

**STATE OF NORTH DAKOTA**  
**PUBLIC SERVICE COMMISSION**

**Otter Tail Power Company**  
**2026 Renewable Resource Cost Recovery Adj. Factor**  
**Rates**

**Case No. PU-25-303**

**ORDER**

**April 15, 2026**

**Preliminary Statement**

On December 30, 2025, Otter Tail Power Company (OTP) filed a request for approval of its 2026 Renewable Resource Cost Recovery (RRCR) Adjustment Factor. The RRCR recovers projected costs from May 1, 2026, through March 31, 2027, for upgrades to the Luverne, Ashtabula I and III facilities, the investment tax credits related to the Langdon, Ashtabula I and Luverne facilities and production tax credits (PTCs) related to the Merricourt Wind Energy Center and Langdon facilities.

On January 26, 2026, the Commission issued a Notice of Opportunity for Consolidated Hearing, allowing until March 6, 2026, to receive written comments and hearing requests. No comments or requests for hearing were 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 OTP's tariff?

On March 19, 2026, OTP filed a supplemental RRCR proposal updating the future PTC rates.

**Discussion**

On December 30, 2025, OTP proposed an RRCR charge of \$184,297 and a rate of 0.12% over the April 1, 2026, to March 31, 2027, recovery period. However, because the Commission requires OTP to levelize their PTCs, the future federal PTC rates affect the current RRCR charge. OTP's original proposal set the PTC rates for future years the same as the current rate. This was a change from the previous years' methodology where the future rates increased annually and resulted in a higher RRCR rate.

OTP's supplemental filing adjusted the future rates to use a 3% inflation factor in 2026 and 2% thereafter.

Based upon the supplemental filing, OTP proposes a credit of (\$1,144,959) and a rate of -0.812% over a shortened May to March 31, 2027, recovery period. As a result of the charge, a residential customer consuming 1,000 kWh per month would have a monthly RRCR credit of (\$0.80), which is a \$2.08 increase from the previous credit of (\$2.88) per month.

The Commission finds OTP's investments qualify for recovery, the incurred costs are reasonable and prudent, and the rate adjustments are consistent with the terms of OTP's tariff. Therefore, the 2026 RRCR rider rate change should be approved.

### Order

The Commission Orders Otter Tail Power Company's 2026 Renewable Resource Cost Recovery Rider rate as filed on March 19, 2026, is APPROVED for service rendered on or after May 1, 2026.

### PUBLIC SERVICE COMMISSION

 _____ Sheri Haugen-Hoffart Commissioner	 _____ Randy Christmann Chair	 _____ Jill Kringstad Commissioner
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