

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF OTTER TAIL POWER)	ORDER APPROVING
COMPANY'S PETITION FOR APPROVAL OF)	PHASE-IN
PHASE-IN RIDER RATE)	RIDER FACTOR
)	
)	EL19-025

On May 31, 2019, the South Dakota Public Utilities Commission (Commission) received a petition from Otter Tail Power Company (Otter Tail) pursuant to SDCL 49-34A-73 for authority to implement a phase-in rate increase for its South Dakota customers to recover actual and forecasted costs for its Astoria Station and Merricourt Wind projects and forecasted net benefits associated with additional load in the Lake Norden, South Dakota, area. Astoria Station is a natural gas-fired power plant that will be constructed near Astoria, South Dakota, that will provide 245 MW of generation to Otter Tail. The Merricourt Wind project consists of 75 wind turbines approximately 15 miles south of Edgeley, North Dakota, in McIntosh and Dickey counties, that will provide 150 MW of generation to Otter Tail. Otter Tail states a typical residential electric customer using an average of 1,000 kWh per month would see an increase of \$2.40 per month resulting from this filing. Otter Tail proposes a "percent of bill" Phase-In Rider Factor of 3.942 percent of base rates, effective September 1, 2019.

On June 6, 2019, the Commission electronically transmitted notice of the filing and the intervention deadline of June 21, 2019, to interested entities and persons on the Commission's PUC Weekly Filings electronic listserv. No petitions to intervene or comments were filed. On August 2, 2019, Otter Tail submitted a Supplemental Filing reflecting changes identified by Otter Tail and Commission staff, resulting in a revised proposed charge of 3.345 percent of base rates. The tariff sheets effective for service rendered on and after September 1, 2019, are as follows:

South Dakota P.U.C. Volume II – Electric Rate Schedule

Section 13.09

Original Sheet No.1

Original Sheet No. 2

The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-34A, specifically 49-34A-4, 49-34A-6, 49-34A-8, 49-34A-10, and 49-34A-12, 49-34A-73 through 49-34A-78.

At its regularly scheduled meeting on August 21, 2019, the Commission considered this matter. Commission staff recommended the Commission approve Otter Tail's request, as submitted in its Supplemental Filing, for approval of an initial revenue requirement of \$863,665 for the September 1, 2019 through August 31, 2020 plan year and a 3.345 percent phase-in rider factor effective September 1, 2019. Commission staff also recommended the Commission approve Otter Tail's request that its annual update be filed by June 1 each year for rates to be implemented by September 1. Finding the request to be just and reasonable, the Commission voted unanimously to approve Otter Tail's request for a phase-in rider as recommended by Commission staff. It is therefore

ORDERED, that the initial revenue requirement as provided in Otter Tail's Supplemental Filing and resulting phase-in rider factor of 3.345 percent of base rates is hereby approved. It is further

ORDERED, that the above-referenced tariff sheets are hereby approved effective September 1, 2019. It is further

ORDERED, that Otter Tail shall file its annual update for the Phase-In Rider by June 1 each year for proposed rates to be effective by September 1.

Dated at Pierre, South Dakota, this 26th day of August 2019.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically or by mail.

By: Adam De Hueck

Date: 8/26/19

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Gary Hanson
GARY HANSON, Chairman

Chris Nelson
CHRIS NELSON, Commissioner

Kristie Fiegen
KRISTIE FIEGEN, Commissioner



Fergus Falls, Minnesota

South Dakota P.U.C. Volume II
Section 13.09
ELECTRIC RATE SCHEDULE
Phase-In Rider

Original Sheet No. 1

PHASE-IN RIDER

DESCRIPTION	RATE CODE
Phase-In Rider	SPIR

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

APPLICATION OF RIDER: This rider is applicable to any electric service under all of the Company's retail rate schedules.

COST RECOVERY FACTOR: There shall be included on each South Dakota Customer's monthly bill a Phase-In Rider ("PIR") charge based on the applicable cost recovery factor multiplied by the Customer's monthly bill. The Customer's monthly bill shall be based on all applicable charges and credits under the Company's retail rate schedules in Sections 9, 10, 11, 12 and 14, except for Section 14.09 (TailWinds). The Phase-In Rider will not apply to any Mandatory Riders or sales tax and any local assessments as provided in the General Rules and Regulations for the Company's electric service. The Phase-In Rider charge will be displayed as it's own line item on the Customer's bill.

RATE:

The Phase-In Rider Factor is 3.345 percent.

DETERMINATION OF PIR ADJUSTMENT FACTOR: A Phase-In Rider shall be determined by dividing the forecasted balance of the PIR Tracker account by the forecasted retail revenue for the upcoming year (or such other period as may be approved by the South Dakota Public Utilities Commission ("Commission")). The Phase-In Rider shall be rounded to the nearest 0.001%. The Phase-In Rider may be adjusted annually (or other approved periods) with approval of the Commission.

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION
Filed on: August 2, 2019
Approved by order dated: August 26, 2019
Docket No. EL19-025

Bruce G. Gerhardson
Vice President, Regulatory
Affairs

EFFECTIVE with bills rendered
on and after
September 1, 2019,
in South Dakota



South Dakota P.U.C. Volume II
Section 13.09
ELECTRIC RATE SCHEDULE
Phase-In Rider

Fergus Falls, Minnesota

Original Sheet No. 2

(Continued)

A standard model will be used to calculate the total forecasted revenue requirements for eligible components for the designated period. All components appropriately included in the PIR Tracker account shall be eligible for recovery through this Rider, and all revenues recovered from the PIR Adjustment shall be credited to the PIR Tracker account.

Forecasted retail revenue shall be the estimated total retail electric revenue as described above for the designated recovery period.

MANDATORY AND VOLUNTARY RIDERS: The amount of a bill for service will be modified by any Mandatory Rate Riders that must apply or Voluntary Rate Riders selected by the Customer, unless otherwise noted in this rider. See sections 12.00, 13.00 and 14.00 of the South Dakota electric rates for the matrices of riders.

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