

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

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Data Request:

Refer to page 8 of the Petition. Explain why OTP didn't create Tier III to start at 10 MW to match the South Dakota statute for the definition of a data center.

Attachments: 0

Response:

OTP did not establish the Tier III threshold at 10 MW solely to align with South Dakota's statutory definition of a data center. While a 10 MW load may qualify as a data center under state law, OTP's tariff is designed to address the system planning, infrastructure, and cost-recovery risks associated with exceptionally large loads.

OTP selected the Tier III threshold based on the size at which new loads are expected to have a material impact on the system and may require significant interconnection facilities, transmission upgrades, or incremental generation resources. Similar to approaches proposed by other regional utilities, higher thresholds are intended to identify customers whose size and characteristics present substantially greater costs and risks than those associated with typical large commercial and industrial loads. OTP's proposal to treat Tier III customers as a separate jurisdiction is also unique and implementing this approach will benefit from consistent tariff treatment across OTP's three jurisdictions.