

**STATE OF SOUTH DAKOTA
BEFORE THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

**In the Matter of Otter Tail Power
Company's Petition for Approval of
the Annual Rate Update to Rate
Schedule, Section 13.05,
Transmission Cost Recovery Rider**

**Docket No. EL25-040
SUPPLEMENTAL FILING**

This Supplemental Filing reflects the updates submitted by Otter Tail Power Company (Otter Tail Power or the Company) in the above-captioned docket.

I. BACKGROUND

Otter Tail Power's Initial Filing requested approval of its annual TCRR rate adjustment to be effective March 1, 2026, based on actual data through September 2025 and projected costs and collections from October 2025 through February 2026. Since the Initial Filing, Otter Tail Power has identified material updates to be reflected in the determination of the revenue requirement and associated rates. This Supplemental Filing reflects those updates, which are described below.

**II. REVENUE REQUIREMENT AND RATE CALCULATION
UPDATES**

The following items are reflected in the updated revenue requirement calculations provided in this Supplemental Filing. In total, these revisions reduce the revenue requirement by \$722,927 from \$1,379,077 in the Initial Filing to \$656,150 in this Supplemental Filing.

A. Updated Revenue Requirements and Rate Impacts

Table 1 compares the revenue requirement and rates in the Initial Filing and the Supplemental Filing and reflects the resulting differences associated with the updates described above.

Due to an incorrect cell reference in the Initial Filing, the revenue requirement was artificially high for the months of October through December 2025. The entry of actual billed revenue results in a decrease in the true up of \$632,435.

The Milbank Project has been separated into two tabs to more accurately reflect Phases I and II. Phase I is included in base rates effective December 1, 2025, and Phase II will remain in the TCRR Rider.

As proposed in the current rate case, and because it is not contested, Otter Tail Power has allocated jurisdictional and class costs related to MISO Schedule 26 expenses using the new D5 allocation factor, and the MISO Schedule 26A expenses have been allocated using the E2 allocation factor.

Table 1: Comparison of Revenue Requirements and Associated Rates

Line No.	Revenue Requirements	November 3, 2025 Initial Filing	February 2, 2026 Supplemental Filing EL25-040	Difference
		March 2026 - February 2027	March 2026 - February 2027	
1	Transmission Adjustment-EL18-021	\$ -	\$ -	\$ -
2	Big Stone South to Ellendale	\$ -	\$ -	\$ -
3	Lake Norden Area Transmission	\$ -	\$ -	\$ -
4	Erie Project	\$ -	\$ -	\$ -
5	Norcross Project	\$ -	\$ -	\$ -
6	Oslo Lake Ardoch 115 kV	\$ -	\$ -	\$ -
7	Milbank Area Reliability	\$ 183,272	\$ 184,123	\$ 850
8				
9	SD Filing Fee	\$ 4,000	\$ 4,000	\$ -
10				
11				
12				
13	MISO Schedule 26 Expense	\$ 1,298,731	\$ 1,246,402	\$ (52,329)
14	MISO Schedule 26A Expense	\$ 1,172,195	\$ 1,124,371	\$ (47,825)
15	SPP Schedule 9 Expense	\$ 250,017	\$ 242,433	\$ (7,584)
16	SPP Schedule 11 Expense	\$ 34,407	\$ 33,363	\$ (1,044)
17				
18	MISO Schedule 9 Revenue	\$ -	\$ -	\$ -
19	MISO Schedule 7, 8, & 9 Revenue	\$ (521,985)	\$ (506,151)	\$ 15,834
20	MISO Schedule 26 Revenue	\$ (450,462)	\$ (436,798)	\$ 13,664
21	MISO Schedule 26A Revenue	\$ (369,423)	\$ (358,217)	\$ 11,206
22	MISO Schedule 37 Revenue	\$ -	\$ -	\$ -
23	MISO Schedule 38 Revenue	\$ -	\$ -	\$ -
24	MISO MVP ARR Revenue	\$ (13,406)	\$ (13,000)	\$ 407
25				\$ -
26	Carrying Cost	\$ (8,827)	\$ (32,499)	\$ (23,672)
27	True-Up	\$ (199,443)	\$ (831,878)	\$ (632,435)
28				
29	Total	\$ 1,379,077	\$ 656,150	\$ (722,927)
30	Large General Service Class \$ / kW	\$ 0.409	\$ 0.711	\$ 0.303
31	Large General Service Class \$ / kWh	\$ 0.00119	\$ 0.00017	\$ (0.00102)
32				
33	Controlled Service \$ / kWh	\$ 0.00049	\$ 0.00057	\$ 0.00008
34	Lighting \$ / kWh	\$ 0.00111	\$ 0.00055	\$ (0.00055)
35	All Other Service \$ / kWh	\$ 0.00353	\$ 0.00086	\$ (0.00268)

B. Implementation of Rates and Customer Impact

The proposed rates are designed to reflect the TCRR revenue requirements for the recovery period of March 1, 2026, through February 2027. Upon approval, these rates will remain in effect until the Commission approves the next TCRR rate update.

Proposed Rates

Class	\$ / kWh	\$ / kW
Large General Service	0.00017	0.711
Controlled Service	0.00057	
Lighting	0.00055	
All Other Service	0.00086	

In the Initial Filing, the estimated monthly impact for a residential customer using 1,000 kWh per month was calculated at \$3.53. The updates in this Supplemental Filing decrease the estimated charge to \$0.86, resulting in a \$0.94 decrease relative to the current approved monthly estimated charge of \$1.80. For a large general service customer using 486 kW and 222,350 kWh, the Initial Filing reflected a monthly charge of \$462.73. The Supplemental Filing update reduces this estimated charge to \$383.65, resulting in a \$284.97 monthly decrease relative to the current approved monthly estimated charge of \$668.62.

C. Tariffs

Revised Attachment 22 to this Supplemental Filing includes both the redline and clean versions of Otter Tail Power's TCRR tariff sheet, Section 13.05. The RATE section of the tariff sheet has been updated to reflect the proposed updates outlined in this Supplemental Filing. Otter Tail Power is also using this filing as an opportunity to update the footers to Matthew J. Olsen, Vice President of Regulatory.

Revised Attachment 24 includes the updated proposed customer notice that outlines the rate impact associated with the changes in this filing.

III. SUMMARY

Otter Tail Power respectfully requests Commission approval of the updated revenue requirement proposed in this filing and to implement the associated updated Transmission Cost Recovery Rider, Section 13.05 rates, for usage on and after March 1, 2026.

Date: February 2, 2026

Respectfully submitted:

OTTER TAIL POWER COMPANY

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