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March 29, 2021

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

RE: In the Matter of Otter Tail Power Company's Petition for Approval of the Customer Eligibility, Updated Baseline, Annual Update to its Energy-Intensive, Trade-Exposed Rider Surcharge Rate, Rate Schedule 13.09. Docket No. E017/M-21-99 REPLY COMMENTS

Dear Mr. Seuffert:

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

Otter Tail electronically filed this document with the Commission which, in compliance with Minn. Rule 7829.1300, Subp. 2, also constitutes service on the Department of Commerce, Division of Energy Resources and the Office of Attorney General-Antitrust & Utilities Division.

If you have any questions regarding this filing, please contact me at 218-739-8819 or at <u>dmandelke@otpco.com</u>. A Certificate of Service is enclosed.

Sincerely,

/s/ DARLENE C. MANDELKE Darlene C. Mandelke, Rates Analyst Regulatory Administration

cjh 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 Customer Eligibility, Updated Baseline, Annual Update to its Energy-Intensive, Trade-Exposed Rider Surcharge Rate, Rate Schedule 13.09 Docket No. E017/M-21-099

OTTER TAIL POWER COMPANY REPLY COMMENTS

I. INTRODUCTION

On February 1, 2021, Otter Tail Power Company (Otter Tail or the Company) made its initial annual update filing to its Energy-Intensive, Trade-Exposed (EITE) Rider proposing an update to the Rate Schedule 13.09 surcharge rate to be effective December 1, 2021. On March 19, 2021, the Minnesota Department of Commerce, Division of Energy Resources (Department) and the Office of the Attorney General - Residential Utilities Division (OAG) filed Comments in the above captioned docket. Otter Tail appreciates the review of its EITE filing by the Department and the OAG. In its Comments, the Department requested Otter Tail address three issues: 1) Has the Company made a \$10,000 deposit to a low-income agency as part of this filing? 2) Can the Company update its low-income sales average kWh per year for use in the 2021-2025 period in its Reply Comment, and 3) Will OTP change the word "decrease" to "increase" in its bill notice? The OAG took no position on whether the EITE rider should be extended but raised a concern related to Otter Tail's proposed adjusted baseline. The OAG supports the decrease to the baseline used to determine any increased revenue from EITE customers to refund to EITE-paying customers. The OAG also suggested, "if the [Minnesota Public Utility] Commission should require that any future upward adjustment to the baseline cannot cause it to exceed the original 2016 baseline.

Otter Tail will address the issues raised by the Department and the concern by the OAG in these Reply Comments.

II. OTTER TAIL RESPONSES

Otter Tail provides these comments:

1. Has the Company made a \$10,000 deposit to a low-income agency as part of this filing?

As the Department notes in its Comments, the EITE statute "is silent on whether the fee is applicable for a request for approval for a revised tariff." Otter Tail has not made an additional \$10,000 deposit to a low-income agency in the current filing, which seeks to update an existing tariff. To limit the issues before the Minnesota Public Utility Commission (Commission), Otter Tail agrees to promptly make such a deposit and make an informational filing in this docket confirming the same. Otter Tail will also confirm the donation in any subsequent compliance filing.

2. Can the Company update its low-income sales average kWh per year for use in the 2021-2025 period in its Reply Comments?

Otter Tail's EITE model in Attachment 1 to IR MN-DOC-005 in this Docket had a labeling error regarding its low-income sales average per kWh per year. The EITE model includes an update to Otter Tail's low-income sales average per kWh per year using data from 2018-2020 for use in the 2021-2025 period. Otter Tail has provided a corrected table from the EITE model below:

Line					
No.		LIHEAP	Customer Data		
			Average		
		Customer	Monthly		Average
1		Count	kWh	Mo	nthly Revenue
2	2018	5,130	977	\$	103.48
3	2019	5,370	865	\$	90.71
4	2020	4,941	746	\$	82.30
5					
			Average		
			kWh	Ave	rage Revenue
6			per year		per year
7		2018	60,144,120	\$	6,370,229
8		2019	55,760,576	\$	5,845,352
9		2020	44,234,559	\$	4,879,732
10		Total	53,379,752	\$	5,698,438

3. Will OTP change the word "decrease" to "increase" in its bill notice?

Otter Tail will change the word "decrease" to "increase in its bill notice.

4. Should the Commission require any future upward adjustment to the baseline to not exceed the original 2016 baseline?

Otter Tail requests the Commission not decide at this time that any future upward adjustment to the baseline be capped at the original 2016 baseline. An upward adjustment to the baseline may be warranted if changes to an EITE customer's production, such as adding a production line, have occurred resulting in a significant increase in annual kWh sales.

III. CONCLUSION

Otter Tail appreciates the opportunity to provide these reply comments in this docket in response to the comments of the Department and the OAG regarding Otter Tail's 2021 Customer Eligibility, Updated Baseline, and Annual Update to its EITE Surcharge Rate. Otter Tail will make a \$10,000 deposit to a low-income agency, included an update to its low-income sales average per kWh per year as part of its initial filing, and will change the word "decrease" to "increase" in its bill notice. Otter Tail requests the Commission not cap any future upward adjustment at the original 2016 baseline and requests Commission approval of the EITE Surcharge Rate of 0.00039 per kWh effective December 1, 2021.

Dated: March 29, 2021

Respectfully submitted,

OTTER TAIL POWER COMPANY

By: /s/ DARLENE C. MANDELKE

Darlene C. Mandelke Rates Analyst Otter Tail Power Company 215 S. Cascade Street Fergus Falls, MN 56537 (218) 739-8819

CERTIFICATE OF SERVICE

RE: In the Matter of Otter Tail Power Company's Petition for Approval of the Annual Update to its Energy-Intensive, Trade-Exposed Rider Surcharge Rate, Rate Schedule 13.09 Docket No. E017/M-21-99

I, Carly Haiby, 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 29th day of March, 2021.

/s/ CARLY HAIBY

Carly Haiby Regulatory Filing Coordinator Otter Tail Power Company 215 South Cascade Street Fergus Falls MN 56537 (218) 739-8472

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Ray	Choquette	rchoquette@agp.com	Ag Processing Inc.	12700 West Dodge Road PO Box 2047 Omaha, NE 68103-2047	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
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Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	OFF_SL_21-99_Official Service List 21-99
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Generic Notice	Residential Utilities Division	residential.utilities@ag.stat e.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_21-99_Official Service List 21-99
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