

OTTER TAIL POWER COMPANY

Docket No: EL26-021

Response to: SD Public Utilities Commission

Analyst: Logan Schaeffbauer

Date Received: October 07, 2026

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

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Data Request:

How would OTP ensure compliance SD laws for data centers ranging in size from 10 MW to 74.9 MW since they would just fall under a “normal” rate tier? Specifically, but not limited to, how does OTP remain in compliance with SDCL 49-50-2?

Attachments: 0

Response:

OTP would remain in compliance with SDCL 49-50-2 for customers with loads between 10 MW and 74.9 MW through its existing tariff framework and requiring any prospective data center customer to sign a customer-specific Electric Service Agreements (ESAs) that includes the statutorily required terms, i.e., that the data center must reimburse OTP for all costs fairly attributed to the data center for service demand and utility consumption, including costs incurred to serve the data center if the data center departs the system or materially reduces its load.. A customer meeting South Dakota's statutory definition of a data center does not necessarily present the level of system impact or risk addressed by Tier III.

Customers that do not qualify for Tier III may still be subject to customer-specific protections, such as customer-funded facilities, minimum revenue guarantees, credit requirements, to ensure they are responsible for the costs they cause and to protect other customers from cost shifting.

OTP will evaluate projects on a case-by-case basis and use existing tariff provisions and Commission-approved ESAs to ensure compliance with South Dakota law while appropriately addressing customer-specific costs and risks.