

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

April 6, 2020



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

**RE: In the Matter of Otter Tail Power Company's Petition for Approval of the Annual Update to its Energy-Intensive, Trade-Exposed Rider Surcharge Rate, Rate Schedule 13.09.
Docket No. E017/M-20-338
REPLY COMMENTS**

Dear Mr. Seuffert:

Otter Tail Power Company (Otter Tail) hereby submits to the Minnesota Public Utilities Commission its Reply Comments in the above described matter.

Otter Tail electronically filed this document with the Commission which, in compliance with Minn. Rule 7829.1300, Subp. 2, also constitutes service on the Department of Commerce, Division of Energy Resources and the Office of Attorney General-Antitrust & Utilities Division.

If you have any questions regarding this filing, please contact me at 218-739-8819 or at dmandelke@otpc.com. A Certificate of Service is enclosed.

Sincerely,

/s/ DARLENE C. MANDELKE
Darlene C. Mandelke, Rates Analyst
Regulatory Administration

cjh
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 the Annual Update
to its Energy-Intensive, Trade-Exposed Rider
Surcharge Rate, Rate Schedule 13.09

Docket No. E017/M-20-338

**OTTER TAIL POWER COMPANY
REPLY COMMENTS**

I. INTRODUCTION

On March 2, 2020, Otter Tail Power Company (Otter Tail) made its initial annual update filing to its Energy-Intensive, Trade-Exposed (EITE) Rider proposing an update to the Rate Schedule 13.09 surcharge rate to be effective October 1, 2020. On March 26, 2020, the Minnesota Department of Commerce, Division of Energy Resources (Department) filed Comments in the above captioned docket. The Department recommends that the Minnesota Public Utilities Commission (Commission) approve the petition with modifications. As noted in the Department's Comments, during discovery Otter Tail identified minor revisions needed to the EITE Rider tracker and in these Reply Comments, Otter Tail files revised workpapers and affected attachments. The revisions result in a decrease to the proposed October 2020 through November 2021 revenue requirement from \$997,506 to \$984,606 and result in a decrease to the EITE surcharge rate from \$0.00034 per kWh to \$0.00033 per kWh.

II. OTTER TAIL RESPONSES

Otter Tail provides the following two corrections to the initial filing:

- A.** Otter Tail made a correction to a formula on Attachment 2, Line No. 7 of November 2021. The correction included updating the formula to use the correct rate for the proposed recovery period. The corrected forecasted billed amount decreased to \$66,463 from \$69,111. Otter Tail's response to IR MN-DOC-003 incorrectly identified this change as an increase while the dollars amounts were correctly stated, the change had no impact on the rate of \$0.00034 per kwh.

- B.** Otter Tail also discovered that the \$10,000 affordability program fee that was disallowed in the order Authorizing Recovery with Conditions in Docket No. E017/M/17-257 was incorrectly included in the Initial Filing tracker. Removal of the \$10,000 program fee reduces the revenue requirements for the recovery period by approximately \$13,000, including carrying costs, and result in a reduction to the rate of \$0.00001 per kWh.

III. REVISED ATTACHMENTS

Otter Tail provides the following revised attachments to the initial filing that include the two updates described above:

Revised Attachment 1	Summary of Revenue Requirements
Revised Attachment 2	EITE Tracker Summary
Revised Attachment 3	Rate Design
Revised Attachment 7	Notice to Customers
Revised Attachment 8	Energy-Intensive, Trade-Exposed Rider, Electric Rate Schedule 13.09

IV. CONCLUSION

Otter Tail appreciates the opportunity to provide these reply comments in this docket in response to the comments of the Department regarding Otter Tail's 2020 Annual Update to its EITE Surcharge Rate and supports the Department's recommendation to approve the petition with modifications and requests Commission approval of the EITE Surcharge Rate of 0.00033 per kWh effective October 1, 2020.

Dated: April 6, 2020

Respectfully submitted,

OTTER TAIL POWER COMPANY

By: /s/ DARLENE C. MANDELKE

Darlene C. Mandelke

Rates Analyst

Otter Tail Power Company

215 S. Cascade Street

Fergus Falls, MN 56537

(218) 739-8819

Summary of Revenue Requirements
2020 Annual Filing

Line No.	Revenue Requirements	
1	Revenue Requirement (Oct 2020 - Nov 2021)	\$1,106,466
2		
3	Carrying (Credit)/Charge	(6,663)
4	True-Up	(115,198)
5		
6	Net Revenue Requirement	<u>\$984,606</u>

Line No.	2020										Collection Period	2020			2021			2021			Collection Period					
	January Actual	February Forecast	March Forecast	April Forecast	May Forecast	June Forecast	July Forecast	August Forecast	September Forecast	October Forecast		November Forecast	December Forecast	Yr Forecast	January Forecast	February Forecast	March Forecast	April Forecast	May Forecast	June Forecast		July Forecast	August Forecast	September Forecast	October Forecast	November Forecast
1	86,568	94,024	83,175	82,217	80,423	80,954	73,824	74,698	74,236	954,763	79,260	71,554	70,639	951,564	85,687	94,578	83,713	82,728	80,888	81,463	74,296	75,170	74,626	79,724	72,140	1,106,466
2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	86,568	94,024	83,175	82,217	80,423	80,954	73,824	74,698	74,236	954,763	79,260	71,554	70,639	951,564	85,687	94,578	83,713	82,728	80,888	81,463	74,296	75,170	74,626	79,724	72,140	1,106,466
6	99,421	97,246	94,250	89,050	82,374	77,899	78,816	82,343	82,434	1,047,689	73,076	65,170	73,781	995,860	80,198	83,411	80,784	76,424	69,862	64,831	64,265	65,100	64,674	62,703	65,604	989,884
7	(12,852)	(3,222)	(11,075)	(6,834)	(1,951)	3,055	(4,991)	(7,645)	(8,200)	(92,506)	6,184	6,385	(3,142)	(44,286)	5,489	11,167	2,929	6,304	11,026	16,632	10,031	10,689	9,852	17,021	6,536	116,583
8	(954)	(497)	(460)	(530)	(578)	(594)	(613)	(665)	(721)	(6,661)	(721)	(680)	(651)	(6,870)	(674)	(644)	(579)	(564)	(528)	(462)	(361)	(301)	(240)	(178)	(73)	(6,661)
9	(69,869)	(73,528)	(65,063)	(62,429)	(64,958)	(62,497)	(66,067)	(106,325)	(115,198)	(109,784)	(104,036)	(107,629)	(103,015)	(92,492)	(80,142)	(84,402)	(73,903)	(67,734)	(68,064)	(58,295)	(48,583)	(41,740)	(33,278)	(25,278)	(11,740)	(5,278)
10	(437)	(460)	(532)	(578)	(594)	(579)	(613)	(665)	(721)	(688)	(651)	(674)	(644)	(579)	(564)	(528)	(462)	(361)	(301)	(240)	(179)	(73)	(33)	(33)	(33)	(33)
11	33,208	32,748	32,216	31,638	31,044	30,465	29,852	29,187	28,466	27,780	27,129	26,455	25,810	25,232	24,668	24,140	23,678	23,317	23,016	22,776	22,598	22,524	22,491	22,491	22,491	22,491
12	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%
13	258,659,089	252,756,528	241,654,651	223,764,436	206,626,355	203,387,146	214,878,963	220,664,905	212,009,465	2,652,588,710	183,952,609	214,125,504	233,010,944	2,665,490,593	252,851,927	246,132,103	236,386,127	217,949,488	196,252,640	191,748,609	194,548,523	196,585,304	189,989,024	185,168,291	215,566,363	2,954,267,456
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15																										
16																										
17																										
18																										

Approved by MN PUC June 13, 2019 E-017M-19-199

SUMMARY	October 2019 - September 2020
Revenue requirements	\$986,108
Carrying Charge	47
True-up	8,465
Total requirements	\$1,006,621
October 2019 - September 2020 projected kWh sales	2,663,993,165
Rate per kWh	0.00038

SUMMARY	October 2020 - November 2021
Revenue requirements	\$1,106,466
Carrying Charge	(6,663)
True-up	(115,198)
Total requirements	\$984,606
October 2020 - November 2021 kWh	2,954,267,456
Rate per kWh	0.00033

Rate Design

Minnesota Revenue Requirements

\$984,606

Line No.	Rate per kWh	
1		
2	Forecasted Retail Sales, all classes (Oct 2020 - Nov 2021)	2,954,267,456
3		
4	14 Month Revenue Requirement	\$984,606
5		
6	Rate per kWh	0.00033
7		

**Otter Tail Power Company
Energy-Intensive, Trade-Exposed Rider**

On Month xx, 2020, the Minnesota Public Utilities Commission approved our request to decrease our Energy-Intensive Trade-Exposed (EITE) Surcharge Rate. The approved rate of \$0.00033 per kWh will become effective October 1, 2020, for all classes of customers subject to the charge. The EITE rider recovers costs associated with the State of Minnesota's energy policy to ensure competitive electric rates for EITE customers. For more information, contact Customer Service at 800-257-4044 or visit our website at otpc.com/eite.

Revised Attachment 8
EITE Rider, Tariff 13.09
Redline and Clean



Fergus Falls, Minnesota

ENERGY-INTENSIVE, TRADE-EXPOSED (EITE) RIDER

DESCRIPTION	RATE CODE
EITE Surcharge	MEITE
EITE Exemption Adjustment	MEITA

RULES AND REGULATIONS: Terms and conditions of this electric rate schedule and the General Rules and Regulations govern use of this rider.

APPLICATION OF RIDER: This rider is applicable to any electric service under all of the Company's retail rate schedules pursuant to Minn. Stat. 216B.1696 Competitive Rate for Energy-Intensive, Trade-Exposed Electric Utility Customer, except for those Customers with Low-Income Home Energy Assistance Program (LIHEAP) designation in the Company's billing system at the time of billing, as defined in Minn. Stat. 216B.16, Subd. 15, and the EITE Customers pursuant to Minn. Stat. 216B.1696, Subd.2(d). The exemptions are as follows:

EITE and LIHEAP Customers will be exempted from the Company's EITE charges (EITE Surcharge) pursuant to Minn. Stat. 216B.1696, Subd. 2(d) Competitive Rate for Energy-Intensive, Trade-Exposed Electric Utility Customer. LIHEAP Customer designations will be reset each September 1. Residential Customers must annually reapply for such designation and be granted assistance from a LIHEAP to continue to be exempt from the EITE Surcharge.

EITE SURCHARGE AND EXEMPTION ADJUSTMENT: There shall be added to each non-exempt Customer's bill an EITE Surcharge, which shall be the EITE Surcharge Rate multiplied by the Customer's billing kWh for electric service. The EITE Surcharge will be included in the Resource Adjustment line item on the Customer's bill.

The EITE Surcharge shall not be applied to Customer Account(s) granted exemption by the Commission from EITE costs pursuant to Minn. Stat. 216B.1696, Subd. 2(d).

The EITE Surcharge Rate is \$~~0.000380~~0.00033 per kWh.

DETERMINATION OF EITE SURCHARGE RATE: The EITE Surcharge Rate shall be the forecasted Recoverable EITE Tracker Balance divided by projected Minnesota non-exempt retail kWh sales for a designated 12-month recovery period. The EITE Surcharge Rate shall be rounded to the nearest \$0.00001. The EITE Surcharge Rate may be adjusted annually by approval of the Minnesota Public Utilities Commission (Commission). The Recoverable EITE Tracker Balance is determined as described below, starting with the Commission-accepted EITE Tracker account balance as of the end of the prior year.



Fergus Falls, Minnesota

ENERGY-INTENSIVE, TRADE-EXPOSED (EITE) RIDER

DESCRIPTION	RATE CODE
EITE Surcharge	MEITE
EITE Exemption Adjustment	MEITA

RULES AND REGULATIONS: Terms and conditions of this electric rate schedule and the General Rules and Regulations govern use of this rider.

APPLICATION OF RIDER: This rider is applicable to any electric service under all of the Company's retail rate schedules pursuant to Minn. Stat. 216B.1696 Competitive Rate for Energy-Intensive, Trade-Exposed Electric Utility Customer, except for those Customers with Low-Income Home Energy Assistance Program (LIHEAP) designation in the Company's billing system at the time of billing, as defined in Minn. Stat. 216B.16, Subd. 15, and the EITE Customers pursuant to Minn. Stat. 216B.1696, Subd.2(d). The exemptions are as follows:

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EITE SURCHARGE AND EXEMPTION ADJUSTMENT: There shall be added to each non-exempt Customer's bill an EITE Surcharge, which shall be the EITE Surcharge Rate multiplied by the Customer's billing kWh for electric service. The EITE Surcharge will be included in the Resource Adjustment line item on the Customer's bill.

The EITE Surcharge shall not be applied to Customer Account(s) granted exemption by the Commission from EITE costs pursuant to Minn. Stat. 216B.1696, Subd. 2(d).

The EITE Surcharge Rate is \$0.00033 per kWh.

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DETERMINATION OF EITE SURCHARGE RATE: The EITE Surcharge Rate shall be the forecasted Recoverable EITE Tracker Balance divided by projected Minnesota non-exempt retail kWh sales for a designated 12-month recovery period. The EITE Surcharge Rate shall be rounded to the nearest \$0.00001. The EITE Surcharge Rate may be adjusted annually by approval of the Minnesota Public Utilities Commission (Commission). The Recoverable EITE Tracker Balance is determined as described below, starting with the Commission-accepted EITE Tracker account balance as of the end of the prior year.

CERTIFICATE OF SERVICE

**RE: In the Matter of Otter Tail Power Company's Petition for Approval of the Annual Update to its Energy-Intensive, Trade-Exposed Rider Surcharge Rate, Rate Schedule 13.09
Docket No. E017/M-20-338**

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

**Otter Tail Power Company
Reply Comments**

Dated this **6th** day of **April, 2020**.

/s/ CARLY HAIBY
Carly Haiby
Regulatory Filing Coordinator
Otter Tail Power Company
215 South Cascade Street
Fergus Falls MN 56537
(218) 739-8472

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_20-338_M-20-338
Ray	Choquette	rchoquette@agp.com	Ag Processing Inc.	12700 West Dodge Road PO Box 2047 Omaha, NE 68103-2047	Electronic Service	No	OFF_SL_20-338_M-20-338
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_20-338_M-20-338
James C.	Erickson	jericksonkbc@gmail.com	Kelly Bay Consulting	17 Quechee St Superior, WI 54880-4421	Electronic Service	No	OFF_SL_20-338_M-20-338
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_20-338_M-20-338
Shane	Henriksen	shane.henriksen@enbridge.com	Enbridge Energy Company, Inc.	1409 Hammond Ave FL 2 Superior, WI 54880	Electronic Service	No	OFF_SL_20-338_M-20-338
James D.	Larson	james.larson@avantenergy.com	Avant Energy Services	220 S 6th St Ste 1300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_20-338_M-20-338
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	OFF_SL_20-338_M-20-338
Kavita	Maini	kmaini@wi.rr.com	KM Energy Consulting, LLC	961 N Lost Woods Rd Oconomowoc, WI 53066	Electronic Service	No	OFF_SL_20-338_M-20-338
Darlene C	Mandelke	dmandelke@otpc.com	Otter Tail Power Company	15 S Cascade St PO Box 496 Fergus Falls, MN 56538-0496	Electronic Service	No	OFF_SL_20-338_M-20-338

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_20-338_M-20-338
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_20-338_M-20-338
Larry L.	Schedin	Larry@LLSResources.com	LLS Resources, LLC	332 Minnesota St, Ste W1390 St. Paul, MN 55101	Electronic Service	No	OFF_SL_20-338_M-20-338
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th PI E Ste 350 Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_20-338_M-20-338
Cary	Stephenson	cStephenson@otpc.com	Otter Tail Power Company	215 South Cascade Street Fergus Falls, MN 56537	Electronic Service	No	OFF_SL_20-338_M-20-338
Stuart	Tommerdahl	stommerdahl@otpc.com	Otter Tail Power Company	215 S Cascade St PO Box 496 Fergus Falls, MN 56537	Electronic Service	No	OFF_SL_20-338_M-20-338