

OTTER TAIL POWER COMPANY

Docket No: EL26-021

Response to: SD Public Utilities Commission

Analyst: Logan Schaeffbauer

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Date of Response: October 21, 2026

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

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Data Request:

If Tier III customers will be their own jurisdiction in a way, will each new customer use any pre-existing OTP generation resources to fulfill their needs? If so, explain how costs for the plants will be divided amongst the various jurisdictions. If not, confirm each new customer under this Tier III rate will have their own dedicated generation resource(s) either company owned or customer owned.

Attachments: 0

Response:

Under the proposed Tier III HPC tariff, OTP would not use pre-existing generation resources to satisfy a Tier III customer's capacity and energy requirements. Instead, each Tier III customer will be served through a dedicated resource plan comprised of incremental generation resources, which may include new Company-owned generation, power purchase agreements, customer-supplied resources, or a combination thereof, as specified in the customer's Commission-approved Electric Service Agreement (ESA). Existing OTP generation resources will not be used to meet the customer's dedicated energy and capacity requirements, preserving system reliability, and avoiding impacts to existing customers. The dedicated resources will be separately identified, and all costs associated with those resources will be directly assigned to the Tier III customer. The Tier III customer may at times rely on market energy; the customer benefit charge is meant to offset any potential increase to the market energy price that existing customers might experience.