

OTTER TAIL POWER COMPANY
 Docket No. EL13-015

Response to: South Dakota Public Utilities Commission
 Analyst: SDPUC Staff
 Date Received: 5/20/2013
 Date Due: 5/30/2013
 Date of Response: 06/04/2013
 Responding Witness: Kim Pederson, Manager Market Planning - (218) 739-8303

Information Request No: SD-PUC-01-08

What resulted in the high TRC test ratios for Custom Efficiency Projects and Geothermal Heat Pumps in 2012?

RESPONSE:

Higher than forecasted energy (kWh) and capacity (kW) savings from the Custom Efficiency and Commercial Geothermal heat pump programs led to higher than forecasted benefit/cost ratios. As shown in Appendix A, Table 1, page 2 of 2 of Otter Tail's 2012 Status filing, both the kWh and kW savings from these programs far exceeded goals. While both kWh and kW savings are benefits included in the TRC test, costs included in the TRC test are participant and program costs, except for customer rebates. While the higher kWh and kW savings drove an increase in rebates paid to the customers for these two programs, those costs are not part of the TRC test.

A portion of Appendix A, Table 1, page 2 of 2 of Otter Tail's 2012 Status filing is shown below.

	ENERGY SAVINGS			DEMAND SAVINGS		
	PROPOSED ENERGY SAVINGS (KWH)	ACTUAL ENERGY SAVINGS (KWH)	% OF GOAL	PROPOSED COINC. PEAK DEMAND SAVINGS (KW)	ACTUAL COINC. PEAK DEMAND SAVINGS (KW)	% OF GOAL
DIRECT IMPACT PROJECTS						
COMMERCIAL						
Custom Efficiency Projects	806,250	2,259,798	280%	161.25	197.86	123%
Geothermal Heat Pumps -Commercial	308,633	925,905	300%	206.56	666.16	323%