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December 12, 2019

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

**RE: In the Matter of Otter Tail Power Company's Annual Update to its Renewable Resource Cost Recovery Rider Rate, Rate Schedule 13.04.
Docket No. E017/M-19-411
Informational Letter**

Dear Mr. Wolf:

Otter Tail Power Company (Otter Tail) hereby submits this Informational Letter to the Minnesota Public Utilities Commission (Commission) in the above referenced matter. Otter Tail respectfully requests the Commission approve the rates proposed in its September 30, 2019 Reply Comments to be effective January 1, 2020.

Otter Tail's made its initial filing in the instant proceeding on June 21, 2019 for the recovery period November 1, 2019 through October 31, 2020 with proposed rates effective November 1, 2019. This matter is scheduled to be on the Commission Agenda Meeting on December 19, 2019. Otter Tail requests that its proposed rates included in its September 30, 2019 Reply Comments, and recommended for approval by the Minnesota Department of Commerce, Division of Energy Resources¹ (Department), be implemented on January 1, 2020.

In its October 16, 2019 filing, the Department contemplated Otter Tail having the option to recalculate its rate factors, if the new rate factors are approved more than 45 days later than November 1, 2019². Otter Tail includes *Revision 2* Attachments 1, 2, 5, 6 and 7 which provide the rates for the nine month recovery period based on Otter Tail's proposed revenue requirement less actual collections in November 2019 and expected collections in December 2019 and January 2020, in the event the Commission orders decision alternative 4 of the Staff Briefing Papers. The revised recovery period results in a \$10,956,649 revenue requirement which includes billing under the current rate³ for the first

¹ Department's October 16, 2019 Comments in Docket No. E017/M-19-411, pages 5 and 6.

² Department's October 16, 2019 Comments in Docket No. E017/M-19-411, page 6.

³ Otter Tail's currently effective Renewable Rider rate was approved by the Commission's August 29, 2018 Order in Docket No. E-017/M-18-390 and went into effect November 1, 2018.

Mr. Wolf
December 12, 2019
Page 2

three months of the recovery period. For a residential customer using 1,000 kWh per month, the bill impact is an increase of \$4.03.

Otter Tail respectfully requests the Commission approve the rates proposed in its September 30, 2019 Reply Comments to be effective January 1, 2020. Alternatively, Otter Tail requests the Commission approve the rates provided in this Informational Filing to be effective February 1, 2020.

Otter Tail has electronically filed this document with the Commission and is serving a copy on all persons on the official service list for this docket. 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.

Sincerely,

/s/ DARLENE MANDELKE
Darlene Mandelke, Rates Analyst
Regulatory Administration

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Enclosures
By electronic filing
c: Service List

Otter Tail Power Company
Renewable Resource Adjustment Recovery Rider

Summary of Revenue Requirements

Line No.	Revenue Requirements	Feb 2020 - Oct 2020
1	Production Tax Credits	\$3,949,056
2	Merricourt Wind Project	\$6,352,580
3	Carrying Cost	0
4	True Up	\$655,014
5	Total	<u>\$10,956,649</u>

Otter Tail Power Company
MN Renewable Resource Rider

Line#	TRACER SUMMARY Requirements Compared to Billed:	11/1/2018	12/1/2018	YE	1/1/2019	2/1/2019	3/1/2019	4/1/2019	5/1/2019	6/1/2019	7/1/2019	8/1/2019	9/1/2019	10/1/2019	Recovery Period	11/1/2019	12/1/2019	YE	1/1/2020	2/1/2020	3/1/2020	4/1/2020	5/1/2020	6/1/2020	7/1/2020	8/1/2020	9/1/2020	10/1/2020	Feb 2020 - Oct 2020 Recovery Period	
		Actual	Actual		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual		Actual	Actual		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual		Actual
1	Revenue Requirements	438,784	438,869	3,067,299	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	5,265,493	438,784	438,869	5,265,493	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	3,949,056
2	PTCs	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	6,352,580
3	Meritcourt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	199,926	199,926	279,652	705,842	705,842	705,842	705,842	705,842	705,842	705,842	705,842	705,842	705,842	705,842	19,301,836
4	Total Revenue Requirements	438,784	438,869	3,067,299	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	5,265,493	638,706	638,795	5,545,145	1,144,626	1,144,626	1,144,626	1,144,626	1,144,626	1,144,626	1,144,626	1,144,626	1,144,626	1,144,626	1,144,626	19,301,836
5	Billed (forecast kWh x adj factor)	480,932	496,920	2,206,174	602,911	613,777	518,315	472,200	448,516	438,830	463,302	474,440	459,887	445,221	5,915,250	474,774	513,719	5,925,892	561,196	1,370,030	1,320,364	1,231,042	1,147,326	1,136,427	1,196,848	1,222,266	1,184,610	1,147,736	10,956,649	
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
7	Monthly Revenue Difference	(42,148)	(58,051)	861,125	(164,127)	(174,993)	(79,531)	(33,416)	(9,732)	(46)	(24,518)	(35,656)	(21,103)	(6,437)	(649,758)	103,936	65,075	(380,547)	583,430	(225,404)	(175,738)	(86,416)	(2,699)	8,199	(52,222)	(77,640)	(39,584)	(3,110)	(655,014)	
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
9	Cumulative Difference	510,182	452,131		288,006	113,011	33,480	64	(9,669)	(9,714)	(34,231)	(69,889)	(90,991)	(97,428)	(649,758)	6,509	71,584		655,014	429,610	253,872	167,456	164,756	172,955	120,733	43,094	3,110	0	(655,014)	
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
11	Cumulative 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
12	Carrying cost	7.5056%	7.5056%		7.5056%	7.5056%	7.5056%	7.5056%	7.5056%	7.5056%	7.5056%	7.5056%	7.5056%	7.5056%	7.5056%	7.5056%	7.5056%		7.5056%	7.5056%	7.5056%	7.5056%	7.5056%	7.5056%	7.5056%	7.5056%	7.5056%	7.5056%	7.5056%	7.5056%
13	Forecast Sales (kWh)		238,461,000		252,005,381	242,650,556	233,472,300	217,588,981	202,459,254	200,486,170	211,666,355	216,755,282	210,106,374	203,405,895	2,429,057,546	216,907,528	234,700,421	2,642,204,495	256,391,127	246,628,751	237,887,962	221,608,580	206,538,132	204,576,261	215,452,676	220,028,664	213,249,984	206,611,976	1,972,383,264	

MN PUC Approved 09/23/2016

Rate Calculation - November 2018 - October 2019	
Revenue Requirements	\$5,265,493
Carrying Charge	0
Reg Balance True Up	620,326
Total Revenue Requirements	\$5,885,819
Projected sales in kWh	2,689,025,665
Average Rate	\$0.00219

Rate Calculation - February 2020 - October 2020

Revenue Requirements	\$10,301,638
Carrying Charge	0
January 2020 True Up	655,014
Total Revenue Requirements	\$10,956,649
Projected sales in kWh (Feb 2020 - Oct 2020)	1,972,383,264
Average Rate	\$0.00556

Otter Tail Power Company
Renewable Resource Adjustment Recovery Rider
Class Allocation and Current Rate Design

Line No.	Total Minnesota Revenue Requirements \$10,956,649 February 1, 2020 - October 31, 2020						
1	Total Minnesota Revenue Requirements						
2		Weighting	LGS		All others		Total
3	MN E2*	80.4%	56.856%	\$5,008,511	43.1442%	\$3,800,636	\$8,809,146
4	MN D1*	19.6%	52.669%	\$1,131,067	47.3311%	\$1,016,436	\$2,147,503
5	Minnesota			\$6,139,578		\$4,817,072	\$10,956,649
6			LGS		All others		
7		Rate	billing units**	Revenue	Rate	billing units**	Revenue
8	kWh billing	\$0.00408	1,227,862,179	\$5,008,511	\$0.00647	744,521,105	\$4,817,072
9	kW billing	\$0.540	2,093,061	\$1,131,067	n/a	n/a	n/a
10	Minnesota			\$6,139,578			\$4,817,072
11						Total Minnesota revenue	\$10,956,649
* Class factors are consistent with E017-GR-15-1033 General Rate Case							
** Nov 2019 - Oct 2020 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)
		% of Revenue*		
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%
*Column H, Rows 1-10, from Schedule 2, Page 1 of 1 in Docket No. E017/GR-15-1033				
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	\$5,475,625	1,227,862,179	\$0.00446
16	All Other	\$5,481,024	744,521,105	\$0.00736
		\$10,956,649		

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 February 1, 2020, for all classes of customers.

Class	Prior Rate	February 1, 2020 Rate
Large General Service	\$0.21738 per kW	\$0.54000 per kW
Large General Service	\$0.00164 per kWh	\$0.00408 per kWh
All Other Service	\$0.00244 per kWh	\$0.00647 per kWh

For more information contact Customer Service at 800-257-4044 or place an inquiry from our website at www.otpco.com.

Revision 2 Attachment 7

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



Fergus Falls, Minnesota

RENEWABLE RESOURCE COST RECOVERY RIDER

DESCRIPTION	RATE CODE
Large General Service – Demand Charge	MRRAD
Large General Service – Energy Charge	MRRAE
All Other Service	MRRA

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 line item on the Customer’s bill.

RATE:

RENEWABLE RESOURCE COST RECOVERY		
Energy Charge per kWh:	kWh	kW
Large General Service (a)	0. 40816 4 ¢/kWh	\$0. 540217
All Other Service	0. 64724 4 ¢/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.



Fergus Falls, Minnesota

RENEWABLE RESOURCE COST RECOVERY RIDER

DESCRIPTION	RATE CODE
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RATE:

RENEWABLE RESOURCE COST RECOVERY		
Energy Charge per kWh:	kWh	kW
Large General Service (a)	0.408 ¢/kWh	\$0.540
All Other Service	0.647 ¢/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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CERTIFICATE OF SERVICE

**RE: In the Matter of Otter Tail Power Company's Annual Update to its Renewable Resource Cost Recovery Rider Rate, Rate Schedule 13.04
Docket No. E017/M-19-411**

I, Rebecca Hasse, 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
Informational Filing**

Dated this **12th** day of **December, 2019**.

/s/ Rebecca Hasse

Rebecca Hasse, Regulatory Filing Coordinator
Otter Tail Power Company
215 South Cascade Street
Fergus Falls MN 56537
(218) 739-8817

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	OFF_SL_19-411_M-19-411
Ray	Choquette	rchoquette@agp.com	Ag Processing Inc.	12700 West Dodge Road PO Box 2047 Omaha, NE 68103-2047	Electronic Service	No	OFF_SL_19-411_M-19-411
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	Yes	OFF_SL_19-411_M-19-411
James C.	Erickson	jericksonkbc@gmail.com	Kelly Bay Consulting	17 Quechee St Superior, WI 54880-4421	Electronic Service	No	OFF_SL_19-411_M-19-411
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_19-411_M-19-411
Bruce	Gerhardson	bgerhardson@otpc.com	Otter Tail Power Company	PO Box 496 215 S Cascade St Fergus Falls, MN 565380496	Electronic Service	No	OFF_SL_19-411_M-19-411
Bryce	Haugen	bhaugen@otpc.com	Otter Tail Power Company	215 S Cascade St P.O. Box 496 Fergus Falls, MN 56538	Electronic Service	No	OFF_SL_19-411_M-19-411
Shane	Henriksen	shane.henriksen@enbridge.com	Enbridge Energy Company, Inc.	1409 Hammond Ave FL 2 Superior, WI 54880	Electronic Service	No	OFF_SL_19-411_M-19-411
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	OFF_SL_19-411_M-19-411
James D.	Larson	james.larson@avantenergy.com	Avant Energy Services	220 S 6th St Ste 1300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-411_M-19-411

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	OFF_SL_19-411_M-19-411
Darlene C	Mandelke	dmandelke@otpc.com	Otter Tail Power Company	15 S Cascade St PO Box 496 Fergus Falls, MN 56538-0496	Electronic Service	No	OFF_SL_19-411_M-19-411
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-411_M-19-411
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_19-411_M-19-411
Larry L.	Schedin	Larry@LLSResources.com	LLS Resources, LLC	332 Minnesota St, Ste W1390 St. Paul, MN 55101	Electronic Service	No	OFF_SL_19-411_M-19-411
Cary	Stephenson	cStephenson@otpc.com	Otter Tail Power Company	215 South Cascade Street Fergus Falls, MN 56537	Electronic Service	No	OFF_SL_19-411_M-19-411
Randy	Synstelien	rsynstelien@otpc.com	Otter Tail Power Company	215 S Cascade St Fergus Falls, MN 56537	Electronic Service	No	OFF_SL_19-411_M-19-411
Stuart	Tommerdahl	stommerdahl@otpc.com	Otter Tail Power Company	215 S Cascade St PO Box 496 Fergus Falls, MN 56537	Electronic Service	No	OFF_SL_19-411_M-19-411
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_19-411_M-19-411