

OTTER TAIL POWER COMPANY

Docket No: EL22-025

Response to: SD Public Utilities Commission

Analyst: Brittany Mehlhaff

Date Received: October 07, 2022

Date Due: October 24, 2022

Date of Response: October 24, 2022

Responding Witness: Stuart Tommerdahl, Manager, Regulatory Administration, 218 739-8279

Data Request:

Provide what South Dakota’s share of the Hoot Lake Solar project revenue requirements would be if not allocated 100% to Minnesota compared to the projected annual South Dakota EAR avoided purchased power adjustment of \$200,000-300,000, and the resulting net benefit to South Dakota customers.

Attachments: 0

Response:

South Dakota’s share of the Hoot Lake Solar project revenue requirement would be approximately \$600,000 annually. This estimate incorporates known impacts from the Inflation Reduction Act, specifically a 40% investment tax credit. The net cost to South Dakota customers would be approximately \$300,000-\$400,000 when incorporating \$200,000-\$300,000 in anticipated fuel cost benefits.

South Dakota Share of Costs		
Hoot Lake Solar Revenue Requirement	\$600,000	\$600,000
Avoided Purchased Power (fuel cost benefits)	-\$200,000	-\$300,000
Net Cost/(Benefit)	\$400,000	\$300,000