

OTTER TAIL POWER COMPANY
Docket No: EL15-045

Response to: South Dakota Public Utilities Commission
Analyst: SDPUC Staff
Date Received: 11/18/2015
Date Due: 12/04/2015
Date of Response: 12/03/2015
Responding Witness: Bryce Haugen, Senior Rates Analyst, Regulatory Administration

Information Request:

- 01-06. Regarding Schedule 7, 8, and 9 expenses,
- a. Provide a thorough explanation of what is meant by and included in “firm point to point”, “non-firm point to point”, and “network integration transmission service” expense.
 - b. What or whom determines which of the schedules is used?
 - c. Does SPP have a “bundled load exemption” similar to MISO? Why or why not?

Attachments: 0

Response:

- a. The three expenses differ based on the level of service that the Transmission Owner has elected to receive and pay for from Southwest Power Pool (SPP).

Schedule 7 of SPP’s Tariff provides for Long-Term Firm and Short-Term Firm Point-to-Point Transmission service. Point-To-Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transfer of such capacity and energy to designated Point(s) of Delivery. Under this service, the Transmission Customer pays the zonal rate per kW of reserved capacity. Firm Point-to-Point service can have a term as short as one day. This is an “as available” service.

Schedule 8 of SPP’s Tariff provides for Non-Firm Point-to-Point Transmission Service. Schedule 8 is similar to Schedule 7 except that Non-Firm Point-to-Point service (Schedule 8) can have a term as short as one hour. Furthermore, this is an “as available” service that could be subject to increased curtailment.

Schedule 9 of SPP’s Tariff provides for Network Integration Transmission Service (NITS). Under NITS, the Transmission Provider will provide firm transmission service over the Transmission System to the Network Customer for the delivery of capacity and energy to serve its Network Loads on a basis that is comparable to the Transmission

Owner (s') use of the Transmission System to reliably serve Native Load Customers. The Transmission Customer pays for this service based on a ratio of the Transmission Customer's Network Load in a Zone to the total load in that Zone, calculated on a calendar year basis for the prior year. NITS has a minimum term of one year. The cost of NITS service is a function of the Transmission Customer's Network Load coincident with the applicable zonal peak load.

- b. The Transmission Owner elects the level of service it takes from SPP.
- c. SPP does not have a bundled load exemption similar to MISO. This arrangement was brought forward by MISO stakeholders and was ultimately adopted as part of the MISO tariff. This same arrangement is not a part of the SPP tariff.