

215 South Cascade Street
PO Box 496
Fergus Falls, Minnesota 56538-0496
218 739-8200
www.otpc.com (web site)

August 29, 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 Otter Tail Power Company's 2014-2028 Resource Plan
Docket No. E017/RP-13-961
Supplemental Comments**

Dear Dr. Haar:

Otter Tail Power Company ("Otter Tail") respectfully submits these Supplemental Comments to the Minnesota Public Utilities Commission ("Commission") in the above-referenced docket.

Otter Tail has electronically filed this filing 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.

If you have any questions regarding this filing, please contact me at bhdraxten@otpc.com or (218) 739-8417.

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 Otter Tail Power
Company's 2014-2028 Integrated
Resource Plan

Docket No. E017/RP-13-961

**OTTER TAIL POWER COMPANY
SUPPLEMENTAL COMMENTS**

I. INTRODUCTION

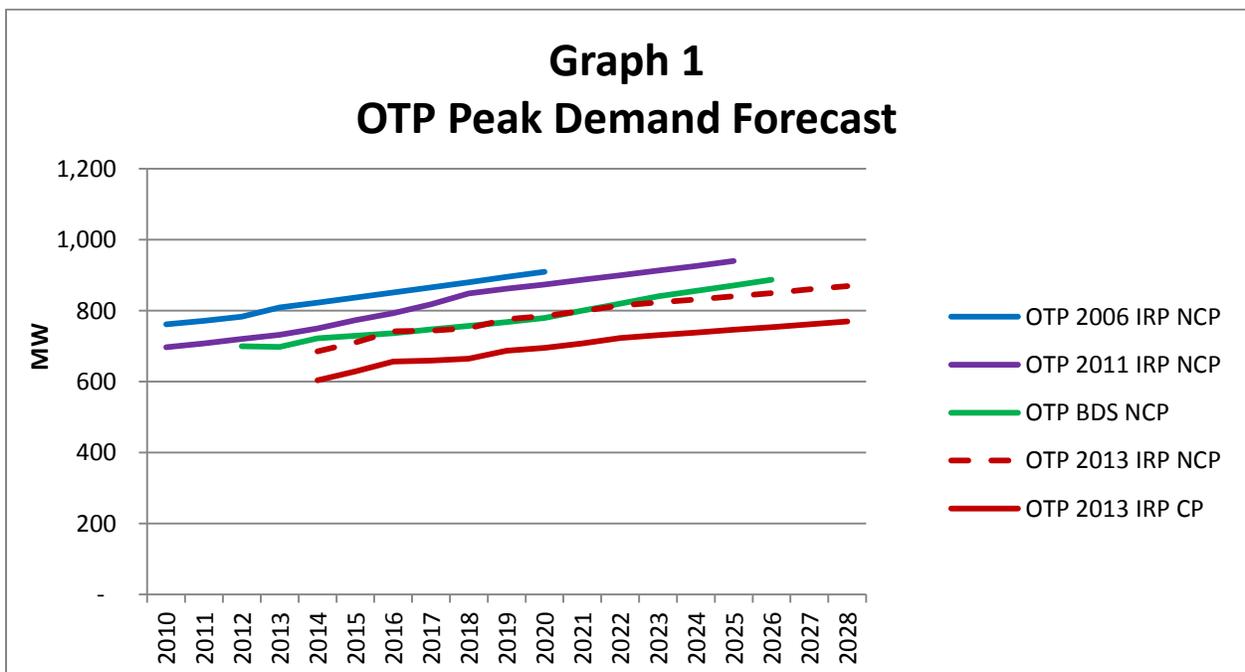
Otter Tail Power Company ("Otter Tail" or "Company") submits these Supplemental Comments in response to the Reply Comments of the Minnesota Center for Environmental Advocacy, *et al.* ("MCEA") and the Clarifying Responsive Comments of the Midcontinent Independent System Operator, Inc. ("MISO"), both filed in the above-captioned docket on August 1, 2014.

II. MCEA HAS MADE SIGNIFICANT ERRORS IN ITS ATTEMPTS TO COMPARE OTTER TAIL'S LOAD GROWTH PROJECTIONS.

Otter Tail explained in its Reply Comments errors that MCEA made in its Initial Comments, the results of which were a misleading comparison by MCEA of load growth projections. In its Reply Comments, MCEA made additional statements that further reflect its confusion on the clear data Otter Tail has presented that shows a consistency in its various load growth projections.

In its Reply Comments, MCEA claimed that "OTP's 2013 load growth projections are declining at a greater rate when reserve margin requirements are excluded." MCEA referenced informal discussions it had with the Company about the 2013 IRP peak demand forecast that was shown graphically in Figure 5 of MCEA's Initial Comments filed on May 2, 2014. MCEA claimed that the "2013 IRP peak demand included the reserve margin requirement but prior forecasts did not." That is not correct. The informal discussions referred only to transmission losses and not reserve margins.

The 2006, 2011, and BDS forecasts shown in Figure 5 of MCEA’s Initial Comments included transmission losses and excluded the reserve margin requirement. The 2013 forecast did not include transmission losses or the reserve margin requirement. However, the 2013 IRP peak demand forecast shown in Figure 5 was the Company’s coincident peak (CP) demand forecast while the other forecasts were the Company’s non-coincident peak (NCP) demand forecast. Graph 1 below shows MCEA’s Figure 5 with all forecasts representing the NCP demand forecasts with transmission losses included and reserve margin requirements excluded. The dashed red line is the Company’s 2013 IRP NCP demand forecast (with transmission losses and without the reserve margin requirement) and the solid red line is the 2013 IRP CP demand forecast (without transmission losses and reserve margin requirement as represented by MCEA).



In its Initial Comments MCEA claimed that “OTP’s 2013 IRP is undermined by an unreliable load forecast” and that “Over the last several resource planning related proceedings, OTP has continued to temper expectations for its load and energy demand growth and to reduce the starting point of its load forecasts....”

The Company disagrees with MCEA on their claim. The Company addressed this issue in their Reply Comments filed on August 1, 2014 as it relates to the energy forecasts shown on Figure 6 of MCEA’s Initial Comments. Here again, as it relates to the Company’s peak demand forecast, the Company asserts that it has not “tempered expectation for its load and energy

demand growth” as claimed by MCEA. Rather, it was MCEA using data on a different basis from different forecasts that cause their comparisons to be invalid.

Because Otter Tail has not overestimated prior forecasts and because its forecast models will implicitly project changes in building codes, the Company should not have to make additional duplicative adjustments to its forecasts as recommended by MCEA.

III. GREENHOUSE GAS EMISSION GOAL

MCEA states in its Reply Comments that Otter Tail has not demonstrated compliance with Minnesota’s greenhouse gases (“GHG”) reduction goals. That is not correct. Otter Tail Power Company has reduced its output of GHG significantly in recent years and it has plans that will reduce such emissions even more significantly in the future. Notably, Otter Tail has added almost 300 MW of wind which totals about 19 percent of its retail sales, and the Company is planning to shut down its coal-fired Hoot Lake Plant at the end of 2020. These actions demonstrate that Otter Tail is taking reasonable and meaningful steps toward the GHG reduction goal that are consistent with the intent of the GHG legislation.

IV. SHOULD OTTER TAIL ADD RESOURCES IN EXCESS OF THOSE REQUIRED TO MEET THE MIDCONTINENT INDEPENDENT SYSTEM OPERATOR, INC. (“MISO”) RESOURCE ADEQUACY?

MISO’s Clarifying Responsive Comments support Otter Tail’s use of the CP methodology to determine its resource requirements.

MISO stated that it uses “the industry recognized and NERC-defined Loss of Load Expectation (“LOLE”)”, that “this standard is the most commonly used resource adequacy standard in the industry for decades” and that it reviews the LOLE analysis annually.

MISO has always used the CP method to determine Planning Reserve Margins (“PRM”) to create a system that is both equitable and efficient and that this method has not recently changed. MISO provided an example for Load Serving Entities (“LSE”) to follow when calculating their MISO CP demand forecasts and MISO confirmed that Otter Tail used the MISO-provided methodology. MISO also conducts a review of load forecasts submitted by LSE’s each year.

MISO also indicates that individual states may set their own planning reserve margin standards. While the Company does not dispute this statement, the record in this proceeding would not support a different reserve margin for Otter Tail. As Otter Tail explained in its Reply Comments, and as the MISO Comments confirm, there would be substantial additional cost to Otter Tail's customers if the diversity benefits inherent in the MISO resource adequacy construct were ignored, and there would be no reliability benefit for doing so. For these reasons Otter Tail's resource adequacy requirements should be set as described in Otter Tail's Resource Plan.

V. CONCLUSION

Otter Tail appreciates the opportunity to submit additional comments in this resource planning proceeding.

Otter Tail Power Company has submitted a Resource Plan that maintains adequate and reliable electric service while keeping customer's electric rates as low as possible. Otter Tail's plan also minimizes both the socioeconomic and environmental impacts while at the same time maintains flexibility to respond to changing financial, social and technological factors. Otter Tail requests approval of its Resource Plan as proposed in its August 1, 2014, Reply Comments.

Dated: August 29, 2014

Respectfully submitted,

OTTER TAIL POWER COMPANY

By: /s/ BRIAN DRAXTEN
Brian Draxten
Manager, Resource Planning
Otter Tail Power Company
215 S. Cascade Street
Fergus Falls, MN 56537
(218) 739-8417
bhdraxten@otpc.com

CERTIFICATE OF SERVICE

**RE: In the Matter of Otter Tail Power Company's 2014-2028 Integrated Resource Plan
Docket No. E017/RP-13-961**

I, Wendi A. Olson, hereby certify that I have this day served a copy of the following 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
Supplemental Comments**

Dated this **29th** day of **August 2014**.

/s/ WENDIA. OLSON _____

Wendi A. Olson

Regulatory Filing Coordinator

Otter Tail Power Company

215 South Cascade Street

Fergus Falls MN 56537

(218) 739-8699

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022191	Electronic Service	No	OFF_SL_13-961_Official
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	No	OFF_SL_13-961_Official
William A.	Blazar	bblazar@mnchamber.com	Minnesota Chamber Of Commerce	Suite 1500 400 Robert Street North St. Paul, MN 55101	Electronic Service	No	OFF_SL_13-961_Official
Michael	Bradley	mike.bradley@lawmoss.com	Moss & Barnett	Suite 4800 90 S 7th St Minneapolis, MN 55402-4129	Electronic Service	No	OFF_SL_13-961_Official
Mark B.	Bring	mbring@otpc.com	Otter Tail Power Company	215 South Cascade Street PO Box 496 Fergus Falls, MN 565380496	Electronic Service	No	OFF_SL_13-961_Official
Christina	Brusven	cbrusven@fredlaw.com	Fredrikson & Byron, P.A.	200 S 6th St Ste 4000 Minneapolis, MN 554021425	Electronic Service	No	OFF_SL_13-961_Official
Tammie	Carino	tcarino@GREnergy.com	Great River Energy	12300 Elm Creek Blvd. Maple Grove, MN 55369-4718	Electronic Service	No	OFF_SL_13-961_Official
Gary	Chesnut	gchesnut@agp.com	AG Processing Inc. a cooperative	12700 West Dodge Road PO Box 2047 Omaha, NE 681032047	Electronic Service	No	OFF_SL_13-961_Official
Katie	Clark Sieben	katie.clark.sieben@state.mn.us	DEED	332 Minnesota St, #E200 1st National Bank Bldg Saint Paul, MN 55101	Electronic Service	No	OFF_SL_13-961_Official
Spencer	Cronk	spencer.cronk@state.mn.us	Department of Administration	200 Administration Bldg 50 Sherburne Avenue St. Paul, Minnesota 55155	Electronic Service	No	OFF_SL_13-961_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Leigh	Currie	lcurrie@mncenter.org	Minnesota Center for Environmental Advocacy	26 E. Exchange St., Suite 206 St. Paul, Minnesota 55101	Electronic Service	No	OFF_SL_13-961_Official
Ian	Dobson	ian.dobson@ag.state.mn.us	Office of the Attorney General-RUD	Antitrust and Utilities Division 445 Minnesota Street, 1400 BRM Tower St. Paul, MN 55101	Electronic Service	No	OFF_SL_13-961_Official
Brian	Draxten	bhdraxten@otpc.com	Otter Tail Power Company	P.O. Box 496 215 South Cascade Street Fergus Falls, MN 565380498	Electronic Service	No	OFF_SL_13-961_Official
Kristin W	Duncanson	kristin@duncansongrowers.com		57746 Highway 30 Mapleton, MN 56065	Electronic Service	No	OFF_SL_13-961_Official
Ed	Ehlinger	Ed.Ehlinger@state.mn.us	Minnesota Department of Health	P.O. Box 64975 St. Paul, MN 55164-0975	Electronic Service	No	OFF_SL_13-961_Official
James C.	Erickson	jericksonkbc@gmail.com	Kelly Bay Consulting	17 Quechee St Superior, WI 54880-4421	Electronic Service	No	OFF_SL_13-961_Official
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_13-961_Official
Dave	Frederickson	Dave.Frederickson@state.mn.us	MN Department of Agriculture	625 North Robert Street St. Paul, MN 551552538	Electronic Service	No	OFF_SL_13-961_Official
Edward	Garvey	garveyed@aol.com	Residence	32 Lawton St Saint Paul, MN 55102	Paper Service	No	OFF_SL_13-961_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Benjamin	Gerber	bgerber@mnchamber.com	Minnesota Chamber of Commerce	400 Robert Street North Suite 1500 St. Paul, Minnesota 55101	Electronic Service	No	OFF_SL_13-961_Official
Bruce	Gerhardson	bgerhardson@otpc.com	Otter Tail Power Company	PO Box 496 215 S Cascade St Fergus Falls, MN 565380496	Electronic Service	No	OFF_SL_13-961_Official
Julie	Goehring	N/A		708 70 Ave. NW Moorhead, MN 56560	Paper Service	No	OFF_SL_13-961_Official
Elizabeth	Goodpaster	bgoodpaster@mncenter.org	MN Center for Environmental Advocacy	Suite 206 26 East Exchange Street St. Paul, MN 551011667	Electronic Service	No	OFF_SL_13-961_Official
Burl W.	Haar	burl.haar@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551012147	Electronic Service	No	OFF_SL_13-961_Official
Annete	Henkel	mui@mutilityinvestors.org	Minnesota Utility Investors	413 Wacouta Street #230 St. Paul, MN 55101	Electronic Service	No	OFF_SL_13-961_Official
Shane	Henriksen	shane.henriksen@enbridge.com	Enbridge Energy Company, Inc.	1409 Hammond Ave FL 2 Superior, WI 54880	Electronic Service	No	OFF_SL_13-961_Official
Paula	Johnson	paulajohnson@alliantenergy.com	Alliant Energy-Interstate Power and Light Company	P.O. Box 351 200 First Street, SE Cedar Rapids, IA 524060351	Electronic Service	No	OFF_SL_13-961_Official
Richard	Johnson	Rick.Johnson@lawmoss.com	Moss & Barnett	90 South 7th Street Suite #4800 Minneapolis, MN 554024129	Electronic Service	No	OFF_SL_13-961_Official
Kate	Knuth	kate.knuth@gmail.com		2347 14th Terrace NW New Brighton, MN 55112	Electronic Service	No	OFF_SL_13-961_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Randy	Kramer	rikramer89@gmail.com	Water and Soil Resources Board	42808 Co. Rd. 11 Bird Island, MN 55310	Electronic Service	No	OFF_SL_13-961_Official
Michael	Krikava	mkrikava@briggs.com	Briggs And Morgan, P.A.	2200 IDS Center 80 S 8th St Minneapolis, MN 55402	Electronic Service	No	OFF_SL_13-961_Official
Thomas	Landwehr	tom.landwehr@state.mn.us	Department of Natural Resources	Box 37, 500 Lafayette Rd St. Paul, Minnesota 55155	Electronic Service	No	OFF_SL_13-961_Official
James D.	Larson	james.larson@avantenergy.com	Avant Energy Services	220 S 6th St Ste 1300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_13-961_Official
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	OFF_SL_13-961_Official
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	No	OFF_SL_13-961_Official
Kavita	Maini	kmairi@wi.rr.com	KM Energy Consulting LLC	961 N Lost Woods Rd Oconomowoc, WI 53066	Electronic Service	No	OFF_SL_13-961_Official
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	OFF_SL_13-961_Official
Tom	Micheletti	tommicheletti@excelsiorenergy.com	Excelsior Energy Inc.	225 S 6th St Ste 2560 Minneapolis, MN 55402-4638	Electronic Service	No	OFF_SL_13-961_Official
Andrew	Moratzka	apmoratzka@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_13-961_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Brian	Napstad	bnapstad@yahoo.com	Board of Water and Soil Resources	51227 Long Point Place McGregor, MN 55780	Paper Service	No	OFF_SL_13-961_Official
Darrell	Nitschke	dnitschk@nd.gov	North Dakota Public Service Commission	600 E. Boulevard Avenue State Capital, 12th Floor, Dept 408 Bismarck, ND 585050480	Electronic Service	No	OFF_SL_13-961_Official
Bob	Patton	bob.patton@state.mn.us	MN Department of Agriculture	625 Robert St N Saint Paul, MN 55155-2538	Electronic Service	No	OFF_SL_13-961_Official
Marcia	Podratz	mpodratz@mnpower.com	Minnesota Power	30 W Superior S Duluth, MN 55802	Electronic Service	No	OFF_SL_13-961_Official
Mike	Rothman	mike.rothman@state.mn.us	Department of Commerce	85 7th Pl E Ste 500 Saint Paul, MN 55105	Electronic Service	No	OFF_SL_13-961_Official
Brian	Rounds	brian.rounds@state.sd.us	South Dakota Public Utilities Commission	500 E Capitol Ave. Pierre, SD 57501	Electronic Service	No	OFF_SL_13-961_Official
Richard	Savelkoul	rsavelkoul@martinsquires.com	Martin & Squires, P.A.	332 Minnesota Street Ste W2750 St. Paul, MN 55101	Electronic Service	No	OFF_SL_13-961_Official
John	Saxhaug	john_saxhaug@yahoo.com		3940 Harriet Ave Minneapolis, MN 55409	Electronic Service	No	OFF_SL_13-961_Official
Larry L.	Schedin	Larry@LLSResources.com	LLS Resources, LLC	12 S 6th St Ste 1137 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_13-961_Official
Matthew J.	Schuerger P.E.	mjsreg@earthlink.net	Energy Systems Consulting Services, LLC	PO Box 16129 St. Paul, MN 55116	Electronic Service	No	OFF_SL_13-961_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Robert H.	Schulte	rhs@schulteassociates.com	Schulte Associates LLC	1742 Patriot Rd Northfield, MN 55057	Electronic Service	No	OFF_SL_13-961_Official
Mrg	Simon	mrgsimon@mrenergy.com	Missouri River Energy Services	3724 W. Avera Drive P.O. Box 88920 Sioux Falls, SD 571098920	Electronic Service	No	OFF_SL_13-961_Official
John Linc	Stine	john.stine@state.mn.us	MN Pollution Control Agency	520 Lafayette Rd Saint Paul, MN 55155	Electronic Service	No	OFF_SL_13-961_Official
SaGonna	Thompson	Regulatory.Records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_13-961_Official
Erik J	Tomlinson	erik@sourcewater-solutions.com	SourceWater Solutions	500 Robert St N Unit 508 Saint Paul, MN 55101-4455	Electronic Service	No	OFF_SL_13-961_Official
Pat	Treseler	pat.jcplaw@comcast.net	Paulson Law Office LTD	Suite 325 7301 Ohms Lane Edina, MN 55439	Electronic Service	No	OFF_SL_13-961_Official
Patricia	Van Gerpen	patty.vangerpen@state.sd.us	South Dakota Public Utilities Commission	State Capitol Building 500 E Capitol Ave Pierre, SD 57501-5070	Electronic Service	No	OFF_SL_13-961_Official
Charles	Zelle	charlie.zelle@state.mn.us	Department of Transportation	MN Dept of Transportation 395 John Ireland Blvd St. Paul, MN 55155	Electronic Service	No	OFF_SL_13-961_Official