

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Otter Tail Power Company
2017 Renewable Resource Cost Recovery Adj. Factor
Rates**

Case No. PU-17-16

ORDER

March 15, 2017

Preliminary Statement

On December 30, 2016, Otter Tail Power Company (Otter Tail) filed an application for approval of its 2017 Renewable Resource Cost Recovery Adjustment Factor under the Company's Renewable Resource Cost Recovery Rider rate schedule.

On January 18, 2017, the Commission suspended Otter Tail's proposed 2017 Renewable Resource Cost Recovery Adjustment Factor. Also on January 18, 2017, the Commission issued a Notice of Opportunity for Hearing, which provided until March 1, 2017 for filing comments or requests for hearing.

The Notice identified the issue to be considered as whether the proposed cost recovery is fair and reasonable. No comments were received.

Discussion

Otter Tail is a Minnesota corporation and a public utility authorized to provide electric service to retail electric customers in North Dakota.

Otter Tail's Renewable Resource Cost Recovery Rider is a rate schedule intended to impose rates to recover the costs of certain renewable energy production facilities. The rider uses an annually updated customer billing adjustment factor to recover projected annual expenses with a balancing mechanism to true-up projected amounts to the actual expenses incurred. Otter Tail has similar rate schedule riders for recovery of transmission and environmental compliance expenses.

In its 2017 Renewable Resource Cost Recovery Adjustment Factor filing Otter Tail requested approval of a 2017 renewable revenue requirement of \$9,155,816, including a true-up balance from 2016 of \$656,527. The adjustment factor will decrease from 7.573 percent to 7.005 percent. The billing impact for a typical residential customer using 1,000 kWh per month would be a decrease of approximately \$0.49 per month.

The Commission finds Otter Tail's December 30, 2016 filing of its 2017 Renewable Resource Cost Recovery Adjustment Factor is reasonable and should be approved.

Order

The Commission orders Otter Tail's 2017 Renewable Resource Cost Recovery Adjustment Factor approved to be effective for bills rendered on or after April 1, 2017.

PUBLIC SERVICE COMMISSION

VACANT

**Vacant
Commissioner**

Randy Christmann

**Randy Christmann
Chairman**

Julie Fedorchak

**Julie Fedorchak
Commissioner**