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August 25, 2025



Mr. Mike Bull
Acting Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East
Suite 350
St. Paul, MN 55101-2147

**PUBLIC DOCUMENT -
NOT PUBLIC (OR PRIVILEGED)
DATA HAS BEEN EXCISED**

**RE: In the Matter of Otter Tail Power Company's Petition for Approval of
the Annual Update to its Electric Utility Infrastructure Cost Recovery
Rider, Rate Schedule 13.11
Docket No. E017/M-25-199
Reply Comments**

Dear Mr. Bull:

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

Otter Tail Power has taken reasonable efforts to maintain the secrecy of the information marked as PROTECTED DATA in Attachment 5, which derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use (the "Protected Data"). The Protected Data is therefore "trade secret information" and "nonpublic data" under Minn. Stat. § 13.37.

We have electronically filed this document with the Commission and copies have been served on all parties on the attached service list. A Certificate of Service is also enclosed.

Please contact me at (218) 739-8444 or dhaugen@otpc.com if you have any questions regarding this filing.

Sincerely,

/S/ DEREK HAUGEN
Derek Haugen
Rates Analyst
Regulatory Economics

amn
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 Electric
Utility Infrastructure Cost
Recovery Rider, Rate Schedule
13.11**

Docket No. E017/M-25-199

REPLY COMMENTS

I. INTRODUCTION

Otter Tail Power Company (Otter Tail Power or the Company) submits these Reply Comments in response to the Minnesota Department of Commerce, Division of Energy Resources (Department) August 13, 2025 Comments (Department Comments). Otter Tail Power respectfully requests the Minnesota Public Utility Commission (Commission) approve its adjusted 2025 annual update to the Electric Utility Infrastructure Cost (EUIC) Recovery Rider rates as provided in the updated tracker to these Reply Comments. The revised revenue requirement is \$1,808,934. When compared to current rates, Residential customers will see a monthly decrease of \$1.44 per meter, while Large General Service customers will see a decrease of \$79.33 per meter on their monthly bills.

**II. OTTER TAIL POWER RESPONSES TO THE
DEPARTMENT'S REQUESTS**

A. Advanced Metering Infrastructure (AMI) Budget

The Commission approved the AMI budget of \$55.9 million in Docket No. E017/M-21-382. As stated in the Company's IR response to this docket on July 2, 2025, Otter Tail Power will remove all costs above the \$55.9 million soft cap from the tracker in these Reply Comments and will not request recovery of additional costs until the Company's next General Rate Case. Otter Tail Power provides Revised Attachment 4 reflecting this change, which reduces the revenue requirement for the January 1, 2026 through December 31, 2026 recovery period by \$5,364. Removing these costs results in a decrease to the proposed monthly Residential rate of \$0.01 and a decrease of \$0.17 to the Large General Service rate.

B. AMI External and Legal Consulting Costs

TRC Environmental Corporation was initially engaged by Otter Tail Power Company to provide consulting services in support of the initiation and implementation of the Company's Advanced Metering Infrastructure (AMI) Project. This engagement, categorized under "Legal and Consulting," was active from October 2021 through November 2023.

Otter Tail Power executed a second scope of work with TRC to secure additional resources for system integration (SI) support for the AMI project. This engagement falls under the "SI Support" category and began in February 2022. SI support services provided by TRC remain ongoing as of the date of this filing.

The amount paid for external legal counsel provided by Spencer Fane for the AMI project from June 2024 to the time of this filing was \$750. Attachment 5 to this filing provides the invoices for the AMI legal fees listed below in Table 1.

Table 1
June 2024-July 2025 AMI Legal Fees

Vendor	Aug-24	Sep-24	Total
Spencer Fane	\$ 600.00	\$ 150.00	\$ 750.00

C. Update on DOE IDEA Funding For the DR Project

On August 19, 2025, Otter Tail Power received a notification from the DOE stating the Grid Deployment Office is still reviewing its portfolio of projects, with no further update on the IDEA project's review timeline. The Company has not received any other news or follow-up questions from the DOE on its IDEA project funding.

D. Bemidji CSC and Milbank CSC Remodel Projects

Otter Tail Power appreciates the review and recommendation by the Department regarding the remodel projects and emphasis placed on energy-efficient improvements. After further internal evaluation, the Company has determined that the anticipated benefits of proceeding with only the recommended components are limited. As such, Otter Tail Power does not plan to move forward with its request to include Bemidji and Milbank CSC remodel projects in the EUIC Rider at this time and respectfully withdraws the Remodel projects from the proposed rates in the EUIC Rider. Removing these projects results in a decrease to the monthly Residential rate of \$0.26 and a decrease to the monthly Large General Service rate of \$14.25.

III. CONCLUSION

Otter Tail Power respectfully requests that the Commission approve its EUIC annual rate adjustment, with updates included in these Reply Comments, for usage on and after the rate effective date of January 1, 2026.

Dated: August 25, 2025

Respectfully submitted,

OTTER TAIL POWER COMPANY

By: /s/ DEREK HAUGEN
Derek Haugen
Rates Analyst
Regulatory Economics
Otter Tail Power Company
215 S. Cascade Street
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Projected Revenue for January 2026 to December 2026 Recovery Period

Line No.	Class	Meters (Yearly Count)	Monthly Rate per Unit	Amount
1	Residential	655,667	\$1.03	\$674,472
2				
3	Residential RDC	26,101	\$2.40	\$62,731
4				
5	Farm	17,545	\$3.15	\$55,221
6				
7	Small General Service	111,808	\$1.66	\$185,194
8				
9	General Service	24,724	\$6.53	\$161,336
10				
11	General Service TOU	1,476	\$10.57	\$15,601
12				
13	Large General Service 602	195	\$56.55	\$11,028
14				
15	Large General Service 603	5,043	\$10.24	\$51,635
16				
17	Irrigation	3,686	\$5.55	\$20,446
18				
19	Outdoor Lighting	2,769	\$1.11	\$3,065
20				
21	OPA	5,904	\$2.75	\$16,245
22				
23	CS - Deferred Load	106,912	\$2.40	\$256,950
24				
25	CS - Interruptible Small Duel Fuel	83,483	\$2.45	\$204,286
26				
27	CS - Interruptible Large Duel Fuel	4,124	\$11.10	\$45,770
28				
29	CS - Off Peak	14,467	\$3.11	\$44,953
30				
31	Total revenue			<u>\$1,808,934</u>

Summary of Revenue Requirements

Line No.	Revenue Requirements	January 2026 - December 2026
1	Advanced Metering Infrastructure	4,564,225
2	Outage Management / GIS Updates	575,266
3	Demand Response System	645,596
4	O&M Savings due to AMI Implementation	(2,819,023)
5	True-Up	(1,157,130)
6	Net Revenue Requirement	<u>\$1,808,934</u>

Class Allocation and Current Rate Design

Line No.		January 2026 - December 2026	Percent of Total	Annual Meter Count	Per Meter Charge	Revenue Requirements by Class
1	Total 2025 Minnesota Revenue Requirements	1,808,934				
2						
3	Residential		37.29%	655,667	\$1.03	\$674,472
4	Residential RDC		3.47%	26,101	\$2.40	\$62,731
5	Farm		3.05%	17,545	\$3.15	\$55,221
6	Small General Service		10.24%	111,808	\$1.66	\$185,194
7	General Service		8.92%	24,724	\$6.53	\$161,336
8	General Service TOU		0.86%	1,476	\$10.57	\$15,601
9	Large General Service - Primary		0.61%	195	\$56.55	\$11,028
10	Large General Service - Secondary		2.85%	5,043	\$10.24	\$51,635
11	Irrigation		1.13%	3,686	\$5.55	\$20,446
12	Outdoor Lighting		0.17%	2,769	\$1.11	\$3,065
13	OPA		0.90%	5,904	\$2.75	\$16,245
14	Controlled Service - Deferred Load		14.20%	106,912	\$2.40	\$256,950
15	Controlled Service - Interruptible Small Dual Fuel		11.29%	83,483	\$2.45	\$204,286
16	Controlled Service - Interruptible Large Dual Fuel		2.53%	4,124	\$11.10	\$45,770
17	Controlled Service - Off Peak		2.49%	14,467	\$3.11	\$44,953
18	Total Minnesota Revenue Requirements		100.00%	1,063,904		\$1,808,934

Rate Impact				
	Meter Count (Month)	Current Rate (\$ per meter)	Proposed Rate (\$ per meter)	Monthly Impact (Increase or decrease from prior rate)
Residential	54,639	\$2.47	\$1.03	-\$1.44
Residential RDC	2,175	\$5.77	\$2.40	-\$3.37
Farm	1,462	\$7.56	\$3.15	-\$4.41
Small General Service	9,317	\$3.98	\$1.66	-\$2.32
General Service	2,060	\$15.68	\$6.53	-\$9.15
General Service TOU	123	\$25.40	\$10.57	-\$14.83
Large General Service - Primary	16	\$135.88	\$56.55	-\$79.33
Large General Service - Secondary	420	\$24.60	\$10.24	-\$14.36
Irrigation	307	\$13.33	\$5.55	-\$7.78
Outdoor Lighting	231	\$2.66	\$1.11	-\$1.55
OPA	492	\$6.61	\$2.75	-\$3.86
Controlled Service - Deferred Load	8,909	\$5.77	\$2.40	-\$3.37
Controlled Service - Interruptible Small Dual Fuel	6,957	\$5.88	\$2.45	-\$3.43
Controlled Service - Interruptible Large Dual Fuel	344	\$26.67	\$11.10	-\$15.57
Controlled Service - Off Peak	1,206	\$7.47	\$3.11	-\$4.36

Tracker Summary

Line No.		2025	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025
		January Actual	February Actual	March Projected	April Projected	May Projected	June Projected	July Projected	August Projected	September Projected	October Projected	November Projected	December Projected	YE Projected
1	Revenue Requirements													
2	Advanced Metering Infrastructure	315,187	313,258	351,741	354,628	361,576	365,765	370,581	375,030	376,335	377,178	378,020	378,868	4,318,168
3	Outage Management System	70,204	(1,761)	50,313	50,313	50,313	50,313	50,313	50,313	50,313	50,313	50,313	50,313	571,574
4	Demand Response System	4,837	4,837	6,843	6,843	6,843	6,843	6,841	6,840	6,839	6,826	21,222	21,230	106,845
5	Total Revenue Requirements	390,229	316,335	408,897	411,784	418,732	422,921	427,735	432,184	433,487	434,317	449,555	450,411	4,996,587
6														
7	ADIT Preservation of Proration													
8	O&M Savings due to AMI Implementation	(90,722)	(128,963)	(176,189)	(176,189)	(176,189)	(176,189)	(176,189)	(176,189)	(176,189)	(176,189)	(176,189)	(176,189)	(1,981,574)
9														
10	Net Revenue Requirement	299,507	187,372	232,708	235,595	242,543	246,732	251,546	255,995	257,298	258,128	273,367	274,222	3,015,013
11														
12	Billed (forecast meter x adj factor)	230,106	239,824	369,538	369,538	369,538	369,538	369,538	369,538	369,538	369,538	369,538	369,538	4,165,312
13														
14	Monthly Revenue Difference	69,401	(52,452)	(136,830)	(133,943)	(126,995)	(122,806)	(117,992)	(113,544)	(112,240)	(111,410)	(96,172)	(95,316)	(1,150,299)
15	Carrying Charge	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Life-to-Date Revenue Requirement (Cumulative Difference)	62,570	10,118	(126,712)	(260,655)	(387,651)	(510,457)	(628,449)	(741,993)	(854,233)	(965,643)	(1,061,814)	(1,157,130)	(1,157,130)
17														
18	Carrying Charge Calculation													
19	Cumulative Carrying Charge	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Carrying cost													
21														
22														
23														
24	Forecasted Meter Count	88,659	88,659	88,659	88,659	88,659	88,659	88,659	88,659	88,659	88,659	88,659	88,659	1,063,904

Approved 1/8/25 in Docket No. E-017/M-24-186

SUMMARY		Jan 2025 - Dec 2025
Revenue requirements		\$4,036,996
Carrying Charge		0
True-up		77,494
Total requirements		\$4,114,490
Jan 2025 - Dec 2025 projected meter count		987,138
Average Rate		\$4.16810

Tracker Summary

Line No.		2026 January Projected	2026 February Projected	2026 March Projected	2026 April Projected	2026 May Projected	2026 June Projected	2026 July Projected	2026 August Projected	2026 September Projected	2026 October Projected	2026 November Projected	2026 December Projected	2026 YE Projected
1	Revenue Requirements													
2	Advanced Metering Infrastructure	380,992	380,884	380,773	380,661	380,545	380,428	380,307	380,184	380,059	379,930	379,798	379,664	4,564,225
3	Outage Management System	47,939	47,939	47,939	47,939	47,939	47,939	47,939	47,939	47,939	47,939	47,939	47,939	575,266
4	Demand Response System	48,344	48,349	46,641	46,689	46,766	46,806	46,794	61,270	62,166	63,044	63,924	64,805	645,596
5	Total Revenue Requirements	477,274	477,171	475,353	475,288	475,250	475,173	475,040	489,393	490,163	490,913	491,661	492,407	5,785,087
6														
7	ADIT Preservation of Proration													
8														
9	O&M Savings due to AMI Implementation	(234,919)	(234,919)	(234,919)	(234,919)	(234,919)	(234,919)	(234,919)	(234,919)	(234,919)	(234,919)	(234,919)	(234,919)	(2,819,023)
10														
11	Net Revenue Requirement	242,356	242,252	240,435	240,369	240,331	240,255	240,121	254,475	255,245	255,994	256,743	257,489	2,966,064
12														
13	Billed (forecast meter x adj factor)	150,744	150,744	150,744	150,744	150,744	150,744	150,744	150,744	150,744	150,744	150,744	150,744	1,808,934
14														
15	Monthly Revenue Difference	91.611	91.508	89.690	89.625	89.587	89.510	89.377	103,730	104,500	105,250	105,998	106,744	1,157,130
16	Carrying Charge	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Life-to-Date Revenue Requirement (Cumulative Difference)	(1,065,519)	(974,011)	(884,321)	(794,696)	(705,109)	(615,599)	(526,222)	(422,492)	(317,992)	(212,742)	(106,744)	0	0
18														
19	Carrying Charge Calculation													
20	Cumulative Carrying Charge	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Carrying cost													
22														
23														
24	Forecasted Meter Count	88,659	88,659	88,659	88,659	88,659	88,659	88,659	88,659	88,659	88,659	88,659	88,659	1,063,904

SUMMARY		Jan 2026 - Dec 2026
Revenue requirements		\$2,966,064
Carrying Charge		0
True-up		(1,157,130)
Total requirements		\$1,808,934
Jan 2026 - Dec 2026 projected meter count		1,063,904
Average Rate		\$1.70028

[PROTECTED DATA BEGINS...

Docket No. E017/M-25-199
Attachment 5
is CONFIDENTIAL
in its Entirety

...PROTECTED DATA ENDS]

CERTIFICATE OF SERVICE

**RE: In the Matter of Otter Tail Power Company's Petition for Approval
of the Annual Update to its Electric Utility Infrastructure Cost
Recovery Rider, Rate Schedule 13.11
Docket No. E017/M-25-199**

I, Anahita Narimani, hereby certify that I have this day served a copy of the following, or a summary thereof, on Mike Bull 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 **25th** day of August 2025.

/s/ ANAHITA NARIMANI
Anahita Narimani
Regulatory Filing Coordinator
Otter Tail Power Company
215 South Cascade Street
Fergus Falls MN 56537
(218) 739-8363

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
1	Mike	Bull	mike.bull@state.mn.us		Public Utilities Commission	121 7th Place East, Suite 350 St. Paul MN, 55101 United States	Electronic Service		No	M-25-199
2	Ray	Choquette	rchoquette@agp.com	Ag Processing Inc.		12700 West Dodge Road PO Box 2047 Omaha NE, 68103-2047 United States	Electronic Service		No	M-25-199
3	Generic	Commerce Attorneys	commerce.attorneys@ag.state.mn.us		Office of the Attorney General - Department of Commerce	445 Minnesota Street Suite 1400 St. Paul MN, 55101 United States	Electronic Service		Yes	M-25-199
4	Lauren	Donofrio	ldonofrio@otpc.com	Otter Tail Power Company		215 South Cascade Street Fergus Falls MN, 56538-0496 United States	Electronic Service		Yes	M-25-199
5	Sharon	Ferguson	sharon.ferguson@state.mn.us		Department of Commerce	85 7th Place E Ste 280 Saint Paul MN, 55101-2198 United States	Electronic Service		No	M-25-199
6	Paula	Foster	pfoster@otpc.com	Otter Tail Power Company		215 S Cascade St PO Box 496 Fergus Falls MN, 56538-0496 United States	Electronic Service		Yes	M-25-199
7	Jessica	Fyhrie	jfyhrie@otpc.com	Otter Tail Power Company		PO Box 496 Fergus Falls MN, 56538-0496 United States	Electronic Service		No	M-25-199
8	Amber	Grenier	agrenier@otpc.com	Otter Tail Power Company		215 S. Cascade St. Fergus Falls MN, 56537 United States	Electronic Service		Yes	M-25-199
9	Adam	Heinen	aheinen@dakotaelectric.com	Dakota Electric Association		4300 220th St W Farmington MN, 55024 United States	Electronic Service		No	M-25-199
10	Nick	Kaneski	nick.kaneski@enbridge.com	Enbridge Energy Company, Inc.		11 East Superior St Ste 125 Duluth MN, 55802 United States	Electronic Service		No	M-25-199
11	Emily	Ketelsen	eketelsen@otpc.com	Otter Tail Power Company		215 South Cascade Street Fergus Falls MN, 56537 United States	Electronic Service		Yes	M-25-199
12	James D.	Larson	james.larson@avantenergy.com	Avant Energy Services		220 S 6th St Ste 1300 Minneapolis MN, 55402 United States	Electronic Service		No	M-25-199
13	Kavita	Maini	kmains@wi.rr.com	KM Energy Consulting, LLC		961 N Lost Woods Rd Oconomowoc	Electronic Service		No	M-25-199

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
						WI, 53066 United States				
14	Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP		33 South Sixth St Ste 4200 Minneapolis MN, 55402 United States	Electronic Service		No	M-25-199
15	Matthew	Olsen	molsen@otpc.com	Otter Tail Power Company		215 South Cascade Street Fergus Falls MN, 56537 United States	Electronic Service		No	M-25-199
16	Generic Notice	Regulatory	regulatory_filing_coordinators@otpc.com	Otter Tail Power Company		215 S. Cascade Street Fergus Falls MN, 56537 United States	Electronic Service		Yes	M-25-199
17	Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	1400 BRM Tower 445 Minnesota St St. Paul MN, 55101-2131 United States	Electronic Service		Yes	M-25-199
18	Cary	Stephenson	cstephenson@otpc.com	Otter Tail Power Company		215 South Cascade Street Fergus Falls MN, 56537 United States	Electronic Service		No	M-25-199
19	Stuart	Tommerdahl	stommerdahl@otpc.com	Otter Tail Power Company		215 S Cascade St PO Box 496 Fergus Falls MN, 56537 United States	Electronic Service		No	M-25-199