

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Otter Tail Power Company
2021 Renewable Resource Cost Recovery Adj. Factor
Rates

Case No. PU-21-30

ORDER

March 17, 2021

Preliminary Statement

On January 19, 2021, Otter Tail Power Company (Otter Tail) filed an application to change its Renewable Resource Cost Recovery (RRCR) Rider rate. The proposed rate reflects forecasted costs related to investments in the Ashtabula and Langdon Wind Energy Facilities and the Merricourt Wind Energy Project for April 1, 2021, through March 2022, and a true-up of under-recovered costs from the recovery period April 2020 through March 2021.

On February 3, 2021, the Commission issued a Notice of Opportunity for Hearing that provided until March 12, 2021, for receiving written comments and hearing requests. No request for a hearing was received.

The Notice identified the following issues to be considered in this matter:

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

Discussion

Otter Tail proposes a \$11,758,253 revenue requirement to be collected from customers over the April 1, 2021, through March 2022 recovery period. The result is an RRCR Rider rate increase from 5.637 to 11.825 percent and is to be applied to energy billed to each customer. The requirement includes \$10,689,677 of costs associated with the three wind projects, \$1,012,388 associated with the true-up, and \$56,187 associated with carrying costs.

The revenue requirement for the 2021 RRCR Rider rate is approximately \$4.2 million higher than the revenue requirement for the 2020 RRCR Rider rate.

As a result of this change, a residential customer consuming 1,000 kWh per month would experience a bill increase of approximately \$4.24.

The Commission finds Otter Tail's investments qualify for recovery, the incurred costs are reasonable and prudent, and the rate adjustments are consistent with the terms of Otter Tail's tariff; therefore, the 2021 RRCR Rider rate change should be approved.

Order

The Commission orders:

1. Otter Tail Power Company's 2021 Renewable Resource Cost Recovery Rider rate filed on January 19, 2021, is APPROVED for service effective April 1, 2021.

PUBLIC SERVICE COMMISSION



Randy Christmann
Commissioner



Julie Fedorchak
Chair



Brian Kroshus
Commissioner