

April 7, 2022

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

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. E017/GR-20-719

Dear Mr. Seuffert:

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

A Compliance Filing submitted by Otter Tail Power Company, pursuant to the Minnesota Public Utilities Commission's (Commission) February 1, 2022 *Findings of Fact, Conclusions of Law, and Order*.

The Compliance Filing was submitted on March 8, 2022 by:

Matthew J. Olsen
Manager Regulatory Strategy and Compliance
Otter Tail Power Company
215 South Cascade Street
Fergus Falls, MN 56537

The Department recommends **approval** of Otter Tail Power Company's (OTP) Compliance Filing. The Department is available to answer any questions the Minnesota Public Utilities Commission may have.

Sincerely,

/s/ MARK A. JOHNSON
Financial Analyst

MAJ/ja



Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. E017/GR-20-719

I. INTRODUCTION

On February 1, 2022, the Minnesota Public Utilities Commission (Commission) issued its *Findings of Fact, Conclusions of Law, and Order* (Order) in the above-referenced docket concerning Otter Tail Power Company's (OTP or the Company) request to increase electric rates in Minnesota. Ordering Paragraph No. 101 of the Commission's Order required OTP to submit certain information as discussed below. Ordering Paragraph No. 102 of the Commission's Order stated that comments may be filed on all compliance filings within 30 days of the date they are filed and that comments are not necessary on Otter Tail Power Company's proposed customer notice.

On March 8, 2022, OTP submitted its Compliance Filing in accordance with Ordering Paragraph No. 101 of the Commission's Order.

Pursuant to Ordering Paragraph No. 102 of the Order, the Minnesota Department of Commerce, Division of Energy Resources (Department or DOC) submits these comments addressing each compliance item.

II. THE DEPARTMENT'S ANALYSIS OF THE COMPLIANCE FILING BY ORDERING PARAGRAPH

Ordering Paragraph No. 101 required OTP to make the following compliance filings within 30 days of the Commission's Order:

- a. Revised schedules of rates and charges reflecting the revenue requirement and the rate design decisions herein, along with the proposed effective date, and including the breakdown of total operating revenues by type, as well as the following:
 - i. Schedules showing all billing determinants for the retail sales (and sale for resale) of electricity. These schedules shall include but not be limited to:
 - ii. Total revenue by customer class;
 - iii. Total number of customers, the customer charge and total customer charge revenue by customer class; and
 - iv. For each customer class, the total number of energy and demand related billing units, the per unit energy and demand cost of energy, and the total energy and demand related sales revenues.

- v. Revised tariff sheets incorporating authorized rate design decisions;
- vi. Proposed customer notices explaining the final rates, the monthly basic service charges, and any and all changes to rate design and customer billing.
- b. A summary listing of all other rate riders and charges in effect, and continuing, after the date final rates are implemented are implemented
- c. A computation of the CCRC based upon the decisions made herein for inclusion in the final Order. Direct Otter Tail to file a schedule detailing the CIP tracker balance at the beginning of interim rates, the revenues (CCRC and CIP Adjustment Factor) and costs recorded during the period of interim rates, and the CIP tracker balance at the time final rates become effective.
- d. If authorized rates are lower than the interim rates, a proposal to make refunds of interim rates consistent with the Commission's decisions in this proceeding.

Each of these items is discussed below.

A. UPDATED FINANCIAL SCHEDULES AND REVENUE REQUIREMENTS

On page 62 of its Order, the Commission stated its findings and conclusions result in a Minnesota-jurisdictional gross revenue deficiency for the test year of \$17,911,362, which results in new revenues of (\$2,212,650) after accounting for the roll-in of riders of \$20,124,012. OTP proposed an effective date of July 1, 2022 for final rates, with an interim rate refund commencing on August 6, 2022.¹

Ordering Paragraph No. 101(a) required the Company to provide revised schedules of rates and charges reflecting the revenue requirement and rate design decisions herein, along with a proposed effective date. The Company provided this information in Schedule 1, Attachments 1-6 of its Compliance Filing. As shown therein, OTP determined it is entitled to increase Minnesota jurisdictional revenues by \$17,911,362, which results in new revenues of (\$2,212,650) after accounting for the roll-in of riders.

The Department reviewed OTP's updated financial schedules and related attachments along with its proposed effective date. Based on our review, the Department agrees that after including the changes noted above, the Company's financial schedules appropriately reflect a Minnesota-jurisdictional gross revenue deficiency for the test year of \$17,911,362.

¹ Petition at 1.

B. OPERATING REVENUES BY TYPE

Ordering Paragraph No. 101(a), required the Company to provide a breakdown of operating revenues by type. The Company provided this information in Schedule 2 and the related attachments of its Compliance Filing.

The Department reviewed Schedule 2 and the related attachments in OTP's Compliance Filing. Based on our review, the Department concludes this schedule and related attachments comply with the Commission's Order.

C. BILLING DETERMINANTS AND RATES

Ordering Paragraph No. 101(a), Subparts (i) through (iv) required the Company to provide Schedules showing all billing determinants for the retail sales of electricity, including but not limited to the information noted above. The Company provided this information in Schedule 3 and the related attachments of its Compliance Filing.

The Department reviewed Schedule 3 and related attachments of OTP's Compliance Filing. Based on our review, the Department concludes this schedule and related attachments comply with the Commission's Order.

D. REVISED TARIFF SHEETS

Ordering Paragraph No. 101(a), Subpart (v) required the Company to provide revised tariff sheets incorporating the Commission's authorized rate design decisions. OTP provided this information in Schedule 4 of its Compliance Filing.

Based on our review, the Department concludes these tariff sheets comply with the Commission's Order.

E. PROPOSED CUSTOMER NOTICE

Schedule 5 of the Compliance Filing responded to Ordering Paragraph No. 101(a), Subpart (vi), which required OTP to submit proposed customer notices explaining the final rates, the monthly basic service charges, and any and all changes to rate design and customer billing.

Based on our review, the Department concludes OTP's proposed customer notice complies with the Commission Order.

F. SUMMARY OF ALL RIDERS AND CHARGES

Ordering Paragraph No. 101(b) required the Company to provide a summary of all other rate riders in effect, and continuing, after the date final rates are implemented. OTP provided this information in Schedule 6 and related attachments of its Compliance Filing.

The Department reviewed Schedule 6 of OTP's Compliance Filing and concludes Schedule 6 complies with the Commission's Order.

G. CIP TRACKER

Ordering Paragraph No. 101(c) required OTP to file a schedule detailing the conservation improvement program (CIP) tracker balance at the beginning of interim rates, the revenues (CCRC and CIP Adjustment Factor) and costs recorded during the period of interim rates, and the CIP tracker balance at the time final rates become effective. OTP provided this information in Schedule 7 and related attachment of its Compliance Filing.

A review of the Company's Schedule 7 and related attachment confirms the Compliance Filing contains all required information.

H. INTERIM RATE REFUND PLAN

Ordering Paragraph No. 101(d) required OTP to make a proposal for refunds of interim rates, with interest, to affected customers consistent with the Commission's decisions in this proceeding if final rates are lower than interim rates. In Schedule 8 of its Compliance Filing, OTP stated the Commission's final determination results in authorized interim rate revenue requirements of approximately \$207.3 million. As shown in Schedule 8, OTP proposed to refund, with interest, the difference between its authorized interim rates and actual billed revenues over the interim rate period, which resulted in a refund obligation of \$14,716,284. OTP then added interest of \$350,593 to determine its proposed total refund obligation of \$15,066,880.

Based on our review, the Department concludes the refund plan complies with Ordering Paragraph No. 101(d). Therefore, the Department recommends the Commission approve OTP's refund plan. Additionally, the Department recommends the Commission require OTP to submit, within 10 days of completing the refund for all customers, a compliance filing that separately shows the actual refunds and interest paid by rate class including supporting calculations.

III. SUMMARY OF THE DOC'S RECOMMENDATIONS

The Department recommends the Commission approve Otter Tail Power Company's Compliance Filing and refund plan.

The Department also recommends the Commission require OTP to submit, within 10 days of the completing the interim rate refund for all customers, a compliance filing that separately shows the actual refunds and interest paid by rate class including supporting calculations.

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
Compliance Comments**

Docket No. E017/GR-20-719

Dated this 7th day of **April 2022**

/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 White Earth, MN 56591	Electronic Service	No	OFF_SL_20-719_Official
Tom	Boyko	tboyko@eastriver.coop	East River Electric Power Coop.	211 S. Harth Ave Madison, SD 57042	Electronic Service	No	OFF_SL_20-719_Official
Ray	Choquette	rchoquette@agp.com	Ag Processing Inc.	12700 West Dodge Road PO Box 2047 Omaha, NE 68103-2047	Electronic Service	No	OFF_SL_20-719_Official
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_20-719_Official
Brooke	Cooper	bcooper@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022191	Electronic Service	No	OFF_SL_20-719_Official
Jason	Decker	jason.decker@llojbwe.net	Leech Lake Band of Ojibwe	190 Sailstar Drive NW Cass Lake, MN 56633	Electronic Service	No	OFF_SL_20-719_Official
Richard	Dornfeld	Richard.Dornfeld@ag.state.mn.us	Office of the Attorney General-DOC	Minnesota Attorney General's Office 445 Minnesota Street, Suite 1800 Saint Paul, Minnesota 55101	Electronic Service	Yes	OFF_SL_20-719_Official
Charles	Drayton	charles.drayton@enbridge.com	Enbridge Energy Company, Inc.	7701 France Ave S Ste 600 Edina, MN 55435	Electronic Service	No	OFF_SL_20-719_Official
Remi	Engbers	remi.engbers@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_20-719_Official
Kelly C.	Engebretson	Kelly.Engebretson@lawmoss.com	Moss & Barnett	150 S. 5th St #1200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_20-719_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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Katherine	Hinderlie	katherine.hinderlie@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota St Suite 1400 St. Paul, MN 55101-2134	Electronic Service	Yes	OFF_SL_20-719_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Faron	Jackson, Sr.	faron.jackson@llojibwe.net	Leech Lake Band of Ojibwe	190 Sailstar Drive NW Cass Lake, MN 56633	Electronic Service	No	OFF_SL_20-719_Official
Richard	Johnson	Rick.Johnson@lawmoss.com	Moss & Barnett	150 S. 5th Street Suite 1200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_20-719_Official
Nick	Kaneski	nick.kaneski@enbridge.com	Enbridge Energy Company, Inc.	11 East Superior St Ste 125 Duluth, MN 55802	Electronic Service	No	OFF_SL_20-719_Official
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Bill	Lachowitz	blachowitz@ibewlocal949.org	IBEW Local Union 949	12908 Nicollet Ave S Burnsville, MN 55337-3527	Electronic Service	No	OFF_SL_20-719_Official
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Eric	Lipman	eric.lipman@state.mn.us	Office of Administrative Hearings	PO Box 64620 St. Paul, MN 551640620	Electronic Service	Yes	OFF_SL_20-719_Official
Kavita	Maini	kmains@wi.rr.com	KM Energy Consulting, LLC	961 N Lost Woods Rd Oconomowoc, WI 53066	Electronic Service	No	OFF_SL_20-719_Official
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	OFF_SL_20-719_Official
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	No	OFF_SL_20-719_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Tim	Miller	Tim.Miller@mrenergy.com	Missouri River Energy Services	3724 W Avera Dr PO Box 88920 Sioux Falls, SD 57109-8920	Electronic Service	No	OFF_SL_20-719_Official
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_20-719_Official
Matthew	Olsen	molsen@otpc.com	Otter Tail Power Company	215 South Cascade Street Fergus Falls, MN 56537	Electronic Service	No	OFF_SL_20-719_Official
Marcia	Podratz	mpodratz@mnpower.com	Minnesota Power	30 W Superior S Duluth, MN 55802	Electronic Service	No	OFF_SL_20-719_Official
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_20-719_Official
Rate Case Inbox	Rate Case Inbox	mnratecase@otpc.com	Otter Tail	N/A	Electronic Service	No	OFF_SL_20-719_Official
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_20-719_Official
Richard	Savelkoul	rsavelkoul@martinsquires.com	Martin & Squires, P.A.	332 Minnesota Street Ste W2750 St. Paul, MN 55101	Electronic Service	No	OFF_SL_20-719_Official
Peter	Scholtz	peter.scholtz@ag.state.mn.us	Office of the Attorney General-RUD	Suite 1400 445 Minnesota Street St. Paul, MN 55101-2131	Electronic Service	Yes	OFF_SL_20-719_Official
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First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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