

OTTER TAIL POWER COMPANY  
Docket No: EL24-002

Response to: SD Public Utilities Commission  
Analyst: Pat Steffensen  
Date Received: February 08, 2024  
Date Due: February 23, 2024  
Date of Response: February 22, 2024  
Responding Witness: Svetlana Fedje, Pricing Analyst - (218) 739-8799

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Data Request:

Refer to Attachment 6.

- a. Provide the excel model with formulae intact for this and any supporting workpapers.
- b. What class(es) are the six current occasional delivery energy service customers?
- c. Justify using a straight average of the incremental customer-related costs of these 13 classes when customer counts vary largely among the classes.
- d. Provide workpapers showing the customer counts in each class and what the average monthly customer charge would be if a weighted average was used.
- e. The customer charge used to be more for time of delivery energy service and dependable service customers than for the occasional delivery energy service customers. Why is Otter Tail proposing to now have them all equal?

Attachments: 2

Attachment 1 to DR SD-PUC-01.09\_PUBLIC.pdf

Attachment 2 to DR SD-PUC-01.09\_PUBLIC.pdf

Response:

This response 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].

- a. Provide the excel model with formulae intact for this and any supporting workpapers.
  - Please see Attachment 1 - NONPUBLIC excel model with formulae intact.

- b. What class(es) are the six current occasional delivery energy service customers?
  - There is one customer in Residential class, one in Farm, and four in Small Commercial class.
- c. Justify using a straight average of the incremental customer-related costs of these 13 classes when customer counts vary largely among the classes.
  - When it comes to analyzing incremental customer-related costs, the straight average method can be used to calculate the average cost across different classes. But using a straight average of the incremental customer-related costs with data for one or two classes out of 10 available only presents challenges in accurately representing the entire customer base. It is important to approach this situation with caution and consider alternative methods for analyzing customer-related costs. By carefully considering the limitations and potential biases of using a straight average with incomplete data, we can make more informed decisions about our cost assessments and better understand the true cost structure across different customer segments. Overall, using a straight average of incremental customer-related costs simplifies the administrative process and allows for easier rate design.
- d. Provide workpapers showing the customer counts in each class and what the average monthly customer charge would be if a weighted average was used.
  - Please see Attachment 2.
- e. The customer charge used to be more for time of delivery energy service and dependable service customers than for the occasional delivery energy service customers. Why is Otter Tail proposing to now have them all equal?
  - At the present time, there are no customers enrolled in either the reliable service or the occasional delivery energy service. As the incremental costs for these services are currently similar, we are implementing the same customer charge rate for all three tariffs. Given this equality, we hope to encourage customers to select a rate that aligns with time-of-day payment differentiation, which may be more compatible with solar energy generation.