

OTTER TAIL POWER COMPANY

Docket No: EL26-021

Response to: SD Public Utilities Commission

Analyst: Logan Schaeffbauer

Date Received: October 07, 2026

Date Due: October 22, 2026

Date of Response: October 21, 2026

Responding Witness: Amber Grenier, Manager, Regulatory Economics, 218-739-8728

---

Data Request:

Refer to page 15 paragraph IV:

- a. Does OTP believe this docket is a charge back docket? If so, explain.
- b. Does OTP believe the annual true-up dockets would be charge back dockets? If so, explain.

Attachments: 0

Response:

- a. No. OTP does not view this docket as a charge-back docket. The purpose of this proceeding is to establish a tariff framework under which costs and risks associated with serving HPC customers are assigned to those customers through customer-specific ESAs and applicable tariff provisions. While the framework is designed to ensure HPC customers are responsible for the costs they cause, this docket does not seek recovery of previously incurred costs from a specific customer. The customer-specific ESAs will come before the Commission for review and approval, and that docket will cover the direct assignment of costs to the new HPC customer. However, these will largely be prospective costs (i.e. costs of planned generation, connection costs), not previously incurred costs.
- b. No. OTP does not view the annual true-up process as a charge-back docket. The purpose of the true-up is to reconcile forecasted and actual costs and revenues associated with serving an HPC customer and to adjust charges accordingly. The true-up mechanism helps ensure that the HPC customer pays the actual costs incurred to serve its load while preventing over- or under-recovery. As a result, the true-up functions as a cost reconciliation mechanism rather than a charge-back of previously incurred costs.