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May 23, 2025



Mr. Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East
Suite 350
St. Paul, MN 55101-2147

**RE: In the Matter of Otter Tail Power Company's Petition for Approval of the
Solway and Abercrombie Solar Projects
Docket No. E017/M-24-404
Supplemental Information**

Dear Mr. Seuffert:

Otter Tail Power Company (Otter Tail Power or Company) hereby submits to the Minnesota Public Utilities Commission (Commission) the following Supplemental Information in the above-referenced matter.

The Company's Initial Filing in this docket explained that Otter Tail Power intends to construct and operate the Solway and Abercrombie Solar Projects for the benefit of the Company's Minnesota and South Dakota customers, with South Dakota's participation contingent upon the South Dakota Public Utilities Commission (SDPUC) authorizing Otter Tail Power to recover project costs through the Company's South Dakota Phase-In Rider.¹ On May 8, 2025, the SDPUC heard and approved the Company's Phase-In Rider proposal. Attached to this letter is the SDPUC May 14, 2025, Order on this point. We provide it for inclusion in the record and the Commission's consideration.

In our Initial Filing we noted the following about jurisdictional allocations:

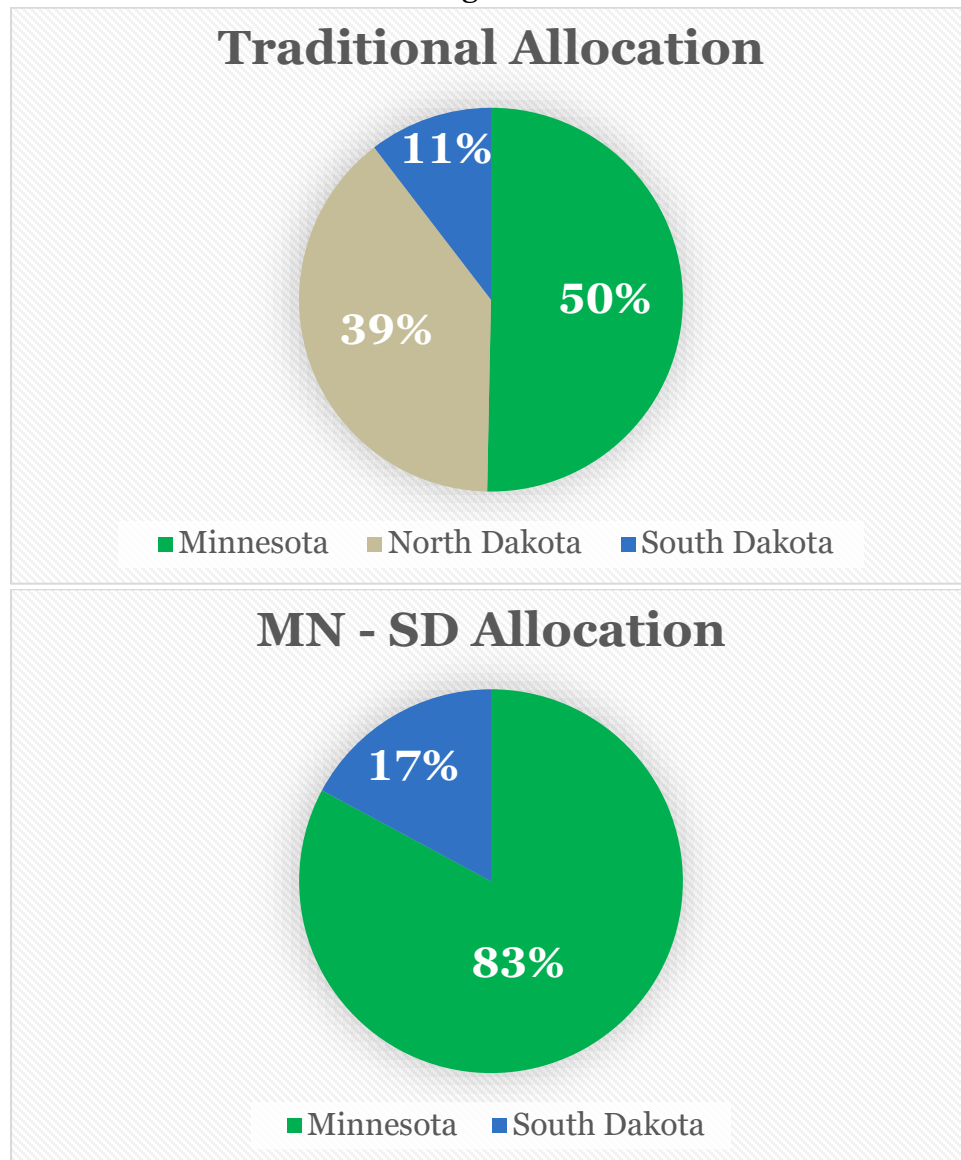
If the SD PUC approves recovery of the Projects, the costs and output of the Projects would be allocated between South Dakota and Minnesota as shared resources, with adjustments made over time. Current allocations would result in approximately 80 percent of the Projects' costs and output being allocated to Otter Tail Power's Minnesota customers and 20 percent to South Dakota customers.²

¹ Otter Tail Power Company Initial Filing, December 9, 2024, pp.11-12.

² Id. at p. 12.

The Minnesota jurisdictional allocation with South Dakota's participation in the Projects is currently projected to be 82.84 percent in 2026, which represents Minnesota's share of Otter Tail's Minnesota and South Dakota load with North Dakota removed from the calculation. The following pie charts show the difference between the total system allocation and the Minnesota / South Dakota only allocation. These numbers will vary in the future as our jurisdictional forecasts change.

Figure 1



With South Dakota's participation in the Projects, the Company provides the following updated table reflecting the Company's projected Carbon Free Standard (CFS) compliance based on the above-mentioned jurisdictional allocations:

Table 1

Standards Milestone Dates									
SES	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
RES	25%	25%	25%	25%	25%	25%	25%	25%	55.0%
CFS				80%	80%	80%	80%	80%	90%
	2027	2028	2029	2030	2031	2032	2033	2034	2035
SES	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
RES MN Renewable Generation (RG) Only	34%	47%	56%	85%	85%	86%	85%	85%	85%
CFS MN Renewable Generation (RG) Only	32%	45%	54%	84%	84%	84%	83%	83%	83%
CFS with RG and MISO North Region Market	50%	63%	72%	93%	92%	93%	92%	92%	98%

As Table 1 reflects, the Projects position Otter Tail Power to comply with CFS standard of 80 percent carbon free generation by 2030 without reliance on the acquisition of renewable energy credits (RECs). Moreover, the Projects put the Company on a firm path for compliance with the 90 percent standard in 2035 and 100 percent standard in 2040.

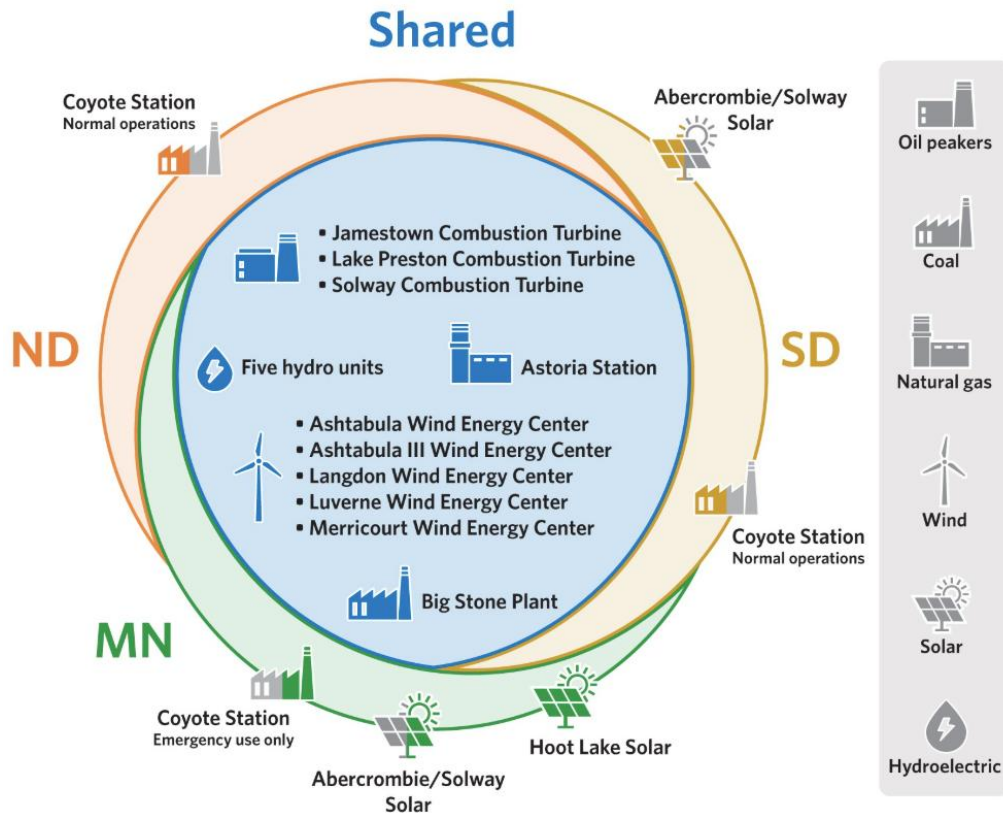
The foregoing approach is consistent with Otter Tail Power's efforts to maintain an integrated system approach for new generation resources whenever possible. This approach ensures that Minnesota and South Dakota customers will receive all the energy, capacity, and renewable energy credit benefits produced by the Projects. Otter Tail Power will flow energy market revenues fully back to Minnesota and South Dakota. North Dakota customers, who are not participating in the Projects, will not benefit from these projects on their fuel costs.³ Similarly, Minnesota and South Dakota will receive all capacity benefits through the receipt of Planning Resource Auction (PRA) revenue and capacity credit. Based on MISO accounting structures, Otter Tail Power is able to ensure that energy and capacity costs and revenue from the Abercrombie and Solway Projects are entirely diverted from North Dakota.

Specifically, Otter Tail will establish distinct accounting within MISO (referred to as an "Asset Owner") for these Minnesota-South Dakota shared resources. Asset Owners are not a separate legal entity, just an accounting tracking convention. Otter Tail will establish a new Asset Owner within MISO through which the Abercrombie and Solway Projects will be accounted for in MISO. For Minnesota-only generation such as Hoot Lake Solar, Otter Tail will establish a Minnesota-only asset owner to so those generation revenues and benefits flow directly to Minnesota as it has since that project was built.

The figure below depicts Otter Tail Power's resource mix with the addition of these Projects.

³ As previously noted in this docket, the North Dakota Public Service Commission's (NDPSC) December 4, 2025 Order in the Company's North Dakota IRP docket (Case No. PU-21-380) does not support the addition of new wind or solar generation through 2030, including projects sited in North Dakota.
<https://www.psc.nd.gov/database/documents/21-0380/032-010.pdf>

Figure 2



Finally, this supplemental filing will confirm our initial analysis concerning rate impacts on Minnesota customers which is a factor considered by the Commission under Minn. Stat. 216B.243 Subd. (5). In the Company's December 13, 2024, filing seeking an exemption from a Certificate of Need for the Solway Project we noted the following:

Overall ratepayer costs are reasonable in light of available alternatives. Exact impact to ratepayers will be dependent on factors outside of Otter Tail Power's control such as market energy prices, and fuel costs for alternative resources. Otter Tail Power is confident that the fuel cost savings attributed to Solway Solar will offset most if not all of the rate base increase caused by the project.

This remains our assessment. This is also our assessment of rate impacts for the Abercrombie Project. In fact, we currently assess that adding these Projects will save customers approximately 6.4 percent on their bills over the life of the project when comparing the revenue requirements of the projects with the projected energy market value. Given the uncertainty right now in future resource accreditation, capacity value was not considered in that calculation. Any capacity credit received and sold in the PRA would only increase the benefits for Minnesota rate payers. These assessments could be altered by material changes in federal law concerning production tax credits.

We have electronically filed this document with the Commission and copies have been served on all parties on the attached service list. A Certificate of Service is also enclosed.

Please contact me at 218-739-8956 or cstephenson@otpc.com if you have any questions regarding this filing.

Sincerely,

/s/ *CARY STEPHENSON*
Cary Stephenson
Associate General Counsel

vjm
Enclosures
By electronic filing
c: Service List

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF OTTER TAIL POWER
COMPANY'S PETITION FOR APPROVAL OF
RATE SCHEDULE, SECTION 13.09, PHASE-IN
RIDER

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ORDER APPROVING
PHASE-IN RIDER FACTORS

EL24-038

On December 20, 2024, the South Dakota Public Utilities Commission (Commission) received a Petition by Otter Tail Power Company (Otter Tail) for approval of its annual update to its Phase-in Rate Plan Rider. Otter Tail makes this filing pursuant to SDCL 49-34A-73 through 49-34A-78. In this filing, Otter Tail proposes to adjust the Phase-in Rate Plan Rider Rate to reflect the applicable rider revenue requirements for the next recovery period (September 2025 – August 2026). In addition to the previously approved projects and adjustments, Otter Tail requests approval to include two new solar facilities, Solway Solar and Abercrombie Solar. Otter Tail continues to propose a per meter rate structure for the advanced grid infrastructure projects and a percent of bill rate structure for all other projects and adjustments in this rider. Otter Tail states a typical residential electric customer using an average of 1,000 kWh per month will see a bill decrease of \$0.68 per month. A large general service customer using 486 kW and 222,350 kWh per month will see a bill decrease of \$81.40 per month. Otter Tail proposes an effective date of September 1, 2025.

On December 26, 2024, the Commission electronically transmitted notice of the filing and the intervention deadline of January 10, 2025, to interested persons and entities on the Commission's PUC Weekly Filings electronic listserv. No petitions to intervene or comments were filed. On May 5, 2025, Commission staff filed a memorandum. The tariff sheets effective for service rendered on September 1, 2025, and through August 31, 2026, are as follows:

South Dakota P.U.C. Volume II - Electric Rate Schedule

Section 13.09

Sixth Revised Sheet No. 1

Fourth Revised Sheet No. 2

Third Revised Sheet No. 3

Cancelling Fifth Revised Sheet No. 1

Cancelling Third Revised Sheet No. 2

Cancelling Second Revised Sheet No. 3

The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-34A, specifically 49-34A-4, 49-34A-6, 49-34A-8, 49-34A-10, 49-34A-12, and 49-34A-73 through 49-34A-78.

At its regularly scheduled meeting on May 8, 2025, the Commission considered this matter. Commission staff recommended the Commission approve the Per Meter revenue requirement of \$502,674 for the September 1, 2025, through August 31, 2026, plan year and revised per meter rate charges effective September 1, 2025. Staff deferred to the Commission on a decision regarding recovery of the Abercrombie Solar and Solway Solar projects, with the Percent of Bill revenue requirement and factor dependent upon that decision. Finding the request to be just and reasonable, the Commission voted unanimously to approve Otter Tail's request for revised phase-in rider rates as filed including the new solar facilities, Solway Solar and Abercrombie Solar. It is therefore

ORDERED, that the revenue requirement as provided in Otter Tail's Filing and resulting phase-in rider factor of 9.863 percent of base rates is hereby approved. It is further

ORDERED, that the revised phase-in rider per meter charges outlined in the above-referenced tariff sheets are hereby approved. It is further

ORDERED, that the above-referenced tariff sheets are hereby approved effective September 1, 2025.

Dated at Pierre, South Dakota, this 14th day of May 2025.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically or by mail.

By: Julie L. Fuert

Date: 05/14/2025

BY ORDER OF THE COMMISSION:

Gary Hanson
GARY HANSON, Chairman

Chi Nelson
CHRIS NELSON, Commissioner

Kristie Fiegen
KRISTIE FIEGEN, Commissioner

CERTIFICATE OF SERVICE

**RE: In the Matter of Otter Tail Power Company's Petition for Approval
of the Solway and Abercrombie Solar Projects
Docket No. E017/M-24-404**

I, Valerie Moxness, hereby certify that I have this day served a copy of the following, or a summary thereof, on Will Seuffert and Sharon Ferguson by e-filing, and to all other persons on the attached service list by electronic service or by First Class Mail.

**Otter Tail Power Company
Supplemental Filing**

Dated this **23rd** day of **May, 2025**.

/s/ VALERIE MOXNESS
Valerie Moxness
Regulatory Filing Coordinator
Otter Tail Power Company
215 South Cascade Street
Fergus Falls MN 56537
(218) 739-8346

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
1	Ray	Choquette	rchoquette@agp.com	Ag Processing Inc.		12700 West Dodge Road PO Box 2047 Omaha NE, 68103-2047 United States	Electronic Service		No	M-24-404
2	Generic	Commerce Attorneys	commerce.attorneys@ag.state.mn.us		Office of the Attorney General - Department of Commerce	445 Minnesota Street Suite 1400 St. Paul MN, 55101 United States	Electronic Service		Yes	M-24-404
3	Sharon	Ferguson	sharon.ferguson@state.mn.us		Department of Commerce	85 7th Place E Ste 280 Saint Paul MN, 55101-2198 United States	Electronic Service		No	M-24-404
4	Paula	Foster	pfoster@otpc.com	Otter Tail Power Company		215 S Cascade St PO Box 496 Fergus Falls MN, 56538-0496 United States	Electronic Service		Yes	M-24-404
5	Jessica	Fyhrie	jfyhrie@otpc.com	Otter Tail Power Company		PO Box 496 Fergus Falls MN, 56538-0496 United States	Electronic Service		No	M-24-404
6	Amber	Grenier	agrenier@otpc.com	Otter Tail Power Company		215 S. Cascade St. Fergus Falls MN, 56537 United States	Electronic Service		Yes	M-24-404
7	Derek	Haugen	dhaugen@otpc.com	Otter Tail Power Company		215 South Cascade Street PO Box 496 Fergus Falls MN, 56538-0496 United States	Electronic Service		Yes	M-24-404
8	Adam	Heinen	aheinen@dakotaelectric.com	Dakota Electric Association		4300 220th St W Farmington MN, 55024 United States	Electronic Service		No	M-24-404
9	Nick	Kaneski	nick.kaneski@enbridge.com	Enbridge Energy Company, Inc.		11 East Superior St Ste 125 Duluth MN, 55802 United States	Electronic Service		No	M-24-404
10	James D.	Larson	james.larson@avantenergy.com	Avant Energy Services		220 S 6th St Ste 1300 Minneapolis MN, 55402 United States	Electronic Service		No	M-24-404
11	Kavita	Maini	kmairi@wi.rr.com	KM Energy Consulting, LLC		961 N Lost Woods Rd Oconomowoc WI, 53066 United States	Electronic Service		No	M-24-404
12	Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP		33 South Sixth St Ste 4200 Minneapolis MN, 55402 United States	Electronic Service		No	M-24-404
13	Matthew	Olsen	molsen@otpc.com	Otter Tail Power Company		215 South Cascade Street Fergus Falls	Electronic Service		No	M-24-404

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
						MN, 56537 United States				
14	Generic Notice	Regulatory	regulatory_filing_coordinators@otpc.com	Otter Tail Power Company		215 S. Cascade Street Fergus Falls MN, 56537 United States	Electronic Service		No	M-24-404
15	Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	1400 BRM Tower 445 Minnesota St St. Paul MN, 55101-2131 United States	Electronic Service		Yes	M-24-404
16	Will	Seuffert	will.seuffert@state.mn.us		Public Utilities Commission	121 7th PI E Ste 350 Saint Paul MN, 55101 United States	Electronic Service		Yes	M-24-404
17	Cary	Stephenson	cstephenson@otpc.com	Otter Tail Power Company		215 South Cascade Street Fergus Falls MN, 56537 United States	Electronic Service		Yes	M-24-404
18	Stuart	Tommerdahl	stommerdahl@otpc.com	Otter Tail Power Company		215 S Cascade St PO Box 496 Fergus Falls MN, 56537 United States	Electronic Service		No	M-24-404