

OTTER TAIL POWER COMPANY

Docket No: GE20-002

Response to: SD Public Utilities Commission

Analyst: SD PUC Staff

Date Received: July 13, 2020

Date Due: July 20, 2020

Date of Response: July 20, 2020

Responding Witness: Peter J. Beithon, Manager, Regulatory Recovery - (218) 739-8607

Data Request:

3-4. What percentage of the outstanding balances at the time of disconnection does the Company historically have to write off to bad debt? What percentage of the outstanding balances at the end of the disconnection moratorium does the Company expect to eventually get written off to bad debt?

Attachments: 0

Response:

Net of collection proceeds, the company writes-off 75% of outstanding balances at the time of disconnection. OTP currently estimates the percentages in the below table for past due accounts greater than 90 days past due for purposes of recognition of bad debt expense on the financial statements.

100.0%	121+ days (inactive customers)
70.0%	121+ Days (active customers)
65.0%	91-120 Days (inactive customers)
30.0%	91-120 Days (active customers)