OTTER TAIL POWER COMPANY
Docket No: EL26-015

Response to: SD Public Utilities Commission
Analyst: Joseph Rezac
Date Received: July 23, 2026
Date Due: August 06, 2026
Date of Response: August 03, 2026
Responding Witness: Amber Grenier, Manager, Regulatory Economics, 218-739-8728

Data Request:
Why is the language regarding asset-based margins being removed from the proposed tariff? Provide an explanation why the paragraph and language at the bottom of the current Fifth Revised Sheet No. 3 is being deleted.

Attachments: 0

Response:

OTP proposes removing the tariff language related to asset-based margins for the following reasons**:**

1. OTP cannot reasonably estimate jurisdiction-specific asset-based sales on either a forecasted or actual basis. The Company is unable to allocate load by jurisdiction for MISO settlement purposes, and generation resources are no longer assigned to a single asset owner. As a result, the methodology previously used to estimate Total Company asset-based sales is no longer applicable. The transition to multiple asset owners was implemented to support state-specific generation resource planning.

2. Historically, OTP needed to allocate revenues and costs from its resource book (retail) and to its marketing book (asset-based sales) when only a portion of asset-based sales flowed through the Energy Adjustment Rider (EAR). Since 100 percent of asset-based sales now flow through the EAR in each of the Company's three state jurisdictions, maintaining separate books is no longer necessary. Revenues and charges associated with asset-based sales will instead remain recorded in OTP’s resource book under the Market-Energy-Related Costs.