

OTTER TAIL POWER COMPANY

Docket No: EL16-002

Response to: South Dakota Public Utilities Commission

Analyst: SDPUC Staff

Date Received: 02/10/2016

Date Due: 02/24/2016

Date of Response: 02/22/2016

Responding Witness: N/A

Information Request:

Appendix A, Attachment 3 outlines how the company determined the Capacity Payment Schedule. Provide information and justification for the following item (i.e. where did this number come from and how did the company derive it):

- a. The number used for "\$/kw-Month Gross Capacity Rate."

Attachments: 0

Response:

The \$13.13 used in the "\$kW-Month Gross Capacity Rate" column is based on the cost of a natural gas CT as modeled in Otter Tail's most recent Resource Plan at a cost of **[NOT PUBLIC DATA BEGINS... ...NOT PUBLIC DATA ENDS]** with two years of 3% escalation and a levelized fixed charge rate of **[NOT PUBLIC DATA BEGINS... ...NOT PUBLIC DATA ENDS]**.