

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Otter Tail Power Company
2017 Electric Rate Increase
Application**

Case No. PU-17-398

ORDER ON INTERIM RATES

February 27, 2017

On November 2, 2017, Otter Tail Power Company (OTP) filed with the Commission to increase its rates for electric service. The filing included an interim rate increase.

On November 29, 2017, the Commission suspended the rates.

On December 4, 2017, Commission Advocacy Staff (Advocacy Staff) filed a letter recommending approval of the proposed interim rates.

On December 20, 2017, the Commission approved, subject to refund, an interim increase in annual revenue, for service rendered on or after January 1, 2018, which included a 10.44% increase to the non-fuel portion of the bill for firm service customers and included revisions to its Environmental and Renewable Cost Recovery Riders.

On February 15, 2018, OTP filed a petition to reduce interim rates to conform to the federal Tax Cut & Jobs Act, which reduced the federal corporate income tax rate from 35 percent to 21 percent for the top bracket.

On February 21, 2018, Advocacy Staff filed a response to OTP's request recommending approval, including the effective date.

OTP proposes to reduce the interim increase in annual revenue from \$12.8 million to 8.3 million: a reduction of approximately \$4.5 million. When applied to the non-fuel portion of the bill, the effective increase to firm service customers is reduced from 10.44% to 6.79%. OTP proposes to reduce its Environmental, Renewable and Transmission Cost Recovery Rider annual revenues from \$26.5 million to \$24.8 million: a reduction of approximately \$1.7 million.

OTP asked for approval to implement the new interim rates effective March 1, 2018.

The Commission finds good cause to implement these proposed on less than 30 days' notice.

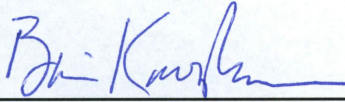
Order

The Commission orders:

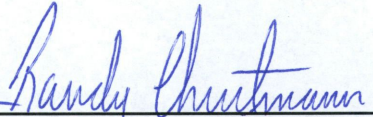
1. Otter Tail Power Company's request to decrease interim rates is APPROVED for service rendered on or after March 1, 2018.

2. Otter Tail Power Company's request to decrease its Environmental, Renewable and Transmission Cost Recovery Rider revenues is APPROVED for service rendered on or after March 1, 2018.

PUBLIC SERVICE COMMISSION



**Brian Kroshus
Commissioner**



**Randy Christmann
Chairman**



**Julie Fedorchak
Commissioner**