

April 11, 2018

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

**RE: Letter of the Minnesota Department of Commerce, Division of Energy Resources**  
Docket No. E017/GR-15-1033

Dear Mr. Wolf:

On May 1, 2017, the Minnesota Public Utilities Commission (Commission) issued its Findings of Fact, Conclusions and Order in Otter Tail Power Company's (Otter Tail or Company) general rate case. As part of this order, the Commission approved, among other adjustments, changes to the Company's Large General Service (LGS) rates and rate design. The approved rate design was based, in large part, on the October 14, 2016 LGS Rate Design Agreement (LGS Agreement) filed in this proceeding between Otter Tail and the Minnesota Chamber of Commerce (Chamber). On August 21, 2017, Otter Tail filed its rate case compliance. The Commission approved Otter Tail's rate case compliance on October 30, 2017 and authorized the implementation of final rates effective November 1, 2017.

On March 30, 2018, Otter Tail and the Chamber filed a Joint Request to Reopen Order Approving Compliance Filing (Joint Request) with the Commission. In the Joint Request, Otter Tail and the Chamber explained that the request is necessary to correct certain LGS rate elements so that they conform to the intent and principles of the LGS Agreement and to avoid unintended and unreasonable rate increases within the LGS rate class. The parties claimed that the current rates have resulted in inappropriate price signals that may incentivize customers to migrate away from Time-of-Day (TOD) service, in contradiction of the LGS Agreement. The parties also noted that the proposed corrections will not change Otter Tail's overall revenues or LGS class revenues from the levels approved by the Commission.

On April 9, 2018, the Office of the Attorney General—Residential Utilities and Antitrust Division (OAG) submitted a letter in this docket informing the Commission that the OAG does not object to the Joint Request, so long as the action does not in any way affect rates of residential or small business customers. The Minnesota Department of Commerce, Division of Energy Resources (Department) wishes to inform the Commission that it is currently reviewing the Joint Request and will provide analysis and recommendation after reviewing Otter Tail's responses to information requests.

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

Sincerely,

/s/ ADAM J. HEINEN  
Public Utilities Rates Analyst  
651-539-1825

AJH/ja

## **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  
Letter**

**Docket No. E017/GR-15-1033**

**Dated this 11<sup>th</sup> day of April 2018**

**/s/Sharon Ferguson**

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_15-1033_Official Service List
William A.	Blazar	bblazar@mnchamber.com	Minnesota Chamber Of Commerce	Suite 1500 400 Robert Street North St. Paul, MN 55101	Electronic Service	No	OFF_SL_15-1033_Official Service List
Tom	Boyko	tboyko@eastriver.coop	East River Electric Power Coop.	211 S. Harth Ave  Madison, SD 57042	Electronic Service	No	OFF_SL_15-1033_Official Service List
Ray	Choquette	rchoquette@agp.com	Ag Processing Inc.	12700 West Dodge Road PO Box 2047 Omaha, NE 68103-2047	Electronic Service	No	OFF_SL_15-1033_Official Service List
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_15-1033_Official Service List
Joseph	Dammel	joseph.dammel@ag.state.mn.us	Office of the Attorney General-RUD	Bremer Tower, Suite 1400 445 Minnesota Street St. Paul, MN 55101-2131	Electronic Service	Yes	OFF_SL_15-1033_Official Service List
William T	Davis	N/A	-	23456 Garland Ln  Battle Lake, MN 56515-9665	Paper Service	No	OFF_SL_15-1033_Official Service List
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_15-1033_Official Service List
Charles	Drayton	charles.drayton@enbridge.com	Enbridge Energy Company, Inc.	7701 France Ave S Ste 600  Edina, MN 55435	Electronic Service	No	OFF_SL_15-1033_Official Service List
James C.	Erickson	jericksonkbc@gmail.com	Kelly Bay Consulting	17 Quechee St  Superior, WI 54880-4421	Electronic Service	No	OFF_SL_15-1033_Official Service List

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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_15-1033_Official Service List
Edward	Garvey	garveyed@aol.com	Residence	32 Lawton St  Saint Paul, MN 55102	Electronic Service	No	OFF_SL_15-1033_Official Service List
Bruce	Gerhardson	bgerhardson@otpc.com	Otter Tail Power Company	PO Box 496 215 S Cascade St Fergus Falls, MN 565380496	Electronic Service	Yes	OFF_SL_15-1033_Official Service List
Dan	Harmelink	Dan.Harmelink@woodsfuller.com	Woods, Fuller, Shultz & Smith P.C.	300 S Phillips Ave Ste 300 PO Box 5027 Sioux Falls, SD 57117-5027	Electronic Service	No	OFF_SL_15-1033_Official Service List
Kimberly	Hellwig	kimberly.hellwig@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-1033_Official Service List
Annete	Henkel	mui@mutilityinvestors.org	Minnesota Utility Investors	413 Wacouta Street #230 St.Paul, MN 55101	Electronic Service	No	OFF_SL_15-1033_Official Service List
Shane	Henriksen	shane.henriksen@enbridge.com	Enbridge Energy Company, Inc.	1409 Hammond Ave FL 2  Superior, WI 54880	Electronic Service	No	OFF_SL_15-1033_Official Service List
Linda	Jensen	linda.s.jensen@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota Street  St. Paul, MN 551012134	Electronic Service	Yes	OFF_SL_15-1033_Official Service List
Richard	Johnson	Rick.Johnson@lawmoss.com	Moss & Barnett	150 S. 5th Street Suite 1200 Minneapolis, MN 55402	Electronic Service	Yes	OFF_SL_15-1033_Official Service List
Joel W.	Kanvik	joel.kanvik@enbridge.com	Enbridge Energy LLC	4628 Mike Colalillo Dr  Duluth, MN 55807	Electronic Service	No	OFF_SL_15-1033_Official Service List

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Bill	Lachowitz	blachowitz@ibewlocal949.org	IBEW Local Union 949	12908 Nicollet Ave S  Burnsville, MN 55337-3527	Electronic Service	No	OFF_SL_15-1033_Official Service List
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W  Farmington, MN 55024	Electronic Service	No	OFF_SL_15-1033_Official Service List
James D.	Larson	james.larson@avantenergy.com	Avant Energy Services	220 S 6th St Ste 1300  Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-1033_Official Service List
Eric	Lipman	eric.lipman@state.mn.us	Office of Administrative Hearings	PO Box 64620  St. Paul, MN 551640620	Electronic Service	No	OFF_SL_15-1033_Official Service List
Peter	Madsen	peter.madsen@ag.state.mn.us	Office of the Attorney General-DOC	Bremer Tower, Suite 1800 445 Minnesota Street St. Paul, Minnesota 55101	Electronic Service	Yes	OFF_SL_15-1033_Official Service List
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E  St. Paul, MN 55106	Electronic Service	No	OFF_SL_15-1033_Official Service List
Joseph	Meyer	joseph.meyer@ag.state.mn.us	Office of the Attorney General-RUD	Bremer Tower, Suite 1400 445 Minnesota Street St Paul, MN 55101-2131	Electronic Service	Yes	OFF_SL_15-1033_Official Service List
Tom	Micheletti	tommicheletti@excelsiorenergy.com	Excelsior Energy Inc.	225 S 6th St Ste 2560  Minneapolis, MN 55402-4638	Electronic Service	No	OFF_SL_15-1033_Official Service List
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200  Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-1033_Official Service List
Ben	Passer	Passer@fresh-energy.org	Fresh Energy	408 St. Peter Street Ste 220  Saint Paul, MN 55102	Electronic Service	Yes	OFF_SL_15-1033_Official Service List

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
David G.	Prazak	dprazak@otpc.com	Otter Tail Power Company	P.O. Box 496 215 South Cascade Street Fergus Falls, MN 565380496	Electronic Service	No	OFF_SL_15-1033_Official Service List
Rate Case Inbox	Rate Case Inbox	mnratescase@otpc.com	Otter Tail	N/A	Electronic Service	No	OFF_SL_15-1033_Official Service List
Richard	Savelkoul	rsavelkoul@martinsquires.com	Martin & Squires, P.A.	332 Minnesota Street Ste W2750  St. Paul, MN 55101	Electronic Service	No	OFF_SL_15-1033_Official Service List
Larry L.	Schedin	Larry@LLSResources.com	LLS Resources, LLC	332 Minnesota St, Ste W1390  St. Paul, MN 55101	Electronic Service	No	OFF_SL_15-1033_Official Service List
Robert H.	Schulte	rhs@schulteassociates.com	Schulte Associates LLC	1742 Patriot Rd  Northfield, MN 55057	Electronic Service	No	OFF_SL_15-1033_Official Service List
Janet	Shaddix Elling	jshaddix@janetshaddix.com	Shaddix And Associates	7400 Lyndale Ave S Ste 190  Richfield, MN 55423	Electronic Service	Yes	OFF_SL_15-1033_Official Service List
Mrg	Simon	mrgsimon@mrenergy.com	Missouri River Energy Services	3724 W. Avera Drive P.O. Box 88920 Sioux Falls, SD 571098920	Electronic Service	No	OFF_SL_15-1033_Official Service List
William	Taylor	bill.taylor@williamgtaylor.com	Taylor Law Firm	2921 E 57th St PO Box 10  Sioux Falls SD	Electronic Service	No	OFF_SL_15-1033_Official Service List
Pat	Treseler	pat.jcplaw@comcast.net	Paulson Law Office LTD	4445 W 77th Street Suite 224 Edina, MN 55435	Electronic Service	No	OFF_SL_15-1033_Official Service List
Cam	Winton	cwinton@mnchamber.com	Minnesota Chamber of Commerce	400 Robert Street North Suite 1500 St. Paul, Minnesota 55101	Electronic Service	Yes	OFF_SL_15-1033_Official Service List

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_15-1033_Official Service List
Patrick	Zomer	Patrick.Zomer@lawmoss.com	Moss & Barnett a Professional Association	150 S. 5th Street, #1200  Minneapolis, MN 55402	Electronic Service	Yes	OFF_SL_15-1033_Official Service List