

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Otter Tail Power Company
Transmission Facility Cost Recovery (2025)
Rates

Case No. PU-24-336

ORDER

December 18, 2024

Preliminary Statement

On September 16, 2024, Otter Tail Power Company (OTP) filed an annual rate update under its Transmission Facility Cost Recovery Rider (TCRR) tariff.

On October 22, 2024, the Commission issued a Notice of Opportunity for Hearing, which provided until December 3, 2024, for receiving written comments and hearing requests. No response was received. The notice provided that, if deemed appropriate, the Commission can determine the matter without a hearing.

The Notice identified the issues to be considered in this proceeding are:

1. Whether the proposed rate adjustment complies with OTP's tariff,
2. Whether the incurred costs for new or modified electric transmission facilities and the proposed MISO true-up are reasonable and prudent, and
3. Whether the incurred costs are eligible for recovery through the TCRR.

Discussion

OTP included six new transmission projects in the proposed 2025 TCRR. Four of them were to extend the lives of existing projects, one was to rebuild a project, and the remaining one was a greenfield project. The new projects contributed \$37,224 to the 2025 revenue requirement.

OTP proposes a 2025 TCRR rate of \$.0024 per kWh (.24 cents per kWh) for residential customers and a total revenue requirement of \$3,134,045, which is a \$1,347,907 reduction from the 2024 revenue requirement. It is to be collected over the period January 1, 2025, through December 31, 2025. The reduction was largely driven

by a \$1.5 million overcollection from prior periods and will be returned to customers through the true-up.

OTP also proposed to true-up certain MISO revenues to actual revenues received over base rates.

The change results in a billing decrease for a residential customer using 1000 kWh per month of \$0.96 over the existing TCRR rate.

The proposed rate adjustment complies with OTP's tariff.

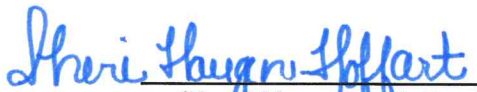
The costs incurred for new or modified electric transmission facilities and the proposed MISO true-up are reasonable and prudent.

The costs incurred are eligible for recovery through the TCRR.

Order

The Commission orders OTP's 2025 TCRR rate filed on September 16, 2024, is approved effective January 1, 2025.

PUBLIC SERVICE COMMISSION



Sheri Haugen-Hoffart
Commissioner



Randy Christmann
Chair



Julie Fedorchak
Commissioner