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(web site)

June 4, 2025



Ms. Patricia Van Gerpen  
Executive Director  
South Dakota Public Utilities Commission  
State Capitol Building  
500 East Capitol Avenue  
Pierre, South Dakota 57501

**Re: Transmittal Letter - Application of Otter Tail Power Company for  
Authority to Increase Rates for Electric Service in South Dakota**

Dear Ms. Van Gerpen:

Otter Tail Power Company (OTP or the Company) submits its Application to the South Dakota Public Utilities Commission (the Commission) for authority and consent to increase rates for electric service provided to the Company's South Dakota customers. This increase is needed for the Company to continue providing high quality, reliable, and safe electric service. The Company's current South Dakota base rates were set in 2019 and are based on a 2017 Test Year (Docket No. EL18-021).

The Company's Application and Notice of Proposed Rates and Charges gives notice of the Company's rate increase request proposed to be effective following the Commission's final disposition in this case, or no later than 180 days hereafter. The proposed changes would affect the billings of the approximately 11,500 customers in the Company's South Dakota service area.

The following summarizes the key components of OTP's Application.

The Company's proposed rates constitute a net increase of non-fuel revenues of \$5,719,671 or 12.5 percent. The proposed change in rates will result in an average increase of \$14 per month for residential customers under the Company's proposed rate design. Additional rate impacts are discussed in the Direct Testimony of Mr. Eric Schiffer.

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. To facilitate the transition from rider to base rate recovery, OTP proposes to discontinue certain cost recovery through the TCR and Phase-In Riders 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. OTP witness Mr. Matthew Olsen summarizes OTP rate requests in his Direct Testimony. OTP witness Ms.

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AN  OTTERTAIL COMPANY

Paula Foster discusses the transition of rider recoveries to base rates in her Direct Testimony. The test year for the proposed increase is 2024, with known and measurable changes and other appropriate adjustments. The Company proposes that the change in rates be effective upon the earlier of: (i) the Commission's final disposition of the Company's Application or (ii) 180 days from the filing of the Application pending the Commission's final decision (subject to refund).

The Company submits the following as its Application:

**Volume 1 – Rate Application**

Letter of Transmittal  
Application for Change in Electric Rates  
Notice of Proposed Changes of Rates and Charges  
Rate Case Customer Bill Insert  
Attestation by Chief Financial Officer  
Request for Confidential Treatment  
Statements A-R

**Volume 2 – 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

**Volume 3 – Tariffs**

Proposed Tariffs (Non-Redlined and Redlined)

**Volume 4 – Workpapers and Supporting Information**

The Company certifies that notice has been or is being provided to the public in all respects as required by S.D. Admin R. 20:10:13:17 through 20:10:13:19. Specifically, the Company certifies that the Notice of Proposed Change of Rates and Charges (Notice) for all the rate increases proposed in its Application, will be exhibited in a conspicuous place in the Company's local customer service offices for the territory affected, for at least 30 days prior to the date such change is to become effective. The Notice states that the proposed rates and charges are available in that office for inspection. The Company also will notify its customers of the proposed change in rates through a bill insert, a copy of which is included in Volume 1.

Additionally, local media outlets will receive a news release and our website [www.otpc.com](http://www.otpc.com) will contain information describing the Application. We are also prepared to meet with customer groups as reasonably requested to provide detailed information regarding our Application.

The Commission's communications with the Company regarding this Application should be directed to:

Stuart D. Tommerdahl  
Manager, Regulation and Retail Energy Solutions  
Otter Tail Power Company  
215 South Cascade Street  
Fergus Falls, MN 56537  
(218) 739-8279

Also, please send copies of all written inquiries, correspondence and pleadings to:

Jessica J. Fyhrie  
Manager, Regulatory Proceedings  
Otter Tail Power Company  
215 South Cascade Street  
Fergus Falls, MN 56537  
(218) 739-8657  
[jfyhrie@otpc.com](mailto:jfyhrie@otpc.com)

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and

Regulatory Filing Coordinator  
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[Regulatory\\_filing\\_coordinators@otpc.com](mailto:Regulatory_filing_coordinators@otpc.com)

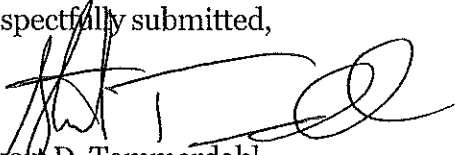
The Applicant's legal corporate name is Otter Tail Power Company, with its principal place of business in Fergus Falls, Minnesota. The Company is a corporation incorporated in 1907 under the laws of Minnesota. The Company provides retail electric service in South Dakota, North Dakota, and Minnesota.

The Company will provide two (2) hard copy editions of this filing to the Commission by Monday, June 9, 2025. The Company's Application includes a request for Confidential

Treatment of Information that seeks protection for certain documents the Company deems trade secret, proprietary or otherwise confidential and subject to protection from disclosure under South Dakota law.

As noted above, OTP's current South Dakota base rates were last set in 2019 based on a 2017 Test Year. Since then, OTP has made significant system investments and operations and maintenance costs have increased. These factors, along with on-going and planned investments in infrastructure and technology support the Company's request for additional revenue.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Stuart D. Tommerdahl', with a stylized flourish at the end.

Stuart D. Tommerdahl  
Manager, Regulation and Retail Energy Solutions  
Otter Tail Power Company  
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Enclosures  
By electronic filing and by mail