

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Otter Tail Power Company
2019 Renewable Resource Cost Recovery Adj. Factor
Rates

Case No. PU-19-17

ORDER

May 1, 2019

Preliminary Statement

On December 31, 2018, Otter Tail Power Company (Otter Tail) filed an increase to its Renewable Resource Adjustment (RRA) to recover 2019 revenue requirements associated with renewable generation resources. The RRA is part of the Energy and Renewable Adjustment on Otter Tail's customer electric bills.

On January 23, 2019, the Commission issued a Notice of Opportunity for Hearing that provided until March 1, 2019 for receiving written comments and hearing requests. No response was received. The Notice identified the issues to consider in this matter are:

1. Whether the investments and associated costs for the resources qualify for recovery,
2. Whether the incurred costs are reasonable and prudent, and
3. Whether the rate adjustments are consistent with the terms of Otter Tail's tariff.

On April 11, 2019, the Commission discussed the filing with Otter Tail and Commission Staff during an Informal Hearing.

Discussion


Otter Tail's RRA update includes true-up balances and associated carrying charges and the difference between the deferred tax asset for production tax credits included in base rates and the actual balances resulting in a proposed credit to customers of \$235,000 for the 2019 recovery period.

Otter Tail would increase the RRA from the current credit of -1.362 to a credit of -0.224 percent. The impact for a residential customer consuming 1,000 kWh per month would be an increase of approximately \$0.94 per month.

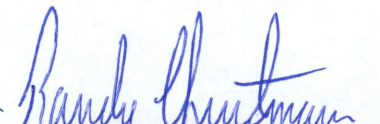
Order

The Commission orders Otter Tail's Renewable Resource Adjustment of -0.224 percent is APPROVED.

PUBLIC SERVICE COMMISSION


Julie Fedorchak
Commissioner


Brian Kroshus
Chairman


Randy Christmann
Commissioner

14 PU-19-17 Filed: 5/1/2019 Pages: 1
Order