

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 21, 2022

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

Data Request:

Provide the analysis used to determine the estimated total system annual avoided purchased power costs resulting from HLS of \$2-3 million (\$200,000-300,000 South Dakota share).

Attachments: 3

Attachment 1 to DR SD-PUC-1.05-PUBLIC.pdf

Attachment 2 to DR SD-PUC-1.05.pdf

Attachment 3 to DR SD-PUC-1.05.pdf

Response:

Attachment 1 to DR SD-PUC-1.05 includes information Otter Tail deems to be Confidential Information under ARSD 20:10:01:39 and is provided on the condition that it is not filed or otherwise publicly disclosed pending a determination under ARSD 20:10:01:41 and 20:10:01:42, or an agreement by the parties to this proceeding regarding its disclosure. Such Confidential Information is marked “CONFIDENTIAL” and noted where applicable as [PROTECTED DATA BEGINS... ..PROTECTED DATA ENDS].

Otter Tail provides Attachment 1 to DR SD-PUC-1.05, which includes Protected Data. The \$2-\$3 million range of annual avoided purchased power was estimated by multiplying the forecasted monthly cost of market purchases by the corresponding forecasted monthly output of Hoot Lake Solar.

The forecasted monthly cost of market purchases (Attachment 1, Lines 1 and 5) were derived from two EnCompass modeling runs: 1) where forecasted Locational Marginal Prices (LMPs) were reflective of market conditions during the 2017-2019 time frame, (The table in Otter Tail’s response to DR SD-PUC-01.06 provides historic LMPs); and 2) where forecasted LMPs are reflective of forward curves developed in August 2022. Although the pricing developed in August 2022 is more current, future market pricing could vary greatly. Attachment 2 to DR SD-PUC-1.05 provides the LMP inputs to the EnCompass model run used to derive values on Line

No. 1 of Attachment 1. Attachment 3 to DR SD-PUC-1.05 provides the LMP inputs to the EnCompass model run used to derive values on Line No. 5 of Attachment 1.