



The Office of  
**Minnesota Attorney General Keith Ellison**  
helping people afford their lives and live with dignity and respect • [www.ag.state.mn.us](http://www.ag.state.mn.us)

March 19, 2021

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

**Re: *In the Matter of Otter Tail Power Company's Petition for Approval to Extend Its Energy-Intensive, Trade-Exposed Rider***  
**MPUC Docket No. E-017/M-21-99**

Dear Mr. Seuffert:

The Office of the Attorney General – Residential Utilities Division (“OAG”) submits this letter in response to the February 1, 2020 petition of Otter Tail Power Company (“Otter Tail” or “Company”) to extend its rider for energy-intensive trade-exposed customers (“EITE rider”). The OAG takes no position on whether the EITE rider should be extended. The purpose of this letter is to raise a potential concern related to the Company’s proposed adjusted baseline.

The EITE rider provides a rate discount to three large industrial forest-products customers. The discount is funded through a surcharge on other customers (“EITE-paying customers”). The Commission has required Otter Tail to track any increased revenue from EITE customers and refund it to EITE-paying customers, as required by statute.<sup>1</sup> The Commission directed Otter Tail to use EITE-customer revenues from 2016 as the baseline for determining the amount of the revenue increase from the discount. The reason that 2016 revenues were used as a baseline is that 2016 immediately preceded the year when the discount went into effect, and thus future-year revenues would reflect any sales impact of the discount.<sup>2</sup>

---

<sup>1</sup> See *In the Matter of Otter Tail Power Company's Petition for Approval of an Energy-Intensive Trade-Exposed Customer Rate*, Docket No. E-017/M-17-257, Order Authorizing Cost Recovery with Conditions at 4-5 (May 29, 2018) (applying Minn. Stat. § 216B.1696, subd. 2(d)).

<sup>2</sup> See *id.* at 5. The Commission stated,

EITE-customer revenues from 2016 are an appropriate benchmark for measuring any revenue increase attributable to the EITE discount, since Otter Tail did not offer an EITE discount at that time, but began offering a discount in 2017. Use of 2016 revenues will ensure that EITE-paying customers benefit from any significant and sustained increase in EITE revenues that may result from the discount.

Mr. Will Seuffert

March 19, 2021

Page 2

In its current petition, Otter Tail recommends “a decrease of 1,437 MWh or 2.18 percent to the baseline” to reflect the 2021 forecast in its pending rate case.<sup>3</sup> This is not consistent with the Commission’s previous reason for using a non-EITE year to set the baseline. Nonetheless, this change is reasonable because it would benefit ratepayers as a group. EITE-paying customers benefit because a lower baseline would tend to yield a larger revenue increase to be refunded, all else being equal. EITE customers benefit by continuing to receive their discounts.

The OAG is supportive of an outcome that reduces costs for EITE-paying customers, and for that reason does not oppose the baseline change that Otter Tail requests. This does not mean, however, that it would be reasonable in the future to *increase* the baseline above Otter Tail’s 2016 EITE sales. This would increase costs for EITE-paying customers by yielding a smaller refund. And it would not accurately reflect the increased sales that result from the EITE discount.

For this reason, if the Commission allows Otter Tail to adjust the baseline as it proposes, the Commission should require that any future upward adjustment to the baseline cannot cause it to exceed the original 2016 baseline. This would preserve the intent of the Commission’s cost-recovery order while giving EITE-paying customers a modest benefit in the near term.

Sincerely,

/s/ **Peter G. Scholtz**

---

PETER G. SCHOLTZ

Assistant Attorney General

(651) 757-1473 (Voice)

(651) 296-9663 (Fax)

[peter.scholtz@ag.state.mn.us](mailto:peter.scholtz@ag.state.mn.us)

---

<sup>3</sup> Otter Tail Petition at 14.

**CERTIFICATE OF SERVICE**

**Re: *In the Matter of Otter Tail Power Company's Petition for Approval to Extend Its Energy-Intensive, Trade-Exposed Rider***  
**MPUC Docket No. E-017/M-21-99**

I, JUDY SIGAL, hereby certify that on the 19th day of March, 2021, I e-filed with eDockets *a Letter of the Office of The Attorney General—Residential Utilities Division* and served a true and correct copy of the same upon all parties listed on the attached service list by e-mail, electronic submission, and/or United States Mail with postage prepaid, and deposited the same in a U.S. Post Office mail receptacle in the City of St. Paul, Minnesota.

*/s/ Judy Sigal*  
\_\_\_\_\_  
JUDY SIGAL

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Amadeo	Bellino	amadeo.bellino@llobjwwe.net	Leech Lake Band of Ojibwe	- , - 55101	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
Mariah	Bevins	Maria.Bevins@whiteearthnsn.gov	White Earth Reservation Business Committee	PO Box 418 White Earth, MN 56591	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
Tom	Boyko	tboyko@eastriver.coop	East River Electric Power Coop.	211 S. Harth Ave Madison, SD 57042	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
Ray	Choquette	rchoquette@agp.com	Ag Processing Inc.	12700 West Dodge Road PO Box 2047 Omaha, NE 68103-2047	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
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_21-99_Official Service List 21-99
Brooke	Cooper	bcooper@allte.com	Minnesota Power	30 W Superior St Duluth, MN 558022191	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
Jason	Decker	jason.decker@llobjwwe.net	Leech Lake Band of Ojibwe	- , - 55101	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
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_21-99_Official Service List 21-99
Charles	Drayton	charles.drayton@enbridge.com	Enbridge Energy Company, Inc.	7701 France Ave S Ste 600 Edina, MN 55435	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
Grace	Elliott	grace.elliott@llobjwwe.net	Leech Lake Band of Ojibwe	- , - 55101	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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_21-99_Official Service List 21-99
Kelly C.	Engbretson	Kelly.Engbretson@lawmoss.com	Moss & Barnett	150 S. 5th St #1200  Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
James C.	Erickson	jericksonkbc@gmail.com	Kelly Bay Consulting	17 Quechee St  Superior, WI 54880-4421	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
Michael	Fairbanks	Michael.Fairbanks@whitearth-nsn.gov	White Earth Reservation Business Committee	PO Box 418  White Earth, MN 56591	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280  Saint Paul, MN 55102198	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
Jessica	Fyhrie	jfyhrie@otpco.com	Otter Tail Power Company	PO Box 496  Fergus Falls, MN 56538-0496	Electronic Service	Yes	OFF_SL_21-99_Official Service List 21-99
Edward	Garvey	garveyed@aol.com	Residence	32 Lawton St  Saint Paul, MN 55102	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
Bruce	Gerhardson	bgerhardson@otpco.com	Otter Tail Power Company	PO Box 496 215 S Cascade St Fergus Falls, MN 565380496	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
Annete	Henkel	mui@mnutilityinvestors.org	Minnesota Utility Investors	413 Wacouta Street #230 St.Paul, MN 55101	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
Shane	Henriksen	shane.henriksen@enbridge.com	Enbridge Energy Company, Inc.	1409 Hammond Ave FL 2  Superior, WI 54880	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Kristin	Henry	kristin.henry@sierraclub.org	Sierra Club	85 Second Street San Francisco, CA 94195	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
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_21-99_Official Service List 21-99
Faron	Jackson, Sr.	faron.jackson@llobjwwe.net	Leech Lake Band of Ojibwe	N/A	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
Richard	Johnson	Rick.Johnson@lawmoss.com	Moss & Barnett	150 S. 5th Street Suite 1200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
Max	Kieley	max.kieley@ag.state.mn.us	Office of the Attorney General-RUD	1400 Town Square Tower 445 Minnesota Street St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_21-99_Official Service List 21-99
Michael	Krikava	mkrikava@taflaw.com	Taft Stettinius & Hollister LLP	2200 IDS Center 80 S 8th St Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
Bill	Lachowitz	blachowitz@ibewlocal949.org	IBEW Local Union 949	12908 Nicollet Ave S Burnsville, MN 55337-3527	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
James D.	Larson	james.larson@avantenergy.com	Avant Energy Services	220 S 6th St Ste 1300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
Annie	Levenson Falk	annief@cupminnesota.org	Citizens Utility Board of Minnesota	332 Minnesota Street, Suite W1360 St. Paul, MN 55101	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Eric	Lipman	eric.lipman@state.mn.us	Office of Administrative Hearings	PO Box 64620 St. Paul, MN 551640620	Electronic Service	Yes	OFF_SL_21-99_Official Service List 21-99
Kavita	Maini	kmains@wi.rr.com	KM Energy Consulting, LLC	961 N Lost Woods Rd Oconomowoc, WI 53066	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
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_21-99_Official Service List 21-99
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7 h St E St. Paul, MN 55106	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
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_21-99_Official Service List 21-99
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_21-99_Official Service List 21-99
Andrew	Moratka	andrew.moratka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
Matthew	Olsen	molsen@otpc.com	Otter Tail Power Company	215 South Cascade Street Fergus Falls, MN 56537	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
Ben	Passer	Passer@fresh-energy.org	Fresh Energy	408 St. Peter Street Ste 220 Saint Paul, MN 55102	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
Marcia	Podratz	mpodratz@mnpower.com	Minnesota Power	30 W Superior S Duluth, MN 55802	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99

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_21-99_Official Service List 21-99
	Rate Case Inbox	mnratecase@otpc.com	Otter Tail	N/A	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
	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_21-99_Official Service List 21-99
Richard	Savelkoul	rsavelkoul@martinsquires.com	Martin & Squires, P.A.	332 Minnesota Street Ste W2750 St. Paul, MN 55101	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
Larry L.	Schedin	Larry@LLSResources.com	LLS Resources, LLC	332 Minnesota St, Ste W1390 St. Paul, MN 55101	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
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_21-99_Official Service List 21-99
Robert H.	Schulte	rhs@schultreassociates.com	Schulte Associates LLC	1742 Patriot Rd Northfield, MN 55057	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th Pl E Ste 350 Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_21-99_Official Service List 21-99
Janet	Shaddix Eiling	jshaddix@janetshaddix.com	Shaddix And Associates	7400 Lyndale Ave S Ste 190 Richfield, MN 55423	Electronic Service	Yes	OFF_SL_21-99_Official Service List 21-99
Cary	Stephenson	cStephenson@otpc.com	Otter Tail Power Company	215 South Cascade Street Fergus Falls, MN 56537	Electronic Service	Yes	OFF_SL_21-99_Official Service List 21-99



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 Suite B Sioux Falls, SD 57108	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
Stuart	Tommerdahl	stommerdahl@otpc.com	Otter Tail Power Company	215 S Cascade St PO Box 496 Fergus Falls, MN 56537	Electronic Service	Yes	OFF_SL_21-99_Official Service List 21-99
Pat	Treseler	pat.jplaw@comcast.net	Paulson Law Office LTD	4445 W 77th Street Suite 224 Edina, MN 55435	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
Laurie	Williams	laurie.williams@sierraclub.org	Sierra Club	Environmental Law Program 1536 Wynkoop St Ste 200 Denver, CO 80202	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
Cha	Xiong	cha.xiong@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota St. Suite 1400 St. Paul, Minnesota 55101	Electronic Service	Yes	OFF_SL_21-99_Official Service List 21-99
Laurie	York	laurie.york@whiteearth-nsn.gov	White Earth Reservation Business Committee	PO Box 418 White Earth, MN 56591	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
Patrick	Zomer	Pat.Zomer@lawmoss.com	Moss & Barnett a Professional Association	150 S. 5th Street, #1200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99