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December 2, 2019

Ms. Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
Capitol Building, 1st floor
500 East Capitol Avenue
Pierre, SD 57501-5070

**Re: Application of Otter Tail Power Company for Authority to Increase Rates for
Electric Service in South Dakota
Docket No. EL18-021
Compliance Filing**

Dear Ms. Van Gerpen:

In compliance with the South Dakota Public Utilities Commission's (Commission) July 9, 2019 Order in the above referenced proceeding (Order), Otter Tail Power Company (OTP) respectfully submits this Interim Rate Refund Report Compliance Filing.

This report describes the actual refunds and associated interest for the interim rate refund and any remaining un-refunded amounts.

A. Interim Rate Refund Final Report

On August 1, 2019, OTP implemented final rates as approved by the Order. In compliance with the Order, OTP provides its final interim rate refund report. Pursuant to the Order, and detailed in Attachment 8A, OTP refunded \$999,291 including the \$968,503 refund obligation, interest of \$34,435 on the refund obligation, and the final Environmental Cost Recovery Rider tracker revenue requirement balance, a charge to customers, of \$3,647.

B. Distribution of the refunds

OTP distributed refunds by means of customer account bill credits on customer's October 2019 bills. For those accounts no longer active, the credit was applied to the account and customers with a refund of more than \$2.00 received a check. Refund checks were distributed throughout October 2019. The only refunds that were not distributed to customers were those associated with refunds for customer accounts that were no longer active and received refunds of \$2.00 or less. Pursuant to OTP's refund plan as approved by the Order, these residual un-refunded monies will be credited to the Deferred Fuel Cost Account in accordance with approved refund plan.

C. Summary of the interim rate report – Attachments 8A and 9a

Attachment 8A to this report contains the details of the refund. Page 1 of Attachment 8A shows the calculation of the interim rate refund factor to be applied to the amount of rate increase charged to customers. Page 2 of Attachment 8A shows the total interim revenue collected [Column B], total average interim refund factor [Column C], actual interim rate revenue refunded [Column D], and the actual monthly interest credited back to customers [Column F]. The actual average refund factor is slightly higher than the Order approved due an error, described below. Page 3 of Attachment 8A provides the Commission approved interim refund factors [Lines 1-10] and the calculation of the actual interim refund implemented [Lines 11-14]. The slight difference, to the benefit of OTP's customers, between the refund factors approved and those implemented is due to the actual refund implemented not including the weather normalization adjustment increasing present revenues by \$8,378 approved as part of the proceeding. Page 4 of Attachment 8A shows the class detail for the actual interim revenue collected [Column B], the average refund factor calculated on Line 14 of Attachment 8A Page 3, actual refund [Column D], actual interest [Column E], Attachment 9A final ECRR amount charged [Column F], and the actual net refund [Column G]. Attachment 9A final ECRR amount is included in this filing for reference [Line 13, September Actual column ties to Column F of Page 4 of Attachment 8A].

Actual interim refunds provided to customers do not equal the average refund percentages calculated at the class level because OTP implemented different interim increases by rate code.

If there are any questions concerning this filing, please direct them to me at 218-739-8657 or at molsen@otpc.com.

Sincerely,

/S/ MATTHEW J. OLSEN
Matthew J. Olsen
Manager Regulatory Proceedings and Compliance

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Enclosures
By electronic filing
c: Service List