



OTTER TAIL
POWER COMPANY

Fergus Falls, Minnesota

House Energy Committee
January 22, 2013

Otter Tail Power Company



- Serves 70,000 square miles
- Has served northwestern Minnesota since 1909
- Employs 785 people
 - 495 in Minnesota
 - 200 in North Dakota
 - 90 in South Dakota
 - About 400 employees are members of the IBEW



Customers

- **129,258 customers**
 - 60,566 in MN – 47% (just **4%** of *all* MN electricity customers)
 - 57,130 in ND – 44%
 - 11,562 in SD – 9%

- **Minnesota customers and load**

Residential:	49,884 – 82%	621,627,227 kwh – 30%
Commercial:	9,533 – 16%	265,240,691 kwh – 13%
Industrial:	786 – 1%	1,166,184,140 kwh – 56%
Other:	363 – 1%	29,469,731 kwh – 1%

- **423 communities served in three states**
 - Only three cities served exceed 10,000 population. (Jamestown 15,527; Fergus Falls 13,949; Bemidji 13,074)
 - The median population of the 153 cities served in MN is only 220 people.



Otter Tail's “median” sized town: Winger, MN

- Population: 220 residents (2010 U.S. Census)
- Median Annual Household Income: **\$21,146**
- Businesses: Farmer's Coop Elevator, Moran's Family Restaurant, and the Depot Café & Convenience Store
- **20.2%** of households have someone living alone who is 65 years of age or older.

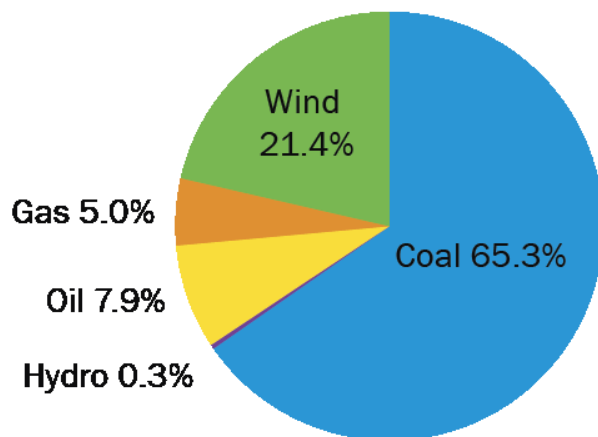




Rates and generation

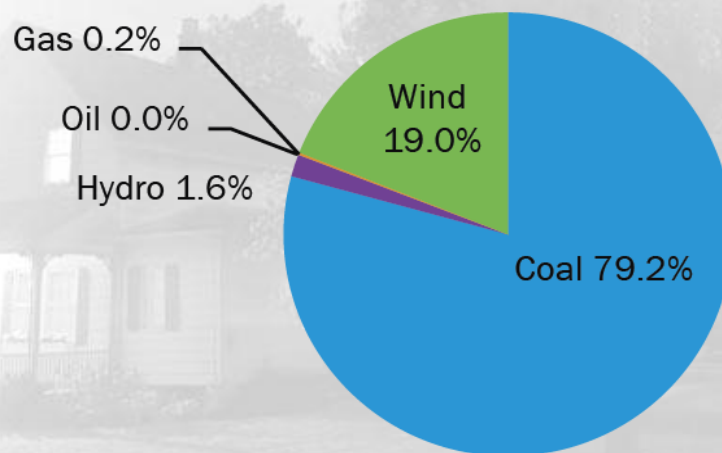
- Our average residential rate is \$0.0820/kwh. (Compares with \$0.1201/kwh nationally.)
- Our generation portfolio is about 800 MW of owned capacity.
- Our January 2012 peak was 823 MW. We are winter peaking.

Capacity¹



1. Nameplate/Net Dependable Capacity (NDC)

Energy¹



1. Purchases excluded (21% of OTP Total)



Otter Tail Power's Performance

- **American Customer Satisfaction Index (ASCI) ranking**
 - Otter Tail is consistently among the top five utilities nationally as measured by the American Customer Satisfaction Index, which ranks utilities that serve about 75% of the residential customers in the United States.
- **Renewable energy**
 - Our renewable wind energy is equal to about 15% of total retail sales.
 - The existence of the Federal Production Tax Credit (PTC) has allowed Otter Tail to add renewable energy cost-effectively as a “least-cost” resource for our customers.
 - The addition of renewable wind energy has reduced Otter Tail's CO₂/MWH generated intensity by nearly 18% since 2007.



Otter Tail Power's Performance (cont.)

Energy efficiency:

- Otter Tail Power began controlling electric water heaters in the 1940s and we initiated Demand Side Management programs in the middle 1980s.
- We have consistently managed to achieve an Energy Efficiency performance of between 1% and 1.5% of retail sales each year since 2009.
- Navigant Consulting stated in Otter Tail Power's DSM Potential Study that "indeed, [Otter Tail Power Company] could be considered a 'best-practice' utility in these program areas."

Energy Challenge



In 2009, Otter Tail Power successfully initiated “Energy Challenge” projects in Rothsay, MN and at the U of M-Crookston Campus to celebrate our company’s 100 year anniversary. High School and College students were engaged to help “audit” the energy consumption in both locations and many improvement recommendations were implemented.



Thank you

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