

**STATE OF SOUTH DAKOTA  
BEFORE THE  
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

In the Matter of Otter Tail Power Company's  
Petition for Approval  
of Rate Schedule, Section 14.02,  
Real Time Pricing Rider Tariff  
Language Revisions

Docket No. EL21-

**PETITION OF OTTER TAIL  
POWER COMPANY**

**I. INTRODUCTION**

In this filing, Otter Tail Power Company (Otter Tail or Company) is requesting the approval of language clarification changes in our Real Time Pricing Rider, Electric Rate Schedule, Section 14.02. Otter Tail is making changes to provide clarity of service conditions and requirements for customers and Otter Tail.

**II. REQUIRED FILING INFORMATION**

This Petition sets forth information specified in ARSD Part 20:10:13:26 regarding the proposed Real Time Pricing Rider and tariff.

**A. Name, Address, and Telephone Number of the Utility Making the Filing**

Otter Tail Power Company  
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P.O. Box 496  
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Phone (218) 739-8200

**Name, Address, and Telephone Number of the Attorney for Otter Tail**

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### **Title of Utility Employee Responsible for Filing**

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### **B. Section and Sheet Number of Tariff Schedule**

Otter Tail is proposing language clarification changes in Section 14.02 of Otter Tail's Electric Rate Schedule (Real Time Pricing Rider) on Sheet No. 2, 3, 4 and Sheet 5, and new Sheet No. 6. The language clarifications required an additional page be added to this rate schedule. To update page numbers, all six sheets of this rate schedule have been included in a redline and clean version (Attachment 1).

### **C. Description of the Tariff Change**

Otter Tail is making changes to its Real Time Pricing Rider to provide clarity of service conditions and requirements for customers and Otter Tail:

- We have added clarification to the change to the Facilities Demand Charge, reactive demand applicability in the light of the customers CBL (Customer Baseline Load) Demand adjustments on Sheet No. 2.
- We have added an additional paragraph with clarification to the CBL adjustments regarding permanent addition of the Customer equipment on Sheet No. 4.
- We added language describing the conditions of a potential CBL increase at new Sheet No. 6.
- To accommodate the above-mentioned changes a new page was added to this tariff. We have included the entire tariff to show the updated page numbers within the footer, and to show the shift in paragraphs to different pages due to the above-mentioned changes.

#### **D. Reason for the Requested Change**

Otter Tail is making changes to provide clarity of service conditions and requirements for Retail Time Pricing (RTP) customers.

The basic premise of the RTP Rider is that the customer is incentivized to fully utilize the existing distribution infrastructure. The RTP customer does not pay additional costs associated with the distribution infrastructure that exists before the initial year of the RTP Rider, only generation and transmission costs.

When customers that are on the RTP Rider have an additional growth in usage that requires Otter Tail to invest in new distribution equipment the RTP Customer should be responsible for those costs. Currently the RTP Rider only has language in Special Provision 3 to deal with these types of situations. The current language does not provide a clear path to dealing with the required equipment changes and resulting costs.

Once the customer grows to the point that they must request Otter Tail to invest in and install more distribution equipment, the RTP customer should be charged accordingly. To avoid cross subsidy and allow RTP customers to pay their fair share, we are proposing to adjust the CBL to account for the new load growth beyond the current capabilities of the distribution system as constructed when the customer began using the RTP Rider as proposed in the rate schedule language.

The proposed language changes will improve the process to collect the appropriate level of revenues to recover the costs of Otter Tail's increased investment for the customer.

#### **E. Present Rate**

Not Applicable as the rate in this tariff is an Hourly Day Ahead rate and not a subject of this filing. The present rates are not impacted as there is no proposed changes to any rate being charged to customers. However, language changes will improve the process in order to collect the appropriate level of revenues to recover the costs of Otter Tail's increased investment for customers.

#### **F. Proposed Rate**

Not Applicable as the rate in this tariff is an Hourly Day Ahead rate and not a subject of this filing.

**G. Proposed effective date of modified rate**

The date of this filing is November 19, 2021. Otter Tail offers proposed modifications to Section 14.02 of Otter Tail’s Electric Rate Schedule (Real time Pricing) to become effective February 1, 2022, or on the first day of the month following Commission approval should approval occur after February 1, 2022.

**H. Approximation of annual amount of increase or decrease in revenue**

No change in revenue is expected for current customer billings.

**I. Points affected**

The proposed modifications would be applicable to all areas served by Otter Tail in South Dakota.

**J. Estimation of the number of customers whose cost of service will be affected and annual amounts of either increases or decreases, or both, in cost of service to those customers; and**

No change in revenue is expected for current customer billings.

**K. Statement of facts, expert opinions, documents, and exhibits to support the proposed changes.**

Supporting information is provided in narrative throughout this Petition and the Attachments to this filing.

**III. CUSTOMER NOTICE**

Pursuant to SDCL 49-34A-12 and ARSD Part 20:10:13:17, Otter Tail will send individual notice to affected Customers as proposed in Attachments 2 and 3.

**IV. CONCLUSION**

Otter Tail respectfully requests the Commission approve the proposed language clarification changes in Section 14.02 of Otter Tail’s Electric Rate Schedule (Real Time Pricing) as provided in this petition.

Date: November 19, 2021

Respectfully submitted,

OTTER TAIL POWER COMPANY

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