

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger
Nancy Lange
Dan Lipschultz
Matthew Schuerger
John Tuma

Chair
Commissioner
Commissioner
Commissioner
Commissioner

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215 South Cascade Street
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Fergus Falls, MN 56538-0496

SERVICE DATE: July 5, 2016

DOCKET NO. E-017/M-16-373;
E-017/M-16-374

In the Matter of Otter Tail Power Company's Petition for Approval of the Annual Rate Update to its Environmental Upgrades Cost Recovery Rider Rate, Rate Schedule 13.08

In the Matter of the Petition of Otter Tail Power Company for Approval of a Transmission Cost Recovery Rider Annual Adjustment

The above entitled matter has been considered by the Commission and the following disposition made:

Granted provisional approval of Otter Tail Power's petitions in dockets E-017/M-16-373 and E-017/M-16-374, with the understanding that the final decision will be made subsequent to the comment period, which will be noticed at a later date.

The Commission agrees with and adopts the recommendations of the Department of Commerce, which are attached and hereby incorporated into the Order. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION



Daniel P. Wolf
Executive Secretary

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May 17, 2016

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

RE: Request for Provisional Adoption and Comment Deadline Extension of the Minnesota Department of Commerce, Division of Energy Resources
Docket Nos. E017/M-16-373 and E017/M-16-374

Dear Mr. Wolf:

On April 29, 2016, Otter Tail Power Company (OTP or the Company) filed the following petitions in the above-referenced dockets, respectively:

In the Matter of Otter Tail Power Company's Petition for Approval of the Annual Rate Update to its Environmental Upgrades Cost Recovery Rider Rate, Rate Schedule 13.08.

In the Matter of the Petition of Otter Tail Power Company for Approval of a Transmission Cost Recovery Rider Annual Adjustment

If approved as filed, each petition would result in a rate decrease for OTP's ratepayers.

At its December 3, 2015 agenda meeting, in light of the extensive workload, especially the significant number of contested cases with statutory deadlines, the Minnesota Public Utilities Commission (Commission) suggested that the Minnesota Department of Commerce (Department) consider notifying the Commission and other parties, on a case-by-case basis, when there were proceedings in which the Department would likely require extended time extensions.

The Commission's most recent decisions in the affected riders of the above-referenced dockets were issued March 9, 2016, setting rates reflecting actual and estimated costs incurred through September 30, 2016 (Docket No. E017/M-15-719) and through March 31, 2017 (Docket No. E017/M-15-874). The Company's request for an update at this time, while commendable in light of the fact that the proposal would reduce rates, imposes significant work load burden on the Commission and the Department given that efforts to process the petitions establishing the current rates have only recently concluded. Moreover, the Department's current work load and resource constraints present a significant barrier in our ability to thoroughly review the petitions at this time.

The Company has also filed a general rate case (Docket No. E017/GR-15-1033), requesting an annual rate increase of approximately 9.8 percent.

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Given that Minnesota Statutes, Section 216B.03 specifies that, “Any doubt as to reasonableness should be resolved in favor of the consumer,” and because the petitions request a rate reduction, the Department requests that the Commission grant provisional approval of OTP’s petitions in Docket Nos. E017/M-16-373 and E017/M-16-374, with the understanding that a final decision on these matters will be made subsequent to receipt of interested parties’ comments.

Due to the interplay between these dockets and the Company’s pending rate case, along with deadlines in rate cases of Northern States Power, d/b/a Xcel Energy, Great Plains Natural Gas Company, and Minnesota Energy Resources Corporation, and the contested proceeding regarding service to the Destination Medical Center by Minnesota Energy Resources Corporation, the Department requests that the comment deadline be set sometime after October 31, 2016, which the Department estimates to be a reasonable date, based on the information known at this time.

Thank you for your consideration of this request.

Sincerely,

/s/ SUSAN MEDHAUG
Supervisor
Energy Regulation & Planning

SM/lt