

OTTER TAIL POWER COMPANY
 Docket No. EL13-015

Response to: South Dakota Public Utilities Commission
 Analyst: SDPUC Staff
 Date Received: 5/20/2013
 Date Due: 5/30/2013
 Date of Response: 06/04/2013
 Responding Witness: Kim Pederson, Manager Market Planning - (218) 739-8303

Information Request No: SD-PUC-01-06

What resulted in the increase of total cost per participant in the Commercial Geothermal Heat Pump and Motor programs in 2012 over years prior?

RESPONSE:

The main reason the Commercial Geothermal Heat Pump program costs increased per participant is because of one large project. As stated in Otter Tail's 2012 Status filing there was one school that installed a total of 200 tons of geothermal heat pump equipment. As shown in the table below, the large installation increased rebate costs which also increased overall program costs. For 2012 the average ton per unit increased dramatically, which also significantly increased the kWh savings. The last column of this table shows that Costs per kWh saved are still close to the previous two years.

The increase in cost per participant in the Motors programs is mainly due to the significant drop in program participation. As stated in SD-PUC-01-04, Motor program participation dropped from 36 in 2011 to 4 in 2012. Otter Tail has fixed costs associated with this program that impacts the cost per participant. In the 2014-2015 biennial Otter Tail proposes to change the name of the Motors program to Drive Power and add variable speed drives.

Commercial Ground-Source Heatpump							
	Total Costs	Participants	Avg. Admin	Avg. Incentive	Avg. Ton/unit	kWh Savings	Costs / kWh Saved
2010	\$39,476.00	33	\$163.15	\$1,033.10	4.78	462,949	\$0.085
2011	\$13,294.00	16	\$248.20	\$582.20	2.70	157,553	\$0.084
2012	\$83,940.00	23	\$453.63	\$3,195.93	12.76	925,905	\$0.091