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PO Box 496
Fergus Falls, Minnesota 56538-0496
218 739-8200
www.otpc.com (web site)

May 17, 2024



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

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

**RE: In the Matter of Otter Tail Power Company's Petition for Approval of the
Annual Update to its Renewable Resource Cost Recovery Rider Rate, Rate
Schedule 13.04
Docket No. E017/M-23-496
Reply Comments**

Dear Mr. Seuffert:

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

Otter Tail has taken reasonable efforts to maintain the secrecy of the information marked as PROTECTED DATA in Attachment 14, Attachment 15, and Otter Tail's Reply Comments, which derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use (the "Protected Data"). The Protected Data is therefore "trade secret information" and "nonpublic data" under Minn. Stat. § 13.37.

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

Please contact me at 218-739-8313 or eketelsen@otpc.com if you have any questions regarding this filing.

Sincerely,

/s/ EMILY KETELSEN
Emily Ketelsen
Rates Analyst
Regulatory Economics

sjw
Enclosures
By electronic filing
c: Service List

**STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION**

**In the Matter of Otter Tail Power
Company's Petition for Approval of
the Annual Update to its Renewable
Resource Cost Recovery Rider
Rate, Rate Schedule 13.04**

Docket No. E017/M-23-496

REPLY COMMENTS

I. INTRODUCTION

On December 4, 2023, Otter Tail Power Company (Otter Tail or Company) filed its 2023 annual update to its Renewable Resource Cost Recovery Rider (RRCRR) rate under Otter Tail's Rate Schedule with the Minnesota Public Utilities Commission (Commission). On May 7, 2024, the Minnesota Department of Commerce, Division of Energy Resources (Department) filed Comments in the above captioned docket.

In Otter Tail's Initial Filing, the Hoot Lake Solar accreditation amount included was **[PROTECTED DATA BEGINS... ...PROTECTED DATA ENDS]**. Upon further analysis, Otter Tail discovered this accreditation amount was incorrect. The Department and Otter Tail both agree it is appropriate to use the revised accreditation amount.

II. OTTER TAIL RESPONSES

A. Updated Solar Accreditation Amount

Consistent with the treatment approved in Docket No. E017/M-21-830, Revised Attachment 14 calculates and allocates the solar capacity benefit that the Solar Energy Standard (SES) exempt customers receive. These formulas were updated to include an accreditation amount of **[PROTECTED DATA BEGINS... ...PROTECTED DATA ENDS]**.

B. Rate Design Updates

In Revised Attachment 2 to these comments, Otter Tail provides updated rates after the change to the Hoot Lake Solar accreditation amount. Tables 1 and 2 below provide summaries of the Initial Filing Proposed Rates and the Reply Comments Proposed Rates.

Table 1 – Initial Filing Proposed Rates

Class	July 1, 2024 rate
Large General Service	\$0.00239 per kWh
Large General Service (SES-Exempt)	\$0.00177 per kWh
Large General Service	\$0.371 per kW
Large General Service (SES-Exempt)	\$0.530 per kW
All Other Service	\$0.00306 per kWh
All Other Service (SES-Exempt)	\$0.00463 per kWh

Table 2 – Reply Comments Proposed Rates

Class	July 1, 2024 rate
Large General Service	\$0.00228 per kWh
Large General Service (SES-Exempt)	\$0.00177 per kWh
Large General Service	\$0.413 per kW
Large General Service (SES-Exempt)	\$0.780 per kW
All Others	\$0.00303 per kWh
All Others (SES-Exempt)	\$0.00683 per kWh

Otter Tail provides the following Revised Attachments resulting from the updates to the rate design and solar capacity benefit.

Revised Attachment 02 – Rate Design

Revised Attachment 14 – Solar Capacity Benefit

Revised Attachment 15 – Solar Capacity Allocation

Revised Attachment 16 – Renewable Resource Cost Recovery Rider,
Electric Rate Schedule 13.04

Revised Attachment 17 – Customer Notice

C. Impact to Customers

Otter Tail stated in its Initial Filing that a residential customer using 1,000 kWh per month will experience a monthly decrease of approximately \$3.67, and a Large General Service (LGS) customer using 400,000 kWh and 1,000 kW per month will experience a monthly decrease of approximately \$549. After the proposed updates to the rate design calculation, a residential customer using 1,000 kWh will see a decrease of \$3.71 and a LGS customer using 400,000 kWh and 1,000 kW will see a decrease of \$1,035.

III. CONCLUSION

Otter Tail appreciates the Department's recommendations as outlined in the Initial Comments. Otter Tail respectfully requests Commission approval of the updated solar capacity benefit and rate design.

Dated: May 17, 2024

Respectfully submitted,

OTTER TAIL POWER COMPANY

By: /s/ EMILY KETELSEN

Emily Ketelsen

Rates Analyst

Regulatory Economics

Otter Tail Power Company

215 S. Cascade Street

Fergus Falls, MN 56537

(218) 739-8313

eketelsen@otpc.com

Otter Tail Power Company
Minnesota Renewable Resource Rider
Class Allocation and Current Rate Design

Line No.							
1	Total Minnesota Revenue Requirements		\$ 8,006,952	July 1, 2024 - June 30, 2025			
2							
3				LGS		All others	
4				Rate	Billing Units**	Revenue	Rate
5						Billing Units**	Revenue
6	SES-paying	kWh billing	\$0.00228	1,544,628,698	\$3,524,653	\$0.00303	998,301,128
7		kW billing	\$0.413	2,606,529	\$1,077,584	n/a	n/a
8							
9	SES-exempt	kWh billing	\$0.00177	66,449,492	\$117,291	\$0.00683	629,157
10		kW billing	\$0.780	331,380	\$258,610	n/a	n/a
11							
12							
13							
14	Minnesota				\$4,978,138		
15							
16	Total Minnesota revenue						\$8,006,952
17							
18	Non-Solar Minnesota Revenue Requirements		\$ 5,893,636	July 1, 2024 - June 30, 2025			
19							
20				Weighting		LGS	All others
21						Total	
22	MN E2*	78.25%	61.67%	\$2,843,736	38.334%	\$1,767,779	\$4,611,515
23	MN D1*	21.75%	60.17%	\$771,448	39.830%	\$510,673	\$1,282,122
24							
25	Minnesota				\$3,615,184	\$2,278,452	\$5,893,636
26							
27							
28							
29							
30				LGS		All others	
31				Rate	Billing Units**	Revenue	Rate
32						Billing Units**	Revenue
33	kWh billing	\$0.00177	1,611,078,190	\$2,843,736	\$0.00228	998,930,285	\$2,278,452
34	kW billing	\$0.263	2,937,909	\$771,448	n/a	n/a	n/a
35							
36	Minnesota				\$3,615,184	\$2,278,452	
37							
38	Non-Solar Minnesota revenue						\$5,893,636
39							
40							
41							
42	Solar Minnesota Revenue Requirements		\$ 2,113,316	July 1, 2024 - June 30, 2025			
43							
44	Solar Minnesota Revenue Requirements						
45	SRecs		Energy only				
46							
47				Weighting		LGS	All others
48						Total	
49	MN E2*	61.25%	61.67%	\$798,208	38.334%	\$496,198	\$1,294,406
50	MN D1* less Capacity Benefit on Att. 11, Line 21	38.75%	60.17%	\$393,151	39.830%	\$251,304	\$644,455
51	Capacity Benefit (SES-Exempt): Attachment 11, Line 14				\$171,595	\$2,860	\$174,455
52							
53					\$1,362,954	\$750,362	\$2,113,316
54							
55							
56							
57							
58							
59							
60				LGS		All others	
61				Rate	Billing Units**	Revenue	Rate
62						Billing Units**	Revenue
63	SES-paying	kWh billing	\$0.00052	1,544,628,698	\$798,208	\$0.00075	998,301,128
64		kW billing	\$0.151	2,606,529	\$393,151	n/a	n/a
65							
66							
67	SES-exempt Solar Capacity Benefit		kWh billing	n/a	n/a	\$0.00455	629,157
68		kW billing	\$0.518	331,380	\$171,595	n/a	n/a
69							
70	Minnesota				\$1,362,954	\$750,361	
71							
72	Solar Minnesota revenue						\$2,113,316
73							
74							

* Class factors are consistent with E017-GR-20-719 General Rate Case.

[PROTECTED DATA BEGINS...

Docket No. E017/M-23-496
Revised Attachment 14
is CONFIDENTIAL
in its Entirety

...PROTECTED DATA ENDS]

[PROTECTED DATA BEGINS...

Docket No. E017/M-23-496
Revised Attachment 15
is CONFIDENTIAL
in its Entirety

...PROTECTED DATA ENDS]

Revised Attachment 16
Redline and Clean Versions of
Tariff Sheet MN 13.04 – Renewable Resource
Cost Recovery Rider



Fergus Falls, Minnesota

Minnesota Public Utilities Commission
Section 13.04
ELECTRIC RATE SCHEDULE
Renewable Resource Cost Recovery Rider

Page 1 of 2
~~Fifteenth~~^{Fourteenth} Revision

RENEWABLE RESOURCE COST RECOVERY RIDER

DESCRIPTION	RATE CODE
Large General Service – Demand Charge	MRRAD
Large General Service – Energy Charge	MRRAL
Large General Service – SES-Exempt – Demand Charge	MRRD
Large General Service – SES-Exempt – Energy Charge	MRRLG
All Other Service	MRRA
All Other Service – SES-Exempt	MRROT

RULES AND REGULATIONS: Terms and conditions of this rider and the General Rules and Regulations govern use of this schedule.

APPLICATION OF RIDER: This rider is applicable to electric service under all of the Company's Retail Rate Schedules.

COST RECOVERY FACTOR: There shall be included on each Minnesota Customer's monthly bill a Renewable Resource Cost Recovery charge, which shall be calculated before any applicable municipal payment adjustments and sales taxes as provided in the General Rules and Regulations for the Company's electric service. The following charges are applicable in addition to all charges for service being taken under the Company's standard rate schedules and will be included in the Resource Adjustment line item on the Customer's bill.

RATE:

RENEWABLE RESOURCE COST RECOVERY			
Energy Charge per kWh:		kWh	kW
Large General Service (a)	0. 228474	¢/kWh	\$0. 413920
Large General Service SES-Exempt (a)	0. 177312	¢/kWh	\$0. 780889
All Other Service	0. 303674	¢/kWh	N/A
All Other Service SES-Exempt	0. 683803	¢/kWh	N/A
(a) Rate schedules 10.04 Large General Service, 10.05 Large General Service – Time of Day, 10.06 Super Large General Service, 14.02 Real Time Pricing Rider and 14.03 Large General Service Rider.			



Fergus Falls, Minnesota

Minnesota Public Utilities Commission
Section 13.04
ELECTRIC RATE SCHEDULE
Renewable Resource Cost Recovery Rider

Page 2 of 2
~~Twelfth~~^{Eleventh} Revision

SES-EXEMPTION DEFINITION: Paper mills, wood product manufacturers, sawmills, and oriented strand board manufacturers are not included in the rates charged to satisfy the Solar Energy Standard, per MN Statute 216B.1691, Subd. 2f (f) (2).

DETERMINATION OF DEMAND CHARGE (LARGE GENERAL SERVICE CLASS ONLY): The Demand charge shall be based on the maximum kW Demand as adjusted for Excess Reactive Demand measured during any period of the month for which the bill is rendered. The Excess Reactive Demand shall be calculated based on the applicable rate schedule under which the Customer is taking service.

ADJUSTMENT FOR EXCESS REACTIVE DEMAND: For billing purposes, the Metered Demand may be increased by 1 kW for each whole 10 kVar of measured Reactive Demand in excess of 50% of the Metered Demand in kW.

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 rider. See Sections 12.00, 13.00 and 14.00 of the Minnesota electric rates for the matrices of riders.



Fergus Falls, Minnesota

Minnesota Public Utilities Commission
Section 13.04
ELECTRIC RATE SCHEDULE
Renewable Resource Cost Recovery Rider

Page 1 of 2
Fifteenth Revision

RENEWABLE RESOURCE COST RECOVERY RIDER

DESCRIPTION	RATE CODE
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All Other Service – SES-Exempt	MRROT

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RULES AND REGULATIONS: Terms and conditions of this rider and the General Rules and Regulations govern use of this schedule.

APPLICATION OF RIDER: This rider is applicable to electric service under all of the Company's Retail Rate Schedules.

COST RECOVERY FACTOR: There shall be included on each Minnesota Customer's monthly bill a Renewable Resource Cost Recovery charge, which shall be calculated before any applicable municipal payment adjustments and sales taxes as provided in the General Rules and Regulations for the Company's electric service. The following charges are applicable in addition to all charges for service being taken under the Company's standard rate schedules and will be included in the Resource Adjustment line item on the Customer's bill.

RATE:

RENEWABLE RESOURCE COST RECOVERY			
Energy Charge per kWh:		kWh	kW
Large General Service (a)	0.228	¢/kWh	\$0.413
Large General Service SES-Exempt (a)	0.177	¢/kWh	\$0.780
All Other Service	0.303	¢/kWh	N/A
All Other Service SES-Exempt	0.683	¢/kWh	N/A
(a) Rate schedules 10.04 Large General Service, 10.05 Large General Service – Time of Day, 10.06 Super Large General Service, 14.02 Real Time Pricing Rider and 14.03 Large General Service Rider.			

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MINNESOTA PUBLIC
UTILITIES COMMISSION
Approved:
Docket No. E017/M-23-496

Bruce G. Gerhardson
Vice President, Regulatory
Affairs

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



Fergus Falls, Minnesota

SES-EXEMPTION DEFINITION: Paper mills, wood product manufacturers, sawmills, and oriented strand board manufacturers are not included in the rates charged to satisfy the Solar Energy Standard, per MN Statute 216B.1691, Subd. 2f (f) (2).

DETERMINATION OF DEMAND CHARGE (LARGE GENERAL SERVICE CLASS

ONLY): The Demand charge shall be based on the maximum kW Demand as adjusted for Excess Reactive Demand measured during any period of the month for which the bill is rendered. The Excess Reactive Demand shall be calculated based on the applicable rate schedule under which the Customer is taking service.

ADJUSTMENT FOR EXCESS REACTIVE DEMAND: For billing purposes, the Metered Demand may be increased by 1 kW for each whole 10 kVar of measured Reactive Demand in excess of 50% of the Metered Demand in kW.

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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 rider. See Sections 12.00, 13.00 and 14.00 of the Minnesota electric rates for the matrices of riders.

Revised Attachment 17
Customer Notice

Customer notice

The Minnesota Public Utilities Commission approved adjustments to our Renewable Resource Cost Recovery Rider, which is part of the Resource Adjustment on your monthly electric service bill. This rider recovers costs associated with owning and operating renewable generation resources. Listed prior and new rates, beginning July 1, 2024, for all classes of customers.

Class	August 1, 2023, to June 30, 2024, rate	July 1, 2024, rate
Large General Service	\$0.920 per kW	\$0.413 per kW
Large General Service (SES-Exempt)	\$0.889 per kW	\$0.780 per kW
Large General Service	\$0.00474 per kWh	\$0.00228 per kWh
Large General Service (SES-Exempt)	\$0.00312 per kWh	\$0.00177 per kWh
All Other Service	\$0.00674 per kWh	\$0.00303 per kWh
All Other Service (SES-Exempt)	\$0.00803 per kWh	\$0.00683 per kWh

For more information,
contact **Customer Service**
at **800-257-4044**
or visit **otpc.com**.



CERTIFICATE OF SERVICE

**RE: In the Matter of Otter Tail Power Company's Petition for Approval
of the Annual Update to its Renewable Resource Cost Recovery
Rider Rate, Rate Schedule 13.04
Docket No. E017/M-23-496**

I, Stacy Wahlund, hereby certify that I have this day served a copy of the following, or a summary thereof, on Will Seuffert and Sharon Ferguson by e-filing, and to all other persons on the attached service list by electronic service or by First Class Mail.

**Otter Tail Power Company
Reply Comments**

Dated this **17th** day of **May, 2024**.

/s/ STACY WAHLUND
Stacy Wahlund
Regulatory Filing Coordinator
Otter Tail Power Company
215 South Cascade Street
Fergus Falls MN 56537
(218) 739-8338

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Ray	Choquette	rchoquette@agp.com	Ag Processing Inc.	12700 West Dodge Road PO Box 2047 Omaha, NE 68103-2047	Electronic Service	No	OFF_SL_23-496_M-23-496
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_23-496_M-23-496
Lauren	Donofrio	ldonofrio@otpc.com	Otter Tail Power Company	215 South Cascade Street Fergus Falls, MN 56538-0496	Electronic Service	No	OFF_SL_23-496_M-23-496
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_23-496_M-23-496
Paula	Foster	pfoster@otpc.com	Otter Tail Power Company	215 S Cascade St PO Box 496 Fergus Falls, MN 56538-0496	Electronic Service	No	OFF_SL_23-496_M-23-496
Jessica	Fyhrie	jfyhrie@otpc.com	Otter Tail Power Company	PO Box 496 Fergus Falls, MN 56538-0496	Electronic Service	Yes	OFF_SL_23-496_M-23-496
Adam	Heinen	aheinen@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	OFF_SL_23-496_M-23-496
Nick	Kaneski	nick.kaneski@enbridge.com	Enbridge Energy Company, Inc.	11 East Superior St Ste 125 Duluth, MN 55802	Electronic Service	No	OFF_SL_23-496_M-23-496
Emily	Ketelsen	eketelsen@otpc.com	Otter Tail Power Company	215 South Cascade Street Fergus Falls, MN 56537	Electronic Service	No	OFF_SL_23-496_M-23-496
James D.	Larson	james.larson@avantenergy.com	Avant Energy Services	220 S 6th St Ste 1300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_23-496_M-23-496

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Kavita	Maini	kmaini@wi.rr.com	KM Energy Consulting, LLC	961 N Lost Woods Rd Oconomowoc, WI 53066	Electronic Service	No	OFF_SL_23-496_M-23-496
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_23-496_M-23-496
Matthew	Olsen	molsen@otpc.com	Otter Tail Power Company	215 South Cascade Street Fergus Falls, MN 56537	Electronic Service	No	OFF_SL_23-496_M-23-496
Generic Notice	Regulatory	regulatory_filing_coordinators@otpc.com	Otter Tail Power Company	215 S. Cascade Street Fergus Falls, MN 56537	Electronic Service	No	OFF_SL_23-496_M-23-496
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_23-496_M-23-496
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th Pl E Ste 350 Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_23-496_M-23-496
Cary	Stephenson	cStephenson@otpc.com	Otter Tail Power Company	215 South Cascade Street Fergus Falls, MN 56537	Electronic Service	Yes	OFF_SL_23-496_M-23-496
Stuart	Tommerdahl	stommerdahl@otpc.com	Otter Tail Power Company	215 S Cascade St PO Box 496 Fergus Falls, MN 56537	Electronic Service	Yes	OFF_SL_23-496_M-23-496