

OTTER TAIL POWER COMPANY

Docket No: EL22-011

Response to: SD Public Utilities Commission

Analyst: Staff

Date Received: May 04, 2022

Date Due: May 18, 2022

Date of Response: May 18, 2022

Responding Witness: Jason A. Grenier, Manager Market Planning - (218) 739-8639

Data Request:

1-10. Refer to the response to DR1-16 in docket EL21-015. Otter Tail assumed the rate in 2022 would trend down due to a smaller budget. In Staff's calculation the rate this year would be even higher than what it would have been last year had the rate increased to recover all expenses. Provide more detail as to why Otter Tail thinks the rate will go down for next year when the rate did the opposite of what was stated in the response in 2021.

Attachments: 0

Response:

On September 20, 2021, Otter Tail filed a modification to its 2021-2023 Energy Efficiency Partnership Plan in Docket No. EL20-022. As part of this filing Otter Tail requested an additional \$155,000 for the 2021 budget. In section D. IMPACTS TO EEP SURCHARGE of the modification filing, Otter Tail states,

“After including the \$155,000 budget increase request in the EEP tracker, we are estimating an approximately 40 percent reduction in the EEP surcharge on July 1, 2023.”

To mitigate future modification requests, Otter Tail also requested approval to reduce rebate levels for the Heat Pump and Lighting programs for 2022 and 2023, as well as, the flexibility to change program rebate levels for 2022 and 2023, based on customer participation, as long as rebates do not exceed the levels included in programs approved by the Commission in its November 2020 Order and still maintain program cost-effectiveness and overall budgets are managed within the Commission approved 110 percent spending cap. At the Commission's regularly scheduled meeting on October 12, 2021, the Commission voted unanimously to approve Otter Tail's requested modification filing.

If Otter Tail were to raise the EEP rate this year by 14 percent to bring the tracker near zero in June 2023, the approximately 40 percent reduction would occur as described in the Company's September 2021 modification filing.

With the added ability for the Company to adjust customer rebate amounts to better manage EEP expenses, Otter Tail does not expect to request a modification to EEP budgets in 2022.