

OTTER TAIL POWER COMPANY
Docket No: EL16-020

Response to: South Dakota Public Utilities Commission
Analyst: SDPUC Staff
Date Received: 09/08/2016
Date Due: 09/23/2016
Date of Response: 09/23/2016
Responding Witness: Jason A. Grenier, Manager Market Planning - (218) 739-8639

Information Request:

For the Residential Lighting Program, please explain how the required minimum rebate of \$20 will not act as a barrier to customer participation in the program.

Attachments: 0

Response:

Due to the cost associated in writing a check, Otter Tail has found it not cost effective to write checks for under \$20. We do not believe this will be a barrier to customers as most will not buy just one bulb. For example, if a customer were to purchase five 9W LED bulbs at a price of \$10/bulb for a total of \$50, the rebate calculation would be \$6.85/bulb ($\0.20×34.28 Watts saved). The total rebate amount for the five bulbs would equal a \$34.25 ($5 \times \$6.85/\text{bulb}$). Otter Tail pays up to 75 percent of the cost for the bulbs or \$7.50/bulb ($\$10 \times 75\%$) in this example. At a rebate of \$6.85/bulb, it would only take three bulbs purchased to qualify for a rebate.