

Before the Minnesota Public Utilities Commission  
State of Minnesota

In the Matter of the Application of Otter Tail Power Company  
For Authority to Increase Rates for Electric Utility  
Service in Minnesota

Docket No. E017/GR-25-359

Exhibit OTP-3

**NOTICE OF CHANGE IN RATES – INTERIM RATE PETITION**

October 31, 2025

**Otter Tail Power Company  
Minnesota General Rate Case Documents  
Docket No. E017/GR-25-359**

**Volume 1  
Notice of Change in Rates – Interim Rate Petition**

Filing Letter  
Notice of Change in Rates  
Summary of Filing  
Notice and Petition for Interim Rates  
Agreement and Undertaking  
Certification  
Interim Supporting Schedules and Workpapers  
Interim Tariff Sheet  
Proposed Notices

215 South Cascade Street  
PO Box 496  
Fergus Falls, Minnesota 56538-0496  
218 739-8200  
[www.otpc.com](http://www.otpc.com) (web site)



October 31, 2025

Sasha Bergman  
Executive Secretary  
Minnesota Public Utilities Commission  
121 Seventh Place East, Suite 350  
St. Paul, MN 55101-2147

**Re: In the Matter of the Application of Otter Tail Power Company for  
Authority to Increase Rates for Electric Service in Minnesota  
Docket No. E017/GR-25-359**

Dear Ms. Bergman:

Enclosed is an Application for Proposed Increase in Electric Rates (Application) of Otter Tail Power Company (OTP or the Company). This Application is being filed with the Minnesota Public Utilities Commission (Commission) pursuant to Minn. Stat. § 216B.16, Subd. 1. The Application includes a Notice of Change in Rates and a Notice and Petition for Interim Rates (Interim Petition), made pursuant to Minn. Stat. § 216B.16, Subd. 3.

The net effect of OTP's proposals requested in the Application will increase OTP's revenue by \$44.8 million, a 17.69 percent increase above total present revenues (including rider revenues) of approximately \$253.2 million. Base rate revenue would increase by a larger amount (\$50.7 million) due to the movement of some costs from riders to base rates.

The movement of costs and revenues between riders and base rates does not change the levels of overall final revenues or interim revenues requested by OTP but does change levels of individual rate elements.

Pursuant to Minn. Stat. § 216B.16, Subd. 1, which authorizes changes in rates upon 60 days' notice to the Commission, the proposed rates would become effective on January 1, 2026 if not suspended by the Commission. OTP acknowledges that due to other rate case activity, the Commission may extend the review period pursuant to Minn. Stat. § 216B.16, Subd. 2(f). Further, OTP has conferred with the Minnesota Department of Commerce (Department) and the Office of the Attorney General – Residential Utilities Division (OAG) regarding a potential extension of the period to review the Application. Based on these conferrals, if the Commission suspends the proposed rate increase and extends the review period, OTP requests the Commission make a final determination no later than February 23, 2027.

As described in the Interim Petition, if the Commission suspends the proposed rate increase as described above, OTP requests authority to implement an interim rate increase of \$31.8 million on January 1, 2026, pursuant to Minn. Stat. § 216B.16, Subd. 3, or 12.62 percent of total present revenues (including rider revenues). The interim revenue increase will be applied as a uniform 21.31 percent increase to only the base rate components of customers' bills.

OTP's Application for Proposed Increase in Electric Rates is presented in five volumes as described below:

Application/Interim Rates Volume 1	Notice of Change in Rates Interim Rate Petition
Volumes 2A, 2B, 2C, 2D	Testimony and Schedules Proposed Rates and Tariffs
Volume 3	Required Information
Volumes 4A, 4B	Test Year Workpapers Lead Lag Study
Volume 5	Budget Documentation

In addition, Volume 1 includes a proposed Notice of Filing to be provided to each municipality and county in OTP's electric service territory. A list of the counties and communities served by OTP is attached to that Notice. The Notice and Petition for Interim Rates, also included in Volume 1, describes the interim rate schedules for each customer class and contains proposed customer notices. Once approved, these notices will be provided to the municipalities, counties, and customers.

A copy of the Application (including the Interim Petition) has been served on the Department and the (OAG), and the Summary of Filing has been served on all intervenors from the Company's most recent electric rate case (Docket No. E017/GR-20-719), as well as on persons on the Company's general electric service list, as shown on the Certificate of Service included with the Notice of Change in Rates.

OTP will cooperate fully with the Commission and the Department and OAG as they review the Application and Interim Petition.

Sincerely,

Stuart Tommerdahl  
Manager, Regulation & Retail Energy Solutions  
Otter Tail Power Company

kaw  
Enclosures  
By electronic filing  
c: Service List

STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION

Katie Sieben	Chair
Hwikon Ham	Commissioner
Audrey Partridge	Commissioner
Joseph Sullivan	Commissioner
John Tuma	Commissioner

In the Matter of the Application of Otter  
Tail Power Company For Authority to  
Increase Rates for Electric Utility Service in  
Minnesota

Docket No. E017/GR-25-359

**NOTICE OF CHANGE IN RATES**

**I. INTRODUCTION**

Otter Tail Power Company (OTP or the Company) hereby provides notice of and applies (the Application) for authority from the Minnesota Public Utilities Commission (Commission) to increase retail electric rates in Minnesota pursuant to Minn. Stat. § 216B.16 and Minn. R. 7825.3100-7825.4600 and 7829.2400 (Notice).

The overall effect of OTP's proposal will increase its Minnesota revenue by \$44.8 million, a 17.69 percent increase above total present revenues (including rider revenues). As explained in this Notice, OTP also proposes changes to the rate elements through which certain costs are recovered, with some renewable and transmission costs moving from riders *into* base rates.

The average monthly impact of the proposed rate increase for residential customers is approximately \$18 per month or \$216 per year. The impact on individual customers will be higher or lower depending on each individual customer's actual electric consumption.

*Transition of Rider Recovery into Base Rates*

OTP proposes to transition certain project costs currently included in its Transmission Cost Recovery (TCR) rider, Renewable Resource Cost Recovery (RRCR) rider, and

Electric Utility Infrastructure Cost Recovery (EUIC) rider into base rates.<sup>1</sup> These costs will move into base rates at the conclusion of this case. These transitions increase the total 2026 Test Year revenue deficiency by \$5.9 million. The TCR, RRCR, and EUIC riders will be reduced by the same amount, meaning these transitions from riders to base rates do not result in an increase in overall bills paid by customers.

### *Revenue Increase Expressed in Gross Revenue and Percentage*

OTP's request addresses a total 2026 Test Year base rate revenue deficiency of \$50.7 million, or 33.97 percent above present base rate revenue of \$149.2 million.<sup>2</sup> OTP's TCR, RRCR, and EUIC rider costs are included in the 2026 Test Year deficiency, along with the net revenue increase of \$44.8 million. As described above, the net aggregate or overall effect of our request (including moving costs from one rate element to another) is an increase in total revenue of 17.69 percent.

OTP is also proposing changes to its rate design and terms of service for final rates.

Pursuant to Minn. Stat. § 216B.16, Subd. 1, which authorizes changes in rates upon 60 days' notice to the Commission, the proposed rates would become effective on January 1, 2026 if not suspended by the Commission. OTP acknowledges that due to other rate case activity, the Commission may extend the review period pursuant to Minn. Stat. § 216B.16, Subd. 2(f). Further, OTP has conferred with the Minnesota Department of Commerce (Department) and the Office of the Attorney General – Residential Utilities Division (OAG) regarding a potential extension of the period to review the OTP's requests in this proceeding. Based on these conferrals, if the Commission suspends the proposed rate increase and extends the review period, OTP requests the Commission make a final determination no later than February 23, 2027.

### *Interim Rates*

If the Commission suspends the proposed rate increase as described above, OTP requests authority to implement an interim revenue increase of \$31.8 million on January 1, 2026, pursuant to Minn. Stat. § 216B.16, Subd. 3. The overall interim revenue increase is equal to 12.62 percent of total present revenues (including rider revenues). The Proposed Interim Test Year 2026 revenue deficiency (Interim Deficiency) is \$31.8

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<sup>1</sup> As discussed in the Direct Testimony of OTP witness Ms. Paula M. Foster.

<sup>2</sup> As discussed in the Direct Testimony of OTP witness Ms. Christy L. Petersen.

million, or 12.62 percent of total present revenues (including rider revenues) without the interim increase of \$251.9 million.<sup>3</sup>

The Company proposes the Interim Deficiency be collected through a uniform interim rate adjustment of 21.31 percent to base rates only. The interim rate adjustment percentage is higher than the overall Interim Deficiency percentage because the interim rate adjustment applies only to base rates.

This Notice includes the following information in accordance with Minnesota Statutes and Commission rules:

## **II. NOTICE AND PROPOSAL REGARDING GENERAL RATE CHANGE (Minn. R. 7825.3200A(1) and 7825.3500)**

### **A. Name, address and telephone number of utility and attorneys for the utility**

Otter Tail Power Company  
PO Box 496  
215 South Cascade Street  
Fergus Falls, MN 56537  
218-739-8200

Cary Stephenson  
Associate General Counsel  
Otter Tail Power Company  
PO Box 496  
215 South Cascade Street  
Fergus Falls, MN 56538-0496  
218-739-8956

Patrick T. Zomer  
Moss & Barnett, A Professional  
Association  
Suite 1200  
150 South Fifth Street  
Minneapolis, MN 55402  
612-877-5278

### **B. Date of filing and date modified rates are to be effective**

The date of this filing is October 31, 2025. Pursuant to Minn. Stat. § 216B.16, Subd. 1, without a suspension, the proposed rate changes would become effective January 1, 2026, sixty days after filing. A schedule of rates and tariffs, reflecting the overall revenue

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<sup>3</sup> As shown in Volume 1, Interim Financial Schedule A-1.

increase requested and the proposed rate design described in the attached documents is included with the Application.

As described in the Notice and Petition for Interim Rates, if the Commission suspends the proposed rate increase as described above, OTP requests authority to implement an interim rate increase of \$31.8 million on January 1, 2026, pursuant to Minn. Stat. § 216B.16, Subd. 3. The interim rate will result in an overall increase of 12.62 percent of total present revenues (including rider revenues) and will be applied as a uniform 21.31 percent increase to base rate components of customers' bills.

### **C. Description and purpose of the change in rates requested**

The Application applies to all of the Company's retail electric customers in the State of Minnesota, and the proposed rates are designed to produce additional revenues sufficient to meet the Company's cost of service for the Test Year ending December 31, 2026. This filing complies with the provisions of Minn. Stat. § 216B.16 and the Commission's rules governing rate changes.

### **D. Effect of the change in rates**

As described above, the Application identifies a total 2026 Test Year revenue deficiency of \$50.7 million, or 33.97 percent above 2026 Test Year present base rate revenue of \$149.2 million. As noted, OTP proposes to transition \$5.9 million of costs currently recovered in OTP's TCR, RRCR, and EUIC riders into base rates at the time the Company implements final rates. These costs are included within OTP's 2026 Test Year deficiency, along with the net revenue increase of \$44.8 million. The net aggregate effect of our requests (including moving costs from one rate element to another) is an increase of 17.69 percent over total present revenue (including riders).

The average monthly impact of the proposed rate increase for residential customers is approximately \$18 per month or \$216 per year. The impact on an individual customer may be higher or lower depending on the individual customer's actual electric consumption.

### **E. Signature and title of utility officer authorizing the proposal**

This Application is signed on behalf of OTP by Stuart Tommerdahl, Manager, Regulation & Retail Energy Solutions of Otter Tail Power Company.



### **III. MODIFIED RATES**

**(Minn. R. 7825.3200(A)(2) and 7825.3600)**

Attached to this Application are rate schedules containing the proposed modifications to rates and other changes to OTP's rate book. These schedules and tariffs are included in Volume 2D of the Application and are supported by the Direct Testimony of Mr. Jason A. Grenier.

### **IV. EXPERT OPINIONS AND SUPPORTING DOCUMENTS**

**(Minn. R. 7825.3200(A)(3) and 7825.3700)**

Attached to this Application are statements of fact, expert opinions, substantiating documents and exhibits supporting the change in retail electric rates. Pursuant to Minn. R. 7825.3700, Mr. Matthew J. Olsen provides Direct Testimony as the Company's designated official in support of the Application. A list of the Company's other witnesses is provided in Mr. Olsen's Direct Testimony.

### **V. INFORMATION REQUIREMENTS**

**(Minn. R. 7825.3200(A)(4) and 7825.3800-7825.4400)**

Included in this Application in Volumes 2A, 2B and 2C are the Direct Testimonies of the Company's witnesses, Volume 2D contains our proposed tariffs, which along with Volume 3, Required Information, Volumes 4A and 4B, Test Year Workpapers, and Volume 5 Budget Documentation represent the Company's supporting documentation and contains the information in support of a general rate increase required by Minn. R. 7825.3800 through Minn. R. 7825.4400.

The data for the most recent fiscal year is 2024. The projected fiscal year is 2025. The proposed Test Year is the year ending December 31, 2026, with traditional and test year adjustments.

### **VI. METHODS AND PROCEDURES FOR REFUNDING**

**(Minn. R. 7825.3200(A)(5) and 7825.3300)**

Included with this Application is an Agreement and Undertaking signed and verified by Stuart Tommerdahl, Manager, Regulation & Retail Energy Solutions of Otter Tail Power Company.

**VII. NOTICE TO MUNICIPALITIES AND COUNTIES**  
**(Minn. Stat. § 216B.16, Subd. 1)**

Pursuant to Minn. Stat. § 216B.16, Subd. 1, OTP proposes to mail the Notice to Counties and Municipalities to all municipalities and counties in OTP's Minnesota electric service territory. This notice includes a discussion of the bill impact of the proposed final rates and proposed interim rates, as well as information regarding the general electric rate case filing. The Company requests Commission approval of the notice so it may be mailed in a timely fashion.

**VIII. CUSTOMER NOTICE**  
**(Minn. R. 7829.2400, Subpt. 3)**

Included in this Application is the Company's proposed notice to customers of its rate increase application (Customer Notice). OTP will use a bill insert to notify customers of its Application to increase retail electric rates and explain the proposed rate increase. If OTP's requested retail electric rate increase is suspended, the Company will also explain the impact of OTP's interim rates on customer bills in the same bill insert, similar to the notice approved by the Executive Secretary in our 2021 Test Year case in Docket No. E017/GR-20-719.

The Company requests approval of the Customer Notice so it can be included with the first bills issued with interim rates in January 2026. The Company will also be posting this Application, Testimony and Supporting Documentation on our website ([www.otpc.com/MNRateReview](http://www.otpc.com/MNRateReview)).

**IX. FILINGS REQUIRING DETERMINATION OF GROSS REVENUE REQUIREMENT**  
**(Minn. R. 7829.2400)**

Pursuant to Minn. R. 7829.2400, OTP is submitting the following information in addition to that required by Minn. R. 7825.3100-7825.4600.

**A. Summary**

A summary of the Application is attached to this notice.

## **B. Service; Proof of Service**

OTP has served copies of the Application on the Department and the OAG. OTP will serve a copy of the Summary of Filing on all the parties on OTP's general service and on the parties in the Company's last electric rate case proceedings (Docket No. E017/GR-20-719). A certificate of service is attached.

## **C. Notice to Public and Governing Bodies**

*See* Sections VII. and VIII., above. In addition, OTP will, as directed by the Commission, publish a notice of the proposed change in newspapers of general circulation in all county seats in OTP's Minnesota electric service territory.

## **D. Notice of Hearing**

OTP will notify ratepayers of hearings held in connection with this Application as directed by the Commission. OTP will also publish notice of the hearings in newspapers of general circulation in all county seats in OTP's Minnesota electric service area, as directed by the Commission. OTP has included a proposed Notice of Hearing with this Application.

## **X. REQUEST FOR PROTECTION OF NONPUBLIC INFORMATION**

This filing includes protected data, as defined in Minn. R. 7829.0100, subp. 19a. Specifically, this filing includes three types of trade secret information: (1) customer data; (2) proprietary information of third parties; and (3) OTP proprietary modeling and confidential data.

The first category of trade secret information is customer data. Information about customer usage for specific customers or customer classes with small numbers of customers is trade secret because OTP and its customers each derive independent value from energy consumption data of customers being kept confidential. Minn. Stat. § 13.679 and Minn. Stat. § 13.68 demonstrate a preference for protecting the private data of individual customers from public disclosure, and OTP takes reasonable efforts to protect the energy consumption data of its customers from disclosure. In determining a threshold for when customer data should be treated as protected data, OTP has relied on the policies and thresholds articulated in the Commission's Order Governing Disclosure of Customer Energy Use Data to Third Parties, Requiring Filing of Privacy Policies and

Cost Data, and Soliciting Comment issued on January 19, 2017 in Docket E,G-999/CI-12-1344 (CEUD Order).

The second category of trade secret information is proprietary information of third parties. Such data has been prepared by a third-party vendor and provided to OTP on the condition it be protected as trade secret and not publicly released. This information derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by other people who can obtain economic value from its disclosure or use and OTP maintains such information as trade secret.

The third category of trade secret information is OTP proprietary modeling and confidential data. This data is intellectual property or trade secrets of OTP and it derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by other people who can obtain economic value from its disclosure or use and OTP maintains such information as trade secret.

All of the trade secret information included in the filing has economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons and is subject to the efforts by OTP to protect the information from public disclosure. This information: (1) constitutes trade secret information, as defined in Minn. Stat. § 13.37, subd. 1(b); (2) is classified as nonpublic data pursuant to Minn. Stat. § 13.37, subd. 2; (3) is also not public data, as defined in Minn. Stat. § 13.02, subd. 8a; and (4) therefore is protected data under Minn. R. 7829.0100, subp. 19a(A).

Specifically, OTP requests information marked as protected data in the following locations be treated as such:

<b>Location in Initial Filing</b>	<b>Category of Protected Information</b>	<b>Description of Protected Information</b>
Bulkley Direct	Trade Secret Information: Customer Data	Amount of 2026 Test Year sales attributed to an individual customer.
Cadenhead Direct, Schedule 3	Trade Secret Information: Proprietary Information of Third Parties	Expense forecast assumptions.
Hansen Direct	Trade Secret Information: Customer Data	Historical and projected energy use of individual customers.

<b>Location in Initial Filing</b>	<b>Category of Protected Information</b>	<b>Description of Protected Information</b>
Mortenson Direct, Schedule 2	Trade Secret Information: Customer Data  Trade Secret Information: OTP Proprietary Modeling and Confidential Information	Historical and projected energy use of individual customers.  Use of system marginal energy pricing allocation in OTP's revenue model.
Evavold, Schedule 2c, 2d, 3a, 3b, 4, 5, 7	Trade Secret Information: Proprietary Information of Third Parties  Trade Secret Information: OTP Proprietary Modeling and Confidential Information	Employee compensation established pursuant to collective bargaining agreements.  Employee compensation associated with the 2026 Test Year annual incentive program for certain employee groups.  Mercer study of the competitiveness of OTP compensation program.  Competitiveness of OTP employee compensation.  Competitiveness of OTP executive compensation.  Mercer benefits renewal cost study.  Towers Watson Energy Services BenVal study of the competitiveness of OTP employee benefits offering.
Swanson, Schedule 2	Trade Secret Information: OTP Proprietary Modeling and Confidential Information	Mine-mouth fuel supply financial information.  Sales data for individual customers.
Supporting Information – Vol. 3, Section E, Schedule E-1, E-2, E-4	Trade Secret Information: Customer Data	Rate revenue and billing determinants of individual customers.
Workpapers – Vol. 4a, Bulkley Workpapers	Trade Secret Information: Proprietary Information of Third Parties	Information of commercial data providers used by Ms. Bulkley in certain calculations and workpapers.

The following portions of the Application have been marked protected data in their entirety:

<b>Location in Initial Filing</b>	<b>Category of Protected Information</b>	<b>Description of Protected Information</b>
Cadenhead, Schedule 3	Trade Secret Information: Proprietary Information of Third Parties	<ol style="list-style-type: none"> <li>1. Nature of the Material: Five-Year projection of pension and post-retirement medical expenses.</li> <li>2. Authors: Mercer</li> <li>3. Importance: Proprietary report of Mercer, including calculation methodologies and assumptions, as well as projected expense.</li> <li>4. Date Information Prepared: March 5, 2025</li> </ol>
Evavold, Schedule 3a	Trade Secret Information: Proprietary Information of Third Parties  Trade Secret Information: OTP Proprietary Modeling and Confidential Information	<ol style="list-style-type: none"> <li>1. Nature of the Material: Compensation competitiveness study</li> <li>2. Authors: Mercer</li> <li>3. Importance: Proprietary report of Mercer; assessment of competitiveness of OTP's compensation system.</li> <li>4. Date Information Prepared: October 6, 2023</li> </ol>
Evavold, Schedule 3b	Trade Secret Information: Proprietary Information of Third Parties  Trade Secret Information: OTP Proprietary Modeling and Confidential Information	<ol style="list-style-type: none"> <li>1. Nature of the Material: Competitive assessment of base salaries</li> <li>2. Authors: OTP</li> <li>3. Importance: Competitive position of OTP's compensation program; also includes proprietary third-party vendor data</li> <li>4. Date Information Prepared: April 30, 2025: April 30, 2025</li> </ol>

<b>Location in Initial Filing</b>	<b>Category of Protected Information</b>	<b>Description of Protected Information</b>
Evavold, Schedule 4	Trade Secret Information: Proprietary Information of Third Parties  Trade Secret Information: OTP Proprietary Modeling and Confidential Information	<ol style="list-style-type: none"> <li>1. Nature of the Material: Competitive assessment executive compensation</li> <li>2. Authors: OTP</li> <li>3. Importance: Competitive position of OTP's compensation program; also includes proprietary third-party vendor data</li> <li>4. Date Information Prepared: May 1, 2025: May 1, 2025</li> </ol>
Evavold, Schedule 5	Trade Secret Information: Proprietary Information of Third Parties  Trade Secret Information: OTP Proprietary Modeling and Confidential Information	<ol style="list-style-type: none"> <li>1. Nature of the Material: 2026 benefits renewal data</li> <li>2. Authors: Mercer</li> <li>3. Importance: Proprietary report of Mercer; data on employee health history</li> <li>4. Date Information Prepared: September 16, 2025</li> </ol>
Evavold, Schedule 7	Trade Secret Information: Proprietary Information of Third Parties  Trade Secret Information: OTP Proprietary Modeling and Confidential Information	<ol style="list-style-type: none"> <li>1. Nature of the Material: 2025 energy services benefits study</li> <li>2. Authors: WTW</li> <li>3. Importance: Proprietary report of WTA; data comparing OTP benefits to those of other employers</li> <li>4. Date Information Prepared: September 2025</li> </ol>
Swanson, Schedule 2	Trade Secret Information: OTP Proprietary Modeling and Confidential Information	<ol style="list-style-type: none"> <li>1. Nature of the Material: Coyote Fuel Supply Agreement Exit Costs</li> <li>2. Authors: Coyote Creek Mining Company, LLC</li> <li>3. Importance: Economic data regarding potential future obligations</li> <li>4. Date Information Prepared: July 15, 2024: July 15, 2024</li> </ol>

<b>Location in Initial Filing</b>	<b>Category of Protected Information</b>	<b>Description of Protected Information</b>
Workpapers – Vol. 4a, Bulkley Workpapers	Trade Secret Information: Proprietary Information of Third Parties	<ol style="list-style-type: none"> <li>1. Nature of the Material: Third-party data and reports supporting return on equity analyses</li> <li>2. Authors: Various</li> <li>3. Importance: Proprietary reports and data of third-party vendors provided on basis of maintaining confidence.</li> <li>4. Date Information Prepared: Various</li> </ol>

Additionally, OTP requests the compensation information provided for the sixth through tenth highest paid employees be treated as protected data pursuant to Minn. Stat. § 216B.16 Subd. 17(c). This information should be protected to preserve the privacy of these individuals. This information also derives independent economic value from not being known to competitors who may seek to hire these employees. OTP is filing complete Public and Non-Public versions of the portions of this Application that contain protected data.

## **XI. UPDATES TO BE PROVIDED IN REBUTTAL TESTIMONY**

After finalizing the 2026 Test Year revenue requirement and revenue apportionment, OTP discovered the Company owned electric vehicle charger usage and revenue were not captured in the cost of service preparations as discussed in the Direct Testimony of OTP witness Mr. Jason A. Grenier. As explained by Mr. Grenier, the associated revenues with this issue are under \$20,000. The Company plans to incorporate them into OTP's Rebuttal Testimony revenue requirement calculations. As discussed in the Direct Testimony of OTP witness Ms. Kelsey N. Evavold, OTP presently is in negotiations with union representatives. OTP will provide updates regarding these negotiations as information becomes available.

## **XII. SERVICE LIST**

Pursuant to Minn. R. 7829.0700, the Company requests the following persons representing OTP be placed on the Commission's official service list for this proceeding:



Jessica Fyhrie  
Manager Regulatory Proceedings  
Otter Tail Power Company  
P.O. Box 496  
215 South Cascade Street  
Fergus Falls, MN 56538-0496  
[jfyhrie@otpc.com](mailto:jfyhrie@otpc.com)

Cary Stephenson  
Associate General Counsel  
Otter Tail Power Company  
P.O. Box 496  
215 South Cascade Street  
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[cstephenson@otpc.com](mailto:cstephenson@otpc.com)

Patrick T. Zomer  
Moss & Barnett, A professional Association  
Suite 1200  
150 South Fifth Street  
Minneapolis, MN 55402  
[pat.zomer@lawmoss.com](mailto:pat.zomer@lawmoss.com)

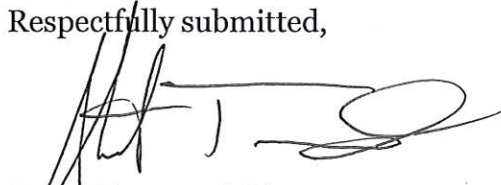
Regulatory Filing Coordinator  
Otter Tail Power Company  
215 South Cascade Street  
P.O. Box 496  
Fergus Falls, MN 56538-0496  
[regulatory\\_filing\\_coordinators@otpc.com](mailto:regulatory_filing_coordinators@otpc.com)

### **XIII. CONCLUSION**

The Company respectfully requests consideration and acceptance of its Application.

Dated: October 31, 2025

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stuart Tommerdahl", is written over a horizontal line.

Stuart Tommerdahl  
Manager, Regulation & Retail Energy Solutions  
Otter Tail Power Company

STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION

Katie Sieben  
Hwikwon Ham  
Audrey Patridge  
Joseph Sullivan  
John Tuma

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of the Application of Otter  
Tail Power Company For Authority to  
Increase Rates for Electric Utility Service in  
Minnesota

Docket No. E017/GR-25-359

**SUMMARY OF FILING**

On October 31, 2025, Otter Tail Power Company (OTP) filed with the Minnesota Public Utilities Commission (Commission) an application to increase base retail electric rates in the State of Minnesota (Application). OTP requests an increase in revenues of \$44.8 million or 17.69 percent above total present revenues (including rider revenues) of approximately \$253.2 million.

The total 2026 Test Year base rate revenue deficiency is \$50.7 million (33.97 percent above present base rate revenue of \$149.2 million), of which, \$5.9 million relates to costs currently recovered in riders moving into base rates. The average monthly impact of the proposed rate increase for residential customers will be \$18 per month or \$16 per year. The impact on individual customers will be higher or lower depending on each individual customer's actual electric consumption.

If the Commission elects to suspend the proposed rate increase under Minn. Stat. § 216B.16, Subd. 2, OTP requests authority to implement an interim rate increase of \$31.8 million on January 1, 2026, pursuant to Minn. Stat. § 216B.16, Subd. 3. The interim rate will result in an effective increase of 12.62 percent. The interim increase will be applied as a uniform 21.31 percent increase to base rate components of customers' bills.

OTP is also proposing changes to rate designs and terms of service.

The proposed rate schedules and a comparison of present and proposed rates are available at [www.otpc.com/MNRateReview](http://www.otpc.com/MNRateReview).

**CERTIFICATE OF SERVICE**

**RE: In the Matter of the Application of Otter Tail Power Company for  
Authority to Increase Rates for Electric Utility Service in Minnesota  
Docket No. E017/GR-25-359**

I, Kim Ward, hereby certify that I have this day served a copy of the following, or a summary thereof, on Sasha Bergman and Sharon Ferguson by e-filing, and to the Office of Attorney General – Residential Utilities Division and all other persons on the attached service list by electronic service or by First Class mail or by personal service.

**Otter Tail Power Company  
Initial Filing**

Dated this **31<sup>st</sup>** day of **October, 2025**.

/s/ KIM WARD  
Kim Ward  
Lead Regulatory Filing Coordinator  
Otter Tail Power Company  
215 South Cascade Street  
Fergus Falls MN 56537  
(218) 739-8268



[illegible]

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
28	Tim	Miller	tim.miller@mrenergy.com	Missouri River Energy Services		3724 W Avera Dr PO Box 88920 Sioux Falls SD, 57109-8920 United States	Electronic Service		No	GR-25-359
29	Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP		33 South Sixth St Ste 4200 Minneapolis MN, 55402 United States	Electronic Service		No	GR-25-359
30	Matthew	Olsen	molsen@otpc.com	Otter Tail Power Company		215 South Cascade Street Fergus Falls MN, 56537 United States	Electronic Service		No	GR-25-359
31	Marcia	Podratz	mpodratz@mnpower.com	Minnesota Power		30 W Superior S Duluth MN, 55802 United States	Electronic Service		No	GR-25-359
32	David G.	Prazak	dprazak@otpc.com	Otter Tail Power Company		P.O. Box 496 215 South Cascade Street Fergus Falls MN, 56538-0496 United States	Electronic Service		No	GR-25-359
33	Rate Case Inbox	Rate Case Inbox	mnratecase@otpc.com	Otter Tail		null null, null United States	Electronic Service		No	GR-25-359
34	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	GR-25-359
35	Peter	Scholtz	peter.scholtz@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	Suite 1400 445 Minnesota Street St. Paul MN, 55101-2131 United States	Electronic Service		No	GR-25-359
36	Robert H.	Schulte	rhs@schulteassociates.com	Schulte Associates LLC		1742 Patriot Rd Northfield MN, 55057 United States	Electronic Service		No	GR-25-359
37	Janet	Shaddix Elling	jshaddix@janetshaddix.com	Shaddix And Associates		7400 Lyndale Ave S Ste 190 Richfield MN, 55423 United States	Electronic Service		No	GR-25-359
38	Cary	Stephenson	cstephenson@otpc.com	Otter Tail Power Company		215 South Cascade Street Fergus Falls MN, 56537 United States	Electronic Service		No	GR-25-359
39	William	Taylor	bill.taylor@taylorlawsd.com	Taylor Law Firm		4820 E. 57th Street Suite B Sioux Falls SD, 57108 United States	Electronic Service		No	GR-25-359
40	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	GR-25-359
41	Pat	Treseler	pat.jcplaw@comcast.net	Paulson Law Office LTD		4445 W 77th Street Suite 224 Edina MN,	Electronic Service		No	GR-25-359

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
						55435 United States				
42	Laurie	Williams	laurie.williams@sierraclub.org	Sierra Club		Environmental Law Program 1536 Wynkoop St Ste 200 Denver CO, 80202 United States	Electronic Service		No	GR-25- 359
43	Laurie	York	laurie.york@whiteearth-nsn.gov	White Earth Reservation Business Committee		PO Box 418 White Earth MN, 56591 United States	Electronic Service		No	GR-25- 359
44	Patrick	Zomer	pat.zomer@lawmoss.com	Moss & Barnett PA		150 S 5th St #1200 Minneapolis MN, 55402 United States	Electronic Service		No	GR-25- 359

Volume 1

Notice and Petition of Interim Rates,  
Agreement and Undertaking & Certification



STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION

Katie Sieben  
Hwikwon Ham  
Audrey Partridge  
Joseph Sullivan  
John Tuma

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of the Application of Otter  
Tail Power Company For Authority to  
Increase Rates for Electric Utility Service in  
Minnesota

Docket No. E017/GR-25-359

**NOTICE AND PETITION  
FOR INTERIM RATES**

**I. INTRODUCTION**

Otter Tail Power Company (OTP or the Company) hereby submits to the Minnesota Public Utilities Commission (Commission) this Notice and Petition for Interim Rates (Interim Petition), pursuant to Minn. Stat. § 216B.16, Subd. 3, the Commission's Statement of Policy on Interim Rates dated April 14, 1982 (Policy Statement), and relevant Commission rules.

This Interim Petition requests authority for an interim revenue increase of \$31.8 million or 12.62 percent of total present revenues (including rider revenues).

This Interim Petition is submitted as part of OTP's Application for a general electric rate increase (Application). The interim revenue increase is based on the 2026 Test Year revenue deficiency identified in the Application, with specific interim rate adjustments to derive the Proposed Interim Test Year 2026 revenue deficiency (Interim Deficiency). These adjustments are discussed in more detail below.

*Interim Rate Adjustments*

The Interim Deficiency begins with the 2026 Test Year, adjusted for: (1) costs to be recovered during the interim rate period but not in final rates; and (2) costs that are

included in the 2026 Test Year but are not “the same in nature and kind” as those currently allowed in base rates.<sup>1</sup>

*Interim Deficiency*

OTP requests authority to implement interim rates on January 1, 2026 based on an Interim Deficiency of \$31.8 million, or 12.62 percent of total present revenues without the interim increase of \$251.9 million. OTP proposes to collect the Interim Deficiency through a uniform interim rate adjustment of 21.31 percent to base rates only. The interim rate adjustment percentage is higher than the overall interim revenue increase percentage because the interim rate adjustment applies to base rates only.

**II. Information Provided Pursuant to the Commission Statement of Policy on Interim Rates and Relevant Commission Rules**

**A. Name, address, and telephone number of utility and attorneys  
(Policy Statement, Item 1, page 2)**

Otter Tail Power Company  
PO Box 496  
215 South Cascade Street  
Fergus Falls, MN 56537  
218-739-8200

Cary Stephenson  
Associate General Counsel  
Otter Tail Power Company  
PO Box 496  
215 South Cascade Street  
Fergus Falls, MN 56538-0496  
218-739-8956

Patrick T. Zomer  
Moss & Barnett, A Professional  
Association  
Suite 1200  
150 South Fifth Street  
Minneapolis, MN 55402  
612-877-5278

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<sup>1</sup> Minn. Stat. § 216B.16, Subd. 3; Policy Statement, p. 1.

**B. Date of filing and date proposed interim rates are requested to become effective (Policy Statement, Item 2, page 2)**

The date of the submission of this Interim Petition is October 31, 2026. This Interim Petition is submitted as part of the Application. If the Commission suspends the operation of the general rate schedules which accompany the Application pursuant to Minn. Stat. § 216B.16, Subd. 2, the Company requests that the proposed interim rates be made effective on January 1, 2026, pursuant to Minn. Stat. § 216B.16, Subd. 3. The interim rates will be subject to refund, with interest, pending final Commission determination on the Application.

**C. Description and need for interim rates (Policy Statement, Item 3, page 2)**

Interim rates are needed because OTP is currently incurring the increased costs of service reflected in the Application. Without interim rate relief, OTP would be unable to recover these increased costs of service.

The proposed interim rate revenue increase is \$31.8 million. The Interim Deficiency is based on the 2026 Test Year revenue deficiency, with the following adjustments:

Remove Plant Annualization

The 2026 Test Year includes an adjustment to reflect a full year of balance of plant in service for projects that are placed into service during 2026, as explained in Direct Testimony of OTP Witness Ms. Christy L. Petersen. The projects going into service during 2026 have been removed from the Proposed Interim Test Year 2026 rate base, as shown in Interim Rate Schedules, Part B, Schedule 3, Column B, with associated Operating Statement impacts identified in Interim Rate Schedules, Part B, Schedule 6, Column B.

Prepaid Pension Asset / Retiree Medical Liability (AC Excess/AC Deficit)

The 2026 Test Year includes accumulated contribution excess (AC Excess) associated with contributions to the Otter Tail Corporation pension plan that have exceeded recognized pension expense. The 2026 Test Year also includes the accumulated contribution deficit (AC Deficit) associated with the Otter Tail Corporation Post-Retirement Medical (PRM) and Postemployment Long-Term Disability Medical Benefit (OPEB) plans. OTP witness Mr. Matthew J. Olsen explains the reasoning for including the AC Excess and AC Deficit in the 2026 Test Year. While the AC Excess and

AC Deficit are prepayments, which are part of rate base and therefore the same in nature and kind as those allowed by a currently effective order of the Commission in OTP's most recent rate proceeding, OTP has excluded the AC Excess and AC Deficit for purposes of the Proposed Interim Test Year 2026 because these specific prepayments are not part of OTP's present rates. The AC Excess and AC Deficit have been removed from the Proposed Interim Test Year 2026 rate base, as shown in Interim Rate Schedules, Part B, Schedule 3, Column C.

#### Grid Modernization - Wildfire

OTP witness Mr. Michael J. Riewer explains that OTP is making wildfire-related grid modernization investments in areas that face relatively high wildfire risk. OTP has an existing grid modernization program, but the specific deployment of electronically controlled, solid dielectric distribution reclosers to OTP's higher wildfire risk distribution feeders (which are located in moderate, high and very high risk areas) is new to OTP. Work on this project will begin in 2026, focusing on development, with full implementation scheduled between 2027 and 2028.<sup>2</sup> The installation of electronic reclosers and Supervisory Control and Data Acquisition interface systems is planned to take place over a six-year period, with approximately 16 going into service in 2026. Given these facts, OTP has excluded the wildfire-related grid modernization investments for purposes of the Proposed Interim Test Year 2026. The wildfire-related grid modernization investments have been removed from the Proposed Interim Test Year 2026 rate base, as shown in Interim Rate Schedules, Part B, Schedule 3, Column D, with associated Operating Statement impacts identified in Interim Rate Schedules, Part B, Schedule 6, Column C.

#### Accumulated Deferred Income Tax Proration

Proration of Accumulated Deferred Income Taxes applies during the interim rate period, as explained in the Direct Testimony of OTP witness Ms. Amber M. Grenier. This adjustment to reflect proration in Interim Rates is required to comply with IRS Regulation Section 1.167(l)-1(h)(6) and is shown in Interim Rate Schedules, Part B, Schedule 3, Column E. The effect will be limited to the interim period and will not affect final rates.

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<sup>2</sup> While there are capital expenditures associated with this work occurring in 2026, the distribution SCADA system is not anticipated to be in service during the 2026 Test Year and therefore the costs remain in construction work in process (CWIP).

### Net Operating Loss Gross Up

As discussed by Ms. Petersen, OTP is agreeing to the Department of Commerce's recommended approach to calculating the required tax gross up when in a net operating loss position, which will be the case during the Proposed Interim Test Year 2026. The adjustment is shown in Interim Rate Schedules, Part B, Schedule 3, Column F.

### Working Capital

The Proposed Interim Test Year 2026 reflects an adjustment to Cash Working Capital accounts for the removal of the interim adjustments, and their associated impacts on operation and maintenance expense, property tax expense, and income tax expense components of the Cash Working Capital calculation. The Cash Working Capital requirement is determined through the application of Lead-Lag study factors against applicable expense categories. The adjustment is shown in Interim Rate Schedules, Part B, Schedule 3, Column G.

### Changes in Allocators

OTP uses its jurisdictional cost of service study (JCROSS) model to calculate all operating statement and rate base schedules for both interim rates and the application for final rates. Certain allocation factors are developed within the JCROSS model. Any adjustment has the potential to change some of these allocation factors. The impact of the changes on Rate Base are shown in Interim Rate Schedules, Part B, Schedule 3, Column H and Operating Statement impacts identified in Interim Rate Schedules, Part B, Schedule 6, Column I.

### Coyote 2031 Exit – Fuel Supply

OTP is required to “immediately ... in a reasonable and prudent fashion, commence activities to remove all jurisdictional allocations to its Minnesota ratepayers for Coyote Station ... that ends all Minnesota ratepayer obligations for the plant, coal contracts and associated facilities as soon as feasible but no later than December 31, 2031.”<sup>3</sup> Mr. Olsen explains the 2026 Test Year includes two categories of costs associated with this directive: (1) the undepreciated balance of the plant (costs otherwise collected in depreciation rates) as of December 31, 2031; and (2) the cost to exit the Coyote Station fuel supply agreement as of December 31, 2031. The

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<sup>3</sup> *In the Matter of Otter Tail Power's 2023– 2037 Integrated Resource Plan*, Docket No. E017/RP-21-339, Order Modifying Otter Tail Power's 2023-2037 Integrated Resource Plan at Order Point 4 (July 22, 2024) (2021 IRP Order).

undepreciated balance is the same in nature and kind as costs allowed by a currently effective order of the Commission in OTP's most recent rate proceeding and therefore part of the Proposed Interim Test Year 2026. Further, as discussed by Mr. Olsen, waiting to begin collecting the undepreciated balance until final rates would increase the annual collection by \$4.3 million. OTP has removed the fuel supply exit costs, however, from the Proposed Interim Test Year 2026. While OTP has collected Coyote Station fuel supply agreement costs for many years, there are no exit costs in present rates and so OTP has removed such costs from the Proposed Interim Test Year 2026. The adjustment is shown in Interim Rate Schedules, Part B, Schedule 6, Column D.

#### Rider Roll-In Revenue

OTP witness Ms. Paula A. Foster explains that OTP is proposing to move certain projects from riders to base rates as part of the 2026 Test Year. This will occur at the time final rates go into effect. OTP, therefore, increased present revenues for the Proposed Interim Test Year 2026 by approximately \$5.9 million, the estimated amount of rider revenue to be collected during the interim period. This is shown in Interim Rate Schedules, Part B, Schedule 6, Column E.

#### Insurance Credits

Mr. Olsen explains that OTP received certain insurance credits in 2025 and expects receive similar credits in 2026, though the existence and amount of any credits beyond 2026 is unknown. OTP has reflected the amount of expected 2026 insurance credits in the Proposed Interim Test Year 2026, which reduces the Proposed Interim Test Year 2026 revenue deficiency. The associated adjustment is shown in Interim Rate Schedules, Part B, Schedule 6, Column F.

#### Hoot Lake Amortization

The Commission authorized OTP to recover the incremental depreciation expense associated with the retired Hoot Lake Plant and the associated Hydraulic Generating Facilities (the Hydros) in OTP's 2021 Minnesota Rate Case.<sup>4</sup> As of December 31, 2025, the remaining balance to be recovered is \$0.35 million, which OTP proposes to recover during the interim rate period but not as part of final rates. The

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<sup>4</sup> *In the Matter of the Application of Otter Tail Power Company for Authority to Increase Rates for Electric Service in the State of Minnesota*, Docket No. E017/GR-20-719, Findings of Fact, Conclusions and Order at 7-9, Order Points 2-6 (Feb. 1, 2022).

adjustment to include these costs in the Proposed Interim Test Year 2026 is shown in Interim Rate Schedules, Part B, Schedule 6, Column G.

#### Miscellaneous Interim-Only Items

OTP has included three miscellaneous adjustments to the Proposed Interim Test Year 2026, all related to rider-related issues. First, the Commission authorized OTP to create a tracker account for Southwest Power Pool (SPP) costs in the 2021 Minnesota Rate Case.<sup>5</sup> As of December 31, 2025, the tracker balance is estimated to be (\$0.18 million). OTP proposes to include this credit in the Proposed Interim Test Year 2026, thereby reducing the Proposed Interim Test Year 2026 revenue deficiency.

Second, as discussed by Ms. Foster, the 2026 Test Year revenue requirement reflects meter reading savings associated with Advanced Metering Infrastructure (AMI) implementation. These savings are already reflected in OTP's Electric Utility Infrastructure Cost Recovery Rider (EUIC Rider). OTP proposes that the associated credit remain in the EUIC rider during the interim rate period. In order to avoid a duplication of the savings, OTP has included an interim rate adjustment to exclude the AMI savings credit from the Proposed Interim Test Year 2026 so as to avoid double crediting (once through the EUIC Rider, once through interim rates).

Third, as also discussed by Ms. Foster, Phase II of the Milbank Area Reliability Project is anticipated to be placed in service in December 2026. OTP has included an adjustment to annualize the costs associated with the project into the 2026 Test Year. OTP has reversed the annualization of Phase II of the Milbank Area Reliability Project for purposes of the Proposed Interim Test Year 2026.

The cumulative effect of these items is shown in Interim Rate Schedules, Part B, Schedule 6, Column G.

#### Return on Equity Used for Interim Rates

Consistent with the Policy Statement, the interim rate revenue requirement is based on the 9.48 percent return on equity approved in OTP's last general rate case.

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<sup>5</sup> *In the Matter of the Application of Otter Tail Power Company for Authority to Increase Rates for Electric Service in the State of Minnesota*, Docket No. E017/GR-20-719, Findings of Fact, Conclusions and Order at Order Point 64 (Feb. 1, 2022).

**D. Description and corresponding dollar amount of changes included in interim rates as compared with most current approved general rate case and with the most recent actual year for which audited data is available  
(Policy Statement, Item 4, page 2)**

This information is provided in Parts C and D of the Interim Supporting Schedules.

**E. Effect of the interim rates expressed in gross revenue dollars and as a percentage of test year gross revenues  
(Policy Statement, Item 5, page 2)**

This Interim Petition sets forth an Interim Deficiency of \$31.8 million, or 12.62 percent of total present revenues without the interim increase of \$251.9 million.

OTP proposes to collect the Interim Deficiency through a uniform interim rate adjustment of 21.31 percent to base rates only. The interim rate adjustment percentage is higher than the overall interim revenue increase percentage because the interim rate adjustment applies to base rates only.

**F. Certification by chief executive officer of the utility  
(Policy Statement, Item 6, page 2)**

This Interim Petition contains a certificate signed by Timothy J. Rogelstad President, Otter Tail Power Company, affirming that this Interim Petition complies with Minnesota Statutes.

**G. Methods and procedures for refunding**

Pursuant to Minn. Stat. § 216B.16, Subd. 3, attached to this filing is the Company's Agreement and Undertaking of Refund by OTP.

**H. Signature and title of the utility officer authorizing the proposed interim rates (Policy Statement, Item 7, page 2)**

This Interim Petition is signed by Stuart Tommerdahl, Manager, Regulation & Retail Energy Solutions, Otter Tail Power Company.

**I. Supporting schedules and workpapers  
(Policy Statement, Items 1-4, page 3)**

The supporting schedules and workpapers described in the Commission's Policy Statement are included along with this Interim Petition as Interim Supporting Schedules and Workpapers. These schedules include the rate base amounts, income



statement amounts, revenue deficiencies, capital structures and rates of return required for interim rates as compared to: (i) the same information for OTP's Application; (ii) the allowed amounts in Docket No. E017/GR-20-719; and (iii) the most recent actual year, which is 2024. Volumes 2A, 2B and 2C of the Application are the direct testimony and proposed tariffs, and Volume 3 contains the jurisdictional cost of service study supporting the interim rate data.

**J. Interim rate schedules. Revenue rate comparisons  
(Minn. R. Part 7825.3600)**

Consistent with Minn. Stat. § 216B.16, Subd. 3, no change has been made in the existing rate design. The Interim Deficiency will be recovered through a uniform 21.31 percent increase to base rate components of customers' bills (excluding fuel and purchased power costs), which will provide an additional \$31.8 million of base rate revenues on an annualized basis. The uniform 21.31 percent increase will be implemented through an Interim Rate Rider, which will be a Mandatory Rider under OTP's Minnesota Electric Rate Schedule. The Interim Rate Rider, along with a revised tariff index and Voluntary and Mandatory Rider Matrix tariff sheets are included along with the Interim Petition in Volume 1 (Redlined and Non-redlined formats, respectively). Also included in this Interim Petition is a schedule of interim revenue impacts in the Summary of Present and Interim Revenue.

**K. Customer notice  
(Minn. R. Part 7829.2400, Subpt. 3; Minn. Stat. § 216B.16,  
Subd. 1)**

Pursuant to Minn. R. 7829.2400, Subpt. 3, and Minn. Stat. § 216B.16, Subd. 1, OTP proposes to deliver the enclosed interim rate notice to its customers in the State of Minnesota, and notice to the counties and municipalities it serves in Minnesota. The proposed notice to counties and municipalities and a proposed customer notice pursuant to Minn. Stat. § 216B.16, Subd. 1, are included with this filing. In addition, OTP will publish a display advertisement in the newspapers of general circulation in all county seats in OTP's service territory. The display advertisement will replicate the notice to the counties and municipalities.

**L. Interim Bills**

The Commission's Policy Statement suggests that changes in interim rates be shown on customer bills as a separate line item if practical. The Interim Rate Rider

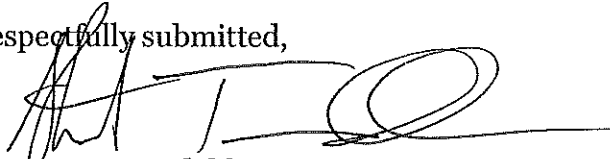
amount will be shown as a separate line item identified as "Interim Rate Adj," and will reflect the total amount of the interim charge applied to the bill.

### **III. CONCLUSION**

OTP hereby submits this Interim Petition. If the Commission suspends the operation of the general rate schedules provided in the Application under Minn. Stat. § 216B.16, Subd. 2, the Company respectfully requests that the Interim Petition be promptly considered and accepted by the Commission, and that the interim rate schedules be approved and made effective on January 1, 2026, pursuant to Minn. Stat. § 216B.16, Subd. 3, subject to refund pending final Commission action on the general rate increase Application.

Dated: October 31, 2025

Respectfully submitted,

A handwritten signature in black ink, appearing to read "STUART TOMMERDAHL", written over a horizontal line.

Stuart Tommerdahl  
Manager, Regulation & Retail Energy Solutions  
Otter Tail Power Company

STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION

Katie Sieben  
Hwikwon Ham  
Audrey Patridge  
Joseph Sullivan  
John Tuma

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of the Application of Otter Tail  
Power Company For Authority to Increase  
Rates for Electric Utility Service in Minnesota

Docket No. E017/GR-25-359

**Agreement and Undertaking**

Otter Tail Power Company (OTP), in conjunction with the Notice and Petition for Interim Rates filed with the Minnesota Public Utilities Commission (Commission), makes the following unqualified agreement concerning refunding any portion of the requested increase in rates determined by the Commission to be unreasonable.

Pursuant to Minn. R. 7825.3300, OTP hereby agrees and undertakes to refund to its customers the amount, if any, collected during the interim rate period, plus interest at the current rate as determined by the Commission, computed from the effective date of the interim rates through the date of refund. The refund shall be made in accordance with Minn. Stat. § 216B.16, subd. 3, and in a manner approved by the Commission.

In addition, OTP agrees to keep such records of sales and billings under the proposed interim rates as will be necessary to compute any potential refund.

This Agreement and Undertaking is made pursuant to authority granted by the Board of Directors of Otter Tail Power Company.

Dated: October 31, 2025

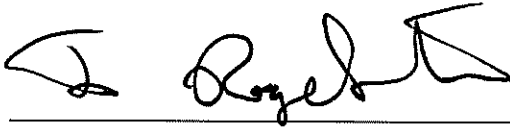
By: 

Stuart D. Tommerdahl  
Manager Regulation & Retail Energy Solutions and  
Interim Vice President of Regulatory Affairs & Compliance  
Otter Tail Power Company

## CERTIFICATION

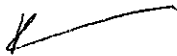
As required by the Minnesota Public Utilities Commission's Statement of Policy on Interim Rates dated April 14, 1982, I hereby certify and affirm that the petition of Otter Tail Power Company for approval of Proposed Interim Rates and Final Rates is in compliance with Minnesota Statutes.

Dated: October 31, 2025



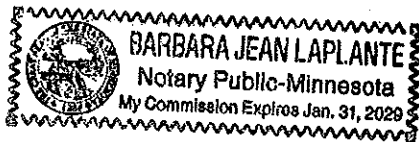
Timothy J. Rogelstad  
President  
Otter Tail Power Company

Subscribed and sworn to before  
me this 31<sup>st</sup> day of October, 2025



Notary Public

My Commission expires Jan 31, 2029



## Volume 1

# Interim Supporting Schedules and Workpapers

**INTERIM RATE SCHEDULES  
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**OTTER TAIL POWER COMPANY  
INTERIM RATE INCREASE  
REVENUES & PERCENT INCREASE**

**Docket No. E017/GR-25-359  
PART A  
Schedule 1  
Page 1 of 1**

Total Interim Retail Present Revenues	\$251,910,069
Interim Deficiency	\$31,793,008
Total Interim Revenue Percent Increase	12.62%

## DESCRIPTION OF INTERIM RATE PETITION REQUIREMENTS, SUPPORTING SCHEDULES AND WORKPAPERS

The Minnesota Public Utilities Commission (Commission), in its Statement of Policy on Interim Rates, encourages any regulated company seeking interim rates to submit to the Commission an interim rate petition as part of its general rate case filing. The interim rate petition should include a cover letter and supporting schedules. The supporting schedules should include the following:

1) A schedule showing the interim rate of return calculation. This schedule should show the capital structure and rate of return calculation approved by the Commission in the most recent general rate case; the capital structure and rate of return calculation proposed for interim rates; and a description and corresponding dollar amount of any changes between the two capital structures.

**Note:** Part C, Schedule 6 provides this information.

2) A schedule showing the interim operating income statement. This schedule should show the same operating income statement accounts as filed in the general rate case. Also, the schedule should include the operating income statement approved by the Commission in the most recent general rate case, the operating income statement for the most recent actual year (herein referred to as Most Recent Fiscal Year 2024), and the operating income statement proposed for interim rates. A description of all changes and corresponding dollar amounts between each of the operating income statements should be provided. Workpapers should be provided which show how revenues, AFUDC, taxes, expenses, and other income statement components have been determined.

### **Notes:**

Part C, Schedule 3, compares the operating income statement approved by the Commission in OTP's Most Recent General Rate Case with the income statement for Proposed Interim Test Year 2026, including a description of all changes and corresponding dollar amounts.

Part D, Schedule 3, compares the operating income statement for the Most Recent Fiscal Year 2024 with the income statement for Proposed Interim Test Year 2026, including a description of all changes and corresponding dollar amounts.

Part E, Schedule 3, compares the operating income statement approved by the Commission in OTP's Most Recent General Rate Case with the operating income statement for Proposed Test Year 2026.

Although the Commission's Statement of Policy does not require regulated companies to do so, OTP includes as Part B, Schedule 6, an operating statement bridge schedule from the Proposed Test Year 2026 to Proposed Interim Test Year 2026, as well as Part B, Schedule 4, a statement of operating income comparison of Proposed Test Year 2026 to Proposed Interim Test Year 2026 with a description of all interim rate adjustments and corresponding dollar amounts in Part B, Schedule 5.

Workpapers for the above Interim Rate Petition Schedules are located in Volume 4a of this filing.



## **DISCUSSION OF INTERIM RATE PETITION REQUIREMENTS, SUPPORTING SCHEDULES AND WORKPAPERS**

3) A schedule showing the interim proposed rate base. This schedule should show the same rate base accounts as filed in the general rate case. This schedule should include the average rate base approved by the Commission in the most recent general rate case; the equivalent average rate base corresponding with the most recent fiscal year for which audited data is available and corresponding with the same period in months as the test year, if the test year is the projected test year; and the average rate base proposed for interim rates. A description of all changes and corresponding dollar amounts between each of the rate bases should be provided. Workpapers should be provided which show how the rate base components have been determined.

### **Notes:**

Part C, Schedule 1, compares the average rate base approved by the commission in OTP's Most Recent General Rate Case with the average rate base in Proposed Interim Test Year 2026, including a description of all changes and corresponding dollar amounts in Part C, Schedule 2.

Part D, Schedule 1, compares the average rate base for the Most Recent Fiscal Year 2024 with the average rate base for Proposed Interim Test Year 2026, including a description of all changes and corresponding dollar amounts in Part D, Schedule 2.

Part E, Schedule 1, compares the average rate base approved by the Commission in OTP's Most Recent General Rate Case with average rate base for Proposed Test Year 2026, including a description of all changes and corresponding dollar amounts.

4) Although not required by the Commission's Policy Statement, OTP includes as Part B, Schedule 1, comparison of the average rate base for Proposed Test Year 2026 to Proposed Interim Test Year 2026, as well as Part B, Schedule 3, a bridge schedule of the average rate base from Proposed Test Year 2026 to Proposed Interim Test Year 2026 that includes a description of all interim rate adjustments and corresponding dollar amounts in Part B, Schedule 2.

Workpapers for the above Interim Rate Petition Schedules are located in Volume 4a of this filing. The Proposed Interim Test Year 2026 Jurisdictional Cost of Service Study is also located in Volume 4a.

A schedule showing revenue deficiency calculations for each of the operating income statements and rate bases requested in (2) and (3) above. The revenue deficiency should be calculated for the actual data and the interim data using the rate of return calculated in (1) above.

### **Notes:**

Part C, Schedule 5, shows the revenue deficiency calculations for OTP's Most Recent General Rate Case and for Proposed Interim Test Year 2026

Part D, Schedule 5, shows the revenue deficiency calculations for the Most Recent Fiscal Year 2019 and for the Proposed Interim Test Year 2026.

Part E, Schedule 5, shows the revenue deficiency calculations for OTP's Most Recent General Rate Case and the Proposed Test Year 2026.

Although not required by the Commission's Policy Statement, OTP includes as Part B, Schedule 7 of this volume, the revenue deficiency calculations for Proposed Test Year 2026 and Proposed Interim Test Year 2026.

## DEFINITIONS

The following definitions have been used in this filing:

### **Proposed Interim Test Year 2026**

The Proposed Interim Test Year presents the Projected Test Year 2026 with ratemaking adjustments for interim rates. The interim adjustments modify the Proposed Test Year 2026 for known and measurable changes for the interim period.

### **Proposed Test Year 2026**

The Proposed Test Year presents projected financial information for the calendar year ending December 31, 2026, after traditional adjustments and test year adjustments. Traditional adjustments reflect recognized regulatory requirements and normalize budgeted financial information for one-time events that will not be recurring on an on-going basis. The test year adjustments reflect specific ratemaking proposals.

### **OTP's Most Recent General Rate Case**

This information represents the financial data for the 12 months test year ending December 31, 2021, from Otter Tail Power Company's last Minnesota electric rate case in Docket No. E017/GR-20-719.

### **Most Recent Fiscal Year 2024**

The Most Recent Fiscal Year presents actual results for the calendar year ended December 31, 2024.

### **Note on Rounding**

The cost of service study on which these supporting schedules are based rounds numbers to the nearest whole dollar for display purposes. However, the subtotals and subsequent totals in the cost of service study may be based on actual values resulting in occasional differences in the totals displayed when compared to the sum of the line items. These supporting schedules were prepared using individual line items with subtotals and totals calculated on each schedule separately. This may result in occasional rounding differences of a few dollars when comparing between the subtotals and totals on the cost of service study to those on the supporting schedules.

**OTTER TAIL POWER COMPANY**  
**Electric Utility - State of Minnesota**  
**INTERIM RATE SCHEDULE**  
**SUMMARY OF REVENUE REQUIREMENTS**

**Docket No. E017/GR-25-359**  
**PART A**  
**Schedule 4**  
**Page 1 of 1**

Line No.	Description	Proposed Interim Test Year 2026
1	Average Rate Base	\$969,012,601
2	Operating Income (Before AFUDC)	\$45,946,018
3	Allowance for Funds Used During Construction (AFUDC)	\$2,067,741
4	Total Available for Return (Line 2 + Line 3 + Rounding)	48,013,760
5	Overall Rate of Return (Line 4 / Line 1)	4.95%
6	Required Rate of Return	7.29%
7	Operating Income Requirement (Line 1 x Line 6)	\$70,668,821
8	Income Deficiency (Line 7 - Line 4)	\$22,655,061
9	Gross Revenue Conversion Factor	1.40335
10	Revenue Deficiency (Line 8 x Line 9)	\$31,793,007
11	Retail Related Revenues Under Present Rates	\$251,910,069
12	Percent Increase Needed in Overall Revenue (Line 10 / Line 11)	12.62%

OTTER TAIL POWER COMPANY  
Electric Utility - State of Minnesota  
INTERIM RATE SCHEDULE  
STATEMENT OF OPERATING INCOME

Docket No. E017/GR-25-359  
**PART A**  
Schedule 5  
Page 1 of 1

Line No.	Description	Proposed Interim Test Year 2026
	<b><u>OPERATING REVENUES</u></b>	
1	Retail	\$251,910,069
2	Other Operating Revenue	\$18,018,859
3	<b>TOTAL OPERATING REVENUE</b>	<b>\$269,928,928</b>
4	<b><u>OPERATING EXPENSES</u></b>	
5	Production Expenses	\$117,108,493
6	Transmission Expenses	\$21,301,122
7	Distribution Expenses	\$11,523,796
8	Customer Accounting Expenses	\$4,987,646
9	Customer Service & Information Expenses	\$10,744,922
10	Sales Expenses	\$260,375
11	Administration & General Expenses	\$27,011,164
12	Charitable Contributions	\$254,000
13	Depreciation Expense	\$48,470,253
14	General Taxes	\$8,141,020
15	<b>TOTAL OPERATING EXPENSES</b>	<b>\$249,802,791</b>
16	<b>NET OPERATING INCOME BEFORE INCOME TAXE</b>	<b>\$20,126,137</b>
17	<b><u>INCOME TAX EXPENSE</u></b>	
18	Investment Tax Credit	(\$24,164,341)
19	Deferred Income Taxes	(\$1,655,541)
20	Income Taxes	0
21	<b>TOTAL INCOME TAX EXPENSE</b>	<b>(\$25,819,882)</b>
22	<b>NET OPERATING INCOME</b>	<b>\$45,946,018</b>
23	Allowance for Funds Used During Construction	\$2,067,741
24	<b>TOTAL AVAILABLE FOR RETURN</b>	<b>\$48,013,760</b>

**OTTER TAIL POWER COMPANY**  
**Electric Utility - State of Minnesota**  
**INTERIM RATE SCHEDULE**  
**DETAILED RATE BASE COMPONENTS**

Docket No. E017/GR-25-359

PART A

Schedule 6

Page 1 of 1

Line No.	Description	Proposed Interim Test Year 2026
	<b>Utility Plant in Service:</b>	
1	Production	\$795,951,655
2	Transmission	\$310,012,009
3	Distribution	\$366,377,900
4	General	\$72,622,741
5	Intangible	\$1,702,573
6	<b>TOTAL Utility Plant in Service</b>	<b>\$1,546,666,878</b>
7	<b>Accumulated Depreciation</b>	
8	Production	(\$249,564,371)
9	Transmission	(84,596,978)
10	Distribution	(125,715,889)
11	General	(28,790,457)
12	Intangible	(249,732)
13	<b>TOTAL Accumulated Depreciation</b>	<b>(\$488,917,427)</b>
14	<b>NET Utility Plant in Service</b>	
15	Production	\$546,387,284
16	Transmission	225,415,031
17	Distribution	240,662,011
18	General	43,832,284
19	Intangible	1,452,841
20	<b>NET Utility Plant in Service</b>	<b>\$1,057,749,452</b>
21	Utility Plant Held for Future Use	\$288,813
22	Construction Work in Progress	55,756,277
23	Materials and Supplies	25,270,763
24	Fuel Stocks	5,147,986
25	Prepayments	3,692,377
26	Customer Advances & Deposits	(1,241,855)
27	Cash Working Capital	4,013,113
28	Accumulated Deferred Income Taxes	(181,664,324)
29	<b>Total Average Rate Base</b>	<b>\$969,012,601</b>

OTTER TAIL POWER COMPANY  
Electric Utility - State of Minnesota  
COMPARISON OF PROPOSED INTERIM TEST YEAR 2026 TO  
PROPOSED TEST YEAR 2026  
DETAILED RATE BASE COMPONENTS

Docket No. E017/GR-25-359  
**PART B**  
Schedule 1  
Page 1 of 1

Line No.	Description	(A) Proposed Test Year 2026	(B) Proposed Interim Test Year 2026	(C) Change (B) - (A)
<b>Utility Plant in Service:</b>				
1	Production	\$800,538,514	\$795,951,655	(\$4,586,859)
2	Transmission	\$322,136,310	\$310,012,009	(12,124,301)
3	Distribution	\$368,873,062	\$366,377,900	(2,495,162)
4	General	\$73,973,953	\$72,622,741	(1,351,212)
5	Intangible	\$2,777,251	\$1,702,573	(1,074,678)
6	<b>TOTAL Utility Plant in Service</b>	<b>\$1,568,299,089</b>	<b>\$1,546,666,878</b>	<b>(\$21,632,211)</b>
<b>Accumulated Depreciation</b>				
7	Production	(\$249,657,398)	(\$249,564,371)	\$93,027
8	Transmission	(\$84,765,398)	(\$84,596,978)	168,421
9	Distribution	(\$125,790,997)	(\$125,715,889)	75,108
10	General	(\$28,802,695)	(\$28,790,457)	12,238
11	Intangible	(\$378,788)	(\$249,732)	129,055
12	<b>TOTAL Accumulated Depreciation</b>	<b>(\$489,395,276)</b>	<b>(\$488,917,427)</b>	<b>\$477,849</b>
13	<b>NET Utility Plant in Service</b>			
14	Production	\$550,881,116	\$546,387,284	(\$4,493,832)
15	Transmission	237,370,911	225,415,031	(11,955,880)
16	Distribution	243,082,065	240,662,011	(2,420,054)
17	General	45,171,258	43,832,284	(1,338,974)
18	Intangible	2,398,463	1,452,841	(945,623)
19	<b>NET Utility Plant in Service</b>	<b>\$1,078,903,813</b>	<b>\$1,057,749,452</b>	<b>(\$21,154,362)</b>
20				
21	Utility Plant Held for Future Use	\$288,813	\$288,813	\$0
22	Construction Work in Progress	\$39,388,572	\$55,756,277	16,367,705
23	Materials and Supplies	\$25,266,846	\$25,270,763	3,917
24	Fuel Stocks	\$5,147,986	\$5,147,986	0
25	Prepayments	\$39,854,894	\$3,692,377	(36,162,518)
26	Customer Advances & Deposits	(\$1,242,514)	(\$1,241,855)	659
27	Cash Working Capital	\$3,991,445	\$4,013,113	21,667
28	Accumulated Deferred Income Taxes	(\$191,818,469)	(\$181,664,324)	10,154,145
29	<b>Total Average Rate Base</b>	<b>\$999,781,387</b>	<b>\$969,012,601</b>	<b>(\$30,768,785)</b>

There are a total of six adjustments that convert the rate base of the Proposed Test Year 2026 to the rate base for the Proposed Interim Test Year 2026. A bridge from the Proposed Test Year 2026 rate base to the Proposed Interim Test Year 2026 rate base is provided in Part B, Schedule 3.

**Net Electric Plant in Service, Accumulated Depreciation and Prepayments (Three adjustments – Columns B, C and D)**

OTP's Proposed Test Year 2026 includes an adjustment to reflect a full year of balance of plant in service for projects that are placed into service during 2026. The 2026 Test Year also includes accumulated contribution excess (AC Excess) associated with contributions to the Otter Tail Corporation pension plan that have exceeded recognized pension expense, and the accumulated contribution deficit (AC Deficit) associated with the Otter Tail Corporation Post-Retirement Medical (PRM) and Postemployment Long-Term Disability Medical Benefit (OPEB) plans. OTP's Proposed Test Year 2026 also includes wildfire-related grid modernization investments in areas that face relatively high wildfire risk. Three adjustments are made to the Proposed Interim Test Year 2026 to remove these Proposed Test Year 2026 adjustments.

**Accumulated Deferred Income Taxes (Column E)**

An adjustment is made to the Proposed Interim Test Year 2026 to include the proration of Federal accumulated deferred income taxes (ADIT) during the Interim test year. This adjustment, which increases ADIT by (\$2.3 million), thereby reducing interim period rate base, is required in order for OTP to comply with IRS Regulation Section 1.167(l)-1(h)(6). Preservation of the impact of ADIT proration during the interim period will be computed as part of the interim rate refund process at the end of the rate case. OTP would risk losing the ability to claim accelerated depreciation in its income tax filings if it failed to comply with IRS Regulation Section 1.167(l)-1(h)(6). Losing the ability to claim accelerated depreciation would significantly increase rate base due to the elimination of the ADIT offset to rate base. The overall impact of the proration of ADIT during the interim period is relatively small.

**Accumulated Deferred Income Taxes (Column F)**

An adjustment is made to the Proposed Interim Test Year 2026 to adjust the Net Operating Loss Gross up of ADIT from the Proposed Test Year 2026 to the Proposed Interim Test Year 2026. The current income taxes are much lower in the Proposed Interim Year 2026 than the Proposed Test Year 2026, which created a reduction to ADIT.

**Cash Working Capital (Column G)**

An interim rate adjustment made to Cash Working Capital accounts for the removal of the interim adjustments, and their associated impacts on operation and maintenance expense, property tax expense, and income tax expense components of the Cash Working Capital calculation. The Cash Working Capital requirement is determined through the application of Lead-Lag study factors against applicable expense categories.

**Changes in Allocations due to Interim Rate Adjustments (Column H)**

OTP uses its jurisdictional cost of service study (JCOSS) model to calculate all operating statement and rate base schedules for both interim rates and the application for final rates. Certain allocation factors are developed within the JCOSS model. Any adjustment has the potential to change some of these allocation factors. This column shows the effect of the allocations on rate base components caused by adjustments.

		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
Line No.	Description	2026	Remove Plant Annualization	Remove Prepaid Pension Asset/Retiree Medical Liability	Remove Grid Modernization - Wildfire	Prorate ADIT	Change in NOL Gross Up	Working Capital	Change in Allocators	Year 2026 (1)
1	Electric Plant in Service	\$1,568,299,089	(\$21,071,489)	\$0	(\$568,174)			\$0	\$7,451	\$1,546,666,877
2	Less: Accumulated Depreciation	(489,395,276)	\$528,447	0	7,399			0	-\$57,996	(488,917,426)
3	Net Electric Plant in Service	\$1,078,903,813	(\$20,543,042)	\$0	(\$560,775)	\$0	\$0	\$0	(\$50,545)	\$1,057,749,451
4	Other Rate Base Components:									
5	Plant Held for Future Use	288,813.27	\$0	\$0	\$0			\$0		\$288,813
6	Construction Work in Progress	39,388,572.33	16,359,983	0	\$0			0	7,722	55,756,277
7	Materials and Supplies	25,266,845.71	0	0	\$0			0	3,917	25,270,763
8	Fuel Stocks	5,147,985.84	0	0	\$0			0	0	5,147,986
9	Prepayments	39,854,894.42	0	(36,160,558)	\$0			0	(1,959)	3,692,377
10	Customer Advances	(1,242,514.37)	0	0	\$0			0	659	(1,241,855)
11	Cash Working Capital	3,991,445.38	0	0	\$0			21,668	0	4,013,113
12	Accumulated Deferred Income Taxes	(191,818,469.15)	807,754	9,066,524	\$20,016	(2,349,751)	2,599,681	0	9,921	(181,664,324)
13										
14	TOTAL	\$999,781,386	(\$3,375,305)	(\$27,094,034)	(\$540,759)	(\$2,349,751)	\$2,599,681	\$21,668	(\$30,285)	\$969,012,601

(1) Electric Utility - Minnesota Jurisdiction



OTTER TAIL POWER COMPANY  
Electric Utility - State of Minnesota  
COMPARISON OF PROPOSED INTERIM TEST YEAR 2026 TO  
PROPOSED TEST YEAR 2026  
STATEMENT OF OPERATING INCOME

Docket No. E017/GR-25-359

PART B  
Schedule 4

Page 1 of 1

Line No.	Description	(A) Proposed Test Year 2026	(B) Proposed Interim Test Year 2026	(C) Change (B) - (A)
	<b><u>OPERATING REVENUES</u></b>			
1	Retail	\$247,307,948	\$251,910,069	\$4,602,121
2	Other Operating Revenue	\$18,020,007	\$18,018,859	(1,148)
3	<b>TOTAL OPERATING REVENUE</b>	\$265,327,955	\$269,928,928	\$4,600,973
	<b><u>OPERATING EXPENSES</u></b>			
5	Production Expenses	\$118,322,638	\$117,108,493	(\$1,214,145)
6	Transmission Expenses	\$21,301,122	\$21,301,122	(0)
7	Distribution Expenses	\$11,515,689	\$11,523,796	8,107
8	Customer Accounting Expenses	\$4,987,646	\$4,987,646	0
9	Customer Service & Information Expenses	\$10,744,922	\$10,744,922	0
10	Sales Expenses	\$260,375	\$260,375	0
11	Administration & General Expenses	\$27,313,505	\$27,011,164	(302,341)
12	Charitable Contributions	\$254,000	\$254,000	0
13	Depreciation Expense	\$49,054,831	\$48,470,253	(584,578)
14	General Taxes	\$8,288,617	\$8,141,020	(147,597)
15	<b>TOTAL OPERATING EXPENSES</b>	\$252,043,345	\$249,802,791	(\$2,240,554)
16	<b>NET OPERATING INCOME BEFORE INCOME TAXE</b>	\$13,284,610	\$20,126,137	\$6,841,527
	<b><u>INCOME TAX EXPENSE</u></b>			
18	Investment Tax Credit	(\$24,251,943)	(\$24,164,341)	\$87,603
19	Deferred Income Taxes	(\$3,820,980)	(\$1,655,541)	2,165,439
20	Income Taxes	0	0	0
21	<b>TOTAL INCOME TAX EXPENSE</b>	(\$28,072,924)	(\$25,819,882)	\$2,253,042
22	<b>NET OPERATING INCOME</b>	\$41,357,534	\$45,946,019	\$4,588,485
23	Allowance for Funds Used During Construction	\$1,699,174	\$2,067,741	368,567
24	<b>TOTAL AVAILABLE FOR RETURN</b>	\$43,056,708	\$48,013,760	\$4,957,052

Part B, Schedule 6, contains a bridge schedule itemizing the changes from the Proposed Test Year 2026 operating income statement to the Proposed Interim Test Year 2026 operating income statement. Seven adjustments were made to bridge the Proposed Test Year 2026 operating income statement to the Proposed Interim Test Year 2026 operating income statement.

**Adjustment to Annualize Depreciation & Other Operating Expense on Current & Future Capital Projects (Column B)**

OTP's Proposed Test Year 2026 includes an adjustment to reflect a full year of balance of plant in service for projects that are placed into service during 2026. The projects going into service during 2026 have been removed from the Proposed Interim Test Year 2026

**Adjustment to Remove Grid Modernization - Wildfire (Column C)**

An adjustment was made to remove excluded the wildfire-related grid modernization investments for purposes of the Proposed Interim Test Year 2026. The installation of electronic reclosers and Supervisory Control and Data Acquisition interface systems is planned to take place over a six-year period, with approximately 16 going into service in 2026.

**Adjustment to Remove Coyote 2031 Exit – Fuel Supply (Column D )**

OTP is required to "immediately ... in a reasonable and prudent fashion, commence activities to remove all jurisdictional allocations to its Minnesota ratepayers for Coyote Station ... that ends all Minnesota ratepayer obligations for the plant, coal contracts and associated facilities as soon as feasible but no later than December 31, 2031."<sup>1</sup> The Proposed Test Year 2026 includes two categories of costs associated with this directive: (1) the undepreciated balance of the plant (costs otherwise collected in depreciation rates) as of December 31, 2031; and (2) the cost to exit the Coyote Station fuel supply agreement as of December 31, 2031. OTP has removed the fuel supply exit costs, however, from the Proposed Interim Test Year 2026. While OTP has collected Coyote Station fuel supply agreement costs for many years, there are no exit costs in present rates and so OTP has removed such costs from the Proposed Interim Test Year 2026.

**Adjustment to Remove Rider Roll-In (Column E)**

OTP is proposing to move certain projects from riders to base rates as part of the Proposed Test Year 2026. This will occur at the time final rates go into effect. OTP, therefore, increased present revenues for the Proposed Interim Test Year 2026 by approximately \$5.9 million, the estimated amount of rider revenue to be collected during the interim period.

**Adjustment to reduce Insurance expenses due to credits OTP received from insurance company (Column F)**

OTP received certain insurance credits in 2025 and expects receive similar credits in 2026, though the existence and amount of any credits beyond 2026 is unknown. OTP has reflected the amount of expected 2026 insurance credits in the Proposed Interim Test Year 2026, which reduces the Proposed Interim Test Year 2026 revenue deficiency.

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<sup>1</sup> *In the Matter of Otter Tail Power's 2023– 2037 Integrated Resource Plan*, Docket No. E017/RP-21-339, Order Modifying Otter Tail Power's 2023-2037 Integrated Resource Plan at Order Point 4 (July 22, 2024) (2021 IRP Order).

**Adjustment due to Hoot Lake Plant (HLP) and Hydro Deferred Depreciation (Column G)**

The Commission authorized OTP to recover the incremental depreciation expense associated with the retired Hoot Lake Plant and the associated Hydraulic Generating Facilities (the Hydros) in OTP's 2021 Minnesota Rate Case.<sup>2</sup> As of December 31, 2025, the remaining balance to be recovered is \$0.35 million, which OTP proposes to recover during the Proposed Interim Test Year 2026 but not as part of the Proposed Test Year 2026.

**Adjustment for Miscellaneous Interim-Only Items (Column H)**

OTP has included three miscellaneous adjustments to the Proposed Interim Test Year 2026, all related to rider-related issues. First, the Commission authorized OTP to create a tracker account for Southwest Power Pool (SPP) costs in the 2021 Minnesota Rate Case.<sup>3</sup> As of December 31, 2025, the tracker balance is estimated to be (\$0.18 million). OTP proposes to include this credit in the Proposed Interim Test Year 2026, thereby reducing the Proposed Interim Test Year 2026 revenue deficiency. Second, the Proposed Test Year 2026 revenue requirement reflects meter reading savings associated with Advanced Metering Infrastructure (AMI) implementation. These savings are already reflected in OTP's Electric Utility Infrastructure Cost Recovery Rider (EUIC Rider). OTP proposes that the associated credit remain in the EUIC rider during the interim rate period. In order to avoid a duplication of the savings, OTP has included an interim rate adjustment to exclude the AMI savings credit from the Proposed Interim Test Year 2026 so as to avoid double crediting (once through the EUIC Rider, once through interim rates). Third, Phase II of the Milbank Area Reliability Project is anticipated to be placed in service in December 2026. OTP has included an adjustment to annualize the costs associated with the project into the Proposed Test Year 2026. OTP has reversed the annualization of Phase II of the Milbank Area Reliability Project for purposes of the Proposed Interim Test Year 2026.

**Changes in Allocations due to Interim Rate Adjustments (Column I)**

OTP uses its jurisdictional cost of service study (JCOSS) model to calculate all operating statement and rate base schedules for both interim rates and the application for final rates. Certain allocation factors are developed within the JCOSS model. Any adjustment has the potential to change some of these allocation factors. This column shows the effect of the allocations on rate base components caused by adjustments.

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<sup>2</sup> *In the Matter of the Application of Otter Tail Power Company for Authority to Increase Rates for Electric Service in the State of Minnesota*, Docket No. E017/GR-20-719, Findings of Fact, Conclusions and Order at 7-9, Order Points 2-6 (Feb. 1, 2022).

<sup>3</sup> *In the Matter of the Application of Otter Tail Power Company for Authority to Increase Rates for Electric Service in the State of Minnesota*, Docket No. E017/GR-20-719, Findings of Fact, Conclusions and Order at Order Point 64 (Feb. 1, 2022).

		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
		2026 Test Year	Remove Plant Annualization	Remove Grid Modernization - Wildfire	Remove Coyote 2031 Exit - Fuel Supply	Remove Rider Roll-In Revenues	Insurance Credits	Hoot Lake Amortization from Docket No. E017/GR-20-719	Miscellaeous Interim-Only Items	Change in Allocators	Interim Year 2026
			TY-01	TY-06	TY-09	TY-10	INT-01	INT-02	INT-03		
<b><u>OPERATING REVENUES</u></b>											
1	Retail	\$247,307,948				\$5,885,511			(\$1,283,390)		\$251,910,069
2	Other Operating Revenue	18,020,007								(1,148)	18,018,859
3	<b>TOTAL OPERATING REVENUE</b>	<b>\$265,327,955</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,885,511</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,283,390)</b>	<b>(\$1,148)</b>	<b>\$269,928,928</b>
<b><u>OPERATING EXPENSES</u></b>		<b>0</b>									
4	Production Expenses	\$118,322,638	(\$15,000)		(1,199,145)						117,108,493
5	Transmission Expenses	21,301,122									21,301,122
6	Distribution Expenses	11,515,689								8,107	11,523,796
7	Customer Accounting Expenses	4,987,646									4,987,646
8	Customer Service & Information Expenses	10,744,922									10,744,922
9	Sales Expenses	260,375									260,375
10	Administration & General Expenses	27,313,505					(302,982)			641	27,011,164
11	Charitable Contributions	254,000									254,000
12	Depreciation Expense	49,054,831	(926,883)	(\$12,685)				\$349,584		5,406	48,470,253
13	General Taxes	8,288,617	(147,212)							(385)	8,141,020
14	<b>TOTAL OPERATING EXPENSES</b>	<b>\$252,043,345</b>	<b>(\$1,089,095)</b>	<b>(\$12,685)</b>	<b>(\$1,199,145)</b>	<b>\$0</b>	<b>(\$302,982)</b>	<b>\$349,584</b>	<b>\$0</b>	<b>\$13,769</b>	<b>\$249,802,791</b>
15	<b>NET OPERATING INCOME BEFORE INCOME TAX</b>	<b>\$13,284,610</b>	<b>\$1,089,095</b>	<b>\$12,685</b>	<b>\$1,199,145</b>	<b>\$5,885,511</b>	<b>\$302,982</b>	<b>(\$349,584)</b>	<b>(\$1,283,390)</b>	<b>(\$14,917)</b>	<b>\$20,126,137</b>
<b><u>INCOME TAX EXPENSE</u></b>		<b>0</b>									
17	Investment/Production Tax Credit	(\$24,251,943)	\$87,465							\$138	(\$24,164,340)
18	Deferred Income Taxes	(3,820,980)								2,165,439	(1,655,541)
19	Income Taxes	0	313,028	3,646	344,658	1,691,614	87,083	(100,477)	(368,872)	(1,970,679)	0
20	<b>TOTAL INCOME TAX EXPENSE</b>	<b>(\$28,072,924)</b>	<b>\$400,493</b>	<b>\$3,646</b>	<b>\$344,658</b>	<b>\$1,691,614</b>	<b>\$87,083</b>	<b>(\$100,477)</b>	<b>(\$368,872)</b>	<b>\$194,898</b>	<b>(\$25,819,882)</b>
21	<b>NET OPERATING INCOME</b>	<b>\$41,357,534</b>	<b>\$688,602</b>	<b>\$9,039</b>	<b>\$854,487</b>	<b>\$4,193,897</b>	<b>\$215,899</b>	<b>(\$249,107)</b>	<b>(\$914,518)</b>	<b>(\$209,815)</b>	<b>\$45,946,018</b>
22	Allowance for Funds Used During Construction	1,699,174	708,489						(370,434)	30,512	2,067,741
23	<b>TOTAL AVAILABLE FOR RETURN</b>	<b>\$43,056,708</b>	<b>\$1,397,091</b>	<b>\$9,039</b>	<b>\$854,487</b>	<b>\$4,193,897</b>	<b>\$215,899</b>	<b>(\$249,107)</b>	<b>(\$1,284,952)</b>	<b>(\$179,303)</b>	<b>\$48,013,760</b>

**OTTER TAIL POWER COMPANY**  
**Electric Utility - State of Minnesota**  
**COMPARISON OF PROPOSED INTERIM TEST YEAR 2021 TO**  
**PROPOSED TEST YEAR 2026**  
**SUMMARY OF REVENUE REQUIREMENTS**

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**PART B**  
**Schedule 7**  
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Line No.	Description	(A) Proposed Test Year 2026	(B) Proposed Interim Test Year 2026	Change (B) - (A)
1	Average Rate Base	\$999,781,386	\$969,012,601	(\$30,768,785)
2	Operating Income (Before AFUDC)	\$41,357,534	\$45,946,018	\$4,588,484
3	Allowance for Funds Used During Construction (AFUDC)	\$1,699,174	\$2,067,741	\$368,567
4	Total Available for Return (Line 2 + Line 3 + Rounding)	\$43,056,708	\$48,013,759	\$4,957,051
5	Overall Rate of Return (Line 4 / Line 1)	4.31%	4.95%	(0.65)%
6	Required Rate of Return	7.92%	7.29%	-0.63%
7	Operating Income Requirement (Line 1 x Line 6)	\$79,170,880	\$70,668,821	(\$8,502,059)
8	Income Deficiency (Line 7 - Line 4)	\$36,114,172	\$22,655,062	(\$13,459,110)
9	Gross Revenue Conversion Factor	1.40335	1.40335	0
10	Revenue Deficiency (Line 8 x Line 9)	\$50,680,867	\$31,793,009	(\$18,887,858)
11	Retail Related Revenues Under Present Rates	\$247,307,948	\$251,910,069	\$4,602,121
12	Percent Increase Needed in Overall Revenue (Line 10 / Lin	20.49%	12.62%	(7.87)%

OTTER TAIL POWER COMPANY  
Electric Utility - State of Minnesota  
COMPARISON OF PROPOSED INTERIM TEST YEAR 2026 TO  
OTP'S MOST RECENT GENERAL RATE CASE  
DETAILED RATE BASE COMPONENTS

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**PART C**  
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No.	Description	(A) Results of Most Recent General Rate Case GR-20-719	(B) Proposed Interim Year 2026	(C) (B) - (A)
	<b>Utility Plant in Service:</b>			
1	Production	\$685,230,232	\$795,951,655	\$110,721,423
2	Transmission	257,108,143	\$310,012,009	52,903,866
3	Distribution	243,962,713	\$366,377,900	122,415,187
4	General	49,120,284	\$72,622,741	23,502,457
5	Intangible	18,531,244	\$1,702,573	(16,828,671)
6	<b>TOTAL Utility Plant in Service</b>	<b>\$1,253,952,616</b>	<b>\$1,546,666,878</b>	<b>\$292,714,262</b>
7	<b>Accumulated Depreciation</b>			
8	Production	(\$219,505,114)	(\$249,564,371)	(\$30,059,257)
9	Transmission	(69,904,581)	(\$84,596,978)	(14,692,397)
10	Distribution	(104,826,467)	(\$125,715,889)	(20,889,422)
11	General	(18,578,551)	(\$28,790,457)	(10,211,906)
12	Intangible	(5,229,752)	(\$249,732)	4,980,020
13	<b>TOTAL Accumulated Depreciation</b>	<b>(\$418,044,465)</b>	<b>(\$488,917,427)</b>	<b>(\$70,872,962)</b>
14	<b>NET Utility Plant in Service</b>			
15	Production	\$465,725,118	\$546,387,284	\$80,662,166
16	Transmission	187,203,562	225,415,031	38,211,469
17	Distribution	139,136,246	240,662,011	101,525,765
18	General	30,541,733	43,832,284	13,290,551
19	Intangible	13,301,492	1,452,841	(11,848,651)
20	<b>NET Utility Plant in Service</b>	<b>\$835,908,151</b>	<b>\$1,057,749,452</b>	<b>\$221,841,301</b>
21				
22	Utility Plant Held for Future Use	13,545	\$288,813	275,268
23	Construction Work in Progress	16,222,899	\$55,756,277	39,533,378
24	Materials and Supplies	11,435,710	\$25,270,763	13,835,053
25	Fuel Stocks	5,408,282	\$5,147,986	(260,296)
26	Prepayments	1,402,533	\$3,692,377	2,289,844
27	Customer Advances & Deposits	(1,030,647)	(\$1,241,855)	(211,208)
28	Cash Working Capital	971,048	\$4,013,113	3,042,065
30	Accumulated Deferred Income Taxes	(147,385,185)	(\$181,664,324)	(34,279,139)
31	<b>Total Average Rate Base</b>	<b>\$722,946,336</b>	<b>\$969,012,601</b>	<b>\$246,066,266</b>

**OTTER TAIL POWER COMPANY**  
**Electric Utility – State of Minnesota**  
**COMPARISON OF PROPOSED INTERIM TEST YEAR 2026 TO**  
**OTP'S MOST RECENT GENERAL RATE CASE**Page 1 of 1  
**DETAILED RATE BASE COMPONENTS**  
**DESCRIPTION OF CHANGES**

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**PART C**  
**Schedule 2**

Total Average Rate Base proposed by OTP for the Proposed Interim Test Year 2026 increased by approximately \$246.1 million compared to OTP's Most Recent General Rate Case.

The increase in Average Rate Base is primarily related to the net effect of Utility Plant in Service and Accumulated Deferred Income Taxes. Gross Plant in Service increased by \$292.7 million and Reserve for Depreciation and Amortization increased by \$70.9 million. Total Net Plant in Service increased approximately \$221.8 million. In addition, Construction Work in Progress increased approximately \$39.5 million and Accumulated Deferred Income Taxes (ADIT) increased approximately \$34.3 million, which reduces rate base. These components account for approximately \$227 million of the \$246.1 million increase to rate base.

Distribution Plant now comprises 22.8 percent of Net Plant compared to 16.3 percent for OTP's Most Recent General Rate Case, increasing distribution plant by \$101 million.

Transmission Plant increased by \$38.2 million. Transmission Plant comprises 21.3 percent of Net Plant as compared to 24.3 percent in OTP's Most Recent General Rate Case.

Production Plant increased \$80.6 million since OTP's Most Recent General Rate Case. Production Plant is now 51.7 percent of Plant in Service compared to 55.74 percent in OTP's Most Recent General Rate Case.

As mentioned earlier, ADIT, a reduction to Average Rate Base, increased by \$34.3 million due to the impact of accelerated tax depreciation taken on OTP's capital expenditures. This increase is mainly caused by timing differences between book and tax depreciation on plant in service investment.

Cash Working Capital increased approximately \$3.0 million, Materials and Supplies comprised an increase of \$13.8 million, Fuel Inventory decreased by \$0.3 million, and Prepayments increased by \$2.3 million since OTP's Most Recent General Rate Case.

The net effect of the \$221.8 million increase in Net Plant in Service, the \$34.3 million increase in Accumulated Deferred Income Taxes (a reduction to Average Rate Base), and other components shown in Part C, Schedule 1 account for the \$246.1 million increase in Total Average Rate Base for the Proposed Interim Test Year 2026.

OTTER TAIL POWER COMPANY  
Electric Utility - State of Minnesota  
COMPARISON OF PROPOSED INTERIM TEST YEAR 2026 TO  
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STATEMENT OF OPERATING INCOME

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PART C  
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Line No.	Description	(A) Results of Most Recent General Rate Case GR-20-719	(B) Proposed Interim Year 2026	(C) (B) - (A)
	<b><u>OPERATING REVENUES</u></b>			
1	Retail	\$191,120,676	\$251,910,069	\$60,789,393
2	Other Operating Revenue	17,284,332	\$18,018,859	734,527
3	<b>TOTAL OPERATING REVENUE</b>	<b>\$208,405,008</b>	<b>\$269,928,928</b>	<b>\$61,523,920</b>
4	<b><u>OPERATING EXPENSES</u></b>			
5	Production Expenses	\$77,924,114	\$117,108,493	\$39,184,379
6	Transmission Expenses	18,363,452	\$21,301,122	2,937,670
7	Distribution Expenses	7,767,335	\$11,523,796	3,756,461
8	Customer Accounting Expenses	7,222,661	\$4,987,646	(2,235,015)
9	Customer Service & Information Expenses	9,052,240	\$10,744,922	1,692,682
10	Sales Expenses	134,725	\$260,375	125,650
11	Administration & General Expenses	19,928,981	\$27,011,164	7,082,183
12	Charitable Contributions	112,000	\$254,000	142,000
13	Depreciation Expense	32,716,362	\$48,470,253	15,753,891
14	General Taxes	8,022,910	\$8,141,020	118,110
15	<b>TOTAL OPERATING EXPENSES</b>	<b>\$181,244,780</b>	<b>\$249,802,791</b>	<b>\$68,558,011</b>
16	<b>NET OPERATING INCOME BEFORE INCOME TAXE</b>	<b>\$27,160,228</b>	<b>\$20,126,137</b>	<b>(\$7,034,091)</b>
17	<b><u>INCOME TAX EXPENSE</u></b>			
17	Investment Tax Credit	(\$8,884,743)	(\$24,164,341)	(\$15,279,597)
18	Deferred Income Taxes	(2,319,235)	(\$1,655,541)	663,694
19	Income Taxes	0	\$0	0
20	<b>TOTAL INCOME TAX EXPENSE</b>	<b>(\$11,203,978)</b>	<b>(\$25,819,882)</b>	<b>(\$14,615,903)</b>
21	<b>NET OPERATING INCOME</b>	<b>\$38,364,206</b>	<b>\$45,946,019</b>	<b>\$7,581,812</b>
22	Allowance for Funds Used During Construction	780,062	2,067,741	1,287,679
23	<b>TOTAL AVAILABLE FOR RETURN</b>	<b>\$39,144,268</b>	<b>\$48,013,760</b>	<b>\$8,869,492</b>



**OTTER TAIL POWER COMPANY**  
**Electric Utility – State of Minnesota**  
**COMPARISON OF PROPOSED INTERIM TEST YEAR 2026 TO**  
**OTP'S MOST RECENT GENERAL RATE CASE**Page 1 of 1  
**STATEMENT OF OPERATING INCOME**  
**DESCRIPTION OF CHANGES**

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**PART C**  
**Schedule 4**

The Total Available for Return approved by the Commission in OTP's Most Recent General Rate Case compared to the Total Available for Return proposed in the Proposed Interim Test Year 2026 shows an increase of \$8.9 million.

Major components of the change in utility available for return include the following:

Retail Electric Revenues increased by \$60.8 million or 31.8 percent.

Fuel, Purchased Energy and Power Production costs increased by approximately \$39.2 million compared to OTP's Most Recent General Rate Case.

Other Operating Expenses (excluding depreciation and taxes) increased by approximately \$13.3 million. The changes that occurred in the various cost functions are Transmission expense, an increase of \$2.9 million; Distribution expense, an increase of \$3.8 million; Customer Accounting, a decrease of \$2.2 million; Customer Services combined with Information and Sales, an increase of \$1.7 million; and Administrative and General expense, an increase of \$7.1 million.

Depreciation expense increased by approximately \$15.7 million, which represents a 48.2 percent increase over OTP's Most Recent General Rate Case.

Production/Investment Tax Credits increased by \$15.3 million while Deferred Income Taxes increased by \$0.7 million. Income Tax Expense has stayed constant at zero. OTP is in a Net Operating Loss for the Proposed Interim Test Year 2026.

**OTTER TAIL POWER COMPANY**  
**Electric Utility - State of Minnesota**  
**COMPARISON OF PROPOSED INTERIM TEST YEAR 2021 TO**  
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**SUMMARY OF REVENUE REQUIREMENTS**

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**PART C**  
**Schedule 5**  
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Line No.	Description	(A) Results of Most Recent General Rate Case GR-20-719	(B) Proposed Interim Year 2026	(C) (B) - (A)
1	Average Rate Base	\$722,946,336	\$969,012,601	\$246,066,265
2	Operating Income (Before AFUDC)	\$38,364,206	\$45,946,018	\$7,581,812
3	Allowance for Funds Used During Construction (AFUDC)	\$780,062	\$2,067,741	\$1,287,679
4	Total Available for Return (Line 2 + Line 3 + Rounding)	\$39,144,268	\$48,013,760	\$8,869,492
5	Overall Rate of Return (Line 4 / Line 1)	5.41%	4.95%	(0.46)%
6	Required Rate of Return	7.18%	7.29%	-(0.11)%
7	Operating Income Requirement (Line 1 x Line 6)	\$51,907,547	\$70,668,821	\$18,761,274
8	Income Deficiency (Line 7 - Line 4)	\$12,763,279	\$22,655,061	\$9,891,783
9	Gross Revenue Conversion Factor	1.403351	1.403351	0
10	Revenue Deficiency (Line 8 x Line 9)	\$17,911,360	\$31,793,007	\$13,881,648
11	Retail Related Revenues Under Present Rates	\$196,146,168	\$251,910,069	\$55,763,901
12	Percent Increase Needed in Overall Revenue (Line 10 / Line 11)	9.13%	12.62%	3.49%

OTTER TAIL POWER COMPANY  
Electric Utility - State of Minnesota  
COMPARISON OF PROPOSED INTERIM TEST YEAR 2026 TO  
OTP'S MOST RECENT GENERAL RATE CASE  
CAPITAL STRUCTURE AND RATE OF RETURN CALCULATIONS

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Line No.		(A) Amount	(B) % of Total Capitalization	(C) Cost of Capital	(D) Weighted Cost of Capital
<b>I. Capital Structure and Rate of Return Calculation Approved by the Commission OTP'S Most Recent General Rate Case</b>					
1	Long-Term Debt	\$684,105,179	44.6%		
2	Short-Term Debt	43,716,752	2.9%		
3	Long-Term and Short-Term Debt	\$727,821,931	47.5%	4.63%	2.20%
4	Preferred Stock				
5	Net Common Equity	804,391,972	52.5%	9.48%	4.98%
6	Total Equity	\$804,391,972	52.5%		4.98%
7	Total Capitalization	\$1,532,213,903	100.00%		7.18%

<b>II. Capital Structure and Rate of Return Calculation for Proposed Interim Test Year 2026</b>					
8	Long-Term Debt	\$ 1,027,133,645	44.1%		
9	Short-Term Debt	56,178,438	2.4%		
10	Long-Term and Short-Term Debt	\$1,083,312,083	46.5%	4.78%	2.22%
11	Preferred Stock				
12	Net Common Equity	1,246,391,321	53.5%	9.48%	5.07%
13	Total Equity	\$1,246,391,321	53.5%		5.07%
14	Total Capitalization	\$2,329,703,404	100.0%		7.29%

**III. Amount of Changes Between I and II**

		Amount		Change (C) = (B) - (A)
		OTP's Most Recent General Rate Case (A)	Proposed Interim Test Year 2021 (B)	
15	Long-Term Debt	\$684,105,179	\$1,027,133,645	\$343,028,466
16	Short-Term Debt	43,716,752	56,178,438	12,461,686
17	Long-Term and Short-Term Debt	\$727,821,931	\$1,083,312,083	\$355,490,152
18	Preferred Stock			
19	Net Common Equity	804,391,972	1,246,391,321	441,999,349
20	Total Equity	\$804,391,972	\$1,246,391,321	\$441,999,349
21	Total Capitalization	\$1,532,213,903	\$2,329,703,404	\$797,489,501

**OTTER TAIL POWER COMPANY**  
**Electric Utility – State of Minnesota**  
**COMPARISON OF PROPOSED INTERIM TEST YEAR 2026 TO**  
**OTP'S MOST RECENT GENERAL RATE CASE**Page 1 of 1  
**CAPITAL STRUCTURE AND RATE OF RETURN CALCULATIONS**  
**DESCRIPTION OF CHANGES**

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**PART C**  
**Schedule 7**

Long-Term Debt in the Proposed Interim Test Year 2026 increased approximately \$299 million, compared to OTP's Most Recent General Rate Case. The increase in Long-Term Debt was necessary to support OTP's capital expenditure plan and maintain an appropriate balance of debt and equity and a balanced capital structure.

The capital structure for Proposed Interim Test Year 2026 includes \$56.2 million of Short-Term Debt as compared to \$3.7 million.

Common Equity increased by approximately \$442 million primarily due to reinvestment of retained earnings and infusions of equity from Otter Tail Corporation to support OTP's capital expenditure plan and provide an appropriate balance of debt and equity and a balanced capital structure.

The overall cost of capital increased from OTP's Most Recent General Rate Case. The increase is driven by an increase in the cost of debt. The 9.48 percent cost of common equity is the same as the 9.48 percent cost of common equity in OTP's Most Recent General Rate Case.

Line No.	Description	(A) Most Recent Fiscal Year 2024	(B) Proposed Interim Test Year 2026	(C) Change (B) - (A)
	<b>Utility Plant in Service:</b>			
1	Production	\$728,784,725	\$795,951,655	\$67,166,930
2	Transmission	278,174,337	\$310,012,009	31,837,672
3	Distribution	298,244,347	\$366,377,900	68,133,553
4	General	55,066,116	\$72,622,741	17,556,625
5	Intangible	22,013,087	\$1,702,573	(20,310,513)
6	<b>TOTAL Utility Plant in Service</b>	<b>\$1,382,282,611</b>	<b>\$1,546,666,878</b>	<b>\$164,384,267</b>
7	<b>Accumulated Depreciation</b>			
8	Production	(\$256,323,987)	(\$249,564,371)	\$6,759,616
9	Transmission	(78,983,356)	(\$84,596,978)	(5,613,622)
10	Distribution	(115,881,137)	(\$125,715,889)	(9,834,751)
11	General	(22,353,789)	(\$28,790,457)	(6,436,667)
12	Intangible	(8,454,108)	(\$249,732)	8,204,376
13	<b>TOTAL Accumulated Depreciation</b>	<b>(\$481,996,378)</b>	<b>(\$488,917,427)</b>	<b>(\$6,921,048)</b>
14	<b>NET Utility Plant in Service</b>			
15	Production	\$472,460,737	\$546,387,284	\$73,926,547
16	Transmission	199,190,981	225,415,031	26,224,050
17	Distribution	182,363,210	240,662,011	58,298,802
18	General	32,712,327	43,832,284	11,119,958
19	Intangible	13,558,978	1,452,841	(12,106,137)
20	<b>NET Utility Plant in Service</b>	<b>\$900,286,233</b>	<b>\$1,057,749,452</b>	<b>\$157,463,219</b>
21				
22	Utility Plant Held for Future Use	\$892	\$288,813	\$287,921
23	Construction Work in Progress	\$88,427,579	\$55,756,277	(32,671,302)
24	Materials and Supplies	\$21,121,039	\$25,270,763	4,149,724
25	Fuel Stocks	\$5,203,885	\$5,147,986	(55,899)
26	Prepayments	\$2,860,868	\$3,692,377	831,509
27	Customer Advances & Deposits	(\$1,494,046)	(\$1,241,855)	252,191
28	Cash Working Capital	\$2,867,536	\$4,013,113	1,145,577
29	Accumulated Deferred Income Taxes	(\$196,473,788)	(\$181,664,324)	14,809,464
30	<b>Total Average Rate Base</b>	<b>\$822,800,199</b>	<b>\$969,012,601</b>	<b>\$146,212,402</b>

**OTTER TAIL POWER COMPANY**  
**Electric Utility – State of Minnesota**  
**COMPARISON OF PROPOSED INTERIM TEST YEAR**  
**2026 TO MOST RECENT FISCAL YEAR 2024**Page 1 of 1  
**DETAILED RATE BASE COMPONENTS**  
**DESCRIPTION OF CHANGES**

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**PART D**  
**Schedule 2**

Total Average Rate Base proposed by OTP for the Proposed Interim Test Year 2026 increased by approximately \$146.2 million compared to Most Recent Fiscal Year 2024. The increase is primarily the net result of an increase of \$157.5 million in Net Utility Plant in Service, a decrease of \$32.7 million in Construction Work in Progress, an increase of \$4.1 million in Materials and Supplies and a decrease of \$14.8 million in Accumulated Deferred Income Taxes (ADIT).

**Net Utility Plant in Service**

Gross Utility Plant in Service increased by \$164.4 million and Accumulated Depreciation increased by \$6.9 million resulting in an increase of \$157.5 million in Net Utility Plant in Service. The primary reason for this increase is the addition of upgrades to our wind facilities.

**Construction Work in Progress (CWIP)**

The reduction of \$32.7 million in CWIP is primarily the result of the wind facility upgrades being under construction in Most Recent Fiscal Year 2024 and those projects being in service in Proposed Interim Test Year 2026.

**Material and Supplies**

Material and Supplies increased approximately \$4.1 million. The primary reason for the increase is to have on-hand materials and supplies that have been consistently having long lead times. This ensures that when there is an emergency, we have the proper items needed.

**Accumulated Deferred Income Tax**

As mentioned earlier, ADIT, a reduction to Average Rate Base, decreased by \$14.8 million. This increase is mainly caused by timing differences between book and tax depreciation on plant in service investment.

In Summary, the net effect of the \$164.4 million increase in Net Utility Plant in Service, the \$32.7 million decrease in CWIP, the increase of \$4.1 Materials and Supplies, the \$14.8 million decrease in ADIT and other components shown in Part C, Schedule 1 account for the \$146.2 million increase in Total Average Rate Base for the Proposed Interim Test Year 2026.

OTTER TAIL POWER COMPANY  
Electric Utility - State of Minnesota  
COMPARISON OF PROPOSED INTERIM TEST YEAR 2026 TO MOST RECENT  
FISCAL YEAR 2024  
STATEMENT OF OPERATING INCOME

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PART D

Schedule 3

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Line No.	Description	(A) Most Recent Fiscal Year 2024	(B) Proposed Interim Test Year 2026	(C) Change (B) - (A)
	<b><u>OPERATING REVENUES</u></b>			
1	Retail	\$221,567,168	\$251,910,069	\$30,342,901
2	Other Operating Revenue	19,854,715	\$18,018,859	(1,835,856)
3	<b>TOTAL OPERATING REVENUE</b>	<b>\$241,421,883</b>	<b>\$269,928,928</b>	<b>\$28,507,045</b>
4	<b><u>OPERATING EXPENSES</u></b>			
5	Production Expenses	\$78,291,075	\$117,108,493	\$38,817,418
6	Transmission Expenses	18,173,726	\$21,301,122	3,127,396
7	Distribution Expenses	8,388,119	\$11,523,796	3,135,677
8	Customer Accounting Expenses	5,840,234	\$4,987,646	(852,588)
9	Customer Service & Information Expenses	9,087,146	\$10,744,922	1,657,776
10	Sales Expenses	72,589	\$260,375	187,786
11	Administration & General Expenses	22,896,127	\$27,011,164	4,115,037
12	Charitable Contributions	234,866	\$254,000	19,134
13	Depreciation Expense	37,876,807	\$48,470,253	10,593,446
14	General Taxes	6,975,704	\$8,141,020	1,165,316
15	<b>TOTAL OPERATING EXPENSES</b>	<b>\$187,836,394</b>	<b>\$249,802,791</b>	<b>\$61,966,398</b>
16	<b>NET OPERATING INCOME BEFORE INCOME TAXES</b>	<b>\$53,585,490</b>	<b>\$20,126,137</b>	<b>(\$33,459,353)</b>
17	<b><u>INCOME TAX EXPENSE</u></b>			
18	Investment Tax Credit	(\$11,225,021)	(\$24,164,341)	(\$12,939,320)
19	Deferred Income Taxes	9,428,578	(\$1,655,541)	(11,084,120)
20	Income Taxes	203,387	\$0	(203,387)
21	<b>TOTAL INCOME TAX EXPENSE</b>	<b>(\$1,593,056)</b>	<b>(\$25,819,882)</b>	<b>(\$24,226,826)</b>
22	<b>NET OPERATING INCOME</b>	<b>\$55,178,545</b>	<b>\$45,946,019</b>	<b>(\$9,232,527)</b>
23	Allowance for Funds Used During Construction	2,224,231	\$2,067,741	(156,490)
24	<b>TOTAL AVAILABLE FOR RETURN</b>	<b>\$57,402,777</b>	<b>\$48,013,760</b>	<b>(\$9,389,017)</b>

**OTTER TAIL POWER COMPANY**  
**Electric Utility – State of Minnesota**  
**COMPARISON OF PROPOSED INTERIM TEST YEAR 2026 TO MOST**  
**RECENT FISCAL YEAR 2024**  
**STATEMENT OF OPERATING INCOME**  
**DESCRIPTION OF CHANGES**

**Docket No. E017/GR-25-359**  
**PART D**  
**Schedule 4**  
**Page 1 of 1**

Total Retail Electric revenues increased by \$30.3 million from Most Recent Fiscal Year 2024 compared to the Proposed Interim Test Year 2026 in this filing. The change is driven primarily by the increase in fuel adjustment clause revenue.

In comparing the cost of Fuel, Purchased Energy and Power Production Expenses in the Most Recent Fiscal Year to the Proposed Interim Test Year 2026, there was an increase of \$38.8 million.

Excluding the cost of Fuel, Purchased Energy and Power Production, Depreciation and Taxes, other operating expenses increased \$11.4 million. Transmission expenses increased \$3.1 million; Distribution expenses increased \$3.1 million; Customer Service, Information and Sales expenses increased by \$1.0 million; and Administrative and General (A&G) expenses increased by approximately \$4.1 million.

Depreciation expense increased by \$10.6 million and general taxes increased by \$1.2 million.

Investment Tax Credit and Deferred Income Taxes increased by \$24 million and Income Taxes Decreased by \$0.2 million.

The changes described above help to account for the \$9.4 million reduction in utility operating income for the Proposed Interim Test Year 2026 compared to the Most Recent Fiscal Year 2024.



**OTTER TAIL POWER COMPANY**  
**Electric Utility - State of Minnesota**  
**COMPARISON OF PROPOSED INTERIM TEST YEAR 2026 TO MOST RECENT**  
**FISCAL YEAR 2024**  
**SUMMARY OF REVENUE REQUIREMENTS**

**Docket No. E017/GR-25-359**  
**PART D**  
**Schedule 5**  
**Page 1 of 1**

Line No.	Description	(A) Most Recent Fiscal Year 2024	(B) Proposed Interim Test Year 2026	(C) Change (B) - (A)
1	Average Rate Base	\$822,800,199	\$969,012,601	\$146,212,402
2	Operating Income (Before AFUDC)	\$55,178,545	\$45,946,018	(\$9,232,527)
3	Allowance for Funds Used During Construction (AFUDC)	\$2,224,231	\$2,067,741	(\$156,490)
4	Total Available for Return (Line 2 + Line 3 + Rounding)	\$57,402,777	\$48,013,759	(\$9,389,018)
5	Overall Rate of Return (Line 4 / Line 1)	6.98%	4.95%	(2.02)%
6	Required Rate of Return	7.21%	7.29%	-(0.08)%
7	Operating Income Requirement (Line 1 x Line 6)	\$59,331,721	\$70,668,821	\$11,337,100
8	Income Deficiency (Line 7 - Line 4)	\$1,928,944	\$22,655,062	\$20,726,118
9	Gross Revenue Conversion Factor	1.403351	1.403351	0
10	Revenue Deficiency (Line 8 x Line 9)	\$2,706,986	\$31,793,009	\$29,086,023
11	Retail Related Revenues Under Present Rates	\$221,567,168	\$251,910,069	\$30,342,901
12	Percent Increase Needed in Overall Revenue (Line 10 / Line 11)	1.22%	12.62%	11.40%

OTTER TAIL POWER COMPANY  
Electric Utility - State of Minnesota  
OTP'S MOST RECENT GENERAL RATE CASE TO PROPOSED TEST YEAR 2026  
DETAILED RATE BASE COMPONENTS

Docket No. E017/GR-25-359  
**PART E**  
Schedule 1  
Page 1 of 1

Line No.	Description	(A) Results of Most Recent General Rate Case GR-20-719	(B) Proposed Test Year 2026	(C) (B) - (A)
	<b>Utility Plant in Service:</b>			
1	Production	\$685,230,232	\$800,538,514	\$115,308,282
2	Transmission	\$257,108,143	\$322,136,310	65,028,167
3	Distribution	\$243,962,713	\$368,873,062	124,910,349
4	General	\$49,120,284	\$73,973,953	24,853,669
5	Intangible	\$18,531,244	\$2,777,251	(15,753,993)
6	<b>TOTAL Utility Plant in Service</b>	<b>\$1,253,952,616</b>	<b>\$1,568,299,090</b>	<b>\$314,346,474</b>
7	<b>Accumulated Depreciation</b>			
8	Production	(\$219,505,114)	(\$249,657,398)	(\$30,152,284)
9	Transmission	(\$69,904,581)	(\$84,765,399)	(14,860,818)
10	Distribution	(\$104,826,467)	(\$125,790,997)	(20,964,530)
11	General	(\$18,578,551)	(\$28,802,695)	(10,224,144)
12	Intangible	(\$5,229,752)	(\$378,788)	4,850,964
13	<b>TOTAL Accumulated Depreciation</b>	<b>(\$418,044,465)</b>	<b>(\$489,395,277)</b>	<b>(\$71,350,812)</b>
14	<b>NET Utility Plant in Service</b>			
15	Production	\$465,725,118	\$550,881,116	\$85,155,998
16	Transmission	187,203,562	237,370,911	50,167,349
17	Distribution	139,136,246	243,082,065	103,945,819
18	General	30,541,733	45,171,258	14,629,525
19	Intangible	13,301,492	2,398,463	(10,903,029)
20	<b>NET Utility Plant in Service</b>	<b>\$835,908,151</b>	<b>\$1,078,903,814</b>	<b>\$242,995,663</b>
21				
22	Utility Plant Held for Future Use	\$13,545	\$288,813	\$275,268
23	Construction Work in Progress	\$16,222,899	\$39,388,572	23,165,673
24	Materials and Supplies	\$11,435,710	\$25,266,846	13,831,136
25	Fuel Stocks	\$5,408,282	\$5,147,986	(260,296)
26	Prepayments	\$1,402,533	\$39,854,894	38,452,361
27	Customer Advances & Deposits	(\$1,030,647)	(\$1,242,514)	(211,866)
28	Cash Working Capital	\$971,048	\$3,991,445	3,020,397
29	Accumulated Deferred Income Taxes	(\$147,385,185)	(\$191,818,469)	(44,433,284)
30	<b>Total Average Rate Base</b>	<b>\$722,946,335</b>	<b>\$999,781,386</b>	<b>\$276,835,051</b>

**OTTER TAIL POWER COMPANY**  
**Electric Utility – State of Minnesota**  
**OTP'S MOST RECENT GENERAL RATE CASE TO PROPOSED TEST YEAR 2026**  
**DETAILED RATE BASE COMPONENTS**  
**DESCRIPTION OF CHANGES**

**Docket No. E017/GR-25-359**  
**PART E**  
**Schedule 2**  
**Page 1 of 1**

Total Average Rate Base of the Company for the Minnesota jurisdiction in the Proposed Test Year 2026 increased by approximately \$276.8 million since OTP's Most Recent General Rate Case.

Most of the increase in Average Rate Base is related to the net effect of the \$242.9 million increase in Net Utility Plant in Service, which is the result of Gross Plant in Service increasing by \$314.3 million and the Reserve for Depreciation and Amortization increasing by \$71.3 million. There were also increases in Construction Work in Progress of \$23.1 million, Materials and Supplies of \$13.8 million, Prepayments of \$38.5 million, Cash Working Capital of \$3.0 million, offset by increase of \$44.4 million in Accumulated Deferred Income Taxes, which reduces rate base.

Distribution Plant in the Proposed Test Year 2026 comprises 22.5 percent of Net Plant compared to 16.6 percent in OTP's Most Recent General Rate Case, increasing by \$103.9 million, (capital additions of \$124.9 million offset by increases in depreciation reserves of \$20.9 million).

Transmission Plant represents 22 percent of total Net Plant in the Proposed Test Year 2026 versus 22.4 percent in OTP's Most Recent General Rate Case. The value of Transmission Plant has increased by \$50.2 million (capital additions of \$65 million offset by increases in depreciation reserves of \$14.9 million).

The value of Production Plant as a percent of Net Plant in Service has decreased from 55.7 percent of Net Plant in OTP's Most Recent General Rate Case to 51.1 percent in Proposed Test Year 2026. Net Production Plant increased by \$85.2 million (capital additions of \$115.3 million offset by increases in depreciation reserves of \$30.2 million.)

Construction Work in Progress (CWIP) increased by approximately \$23.1 million.

The net impact of the changes between OTP's Most Recent General Rate Case and its Proposed Test Year 2026 is an increase of \$276.8 million in Total Average Rate Base.

OTTER TAIL POWER COMPANY  
Electric Utility - State of Minnesota  
OTP'S MOST RECENT GENERAL RATE CASE TO PROPOSED TEST YEAR 2026  
STATEMENT OF OPERATING INCOME

Docket No. E017/GR-20-719  
**PART E**  
Schedule 3  
Page 1 of 1

Line No.	Description	(A) Results of Most Recent General Rate Case GR-20-719	(B) Proposed Test Year 2026	(C) (B) - (A)
	<b><u>OPERATING REVENUES</u></b>			
1	Retail	\$191,120,676	\$247,307,948	\$56,187,272
2	Other Operating Revenue	\$17,284,332	\$18,020,007	735,675
3	<b>TOTAL OPERATING REVENUE</b>	<b>\$208,405,008</b>	<b>\$265,327,955</b>	<b>\$56,922,947</b>
	<b><u>OPERATING EXPENSES</u></b>			
5	Production Expenses	\$77,924,114	\$118,322,638	\$40,398,524
6	Transmission Expenses	\$18,363,452	21,301,122	2,937,670
7	Distribution Expenses	\$7,767,335	11,515,689	3,748,354
8	Customer Accounting Expenses	\$7,222,661	4,987,646	(2,235,015)
9	Customer Service & Information Expenses	\$9,052,240	10,744,922	1,692,682
10	Sales Expenses	\$134,725	260,375	125,650
11	Administration & General Expenses	\$19,928,981	27,313,505	7,384,524
12	Charitable Contributions	\$112,000	254,000	142,000
13	Depreciation Expense	\$32,716,362	49,054,831	16,338,469
14	General Taxes	\$8,022,910	8,288,617	265,707
15	<b>TOTAL OPERATING EXPENSES</b>	<b>\$181,244,781</b>	<b>\$252,043,345</b>	<b>\$70,798,565</b>
16	<b>NET OPERATING INCOME BEFORE INCOME TAX</b>	<b>\$27,160,227</b>	<b>\$13,284,610</b>	<b>(\$13,875,618)</b>
	<b><u>INCOME TAX EXPENSE</u></b>			
18	Investment Tax Credit	(\$8,884,743)	(\$24,251,943)	(\$15,367,200)
18	Deferred Income Taxes	(\$2,319,235)	(3,820,981)	(1,501,746)
19	Income Taxes	\$0	0	0
20	<b>TOTAL INCOME TAX EXPENSE</b>	<b>(\$11,203,978)</b>	<b>(\$28,072,924)</b>	<b>(\$16,868,945)</b>
21	<b>NET OPERATING INCOME</b>	<b>\$38,364,205</b>	<b>\$41,357,534</b>	<b>\$2,993,327</b>
22	Allowance for Funds Used During Construction	\$780,062	1,699,174	919,112
23	<b>TOTAL AVAILABLE FOR RETURN</b>	<b>\$39,144,267</b>	<b>\$43,056,708</b>	<b>\$3,912,440</b>

Comparing OTP’s utility net operating income approved by the Commission in OTP’s Most Recent General Rate Case, to operating income for the Proposed Test Year 2026, shows an increase of approximately \$3.0 million. Total available for return increased by approximately \$4.0 million.

Major components of the change in utility net operating income include the following:

Retail Electric Revenues increased by \$56.2 million.

Other Revenue increased by \$0.7 million.

Fuel, Purchased Energy and Power Production costs have increased by \$40.4 million compared to OTP’s Most Recent General Rate Case.

Other Operating Expenses (excluding Depreciation and Taxes) increased by approximately \$13.8 million. The changes that occurred in the various cost functions are: Transmission expense, an increase of \$2.9 million; Distribution expense, an increase of \$3.7 million; Customer Accounting expense, a decrease of \$2.2 million; Customer Services and Information and Sales, an increase of \$1.8 million; and Administrative and General expense, an increase of \$7.4 million.

Depreciation expense increased \$16.3 million for an increase of 49.9 percent.

General Taxes in the Proposed Test Year 2026 increased \$0.3 million since OTP’s Most Recent General Rate Case.

Deferred Income Taxes and Investment Tax Credits have increased by \$16.8 million, while Income Tax Expense has stayed at zero due to a Net Operating Loss.

Compared to OTP’s Most Recent General Rate Case, Allowance for Funds Used During Construction (AFUDC) increased by approximately \$1.0 million reflecting an increase in projects with long development lead times carried in CWIP.

**OTTER TAIL POWER COMPANY**  
**Electric Utility - State of Minnesota**  
**OTP'S MOST RECENT GENERAL RATE CASE TO PROPOSED TEST YEAR 2026**  
**SUMMARY OF REVENUE REQUIREMENTS**

**Docket No. E017/GR-25-359**  
**PART E**  
**Schedule 5**  
**Page 1 of 1**

Line No.	Description	(A) Results of Most Recent General Rate Case GR-20-719	(B) Proposed Test Year 2026	(C) (B) - (A)
1	Average Rate Base	\$722,946,335	\$999,781,386	\$276,835,052
2	Operating Income (Before AFUDC)	\$38,364,205	\$41,357,534	\$2,993,328
3	Allowance for Funds Used During Construction (AFUDC)	\$780,062	\$1,699,174	\$919,112
4	Total Available for Return (Line 2 + Line 3 + Rounding)	\$39,144,267	\$43,056,708	\$3,912,441
5	Overall Rate of Return (Line 4 / Line 1)	5.41%	4.31%	-(1.11)%
6	Required Rate of Return	7.18%	7.92%	(0.74)%
7	Operating Income Requirement (Line 1 x Line 6)	\$51,907,547	\$79,170,880	\$27,263,333
8	Income Deficiency (Line 7 - Line 4)	\$12,763,280	\$36,114,172	\$23,350,893
9	Gross Revenue Conversion Factor	1.403351	1.403351	0.000000
10	Revenue Deficiency (Line 8 x Line 9)	\$17,911,361	\$50,680,861	\$32,769,499
11	Retail Related Revenues Under Present Rates	\$196,146,168	\$247,307,948	\$51,161,780
12	Percent Increase Needed in Overall Revenue (Line 10 / Line 11)	9.13%	20.49%	11.36%

		2026 Operating Revenue					
Line No.	Class	Present Revenues	Interim Revenue Adjustments <sup>(2)</sup>	Adjusted Present Revenues	Interim Revenues	Increase	Percent Change
1	Residential	\$ 57,011,695	\$ (241,362)	\$ 56,770,334	\$ 64,751,644	\$ 7,981,310	14.06%
2	Farm	\$ 4,474,018	\$ (20,113)	\$ 4,453,905	\$ 5,060,003	\$ 606,098	13.61%
3	Small General Service	\$ 44,195,448	\$ (194,990)	\$ 44,000,458	\$ 50,051,348	\$ 6,050,890	13.75%
4	Large General Service	\$ 132,885,764	\$ (744,981)	\$ 132,140,783	\$ 147,593,678	\$ 15,452,895	11.69%
5	Area / Street lighting	\$ 3,246,587	\$ (8,064)	\$ 3,238,523	\$ 3,791,130	\$ 552,607	17.06%
6	Ctrl Svc Water Htng/Dfd Load	\$ 2,919,320	\$ (16,219)	\$ 2,903,100	\$ 3,245,115	\$ 342,015	11.78%
7	CS Interruptible	\$ 7,655,464	\$ (50,819)	\$ 7,604,646	\$ 8,358,420	\$ 753,774	9.91%
8	Ctrl Svc Off Peak	\$ 805,163	\$ (6,842)	\$ 798,320	\$ 851,738	\$ 53,418	6.69%
9	Total Present Revenues <sup>(1)</sup>	\$ 253,193,459	\$ (1,283,390)	\$ 251,910,069	\$ 283,703,077	\$ 31,793,008	12.62%

(1) Part A, Schedule 1  
(2) Interim Year Adjustment INT-03

Volume 1

Interim Tariff Sheet - Redlined





Fergus Falls, Minnesota

Minnesota Public Utilities Commission  
ELECTRIC RATE SCHEDULE

Minnesota  
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~~Seventh~~ Eighth Revision

<u>Section</u>	<u>Item</u>
13.11	Electric Utility Infrastructure Cost (EUIC) Recovery Rider
<u>13.12</u>	<u>Interim Rate Rider</u>

## 14.00 VOLUNTARY RIDERS AND AVAILABILITY MATRIX

14.01	Water Heating Control Rider
14.02	Real Time Pricing Rider
14.03	Large General Service Rider
14.04	Controlled Service – Interruptible Load Self-Contained and CT Metering Rider (Dual Fuel Riders)
14.05	Reserved for Future Use
14.06	Controlled Service – Deferred Load Rider
14.07	Fixed Time of Service Rider
14.08	Air Conditioning Control Rider ( <b>CoolSavings</b> )
14.09	Renewable Energy Rider ( <b>TailWinds</b> )
14.10	WAPA Bill Crediting Program Rider
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14.14	My Renewable Energy Credits (My RECs) Rider

## 15.00 MINNESOTA ELECTRIC SERVICE AREA

15.00	Retail Electric Service to Communities
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MINNESOTA PUBLIC  
UTILITIES COMMISSION  
Approved: ~~April 30, 2024~~  
Docket No. E017/M-~~23-51225-359~~

~~Bruce G. Gerhardson~~ Stuart D.  
Tommerdahl  
Manager ~~Vice President,~~  
Regulatory Affairs & Retail  
Energy Solutions

EFFECTIVE with bills rendered  
on and after  
~~June 1, 2024~~  
in Minnesota




Fergus Falls, Minnesota

Minnesota Public Utilities Commission  
Section 13.00  
ELECTRIC RATE SCHEDULE  
Mandatory Riders – Applicability Matrix

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Fifteenth Revision

## MANDATORY RIDERS - APPLICABILITY MATRIX

The amount of a bill for service will be modified by any Mandatory Rate Riders that must apply, by any Voluntary Rate Riders selected by the Customer, and charges listed in the General Rules and Regulations.

<div><b>Applicability Matrix</b></div>													
	Mandatory Riders	Energy Adjustment Rider	Conservation Improvement (CIP) Rider	Competitive Rate to Large General Service Rider	Renewable Resource Cost Recovery Rider	Transmission Cost Recovery Rider	Reserved for Future Use	Uplift Program Rider	Environmental Cost Recovery Rider	Energy-Intensive, Trade-Exposed (EITE) Rider	Revenue Decoupling Mechanism (RDM) Rider	Electric Utility Infrastructure Cost Recovery (EUIC) Rider	Interim Rate Rider
Tariffs	Section Number	13.01	13.02	13.03	13.04	13.05	13.06	13.07	13.08	13.09	13.10	13.11	13.12
RESIDENTIAL & FARM SERVICES													
Residential Service	9.01							✓		✓			
Residential Demand Control Service	9.02							✓		✓			
Farm Service	9.03							✓		✓			
Residential Time of Day Service - Pilot	9.04							✓		✓			
GENERAL SERVICES													
Small General Service (Under 20 kW)	10.01									✓			
General Service (20 kW or Greater)	10.02			✓						✓			
General Service - Time of Use	10.03			✓						✓			
Large General Service	10.04			✓						✓			
Large General Service - Time of Day	10.05			✓						✓			
Super Large General Service	10.06									✓			
Electric Vehicle Direct Current Fast Charging (DCFC) General Service - Time of Day	10.07	✓	✓		✓	✓		✓	✓	✓		✓	✓
OTHER SERVICES													
Standby Service	11.01									✓			
Irrigation Service	11.02												
Outdoor Lighting - Energy Only - Dusk to Dawn	11.03									✓		✓	
Outdoor Lighting - Dusk to Dawn (CLOSED)	11.04									✓			
Municipal Pumping Service	11.05			✓									
Civil Defense - Fire Sirens	11.06												
LED Street and Area Lighting	11.07									✓			
Key: ✓ = May apply    ■ = Mandatory    □ = Not Applicable													



Fergus Falls, Minnesota

Minnesota Public Utilities Commission  
Section 13.00  
**ELECTRIC RATE SCHEDULE**  
**Mandatory Riders – Applicability Matrix**

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# Applicability Matrix

		Energy Adjustment Rider	Conservation Improvement (CIP) Rider	Competitive Rate to Large General Service Rider	Renewable Resource Cost Recovery Rider	Transmission Cost Recovery Rider	Reserved for Future Use	Uplift Program Rider	Environmental Cost Recovery Rider	Energy-Intensive, Trade-Exposed (ETE) Rider	Revenue Decoupling Mechanism (RDM) Rider	Electric Utility Infrastructure Cost Recovery (EUIC) Rider	Interim Rate Rider
Tariffs	Service Numbers	13.01	13.02	13.03	13.04	13.05	13.06	13.07	13.08	13.09	13.10	13.11	13.12
MANDATORY RIDERS													
Energy Adjustment Rider	13.01									✓			
Conservation Improvement (CIP) Rider	13.02									✓			
Competitive Rate to Large General Service Rider	13.03									✓			
Renewable Cost Recovery Rider	13.04									✓			
Transmission Cost Recovery Rider	13.05									✓			
Reserved for Future Use	13.06												
Uplift Program Rider	13.07												
Environmental Cost Recovery Rider	13.08									✓			
Energy-Intensive, Trade-Exposed (ETE) Rider	13.09												
Revenue Decoupling Mechanism (RDM) Rider	13.10												
Electric Utility Infrastructure Cost Recovery (EUIC) Rider	13.11												
Interim Rate Rider	13.12												
VOLUNTARY RIDERS													
Water Heating Control Rider	14.01		✓							✓			✓
Real Time Pricing Rider	14.02									✓			
Large General Service Rider	14.03	✓								✓			
Controlled Service - Interruptible Load Self-Contained and CT Metering Rider	14.04									✓			
Reserved for Future Use	14.05												
Controlled Service - Deferred Load Rider	14.06									✓			
Fixed Time of Service Rider	14.07									✓			
Air Conditioning Control Rider (Cool Savings)	14.08									✓			
Renewable Energy Rider (Tail Rider)	14.09									✓			
WAPA Bill Crediting Program Rider	14.1												
Reserved for Future Use	14.11												
Off-Peak Electric Vehicle Rider	14.12									✓			
Reserved for Future Use	14.13												
My Renewable Energy Credits (My RECs) Rider	14.14												
Key: <input checked="" type="checkbox"/> - May apply <input checked="" type="checkbox"/> - Mandatory <input type="checkbox"/> - Not Applicable													

Volume 1

Interim Tariff Sheet - Clean



Fergus Falls, Minnesota

Minnesota Public Utilities Commission  
ELECTRIC RATE SCHEDULE

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<u>Section</u>	<u>Item</u>
13.11	Electric Utility Infrastructure Cost (EUIC) Recovery Rider
13.12	Interim Rate Rider

N

## 14.00 VOLUNTARY RIDERS AND AVAILABILITY MATRIX

14.01	Water Heating Control Rider
14.02	Real Time Pricing Rider
14.03	Large General Service Rider
14.04	Controlled Service – Interruptible Load Self-Contained and CT Metering Rider (Dual Fuel Riders)
14.05	Reserved for Future Use
14.06	Controlled Service – Deferred Load Rider
14.07	Fixed Time of Service Rider
14.08	Air Conditioning Control Rider ( <b>CoolSavings</b> )
14.09	Renewable Energy Rider ( <b>TailWinds</b> )
14.10	WAPA Bill Crediting Program Rider
14.11	Reserved for Future Use
14.12	Off-Peak Electric Vehicle Rider
14.13	Reserved for Future Use
14.14	My Renewable Energy Credits (My RECs) Rider

## 15.00 MINNESOTA ELECTRIC SERVICE AREA

15.00	Retail Electric Service to Communities
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Fergus Falls, Minnesota

Minnesota Public Utilities Commission  
Section 13.00  
**ELECTRIC RATE SCHEDULE**  
**Mandatory Riders – Applicability Matrix**

Page 2 of 2  
Thirteenth Revision



# Applicability Matrix

	Mandatory Riders	Energy Adjustment Rider	Conservation Improvement (CIP) Rider	Competitive Rate to Large General Service Rider	Renewable Resource Cost Recovery Rider	Transmission Cost Recovery Rider	Reserved for Future Use	Uplift Program Rider	Environmental Cost Recovery Rider	Energy-Intensive, Trade-Exposed (EITE) Rider	Revenue Decoupling Mechanism (RDM) Rider	Electric Utility Infrastructure Cost Recovery (EUIC) Rider	Interim Rate Rider
Tariffs	See Tariff Numbers	13.01	13.02	13.03	13.04	13.05	13.06	13.07	13.08	13.09	13.10	13.11	13.12

## MANDATORY RIDERS

Energy Adjustment Rider	13.01									✓			
Conservation Improvement (CIP) Rider	13.02									✓			
Competitive Rate to Large General Service Rider	13.03									✓			
Renewable Cost Recovery Rider	13.04									✓			
Transmission Cost Recovery Rider	13.05									✓			
Reserved for Future Use	13.06												
Uplift Program Rider	13.07												
Environmental Cost Recovery Rider	13.08									✓			
Energy-Intensive, Trade-Exposed (EITE) Rider	13.09												
Revenue Decoupling Mechanism (RDM) Rider	13.10												
Electric Utility Infrastructure Cost Recovery (EUIC) Rider	13.11												
Interim Rate Rider	13.12												

## VOLUNTARY RIDERS

Water Heating Control Rider	14.01		✓							✓			✓
Real Time Pricing Rider	14.02									✓			
Large General Service Rider	14.03	✓								✓			
Controlled Service - Interruptible Load Self-Contained and CT Metering Rider	14.04									✓			
Reserved for Future Use	14.05												
Controlled Service - Deferred Load Rider	14.06									✓			
Fixed Time of Service Rider	14.07									✓			
Air Conditioning Control Rider (Cool Savings)	14.08									✓			
Renewable Energy Rider (Tail Winds)	14.09									✓			
WAPA Bill Crediting Program Rider	14.1												
Reserved for Future Use	14.11												
Off-Peak Electric Vehicle Rider	14.12									✓			
Reserved for Future Use	14.13												
My Renewable Energy Credits (My RECz) Rider	14.14												

Key: ✓ - May apply    ■ - Mandatory    □ - Not Applicable

N  
N

N  
N

N

N  
N

N



Fergus Falls, Minnesota

Minnesota Public Utilities Commission  
Section 13.12  
ELECTRIC RATE SCHEDULE  
Interim Rate Rider

Page 1 of 1  
Original

**INTERIM RATE RIDER**

N

DESCRIPTION	RATE CODE
All Services	MINTM

N

N

N

**RULES AND REGULATIONS:** Terms and conditions of this electric rate schedule and the General Rules and Regulations govern use of this service.

N

N

**APPLICATION OF SCHEDULE:** This rider is applicable to electric service under all of the Company's Retail Rate Schedules as described in the Mandatory Riders – Applicability Matrix.

N

N

**INTERIM RATE ADJUSTMENT:** There shall be included on each Minnesota Customer's monthly bill a percent increase to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, Facilities Charge, and the monthly Minimum Charge. The following charge is applicable in addition to all charges for service being taken under the Company's standard rate schedules.

N

N

N

N

N

**Interim Rate Adjustment – 21.31 percent**

N

**MANDATORY AND VOLUNTARY RIDERS:** The amount of a bill for service will be modified by any Mandatory Rate Riders that must apply and by any Voluntary Rate Riders selected by the Customer, unless otherwise noted in this schedule. See Sections 12.00, 13.00 and 14.00 of the Minnesota electric rates for the matrices of riders.

N

N

N

N



Volume 1

Proposed Notices

\*\*\*PROPOSED BILL INSERT\*\*\*

## INCREASE IN ELECTRIC RATES IN EFFECT JANUARY 1, 2026

On October 31, 2025, we submitted an application asking the Minnesota Public Utilities Commission (MPUC) for permission to increase our electric rates. Our request won't take effect until it's been reviewed and approved by the MPUC.

While the MPUC considers our full request, they've granted approval for an interim rate increase beginning January 1, 2026.

### Why is Otter Tail Power Company asking for a rate review?

Our last Minnesota rate review was based on 2021 costs. We've worked hard to manage expenses and improve efficiency, but current rates no longer cover the cost of providing reliable service.

### How will this affect monthly bills?

Most customers will see about a 12.6% increase beginning January 1, 2026, with approved interim rates. We will accomplish this through a uniform interim rate adjustment of 21.3% on portions of customer bills. The interim rate adjustment applies to the customer charge, energy charge, demand charge, facilities charge, fixed charge, and the monthly minimum charge. The impact to you may be higher or lower depending on your actual electric use. This rate increase appears on your bill as **Interim Rate Adj** for service used on and after January 1, 2026.

The table below shows the approved interim and proposed final rates on an average customer's monthly bill in each of our customer classes.

Average Monthly Electricity Costs

Customer Classification	Monthly Kilowatt- hour Usage	Previous Average Monthly Bill	Approved Interim Change in Monthly Bill	Proposed Final Change in Monthly Bill
<b>Residential</b>	762	\$93.66	\$13.15	\$18.14
<b>Farms</b>	2,621	\$292.11	\$39.61	\$61.68
<b>General Service</b>	2,889	\$318.81	\$43.67	\$73.20
<b>Large General Service</b>	657,776	\$50,301.52	\$5,865.18	\$8,045.96
<b>Outdoor Lighting</b>	2,074	\$13.30	\$2.26	\$2.01
<b>Controlled Service Deferred</b>	297	\$30.98	\$3.64	\$1.70
<b>Controlled Service Interruptible</b>	1,309	\$102.18	\$10.07	\$9.18
<b>Controlled Service Off Peak</b>	2,841	\$156.37	\$10.36	\$12.88

These interim rates will be in place until the MPUC makes a decision on the final rates, likely in early 2027. If final rates are lower than interim rates, we will refund customers the difference with interest. If final rates are higher than interim rates, we will not charge customers the difference.

**What is the process for reviewing Otter Tail Power Company's request?**

In addition to the MPUC review, the Minnesota Department of Commerce will conduct an investigation of our books and records. The Office of the Attorney General – Residential Utilities Division may investigate the proposal as well.

The MPUC will hold public hearings overseen by an Administrative Law Judge. Customers and the public are encouraged to attend the hearings and will have opportunities to comment on our rate request. Notice of the hearing dates, times and locations (if the hearings are held in person) will be published in local newspapers in our service area, mailed to you as a flyer enclosed with our electric service statements, and will be posted on our website at: [www.otpc.com/MNRateReview](http://www.otpc.com/MNRateReview). If the public hearings are conducted remotely, details on how to participate will be provided in the public hearing notice.

**The MPUC is asking customers to comment on Otter Tail Power's request for a rate increase. Send your comments to:**

**Minnesota Public Utilities Commission**

Online: Visit the Public Comment page and send your comments electronically  
<https://mn.gov/puc/consumers/speak-up/>  
Email: [consumer.puc@state.mn.us](mailto:consumer.puc@state.mn.us)  
U.S. Mail: 121 7th Place East, Suite 350  
St. Paul MN 55101  
Phone: 651-296-0406 or 1-800-657-3782

**For more information**

Visit [www.otpc.com/MNRateReview](http://www.otpc.com/MNRateReview) to view our filing, the proposed rate schedules, and a comparison of present and proposed rates or contact our General Office during normal business hours at:

Otter Tail Power Company  
215 South Cascade Street  
Fergus Falls, MN 56537  
Phone: 800-257-4044

You may contact the Minnesota Department of Commerce at:

85 7th Place East, Suite 280  
St. Paul, MN 55101  
Telephone: 651-539-1500  
FAX: 651-539-1547

You can also search e-dockets at the Department of Commerce website:  
<https://www.edockets.state.mn.us/EFiling/search.jsp>

*(Web address case sensitive)*

In the docket search by docket number, select 2025 in the year field, enter 359 in the number field, click on Search, and the list of documents will appear on the next page.

**How to participate**

Anyone who wishes to formally intervene in this review should contact:

Administrative Law Judge FIRST AND LAST NAME  
Office of Administrative Hearings  
600 North Robert Street  
St. Paul, Minnesota 55164  
Telephone: 651-361-7900  
FAX: 651-539-0310  
Web: <http://mn.gov/oah>

You do not need to contact the Administrative Law Judge if you simply want to attend the public hearings, speak at the public hearings, or submit comments in writing.

Be sure to reference Dockets No. OAH XX-XXXX-XXXX-X and MPUC E017/GR-25-359 in all correspondence or requests.

**PROPOSED NOTICE OF PUBLIC HEARINGS**  
**For Otter Tail Power Company Customers**  
**MPUC Docket No. E017/GR-25-359**  
**OAH Docket No. X-XXXX-XXXX**

On October 31, 2025, we asked the Minnesota Public Utilities Commission (MPUC) for permission to increase our electric rates. The overall effect of our request will increase revenue by about \$44.8 million, a 17.69 percent increase above total present revenues (including rider revenues). The impact may be higher or lower depending on customer's actual electric use.

State law allows us to collect higher rates on an interim (temporary) basis to allow the MPUC time to evaluate the request. The MPUC has authorized an overall interim rate increase of approximately 12.62 percent, or about \$31.8 million, effective January 1, 2026. We will accomplish this through a uniform interim rate adjustment of 21.3% on portions of customer bills. The interim rate adjustment applies to the customer charge, energy charge, demand charge, facilities charge, fixed charge, and the monthly minimum charge. These higher rates will remain in effect until the final rates are determined by the MPUC.

The MPUC will likely determine the final rate increase in early 2027. If the final rate increase is less than the interim rate increase, Otter Tail will refund to customers the difference, plus interest. If the final rate increase approved by the MPUC is higher than the interim rate increase, Otter Tail Power will not charge customers the difference.

Our last Minnesota rate review was based on 2021 costs. We've worked hard to manage expenses and improve efficiency, but current rates no longer cover the cost of providing reliable service. The chart below shows an example of how the approved interim and proposed final rates will affect the average customer's monthly bill in each of our customer classes. Your bill may be higher or lower depending on the actual electric usage in your customer class.

Average Monthly Electricity Costs

<b>Customer Classification</b>	<b>Monthly Kilowatt- hour Usage</b>	<b>Previous Average Monthly Bill</b>	<b>Approved Interim Change in Monthly Bill</b>	<b>Proposed Final Change in Monthly Bill</b>
<b>Residential</b>	762	\$93.66	\$13.15	\$18.14
<b>Farms</b>	2,621	\$292.11	\$39.61	\$61.68
<b>General Service</b>	2,889	\$318.81	\$43.67	\$73.20
<b>Large General Service</b>	657,776	\$50,301.52	\$5,865.18	\$8,045.96
<b>Outdoor Lighting</b>	2,074	\$13.30	\$2.26	\$2.01
<b>Controlled Service Deferred</b>	297	\$30.98	\$3.64	\$1.70
<b>Controlled Service Interruptible</b>	1,309	\$102.18	\$10.07	\$9.18
<b>Controlled Service Off Peak</b>	2,841	\$156.37	\$10.36	\$12.88

The MPUC may either approve, deny, or modify the requested changes, including approving a lesser or greater increase than was requested for any customer class or classes of service.

## Public Hearings

Administrative Law Judge XXXXXX, will hold public hearings for customers to speak and will ask for customers' written comments about the rate increase request. You may add verbal comments or written comments, or both, to the record.

You are invited to comment on the adequacy and quality of Otter Tail's service, the level of rates, or other related matters. You do not need to be represented by an attorney to provide comments during the public hearings.

To receive audio for the hearing, you will need to participate over the telephone. Additionally, you can watch the hearing (without sound) over the internet. To see the public hearing panelists, and hear what they are saying, you must join the public hearing using both the telephone connection and the internet link. The video on the internet does not include sound from the public hearing.

To be able to provide your verbal comments, you will need to join the hearing by audio, at a minimum. Follow the directions below to access the hearing over the telephone. If you are interested in providing verbal comments on the proposed rate increase during the public hearing you must join the hearing by telephone.

Virtual public hearings have been scheduled as follows to be held via video conference:

Date and Time

### Join by internet (Audio and Video )

Navigate on your computer, tablet or smart phone where you will have audio and video capability, at: <https://minnesota.webex.com>. In the gray box where it says, "Enter Meeting Information" type in the Event Number below for the public hearing date you are attending:

Date and Time	Date and Time	Date and Time	Date and Time
Event Number: XXXX XXX XXXX	Event Number: XXXX XXX XXXX	Event Number: XXXX XXX XXXX	Event Number: XXXX XXX XXXX
Event Password, if needed:	Event Password, if needed:	Event Password, if needed:	Event Password, if needed:

### Directions for Appearing via WebEx.

- Log on 5 to 15 minutes before the hearing begins. You will be asked to join the hearing through a WebEx application or through a plug-in for your web browser.
- Enter the Event Number shown in the box above.
- Next, you will be asked to enter your name, your email address, and an event password (if required). After entering this information, click "Join Now" and you will be granted access to the virtual hearing.

- When you enter the hearing, your microphone will be muted. If you would like to ask a question or make a comment during the meeting, use the chat function to send a message to the meeting moderator, who will place you in the queue to comment. When it is your turn to comment, your name will be called and your line will be unmuted. You will then be able to ask questions or make a comment.

### **Join by telephone (Audio only)**

If you do not have access to a computer, tablet or smart phone, or if you would prefer to attend the hearing via audio only, you may join using any type of telephone. Internet access is not needed to call into the hearing; please note you will only be able to hear (not see) the speakers. You will be able to comment and ask questions.

The information in the box below should be used to dial into the hearing. You will be asked to enter the access code for the hearing, as set forth below:

If you would like to ask a question or make a comment during the hearing press \*3 on your telephone. That will place you into a queue to comment. When it's your turn to speak, the last few digits of your telephone number will be announced by the moderator and your line will be unmuted allowing you to be heard.

Date and Time	Date and Time	Date and Time	Date and Time
Phone: (xxx)xxx-xxxx	Phone: (xxx)xxx-xxxx	Phone: (xxx)xxx-xxxx	Phone: (xxx)xxx-xxxx
Access Code: XXXX XXX XXXX	Access Code: XXXX XXX XXXX	Access Code: XXXX XXX XXXX	Access Code: XXXX XXX XXXX
Event Password:	Event Password:	Event Password:	Event Password:

An operator will assist you over the phone.

Please contact STAFF NAME, PHONE or EMAIL if you have questions on how to participate or have trouble accessing the public hearing using telephone or internet.

### **THE MPUC WELCOMES YOUR COMMENTS**

You can still submit comments even if you do not attend a public hearing.

#### **Comment Period**

Written comments will be accepted through Date, at 4:30 p.m.

- Comments must be received by 4:30 p.m. on the close date.
- Comments received after the comment period closes may not be considered.

## **How to Submit Written Comments**

Written comments can be submitted via: (1) the Commission's website; (2) electronic mail; (3) U.S. Mail; or (4) facsimile. To learn how to submit a comment in any of these ways, please visit [mn.gov/puc](http://mn.gov/puc), select "Get Involved" from the dropdown menu on the top of the page, then select "Public Comments and How to Participate." This will take you to the Public Comment page where you will find a list of ways to comment. Be sure to reference MPUC Docket No. 25-359 in the subject line of your comment.

If you do not have access to the internet, you may send or deliver your comment to:

### **Minnesota Public Utilities Commission**

121 7th Place East, Ste. 350

St. Paul, MN 55101

**Important:** Comments can be reviewed by the public on the MPUC's website, except in limited circumstances consistent with the Minnesota Government Data Practices Act. The MPUC does not edit or delete personally identifying information from comments received.

## **EVIDENTIARY HEARINGS**

Formal evidentiary hearings on Otter Tail's proposal will be held on DATE, starting at TIME a.m. each day. The evidentiary hearings will be held at the Public Utilities Commission, 350 Metro Square Building, 121 Seventh Place East, St. Paul, Minnesota. Individuals who cannot attend in person may attend via Microsoft Teams (Teams), a video conferencing platform. Members of the public who wish to attend the hearing through Teams may request an electronic invitation by contacting MPUC staff STAFF NAME at PHONE or EMAIL.

The purpose of the evidentiary hearing is to allow Otter Tail Power, the Minnesota Department of Commerce, the Minnesota Office of Attorney General – Residential Utilities Division, and parties who have formally joined the contested case, to present testimony and to cross examine each other's witnesses on the proposed rate increase.

## **Want to Learn More**

You may request additional information from Otter Tail's General Office during normal business hours at:

Otter Tail Power Company  
215 South Cascade Street  
Fergus Falls, MN 56537  
Phone: 800-257-4044  
Web: [www.otpc.com/MNRateReview](http://www.otpc.com/MNRateReview).

You also may review current and proposed rate schedules by contacting the Minnesota Department of Commerce.



Minnesota Department of Commerce  
85 7th Place East, Suite 280  
St. Paul, Minnesota 55101  
Telephone: 651-539-1886  
FAX: 651-539-1549  
Web: <https://efiling.web.commerce.state.mn.us> Under “eDockets”  
select “Search Documents” insert “25-359” in the Docket #s field,  
select Search, and the list of documents will appear on the next page.

Additional information about proposed rate schedules and a comparison of present and proposed rates is available at [www.otpc.com/MNRateReview](http://www.otpc.com/MNRateReview). Questions or comments about the rate increase request may be directed to 800-257-4044.

Persons who wish to intervene in the litigation and participate as a party at the evidentiary hearing in this case should review Minn. R. 1400.6200 (2019) and contact the Administrative Law Judge.

Administrative Law NAME  
Office of Administrative Hearings  
600 North Robert St  
St. Paul, Minnesota 55164  
Telephone: 651-361-7900  
FAX: 651-361-0310  
TDD: 651-361-7878  
Web <http://mn.gov/oah>

**PROPOSED**  
**NOTICE TO COUNTIES AND MUNICIPALITIES**  
**Under Minn. Stat. § 216B.16, Subd. 1**  
**MPUC Docket No. E017/GR-25-359**  
**OAH Docket No. #-####-#####-#**

On October 31, 2025, Otter Tail Power Company (Otter Tail) asked the Minnesota Public Utilities Commission (MPUC) for permission to increase its electric rates by approximately \$44.8 million, or about 17.69 percent.

In accordance with Minn. Stat. §216B.16, Subd. 2, the MPUC has suspended Otter Tail's proposed final rates to allow the MPUC time to evaluate the request. In accordance with Minn. Stat. §216B.16, Subd. 3, the MPUC has authorized an interim rate increase of approximately \$31.8 million to be effective January 1, 2026, subject to refund. The interim rates will remain in effect until the final rates are determined by the MPUC.

We anticipate the MPUC will determine the final rate increase in early 2027. If the final rate increase is less than the interim rate increase, Otter Tail will refund to customers any over-collection of interim rates, plus interest, in a method determined by the MPUC. If the final rate increase authorized by the MPUC is higher than the interim rate increase, the higher rates will only become effective as of the date of the MPUC Order approving final rates.

Our last Minnesota rate review was based on 2021 costs. We've worked hard to manage expenses and improve efficiency, but current rates no longer cover the cost of providing reliable service.

Most customers will see about a 12.6% increase beginning January 1, 2026, with approved interim rates. We will accomplish this through a uniform interim rate adjustment of 21.3% on portions of customer bills. The interim rate adjustment applies to the customer charge, energy charge, demand charge, facilities charge, fixed charge, and the monthly minimum charge. The impact may be higher or lower depending on actual electric use.

The table below shows the approved interim and proposed final rates on an average customer's monthly bill in each of our customer classes. The impact on an individual customer may be higher or lower depending on the individual customer's actual electric consumption.

### Average Monthly Electricity Costs

<b>Customer Classification</b>	<b>Monthly Kilowatt- hour Usage</b>	<b>Previous Average Monthly Bill</b>	<b>Approved Interim Change in Monthly Bill</b>	<b>Proposed Final Change in Monthly Bill</b>
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In addition to the MPUC review, the Minnesota Department of Commerce will conduct an investigation of our books and records. The Office of the Attorney General – Residential Utilities Division may investigate the proposal as well.

The MPUC will hold public hearings overseen by an Administrative Law Judge. Customers and the public are encouraged to attend the hearings and will have opportunities to comment on our rate request. Notice of the hearing dates, times and locations (if the hearings are held in person) will be published in local newspapers in our service area, mailed to you as a flyer enclosed with our electric service statements, and will be posted on our website at: [www.otpc.com/MNRateReview](http://www.otpc.com/MNRateReview). If the public hearings are conducted remotely, details on how to participate will be provided in the public hearing notice.

**The MPUC is asking customers to comment on Otter Tail Power’s request for a rate increase.**

#### **How to Submit Written Comments**

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If you do not have access to the internet, you may send or deliver your comment to:

#### **Minnesota Public Utilities Commission**

121 7th Place East, Ste. 350

St. Paul, MN 55101

**Important:** Comments can be reviewed by the public on the MPUC's website, except in limited circumstances consistent with the Minnesota Government Data Practices Act. The MPUC does not edit or delete personally identifying information from comments received.

**For more information**

Visit [www.otpc.com/MNRateReview](http://www.otpc.com/MNRateReview) to view our filing, the proposed rate schedules, and a comparison of present and proposed rates or contact our General Office during normal business hours at:

Otter Tail Power Company  
215 South Cascade Street  
Fergus Falls, MN 56537  
Phone: 800-257-4044

You may contact the Minnesota Department of Commerce at:

85 7th Place East, Suite 280  
St. Paul, MN 55101  
Telephone: 651-539-1500  
FAX: 651-539-1547

Web: <https://efiling.web.commerce.state.mn.us> Under "eDockets"  
select "Search Documents" insert "25-359" in the Docket #s field,  
select Search, and the list of documents will appear on the next page.

**How to participate**

Anyone who wishes to formally intervene in this review should contact:

Administrative Law Judge FIRST AND LAST NAME  
Office of Administrative Hearings 600  
North Robert Street  
St. Paul, Minnesota 55164 Telephone:  
651-361-7900  
FAX: 651-539-0310  
Web: <http://mn.gov/oah>

You do not need to contact the Administrative Law Judge if you simply want to attend the public hearings, speak at the public hearings, or submit comments in writing.

Be sure to reference Dockets No. OAH XX-XXXX-XXXX-X and MPUC E017/GR-25-359 in all correspondence or requests.

## **OTTER TAIL POWER COMPANY COUNTIES IN SERVICE TERRITORY**

<b><u>County</u></b>	<b><u>County Seat</u></b>
BECKER COUNTY	DETROIT LAKES
BELTRAMI COUNTY	BEMIDJI
BIG STONE COUNTY	ORTONVILLE
CASS COUNTY	WALKER
CHIPPEWA COUNTY	MONTEVIDEO
CLAY COUNTY	MOORHEAD
CLEARWATER COUNTY	BAGLEY
DOUGLAS COUNTY	ALEXANDRIA
GRANT COUNTY	ELBOW LAKE
HUBBARD COUNTY	PARK RAPIDS
KANDIYOHI COUNTY	WILLMAR
KITTSOON COUNTY	HALLOCK
LAC QUI PARLE COUNTY	MADISON
LINCOLN COUNTY	IVANHOE
LYON COUNTY	MARSHALL
MAHNOMEN COUNTY	MAHNOMEN
MARSHALL COUNTY	WARREN
NORMAN COUNTY	ADA
OTTER TAIL COUNTY	FERGUS FALLS
PENNINGTON COUNTY	THIEF RIVER FALLS
POLK COUNTY	CROOKSTON
POPE COUNTY	GLENWOOD
RED LAKE COUNTY	RED LAKE FALLS
REDWOOD COUNTY	REDWOOD FALLS
ROSEAU COUNTY	ROSEAU
STEVENS COUNTY	MORRIS
SWIFT COUNTY	BENSON
TODD COUNTY	LONG PRAIRIE
TRAVERSE COUNTY	WHEATON
WILKIN COUNTY	BRECKENRIDGE
YELLOW MEDICINE COUNTY	GRANITE FALLS

**OTTER TAIL POWER COMPANY  
RETAIL ELECTRIC SERVICE TO COMMUNITIES**

Alberta	Deer Creek	Holt	Parkers Prairie
Amiret	Degraff	Humboldt	Pelican Rapids
Angus	Dent	Ivanhoe	Pennock
Appleton	Donaldson	Johnson	Perham
Argyle	Donnelly	Karlstad	Plummer
Ashby	Doran	Kennedy	Porter
Audubon	Dudley	Kensington	Red Lake Falls
Badger	Dumont	Kent	Richville
Barrett	Eldred	Kerkhoven	Rose City
Barry	Elizabeth	Lac Qui Parle	Rothsay
Battle Lake	Erdahl	Lake Benton	St. Hilaire
Beardsley	Erhard	Lake Bronson	St. Leo
Bejou	Erskine	Lancaster	St. Vincent
Bellingham	Evansville	Lockhart	Shevlin
Beltrami	Farwell	Louisburg	Solway
Bemidji	Fergus Falls	McIntosh	Strandquist
Boyd	Fertile	Mahnomen	Sunburg
Brandon	Fisher	Marietta	Syre
Brooks	Forada	Melby	Taunton
Browns Valley	Foxhome	Mentor	Tenney
Burr	Frazee	Middle River	Tintah
Callaway	Garfield	Milan	Trail
Campbell	Gary	Millerville	Twin Valley
Canby	Gentilly	Milroy	Ulen
Carlisle	Ghent	Miltona	Underwood
Carlos	Gonvick	Minneota	Urbank
Cass Lake	Graceville	Morris	Verdi
Chokio	Greenbush	Murdock	Vergas
Clearbrook	Green Valley	Nashua	Viking
Climax	Gully	Nassau	Vining
Clinton	Hallock	New York Mills	Waubun
Clitherall	Halma	Norcross	Wendell
Clontarf	Hancock	Northcote	Wheaton
Correll	Hendricks	Noyes	White Earth
Crookston	Herman	Odessa	Wilno
Cyrus	Hitterdal	Ogema	Wilton
Dalton	Hoffman	Oklee	Winger
Danvers	Holloway	Oslo	
Dawson	Holmes City	Ottertail	