

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Otter Tail Power Company
Generation Resource Cost Recovery
Rates**

Case No. PU-22-87

ORDER

May 25, 2022

Preliminary Statement

On March 1, 2022, Otter Tail Power Company (OTP) filed an annual rate update under its Generation Resource Cost Recovery (GRCR) tariff.

On March 30, 2022, the Commission issued a Notice of Opportunity for Hearing, which provided until May 9, 2022, for receiving written comments and hearing requests. No response was received. The Notice identified the issues to consider in this proceeding 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 OTP's tariff.

Discussion

OTP's proposes a GRCR factor of 2.982 percent of customer bills to recover actual and forecasted costs through June 30, 2023 for the Astoria Station Natural Gas Plant project (Astoria Station) and net savings associated with the retirement of OTP's Hoot Lake Plant. OTP proposes to recover approximately \$3,286,266 during the recovery period of July 1, 2022 through June 30, 2023. The impact of the rate change on the bill for a residential customer using 1,000 kWh per month is a reduction of approximately \$1.69 per month.

Having considered this matter, the Commission finds OTP's proposed rate adjustment is just and reasonable. OTP's cost projections for Astoria Station and retail sales forecasts are reasonable. The proposed recovery factor is non-discriminatory and calculated to recover the cost projections from forecasted retail sales. The Commission finds the proposed recovery factor complies with the tariff and is just and reasonable. Therefore, the Commission issues the following:

Order

The Commission Orders Otter Tail Power Company's application for a GRCR factor of 2.982 percent is APPROVED.

PUBLIC SERVICE COMMISSION



Randy Christmann
Commissioner



Julie Fedorchak
Chair



Sheri Haugen-Hoffart
Commissioner