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January 27, 2014



Dr. Burl Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

**Re: In the Matter of Utility Renewable Energy Cost Impact Reports Required by Minnesota Statutes Section 216B.1691, Subd.2e.
Docket No. E999/CI-11-852
REPLY COMMENTS**

Dear Dr. Haar:

Enclosed for filing in the above-referenced matter are Otter Tail Power Company's ("Otter Tail's") Reply Comments.

Otter Tail has electronically filed this document with the Commission and is serving a copy on all persons on the official service list for this docket. A Certificate of Service is also enclosed.

Thank you for the opportunity to comment on the issue of renewable energy cost impact reporting. If you have any questions regarding this filing, please contact me at (218) 739-8417 or at bhdraxten@otpc.com.

Sincerely,

/s/ *BRIAN DRAXTEN*
Brian Draxten
Manager, Resource Planning

wao
Enclosures
By electronic filing
c: Service List

**STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION**

In the Matter of Utility Renewable Energy
Cost Impact Reports Required by Minnesota
Statutes Section 216B.1691, Subd.2e.

Docket No. E999/CI-11-852

**OTTER TAIL POWER COMPANY'S
REPLY COMMENTS**

Otter Tail Power Company ("Otter Tail") respectfully submits the following reply comments in the above-captioned matter.

Otter Tail is supportive of the four general guiding principles proposed by MPUC staff and Otter Tail is supportive of developing a uniform format for utilities to report their cost of meeting the Minnesota RES.

Otter Tail believes the long term cost of Otter Tail complying with the Minnesota Renewable Energy Standard ("RES") to be zero, since Otter Tail has to-date added its RES-compliant wind resources as part of its least-cost resource plan.

After reviewing other parties' Comments, Otter Tail offers the following comments that were not included in Otter Tail's initial comments:

- a) Several parties indicated that tracking the REO costs separately from RES costs was not necessary. Otter Tail agrees.
- b) Otter Tail believes that Xcel Energy's revised template is a good starting point for a usable form. Otter Tail recommends that any attempt to quantify indirect costs (ancillary services, baseload cycling costs, etc.) be carefully considered and should not be attempted where such costs cannot be specifically attributed to having REO/RES resources as part of the resource mix. The incurrence of such costs cannot, in most cases, be specifically attributed to one or more types of resources within the mix. They are incurred as a consequence of the resource mix as a whole. To attempt to quantify a specific portion of such costs as attributable to REO/RES resources

would not likely result in anything accurate and therefore such an effort would not lend itself to the guiding principal to foster transparency.

Dated: January 27, 2014

Respectfully submitted,

OTTER TAIL POWER COMPANY

By: /s/ BRIAN DRAXTEN

Brian Draxten

Manager, Resource Planning

Otter Tail Power Company

215 S. Cascade Street

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CERTIFICATE OF SERVICE

**RE: In the Matter of Utility Renewable Energy Cost Impact Reports Required by
Minnesota Statutes Section 216B.1691, Subd.2e.
Docket No. E999/CI-11-852**

I, Wendi A. Olson, hereby certify that I have this day served a copy of the following, or a summary thereof, on Dr. Burl W. Haar 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
Reply Comments**

Dated this **27th** day of **January 2014**.

/s/ WENDIA. OLSON

Wendi A. Olson
Regulatory Filing Coordinator
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215 South Cascade Street
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Minnesota Docket No. E999/CJ-11-852
Interested Party Service List

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