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PO Box 496  
Fergus Falls, Minnesota 56538-0496  
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June 14, 2018



Daniel P. Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, MN 55101-2147

**RE: In the Matter of Otter Tail Power Company's Petition for Approval of the Annual Update to its Renewable Resource Cost Recovery Rider Rate, Rate Schedule 13.04 Docket No. E017/M-18- Initial Filing**

Dear Mr. Wolf:

Otter Tail Power Company (Otter Tail) hereby submits its Petition to the Minnesota Public Utilities Commission (Commission) for approval of its annual update to the Renewable Resource Cost Recovery Rider Rate under Otter Tail's Rate Schedule 13.04.

Otter Tail has electronically filed this document with the Commission which, in compliance with Minn. Rule 7829.1300, Subp. 2, also constitutes service on the Department of Commerce, Division of Energy Resources and the Office of Attorney General-Antitrust & Utilities Division. A Summary of the filing has been served on all persons on Otter Tail's general service list. A Certificate of Service is also enclosed.

If you have any questions regarding this filing, please contact me at 218-739-8819 or at [dmandelke@otpc.com](mailto:dmandelke@otpc.com).

Sincerely,

*/s/ DARLENE C. MANDELKE*  
Darlene C. Mandelke, Rates Analyst  
Regulatory Administration

kaw  
Enclosures  
By electronic filing  
c: Service List

**STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION**

**In the Matter of Otter Tail Power  
Company's Petition for Approval of the  
Annual Update to its Renewable Resource  
Cost Recovery Rider Rate, Rate Schedule  
13.04**

**Docket No. E017/M-18-**

**SUMMARY OF FILING**

On June 14, 2018, Otter Tail Power Company (Otter Tail) has filed a petition with the Minnesota Public Utilities Commission for approval of its annual update to the Renewable Resource Cost Recovery Rider rate under the Otter Tail's Rate Schedule 13.04.

**STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION**

**In the Matter of Otter Tail Power Company's  
Petition for Approval of the Annual Update  
to its Renewable Resource Cost Recovery  
Rider Rate, Rate Schedule 13.04**

**Docket No. E017/M-18-**

**PETITION OF OTTER TAIL  
POWER COMPANY**

**I. INTRODUCTION**

Otter Tail Power Company (Otter Tail or Company) submits this Petition to the Minnesota Public Utilities Commission (Commission) for approval of its annual update (Update) to its Renewable Resource Cost Recovery Rider (RRAR) rate under Otter Tail's Rate Schedule 13.04.

In Otter Tail's last general rate case, Docket No. E017/M-15-1033, filed on February 16, 2016, Otter Tail proposed to recover Production Tax Credit (PTC)-related expenses through the RRAR after the PTCs expire. On October 30, 2017, the Commission approved Otter Tail's RRAR rate schedule and the RRAR rate in the Findings of Fact, Conclusions and Order<sup>1</sup> (Order) for Docket No. E017/M-15-1033. The RRAR allows Otter Tail to recover the difference between PTCs generated by its Langdon and Ashtabula wind farms included in base rates and actual PTCs generated by these facilities. The RRAR rate was effective November 1, 2017. Due to the 10-year sunset on PTCs based on original in service dates, OTP stopped receiving PTCs for Langdon in late 2017 and will stop receiving PTCs for Ashtabula in October 2018. Otter Tail files this Update to the RRAR rate, which includes actual PTCs in base rates and PTCs generated through May 2018 and forecasted PTCs generated through October 2019.

Also, included in this filing is the tax gross up of the RRAR rate calculation. PTCs are grossed up in the Cost of Service Study and need to be grossed up in the RRAR rate calculation to achieve the intent of the Order of including the difference in the RRAR.

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<sup>1</sup>Minnesota Public Utilities Commission's May 1, 2017 Order Approving Findings of Fact, Conclusions and Order, Order Point 18.

For this annual update, Otter Tail requests approval to recover the revenue requirement of \$5,885,819 over the recovery period of November 2018 through October 2019.

## **II. SUMMARY OF FILING**

Pursuant to Minn. Rules 7829.1300, Subp. 1, a one-paragraph summary of the filing accompanies this Petition.

## **III. GENERAL FILING INFORMATION**

Pursuant to Minn. Rules 7829.1300, Subp. 3, the following information is provided.

### **A. Name, address, and telephone number of utility**

(Minn. Rules 7829.1300, Subp. 3(A))

Otter Tail Power Company  
215 South Cascade Street  
Fergus Falls, Minnesota 56538-0496  
(218) 739-8200

### **B. Name, address, and telephone number of utility attorney**

(Minn. Rules 7829.1300, Subp. 3(B))

Cary Stephenson  
Associate General Counsel  
Otter Tail Power Company  
215 South Cascade Street  
Fergus Falls, Minnesota 56538-0496  
(218) 739-8956

**C. Date of filing and proposed effective date of rates**

(Minn. Rules 7829.1300, Subp. 3(C))

The date of the filing is June 14, 2018. Otter Tail proposes the RRAR rates become effective November 1, 2018, or on the first day of the month following Commission approval, should its decision be thereafter.

**D. Statutes controlling schedule for processing the filing**

(Minn. Rules 7829.1300, Subp. 3(D))

Minn. Stat. § 216B.16 permits a utility to implement a proposed rate change after giving the Commission a 60 day notice. This filing is a “miscellaneous tariff filing” as defined by the Commission’s rules at Minn. Rules 7829.0100, Subp. 11. No determination of Otter Tail’s overall revenue requirement is necessary (or required under the Statute). Minn. Rules 7829.1400, Subps. 1 and 4 permit comments in response to a miscellaneous tariff filing to be filed within 30 days and reply comments to be filed no later than 10 days thereafter.

**E. Title of utility employee responsible for filing**

(Minn. Rules 7829.1300, Subp. 3(E))

Darlene Mandelke  
Rates Analyst, Regulatory Administration  
Otter Tail Power Company  
215 South Cascade Street  
Fergus Falls, Minnesota 56538-0496  
(218) 739-8819

**F. Impact on rates**

(Minn. Rules 7829.1300, Subp 4(F))

The RRAR has no effect on Otter Tail’s base rates. The additional information required under this Rule is included throughout the Petition.

**G. Service List**

(Minn. Rules 7829.0700)

Otter Tail requests that the following persons be placed on the Commission’s official service list for this matter and that any trade secret comments, requests, or information be

provided to the following on behalf of Otter Tail:

Darlene Mandelke  
Rates Analyst  
Regulatory Administration  
Otter Tail Power Company  
215 South Cascade Street  
Fergus Falls, MN 56538-0496  
(218) 739-8819  
dmandelke@otpcp.com

Cary Stephenson  
Associate General Counsel  
Otter Tail Power Company  
215 South Cascade Street  
Fergus Falls, MN 56538-0496  
(218) 739-8956  
cstephenson@otpcp.com

#### **H. Service on other parties**

(Minn. Rules 7829.1300, Subp. 2; Minn. Rules 7829.0600)

Pursuant to Minn. Rule 7829.1300, Subp. 2, Otter Tail served a copy of this Petition on the Office of Energy Security of the Department of Commerce and the Antitrust & Utilities Division of the Office of the Attorney General. A summary of the filing prepared in accordance with Minn. Rule 7829.1300, Subp. 1 was served on all parties on Otter Tail's general service list.

### **IV. DESCRIPTION AND PURPOSE OF FILING**

#### **A. Background**

Otter Tail's RRAR was originally established in Docket Nos. E017/M-08-119 and E017/M-08-131.<sup>2</sup> On February 16, 2016, Otter Tail filed a RRAR tariff and proposed rates in Docket No. E017/M-15-1033 to recover the increased tax expenses associated with the expiration of the PTCs for Langdon and Ashtabula. On October 30, 2017, the Commission approved Otter Tail's RRAR rate schedule and the RRAR rate in the Order. The RRAR rate was effective November 1, 2017. The RRAR allows Otter Tail to recover the difference between PTCs included in base rates and actual PTCs. Otter Tail now files its annual update to its RRAR rate, which includes actual PTCs in base rates compared to PTCs generated through May 2018 and those PTCs forecasted through October 2019. Due to the 10-year sunset on PTCs based on original in service dates, OTP stopped receiving PTCs for Langdon in late 2017 and will stop receiving PTCs for Ashtabula in October 2018.

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<sup>2</sup> Minnesota Public Utility Commission's August 15, 2008 Order Approving Rider, Purchase Power Agreement, Variance and Eligibility and Adding Requirements.

For additional background Otter Tail provides the following table that details the history of Otter Tail’s RRAR since inception;

RRCR History	Description	Docket Number
Original	Original RRAR Rider and RRAR Factor	E017/M-08-119 and E017/M-08-131
1st - 3rd Revision	2009 Annual Update	E017/M-08-1529
4th Revision	2010 Annual Update	E017/M-09-1484
5th Revision	2010 General Rate Case	E017/GR-10-239
6th Revision	2012 Annual Update	E017/M-12-708
7th Revision	2017 General Rate Case	E017/GR-15-1033

Attachment 1 is a summary of the proposed \$5,885,819 revenue requirement calculated for the November 1, 2018 through October 31, 2019 recovery period including the revenue requirement for the proposed recovery period of \$5,265,493 and the projected under-recovery of the current period’s PTCs of \$620,327. The average RRAR rate for this update is \$.00219 per kWh, an increase of \$.00170 per kWh from the current rate of \$.00049 per kWh.

Attachment 2 provides the details of the Revenue Requirements Calculation. This calculation includes the difference between the amount of actual PTCs included in base rates compared to the amount actually generated by month through May 2018 and forecasted to be generated by month from June 2018 through December 2019. The monthly difference is grossed up for income tax.

**B. Tracker Balance**

Otter Tail maintains a tracker account worksheet and accounting system to track and account for PTCs included in base rates compared to the actual PTCs generated. When submitting annual filings, the tracker account is updated so that any over/under recovered amount at the end of the previous year is reflected in the RARR adjustment for the upcoming year. This approach ensures that no under/over recovery occurs. The tracker summary balance is included in Attachment 3 and the detail is included in Attachment 2.

If the effective date of the updated RRAR rates is more than 45 days later than November 1, 2018, Otter Tail respectfully requests the option to recalculate the rates in order to implement rates that forecasts the tracker balance as close to zero as possible at the end of the recovery period.

This Petition includes the impact of the following items on its revenue requirement:

1. PTCs: Actual generation of PTCs is incorporated through May 2018 and forecasted through the end of the proposed recovery period. The amount of PTCs incorporated in to the 2016 Test Year is \$7.451 million (OTP Total) / \$3.752 million (OTP MN).<sup>3</sup> Otter Tail provides Attachment 5 to this filing that shows the PTC amounts Ordered in the Rate Case. The actual PTC amounts are compared to those PTC amounts included in base rates in Otter Tail's last general rate case in detail in Attachment 3.
2. Tax Gross-Up: Based on review of the calculation of PTCs included in Otter Tail's cost of service study for its last rate case to establish base rates and those actually generated, Otter Tail identified the need to include the appropriate tax gross-up factor for actual generated PTCs in the RRAR beginning with implementation of the true-up calculation which began January 2017. This is necessary to match the tax gross-up that occurs in the cost of service study for the calculation of base rates. As shown in Attachment 5 to this filing, the agreed upon PTC amounts do not include the tax gross-up that occurs in the cost of service study to establish base rates. Otter Tail includes the tax gross-up calculation on Line Nos. 33 and 34 of Attachment 2.

### **C. Rate Design**

Otter Tail proposes to use the rate design approved in previous RRAR filings which includes demand and energy components. This is consistent with the last rate update approved for this rider. The rate design is shown in Attachment 4. The proposed rates are based on the assumption that they will be in effect beginning November 1, 2018.

### **D. Revenue Requirements, Rate Application and Impact**

Otter Tail proposes that the RRAR continue to be applicable to electric service under all of Otter Tail's retail rate schedules as defined in Rate Schedule 13.04. The charge will continue to be included as part of the Resource Adjustment line on customers' bills.

The total revenue requirement for the proposed recovery period, as shown on line 4 in Attachment 1, is \$5,885,819.

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<sup>3</sup> Docket No. E017/GR-15-1033, Ex. 516 at 5 (Johnson Surrebuttal).



**E. Customer notification and billing**

Attachment 6 is the proposed notice to customers that will be included with customer bills in the month that the new RRAR rates are implemented.

**V. RENEWABLE RESOURCE COST RECOVERY RIDER RATE SCHEDULE**

Otter Tail's updated rate schedule Section 13.04 is provided in Attachment 7 to this Petition in both redline and clean versions.

**VI. CONCLUSION**

Otter Tail respectfully requests the Commission approve this 2018 Update to its RRAR to be effective November 1, 2018, as explained in this Petition.

Dated: June 14, 2018

Respectfully submitted:

**OTTER TAIL POWER COMPANY**

By: /s/ DARLENE MANDELKE

Darlene Mandelke  
Rates Analyst, Regulatory Administration  
215 South Cascade Street  
P.O. Box 496  
Fergus Falls, MN 56538-0496  
Phone (218) 739-8819

OTTER TAIL POWER COMPANY  
RENEWABLE RESOURCE COST RECOVERY RIDER FILING ATTACHMENTS

Attachment 1	Revenue Requirements Summary
Attachment 2	Revenue Requirements Calculations
Attachment 3	Renewable Resource Cost Recovery Rider Tracker Report
Attachment 4	Rate Design
Attachment 5	PTCs established in base rates in Rate Case
Attachment 6	Notice to Customers
Attachment 7	Renewable Resource Cost Recovery Rider, Electric Rate Schedule 13.04

**Summary of Revenue Requirements**

Line No.	Revenue Requirements	Nov 2018 - Oct 2019
1	Production Tax Credits	\$5,265,493
2	Carrying Cost	0
3	True Up	620,326
4	Total	<u>\$5,885,819</u>



Ohio Toll Power Company  
Renewable Resource Adjustment Recovery Rider  
Docket No. E01736-18  
Tracker Summary

Line	FIDUCIARY CATEGORY Resource Category or Billback	Beginning Balance	2017												2018												Recovery Period	2019												Recovery Period
			January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Projected	July Projected	August Projected	September Projected	October Projected	November Projected	December Projected		January Projected	February Projected	March Projected	April Projected	May Projected	June Projected	July Projected	August Projected	September Projected	October Projected			
1	PTCs	#####	(96,099)	(76,832)	(66,620)	(7,896)	(87,698)	262,219	196,642	276,200	(31,959)	(242,127)	(106,084)	180,989	157,337	162,832	204,756	174,893	247,586	253,915	291,228	299,708	226,778	175,887	2,218,935	438,784	438,869	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	5,265,462	
2	Revenue Requirements		(96,099)	(76,832)	(66,620)	(7,896)	(87,698)	262,219	196,642	276,200	(31,959)	(242,127)	(106,084)	180,989	157,337	162,832	204,756	174,893	247,586	253,915	291,228	299,708	226,778	175,887	2,218,935	438,784	438,869	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	5,265,462	
3	Total Revenue Requirements	(131,038)	(96,099)	(76,832)	(66,620)	(7,896)	(87,698)	262,219	196,642	276,200	(31,959)	(242,127)	(106,084)	180,989	157,337	162,832	204,756	174,893	247,586	253,915	291,228	299,708	226,778	175,887	2,218,935	438,784	438,869	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	5,265,462		
4			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
5	Billed Revenue (with x and factor)		0	0	0	0	0	0	0	0	0	0	0	84,898	127,824	168,837	152,772	128,518	124,996	115,512	101,456	130,263	103,643	99,696	100,169	1,378,912	677,680	509,201	589,961	561,696	509,795	495,450	457,117	458,101	450,177	463,243	466,130	459,191	5,885,811	
6	Renewable Energy Certificate Sales		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
7	Monthly Revenue Difference	(131,038)	(96,099)	(76,832)	(66,620)	(7,896)	(87,698)	262,219	196,642	276,200	(31,959)	(242,127)	(241,072)	53,167	8,501	20,060	76,237	50,609	132,072	152,469	190,465	196,005	127,114	75,728	841,416	(38,805)	(85,036)	(140,160)	(122,862)	(100,981)	(86,875)	(18,320)	(15,377)	(11,363)	(24,490)	(7,348)	(26)	(620,326)		
8	Carrying Charge		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
9	Cumulative Difference	(131,038)	(227,137)	(303,969)	(370,600)	(378,496)	(368,164)	(314,956)	(223,463)	(9,997)	211,288	(241,959)	(483,161)	(708,998)	(494,693)	(330,432)	(254,196)	(124,008)	(121,516)	(30,954)	227,460	417,465	614,009	690,305	861,532	497,968	358,726	238,863	141,884	79,408	56,826	44,058	34,165	7,319	506	0	0			
10	Carrying Charge Calculation		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
11	Carrying Charge Calculation		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
12	Carrying Charge Calculation		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
13	Carrying cost	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%			
14			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
15			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
16	Forecasted Sales (90%)		208,183,898	206,783,098	212,693,519	204,528,872	205,564,193								208,183,898	206,783,098	212,693,519	204,528,872	205,564,193							218,193,687	208,714,276	205,412,874	206,596,588	246,599,633	238,368,043	208,840,828	206,548,168	205,669,968	211,625,644	203,822,565	205,632,281			

Data Call - Year 2017 - Oct 2018 Collection Period - MN PUC Order Approved 1/30/2017	
Revenue Requirements	\$1,431,200
Carrying Charge	0
Renewable PTCs	188,340
Total Revenue Requirements	\$1,272,860
Projected sales in kWh	2,634,882,330
Capacity Rate	50.00%

Data Call - November 2018 - October 2019	
Revenue Requirements	\$5,265,462
Carrying Charge	0
Renewable PTCs	630,368
Total Revenue Requirements	\$5,895,830
Projected sales in kWh	2,699,025,965
Capacity Rate	50.00%

Otter Tail Power Company  
Renewable Resource Adjustment Recovery Rider  
Docket No. E017/M-18-  
Class Allocation and Current Rate Design

Line No.	Total Minnesota Revenue Requirements		\$5,885,819 November 1, 2018 - October 31, 2019				
1	Total Minnesota Revenue Requirements						
2		Weighting <sup>2</sup>	LGS		All others		Total
3	MN E2 <sup>1</sup>	80.4%	56.856%	\$2,690,529	43.1442%	\$2,041,669	\$4,732,198
4	MN D1 <sup>1</sup>	19.6%	52.669%	\$607,600	47.3311%	\$546,021	\$1,153,621
5	Minnesota			\$3,298,129		\$2,587,690	\$5,885,819
6			LGS		All others		
7			Rate	billing units <sup>3</sup>	Revenue	Rate	billing units <sup>3</sup>
8	kWh billing	\$0.00164	1,640,558,314	\$2,690,529	\$0.00244	1,058,629,076	\$2,587,690
9	kW billing	\$0.21738	2,795,075	\$607,600	n/a	n/a	n/a
10	Minnesota			\$3,298,129			\$2,587,690
11							<b>Total Minnesota revenue \$5,885,819</b>

<sup>1</sup> Class factors are consistent with E017-GR-15-1033 General Rate Case  
<sup>2</sup> Weighting from 2016 Test Year within E017-GR-15-1033 General Rate Case, Workpaper C-1a  
<sup>3</sup> Nov 2018 - Oct 2019 projected rider recovery period.

Percent of Revenue Method as required by ordering paragraph 7 in Docket E017/M-09-1484

Line No.	Class	(A)	(B)	(C)
		<b>% of Revenue<sup>4</sup></b>		
1	Residential			24.59%
2	Farms			1.68%
3	General Service			16.22%
4	Large General Service			49.98%
5	Irrigation			0.19%
6	Outdoor Lighting			1.52%
7	OPA			0.76%
8	Controlled Service Water Heating			0.86%
9	Controlled Service Interruptible			3.46%
10	Controlled Service Deferred			0.76%
11	Total			100.00%
12	LGS (Column (A), row 4)			49.98%
13	All Other (Column (A), rows 1-3 and 5-10)			50.02%
14	Total (lines 12 +13)			100.00%
		Revenue		
		Requirement	Billing Units	Rate
15	LGS	\$2,941,459	1,640,558,314	\$0.00179
16	All Other	\$2,944,360	1,058,629,076	\$0.00278
		<b>\$5,885,819</b>		

Docket No. E017/GR-15-1033  
DOC Ex.\_\_\_\_ MAJ-15  
Page 1 of 1

Otter Tail Power Company  
Production Tax Credits Adjustments  
Test Year Ending December 31, 2016  
Docket No. E017/GR-15-1033

Line No.	Description	OTP 2016 (a)	DOC 2016 (b)	DOC Adjustment (c)
<u>Langdon</u>				
1	Rate/MWH	\$24.00 1/	\$24.00 1/	
2	Generation MWH	147,200 1/	151,109 2/	
3	PTC (Total OTP)	(\$3,532,800) 1/	(\$3,626,616) 3/	
<u>Ashtabula</u>				
4	Rate/MWH	\$24.00 1/	\$24.00 1/	
5	Generation MWH	156,900 1/	159,348 4/	
6	PTC (Total OTP)	(\$3,765,600) 1/	(\$3,824,352) 5/	
7	PTC (Total OTP)	(\$7,298,400) 1/	(\$7,450,968) 6/	
8	Jurisdictional Alloc	0.50357 1/	0.50357 1/	
9	MN Share	(\$3,675,256) 1/	(\$3,752,084) 7/	<u>(\$76,828) 8/</u>

- 1/ Per OTP Response to DOC IR 146, Attachment 1; See DOC Ex.\_\_\_\_ at MAJ-14 (Johnson Direct).
- 2/ 5 Year Average Actual Generation for Langdon from 2011-2015;  
Per OTP Response to DOC IR 146, Attachment 1; See DOC Ex.\_\_\_\_ at MAJ-14 (Johnson Direct).
- 3/ Calculated; Line 1 x Line 2
- 4/ 5 Year Average Actual Generation for Ashtabula from 2011-2015;  
Per OTP Response to DOC IR 146, Attachment 1; See DOC Ex.\_\_\_\_ at MAJ-14 (Johnson Direct).
- 5/ Calculated; Line 4 x Line 5
- 6/ Calculated; Line 3 + Line 6
- 7/ Calculated; Line 7 x Line 8
- 8/ Calculated; Column (a) - Column (b)

## Customers Notice

The Minnesota Public Utilities Commission has approved an adjustment to the Renewable Resource Cost Recovery Rider that is part of the Resource Adjustment on your monthly electric service statement. This rider recovers costs associated with owning and operating renewable generation resources. The table below shows the prior and new rates beginning November 1, 2018, for all classes of customers. A residential customer who uses 1,000 kWh per month will see an increase of \$2.44.

<b>Class</b>	<b>Prior Rate</b>	<b>November 1, 2018 Rate</b>
Large General Service - kW	\$0.104 per kW	\$0.217 per kW
Large General Service - kWh	\$0.00037 per kWh	\$0.00164 per kWh
All Other Service - kWh	\$0.00054 per kWh	\$0.00244 per kWh

For more information contact Customer Service at 800-257-4044 or place an inquiry from our website at [www.otpc.com](http://www.otpc.com).



Attachment 7  
Tariff Sheet - Section 13.04  
Renewable Resource Cost Recovery Rider  
Redline and Clean



Fergus Falls, Minnesota

**ELECTRIC RATE SCHEDULE  
Renewable Resource Cost Recovery Rider**

**RENEWABLE RESOURCE COST RECOVERY RIDER**

DESCRIPTION	RATE CODE
Large General Service	32-520
All Other Service	32-521

**RULES AND REGULATIONS:** Terms and conditions of this rider and the General Rules and Regulations govern use of this schedule.

**APPLICATION OF RIDER:** This rider is applicable to electric service under all of the Company's Retail Rate Schedules.

**COST RECOVERY FACTOR:** There shall be included on each Minnesota Customer's monthly bill a Renewable Resource Cost Recovery charge, which shall be calculated before any applicable municipal payment adjustments and sales taxes as provided in the General Rules and Regulations for the Company's electric service. The following charges are applicable in addition to all charges for service being taken under the Company's standard rate schedules and will be included in the Resource ~~adjustment~~ Adjustment line item on the Customer's bill.

**RATE:**

RENEWABLE RESOURCE COST RECOVERY		
Energy Charge per kWh:	kWh	kW
<b>Large General Service (a)</b>	0. <del>037</del> <u>16</u> <u>4</u> ¢/kWh	\$0. <del>404</del> <u>217</u>
<b>All Other Service</b>	0. <del>054</del> <u>.24</u> <u>4</u> ¢/kWh	N/A

(a) Rate schedules 10.04 Large General Service, 10.05 Large General Service – Time of Day, 14.02 Real Time Pricing Rider and 14.03 Large General Service Rider.

**DETERMINATION OF DEMAND CHARGE (LARGE GENERAL SERVICE CLASS ONLY):** The Demand charge shall be based on the maximum kW Demand as adjusted for Excess Reactive Demand measured during any period of the month for which the bill is rendered. The Excess Reactive Demand shall be calculated based on the applicable rate schedule under which the Customer is taking service.



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**RATE:**

RENEWABLE RESOURCE COST RECOVERY		
<b>Energy Charge per kWh:</b>	kWh	kW
<b>Large General Service (a)</b>	0.164 ¢/kWh	\$0.217
<b>All Other Service</b>	0.244 ¢/kWh	N/A
(a) Rate schedules 10.04 Large General Service, 10.05 Large General Service – Time of Day, 14.02 Real Time Pricing Rider and 14.03 Large General Service Rider.		

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**DETERMINATION OF DEMAND CHARGE (LARGE GENERAL SERVICE CLASS ONLY):**

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## CERTIFICATE OF SERVICE

RE: **In the Matter of Otter Tail Power Company's Petition for Approval of the Annual Update to its Renewable Resource Cost Recovery Rider Rate, Rate Schedule 13.04 Docket No. E017/M-18-**

I, Kim Ward, hereby certify that I have this day served a copy of the following, or a summary thereof, on Daniel P. Wolf and Sharon Ferguson by e-filing, and to all other persons on the attached service list by electronic service or by First Class Mail.

**Otter Tail Power Company  
Initial Filing**

Dated this **14th** day of **June, 2018**.

/s/ Kim Ward  
Kim Ward, Regulatory Filing Coordinator  
Otter Tail Power Company  
215 South Cascade Street  
Fergus Falls MN 56537  
(218) 739-8268

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St  Duluth, MN 558022191	Electronic Service	No	GEN_SL_Otter Tail Power Company_GEN_SL_Otter Tail Power Company_GENERAL SERVICE LIST
Ray	Choquette	rchoquette@agp.com	Ag Processing Inc.	12700 West Dodge Road PO Box 2047 Omaha, NE 68103-2047	Electronic Service	No	GEN_SL_Otter Tail Power Company_GEN_SL_Otter Tail Power Company_GENERAL SERVICE LIST
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800  St. Paul, MN 55101	Electronic Service	No	GEN_SL_Otter Tail Power Company_GEN_SL_Otter Tail Power Company_GENERAL SERVICE LIST
Ian	Dobson	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	No	GEN_SL_Otter Tail Power Company_GEN_SL_Otter Tail Power Company_GENERAL SERVICE LIST
James C.	Erickson	jericksonkbc@gmail.com	Kelly Bay Consulting	17 Quechee St  Superior, WI 54880-4421	Electronic Service	No	GEN_SL_Otter Tail Power Company_GEN_SL_Otter Tail Power Company_GENERAL SERVICE LIST
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280  Saint Paul, MN 551012198	Electronic Service	No	GEN_SL_Otter Tail Power Company_GEN_SL_Otter Tail Power Company_GENERAL SERVICE LIST
Bruce	Gerhardson	bgerhardson@otpc.com	Otter Tail Power Company	PO Box 496 215 S Cascade St Fergus Falls, MN 565380496	Electronic Service	No	GEN_SL_Otter Tail Power Company_GEN_SL_Otter Tail Power Company_GENERAL SERVICE LIST
Shane	Henriksen	shane.henriksen@enbridge.com	Enbridge Energy Company, Inc.	1409 Hammond Ave FL 2  Superior, WI 54880	Electronic Service	No	GEN_SL_Otter Tail Power Company_GEN_SL_Otter Tail Power Company_GENERAL SERVICE LIST
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W  Farmington, MN 55024	Electronic Service	No	GEN_SL_Otter Tail Power Company_GEN_SL_Otter Tail Power Company_GENERAL SERVICE LIST
James D.	Larson	james.larson@avantenergy.com	Avant Energy Services	220 S 6th St Ste 1300  Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Otter Tail Power Company_GEN_SL_Otter Tail Power Company_GENERAL SERVICE LIST

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Kavita	Maini	kmaini@wi.rr.com	KM Energy Consulting LLC	961 N Lost Woods Rd  Oconomowoc, WI 53066	Electronic Service	No	GEN_SL_Otter Tail Power Company_GEN_SL_Otter Tail Power Company_GENERAL SERVICE LIST
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Larry L.	Schedin	Larry@LLSResources.com	LLS Resources, LLC	332 Minnesota St, Ste W1390  St. Paul, MN 55101	Electronic Service	No	GEN_SL_Otter Tail Power Company_GEN_SL_Otter Tail Power Company_GENERAL SERVICE LIST
Cary	Stephenson	cStephenson@otpc.com	Otter Tail Power Company	215 South Cascade Street  Fergus Falls, MN 56537	Electronic Service	No	GEN_SL_Otter Tail Power Company_GEN_SL_Otter Tail Power Company_GENERAL SERVICE LIST
Stuart	Tommerdahl	stommerdahl@otpc.com	Otter Tail Power Company	215 S Cascade St PO Box 496 Fergus Falls, MN 56537	Electronic Service	No	GEN_SL_Otter Tail Power Company_GEN_SL_Otter Tail Power Company_GENERAL SERVICE LIST
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	No	GEN_SL_Otter Tail Power Company_GEN_SL_Otter Tail Power Company_GENERAL SERVICE LIST