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February 10, 2014



Mr. Brian Rounds
South Dakota Public Utilities Commission
Capitol Building, 1st floor
500 E. Capitol Ave.
Pierre, SD 57501-5070

RE: MISO-OMS SURVEY BALANCE SHEET

Dear Mr. Rounds:

Otter Tail Power Company ("Otter Tail") hereby submits a copy of the MISO/OMS Resource Assessment Survey.

Otter Tail completed the MISO/OMS Resource Assessment Survey and submitted it to the MISO on September 13, 2013. On November 27, 2013 Otter Tail received from MISO the first version of its Balance Sheet which showed MISO's interpretation of Otter Tail's capacity position for the planning year 2016. After receiving the first version Otter Tail worked with MISO to make corrections to the Balance Sheet. On February 4, 2014 Otter Tail received from MISO the latest version of its Balance Sheet which is attached as Attachment A.

The latest version still contains some incorrect data. As of January 31, 2014, MISO discontinued making corrections to MISO Market Participant Balance Sheets until after they had a chance to present zonal survey results to stakeholders.

In the meantime, Otter Tail has had discussions with MISO regarding two specific corrections that MISO has agreed to make but are not yet reflected in Attachment A. Attachment A shows an ICAP surplus of 25 MW and a UCAP surplus of 12 MW. MISO has agreed that the 8 MW of New Capacity shown in the ICAP column should also be in the UCAP column. Also, the 777 MW MISO calculated for Otter Tail's Non-Coincident Peak demand double counted transmission losses. The Non-Coincident Peak demand should be 742 MW. After these two corrections are made the ICAP surplus will be approximately 65 MW and the UCAP surplus will be approximately 55 MW.

Mr. Brian Rounds
February 10, 2014
Page 2

In addition, MISO is using a zonal coincidence factor of 97.3 percent and a system wide coincidence factor of 94.6 percent. Otter Tail's calculation of its zonal coincidence factor is 95.9 percent and system wide coincidence factor is 91.2 percent. Otter Tail's calculation of its coincidence factors and the two corrections above yields an ICAP surplus of 93 MW and UCAP surplus of 83 MW. Otter Tail has yet to have a detailed discussion with MISO about its coincidence factor calculation methodology so it is uncertain whether or not we will be able to reconcile this difference.

Should you have any questions, please contact me at kkaseman@otpc.com or at 218-739-8693.

Sincerely,

/s/ KERRY KASEMAN
Kerry Kaseman
Senior Resource Planner

wao
By email

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LSE Balance Sheet

OTPC	2016 Planning Year			
	Total System		Zone 1	
	ICAP	UCAP	ICAP	UCAP
Capacity (MW)				
Certainty 4 & 5	694	644	694	644
Certainty 3	-	-	-	-
Certainty 1 & 2	-	-	-	-
Behind the Meter	12	12	12	12
DRR plus Registered DSM	41	41	41	41
New Capacity	8	-	8	-
LRZ Internal Transfer- In	100	100	100	100
LRZ Internal Transfer- Out	-	-	-	-
Imports	5	5	5	5
Retired	-	-	-	-
Exports	-	-	-	-
Net Capacity (MW)	860	801	860	801

Demand (MW)

Non-Coincident gross of DR	777		777	
Coincident with Zonal Peak gross of DR			756	756
Coincident to MISO Peak gross of DR	736	736	736	736

Reserve Requirement (MW)

Local Clearing Requirement			695	658
Planning Reserve Requirement	835	790	835	790
UCAP to ICAP Conversion	1.0570			

Reserve Margin (MW), as submitted

Resources above Local Clearing Requirement			164	143
Resource above Planning Reserve Requirement	25	12	25	12