

PUBLIC UTILITIES COMMISSION
STATE OF SOUTH DAKOTA

In the Matter of the Application of Otter
Tail Power Company for Authority to
Increase Rates for Electric Service in South
Dakota

Docket No. EL25-____

APPLICATION

COMES NOW, Otter Tail Power Company (OTP or the Company), the Applicant
in the above-captioned proceeding, and respectfully states as follows:

I.

That OTP is a Minnesota corporation duly authorized to do business in the State
of South Dakota as a foreign corporation, and that it is doing business in the State of
South Dakota as a public utility, providing electric service to approximately 11,500
South Dakota retail customers.

II.

That the Certificate of Incorporation and Amendments thereto have previously
been filed with the South Dakota Public Utilities Commission (Commission) and such
Certificate and Amendments are incorporated into this Application by reference as
though fully set forth herein.

III.

That Applicant's full name and post office address are:

Otter Tail Power Company
215 South Cascade Street
Fergus Falls, MN 56537

IV.

That, as part of this Application, OTP has filed revised rate sheets that modify the rates the Company will charge to its approximately 11,500 South Dakota retail customers. The revised rate sheets are provided in Volume 3 of this Application in both legislative format and non-legislative format.

V.

That OTP's existing rates are inadequate to allow the Company to recover its cost of providing electric service along with an adequate rate of return, and that the rates should be increased so that the Company will have an opportunity to recover its cost of providing service and earn a reasonable rate of return on its electric property used and useful in providing electric service in South Dakota.

VI.

That OTP is seeking a net revenue increase of \$5,719,671, or 12.5 percent, based on the 2024 Test Year with known and measurable changes and other appropriate adjustments. As part of this request, the Company proposes to recover in base rates certain capital costs currently recovered through the Company's Transmission Cost Recovery (TCR) Rider, and Phase-In Rider (PIR). To facilitate the transition from rider to base rate recovery, the Company proposes to discontinue certain cost recovery through the TCR Rider and PIR when proposed rates go into effect. The proposed increase to base rate revenue (including the transition of rider recoveries to base rates) is \$13,650,824, or 46.3 percent. The Company seeks to implement these proposed rates following the Commission's final disposition in this case, or no later than 180 days hereafter, subject to refund. The Company has designed rates to move the customer classes closer to the cost of service. Increases to individual customer classes within a class will vary depending on particular usage patterns.

XI.

The primary reasons for OTP's need to increase rates are to recover: (1) additional rate base investments and associated depreciation expense; (2) increases in operating costs incurred by the Company in providing electric service to its customers; (3) on-going and planned investments in infrastructure; and (4) increases in the cost of capital.

XII.

OTP will prove by competent evidence that existing rates are inadequate and that said rates should be increased as requested herein. Filed concurrently with this Application are supporting Statements and Schedules, along with direct testimony and schedules of the Company's witnesses. More specifically, OTP relies on the following testimony:

Policy	Matthew J. Olsen
Jurisdictional Cost of Service Study and Revenue Requirement	Christy L. Peterson
Jurisdictional and Class Allocation Factors, Generator Interconnection Projects, Test Year Sales, Class Cost of Service Study, and Class Revenue Responsibility	Amber M. Grenier
Allocators	Annalise M. Smith
Transition of Capital Projects from Riders to Base Rates	Paula M. Foster
Financial Soundness, Capital Structure and Cost of Capital	Todd R. Wahlund
Return of Equity	Ann E. Bulkley
Employee Compensation and Benefits	Kelsey Evavold
Rate Design and Tariff Changes	Eric P. Schiffer

XIII.

That OTP submits this Application in accordance with the provisions of South Dakota Codified Laws, Chapter 49-34A and the rules and regulations promulgated thereunder by the Commission.

XIV.

That OTP has included with this Application the attestation of the accounting officer required by ARSD § 20:10:13:50 of the Commission's Rules. The Company has also provided, in Statement I, the revenue estimates required by ARSD § 20:20:13:41. OTP has included in Statement O the cost of service study required by ARSD § 20:10:13:43. The Company has also included, in Statement N, the statement of system costs required by ARSD § 20:10:13:44. These statements are in Volume 1, Section 3.

XV.

That OTP hereby certifies that it will conspicuously exhibit a notice of proposed change in electric service in its business offices for OTP's service territory affected by this Application at least thirty days prior to the date the change is to become effective. The notice will state that the proposed rates are available in that office for inspection. OTP further certifies that the notice to individuals will be sent with customer bills during the period of June 4 to July 3, 2025, and that it will give such other public notice as the Commission may direct.

XVI.

That by this filing, OTP does not waive any right it may have to update and amend this Application or the statements of fact, expert opinions, substantiating documents, and exhibits to meet all claims, objections and allegations that may be made by any party to this proceeding. If the Commission desires additional information, the Company will handle such matters through data requests.

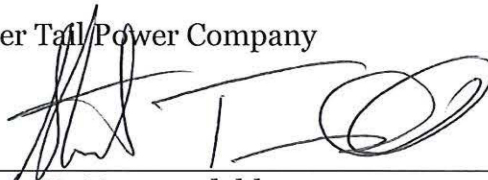
XVII.

WHEREFORE, OTP respectfully requests that the Commission:

1. Approve and adopt the proposed rate changes as set forth in this Application to be effective following the Commission's final disposition in this case, or no later than 180 days hereafter;
2. Approve the general tariff changes requested by the Company;
3. Grant the Company's request for confidential treatment of certain documents and information;
5. Expedite any hearing which the Commission deems necessary to determine the propriety of OTP's proposed rate schedules set forth herein, and issue its final order establishing the rates set forth herein; and
6. Grant such other and additional relief as the Commission shall deem just and proper.

Dated this 4th day of June 2025.

Otter Tail Power Company



Stuart D. Tommerdahl
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(218) 739-8279
stommerdahl@otpc.com

State of Minnesota)
County of Otter Tail) :ss

VERIFICATION

Stuart D. Tommerdahl, being first duly sworn, deposes and says that he is the Manager, Regulation and Retail Energy Solutions, Otter Tail Power Company, the Applicant for an increase in its electric rates in the State of South Dakota, and makes this verification on its behalf; that he has read the Application, knows the contents thereof, and that the same is true to the best of his knowledge, information and belief.



Stuart D. Tommerdahl
Manager, Regulation and Retail Energy Solutions
Otter Tail Power Company

Subscribed and sworn
to before me this
4th day of June 2025



Notary Public

