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April 29, 2022



Ms. Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
Capitol Building, 1st floor
500 East Capitol Avenue
Pierre, SD 57501-5070

**RE: Otter Tail Power Company COVID-19 Quarterly Report – Compliance Filing
Docket No. GE20-002**

Dear Ms. Van Gerpen:

Otter Tail Power (Otter Tail) files this quarterly compliance filing in response to the South Dakota Public Utilities Commission's (Commission) August 19, 2020 Order, paragraphs 4 and 5.

**I. ORDERING PARAGRAPH 4 OF THE COMMISSION'S
AUGUST 19, 2020 ORDER REQUIRES:**

“The Petitioners will provide, on a quarterly basis, updates regarding all known and estimated cost increases and decreases and revenue increases and decreases it plans to include in its regulatory asset. These updates are required until there are no changes to report regarding the balance of the regulatory asset.”

The following information is provided as required by ordering paragraph 4 of the Commission's August 19, 2020 Order.

A. Increased Costs:

In 2022 there has been very little in increased non-labor costs resulting from COVID, which includes additional materials and supplies, information technology and miscellaneous expenses.

To date in 2022 Otter Tail has incurred small amounts of additional non-labor costs for PPE and miscellaneous expenses. The total non-labor costs incurred year to date are only \$4K system wide. Any labor costs would be limited to only additional labor costs caused by pandemic related activities.

It is important to note the amounts listed above do not include any increases in overtime labor expense for things such as additional travel expense incurred to allow field crews to travel without sharing vehicles.

There has not been an increase in Otter Tail's South Dakota bad debt expense due to South Dakota's approach to disconnects during the pandemic.

Otter Tail does not have an itemized list of actual cost reductions resulting from the COVID pandemic, but operating and maintenance costs for travel, lodging and meetings were down approximately \$90,000 (South Dakota share) as compared to 2019 and first and second quarters 2020 (for the reporting period which is 24 months) due to Management's early response and because of the effects of the pandemic. As of the end of March 2021 expenses are trending back to normal levels (tracking similar to 2018 and 2019).

B. Accounts Receivable Aging:

Below are the second, third and fourth quarter 2020 plus the first, second and third quarter 2021 aging reports for customers by month. The reports are as of the end of each month.

Second Quarter 2020:

Apr-20

Class	Total	1-30 days	31-60 days past due	61-90 days past due	90+ days past due
Residential	1,356,388	935,531	163,596	106,777	150,484
Commercial	523,679	474,691	26,212	14,243	8,533
Industrial	815,447	797,714	7,068	5,992	4,672
Total	2,695,515	2,207,936	196,877	127,013	163,689

May-20

Class	Total	1-30 days	31-60 days past due	61-90 days past due	90+ days past due
Residential	1,240,398	764,816	170,760	107,651	197,172
Commercial	465,774	408,606	25,045	13,089	19,034
Industrial	1,036,034	1,029,015	4,980	2,039	-
Total	2,742,206	2,202,437	200,785	122,778	216,206

Jun-20

Class	Total	1-30 days	31-60 days past due	61-90 days past due	90+ days past due
Residential	1,154,119	688,900	123,878	112,479	228,862
Commercial	452,456	401,505	11,677	12,691	26,583
Industrial	1,088,053	1,080,001	8,053	-	-
Total	2,694,627	2,170,406	143,607	125,170	255,445

Third Quarter 2020:

Jul-20

Class	Total	1-30 days	31-60 days past due	61-90 days past due	90+ days past due
Residential	1,230,933	786,287	118,079	69,749	256,818
Commercial	529,859	482,714	13,062	1,021	33,062
Industrial	1,123,353	1,114,132	9,154	67	-
Total	2,884,145	2,383,133	140,295	70,837	289,880

Aug-20

Class	Total	1-30 days	31-60 days past due	61-90 days past due	90+ days past due
Residential	1,055,854	681,637	118,103	58,801	197,313
Commercial	466,469	410,817	26,826	4,697	24,130
Industrial	1,064,818	1,063,754	1,064	-	-
Total	2,587,141	2,156,208	145,992	63,498	221,443

Sep-20

Class	Total	1-30 days	31-60 days past due	61-90 days past due	90+ days past due
Residential	898,415	607,734	85,353	54,728	150,600
Commercial	470,661	420,032	19,262	9,548	21,819
Industrial	1,131,124	1,122,946	8,177	-	-
Total	2,500,200	2,150,712	112,793	64,276	172,420

Fourth Quarter 2020:

Oct-20

Class	Total	1-30 days	31-60 days past due	61-90 days past due	90+ days past due
Residential	712,449	454,558	113,819	23,221	120,850
Commercial	484,756	404,367	42,402	9,400	28,586
Industrial	1,102,540	1,095,570	6,970	-	-
Total	2,299,745	1,954,496	163,192	32,621	149,436

Nov-20

Class	Total	1-30 days	31-60 days past due	61-90 days past due	90+ days past due
Residential	731,259	473,380	98,357	64,906	94,617
Commercial	439,611	374,815	21,392	11,126	32,278
Industrial	778,901	769,291	9,595	15	-
Total	1,949,771	1,617,486	129,344	76,047	126,895

Dec-20

Class	Total	1-30 days	31-60 days past due	61-90 days past due	90+ days past due
Residential	501,138	292,034	88,382	40,513	80,208
Commercial	435,380	374,031	20,077	8,765	32,507
Industrial	1,109,883	1,105,606	2,472	1,790	15
Total	2,046,401	1,771,671	110,932	51,068	112,730

First Quarter 2021:

Jan-21

Class	Total	1-30 days	31-60 days past due	61-90 days past due	90+ days past due
Residential	798,196	764,510	(45,962)	38,535	41,113
Commercial	538,494	490,624	11,789	6,039	30,042
Industrial	1,094,061	1,085,785	4,083	2,388	1,805
Total	2,430,750	2,340,918	(30,089)	46,961	72,960

Feb-21

Class	Total	1-30 days	31-60 days past due	61-90 days past due	90+ days past due
Residential	907,793	795,453	143,947	(53,241)	21,633
Commercial	520,757	468,831	26,185	4,340	21,402
Industrial	1,324,418	1,307,066	12,999	1,271	3,082
Total	2,752,968	2,571,350	183,131	(47,630)	46,117

Mar-21

Class	Total	1-30 days	31-60 days past due	61-90 days past due	90+ days past due
Residential	772,967	678,904	111,344	53,608	(70,888)
Commercial	448,700	405,587	25,699	5,458	11,956
Industrial	1,086,649	1,059,671	20,819	1,806	4,353
Total	2,308,316	2,144,162	157,861	60,872	(54,579)

Second Quarter 2021:

Apr-21

Class	Total	1-30 days	31-60 days past due	61-90 days past due	90+ days past due
Residential	806,389	717,885	99,423	41,014	(51,933)
Commercial	512,151	474,615	15,158	6,467	15,911
Industrial	1,159,151	1,149,866	1,603	1,743	5,939
Total	2,477,692	2,342,366	116,184	49,224	(30,083)

May-21

Class	Total	1-30 days	31-60 days past due	61-90 days past due	90+ days past due
Residential	745,226	616,451	114,562	39,783	(25,570)
Commercial	467,074	418,479	29,288	6,817	12,490
Industrial	1,135,689	1,123,266	3,866	1,339	7,218
Total	2,347,989	2,158,196	147,716	47,939	(5,861)

Jun-21

Class	Total	1-30 days	31-60 days past due	61-90 days past due	90+ days past due
Residential	702,275	577,411	95,894	43,634	(14,664)
Commercial	457,263	421,730	10,358	20,198	4,977
Industrial	1,280,511	1,269,139	1,551	1,404	8,417
Total	2,440,049	2,268,279	107,803	65,236	(1,269)

Third Quarter 2021:

Jul-21

Class	Total	1-30 days	31-60 days past due	61-90 days past due	90+ days past due
Residential	812,634	690,590	91,577	40,140	(9,672)
Commercial	512,262	478,824	13,602	3,229	16,606
Industrial	1,148,847	1,148,727	(86)	263	(57)
Total	2,473,743	2,318,141	105,093	43,632	6,878

Aug-21

Class	Total	1-30 days	31-60 days past due	61-90 days past due	90+ days past due
Residential	809,268	676,488	101,641	38,164	(7,025)
Commercial	487,032	446,534	32,885	5,332	2,282
Industrial	1,166,912	1,164,883	1,693	(141)	477
Total	2,463,212	2,287,905	136,219	43,355	(4,267)

Sep-21

Class	Total	1-30 days	31-60 days past due	61-90 days past due	90+ days past due
Residential	513,605	401,954	92,552	28,612	(9,513)
Commercial	431,600	410,776	13,151	3,780	3,893
Industrial	1,143,505	1,140,872	879	1,418	336
Total	2,088,710	1,953,602	106,583	33,810	(5,284)

Oct-21

Class	Total	1-30 days	31-60 days past due	61-90 days past due	90+ days past due
Residential	410,449	357,474	32,560	32,842	(11,708)
Commercial	377,163	355,768	12,148	3,079	5,450
Industrial	1,119,511	1,115,168	1,524	1,402	1,418
Total	1,907,123	1,828,409	46,232	37,323	(4,841)

Nov-21

Class	Total	1-30 days	31-60 days past due	61-90 days past due	90+ days past due
Residential	476,529	392,760	73,168	8,581	2,021
Commercial	453,656	421,460	25,966	4,691	1,540
Industrial	1,165,823	1,165,783	40	-	-
Total	2,096,009	1,980,002	99,173	13,272	3,561

Dec-21

Class	Total	1-30 days	31-60 days past due	61-90 days past due	90+ days past due
Residential	593,956	475,569	87,224	32,248	(1,084)
Commercial	482,549	425,400	35,553	16,303	5,292
Industrial	1,333,805	1,333,692	113	-	-
Total	2,410,310	2,234,661	122,890	48,551	4,208

First Quarter 2022:

Jan-22

Class	Total	1-30 days	31-60 days past due	61-90 days past due	90+ days past due
Residential	957,759	790,171	111,964	42,884	12,741
Commercial	557,683	501,025	33,237	18,829	4,591
Industrial	1,158,497	1,158,457	40	-	-
Total	2,673,939	2,449,652	145,241	61,713	17,332

Feb-22

Class	Total	1-30 days	31-60 days past due	61-90 days past due	90+ days past due
Residential	1,167,583	928,921	167,485	52,963	18,215
Commercial	572,908	538,640	29,311	4,100	856
Industrial	1,184,479	1,184,393	86	-	-
Total	2,924,970	2,651,954	196,882	57,063	19,071

Mar-22

Class	Total	1-30 days	31-60 days past due	61-90 days past due	90+ days past due
Residential	1,136,015	894,815	162,382	71,458	7,361
Commercial	561,658	525,766	35,553	1,897	(1,558)
Industrial	665,913	662,661	3,252	-	-
Total	2,363,585	2,083,242	201,186	73,355	5,802

C. Sales Impacts:

Otter Tail’s kWh total South Dakota actual sales were 4.0 percent above budget for the first quarter 2022 and 1.0 percent below budget for 2021 and 3.7 percent under budget for the second, third, fourth quarters of 2020 plus 2021 combined. Residential sales were 4.7 percent above and 1.52 percent below budget respectively, Commercial sales were 3.5 percent above and 4.3 percent below budget respectively and sales to other public authorities were 9.2 percent above budget and 7.9 percent above budget respectively.

Otter Tail’s kWh total South Dakota first quarter 2022 actual sales as compared to 2021 actual first quarter were 11.8 percent above and 2.5 percent above for 2021 and 0.5 percent above for the second, third, fourth quarters of 2020 and 2021 combined.

Total South Dakota base revenues (non-rider) were \$0.4 million (6.1 percent) above budget for first quarter 2022 and \$1.1 million (2.5 percent) below budget for the second, third, fourth quarters 2020 and all of 2021 combined.

II. ORDERING PARAGRAPH 5 OF THE COMMISSION’S AUGUST 19, 2020 ORDER REQUIRES:

“The Petitioners will provide, on a quarterly basis, status updates regarding, at a minimum, the number of customers that have been disconnected, number of customers that are in arrears at the time the quarterly report is submitted, the total amount of arrears associated to the number of customers reported, and payment arrangements that have been made with its customers, including number of payment arrangements made, average length of payment arrangements, and total dollar amounts associated with such payment arrangements.

The updates shall include both quarterly and cumulative information, if available, and be required until utilities are no longer tracking bad debt associated with COVID-19.”

The number of customers that have been disconnected:

Count of ACCOUNT_STAT Column Labels											
Row Labels	2020				2021				2021 Total		2022
	Qtr3	Qtr4	2020 Total	Qtr1	Qtr2	Qtr3	Qtr4	2021 Total	Qtr1	2022	
S		65	124	189	78	104	77	40	299	84	
Grand Total		65	124	189	78	104	77	40	299	84	

The above table shows the number of accounts disconnected by quarter with the current status of the account:

CUTON - Account was disconnected, but the customer has either paid outstanding balance in full, entered into a payment arrangement or Otter Tail has received some form or guarantee from a third party.

FINAL - Account was disconnected and the account is ultimately final, and service not provided to the customer who was disconnected.

The number of customers that are in arrears at the time the quarterly report is submitted:

30-60 Accounts Column Labels											
Row Labels	5/29/2020	6/30/2020	7/31/2020	8/31/2020	9/30/2020	10/30/2020	11/30/2020	12/31/2020	1/29/2021	2/26/2021	3/31/2021
S	1537	1472	1426	1308	1335	1462	1454	1272	1192	1143	1040
GOV	39	38	30	26	23	31	38	25	34	20	30
LGC	2	4	2	1	2	2	4	5	6	3	5
RES	1366	1307	1269	1169	1215	1304	1281	1124	1043	1023	898
SMC	130	123	125	112	95	125	131	118	109	97	107
Grand Total	1537	1472	1426	1308	1335	1462	1454	1272	1192	1143	1040

30-60 Accounts Column Labels												
Row Labels	4/30/2021	5/28/2021	6/30/2021	7/31/2021	8/31/2021	9/30/2021	10/29/2021	11/30/2021	12/30/2021	1/31/2022	2/28/2022	3/31/2022
S	1014	1177	1190	1258	1136	1017	1173	1186	1155	1220	1264	1205
GOV	11	15	10	33	13	7	14	18	14	21	37	40
LGC	3	4	3	2	3	2	4	1	2	1	3	3
RES	907	1046	1073	1113	1020	916	1058	1049	1032	1093	1124	1064
SMC	93	112	104	110	100	92	97	118	107	105	100	98
Grand Total	1014	1177	1190	1258	1136	1017	1173	1186	1155	1220	1264	1205

The total amount of arrears associated to the number of customers reported:

Sum of Past Due Column Labels											
Row Labels	5/29/2020	6/30/2020	7/31/2020	8/31/2020	9/30/2020	10/30/2020	11/30/2020	12/31/2020	1/29/2021	2/26/2021	3/31/2021
S	\$543,525	\$521,630	\$530,071	\$445,858	\$410,841	\$405,445	\$352,261	\$319,342	\$309,206	\$326,152	\$309,771
GOV	\$6,397	\$2,476	\$4,409	\$4,892	\$2,672	\$19,289	\$4,094	\$4,048	\$2,422	\$1,872	\$2,627
LGC	\$7,019	\$8,053	\$9,221	\$1,064	\$8,177	\$6,970	\$9,762	\$4,277	\$8,277	\$12,245	\$26,978
RES	\$462,102	\$449,628	\$444,930	\$374,821	\$342,153	\$304,796	\$278,215	\$251,553	\$246,227	\$265,398	\$238,698
SMC	\$68,007	\$61,473	\$71,510	\$65,082	\$57,839	\$74,389	\$60,189	\$59,464	\$52,280	\$46,637	\$41,468
Grand Total	\$543,525	\$521,630	\$530,071	\$445,858	\$410,841	\$405,445	\$352,261	\$319,342	\$309,206	\$326,152	\$309,771

Sum of Past Due												
Row Labels	4/30/2021	5/28/2021	6/30/2021	7/31/2021	8/31/2021	9/30/2021	10/29/2021	11/30/2021	12/30/2021	1/31/2022	2/28/2022	3/31/2022
S	\$237,465	\$272,275	\$258,717	\$257,197	\$233,400	\$190,593	\$219,016	\$217,653	\$263,703	\$288,596	\$338,222	\$341,386
GOV	\$602	\$693	\$991	\$4,377	\$18,716	\$176	\$357	\$15,067	\$37,373	\$32,418	\$22,469	\$21,859
LGC	\$9,310	\$12,423	\$11,372	\$55	\$1,693	\$2,860	\$4,343	\$40	\$113	\$40	\$86	\$3,252
RES	\$192,221	\$211,785	\$203,488	\$206,027	\$189,173	\$163,600	\$187,021	\$180,454	\$201,241	\$227,637	\$289,568	\$289,687
SMC	\$35,331	\$47,374	\$42,866	\$46,737	\$23,819	\$23,956	\$27,295	\$22,091	\$24,976	\$28,500	\$26,099	\$26,588
Grand Total	\$237,465	\$272,275	\$258,717	\$257,197	\$233,400	\$190,593	\$219,016	\$217,653	\$263,703	\$288,596	\$338,222	\$341,386

Note: for the number of accounts past due and the associated dollars, we started tracking this information as of May 2020. We do not have a good way to pull the data prior to May 2020. The information in the accounts receivable aging section above includes accounts with both debit and credit balances. The table above only looks at accounts with debit balances. This represents the outstanding balances that are at risk.

Payment arrangements that have been made with its customers:

Number of Payment Arrangements:

Count of ACCOUNT_NO Column Labels												
Row Labels	2020				2020 Total	2021				2021 Total	2022	
	Qtr1	Qtr2	Qtr3	Qtr4		Qtr1	Qtr2	Qtr3	Qtr4		Qtr1	
Good Standing										1	1	44
Paid		13	25	114	189	341	119	80	82	39	320	37
Suspended/Terminated		34	42	306	259	641	123	100	113	61	397	69
Grand Total		47	67	420	448	982	242	180	195	101	718	150

Average length of payment arrangements:

Average of Length (Weeks) Column Labels												
Row Labels	2020				2020 Total	2021				2021 Total	2022	
	Qtr1	Qtr2	Qtr3	Qtr4		Qtr1	Qtr2	Qtr3	Qtr4		Qtr1	
Good Standing										1.14	1.14	7.11
Paid		2.26	2.65	3.37	3.43	3.31	2.66	2.24	2.31	2.30	2.42	1.76
Suspended/Terminated		2.76	1.72	4.86	5.27	4.71	3.14	2.52	2.67	2.25	2.71	2.51
Grand Total		2.62	2.07	4.45	4.49	4.22	2.90	2.39	2.52	2.26	2.58	3.67

Note: the average length of arrangements are impacted by customers who enter into an arrangement and the customer either: pays off the arrangement early (very rarely occurs), terminates the arrangement due to broken or reversed payment (NSF) or suspends the arrangement. Suspended arrangements could be due to the customer calling because they are not being able to meet a previously agreed to arrangement, payment amount guaranteed by an agency, etc. An example of a terminated arrangement and the impacts to the average length could consist of: customer enters into an arrangement for three months of payment towards the outstanding balance and new bills as they are created. Customer makes first payment but misses the second payment and the arrangement is terminated in month two. The length of the arrangement for this situation would be reflected in the averages as two months rather than three months. Any reporting prior to the customer failing to meet the arrangement would have reflected the length of the arrangement as three months.

Total dollar amounts associated with such payment arrangements:

Sum of ARRANGEMENT_A Column Labels												
Row Labels	2020				2020 Total	2021				2021 Total	2022	
	Qtr1	Qtr2	Qtr3	Qtr4		Qtr1	Qtr2	Qtr3	Qtr4		Qtr1	
Good Standing										\$391	\$391	\$37,276
Paid	\$12,689	\$15,011	\$56,189	\$100,684	\$184,573	\$61,618	\$39,820	\$28,960	\$31,987	\$162,384	\$17,721	
Suspended/Terminated	\$33,204	\$24,370	\$343,853	\$247,602	\$649,029	\$122,577	\$86,609	\$89,521	\$32,682	\$331,388	\$47,283	
Grand Total	\$45,892	\$39,381	\$400,042	\$348,287	\$833,602	\$184,195	\$126,428	\$118,480	\$65,060	\$494,163	\$102,280	

Note: For the count, average length and dollar amount associated with arrangements, this information is based on data as of the end of March 2022. Between March 2022 and the time of the next report, the status of arrangements will change as customers meet or fail to meet arrangements. Data for the individual statuses will not match the data in reports from prior quarters due to the change in status as customers meet or fail to meet arrangements.

Please contact me at (218) 739-8607, (218) 205-5234, or pbeithon@otpc.com should you have any questions.

Sincerely,

/s/ *PETE BEITHON*
 Pete Beithon
 Manager, Regulatory Recovery

tlk
 By electronic filing