

OTTER TAIL POWER COMPANY

Docket No: EL21-001

Response to: SD Public Utilities Commission

Analyst: Staff

Date Received: January 15, 2021

Date Due: January 29, 2021

Date of Response: January 29, 2021

Responding Witness: David G. Prazak, Supervisor, Pricing- (218) 739-8595

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Data Request:

Provide a list of all inputs and assumptions used in the model to determine avoided energy and capacity costs, the source/basis for each input/assumption, and support for each. Explain any differences in basis for the modeling compared to the modeling conducted for the Company's most recent avoided cost filing in Docket EL20-003.

Attachments:

Attachment 1 to DR SD-PUC-001.004.pdf

Response:

Otter Tail uses the Encompass software to model the economic dispatch Otter Tail's generation fleet of resources to meet customer's forecasted needs. While there are many inputs and assumptions in the model, natural gas price forecasts and energy market price forecasts are the two variables that have a significant impact on the avoided cost of energy calculations. There was no difference in the basis for modeling.

Attachment 1 to DR SD-PUC-001.004 shows the monthly input assumptions for natural gas prices and market energy prices for the current filing compared to last year's filing (Docket EL20-003). The natural gas prices between the two forecasts did not vary significantly. The current market energy forecast is lower compared to the prior forecast.