

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

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

Case No. PU-23-83

ORDER

June 28, 2023

Preliminary Statement

On March 1, 2023, Otter Tail Power Company (OTP) filed an annual rate update under its Generation Resource Cost Recovery (GRCR) tariff.

On April 27, 2023, the Commission issued a Notice of Opportunity for Hearing, which provided until June 12, 2023, 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

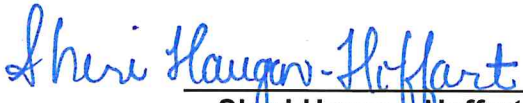
OTP proposes a GRCR factor of 2.026 percent of customer bills to recover actual and forecasted costs through June 30, 2024, for the Astoria Station Natural Gas Plant project (Astoria Station) and net savings associated with the retirement of OTP's Hoot Lake Plant. OTP proposes to recover approximately \$2,243,855 during the recovery period of July 1, 2023 through June 30, 2024. The impact of the rate change on the bill for a residential customer using 1,000 kWh per month is a reduction of approximately \$0.74 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 2.026 percent is APPROVED.

PUBLIC SERVICE COMMISSION



Sheri Haugen-Hoffart
Commissioner



Randy Christmann
Chair



Julie Fedorchak
Commissioner