

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 Air Conditioning Control Program, does the expected participation represent only new participants to the program or does it include all customers that are participating in the program? If the expected participation includes all customers participating, please explain how the benefits/cost tests are calculated to exclude benefits that were already accounted for in a prior year.

Attachments: 1

Attachment 1 to IR SD-PUC-01-11.pdf

Response:

For the Residential Air Conditioning Control Program, the expected participation includes all customers participating in the program. Otter Tail assigned a one-year measure life to the program and, thus, accounted for one year of benefits. This approach better aligns with the program since customers who enroll in the program one year may remove themselves from the program the following year. Otter Tail set the measure life at 15 years in prior filings to match the measure life of the installed equipment.

While decreasing the measure life from 15 years to one year would decrease the amount of benefits by \$182,348, Otter Tail has identified our customers on our off-peak cycling service as additional participants. Customers on an off-peak cycling service have the same technology, are controlled the same, and are contributing the same kWh savings and system benefits as those enrolled in our Residential Air Conditioning Control Program. The difference between them is the customers on the off-peak service receive a lower rate and not the \$7 credit. With the additional participation of our customers on our off-peak cycling service, the amount in benefits, for years 2010-2015, should increase by \$35,979, when compared to using a 15-year measure life for only new Residential Air Conditioning Control participants. As shown in Attachment 1 to IR SD-PUC-01-11, Otter Tail has not claimed full participation or associated system benefits for 2010-2015.