

OTTER TAIL POWER COMPANY

Docket No: GE20-002

Response to: SD Public Utilities Commission

Analyst: SD PUC Staff

Date Received: June 02, 2020

Date Due: June 16, 2020

Date of Response: June 16, 2020

Responding Witness: Matthew J. Olsen, Manager, Regulatory Proceedings & Compliance, 218
739-8657

Data Request:

Considering the South Dakota Public Utilities Commission never ordered a moratorium on utility disconnections, explain why any bad debt expense caused by the Company's voluntary moratorium shouldn't be viewed as another form of charitable contributions.

Attachments: 0

Response:

The current pandemic has caused a variety of economic strains and uncertainty for electric customers. Nation-wide, there has been conversation of federal legislation to prevent utility disconnections and members of EEI were asked to proactively suspend disconnections to prevent control of this process from being usurped by the federal government. Otter Tail responded accordingly. This effort also supports the PUC's request submitted April 23 to Senators Thune and Rounds and Representative Johnson to prevent passage of a national moratorium on disconnections. Otter Tail believes a temporary suspension of disconnections in the short term was a necessary step to avoid federal action that may have imposed a much longer-term moratorium.

The combination of job loss or reduction, children being home from school using online resources for their education, and national pressure to avoid disconnections were all factors in Otter Tail's decision to temporarily suspend disconnections. Suspending disconnections temporarily does not relieve the customer's obligation to make payment in full on their electric service account. When we resume disconnections, we will work with customers to make payment arrangements on their accounts. If economic impacts are prolonged or if customers are not able to meet these payment arrangements, bad debts may increase. These costs are not given charitably to customers; they are a reasonable cost of operating an electric utility through this pandemic.