



Before the North Dakota Public Service Commission
State of North Dakota

In the Matter of the Application of Otter Tail Power Company
For Authority to Increase Rates for Electric Utility
Service in North Dakota

Case No. PU-17-398
OAH File No. 20170622

Exhibit ____

LEAD LAG STUDY

Supplemental Direct Testimony of

GINA S. ICE

March 23, 2018

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1 **I. INTRODUCTION AND QUALIFICATIONS**

2 Q. PLEASE STATE YOUR NAME AND OCCUPATION.

3 A. My name is Gina S. Ice. I am employed by Otter Tail Power Company (OTP) as Rates
4 Analyst, Regulatory Administration.

5

6 Q. DID YOU PREVIOUSLY FILE DIRECT TESTIMONY IN THIS PROCEEDING?

7 A. Yes. I filed Direct Testimony on behalf of OTP.

8

9 Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL DIRECT TESTIMONY?

10 A. My Supplemental Direct Testimony will discuss certain adjustments to the calculation of
11 cash working capital (CWC) in the Lead Lag Study.

12 **II. LEAD LAG STUDY: CASH WORKING CAPITAL**

13 Q. DID YOU IDENTIFY ANY NECESSARY ADJUSTMENTS TO THE CWC
14 CALCULATION IN YOUR DIRECT TESTIMONY.

15 A. As discussed on pages 16-17 of my Direct Testimony, OTP identified three adjustments
16 to the calculation of CWC: two related to Minnesota CWC and one related to North
17 Dakota CWC.

18

19 Q. ARE EACH OF THOSE ADJUSTMENTS STILL NECESSARY?

20 A. No. On page 19 of my Direct Testimony, I indicated that I thought a correction was
21 needed in the CWC calculation for North Dakota as it pertains to franchise taxes that
22 would have reduced North Dakota's revenue deficiency by \$12,000. OTP has
23 subsequently determined that the way franchise taxes are handled in the CWC calculation
24 for North Dakota is accurate. The expense lag days of zero is appropriate; no correction is
25 needed.

1 Q. WILL OTP REFLECT THE OTHER TWO ADJUSTMENTS TO MINNESOTA CWC
2 AS PART OF ITS COMPLIANCE FILING JURISDICTIONAL COST OF SERVICE
3 STUDY?

4 A. Yes. The adjustments to Minnesota CWC do not impact the North Dakota revenue
5 deficiency. We will, however, reflect these adjustments in the jurisdictional cost of
6 service study included with our final rates compliance filing in this case.

7 **III. CONCLUSION**

8 Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL DIRECT TESTIMONY?

9 A. Yes, it does.