

May 28, 2020

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

## Re: In the Matter of Otter Tail Power Company's 2019 South Dakota Jurisdictional Report to the South Dakota Public Utilities Commission Docket No. EL19-039

Dear Ms. Van Gerpen:

Enclosed you will find the 2019 Annual Report for Otter Tail Power Company (Otter Tail) which is submitted pursuant to the Settlement Stipulations approved by the Commission in Otter Tail's 2019 Transmission Cost Recovery Rider, Docket No. EL19-039. The report provides the regulated returns for Otter Tail for calendar year 2019 on an actual and normalized basis with 2018 actual year regulated results also provided for comparative purposes. The 2019 Annual Report was prepared on the basis of the Settlement and Order in Docket EL18-021.

The primary contributor to the increase in Otter Tail's return on equity for 2019 is an increase in retail revenue in South Dakota. The key contributors to the increase in retail revenue are the implementation of updated rates from Otter Tail's general rate case, Docket No. EL 18-021 and load growth in the Lake Norden service area.

If you have any questions regarding this filing, please contact me at 218-739-8819 or dmandelke@otpco.com.

Sincerely,

/s/ DARLENE C. MANDELKE Darlene C. Mandelke Rates Analyst Regulatory Administration

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