

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Otter Tail Power Company
Transmission Facility Cost Recovery (2018)
Rates**

Case No. PU-17-340

AFFIDAVIT OF SERVICE BY CERTIFIED AND 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 **30th day of November, 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 photocopy of:

- **Order on Transmission Facility Cost Recovery Rates**

The envelope was addressed as follows:

Cary Stephenson
Associate General Counsel
Otter Tail Power Company
PO Box 496
Fergus Falls, MN 56538-0496
Cert. No. 7017 2400 0001 0890 4001

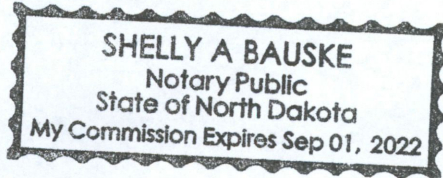
Geralyn R. Schmaltz further deposes and says that on the **30th day of November, 2017** she deposited in the United States Mail, Bismarck, North Dakota **one** envelope by regular mail, with postage fully prepaid, securely sealed, containing a copy of the same.

The envelope was addressed as follows:

Gina Ice
Rates Analyst, Regulatory Administration
Otter Tail Power Company
PO Box 496
Fergus Falls, MN 56538-0496

The addresses shown are the respective addressee's last reasonably ascertainable mailing address.

Subscribed and sworn to before me
this **30th day of November, 2017**.



[Handwritten signature]

Shelly A Bauske

Notary Public

SEAL

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Otter Tail Power Company
Transmission Facility Cost Recovery (2018)
Rates**

Case No. PU-17-340

ORDER ON TRANSMISSION FACILITY COST RECOVERY RATES

November 29, 2017

Preliminary Statement

On August 31, 2017, Otter Tail Power Company (OTP or Company) filed an application for approval of its 2018 Transmission Cost Recovery Rider (TCR Rider) rates.

On September 20, 2017, the Commission issued a Notice of Opportunity for Hearing. A deadline of November 7, 2017 was set for comments and requests for a hearing. No comments or requests were received.

On November 2, 2017, the Company filed an update to its initial filing to reflect the rate of return and allocation factors from its rate case filing on November 1, 2017.

This filing was OTP's six annual update to its TCR Rider. The TCR Rider was first approved by Commission order on April 25, 2012 pursuant to North Dakota Century Code Section 49-05-04.3.

The annual update includes: (1) one new transmission project, (2) changes to MISO revenue and expenses, (3) changes to SPP expenses, and (4) the true up to forecasted and actual expenses and revenues from the Company's 2016 filing for 2017 rates.

The initial filing proposed a revenue requirement of \$8,592,652. The revised filing proposed a revenue requirement of \$7,958,707, a decrease of \$633,947. However, the revised filing is still an approximate increase of \$1 million over last year's filing. The typical residential electric customer, using 1000 kWh, will see an increase in their monthly bill of \$1.03 per month.

The currently effective rate, proposed rate and increase amount per customer class is provided in the table below:

<u>Customer Class</u>	<u>Existing Rate</u>	<u>Proposed Rate</u>	<u>Increase</u>
Large Gen. Service	\$1.689/kW	\$1.739	\$0.05
Controlled Service	\$0.00065 /kWh	\$0.00091	\$0.00026
Lighting Service	\$0.00270 /kWh	\$0.00332	\$0.00062
Residential	\$0.00475 /kWh	\$0.00578	\$0.00103
All Other Service	\$0.00475 /kWh	\$0.00578	\$0.00103

On November 18, 2017, Commission Staff filed a memorandum in support of the Company's filing.

The November 2, 2017 proposed rate adjustments comply with the tariff and the incurred costs for new and modified electric transmission facilities are reasonable and prudent.

Order

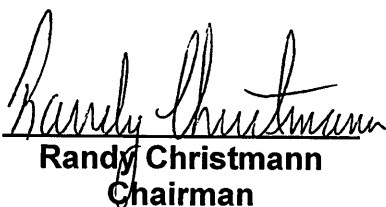
The Commission orders:

Otter Tail Power Company's request for a rate adjustment for its Transmission Facility Cost Recovery Rider is approved effective January 1, 2018.

PUBLIC SERVICE COMMISSION



Brian Kroshus
Commissioner



Randy Christmann
Chairman



Julie Fedorchak
Commissioner