

**STATE OF NORTH DAKOTA**  
**PUBLIC SERVICE COMMISSION**

**Otter Tail Power Company  
Environmental Cost Recovery  
Rates**

**Case No. PU-17-122**

**AFFIDAVIT OF SERVICE BY CERTIFIED & REGULAR MAIL**

STATE OF NORTH DAKOTA  
COUNTY OF BURLEIGH

**Geralyn R. Schmaltz** deposes and says that:

she is over the age of 18 years and not a party to this action and, on the **14th day of July, 2017**, she deposited in the United States Mail, at Bismarck, North Dakota, **one** envelope with certified postage, return receipt requested, fully prepaid, securely sealed and containing a photocopy of:

- **Order on Environmental Cost Recovery Rates**

The envelope was addressed as follows:

Cary Stephenson  
Associate General Counsel  
Otter Tail Power Company  
PO Box 496  
Fergus Fall, MN 56538-0496  
**Cert. No. 7015 0640 0006 6993 9225**

**Geralyn R. Schmaltz** further deposes and says that on the **14th day of July, 2017**, she deposited in the United States Mail, Bismarck, North Dakota, **two** envelopes by regular mail, with postage fully prepaid, securely sealed, each containing a photocopy of the same.

The envelopes were addressed as follows:

Anthony Harris  
Rates Analyst  
Otter Tail Power Company  
PO Box 296  
Fergus Falls, MN 56538-0496

Bryce Haugen  
Senior Rates Analyst-Regulatory Admin.  
Otter Tail Power Company  
PO Box 296  
Fergus Falls, MN 56538-0496

PU-17-122  
Affidavit of Service  
Page 1 of 2  
July 14, 2017

**17** **PU-17-122** Filed: 7/14/2017 Pages: 4  
**Affidavit of Service, Cert. & Reg. Mail - Order**

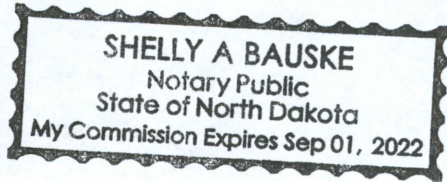
Each address shown is the respective addressee's last reasonably ascertainable post office address.

Subscribed and sworn to before me  
this **14th day of July, 2017.**

*Gerard R Schmag*

*Shelly A Bauske*  
Notary Public

SEAL



**STATE OF NORTH DAKOTA**  
**PUBLIC SERVICE COMMISSION**

**Otter Tail Power Company  
Environmental Cost Recovery  
Rates**

**Case No. PU-17-122**

**ORDER ON ENVIRONMENTAL COST RECOVERY RATES**

**July 12, 2017**

**Preliminary Statement**

On March 31, 2017, Otter Tail Power Company (OTP) filed an application for approval of its 2017-18 Environmental Cost Recovery Rider (ECR Rider) rates.

On April 26, 2017, the Commission issued a Notice of Opportunity for Hearing. A deadline of June 7, 2017 was set for filing comments and requests for hearing. No comments or requests for hearing were received.

On June 15, 2017, Commission staff filed a memorandum in support of OTP's filing.

On June 27, 2017, the Commission held an informal hearing on OTP's request.

**Discussion**

This filing was OTP's fourth annual update to its ECR Rider. The ECR Rider was first approved by Commission order on December 28, 2013 in Otter Tail Power Company, Environmental Cost Recovery, Rates, Case No. PU-13-84 and Otter Tail Power Company, Environmental Cost Recovery, Tariff, Case No. PU-13-79 under North Dakota Century Code Section 49-05-04.2.

The annual update includes continued recovery for the environmental upgrades to OTP's Hoot Lake Plant, the Big Stone Plant that OTP owns jointly with North Western Energy and Montana Dakota Utilities Co., and the true up to forecasted and actual expenses and revenues from the currently effective rates that became effective on July 1, 2016. The true-up reduced the revenue requirement by \$89,809.

The currently effective rate is a 7.904 percent adder to each customer's bill with the exception that it is not applied to the other mandatory rider charges and a couple of other miscellaneous riders. The proposed rate is 7.633 percent of each customer's bill, a decrease to the revenue requirement of \$440,000. The average residential customer consuming 1000 kilowatt-hours will see a monthly decrease of \$0.25.

The March 31, 2017 proposed rate adjustment complies with the tariff and the incurred and projected costs for OTP's environmental projects are reasonable and prudent.

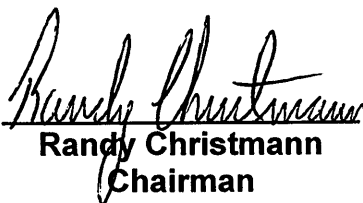
**Order**

The Commission orders Otter Tail Power Company's request for a rate adjustment effective August 1, 2017 for its Environmental Cost Recovery Rider approved.

**PUBLIC SERVICE COMMISSION**



**Brian Kroshus  
Commissioner**



**Randy Christmann  
Chairman**



**Julie Fedorchak  
Commissioner**