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October 29, 2021



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 the first, second and third quarters of 2021, there has been very little in increased non-labor costs resulting from COVID, which includes additional materials and supplies, information technology and miscellaneous expenses.

In the first quarter, second and third quarters of 2021 Otter Tail incurred \$24K additional non-labor costs for PPE and miscellaneous expenses. The total non-labor costs incurred year to date are

\$424K 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.

One area which Otter Tail expected to have increased expense was bad debts. It appears since disconnects have been reinstated in South Dakota that accounts receivable amounts for South Dakota trended towards a normal level.

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 \$54,000 (South Dakota share) as compared to 2019 and first and second quarters 2020 (for the reporting period which was 18 months) due to Management's early response and because of the effects of the pandemic. As of the end of September 2021 expenses are 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)

**C. Sales Impacts:**

Otter Tail’s kWh total South Dakota actual sales were 1.3 percent below budget for the first, second and third quarters 2021 and 4.2 percent under budget for the second, third, fourth quarters of 2020 plus first, second and third quarters of 2021 combined. Residential sales were 1.7 percent below and 0.3 percent below budget respectively, Commercial sales were 1.0 percent below and 5.4 percent below budget respectively and sales to other public authorities were 3.1 percent above budget and 7.8 percent above budget respectively.

Otter Tail’s kWh total South Dakota actual sales as compared to 2020 actual were 0.9 percent above for the first, second and third quarters 2021 and 0.6 percent below budget for the second, third, fourth quarters of 2020 and first, second and third quarters 2021 combined.

Total South Dakota base revenues (non-rider) were \$1.3 million (3.3 percent) below budget for the second, third, fourth quarters 2020 and first, second and third quarters 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			2020 Total	2021			2021 Total	
	Qtr3	Qtr4		Qtr1	Qtr2	Qtr3	Qtr4		
S	65	124	189	78	103	77	17	275	
CTOFF							1	1	
CUTON	33	67	100	44	67	54	10	175	
FINAL	32	57	89	34	36	23	6	99	
<b>Grand Total</b>	<b>65</b>	<b>124</b>	<b>189</b>	<b>78</b>	<b>103</b>	<b>77</b>	<b>17</b>	<b>275</b>	

\*Note: October amounts are included

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

CUTOFF - Account still in a disconnect status.

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	4/30/2021	5/28/2021	6/30/2021	7/31/2021	8/31/2021	9/30/2021	
S	1537	1472	1426	1308	1335	1462	1454	1272	1192	1143	1040	1014	1177	1190	1258	1136	1017	
GOV	39	38	30	26	23	31	38	25	34	20	30	11	15	10	33	13	7	
LGC	2	4	2	1	2	2	4	5	6	3	5	3	4	3	2	3	2	
RES	1366	1307	1269	1169	1215	1304	1281	1124	1043	1023	898	907	1046	1073	1113	1020	916	
SMC	130	123	125	112	95	125	131	118	109	97	107	93	112	104	110	100	92	
<b>Grand Total</b>	<b>1537</b>	<b>1472</b>	<b>1426</b>	<b>1308</b>	<b>1335</b>	<b>1462</b>	<b>1454</b>	<b>1272</b>	<b>1192</b>	<b>1143</b>	<b>1040</b>	<b>1014</b>	<b>1177</b>	<b>1190</b>	<b>1258</b>	<b>1136</b>	<b>1017</b>	

**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	4/30/2021	5/28/2021	6/30/2021	7/31/2021	8/31/2021	9/30/2021
\$	\$543,525	\$521,630	\$530,071	\$445,858	\$410,841	\$405,445	\$352,261	\$319,342	\$309,206	\$326,152	\$309,771	\$237,465	\$272,275	\$258,717	\$257,197	\$233,400	\$190,593
GOV	\$6,397	\$2,476	\$4,409	\$4,892	\$2,672	\$19,289	\$4,094	\$4,048	\$2,422	\$1,872	\$2,627	\$602	\$693	\$991	\$4,377	\$18,716	\$176
LGC	\$7,019	\$8,053	\$9,221	\$1,064	\$8,177	\$6,970	\$9,762	\$4,277	\$8,277	\$12,245	\$26,978	\$9,310	\$12,423	\$11,372	\$55	\$1,693	\$2,860
RES	\$462,102	\$449,628	\$444,930	\$374,821	\$342,153	\$304,796	\$278,215	\$251,553	\$246,227	\$265,398	\$238,698	\$192,221	\$211,785	\$203,488	\$206,027	\$189,173	\$163,600
SMC	\$68,007	\$61,473	\$71,510	\$65,082	\$57,839	\$74,389	\$60,189	\$59,464	\$52,280	\$46,637	\$41,468	\$35,331	\$47,374	\$42,866	\$46,737	\$23,819	\$23,956
<b>Grand Total</b>	<b>\$543,525</b>	<b>\$521,630</b>	<b>\$530,071</b>	<b>\$445,858</b>	<b>\$410,841</b>	<b>\$405,445</b>	<b>\$352,261</b>	<b>\$319,342</b>	<b>\$309,206</b>	<b>\$326,152</b>	<b>\$309,771</b>	<b>\$237,465</b>	<b>\$272,275</b>	<b>\$258,717</b>	<b>\$257,197</b>	<b>\$233,400</b>	<b>\$190,593</b>

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	
	Qtr1	Qtr2	Qtr3	Qtr4		Qtr1	Qtr2	Qtr3		
Good Standing								41	41	
Paid		13	25	114	189	341	119	80	68	267
Suspended/Terminated		34	42	306	259	641	123	100	86	309
<b>Grand Total</b>		<b>47</b>	<b>67</b>	<b>420</b>	<b>448</b>	<b>982</b>	<b>242</b>	<b>180</b>	<b>195</b>	<b>617</b>

**Average length of payment arrangements:**

Average of Length (Weeks)	Column Labels									
Row Labels	2020				2020 Total	2021			2021 Total	
	Qtr1	Qtr2	Qtr3	Qtr4		Qtr1	Qtr2	Qtr3		
Good Standing								5.07	5.07	
Paid		2.26	2.65	3.37	3.43	3.31	2.66	2.24	1.96	2.36
Suspended/Terminated		2.76	1.72	4.86	5.27	4.71	3.14	2.52	2.24	2.69
<b>Grand Total</b>		<b>2.62</b>	<b>2.07</b>	<b>4.45</b>	<b>4.49</b>	<b>4.22</b>	<b>2.90</b>	<b>2.39</b>	<b>2.74</b>	<b>2.70</b>

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
	Qtr1	Qtr2	Qtr3	Qtr4		Qtr1	Qtr2	Qtr3	
Good Standing								\$27,172	\$27,172
Paid	\$12,689	\$15,011	\$56,189	\$100,684	\$184,573	\$61,618	\$39,820	\$22,322	\$123,759
Suspended/Terminated	\$33,204	\$24,370	\$343,853	\$247,602	\$649,029	\$122,577	\$86,609	\$67,187	\$276,373
<b>Grand Total</b>	<b>\$45,892</b>	<b>\$39,381</b>	<b>\$400,042</b>	<b>\$348,287</b>	<b>\$833,602</b>	<b>\$184,195</b>	<b>\$126,428</b>	<b>\$116,680</b>	<b>\$427,303</b>

Note: For the count, average length and dollar amount associated with arrangements, this information is based on data as of the end of September 2021. Between September 2021 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](mailto:pbeithon@otpc.com) should you have any questions.

Sincerely,

/s/ PETE BEITHON  
 Pete Beithon  
 Manager, Regulatory Recovery

tlk  
 By electronic filing