

OTTER TAIL POWER COMPANY  
Docket No: EL14-090

Response to: South Dakota Public Utilities Commission  
Analyst: SDPUC Staff  
Date Received: 12/10/2014  
Date Due: 12/30/2014  
Date of Response: 12/16/2014  
Responding Witness: Stuart Tommerdahl, Manager Regulatory Administration, 218 739-8279

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Information Request:

Per SDCL 49-34A-25.3, provide a detailed description of OTP's efforts to ensure the lowest reasonable costs to ratepayers for each project.

Attachments: 0

Response:

Transmission projects undertaken by Otter Tail are constructed to meet a need on the transmission system. Reliability concerns, generation interconnection requests, or public policy requirements are some of the various drivers for these projects. When a need is identified on the transmission system, transmission planning studies are performed. These studies generally include an investigation of a variety of alternatives and identify a preferred transmission project to meet the need on the transmission system at the lowest overall cost. Study reports for the transmission projects included in this petition can be provided upon request.

Depending on the nature of the need driving a project, studies are always coordinated internally within Otter Tail and sometimes externally. This coordination allows for an efficient process that oftentimes results in a recommended transmission plan that has mutual benefits among multiple utilities.

Transmission projects that are identified by Otter Tail are placed within the Midcontinent Independent System Operator transmission expansion planning ("MTEP") process. The MTEP process includes an analysis of Otter Tail's transmission projects to verify that Otter Tail's transmission system meets the performance requirements outlined in the North American Electric Reliability Corporation reliability standards.