

OTTER TAIL POWER COMPANY
Docket No: EL18-021

ATTN: Cary Stephenson, Associate General Counsel
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Requested From: South Dakota Public Utilities Commission
Requested By: Cary Stephenson, Associate General Counsel - 218-739-8956
Date of Request: 02/28/2019
Response Due Date: 03/07/2019

If you feel your responses are trade secret or privileged, please indicate this on your response.

OTP Information Request No.: SD-OTP-118

Reference: Copeland Direct, p. 43

Question: Please identify the associated market-to-book ratio for every return on equity authorized by the South Dakota Public Utilities Commission since 2008, including contested (litigated) return on equity decisions and approved settlements. Please perform such calculation as of the date of the Commission's order authorizing the particular return on equity.

RESPONSE:

Objection. Staff objects to the extent this request calls for confidential and privileged information. Staff further objects to the extent the request calls for information which is outside the scope of discovery to the extent that it calls for Staff's witness to perform extra work.

Subject to and without waiving this objection, Staff responds as follows. All Commission allowed ROE's covered by the scope of this request, except for the allowed ROE in Docket No. EL11-019, were established pursuant to negotiated settlements in which the constituent elements of the overall rate of return are confidential. As for Docket No. EL11-019, to respond exactly as requested would require an updating of Mr. Copeland's Schedules 4 and 5 in that docket to the date of the Commission's order, and the preparation of a schedule comparable to his Schedule 5 in this proceeding. However, the market-to-book ratio that would have resulted from a 9.25 percent ROE in 2012 can be approximated from Mr. Copeland's XROE study submitted as part of his testimony in this docket:

r	k	D/P	1+ Δ P/B
9.25%	7.72%	4.20%	1.36

Using data from the XROE analysis for 2012 the allowed ROE of 9.25 percent would have supported a market-to-book ratio of 1.36.

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