW as measured by a Demand Meter for any period of 15 consecutive minutes during the month for which the bill is rendered.

**ADJUSTMENT FOR EXCESS REACTIVE DEMAND:** For billing purposes, the Metered Demand may be increased by one kW for each whole 10 kVar of measured Reactive Demand in excess of 50% of the Metered Demand in kW.

**DETERMINATION OF BILLING DEMAND:** The Billing Demand shall be greater of 80 kW or the Metered Demand adjusted for Excess Reactive Demand.

Customers taking service on Otter Tail's Real Time Pricing Rider ("Rider") follow the approved rate design methodology that bills the customer for demand based on the provisions of the Rider. See OTP's response to SD-PUC-02-02.