

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Otter Tail Power Company
Purchased Assets of Ashtabula III, LLC
Public Convenience & Necessity

Case No. PU-22-27

ORDER

March 30, 2022

Preliminary Statement

On January 11, 2022, Otter Tail Power Company (OTP) filed an application for a certificate of public convenience and necessity. OTP proposed to acquire, own and operate the existing Ashtabula III wind generation facility (Ashtabula III). Ashtabula III is a 62.4 MW wind project in Barnes County, North Dakota.

On February 2, 2022, the Commission issued a Notice of Opportunity for Hearing that provided until March 18, 2022, 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 public convenience and necessity will be served by OTP's ownership and operation of the facilities?
2. Whether the applicant is fit, willing and able to provide the service?

On February 23, 2022, the Commission discussed these matters with OTP and Commission staff during an informal hearing.

Discussion

Otter Tail proposes to purchase, own and operate the Ashtabula III wind facility located in Barnes County, North Dakota. Ashtabula III is currently owned and operated by Ashtabula III, LLC. The output of Ashtabula III is sold to OTP via a purchased power agreement (PPA), which is then passed on to OTP ratepayers through its energy adjustment rider.

Ashtabula III was constructed in 2010, achieving commercial operation in December 2010. The PPA between Ashtabula III and OTP was executed in 2013 and included an option for OTP to purchase Ashtabula III in 2023. OTP asserts that the purchase, ownership and operation of Ashtabula III will reduce customer costs by approximately \$4.56 per megawatt hour over the life of the wind facility, versus continuing to pay Ashtabula III the cost of the existing PPA.

The purchase of Ashtabula III would cause the cost to move from OTP's energy adjustment rider to the renewable resource cost recovery rider.

The Commission finds public convenience and necessity will be served by OTP's ownership and operation of the Ashtabula III wind facility, and that OTP is fit, willing and able to provide the service. Therefore, the Commission issues the following:

Order

The Commission orders: Otter Tail Power is issued Certificate of Public Convenience and Necessity No. 5966 authorizing OTP to own and operate the Ashtabula III wind facility.

PUBLIC SERVICE COMMISSION



Randy Christmann
Commissioner



Julie Fedorchak
Chair



Sheri Haugen-Hoffart
Commissioner

PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 5966

This is to certify that public convenience and necessity require, and permission is granted for Otter Tail Power Company, to purchase and operate the Ashtabula III wind energy facility in Barnes County, North Dakota.

This certificate is issued in accordance with the Order of this Commission dated March 30, 2022 in Case No. PU-22-27, and is subject to the conditions and limitations noted in the Order.

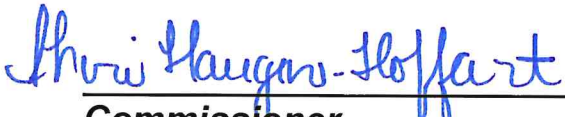
This certificate is conditioned upon Otter Tail Power Company securing the franchise or other authority of the proper municipal or other public authority for the exercise of these rights and privileges.

Bismarck, North Dakota, March 30, 2022.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner