

August 26, 2024

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

RE: **Response Letter from the Minnesota Department of Commerce, Division of Energy Resources**  
Docket No. E017/AA-24-65

Dear Mr. Seuffert:

Attached are the response comments of the Minnesota Department of Commerce, Division of Energy Resources (Department) in the following matter:

Otter Tail Power Company's Petition for Approval of the Annual Forecasted Rates for its Energy Adjustment Rider, Rate Scheduled Section 13.01.

The Petition was filed on May 1, 2024, and Reply Comments were filed on July 24, 2024, both by Otter Tail Power Company.

The Department recommends the Minnesota Public Utilities Commission (Commission) **approve Otter Tail's 2025 FCA forecast and associated rates, subject to a subsequent true-up**. The Department is available to answer any questions the Commission may have.

Sincerely,

/s/ DR. SYDNIE LIEB  
Assistant Commissioner of Regulatory Analysis

SL/AU/ar

## Before the Minnesota Public Utilities Commission

---

### Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. E017/AA-23-181

#### I. BACKGROUND

On May 1, 2024, Otter Tail Power Company (Otter Tail or the Company) filed its 2025 Energy Adjustment Rider (EAR) forecast report (Petition) pursuant to the Minnesota Public Utilities Commission's (Commission's) June 12, 2019 *Order* in Docket No. E999/CI-03-802 and the applicable reporting requirements in the rules governing the automatic adjustment of charges, Minnesota Rules 7825.2800 to 7825.2840.

On July 1, 2024, the Minnesota Department of Commerce (Department) filed [Comments](#), recommending the Commission take the following actions:

- Accept Otter Tail's Petition as complying with the FCA/EAR forecast reporting requirements.
- Approve Otter Tail's 5,885,378 MWh of forecasted sales subject to the FCA/EAR and the \$140,775,339 in net system FCA/EAR costs including the corresponding forecasted EAR rates for each customer class (Petition Attachment 2).
- Approve the Company's proposed customer notification, updated as applicable with the effective date and rates approved in the instant Petition.

The Department also requested Otter Tail to provide information on the 2024 MISO actual PRA costs and revenues in Otter Tail's reply comments.

On July 24, 2024, the Company filed [Reply Comments](#) providing some follow-up information and requesting the Commission approve Otter Tail's 2025 FCA forecast and associated rates, which were submitted in the May 1, 2024 filing. These Response Comments discuss the Company's Reply Comments.

#### II. DEPARTMENT'S ANALYSIS OF OTTER TAIL'S REPLY COMMENTS

##### A. "REFRESH" OF 2025 FCA FORECAST

In its Reply Comments, the Company stated since its May 2024 filing, "2025 forward natural gas pricing forecasts and Locational Marginal Price (LMP) forecasts have been falling."<sup>1</sup> However, the Company stated the results of its 2025 FCA forecast "refresh" were not significant enough to justify a revised forecast since the changes were under five percent.

---

<sup>1</sup> Reply Comments, page 1.

The Department appreciates the Company's analysis and finds its conclusion to continue use of the May 2024 filed fuel forecast to be reasonable.

*B. RESULTS OF THE MISO PLANNING RESOURCE AUCTION*

In Docket No. E017/AA-22-214, the Commission required Otter Tail to include actual known MISO Planning Resource Auction costs and revenues in its EAR.<sup>2</sup> In its initial [Petition](#), Otter Tail noted it included \$329,908 in PRA revenues in the 2024 FCA rates. The Company stated that once the results for the MISO 2024/2025 planning year auction would be known, Otter Tail would update the 2024 rates, if the results were material.<sup>3</sup>

In its Reply Comments, the Company stated the updated PRA revenues were \$555,213. Since the PRA revenues are under a quarter percentage point change and therefore, immaterial, Otter Tail proposed they be included in the 2025 annual FCA True-Up filing. The Department agrees the MISO capacity revenue change is not material. However, the Department concludes they should be included in Otter Tail's 2024 annual FCA True-Up filing, not 2025.

**III. RECOMMENDATIONS**

The Department recommends the Commission accept Otter Tail's May 1, 2024 filed 2025 FCA forecast and associated rates, subject to a subsequent true-up.

The Department recommends updated PRA revenues be included in the 2024 annual FCA True-Up filing.

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

---

<sup>2</sup> *Order*, December 29, 2022.

<sup>3</sup> *Petition*, page 22.

## **CERTIFICATE OF SERVICE**

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce  
Response Comments**

**Docket No. E017/AA-24-65**

Dated this **26<sup>th</sup>** day of **August 2024**

**/s/Sharon Ferguson**

| First Name     | Last Name          | Email                             | Company Name                               | Address                                                                                                  | Delivery Method    | View Trade Secret | Service List Name     |
|----------------|--------------------|-----------------------------------|--------------------------------------------|----------------------------------------------------------------------------------------------------------|--------------------|-------------------|-----------------------|
| Mariah         | Bevins             | Maria.Bevins@whiteearthnnsn.gov   | White Earth Reservation Business Committee | PO Box 418<br><br>White Earth,<br>MN<br>56591                                                            | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Tom            | Boyko              | tboyko@eastriver.coop             | East River Electric Power Coop.            | 211 S. Harth Ave<br><br>Madison,<br>SD<br>57042                                                          | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Chris          | Byrnes             | cbyrnes@otpc.com                  | Otter Tail Power Company                   | 215 South Cascade Street<br><br>Fergus Falls,<br>MN<br>56538-0496                                        | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Ray            | Choquette          | rchoquette@agp.com                | Ag Processing Inc.                         | 12700 West Dodge Road<br>PO Box 2047<br>Omaha,<br>NE<br>68103-2047                                       | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Generic Notice | Commerce Attorneys | commerce.attorneys@ag.state.mn.us | Office of the Attorney General-DOC         | 445 Minnesota Street Suite 1400<br><br>St. Paul,<br>MN<br>55101                                          | Electronic Service | Yes               | OFF_SL_24-65_AA-24-65 |
| Jason          | Decker             | jason.decker@llojbwe.net          | Leech Lake Band of Ojibwe                  | 190 Sailstar Drive NW<br><br>Cass Lake,<br>MN<br>56633                                                   | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Richard        | Dornfeld           | Richard.Dornfeld@ag.state.mn.us   | Office of the Attorney General-DOC         | Minnesota Attorney General's Office<br>445 Minnesota Street,<br>Suite 1800<br>Saint Paul,<br>MN<br>55101 | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Charles        | Drayton            | charles.drayton@enbridge.com      | Enbridge Energy Company, Inc.              | 7701 France Ave S Ste 600<br><br>Edina,<br>MN<br>55435                                                   | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Remi           | Engbers            | remi.engbers@woodsfuller.com      | Woods, Fuller, Shultz & Smith P.C.         | 300 S Phillips Ave Ste 300<br>PO Box 5027<br>Sioux Falls,<br>SD<br>57117-5027                            | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Kelly C.       | Engebretson        | Kelly.Engebretson@lawmoss.com     | Moss & Barnett                             | 150 S. 5th St #1200<br><br>Minneapolis,<br>MN<br>55402                                                   | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |

| First Name | Last Name    | Email                                | Company Name                               | Address                                                         | Delivery Method    | View Trade Secret | Service List Name     |
|------------|--------------|--------------------------------------|--------------------------------------------|-----------------------------------------------------------------|--------------------|-------------------|-----------------------|
| Michael    | Fairbanks    | Michael.Fairbanks@whiteearth-nsn.gov | White Earth Reservation Business Committee | PO Box 418<br>White Earth,<br>MN<br>56591                       | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Sharon     | Ferguson     | sharon.ferguson@state.mn.us          | Department of Commerce                     | 85 7th Place E Ste 280<br>Saint Paul,<br>MN<br>551012198        | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Jessica    | Fyhrie       | jfyhrie@otpc.com                     | Otter Tail Power Company                   | PO Box 496<br>Fergus Falls,<br>MN<br>56538-0496                 | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Edward     | Garvey       | garveyed@aol.com                     | Residence                                  | 32 Lawton St<br>Saint Paul,<br>MN<br>55102                      | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Amber      | Grenier      | agrenier@otpc.com                    | Otter Tail Power Company                   | 215 S. Cascade St.<br>Fergus Falls,<br>MN<br>56537              | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Adam       | Heinen       | aheinen@dakotaelectric.com           | Dakota Electric Association                | 4300 220th St W<br>Farmington,<br>MN<br>55024                   | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Annete     | Henkel       | mui@mutilityinvestors.org            | Minnesota Utility Investors                | 413 Wacouta Street<br>#230<br>St.Paul,<br>MN<br>55101           | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Kristin    | Henry        | kristin.henry@sierraclub.org         | Sierra Club                                | 2101 Webster St Ste 1300<br>Oakland,<br>CA<br>94612             | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Katherine  | Hinderlie    | katherine.hinderlie@ag.state.mn.us   | Office of the Attorney General-DOC         | 445 Minnesota St<br>Suite 1400<br>St. Paul,<br>MN<br>55101-2134 | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Faron      | Jackson, Sr. | faron.jackson@llojibwe.net           | Leech Lake Band of Ojibwe                  | 190 Sailstar Drive NW<br>Cass Lake,<br>MN<br>56633              | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |

| First Name | Last Name | Email                        | Company Name                      | Address                                                             | Delivery Method    | View Trade Secret | Service List Name     |
|------------|-----------|------------------------------|-----------------------------------|---------------------------------------------------------------------|--------------------|-------------------|-----------------------|
| Richard    | Johnson   | Rick.Johnson@lawmoss.com     | Moss & Barnett                    | 150 S. 5th Street<br>Suite 1200<br>Minneapolis,<br>MN<br>55402      | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Nick       | Kaneski   | nick.kaneski@enbridge.com    | Enbridge Energy Company, Inc.     | 11 East Superior St Ste 125<br><br>Duluth,<br>MN<br>55802           | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Michael    | Krikava   | mkrikava@taftlaw.com         | Taft Stettinius & Hollister LLP   | 2200 IDS Center<br>80 S 8th St<br>Minneapolis,<br>MN<br>55402       | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Bill       | Lachowitz | blachowitz@ibewlocal949.org  | IBEW Local Union 949              | 12908 Nicollet Ave S<br><br>Burnsville,<br>MN<br>55337-3527         | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| James D.   | Larson    | james.larson@avantenergy.com | Avant Energy Services             | 220 S 6th St Ste 1300<br><br>Minneapolis,<br>MN<br>55402            | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Eric       | Lipman    | eric.lipman@state.mn.us      | Office of Administrative Hearings | PO Box 64620<br><br>St. Paul,<br>MN<br>551640620                    | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Kavita     | Maini     | kmains@wi.rr.com             | KM Energy Consulting, LLC         | 961 N Lost Woods Rd<br><br>Oconomowoc,<br>WI<br>53066               | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Tim        | Miller    | Tim.Miller@mrenergy.com      | Missouri River Energy Services    | 3724 W Avera Dr<br>PO Box 88920<br>Sioux Falls,<br>SD<br>57109-8920 | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Andrew     | Moratzka  | andrew.moratzka@stoel.com    | Stoel Rives LLP                   | 33 South Sixth St Ste 4200<br><br>Minneapolis,<br>MN<br>55402       | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Matthew    | Olsen     | molsen@otpc.com              | Otter Tail Power Company          | 215 South Cascade Street<br><br>Fergus Falls,<br>MN<br>56537        | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |

| First Name      | Last Name                      | Email                                   | Company Name                       | Address                                                                      | Delivery Method    | View Trade Secret | Service List Name     |
|-----------------|--------------------------------|-----------------------------------------|------------------------------------|------------------------------------------------------------------------------|--------------------|-------------------|-----------------------|
| Marcia          | Podratz                        | mpodratz@mnpower.com                    | Minnesota Power                    | 30 W Superior S<br><br>Duluth,<br>MN<br>55802                                | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| David G.        | Prazak                         | dprazak@otpc.com                        | Otter Tail Power Company           | P.O. Box 496<br>215 South Cascade Street<br>Fergus Falls,<br>MN<br>565380496 | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Rate Case Inbox | Rate Case Inbox                | mnrates@otpc.com                        | Otter Tail                         | N/A                                                                          | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Generic Notice  | Regulatory                     | regulatory_filing_coordinators@otpc.com | Otter Tail Power Company           | 215 S. Cascade Street<br><br>Fergus Falls,<br>MN<br>56537                    | Electronic Service | Yes               | OFF_SL_24-65_AA-24-65 |
| Generic Notice  | Residential Utilities Division | residential.utilities@ag.state.mn.us    | Office of the Attorney General-RUD | 1400 BRM Tower<br>445 Minnesota St<br>St. Paul,<br>MN<br>551012131           | Electronic Service | Yes               | OFF_SL_24-65_AA-24-65 |
| Peter           | Scholtz                        | peter.scholtz@ag.state.mn.us            | Office of the Attorney General-RUD | Suite 1400<br>445 Minnesota Street<br>St. Paul,<br>MN<br>55101-2131          | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Robert H.       | Schulte                        | rhs@schultheassociates.com              | Schulte Associates LLC             | 1742 Patriot Rd<br><br>Northfield,<br>MN<br>55057                            | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Will            | Seuffert                       | Will.Seuffert@state.mn.us               | Public Utilities Commission        | 121 7th PI E Ste 350<br><br>Saint Paul,<br>MN<br>55101                       | Electronic Service | Yes               | OFF_SL_24-65_AA-24-65 |
| Janet           | Shaddix Elling                 | jshaddix@janetshaddix.com               | Shaddix And Associates             | 7400 Lyndale Ave S Ste 190<br><br>Richfield,<br>MN<br>55423                  | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Cary            | Stephenson                     | cStephenson@otpc.com                    | Otter Tail Power Company           | 215 South Cascade Street<br><br>Fergus Falls,<br>MN<br>56537                 | Electronic Service | Yes               | OFF_SL_24-65_AA-24-65 |



| First Name | Last Name  | Email                          | Company Name                                  | Address                                                                           | Delivery Method    | View Trade Secret | Service List Name     |
|------------|------------|--------------------------------|-----------------------------------------------|-----------------------------------------------------------------------------------|--------------------|-------------------|-----------------------|
| William    | Taylor     | bill.taylor@taylorlawsd.com    | Taylor Law Firm                               | 4820 E. 57th Street<br>Suite B<br>Sioux Falls,<br>SD<br>57108                     | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Stuart     | Tommerdahl | stommerdahl@otpc.com           | Otter Tail Power Company                      | 215 S Cascade St<br>PO Box 496<br>Fergus Falls,<br>MN<br>56537                    | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Pat        | Treseler   | pat.jcplaw@comcast.net         | Paulson Law Office LTD                        | 4445 W 77th Street<br>Suite 224<br>Edina,<br>MN<br>55435                          | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Laurie     | Williams   | laurie.williams@sierraclub.org | Sierra Club                                   | Environmental Law<br>Program<br>1536 Wynkoop St Ste 200<br>Denver,<br>CO<br>80202 | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Laurie     | York       | laurie.york@whiteearth-nsn.gov | White Earth Reservation<br>Business Committee | PO Box 418<br><br>White Earth,<br>MN<br>56591                                     | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |
| Patrick    | Zomer      | Pat.Zomer@lawmoss.com          | Moss & Barnett PA                             | 150 S 5th St #1200<br><br>Minneapolis,<br>MN<br>55402                             | Electronic Service | No                | OFF_SL_24-65_AA-24-65 |