

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Nancy Lange	Chair
Dan Lipschultz	Commissioner
Matthew Schuerger	Commissioner
Katie J. Sieben	Commissioner
John A. Tuma	Commissioner

Cary Stephenson
Associate General Counsel
Otter Tail Power Company
215 South Cascade Street
PO Box 496
Fergus Falls, MN 56538-0496

SERVICE DATE: September 20, 2018

DOCKET NO. E-017/M-18-380

In the Matter of Otter Tail Power Company's Petition for Approval of Tariff Changes to Facilitate Implementation of A New Customer Information System

The above-entitled matter was considered by the Commission on September 13, 2018, and the following disposition made:

- 1. Approved the tariff revisions of Otter Tail Power Company (OTP) as filed on June 8, 2018, except for Section 4.07 and Section 4.12.**
- 2. Approved OTP's Section 4.12 as filed on August 7, 2018 in OTP's Supplemental Filing.**
- 3. Approved OTP's Section 4.07 with edits found in Attachment 3 of OTP's August 22, 2018 Reply Comments and required OTP to track customer complaints and inquiries regarding proration of the customer charge and, as compliance filings in this docket, to file periodic reports.**

The Commission also directed OTP to obtain Commission approval of its bill message to customers, delegated approval authority to its Executive Secretary, and directed OTP to consult with the Commission's Consumer Affairs Office regarding website content relating to pro-rated customer charges.

The Commission agrees with and adopts the recommendations of the Minnesota Department of Commerce listed above, which are attached and hereby incorporated into the order. This order shall become effective immediately.

BY ORDER OF THE COMMISSION



Daniel P. Wolf
Executive Secretary

This document can be made available in alternative formats (e.g., large print or audio) by calling 651.296.0406 (voice). Persons with hearing loss or speech disabilities may call us through their preferred Telecommunications Relay Service or email consumer.puc@state.mn.us for assistance.

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



August 7, 2018

Daniel P. Wolf
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 Tariff Changes to Facilitate Implementation of A New Customer Information System
Docket No. E017/M-18-380
Supplemental Filing**

Dear Mr. Wolf:

Otter Tail Power Company's (Otter Tail) new Customer Information System (CIS) is scheduled to go into operation on October 1, 2018. The initial filing was made on June 6, 2008 and sets forth changes to Otter Tail's rules and rate schedules necessary to implement and operate the new Customer Information System. Subsequent review of that filing by other parties and further progress on the implementation effort alerted Otter Tail to the need to clarify certain items in the initial filing. This letter contains updates to four items in the initial filing: 1) a correction of a reference on page seven of the original filing, 2) an updated description in section IV, B, 3 of how billing proration will be applied to customer bills, 3) an update of billing proration example as described in Section 4.07, 4) an update to the summary billing section, 4.12. Those items will be addressed in turn.

1. Page 7 of the initial filing stated that a conditional variance request was described in Section D of the document. The corrected reference should state the conditional variance request was in Section E.
2. An update of the proration example provided in support of section 4.07. The original table did not show the proper average billing day (divisor) used in the proration calculation for consumption. The updated table below contains the proper average billing day for the proration calculation as well as introducing the proration of fixed charges. In order to bring more granularity to the example, the read dates were changed from thirty to twenty-nine and the proration example was demonstrated to the sixth decimal as it occurs in calculation.

4.07 Month Billing Period and Prorated Bills. CISone will improve accuracy with more detailed billing inputs, provide greater flexibility with other internal platforms, and improve seasonal rate management. To align the new system’s capabilities with billing procedures, Otter Tail has modified section 4.07 to permit daily proration of certain charges and to more accurately define a monthly billing period. This is especially helpful with seasonal rates. For instance, consider the following example of allocation and subsequent proration. A residential customer has meter readings on September 10th and October 9th with usage of 600 kWh between readings and the change from summer rates to winter rates is October 1st. The specific inputs to this example are in the following table:

Read dates	September 10 th	October 9 th
Recorded Energy Usage	0 kWh	600 kWh
Rate Season	Summer	Winter
Number of days in billing period per season	20	9
Proration for Fixed Charges [i.e. Customer Charge, Fixed Facilities Charges] (days in the billing period / [365 days/12 months])	\$9.30 Customer Charge (\$9.75 X [29 days/30.416667 days])	
Proration (600 kWh / (days in the billing period)) = 20.689655 kWh/day	413.793103 kWh (20 days X 20.689655 kWh/day)	186.206897 kWh (9 days X 20.698655 kWh/day)

The current CIS would bill the entire month on the winter rate due to the bill date occurring in the winter season. With CISone the appropriate seasonal rates will be applied to the energy and demand usage in the corresponding season.

In the example above, the billed customer charge will be determined by multiplying the approved monthly customer charge, based on a 365-day year, by the number of days in the billing period, divided by the average number of days per month (365 days per year/12 months=30.416667).

This change will not impact Otter Tail’s revenue requirement collected through customer and fixed charges annually as $(\$9.75 \times 12) = \$117 = (\$9.75 \times [\text{sum of the number of days in the billing period}]/365 \times 12)$, where the sum of the number of days in the billing period = 365.

The seasonal energy usage in the example is determined by dividing the energy recorded between meter reads by the number of days between meter read dates and multiplying by the numbers of days in the winter season or summer season; this would equate to 413.793103 kWh billed on the approved summer rate and 186.206897 kWh billed on the approved winter rate.

As shown above, services will be prorated to the month in which they were consumed based on a computed daily average. For customer and fixed charges, we are computing a daily average price and for consumption based charges we are computing a daily average demand and energy. During the implementation month, which is scheduled for October, the seasonal Air Conditioning credit will not be applied to customers as they have already received credit on their September bill.

3. An update to rate schedule Section 4.07 to strike the word “normal” from the second sentence, as suggested during conversations with the Department. This change is reflected in the attached Section 4.07 Monthly Billing Period and Prorated Bills.
4. An update to Section 4.12 by retracting the requested changes to the tariff language.

The retraction is necessary because the physical capacity to assemble and distribute bills would be overwhelmed by implementing the proposed summary billing change. Upon review of this physical constraint, Otter Tail desires to retract this request and continue to administer summary billing as described in the current tariff.

This change is reflected in the attached Section 4.12 Summary Billing Services.

We are available to provide any additional information or respond to any questions you may have. Feel free to contact me at (218) 739-8956 or email me at cstephenson@otpc.com.

Sincerely,

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

jch
Enclosures
By electronic filing
c: Service List



Fergus Falls, Minnesota

Minnesota Public Utilities Commission
ELECTRIC RATE SCHEDULE
General Rules and Regulations – Section 4.07
Monthly Billing Period and Prorated Bills

Page 1 of 1
~~Second-Third~~ Revision

Section 4.07 MONTHLY BILLING PERIOD AND PRORATED BILLS

A period ~~from 25 to 35 days inclusive of 365 days divided by 12 months [30.41667 days]~~ shall be considered a normal monthly billing period ~~due to the normal variation of scheduled Meter reading dates~~. Pursuant to Minn. Rule 7820.3300, bills will be prorated on a daily basis for a period of lesser than or greater than ~~one a normal~~ billing period, which will be determined by the interval between two consecutive meter reading dates for metered services or between billing dates for non-metered services. The proration shall apply to the Customer Charge, Demand Charge, Facilities Charge, and any other monthly charges or credits for the applicable rate.

Services will be prorated to the month in which they were consumed based on a computed daily average.



Fergus Falls, Minnesota

Minnesota Public Utilities Commission
ELECTRIC RATE SCHEDULE
General Rules and Regulations – Section 4.07
Monthly Billing Period and Prorated Bills

Page 1 of 1
Third Revision

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Services will be prorated to the month in which they were consumed based on a computed daily average.	N N
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Fergus Falls, Minnesota

Section 4.12 SUMMARY BILLING SERVICES

Under the Company’s Summary Billing Services, the Customer’s multiple monthly bills will be consolidated into a single billing statement each month. Customers need to make only one payment covering the total amount due for all the Accounts included in a summary bill. Summary Billing Services is an optional service in which the Customer may choose to participate. Upon the Customer’s request, the Customer and Company will enter into a contract for Summary Billing Services with a 45-day cancellation provision that applies to both parties.

The Company will work with Customers in choosing a monthly master billing date for a summary bill but reserves the final decision-making authority.

The Company may, at its sole discretion, limit the number of Accounts included in any one summary bill, and exclude Accounts based on rate class or type, amount of bill, Account arrearages, billing cycle, or participation in other programs. Participation in other Company programs such as Even Monthly Payment, Ready Check, and ePay, may restrict Accounts from inclusion in summary billing.

Accounts may be combined from more than one bill date resulting in a delay of the bill statement mailing for all Accounts until the master billing date is reached. Individual Accounts will be read on their normal reading cycle and placed on hold until all Accounts are read. Once completed, the Customer will be billed based on the total accumulation of the sub Accounts, including all Customer Charges, Energy Charges, Demand Charges, Facilities Charges, Fixed Charges, Monthly Minimum Charges, and other monthly charges for the applicable rates.

Payment policies remain in effect for each Customer participating in Summary Billing Services. Any determination of delinquencies will be based on the ~~new~~ master billing date. If a summary bill falls into arrears, the Company may, at its option, discontinue the Customer’s summary bill, reverting the individual Accounts to separate monthly billing.



Fergus Falls, Minnesota

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215 South Cascade Street
PO Box 496
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August 22, 2018

Daniel P. Wolf
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 Tariff Changes to Facilitate Implementation of A New Customer Information System
Docket No. E017/M-18-380
Reply Comments**

Dear Mr. Wolf:

Otter Tail Power Company provides these Reply Comments in response to the Minnesota Department of Commerce Comments filed on August 17, 2018.

We are available to provide any additional information or respond to any questions you may have. Feel free to contact me at (218) 739-8956 or email me at cstephenson@otpco.com.

Sincerely,

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

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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
Petition for Approval of Tariff Changes to
Facilitate Implementation of A New
Customer Information System.

Docket No. E017/M-18-380

**OTTER TAIL POWER COMPANY
REPLY COMMENTS TO THE
DEPARTMENT OF COMMERCE**

I. INTRODUCTION

On August 17, 2018, the Minnesota Department of Commerce, Division of Energy Resources (Department) submitted Comments on Otter Tail Power Company's (Otter Tail) request for approval of tariff changes to facilitate the implementation of a new Customer Information System internally referred to as "CISone" (CIS). The "go live" target date for CISone is October 1, 2018. In its Comments, the Department shared the following recommendations:

1. Recommend that the Commission approve Otter Tail's tariff revisions filed on June 8, 2018 with the exceptions of sections 4.07 and 4.12.
2. Recommend that the Commission approve the tariff revisions to section 4.07 as described in the Department Comments, with additional clarification language also noted in Department Comments.
3. Recommend the Commission approve the tariff revisions to section 4.12 as indicated in Otter Tail's supplemental filing dated August 7, 2018.

These Reply Comments address the specific items noted in the Department's Comments. In addition, Otter Tail provides clean and redline versions of Section 1.05 of Otter Tail's tariff as Attachment 1 to this filing. In its initial filing¹ Otter Tail described the changes to Section 1.05 but inadvertently excluded the tariff sheets.

¹ Petition, page 9 of 176 of the initial filing and Attachment 1, page 16 of 176 of the initial filing.

II. REPLY TO DEPARTMENT COMMENTS

Otter Tail agrees with the Department's recommendations except for the Department's recommended modification of Section 4.07 concerning the proration of the customer charge. The Department asserts that prorating the customer charge could confuse customers who are accustomed to seeing a fixed monthly amount on their bill. Otter Tail respectfully disagrees. Otter Tail believes that (1) the risk of undue customer confusion can be effectively mitigated through timely customer messaging and education, (2) there are sound reasons for prorating customer charges as proposed by Otter Tail, and (3) that Otter Tail's proposal minimizes the risk of project delay and additional cost that would arise from reprogramming and retesting CISone to incorporate the Department's recommendation.

A. Messaging will help customers understand bill proration.

Otter Tail acknowledges the Department's concern regarding potential customer confusion on prorated customer charges. This concern, however, can be addressed through customer education, including bill inserts that describe how monthly bills will be prorated and calculated in a way that aligns all charges with the level of service rendered for a billing period. The following is a proposed bill insert and bill message on proration that Otter Tail would provide customers:

Customer notice (bill insert)

The Minnesota Public Utilities Commission approved our company's request to provide daily proration of both fixed and consumption-based charges. We'll prorate services to the month in which they were consumed based on a computed daily average. For customer and fixed charges, we're computing a daily average price. For consumption-based charges, we're computing a daily average demand and energy. While we previously billed an entire month on the current seasonal rate, we'll now prorate the appropriate seasonal rate to your energy and, if applicable, demand usage. For example, a residential customer with meter readings on September 10 and October 9 will see on their bill the change from summer rates to winter rates on October 1. The table below shows the new calculation, effective October 1, 2018, for all customer classes.

Read dates	September 10 th	October 9 th
Recorded Energy Usage	0 kWh	600 kWh
Rate Season	Summer	Winter
Number of days in billing period per season	20	9
Proration for Fixed Charges [i.e. Customer Charge, Fixed Facilities Charges] (days in the billing period / [365 days/12 months])	\$9.30 Customer Charge (\$9.75 X [29 days/30.416667 days])	
Proration (600 kWh / (days in the billing period)) = 20.689655 kWh/day	413.793103 kWh (20 days X 20.689655 kWh/day)	186.206897 kWh (9 days X 20.698655 kWh/day)

For more information, contact Customer Service at **800-257-4044** or visit our website at **otpc.com/MyBill**.

Bill message (on customer bill)

We’re now prorating the appropriate seasonal rate to your energy and, if applicable, demand usage. And we’re prorating services to the month in which they were consumed. If you have questions, please call us at 800-257-4044.

Additionally, Otter Tail will incorporate updates to the “how to read your bill” section on the Otter Tail website regarding components of a customer’s bill. Otter Tail will also provide language directly on the bill explaining that the proration of certain fixed charges is being applied. Attachment 2 to these Reply Comments are updated samples to the front of our non-seasonal and seasonal bills as found in Section 1.05 with the proposed language explaining proration is included on the customer’s bill and is called out with red outline for purposes of identification in this filing. This message would permanently remain on the customer’s bill.

If the Commission remains concerned about customer confusion notwithstanding these messaging and education efforts, Otter Tail could track customer complaints and inquiries regarding proration and periodically report the same to the Commission.

B. Proration provides customers with more accurate bills.

As described in the initial filing, CISone allows for more accurate billings than the legacy customer information system. The proration of rates, including the proration of fixed charges, is a key component in the improvements in billing accuracy. Proration is not new; it already occurs when a current billing cycle is outside the 25 to 35-day window for a typical billing period. Otter Tail's proposal prorates every bill consistent with the number of days in the billing cycle. Today, for example, when a customer starts or ends service in mid-billing cycle, they are assessed a prorated monthly customer charge. As proposed, proration will also occur inside the 25 to 35-day window. As a result, with the customer charge prorated, customers will only pay a charge applicable to the number of days in the billing period when they initiate service or terminate service where partial billing periods exist. Otter Tail believes this is a fairer and more accurate way to bill customers.

C. Customers pay no more or no less customer charge over the course of a year.

Prorating the customer charge does not impact the total amount of customer charges a customer would pay in a year (365 days). The sum of revenue calculated under proration over 365 days equals the same amount as billing a flat monthly customer charge over 12 months. Otter Tail described this in detail in its August 7, 2018 Supplemental filing. Otter Tail collects no more or no less in customer charges over that time-period.

D. Otter Tail's proposed proration of customer charges allows for consistent billing practices across all jurisdictions which promotes better customer service.

Otter Tail will use CISone to bill Otter Tail customers in Minnesota, North Dakota and South Dakota. Otter Tail has filed proposed billing administration updates to its tariffs in North Dakota and South Dakota consistent with the proposals made in Minnesota. Based on interactions with staff in those jurisdictions, Otter Tail anticipates approval of proration of fixed customer charges. The Department's recommendation concerning Section 4.07 would create inconsistent billing practices across Otter Tail's jurisdiction, which can impact customer service and customer service training. Otter Tail customer service representatives currently field calls from anywhere in the Company's three-state service territory based on a call routing queue.

Having different proration treatment of the customer charge introduces more complexity in fielding and responding to customer inquiries and requires additional customer service training.

E. Proration in Section 4.07 as proposed by Otter Tail supports the transition to future rates and real-time service.

CISone will provide a foundation for more real-time rates. The proration proposed in Section 4.07 is sought in part to more closely align the monthly billed amount and the services provided during that billing period. Strengthening this connection results in greater accuracy and facilitates engaging customers in a real time environment as technologies such as automated metering infrastructure (AMI) are implemented.

F. Adopting the Department's recommendation would delay implementation of CISone and add cost to the project.

The Department's recommendation regarding proration of the customer charge, if adopted, requires programming changes to CISone and extensive follow up testing to insure billing accuracy. The time needed for reprogramming and testing will require Otter Tail to defer the targeted "go live" date of October 1, 2018 to a later date, adding significant complexity to an already complex undertaking. Otter Tail anticipates that the delay will be material – at least one month, possibly more. The additional work and project time will add to the overall cost of the CISone project. The better approach for Otter Tail's customers is for the Commission to approve Otter Tail's proposal for proration of customer charges, coupled with customer education and tracking of billing inquiries.

III. Proposed Section 4.07

As noted earlier, Otter Tail accepts the Department's proposed edits and clarifications to Section 4.07 except for the Department's recommendation to not allow proration of the customer charge. Below is Otter Tail's preferred language for Section 4.07:

Pursuant to Minn. Rule 7820.3300, bills based on actual billing periods, which will be determined by the interval between two consecutive meter reading dates for metered services or between billing dates for non-metered services, will be prorated on a daily basis for a period of lesser than or greater than a normal billing period, ~~which will be determined by the interval between two consecutive meter reading dates for metered services or between~~

~~billing dates for non-metered services.~~ The proration shall apply to the Customer Charge, **Energy Charge**, Demand Charge, Facilities Charge, and any other monthly charges or credits for the applicable rate.

- For fixed charges, the “computed daily average” used to prorate “services” is the daily fixed charge, or ratio of the annual amount of the fixed charge by the number of days in a year (365). ~~This proration does not apply to the Customer Charge.~~
- For consumption-based charges, the “computed daily average” used to prorate “services” is the daily average energy/demand usage, or ratio of the energy/demand usage during the billing period by the number of days in the same billing period.

Please see Attachment 3 for updated redline and clean tariff sheets for Otter Tail’s proposed Section 4.07.

IV. Summary

Otter Tail requests Commission approval of the following:

- Otter Tail’s tariff revisions as filed on June 8, 2018, except for Section 4.07 and Section 4.12.
- Section 4.12 as filed on August 7, 2018.
- Section 4.07 with edits found in Attachment 3 of this filing.

Dated: August 22, 2018

Respectfully submitted,
OTTER TAIL POWER COMPANY

By: /s/ Cary Stephenson
Cary Stephenson
Associate General Counsel
Otter Tail Power Company
215 S. Cascade Street
Fergus Falls, MN 56537
(218) 739-8956

Attachment 1

**Redline and Clean
General Rules and Regulations -
Section 1.05**



Fergus Falls, Minnesota

Section 1.05 CONTRACTS, AGREEMENTS AND SAMPLE FORMS

The following contracts and agreements are listed in Section 1.05:

- Electric Service Agreement
- Irrigation Electric Service Agreement
- Outdoor Lighting and Municipal Services Agreement
- Summary Billing Service Contract
- Guarantee in Lieu of Deposit
- Controlled Service Agreement
- Electric Service Statement (outside of Seasonal Rate Change)
- Electric Service Statement (during a Seasonal Rate Change)



Fergus Falls, Minnesota

Controlled Service Agreement

Customer Name _____

Service Address _____

Account Number _____

Location Number _____



The undersigned Customer agrees to purchase Controlled Service from Otter Tail Power Company. Controlled Service is subject to terms and conditions as provided in the applicable Otter Tail Power Company's tariff.

Otter Tail Power Company's "Controlled Service" Rate is designed to provide lower cost electricity to customers who have electrical loads that can be shut off during "peak" demand periods.

When the electric loads are space heating systems, there is a danger that damage to the building may result if an alternate fuel heating system is not available or operational to come on when the electric heat is shut off during the control period. This danger is obviously most prevalent if the alternate fuel is a type that must be hand fired, such as a wood burner or in some rare cases where no alternate system is available.

While Otter Tail Power Company does not specify what type of alternate fuel must be used, Customers who choose to have a hand fired system or no backup need to be aware of the possible consequences when it does become necessary for the electric heat to be switched off when nobody is around to hand fire the alternate system or to monitor the temperature in the premise.

In order for Otter Tail Power Company to offer the reduced rate, it must be able to turn off all electric heat. Controlled Service requires that no electric heating be used in the building when Otter Tail Power Company is controlling these electrical loads.

If the electric heat is shut off and no other heat source comes on to provide heat, the water in the plumbing could freeze and burst the pipes. Other damage could result from freezing temperatures in the structure.

In order to acknowledge that the Customer has been advised of, understands and agrees to the risks associated with receiving Controlled Service, the Customer has signed and delivered to Otter Tail Power Company the following statement:

To: Otter Tail Power Company - _____ Customer Service Center

1. I have read this Controlled Service Agreement and the related tariff provisions and understand the potential for damage my property and I am exposed to by using a hand fired heating fuel,

I plan to use a (type of fuel) _____, as my backup heating system. I understand, agree to, and accept the risks or damage to my property in the event that there is no backup heating system. It is my choice, however, to take Controlled Service and I will NOT hold Otter Tail Power Company liable or responsible for any damages that might occur due to a "shut off" of my primary electric heating system.

2. I also agree that, in order to qualify for the Controlled Service rate, I will not use electricity as a secondary "backup" fuel when the regular electric heating system is controlled.

Customer's signature _____ Date _____



Fergus Falls, Minnesota

Minnesota Public Utilities Commission
ELECTRIC RATE SCHEDULE
General Rules and Regulations – Section 1.05
Contracts, Agreements and Sample Forms

Page 11 of 14

Original First Revision

ELECTRIC SERVICE STATEMENT
(outside of Seasonal Rate Change)

01 0 * 4 0000
Check for mailing address change
Stock purch via Ready Check: \$30.00
Reach Out For Warmth Donation \$
OTTER TAIL POWER COMPANY
21824281 6 000021000 19
MARY CUSTOMER
1234 MAIN ST
FERGUS FALLS, MN 56537
Due Date: Jun 14, 2018
Amount Due: \$210.00

Your payment is recorded upon receipt. Please allow sufficient mailing time. COPY-DO NOT PAY 21824281-6 \$210.00 EMP

Status of Your Account
Account Number: 21824281
MARY CUSTOMER
1234 MAIN ST
FERGUS FALLS, MN 56537
Billing Date: May 15, 2018
Amount Due: \$210.00
Even Monthly Payment Status
Account Detail
01. Residential Service
02. Sm Dual Fuel w/o Penalty
03. Other Charges/Credits
Total:(01) 101.95 Total:(02) 37.35 Total:(03) 27.30
Current Billing: 166.60

MINNESOTA PUBLIC UTILITIES COMMISSION
Approved: July 21, 2017
Docket No. E017/GR 15-1033M-18-

Bruce G. Gerhardson
Vice President, Regulatory Affairs

EFFECTIVE with bills rendered on and after
November-October 1, 2017-2018
in Minnesota



Fergus Falls, Minnesota

Minnesota Public Utilities Commission
ELECTRIC RATE SCHEDULE
General Rules and Regulations – Section 1.05
Contracts, Agreements and Sample Forms

Page 12 of 14

Original/First Revision

ELECTRIC SERVICE STATEMENT

Change of mailing address:

01-10-1001-21824281 \$210.00

Form with horizontal lines for address and phone number.

NOTICE ABOUT CREDIT CARD PAYMENTS:

Credit card & one-time bank payments are processed by KUBRA. A \$2.25 convenience fee applies for each transaction, with a payment limit of \$700 per transaction.

To pay by credit card call 800-257-4044 or 218-739-8877 or go online: www.otpc.com. Your Otter Tail Power account number and service location ZIP code are required.

VISA, MasterCard, Discover accepted.

PLEASE DO NOT WRITE CREDIT CARD INFORMATION ON YOUR BILL STUB.

Contact the following agencies for information about electricity and the environment:

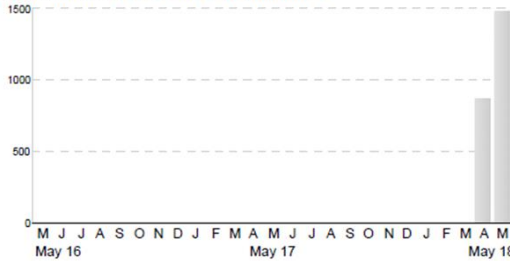
Minnesota Pollution Control Agency at www.pca.state.mn.us/programs/electricity.html.

Minnesota Department of Commerce at www.commerce.state.mn.us

You also may call our idea center at 800-493-3299 or visit www.otpc.com.

YOUR KWH Usage at a Glance

TOTAL KWH USAGE FOR THE LAST 25 MONTHS



The cost of electricity is composed of three main parts: generation, transmission, and distribution. For residential customers, each component's share of the total cost is:

Table with 2 columns: Component and Percentage. Generation 41%, Transmission 20%, Distribution 39%.

These percentages are residential group averages. Your individual use may result in percentages that vary from these averages.

Above percentages may not total 100% due to rounding.

Average kwh per day: 32
Average daily cost: 4.09
Current billing days: 32

The temperature this billing period averaged 2 degrees warmer than the same period last year and 14 degrees warmer than the last billing period.



Fergus Falls, Minnesota

Minnesota Public Utilities Commission
ELECTRIC RATE SCHEDULE
General Rules and Regulations – Section 1.05
Contracts, Agreements and Sample Forms

Page 13 of 14
Original

ELECTRIC SERVICE STATEMENT
(during a Seasonal Rate Change)

02 0 * 4 0000
Check for mailing address change (see reverse side)
Reach Out For Warmth Donation \$
OTTER TAIL POWER COMPANY
21824251 9 000010748 19
JOHN CUSTOMER
1234 FIR ST E
ANYTOWN, MN 56537
Due Date: Jul 09, 2018
Amount Due: \$107.48

Your payment is recorded upon receipt. Please return this stub with your payment. Please allow sufficient mailing time. 21824251-9 \$107.48

Status of Your Account
Account Number: 21824251
JOHN CUSTOMER
1234 FIR ST E
ANYTOWN, MN 56537
Billing Date: Jun 07, 2018
Previous Payment: 06/04/18 32.48
Current Billing: 107.48
Amount Due: \$107.48
We're here to answer any questions, concerns, or complaints you might have about your bill. Call us at 800-257-4044 or 218-739-8877.
Write our office at: PO BOX 2002, FERGUS FALLS MN 56538-2002
www.otpco.com
* If payment is not credited to your account by Jul 09, 2018, and your account balance is more than \$10.00, a late payment charge of 1.5% (18% per year) or a minimum of \$1.00 will be charged, whichever is greater.
Account Detail
01. Residential Service
02. Residential Service
03. Other Charges/Credits
Total:(01) 63.77 Total:(02) 23.00 Total:(03) 20.71
Current Billing: 107.48
*P Indicates Prorated Billing
More account information on back.

MINNESOTA PUBLIC UTILITIES COMMISSION
Approved:
Docket No. E017/M-18-

Bruce G. Gerhardson
Vice President, Regulatory Affairs

EFFECTIVE with bills rendered on and after October 1, 2018 in Minnesota



Fergus Falls, Minnesota

Minnesota Public Utilities Commission
ELECTRIC RATE SCHEDULE
General Rules and Regulations – Section 1.05
Contracts, Agreements and Sample Forms

Page 14 of 14
Original

Change of mailing address:

01-05-0504-21824251 \$107.48

Form with lines for address and phone number: PHONE # ()

NOTICE ABOUT CREDIT CARD PAYMENTS:

Credit card & one-time bank payments are processed by KUBRA. A \$2.25 convenience fee applies for each transaction, with a payment limit of \$700 per transaction.

To pay by credit card call 800-257-4044 or 218-739-8877 or go online: www.otpc.com. Your Otter Tail Power account number and service location ZIP code are required.

VISA, MasterCard, Discover accepted.

PLEASE DO NOT WRITE CREDIT CARD INFORMATION ON YOUR BILL STUB.

Contact the following agencies for information about electricity and the environment:

Minnesota Pollution Control Agency at www.pca.state.mn.us/programs/electricity.html

Minnesota Department of Commerce at www.commerce.state.mn.us

You also may call our idea center at 800-493-3299 or visit www.otpc.com

YOUR KWH Usage at a Glance

TOTAL KWH USAGE FOR THE LAST 25 MONTHS



Average kwh per day: 27
Average daily cost: 2.89
Current billing days: 30

The temperature this billing period averaged 2 degrees warmer than the same period last year and 14 degrees warmer than the last billing period.

The cost of electricity is composed of three main parts: generation, transmission, and distribution. For residential customers, each component's share of the total cost is:

Table with 2 columns: Component and Percentage. Generation 41%, Transmission 20%, Distribution 39%.

These percentages are residential group averages. Your individual use may result in percentages that vary from these averages.

Above percentages may not total 100% due to rounding.

MINNESOTA PUBLIC UTILITIES COMMISSION
Approved:
Docket No. E017/M-18

Bruce G. Gerhardson
Vice President, Regulatory Affairs

EFFECTIVE with bills rendered on and after October 1, 2018 in Minnesota



Fergus Falls, Minnesota

Section 1.05 CONTRACTS, AGREEMENTS AND SAMPLE FORMS

The following contracts and agreements are listed in Section 1.05:

- Electric Service Agreement
- Irrigation Electric Service Agreement
- Outdoor Lighting and Municipal Services Agreement
- Summary Billing Service Contract
- Guarantee in Lieu of Deposit
- Controlled Service Agreement
- Electric Service Statement (outside of Seasonal Rate Change) N
- Electric Service Statement (during a Seasonal Rate Change) N



Fergus Falls, Minnesota

Controlled Service Agreement

Customer Name

Service Address

Account Number

Location Number



N

N

The undersigned Customer agrees to purchase Controlled Service from Otter Tail Power Company. Controlled Service is subject to terms and conditions as provided in the applicable Otter Tail Power Company's tariff.

C
C

Otter Tail Power Company's "Controlled Service" Rate is designed to provide lower cost electricity to customers who have electrical loads that can be shut off during "peak" demand periods.

C

When the electric loads are space heating systems, there is a danger that damage to the building may result if an alternate fuel heating system is not available or operational to come on when the electric heat is shut off during the control period. This danger is obviously most prevalent if the alternate fuel is a type that must be hand fired, such as a wood burner or in some rare cases where no alternate system is available.

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While Otter Tail Power Company does not specify what type of alternate fuel must be used, Customers who choose to have a hand fired system or no backup need to be aware of the possible consequences when it does become necessary for the electric heat to be switched off when nobody is around to hand fire the alternate system or to monitor the temperature in the premise.

C
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In order for Otter Tail Power Company to offer the reduced rate, it must be able to turn off all electric heat. Controlled Service requires that no electric heating be used in the building when Otter Tail Power Company is controlling these electrical loads.

C
C

If the electric heat is shut off and no other heat source comes on to provide heat, the water in the plumbing could freeze and burst the pipes. Other damage could result from freezing temperatures in the structure.

C
C

In order to acknowledge that the Customer has been advised of, understands and agrees to the risks associated with receiving Controlled Service, the Customer has signed and delivered to Otter Tail Power Company the following statement:

To: Otter Tail Power Company - _____ Customer Service Center

1. I have read this Controlled Service Agreement and the related tariff provisions and understand the potential for damage my property and I am exposed to by using a hand fired heating fuel,

C
C

I plan to use a (type of fuel) _____, as my backup heating system. I understand, agree to, and accept the risks or damage to my property in the event that there is no backup heating system. It is my choice, however, to take Controlled Service and I will NOT hold Otter Tail Power Company liable or responsible for any damages that might occur due to a "shut off" of my primary electric heating system.

2. I also agree that, in order to qualify for the Controlled Service rate, I will not use electricity as a secondary "backup" fuel when the regular electric heating system is controlled.

Customer's signature _____ Date _____

C
C



Fergus Falls, Minnesota

Minnesota Public Utilities Commission
ELECTRIC RATE SCHEDULE
General Rules and Regulations – Section 1.05
Contracts, Agreements and Sample Forms

Page 11 of 14
First Revision

ELECTRIC SERVICE STATEMENT
(outside of Seasonal Rate Change)

01 0 * 4 0000
Check for mailing address change
Stock purch via Ready Check: \$30.00
Reach Out For Warmth Donation \$
OTter Tail Power Company logo
MARY CUSTOMER
1234 MAIN ST
FERGUS FALLS, MN 56537
Due Date: Jun 14, 2018
Amount Due: \$210.00

Your payment is recorded upon receipt. Please allow sufficient mailing time. COPY-DO NOT PAY 21824281-6 \$210.00 EMP

Status of Your Account
Account Number: 21824281
MARY CUSTOMER
1234 MAIN ST
FERGUS FALLS, MN 56537
Billing Date: May 15, 2018
Amount Due: \$210.00
Even Monthly Payment Status
Account Detail
01.Residential Service
02.Sm Dual Fuel w/o Penalty
03.Other Charges/Credits
Total:(01) 101.95 Total:(02) 37.35 Total:(03) 27.30
Current Billing: 166.60

MINNESOTA PUBLIC UTILITIES COMMISSION
Approved:
Docket No. E017/M-18-

Bruce G. Gerhardson
Vice President, Regulatory Affairs

EFFECTIVE with bills rendered on and after October 1, 2018 in Minnesota

N
N



Fergus Falls, Minnesota

Minnesota Public Utilities Commission
ELECTRIC RATE SCHEDULE
General Rules and Regulations – Section 1.05
Contracts, Agreements and Sample Forms

Page 12 of 14
First Revision

ELECTRIC SERVICE STATEMENT

N
N

Change of mailing address:

01-10-1001-21824281 \$210.00

Form fields for change of mailing address and phone number

NOTICE ABOUT CREDIT CARD PAYMENTS:

Credit card & one-time bank payments are processed by KUBRA. A \$2.25 convenience fee applies for each transaction, with a payment limit of \$700 per transaction.

To pay by credit card call 800-257-4044 or 218-739-8877 or go online: www.otpc.com. Your Otter Tail Power account number and service location ZIP code are required.

VISA, MasterCard, Discover accepted.

PLEASE DO NOT WRITE CREDIT CARD INFORMATION ON YOUR BILL STUB.

Contact the following agencies for information about electricity and the environment:

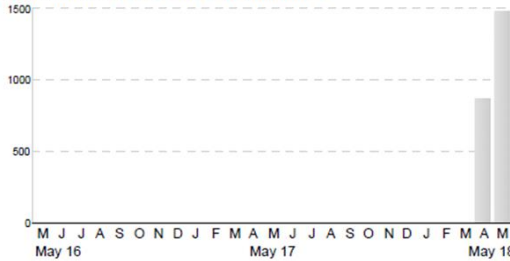
Minnesota Pollution Control Agency at www.pca.state.mn.us/programs/electricity.html.

Minnesota Department of Commerce at www.commerce.state.mn.us

You also may call our idea center at 800-493-3299 or visit www.otpc.com.

YOUR KWH Usage at a Glance

TOTAL KWH USAGE FOR THE LAST 25 MONTHS



The cost of electricity is composed of three main parts: generation, transmission, and distribution. For residential customers, each component's share of the total cost is:

Table with 2 columns: Component and Percentage. Generation 41%, Transmission 20%, Distribution 39%.

These percentages are residential group averages. Your individual use may result in percentages that vary from these averages.

Above percentages may not total 100% due to rounding.

Average kwh per day: 32
Average daily cost: 4.09
Current billing days: 32

The temperature this billing period averaged 2 degrees warmer than the same period last year and 14 degrees warmer than the last billing period.

MINNESOTA PUBLIC UTILITIES COMMISSION
Approved:
Docket No. E017/M-18-

Bruce G. Gerhardson
Vice President, Regulatory Affairs

EFFECTIVE with bills rendered on and after November 1, 2017 in Minnesota



Fergus Falls, Minnesota

Minnesota Public Utilities Commission
ELECTRIC RATE SCHEDULE
General Rules and Regulations – Section 1.05
Contracts, Agreements and Sample Forms

Page 13 of 14
Original

ELECTRIC SERVICE STATEMENT
(during a Seasonal Rate Change)

N
N

02 0 * 4 0000
Check for mailing address change
Reach Out For Warmth Donation \$
21824251 9 000010748 19
OTTER TAIL POWER COMPANY
JOHN CUSTOMER
1234 FIR ST E
ANYTOWN, MN 56537
Due Date: Jul 09, 2018
Amount Due: \$107.48

Your payment is recorded upon receipt. Please return this stub with your payment. Please allow sufficient mailing time. 21824251-9 \$107.48

Status of Your Account
Account Number: 21824251
JOHN CUSTOMER
1234 FIR ST E
ANYTOWN, MN 56537
Billing Date: Jun 07, 2018
Previous Payment: 06/04/18 32.48
Current Billing: 107.48
Amount Due: \$107.48
We're here to answer any questions, concerns, or complaints you might have about your bill. Call us at 800-257-4044 or 218-739-8877.
Write our office at: PO BOX 2002, FERGUS FALLS MN 56538-2002
www.otpc.com
Account Detail
01. Residential Service
02. Residential Service
03. Other Charges/Credits
Total: (01) 63.77 Total: (02) 23.00 Total: (03) 20.71
Current Billing: 107.48

MINNESOTA PUBLIC UTILITIES COMMISSION
Approved:
Docket No. E017/M-18-

Bruce G. Gerhardson
Vice President, Regulatory Affairs

EFFECTIVE with bills rendered on and after October 1, 2018 in Minnesota



Fergus Falls, Minnesota

Minnesota Public Utilities Commission
ELECTRIC RATE SCHEDULE
General Rules and Regulations – Section 1.05
Contracts, Agreements and Sample Forms

Page 14 of 14
Original

N

Change of mailing address:

01-05-0504-21824251 \$107.48

Form with lines for address and phone number: PHONE # ()

NOTICE ABOUT CREDIT CARD PAYMENTS:

Credit card & one-time bank payments are processed by KUBRA. A \$2.25 convenience fee applies for each transaction, with a payment limit of \$700 per transaction.

To pay by credit card call 800-257-4044 or 218-739-8877 or go online: www.otpc.com. Your Otter Tail Power account number and service location ZIP code are required.

VISA, MasterCard, Discover accepted.

PLEASE DO NOT WRITE CREDIT CARD INFORMATION ON YOUR BILL STUB.

Contact the following agencies for information about electricity and the environment:

Minnesota Pollution Control Agency at www.pca.state.mn.us/programs/electricity.html

Minnesota Department of Commerce at www.commerce.state.mn.us

You also may call our idea center at 800-493-3299 or visit www.otpc.com

YOUR KWH Usage at a Glance

TOTAL KWH USAGE FOR THE LAST 25 MONTHS



Average kwh per day: 27
Average daily cost: 2.89
Current billing days: 30

The temperature this billing period averaged 2 degrees warmer than the same period last year and 14 degrees warmer than the last billing period.

The cost of electricity is composed of three main parts: generation, transmission, and distribution. For residential customers, each component's share of the total cost is:

Table with 2 columns: Component and Percentage. Generation 41%, Transmission 20%, Distribution 39%

These percentages are residential group averages. Your individual use may result in percentages that vary from these averages.

Above percentages may not total 100% due to rounding.

MINNESOTA PUBLIC UTILITIES COMMISSION
Approved:
Docket No. E017/M-18

Bruce G. Gerhardson
Vice President, Regulatory Affairs

EFFECTIVE with bills rendered on and after October 1, 2018 in Minnesota

01 0 * 4 0000



Check for mailing address change
(see reverse side)

Stock purch via Ready Check: \$30.00

Reach Out For Warmth Donation \$ _____



21824281 6 000021000 19



MARY CUSTOMER
1234 MAIN ST
FERGUS FALLS, MN 56537

OTTER TAIL POWER COMPANY
PO BOX 2002
FERGUS FALLS MN 56538-2002

01

Due Date: **Jun 14, 2018**

Amount Due: **\$210.00**

This is a Ready Check account. The amount paid by your bank this month was \$210.00. +Plus Stock Purch

Your payment is recorded upon receipt.

Please allow sufficient mailing time. COPY-DO NOT PAY 21824281-6 \$210.00 EMP

Status of Your Account



Account Number: **21824281**

MARY CUSTOMER

**1234 MAIN ST
FERGUS FALLS, MN 56537**

Billing Date: May 15, 2018

Previous Payment: 225.00
05/10/18

Current EMP: 210.00

Amount Due: **\$210.00**

We're here to answer any questions, concerns, or complaints you might have about your bill.
Call us at 800-257-4044 or 218-739-8877.

**Write our office at:
PO BOX 2002
FERGUS FALLS MN 56538-2002**

www.otpco.com

* If payment is not credited to your account by Jun 14, 2018, and your account balance is more than \$10.00, a late payment charge of 1.5% (18% per year) or a minimum of \$1.00 will be charged, whichever is greater.

Even Monthly Payment Status

Current EMP payment due: 210.00
Your month 2 EMP Balance after payment: 167.86Credit

Account Detail

01. Residential Service

P 05/15/18 Reading 1460
04/13/18 Reading 450

Kilowatt Hours Used 1010
Customer Charge 10.40
1010 kwh at .09064 91.55

02.Sm Dual Fuel w/o Penalty

P 05/15/18 Reading 890
04/13/18 Reading 420

Kilowatt Hours Used 470
Customer Charge 4.27
Facilities Charge 8.53
470 kwh at .05223 24.55

03. Other Charges/Credits

Resource Adjustment 15.15
Sales Tax 12.15

Total:(01) 101.95 Total:(02) 37.35 Total:(03) 27.30
Current Billing: 166.60

Customer Charge and Fixed Facilities Charge are prorated based on Fixed Monthly Charge x 12/365 x days in billing period. For more information refer to www.otpco.com.

*P Indicates Prorated Billing

More account information on back.

990001

9A

21824281

02 0 * 4 0000



Check for mailing address change
(see reverse side)

Reach Out For Warmth Donation \$ _____



21824251 9 000010748 19



JOHN CUSTOMER
1234 FIR ST E
ANYTOWN, MN 56537

OTTER TAIL POWER COMPANY
PO BOX 2002
FERGUS FALLS MN 56538-2002

01

Due Date: **Jul 09, 2018**
Amount Due: **\$107.48**

Your payment is recorded upon receipt.
Please return this stub with your payment.

Please allow sufficient mailing time.

21824251-9 \$107.48

Status of Your Account



Account Number: **21824251**

JOHN CUSTOMER

**1234 FIR ST E
ANYTOWN, MN 56537**

Billing Date: Jun 07, 2018

Previous Payment:
06/04/18 32.48
Current Billing: 107.48
Amount Due: **\$107.48**

We're here to answer any questions,
concerns, or complaints you might
have about your bill.
Call us at 800-257-4044 or 218-739-8877.

Write our office at:
PO BOX 2002
FERGUS FALLS MN 56538-2002

www.otpc.com

* If payment is not credited to your
account by Jul 09, 2018, and your
account balance is more than \$10.00, a
late payment charge of 1.5% (18% per
year) or a minimum of \$1.00 will be
charged, whichever is greater.

Account Detail

01. Residential Service

P 06/07/18 Reading 950
05/08/18 Reading 140

Kilowatt Hours Used 810
Customer Charge 7.48
810 kwh at .09064 56.29
Winter Rate

02. Residential Service

P 06/07/18 Reading 950
05/08/18 Reading 140

Kilowatt Hours Used 810
Customer Charge 2.28
810 kwh at .10964 20.72
Summer Rate

03. Other Charges/Credits

Resource Adjustment 7.77
Sales Tax 12.94

Total:(01) 63.77

Total:(02) 23.00

23.00

Total:(03)

20.71

Customer Charge and Fixed Facilities Charge
are prorated based on Fixed Monthly Charge x
12/365 x days in billing period. For more
information refer to www.otpc.com.

*P Indicates Prorated Billing

Current Billing:

107.48

More account information on back.

333266

789AB

21824251

Attachment 3

**Redline and Clean
General Rules and Regulations -
Section 4.07**



Fergus Falls, Minnesota

Minnesota Public Utilities Commission
ELECTRIC RATE SCHEDULE
General Rules and Regulations – Section 4.07
Monthly Billing Period and Prorated Bills

Page 1 of 1
~~Second-Third~~ Revision

Section 4.07 MONTHLY BILLING PERIOD AND PRORATED BILLS

A period ~~from 25 to 35 days inclusive of 365 days divided by 12 months [30.41667 days]~~ shall be considered a normal monthly billing period ~~due to the normal variation of scheduled Meter reading dates~~. Pursuant to Minn. Rule 7820.3300, bills based on actual billing periods, which will be determined by the interval between two consecutive meter reading dates for metered services or between billing dates for non-metered services, will be prorated on a daily basis for a period of less than or greater than ~~one-a~~ normal billing period. The proration shall apply to the Customer Charge, Energy Charge, Demand Charge, Facilities Charge, and any other monthly charges or credits for the applicable rate.

Services will be prorated to the month in which they were consumed based on a computed daily average. The following definitions apply:

- For fixed charges, the “computed daily average” used to prorate “services” is the daily fixed charged, or ratio of the annual amount of the fixed charge by the number of days in a year (365).
- For consumption-based charges, the “computed daily average” used to prorate “services” is the daily average energy/demand usage, or ratio of the energy/demand usage during the billing period by the number of days in the same billing period.



Fergus Falls, Minnesota

Minnesota Public Utilities Commission
ELECTRIC RATE SCHEDULE
General Rules and Regulations – Section 4.07
Monthly Billing Period and Prorated Bills

Page 1 of 1
Third Revision

Section 4.07 MONTHLY BILLING PERIOD AND PRORATED BILLS

A period of 365 days divided by 12 months [30.41667 days] shall be considered a normal monthly billing period. Pursuant to Minn. Rule 7820.3300, bills based on actual billing periods, which will be determined by the interval between two consecutive meter reading dates for metered services or between billing dates for non-metered services, will be prorated on a daily basis for a period of lesser than or greater than a normal billing period. The proration shall apply to the Customer Charge, Energy Charge, Demand Charge, Facilities Charge, and any other monthly charges or credits for the applicable rate.	C NC N N C N
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------

Services will be prorated to the month in which they were consumed based on a computed daily average. The following definitions apply:	N N
<ul style="list-style-type: none"> • For fixed charges, the “computed daily average” used to prorate “services” is the daily fixed charged, or ratio of the annual amount of the fixed charge by the number of days in a year (365). • For consumption-based charges, the “computed daily average” used to prorate “services” is the daily average energy/demand usage, or ratio of the energy/demand usage during the billing period by the number of days in the same billing period. 	N N N N N N N

(bill insert)

Customer notice

The Minnesota Public Utilities Commission approved our company's request to provide daily proration of both fixed and consumption-based charges. We'll prorate services to the month in which they were consumed based on a computed daily average. For customer and fixed charges, we're computing a daily average price. For consumption-based charges, we're computing a daily average demand and energy. While we previously billed an entire month on the current seasonal rate, we'll now prorate the appropriate seasonal rate to your energy and, if applicable, demand usage. For example, a residential customer with meter readings on September 10 and October 9 will see on their bill the change from summer rates to winter rates on October 1. The table below shows the new calculation, effective October 1, 2018, for all customer classes.

Read dates	September 10 th	October 9 th
Recorded Energy Usage	0 kWh	600 kWh
Rate Season	Summer	Winter
Number of days in billing period per season	20	9
Proration for Fixed Charges [i.e. Customer Charge, Fixed Facilities Charges] (days in the billing period / [365 days/12 months])	\$9.30 Customer Charge (\$9.75 X [29 days/30.416667 days])	
Proration (600 kWh / (days in the billing period)) = 20.689655 kWh/day	413.793103 kWh (20 days X 20.689655 kWh/day)	186.206897 kWh (9 days X 20.698655 kWh/day)

For more information, contact Customer Service at **800-257-4044** or visit our website at otpc.com/MyBill.

(bill message)

We're now prorating the appropriate seasonal rate to your energy and, if applicable, demand usage. And we're prorating services to the month in which they were consumed. If you have questions, please call us at 800-257-4044.

August 29, 2018

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: **Response Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. E017/M-18-380

Dear Mr. Wolf:

On June 8, 2018, Otter Tail Power Company (OTP or the Company) filed a petition (Petition) requesting that the Minnesota Public Utilities Commission (Commission) approve its proposed tariff changes to facilitate the implementation of a new customer information system (CISone) scheduled to become operational on October 1, 2018. The Company also requested that the Commission approve an ongoing variance to Minnesota Rule 7820.3300 for billing proration if deemed necessary.

On August 17, 2018, the Division of Energy Resources of the Minnesota Department of Commerce (Department) filed comments. In its comments, the Department recommended that the Commission approve:

- OTP's tariff revisions filed on June 8, 2018 with the exception of Section 4.07 and Section 4.12;
- Section 4.12 as filed on August 7, 2018; and
- Section 4.07 as modified below:

Pursuant to Minn. Rule 7820.3300, bills based on actual billing periods, which will be determined by the interval between two consecutive meter reading dates for metered services or between billing dates for non-metered services, will be prorated on a daily basis for a period of lesser than or greater than a normal billing period, ~~which will be determined by the interval between two consecutive meter reading dates for metered services or between billing dates for non-metered services.~~ The proration shall apply to the ~~Customer Charge,~~ Demand Charge, Facilities Charge, and any other monthly charges or credits for the applicable rate. Services will be prorated to the month in which they were consumed based on a computed daily average. The following definitions apply:

- For fixed charges, the “computed daily average” used to prorate “services” is the daily fixed charge, or ratio of the annual amount of the fixed charge by the number of days in a year (365). This proration should not be applied to the Customer Charge.
- For consumption-based charges, the “computed daily average” used to prorate “services” is the daily average energy/demand usage, or ratio of the energy/demand usage during the billing period by the number of days in the same billing period.

On August 22, 2018, the Company filed its reply comments agreeing with the Department’s recommendations, except for the Department’s recommended modification of Section 4.07 excluding the Customer Charge from the list of charges that would be prorated. OTP also added its proposed Section 1.05 (Contracts, Agreements and Sample Forms) that the Company omitted to include in its initial filing.¹ OTP’s proposed Section 1.05 includes two bill samples that would reflect the Company’s proposed bill proration.²

In its reply comments, OTP provided the following arguments in response to the Department’s concerns about potential customer confusion if the customer charge is prorated:

- Messaging will help customers understand bill proration;³
- Proration provides customers with more accurate bills;⁴
- Customers pay no more or no less customer charge over the course of the year;⁵
- Consistent billing practices across all jurisdictions which promotes better customer service;⁶
- Supports the transition to future rates and real-time service;⁷ and
- Avoids delayed implementation of CISone and additional cost to the project.⁸

The arguments provided by OTP do not alleviate the Department’s concerns about potential customer confusion when they see their “fixed” monthly customer charge vary from month to month.

As a result, the Department’s recommendations above do not change. However, if the Commission approves OTP’s proposed proration of the customer charge, the Department recommends that OTP be required (as proposed by the Company) to track customer complaints and inquiries regarding proration

¹ Attachment 1 of OTP’s August 22, 2018 reply comments at 8-14 of 29.

² Attachment 1 of OTP’s August 22, 2018 reply comments at 11 and 13 of 29.

³ OTP’s August 22, 2018 reply comments at 3-4 of 29.

⁴ OTP’s August 22, 2018 reply comments at 5 of 29.

⁵ OTP’s August 22, 2018 reply comments at 5 of 29.

⁶ OTP’s August 22, 2018 reply comments at 5-6 of 29.

⁷ OTP’s August 22, 2018 reply comments at 6 of 29.

⁸ OTP’s August 22, 2018 reply comments at 6 of 29.

Daniel P. Wolf
August 29, 2018
Page 3

of the customer charge and periodically report the same to the Commission.⁹ In addition, the Department recommends that the Commission require OTP to provide in a compliance filing the two bill samples under Section 1.05 and demonstrate that the bill samples reflect the Commission's decisions regarding the Company's proposed bill proration.

The Department is available to answer any questions the Commission may have.

Sincerely,

/s/ SAMIR OUANES
Public Utilities Rates Analyst

SO/ja

⁹ OTP's August 22, 2018 reply comments at 4 of 29.

CERTIFICATE OF SERVICE

I, Robin Benson, hereby certify that I have this day, served a true and correct copy of the following document to all persons at the addresses indicated below or on the attached list by electronic filing, electronic mail, courier, interoffice mail or by depositing the same enveloped with postage paid in the United States mail at St. Paul, Minnesota.

Minnesota Public Utilities Commission ORDER

Docket Numbers: **E-017/M-18-380**

Dated this **20th** day of **September, 2018**

/s/ Robin Benson

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_18-380_M-18-380
Ray	Choquette	rchoquette@agp.com	Ag Processing Inc.	12700 West Dodge Road PO Box 2047 Omaha, NE 68103-2047	Paper Service	No	OFF_SL_18-380_M-18-380
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_18-380_M-18-380
Ian	Dobson	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_18-380_M-18-380
James C.	Erickson	jericksonkbc@gmail.com	Kelly Bay Consulting	17 Quechee St Superior, WI 54880-4421	Electronic Service	No	OFF_SL_18-380_M-18-380
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_18-380_M-18-380
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_18-380_M-18-380
Shane	Henriksen	shane.henriksen@enbridge.com	Enbridge Energy Company, Inc.	1409 Hammond Ave FL 2 Superior, WI 54880	Electronic Service	No	OFF_SL_18-380_M-18-380
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