

Otter Tail Power Company
Electric Utility - State of South Dakota
Docket No. EL 18-021 - Interim Rate Refund Compliance Filing
Interim Rate Revenue Refund Summary

Line No.	Calculation of the refund factor - calendar year basis	Footnote:	2017 Test Year Ordered
1	Present revenue included in Final Rates proposal	1	\$30,650,015
2	Present rider revenue included in Approved Proposed Final Rates	2	\$2,619,535
3	Proposed Final Rates Deficiency for Interim	3	\$3,358,575
4	Total proposed increase Line 2 + Line 3	4	\$5,978,110
	Interim Rate Revenue Requirements (based on Final Rate proposal)		36,628,125
5	Line 1 + Line 4		
6	Present revenue for Final COSS		\$30,658,393
7	Approved Final Deficiency		\$4,830,821
8	Ordered final rate revenue requirements Line 6 + Line 7	5	35,489,214
9	Total interim rate revenue refund - Annual Basis Line 5 - Line 8		\$1,138,911
10	Average Interim refund factor Line 9 / Line 4	6	19.051%
11	Total Percent Increase Line 7 / Line 6		15.76%
12	Net Percent Increase (Line 7 - Line 2) / (Line 6 + Line 2)		6.64%
	Application of the refund factor - actual basis		2017 Test Year Ordered
13	Interim increase collected Attachment 08A, Page 2, Column B, Line 12		\$5,166,274
14	Actual interim increase allowed Line 13 - Line 15		\$4,197,771
15	Actual refund (without interest) Attachment 08A, Pg. 2, Column D, Line 12		\$968,503
16	Interest Attachment 08A, Page 2, Column J, Line 12		\$34,435
17	Final ECRR Balance (charge to customers)	7	(\$3,647)
18	Total refund (including interest and ECRR tracker balance) Line 15 + Line 16 + Line 17		\$999,291

- (1) OTP Initial Filing, Volume 4a B-Input Summary, Page 5 of 8, 2017 Test Year Total Retail Sales
- (2) Staff Memorandum Supporting Settlement Stipulation, Attachment 2b, TY-13 and TY-14, Line 2
- (3) OTP Initial Filing, Volume 2a Haugen Direct Testimony, Page 19, Table 5, Column F
- (4) OTP Initial Filing, Volume 4a JCOSS, Page 1-1, 2017 Test Year revenue increase required
- (5) PUC Staff's Letter regarding Final Revenue Requirement, Exhibit 1, Column B, Line 12
- (6) Average interim refund factor for all classes; A different interim rate was implemented for each class, and for each rate, so each class and each rate had a different refund factor.
- (7) Overpayment balance in the ECRR at the time final rates went into effect was subtracted from the Interim Rate Refund.

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	A	B	C	D	E	F
	Interim rates			Interest calculation		
Line No.	Billing month	Interim revenue collected	Average Refund factor ¹	Interim rate revenue refund	Annual interest ²	Monthly interest ³
1	October - 2018	\$9,790	19.209%	\$1,801	7.00%	\$18
2	November - 2018	\$372,464	19.209%	\$67,863	7.00%	\$740
3	December - 2018	\$495,495	19.209%	\$91,471	7.00%	\$1,286
4	January - 2019	\$653,802	19.209%	\$121,437	7.00%	\$1,821
5	February - 2019	\$708,078	19.209%	\$131,105	7.00%	\$2,053
6	March - 2019	\$547,961	19.209%	\$102,749	7.00%	\$2,781
7	April - 2019	\$459,049	19.209%	\$85,513	7.00%	\$3,019
8	May - 2019	\$552,589	19.209%	\$106,294	7.00%	\$4,306
9	June - 2019	\$486,677	19.209%	\$92,273	7.00%	\$4,146
10	July - 2019	\$604,882	19.209%	\$116,780	7.00%	\$4,717
11	August - 2019	\$255,349	19.209%	\$47,383	7.00%	\$4,799
	September - 2019	\$20,138	19.209%	\$3,834	7.00%	\$4,749
12	Total Interim Rate	\$5,166,274		\$968,503		\$34,435
13	Final ECRR Balance (charge to customers) ⁴			\$ (3,647)		
14	Net Refund			\$964,856		\$964,856
	TOTAL PRINCIPAL AND INTEREST					\$999,291

¹Attachment 8A, Page 1, Line 10 - This is the average interim refund factor for all classes and all rates.

²Consumer deposit interest rate

³Compounding interest was calculated on the interim rate refund amounts for each customer.

⁴OTP Compliance Filing dated June 21, 2019, Attachment 2a, Table 3, Column B - ECR charge was allocated to revenue classes as a percent of total Final Base Revenue Requirement.

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Line No.	A	B	C	D	E	F	G	H	I	J	K	L
	Initial Filing	South Dakota	Residential	Farms	General Service	Large General Service	Irrigation	Outdoor Lighting	OPA	Controlled Service Water Heating	Controlled Service Interruptible	Controlled Service Deferred
1	Present Revenues	\$ 30,650,015	\$ 9,175,901	\$ 669,522	\$ 6,378,987	\$ 11,967,979	\$ 20,270	\$ 593,033	\$ 263,510	\$ 341,830	\$ 898,267	\$ 340,716
2	Percent Increase Requested	19.50%	19.90%	19.00%	17.83%	19.90%	25.00%	20.00%	25.00%	20.00%	20.00%	20.00%
3	Revenue Increase Requested	\$ 5,978,110	\$ 1,826,004	\$ 127,209	\$ 1,137,554	\$ 2,381,628	\$ 5,068	\$ 118,607	\$ 65,878	\$ 68,366	\$ 179,653	\$ 68,143
4	Total Revenues Requested (Interim Revenues Implemented)	\$36,628,125	\$11,001,905	\$796,731	\$7,516,541	\$14,349,607	\$25,338	\$711,640	\$329,388	\$410,196	\$1,077,920	\$408,859
	Order											
5	Present Revenues - Final	\$ 30,658,393	\$ 9,174,788	\$ 669,156	\$ 6,387,863	\$ 11,968,440	\$ 20,270	\$ 592,574	\$ 264,512	\$ 341,880	\$ 898,228	\$ 340,682
6	Percent Increase Final	15.76%	15.76%	15.76%	15.76%	15.76%	15.76%	15.76%	15.76%	15.76%	15.76%	15.76%
7	Revenue Increase Final	\$ 4,830,821	\$ 1,445,665	\$ 105,438	\$ 1,006,531	\$ 1,885,859	\$ 3,194	\$ 93,371	\$ 41,679	\$ 53,870	\$ 141,533	\$ 53,681
8	Total Revenues Final	\$35,489,214	\$10,620,453	\$774,594	\$7,394,394	\$13,854,299	\$23,464	\$685,945	\$306,191	\$395,750	\$1,039,761	\$394,363
9	Interim Refund											
10	Percentage to be refunded (Line 4 - Line 8) / Line 3	19.051%	20.890%	17.402%	10.738%	20.797%	36.972%	21.663%	35.212%	21.131%	21.240%	21.273%
11	Interim Refund Implemented¹											
12	Initial Filing Volume 1, Section 2, Statement I, Page 3 of 16	32.22%	29.62%	29.53%	27.48%	36.73%	35.92%	25.21%	46.79%	32.59%	50.85%	45.77%
13	Final Compliance Filing, Attachment 3A, Statement I, Page 1 of 14	26.027%	23.461%	24.499%	24.284%	29.079%	22.643%	19.857%	29.390%	25.676%	40.065%	36.061%
14	Percentage refunded 1 - (Line 12 / Line 11)	19.209%	20.798%	17.030%	11.640%	20.822%	36.970%	21.225%	37.192%	21.212%	21.217%	21.217%

¹ Otter Tail's actual interim rate refund provided to customers on October 2019 bills is calculated here. The method actually used for refunds is different from our June 21, 2019 Compliance filing because it has an error in not including the Weather Normalization adjustment agreed to in the case. In total the error is in OTP customers' favor. OTP discussed this error in customers' favor with staff and determined that no adjustment to the refund will be made as it is overall to customers' benefit.

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Interim Rate Revenue Refund Summary by Class

	A	B	C	D	E	F	G
Line No.	Class	Total Interim revenue collected	Average Refund factor ¹	Total Interim rate revenue refund ²	Total Interest	ECRR Charge ³	Net Refund
1	Residential	\$1,569,646	20.798%	\$325,758	\$ 12,005	\$ (1,186)	\$336,577
2	Farms	\$111,076	17.030%	\$18,920	\$731	\$ (84)	\$19,567
3	General Service	\$973,189	11.640%	\$90,686	\$3,377	\$ (803)	\$93,260
4	Large General Service	\$2,075,584	20.822%	\$431,699	\$14,485	\$ (1,305)	\$444,879
5	Irrigation	\$1,740	36.970%	\$628	\$22	\$ (3)	\$647
6	Outdoor Lighting	\$91,009	21.225%	\$19,645	\$704	\$ (88)	\$20,261
7	OPA	\$56,421	37.192%	\$20,142	\$693	\$ (29)	\$20,806
8	Controlled Service Water Heating	\$57,187	21.212%	\$12,130	\$437	\$ (41)	\$12,526
9	Controlled Service Interruptible	\$164,066	21.217%	\$34,815	\$1,401	\$ (77)	\$36,139
10	Controlled Service Deferred	\$66,356	21.217%	\$14,080	\$580	\$ (32)	\$14,628
11							
12	Total Refund	\$5,166,274		\$968,503	\$34,435	\$ (3,647)	\$999,291

¹Attachment 8A, Page 3, Line 14

² A different interim rate was implemented for each rate code within a class so the overall class refund on actuals will not equal the average class refund factor.

³Total ties to Attachment 9A, Line No. 12, final ECRR tracker balance