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OTTER TAIL POWER COMPANY

November 4, 2025

Ms. Leah Mohr
Executive Director
South Dakota Public Utilities Commission
Capitol Building, 1st floor
500 East Capitol Avenue
Pierre, SD 57501-5070

**RE: In the Matter of Application of Otter Tail Power Company for Authority to Increase Rates for Electric Service in South Dakota**
**Docket No. EL25-022**
**Amended Residential Rate Design Letter**

Dear Ms. Mohr:

Otter Tail Power Company (Otter Tail Power or the Company) hereby submits to the South Dakota Public Utilities Commission (Commission) its Amended Residential rate design in the above-referenced matter.

Shortly after filing our June 4, 2025 Application to Increase Rates, we discovered we included the wrong set of residential rate designs for our Residential Class – Residential 101 and Residential Demand Control 241 (RDC 241) in our Application. The Company included the amended rates in Attachment A to our Notice of Intent to Implement Interim Rates submitted October 31, 2025.

When designing rates, our Pricing team often designs several pricing scenarios for each rate to study bill impacts. Scenarios may include higher fixed charges and lower volumetric (kWh) charges or vice versa, to study overall impacts on customers at different usage levels on the rate. Running different scenarios helps the Company balance between softening bill impacts and moving prices closer to costs. The rate designs the Company originally submitted for Residential 101 and RDC 241 were from an earlier scenario the Pricing team created. The team also created the correct version in the same workbook. We inadvertently included the wrong worksheet in the June 4 Application.

The identified rate design error is confined to the Residential Class and does not impact the overall Residential revenue requirement. Both sets of rate designs produce the same amount of revenue for the Company in the test year. The amended rate design results in a reallocation of $144,498 in revenue from RDC 241 to Residential 101, reflecting an intra-class adjustment rather than a change to the total revenue requirement.

Although the overall residential class increase didn't change, we are providing the average increase for an average customer for the Residential 101 and the RDC 241 rates comparing the June 4, 2025 Application to the October 31, 2025 Interim Rate filing reflecting the amended rates:

**INITIAL JUNE 4 FILING, RESIDENTIAL RATES**

| | Customers | Present Rev. w/Riders | Proposed Rev. w/Riders | Percent Change | Initial Average Bill Increase |
|---|---|---|---|---|---|
| Res. 101 | 106,842 | $10,829,628 | $12,237,530 | 13.00% | $13.18 |
| RDC 241 | 4,327 | $742,491 | $935,912 | 26.05% | $44.70 |
| **Total** | **111,169** | **$11,572,119** | **$13,173,442** | **13.84%** | |

**REVISED OCTOBER RESIDENTIAL RATES**

| | Customers | Present Rev. w/Riders | Proposed Rev. w/Riders | Percent Change | Revised Average Bill Increase |
|---|---|---|---|---|---|
| Res. 101 | 106,842 | $10,829,628 | $12,381,589 | 14.33% | $14.53 |
| RDC 241 | 4,327 | $742,491 | $791,414 | 6.59% | $11.31 |
| **Total** | **111,169** | **$11,572,119** | **$13,173,004** | **13.83%** | |

The following schedules are included with this filing:

- **Attachment A** provides a list of the percentage increases applied to each base rate that OTP will use when implementing the Interim Rate Increase.
- **Attachment B** provides the amended portion of Statement I page 2 (showing the updated 101/241 rates).

We apologize for the error and appreciate Staff's cooperation as we worked through this amendment.

Please contact me at 218-739-8774 or ldonofrio@otpco.com if you have any questions regarding this filing.

Sincerely,

*/s/ LAUREN D. DONOFRIO*
Lauren D. Donofrio
Senior Associate General Counsel

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Enclosures
By electronic filing and U.S. mail