

**BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**  
121 7th Place East, Suite 350  
St. Paul, MN 55101-2147

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In the Matter of Otter Tail Power Company's  
Petition for Approval of the Customer  
Eligibility, Updated Baseline and Annual  
Update to its Energy-Intensive, Trade-  
Exposed Rider Surcharge Rate

PUC Docket No. E-017/M-21-99

**COMMENT**

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An *ad hoc* consortium of large industrial end users of electric energy that meet the definition of energy-intensive trade-exposed ("EITE") customers under section 216B.1696 of the Minnesota Statutes (the "EITE Statute"), consisting of forest products companies Cass Forest Products; Norbord Minnesota, LLC; and PotlatchDeltic Land & Lumber, LLC (collectively, "OTP-EITE"), submit this comment (the "Comment") in support of Otter Tail Power Company's ("Otter Tail Power") Petition for Approval of the Customer Eligibility, Updated Baseline and Annual Update to its Energy-Intensive, Trade-Exposed Rider Surcharge Rate, dated February 1, 2021 (the "Petition").

**I. INTRODUCTION**

OTP-EITE is grateful to Otter Tail Power for bringing the Petition to extend the EITE rate for another four-year term. Now is a crucial time for OTP-EITE members and the state, as stakeholders continue to grapple with the lasting economic impacts of the COVID-19 pandemic. Approval of Otter Tail Power's Petition, renewing the EITE rate, will allow OTP-EITE members to continue their positive impact on the local economy, a net benefit to the state. As such, OTP-EITE respectfully requests that the Minnesota Public Utilities Commission ("Commission") approve Otter Tail Power's Petition.

Similar to the previous OTP-EITE proceeding, OTP-EITE is submitting this Comment, an expert report and testimony, as well as the attached affidavits in conjunction with and in support of the Petition. As explained in detail below, OTP-EITE firmly believes that the proposed continuation of the per-kWh 20% discount to OTP-EITE members appropriately reflects the state's energy policy and results in a net benefit to both Otter Tail Power and the state. OTP-EITE looks

forward to engaging with other stakeholders and reserves the right to supplement this Comment with additional information as appropriate.

## II. BACKGROUND

### A. **The Commission's Prior Approval of Otter Tail Power's EITE Rate**

The EITE Statute, enacted during the 2015 legislative session, sets forth a clear energy policy directive for the Commission to implement upon a utility's request: namely, competitive electric rate alternatives for EITE customers. Otter Tail Power submitted the 2017 Petition<sup>1</sup> pursuant to this policy directive, as well as the other terms and conditions set forth in the EITE Statute and after careful consideration of the Commission's guidance in its December 21, 2016 Order denying Otter Tail Power's first EITE petition without prejudice.<sup>2</sup>

The Commission found that the 2017 Petition "made the necessary showing of a net benefit to the utility [and t]herefore as required by [the EITE Statute] the Commission will approve Otter Tail's EITE rate schedule and corresponding rate."<sup>3</sup> In so doing, the Commission also credited OTP-EITE's contributions to the record, demonstrating that "the Minnesota forest-products industry faces intense competition from both domestic and foreign mills. Electricity represents a significant portion of the EITE Customers' costs, and their electric rates are higher than many of their peers' ... [and] a 20 percent electric discount has a reasonable likelihood of helping the mills stay open."<sup>4</sup> As OTP-EITE demonstrates below, these same considerations hold true today.

### B. **Context Surrounding Otter Tail Power's 2021 Petition**

As the Commission and stakeholders are aware, Otter Tail Power's 2021 Petition comes at a time when the world is utterly different from that which existed in 2017. The COVID-19 pandemic continues to have a profound impact on the United States, infecting over 25.9 million

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<sup>1</sup> *In the Matter of the Petition by Otter Tail Power Company for Approval of an Energy-Intensive, Trade-Exposed Customer Rate*, MPUC Docket No. E-017/M-17-257, Petition (Apr. 3, 2017) (the "2017 Petition").

<sup>2</sup> *In the Matter of a Petition by Otter Tail Power for a Competitive Rate for Energy-Intensive Trade-Exposed (EITE) Customers and an EITE Cost-Recovery Rider*, Docket No. E-017/M-16-533, Order Denying Petition Without Prejudice (Dec. 21, 2016) ("First OTP-EITE Order").

<sup>3</sup> *In the Matter of the Petition by Otter Tail Power Company for Approval of an Energy-Intensive, Trade-Exposed Customer Rate*, MPUC Docket No. E-017/M-17-257 Order Approving EITE Rate and Establishing Cost-Recovery Proceeding at 9 (Nov. 17, 2017) (the "Second OTP-EITE Order").

<sup>4</sup> *Id.*

people and resulting in approximately 438,000 deaths.<sup>5</sup> In Minnesota, there have been approximately 460,000 cases and over 8,000 fatalities.<sup>6</sup> At the outset of the pandemic, Governor Walz declared a Peacetime Emergency on March 13, 2020,<sup>7</sup> and, due to the continued dangers of COVID-19 and after multiple extension orders, the Peacetime Emergency remains effective through at least February 12, 2021.<sup>8</sup> As part of the Peacetime Emergency, Governor Walz designated certain “Critical Sectors” that were exempt from the initial stay-at-home requirements.<sup>9</sup> In making this determination, the U.S. Department of Homeland Security guidance attached to the Order recognized that “functioning critical infrastructure is imperative during the response to the COVID-19 emergency for both public health and safety as well as community well-being. Certain critical infrastructure industries have a special responsibility in these times to continue operations.”<sup>10</sup> The U.S. Department of Homeland Security guidance goes on to specifically identify “workers who support the manufacture and distribution of forest products, including, but not limited to timber, paper, and other wood products” as part of the list of critical sectors and workers.<sup>11</sup> To be sure, this includes OTP-EITE members.<sup>12</sup>

The Commission also responded to the COVID-19 outbreak, and it has taken steps to provide certain ratepayer and utility protections from the pandemic. For example, in MPUC Docket No. E, G-999/CI-20-375, the Commission implemented specific protections for residential ratepayers, requiring utilities to suspend disconnections and negative reporting to credit agencies during the Peacetime Emergency.<sup>13</sup> Similarly, the Commission granted a petition filed by Minnesota utilities allowing them to track and defer costs and revenues incurred as a result of the COVID-19 pandemic and record them into a regulatory asset for potential recovery at a later date.<sup>14</sup>

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<sup>5</sup> CDC COVID Data Tracker, [https://covid.cdc.gov/covid-data-tracker/#cases\\_casesper100klast7days](https://covid.cdc.gov/covid-data-tracker/#cases_casesper100klast7days) (last visited Feb. 1, 2021).

<sup>6</sup> *Id.*

<sup>7</sup> Governor Tim Walz Emergency Executive Order no. 20-01 (Mar. 13, 2020).

<sup>8</sup> Governor Tim Walz Emergency Executive Order no. 21-04 (Jan. 13, 2021).

<sup>9</sup> Governor Tim Walz Emergency Executive Order no. 20-20 (Mar. 25, 2020).

<sup>10</sup> *Id.* at CISA Guidance.

<sup>11</sup> *Id.*

<sup>12</sup> *See, e.g., The Affidavit of Wade Semeliss*, at ¶ 3 (“PotlatchDeltic Affidavit”); *The Affidavit of Cameron Lewis*, at ¶ 3 (“Norbord Affidavit”).

<sup>13</sup> *In the Matter of an Inquiry into Actions by Electric and Natural Gas Utilities in Light of the COVID-19 Pandemic Emergency*, MPUC Docket No. E, G-999/CI-20-375, Order Establishing Peacetime Emergency Requirements and Modifying Reporting Requirements at 7 (Aug. 13, 2020).

<sup>14</sup> *In the Matter of the Petition of Minnesota Rate Regulated Electric and Gas Utilities for Authorization to Track Expenses Resulting from the Effects of the COVID-19 [Pandemic] and Record and Defer Such Expenses into a*

In addition to ratepayer and utility protections, the Commission is also actively encouraging economic development. In response to a memorandum submitted by Commissioner Joseph K. Sullivan, the Commission opened a docket requesting proposals from utilities that would assist in Minnesota's economic recovery from the COVID-19 pandemic by accelerating specific utility investments.<sup>15</sup> The Commission's actions reflect its commitment to the "continuation of ... essential services" during the COVID-19 pandemic, and a reliance on critical sectors to support the state economy.<sup>16</sup>

OTP-EITE understands and appreciates the complex regulatory challenges caused by the COVID-19 pandemic. OTP-EITE, however, respectfully asserts that its members, each performing an essential service, also provide significant benefits to the state and the local economies worthy of the Commission's recognition. As demonstrated below, OTP-EITE members take their special responsibility to Minnesota seriously and provide tangible benefits to the communities in which they operate as well as the state. As such, OTP-EITE urges the Commission to grant Otter Tail Power's Petition, to maximize the continuation of OTP-EITE members' positive impact on Minnesota.

### **III. ANALYSIS**

The EITE Statute is unambiguous in its direction and straightforward in its implementation. The legislature clearly stated that "[i]t is the *energy policy of the state of Minnesota to ensure competitive electric rates* for energy-intensive trade-exposed customers."<sup>17</sup> To achieve this objective, the legislature authorized certain investor-owned electric utilities (those with between 50,000 and 200,000 retail customers) to propose various EITE rate options, provided the utility proposing such an option also deposits \$10,000 into an account devoted to funding a low-income program.<sup>18</sup> The term "EITE rate" is defined as "the rate or rates offered by the investor-owned

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*Regulatory Asset*, MPUC Docket No. E, G-999/M-20-427, Order Approving Accounting Request and Taking Other Action Related to COVID-19 Pandemic at 4, 6 (May 22, 2020).

<sup>15</sup> See generally *In the Matter of an Inquiry into Utility Investments that May Assist in Minnesota's Economic Recovery from the COVID-19 Pandemic*, MPUC Docket No. E, G-999/CI-20-492.

<sup>16</sup> *In the Matter of the Petition of Minnesota Rate Regulated Electric and Gas Utilities for Authorization to Track Expenses Resulting from the Effects of the COVID-19 [Pandemic] and Record and Defer Such Expenses into a Regulatory Asset*, MPUC Docket No. E, G-999/M-20-427, Order Approving Accounting Request and Taking Other Action Related to COVID-19 Pandemic at 4, 6 (May 22, 2020).

<sup>17</sup> Minn. Stat. § 216B.1696, subd. 2(a) (emphasis added).

<sup>18</sup> *Id.*, subd. 2-3.

electric utility under an EITE rate schedule.”<sup>19</sup> The term “EITE rate schedule” is defined as “a rate schedule under which an investor-owned electric utility may set terms of service to an individual or group of energy-intensive trade-exposed customers.”<sup>20</sup> If an EITE rate schedule and corresponding EITE rate are proposed by an eligible utility, the Commission is bound to approve the proposal, provided the Commission finds a “net benefit to the utility *or* the state.”<sup>21</sup> As the Commission stated in the Second OTP-EITE Order, “the relevant standard [for the determination of a net benefit to the state or utility] is whether the identified net benefit is reasonably likely to occur, not whether it is certain.”<sup>22</sup> OTP-EITE respectfully asserts that the evidence contained in Otter Tail Power’s Petition, this Comment, and the attached supporting affidavits and expert report more than satisfy the Commission’s net-benefit test.

**A. Commission Approval of the EITE Rate Schedule and Corresponding EITE Rate Continue to Result in a Net Benefit to Otter Tail Power and the State**

Mark Rasmussen, a forest economist with Mason, Bruce & Girard, Inc., has prepared testimony and a report attached to this Comment detailing the net benefits to the state of the EITE rate offered in the Petition. And representatives from the Minnesota Forest Industries, Timber Producers Association, and OTP-EITE are submitting sworn affidavits attached to this Comment describing their continuing contributions to the prosperity of northwest Minnesota and the state as a whole. These affidavits also demonstrate that OTP-EITE members continue to face difficult challenges due to heavy competition, making reasonable electric rates vital to OTP-EITE members remaining viable. When the significant benefits of the EITE rate are netted against the relatively low costs of the proposal in the Petition, the evidence is undoubtedly sufficient to prove that the proposal to continue the EITE rate will result in a net benefit to Otter Tail Power and the state. These benefits come not in the form of increased production or economic development, but rather in retaining the existing economic benefits and jobs these EITE customers provide. This is consistent with the legislature’s intent for the EITE legislation. As was implied in the House Job Growth and Energy Affordability Policy and Finance Committee hearing on the bill, the legislature

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<sup>19</sup> *Id.*, subd. 1(e).

<sup>20</sup> *Id.*, subd. 1(d).

<sup>21</sup> *Id.*, subd. 2(b) (emphasis added).

<sup>22</sup> The Second OTP-EITE Order at 9.

passed the EITE legislation as a job retention measure.<sup>23</sup> It was not considered an economic development bill, because the legislature recognized the need for protecting existing jobs in northern Minnesota.

**1. OTP-EITE Operations Remain a Significant Component of the Regional and State Economy**

OTP-EITE members are important to the northwestern Minnesota and statewide economy, as demonstrated in the member affidavits attached to this Comment. The affidavit of Michael Birkeland confirms that Minnesota’s forest products manufacturing industry is valued at \$9.9 billion and employs over 29,000 people.<sup>24</sup> More specifically, OTP-EITE members employ or indirectly support the employment of roughly 930 individuals, with a total payroll in excess of \$26 million.<sup>25</sup> Furthermore, OTP-EITE members pay around \$4 million a year in taxes and contribute a total of \$430,000 to the surrounding community, as well as non-monetary contributions such as membership on community boards and volunteering.<sup>26</sup> To be sure, this commitment has remained strong during the COVID-19 pandemic.<sup>27</sup> OTP-EITE members are also dedicated to sustainable forest management practices through participation in the Sustainable Forestry Initiative and forest cleanup efforts.<sup>28</sup> Minnesota’s forest industry is also a clean energy producer, converting more than 750,000 tons of wood waste into electricity each year.<sup>29</sup> In fact, 47% of the industry’s total electricity consumption is met through self-generated biomass or hydroelectric facilities.<sup>30</sup> OTP-EITE members also source their wood from a variety of publicly and privately owned lands, which provides important revenue streams for state, county, and private landowners.<sup>31</sup> And by providing a market for Minnesota’s timber, OTP-EITE members benefit Minnesota’s forests.<sup>32</sup> For example,

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<sup>23</sup> Minn. House of Representatives, House Job Growth and Energy Affordability Policy and Finance Committee hearing (Mar. 16, 2015), [http://www.house.leg.state.mn.us/cmte/archiveAV/cmtearchives.aspx?comm=89016&ls\\_year=89](http://www.house.leg.state.mn.us/cmte/archiveAV/cmtearchives.aspx?comm=89016&ls_year=89).

<sup>24</sup> *The Affidavit of Michael Birkeland* at ¶ 7 (“MFI/TPA Affidavit”).

<sup>25</sup> *Id.* at ¶ 12.

<sup>26</sup> *Id.*; see also *PotlatchDeltic Affidavit* at ¶¶ 5, 10; *The Affidavit of David Goetz* at ¶¶ 4, 6 (“Cass Forest Products Affidavit”); *Norbord Affidavit* at ¶ 8.

<sup>27</sup> See, e.g., *Norbord Affidavit* at ¶ 3 (stating that the mill worked to help secure personal protective equipment (or “PPE”) and hand sanitizer for its employees, their families, and local charities).

<sup>28</sup> See *Norbord Affidavit* at ¶ 9; *PotlatchDeltic Affidavit* at ¶ 10.

<sup>29</sup> *MFI/TPA Affidavit* at ¶ 8.

<sup>30</sup> *Id.*

<sup>31</sup> Expert Report of Mark Rasmussen & Tom Baribault, “Net Impact of the Proposed EITE Rate for Minnesota Wood Products Manufacturers” at 13-20 (Feb. 1, 2021) (the “*Rasmussen Report*”).

<sup>32</sup> *PotlatchDeltic Affidavit* at ¶¶ 7-9.

“Minnesota wood products manufacturers in general, and OTP-EITE in particular, have played an important role in salvage operations after wildfire and blowdown events.”<sup>33</sup> Thus, OTP-EITE members are integral to communities in northwest Minnesota and provide significant benefits to the state as a whole.

**2. Otter Tail Power’s Proposed Renewal of the EITE Rate Would Maintain the Competitiveness of OTP-EITE Rates**

OTP-EITE members’ affidavits illustrate the competitive challenges they face even under the existing EITE rate. For example, PotlatchDeltic’s affidavit describes a competitiveness study in which it participated, showing that it ranked [TRADE SECRET DATA BEGINS... ██████████ ...TRADE SECRET DATA ENDS] out of 9 mills in terms of electric rates.<sup>34</sup> Likewise, Norbord’s existing electric-energy rate puts it at merely [TRADE SECRET DATA BEGINS... ██████████ ...TRADE SECRET DATA ENDS] the average electric-energy rate paid by its other North American facilities.<sup>35</sup> A graphical comparison of Norbord’s Minnesota facilities with its other North American facilities is as follows in Table 1:<sup>36</sup>

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<sup>33</sup> *Rasmussen Report* at 19.  
<sup>34</sup> *Potlatch Affidavit* at ¶ 14.  
<sup>35</sup> *Norbord Affidavit* at ¶ 11.  
<sup>36</sup> *Id.*

**[TRADE SECRET DATA BEGINS...**



**...TRADE SECRET DATA ENDS]**

Fortunately and as demonstrated above, Otter Tail Power's existing EITE rate was a major factor in helping OTP-EITE members regain a competitive advantage in electric rates, and the continuation of that benefit remains crucial to OTP-EITE members remaining competitive with their peers. Given the potential for additional increases on Otter Tail Power's system,<sup>37</sup> Commission approval of Otter Tail's Petition is crucial to ensuring the continuation of competitive electric rates for OTP-EITE members. Doing so will maintain OTP-EITE members' edge in cost margins against their competitors, and it will help mitigate future projected increases in electricity

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<sup>37</sup> See, e.g., *In the Matter of the Application of Otter Tail Power Company for Authority to Increase Rates for Electric Service in the State of Minnesota*, MPUC Docket No. E-017/GR-20-719, Direct Testimony and Schedules of Tyler A. Akerman at 2 (Nov. 2, 2020) (explaining that Otter Tail Power's 2021 rate-case revenue deficiency is \$34,577,387 including various adjustments).

rates. According to OTP-EITE members, it is reasonably likely that a continued EITE rate could be one of the factors that will keep their facilities viable.<sup>38</sup>

**3. Losing the EITE Discount Will Harm OTP-EITE Members and the Communities in Which They Operate**

As demonstrated by the analysis above, the existing EITE rate does not make OTP-EITE members the least-cost facilities in terms of electrical rates; it merely maintains their position in the middle of the pack. Previously, PotlatchDeltic was only [TRADE SECRET DATA BEGINS... ██████████ ...TRADE SECRET DATA ENDS] out of 9 mills in terms of electric rates,<sup>39</sup> and the EITE rate puts Norbord at approximately [TRADE SECRET DATA BEGINS... ██████████ ...TRADE SECRET DATA ENDS] the average electric rate paid by its North American facilities.<sup>40</sup> But for the EITE discount and LGS rider, PotlatchDeltic's electric rates would have been [TRADE SECRET DATA BEGINS... ██████████ ...TRADE SECRET DATA ENDS] of its six facilities in 2019.<sup>41</sup> Similarly, without the EITE rate Norbord's 2021 projected electric-energy rate will increase to approximately [TRADE SECRET DATA BEGINS... ██████████ ...TRADE SECRET DATA ENDS] the average electric-energy rate paid by its North American facilities, significantly reducing its competitiveness when compared to its other facilities.<sup>42</sup> Cass Forest Products will also experience extreme electric-energy-cost increases if it loses the EITE rate. For 2021, Cass Forest Products' projected electric-energy costs with the EITE discount intact are approximately [TRADE SECRET DATA BEGINS... ██████████ ...TRADE SECRET DATA ENDS]; however, without the EITE rate, Cass Forest Products projects paying approximately [TRADE SECRET DATA BEGINS... ██████████ ...TRADE SECRET DATA ENDS].<sup>43</sup> The loss of the EITE rate coupled with other increases currently before the Commission would almost certainly constitute rate shock. Fortunately, Otter Tail Power's Petition provides the opportunity for the Commission to avoid these negative consequences, by granting a new EITE rate pursuant to the EITE Statute.

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<sup>38</sup> PotlatchDeltic Affidavit at ¶ 19; Cass Forest Products Affidavit at ¶ 15; Norbord Affidavit at ¶ 19.

<sup>39</sup> PotlatchDeltic Affidavit at ¶ 14.

<sup>40</sup> Norbord Affidavit at ¶ 11.

<sup>41</sup> PotlatchDeltic Affidavit at ¶ 15.

<sup>42</sup> Norbord Affidavit at ¶ 11.

<sup>43</sup> Cass Forest Products Affidavit at ¶ 9.

**4. The Benefits of the EITE Rate Overwhelmingly Outweigh the Costs and Result in a Net Benefit to the Utility and the State**

Again, based on the Second OTP-EITE Order, the test for finding a net benefit pursuant to the EITE Statute is “whether the identified net benefit is reasonably likely to occur, not whether it is certain.”<sup>44</sup> As evidenced by verified pleadings and sworn testimony quantifying the costs and benefits to the extent practicable, and considering the evidence in light of the specific policy directive in the EITE Statute to ensure competitive electric rates for EITE customers, OTP-EITE asserts that granting Otter Tail Power’s Petition will result in a net benefit to Minnesota.

OTP-EITE again commissioned an expert report from forest economist Mark Rasmussen of Mason, Bruce & Girard, Inc., entitled “Net Impact of the Proposed EITE Rate for Minnesota Wood Products Manufacturers,” to analyze the net benefit to the state of Otter Tail Power’s EITE proposal. This expert analysis “compare[s] the benefits to the state provided by [OTP-EITE] to the cost that will result from the EITE rate.”<sup>45</sup> In other words, the Rasmussen Report asks “whether there is a reasonable likelihood that continuation of the EITE rate would increase the probability that the OTP-EITE members could remain viable in the long term.”<sup>46</sup>

This analysis considers the cost of the EITE rate to be “the power costs transferred from the OTP-EITE members to the rate payers,” totaling “\$1,015,245 annually, or an average increase of 0.57% distributed equally across all OTP ratepayers. This equates to an annual increase of \$3.53 per residential customer, on average.”<sup>47</sup> This total is then multiplied by 1.87, which is the average output multiplier of the three OTP-EITE customers as derived in the Rasmussen Report.<sup>48</sup> The Rasmussen Report explains that use of this multiplier represents a conservative approach because it “probably overestimates the multiplier for residential customers – basic industries typically have a higher multiplier than secondary or support sectors [and therefore] use of a 1.87

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<sup>44</sup> Second OTP-EITE Order at 9.

<sup>45</sup> *Rasmussen Report* at 10.

<sup>46</sup> *Id.* at 13.

<sup>47</sup> *Id.* at 12.

<sup>48</sup> *Id.*

multiplier ... makes our analysis conservative.”<sup>49</sup> When the multiplier is applied to the redistributed rate, the total cost of the EITE rate is \$1,898,508.<sup>50</sup>

The Rasmussen Report estimates the benefits of the EITE rate by calculating the direct, indirect, and induced economic activity in Minnesota attributable to the three EITE customers, which totals \$463,120,408.<sup>51</sup> The Rasmussen Report reasons that “[w]ere these mills to shut down, the IMPLAN model indicates that the state’s economy would decline by this amount.”<sup>52</sup>

The Rasmussen Report identifies the central question of the “net benefit to the state” analysis: “whether there is a reasonable likelihood that continuation of the EITE rate would increase the probability that the OTP-EITE members could remain viable in the long term.”<sup>53</sup> In order to calculate the net benefit to the state, the Rasmussen Report proposes to “calculate a threshold value delineating at what probability the benefits outweigh the costs,” which “yields a probability that can be tested against the ‘reasonable likelihood’ standard.”<sup>54</sup> The Rasmussen Report calculates that “the ratio of cost to benefit (or \$1,898,508:\$463,120,408) is 0.0041 or 0.41%. In other words, the benefits of keeping the mills open will exceed the cost if there is at least a 0.41% chance that the rate reduction will keep the OTP-EITE mills in business.”<sup>55</sup> OTP-EITE agrees with the Rasmussen Report that this very high likelihood of benefit from the EITE rate demonstrates a clear net benefit to the state.

This is not, however, to say or imply that cost increases on non-EITE customers are not felt by those customers. OTP-EITE is cognizant of this fact, as is the Commission. But the clear and unambiguous policy directive is to ensure competitive electric rates for EITE customers.<sup>56</sup> Otter Tail Power and OTP-EITE balanced this policy directive, the proposed continued EITE rate, and the competitiveness concerns to achieve continued competitive electric rates for OTP-EITE, rates that are reasonably likely to help their respective operations. Furthermore, the evidence submitted in the Petition and this Comment demonstrate that the millions of dollars in tax revenue

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<sup>49</sup> *Id.*  
<sup>50</sup> *Id.*  
<sup>51</sup> *Id.*  
<sup>52</sup> *Id.*  
<sup>53</sup> *Id.* at 13.  
<sup>54</sup> *Id.*  
<sup>55</sup> *Id.*  
<sup>56</sup> Minn. Stat. § 216B.1696, subd. 2.

and charitable contributions, hundreds of jobs, and revenue to Otter Tail Power are a benefit to the state and Otter Tail Power. Netted against the small rate increase for Otter Tail Power's non-EITE customers, it is abundantly clear that Otter Tail Power's full 20% EITE rate discount would result in a continued net benefit to the state and Otter Tail Power. Thus, the Commission should approve Otter Tail Power's full 20% EITE rate discount.

**IV. CONCLUSION**

The overwhelming benefits of potentially preserving the viability of OTP-EITE members far outweigh the relatively negligible costs of the new 20% EITE rate discount as set forth in the Petition. OTP-EITE, therefore, respectfully requests that the Commission approve Otter Tail Power's full 20% EITE rate discount, because doing so would result in a net benefit to Otter Tail Power and the state of Minnesota.

Dated: February 1, 2021

Respectfully submitted,

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