

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:

For the rider type mechanism mentioned on page 10 and the following paragraph about dedicated generation, how does OTP determine ROI, depreciation costs, etc. when each of the 3 primary jurisdictions may have differing viewpoints on the topics yet benefits will be spread evenly amongst the 3 primary jurisdictions as mentioned earlier in the Petition?

Attachments: 0

Response:

OTP would use the authorized return on equity applicable in the jurisdiction where the Tier III customer is located. Depreciation expenses would be based on OTP's approved depreciation rates, which are developed through independent depreciation studies and applied consistently across OTP's jurisdictions.

While certain benefits associated with large-load customers may be allocated among jurisdictions using OTP's existing allocation methodologies, the costs of dedicated resources are recovered directly from the Tier III customer. Therefore, differences in jurisdictional treatment of return on equity or other ratemaking components do not result in dedicated resource costs being allocated across OTP's traditional retail customer jurisdictions.