OTTER TAIL POWER COMPANY
Docket No: EL21-032

Response to: SD Public Utilities Commission
Analyst: Pat Steffensen
Date Received: October 04, 2023
Date Due October 27, 2023
Date of Response: October 27, 2023
Responding Witness: Svetlana Fedje, Pricing Analyst - (218) 739-8799

_____

Data Request:
Confirm that these proposed tariff changes will have facilities demand equal actual measured demand; however, billing demand will continue to be billed at the agreed upon CBL demand. If so, why isn't it appropriate to marry billing demand with actual measured demand at this time?

Attachments: 0

Response:

Yes, facilities demand is proposed to equal measured demand.

It is appropriate to "marry" billing demand with actual measured demand, at the initial new customer RTP establishment process. In Section 14.02 of the rate schedule, Customer Baseline Load section, it is written to utilize the "the corresponding twelve-monthly Billing Demands based on the Customer's rate schedule under which it was being billed immediately prior to taking service under the RTP Rider." The concept to set these two billing elements in this way is to initially set forth a revenue-neutral bill for the customer to begin its first RTP service year. As the customer utilizes the RTP rate, the customer may incur higher usage levels above the CBL and the facilities demand charge may differ from the CBL Demand initial setting, RTP signals are designed to include energy, congestion and capacity related costs such that the customer can then make decisions of expanding or contracting their consumption needs based on the RTP signals received.

As for existing customers, it isn't appropriate to marry billing demand with actual measured demand as the CBL Demand level has already been set. Going forward, higher usage levels may exceed the initial Facility Demand levels, and therefore will be charged accordingly. In the same manner as above, the existing customer will make decisions of expanding or contracting their consumption needs based on the RTP signals received.