

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: Tyler A. Akerman, Manager, Business Planning Regulatory Accounting -  
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Data Request:

2-1. Refer to response to DR1-3.

- a) Provide a listing of all cost savings the Company anticipates it has already realized or may realize in the coming months due to the COVID-19 pandemic that may offset increased expenses. In particular, please address the following areas:
  - Travel
  - Training
  - Tree trimming
  - Meter reading or other truck rolls
  - O&M associated with peaker units
  - Health care costs
  - Furlough of non-essential employees
  - Delays or attrition in hiring process
  - Utility costs
  - Other
- b) Has OTP seen an increase in residential usage due to more people being at home due to COVID?
- c) Explain why other customers should pay for increases in health insurance for OTP employees due to OTP voluntarily waiving certain fees for employees.

Attachments: 0

Response:

- a) OTP implemented cost cuts to offset reduced revenues, including a suspension of wage increases for non-union employees, implementing a freeze on most hiring, and cuts to tree trimming, training and travel. As with the expense estimates in DR 1.3, it is too early to know the overall effect of these cost cuts. If revenues happen to recover it is possible OTP will reinstate some of the expense cuts.

- b) Initial data appears to show increases in residential usage but reductions in commercial usage are more than offsetting the residential increase. It is too early to calculate an accurate estimate but OTP expects to see an impact.
  
- c) The increased health insurance costs identified in DR SD-PUC-01.03 are related to OTP waiving fees for using telehealth services for employees to encourage medical consultations without increased risk of exposure. Although this is an increase in costs, it is expected to lower office co-pays for which the company is responsible. Also, another important consideration for waiving the telehealth fees for employees was the health and wellbeing of the employees. This action was implemented to limit the exposure of employees to those outside of their family. In an effort to follow the guidelines recommended by multiple federal and local government entities, OTP felt that this action would provide a safe option for employees to get healthcare services while limiting exposure to others. Again, it is still too early to estimate the overall effect of this temporary change and the overall experience OTP will see with health care costs.