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October 23, 2014

Darrell Nitschke
Executive Secretary/Director of Administration
North Dakota Public Service Commission
State Capitol - 600 East Boulevard
Bismarck, ND 58505-0480

**RE: In the Matter of the Application of Otter Tail Power Company for
Authority to use Deferred Accounting
Case No. PU-09-739
And
In the Matter of the Application of Otter Tail Power Company for a Determination of
Prudence to Discontinue Participation in the Big Stone II Generating Plant
Case No. PU-10-30
Compliance Filing**

Dear Mr. Nitschke:

Effective April 1, 2014, Otter Tail Power Company's ("Otter Tail") Big Stone II Cost Recovery Rider tariff was cancelled in compliance with the North Dakota Public Service Commission's ("Commission") July 30, 2013 Order in Case No. PU-09-739 and Case No. PU-10-30. The July 30, 2013 Order also required that:

"any remaining balance will be credited or deducted from either the Environmental or Transmission Cost Recovery Rider for inclusion in the next update of the rates of one of these schedules, whichever is updated first."

At the completion of the Big Stone II Rider, a credit balance existed.

On August 29, 2014, Otter Tail filed the annual update to its Transmission Cost Recovery Rider ("TCR") (Case No. PU-14-690). The purpose of this Compliance Filing is to notify the Commission that the remaining balance of Otter Tail's Big Stone II Cost Recovery Rider (subject to a minor correction as noted later in this filing) has been credited to the TCR rider as stipulated in the July 30, 2013 Order. Customers benefit from the credit being applied to the TCR as it reduces the overall revenue requirement in the Rider.

- 88 PU-10-30 Filed 10/23/2014 Pages: 5
Compliance filing – notification that remaining balance of cost recover rider has been credited to the TCR rider
Otter Tail Power Company
Stuart Tommerdahl, Mgr. Reg. Admin.
- 80 PU-09-739 Filed 10/23/2014 Pages: 5
Compliance filing – notification that remaining balance of cost recover rider has been credited to the TCR rider

Attachment 1 page 2 of 2 to this Compliance Filing is the Big Stone II Cost Recovery Rider tracker showing the final closing balance of (\$147,360). Note that as of March 31, 2014, the credit balance was (\$147,445). Between April 1, 2014 and July 31, 2014, retail customer billing adjustments and corrections reduced the credit by \$85 to (\$147,360). The final ending credit balance was based on actual costs approved for recovery in the rider and actual collections received.

While preparing this filing, it was discovered that the remaining credit balance included in the TCR rider was slightly understated by \$3,252 due to an incorrect accounting adjustment that was included in the schedule referenced when the TCR filing was compiled. The following table helps illustrate the value that will need to be updated.

	March 2014	June 2014 Adjustment	Total Credit
Amounts included in Attachment 4, page 1 of 2, line 35 of the TCR Rider (Attachment 2 of this filing)	(\$144,193)	\$85	(\$144,108)
Correct amounts that should have been included in TCR Rider	(\$147,445)	\$85	(\$147,360)
Difference (Additional Credit)	(\$3,252)		(\$3,252)

The correct credit amount for March 2014 should have been (\$147,445) as reflected above and shown in Attachment 1 of this filing.

Since the correction would not have a material impact in the TCR at this time, Otter Tail will update the March 2014 amount to reflect the correct amount of the credit (\$147,445) as a true-up item in its next annual TCR update to be filed by September 1, 2015. In the event Otter Tail makes a supplemental filing within the current TCR Rider Docket (PU-14-690), the correction will be made within that filing.

As this filing is being made to notify the Commission within this Docket of Otter Tail's compliance with the Commission's July 30, 2013 Order, Otter Tail believes no further action is required.

An electronic copy of this filing is being sent to you at dnitschk@nd.gov and to the North Dakota Public Service Commission at ndpsc@nd.gov. The original and seven copies will be sent to you by U.S. mail.

If you have any questions, do not hesitate to contact me at (218) 739-8279 or stommerdahl@otpc.com.

Very truly yours,

/S/ STUART TOMMERDAHL
Stuart Tommerdahl
Manager, Regulatory Administration

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Enclosures
By electronic filing and U.S. mail

Line No.	TRACKER SUMMARY Requirements Compared to Billed:	2012					2013							Aug 2012 - Jul 2013	August Actual
		August Actual	September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	July Actual		
1	Monthly Costs Subject of Settlement Agreement														
2	ND Share 40.32%	112,897	112,897	112,897	112,897	112,897	112,897	112,897	112,897	112,897	112,897	112,897	112,897	1,354,764	119,963
3	Less: Over(Under) Recovery	(4,626)	(4,626)	(4,626)	(4,626)	(4,626)	(4,626)	(4,626)	(4,626)	(4,626)	(4,626)	(4,626)	(4,626)	(55,516)	(1,121)
4		117,523	117,523	117,523	117,523	117,523	117,523	117,523	117,523	117,523	117,523	117,523	117,523	1,410,281	121,085
5															
6	Billed (forecast kWh x adjustment factor)	110,030	103,238	100,417	127,456	137,103	163,881	165,295	139,911	139,607	116,812	94,584	100,223	1,498,557	100,586
7															
8	Difference	7,493	14,286	17,107	(9,933)	(19,579)	(46,357)	(47,772)	(22,388)	(22,084)	711	22,940	17,300		20,499
9	Carrying Charge												95,003		
10	Cumulative Difference	7,493	21,779	38,886	28,953	9,374	(36,984)	(84,755)	(107,143)	(129,227)	(128,515)	(105,576)	6,727		20,499
11															
12	Carrying Charge Calculation														
13	Cumulative Carrying Charge														
14	Carrying cost														
15															
16															
17															
18	Forecasted Sales (MWh)														

	Aug 2010 - Jul 2011
SUMMARY	
ND Share	\$1,354,764
Carrying Charge (Aug 2009-Jul 2010)	95,003
Amount to be recovered	\$1,449,767
Aug 2010-Jul 2011 projected sales in mWh	1,784,146
Average Rate	\$0.00081

Line No.	TRACKER SUMMARY Requirements Compared to Billed:	2013				2014							Aug 2012 - Jul 2013
		September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	July Actual	
1	Monthly Costs Subject of Settlement Agreement												
2	ND Share 40.32%	119,963	119,963	119,963	119,963	119,963	119,963	119,963					959,707
3	Less: Over(Under) Recovery	(1,121)	(1,121)	(1,121)	(1,121)	(1,121)							(6,727)
4		121,085	121,085	121,085	121,085	121,085	119,963	119,963					966,434
5													
6	Billed (forecast kWh x adjustment factor)	106,432	98,862	130,558	157,816	187,572	175,175	156,877	0	0	(85)	0	1,113,794
7													
8	Difference	14,652	22,222	(9,473)	(36,731)	(66,487)	(55,212)	(36,914)	0	0	85	0	(147,360)
9	Carrying Charge												
10	Cumulative Difference	35,151	57,373	47,900	11,168	(55,319)	(110,531)	(147,445)	(147,445)	(147,445)	(147,360)	(147,360)	
11													
12	Carrying Charge Calculation												
13	Cumulative Carrying Charge												
14	Carrying cost												
15													
16													
17													
18	Forecasted Sales (MWh)												

Data used to calculate Original Rate		Projected
	Aug 2010 - Jul 2011	Aug 2013 - Jul 2014
SUMMARY		
ND Share	\$1,354,764	959,707
True-up	95,003	
Prior Period True-up (under recovery)		6,727
Amount to be recovered (Line 4 Above)	\$1,449,767	966,434
Under/(Over) Recovery Amount (Line 8 above)		(147,360)
Total Amount Recovered	1,449,767	1,113,794
Aug 2010-Jul 2011 projected sales in mWh	1,784,146	
Average Rate (Adjustment Factor) (1)	\$0.00081	

(1) Rate currently in effect and approved to use in the last 3 years.

Otter Tail Power Company
North Dakota Transmission Cost Recovery Rider
Case No. PU-14-

Line No.	TRACKER SUMMARY Requirements Compared to Billed:	2014												YE Projected
		January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	July Actual	August Projected	September Projected	October Projected	November Projected	December Projected	
Revenue Requirements														
1	CAPX 2020: Fargo	233,489	234,171	234,171	234,171	234,171	234,199	245,173	245,456	245,718	245,799	245,938	245,971	2,878,426
2	CAPX 2020: Bemidji	74,602	65,786	65,786	65,786	65,786	65,786	65,910	65,910	65,910	65,910	65,910	65,910	798,993
3	Cass Lake-Nary-Helga-Bemidji	10,869	10,869	10,869	10,799	10,799	10,799	10,799	10,799	10,799	10,799	10,799	10,799	129,794
4	Rugby Wind Interconnection	224	224	224	224	224	224	224	224	224	224	224	224	2,689
5	Cassellton – Buffalo 115 kV Project	15,090	15,090	15,090	15,090	15,090	15,090	15,090	15,090	15,042	15,042	15,042	15,042	180,886
6	CAPX 2020: Brookings - Hampton	19,350	19,350	19,350	20,511	21,144	21,229	21,212	21,234	21,240	21,246	21,246	21,245	248,355
7	MVP: Big Stone Area Transmission	358	358	358	358	358	358	358	358	358	358	358	358	4,292
8	MVP: Ellendale to Big Stone South	336	336	336	336	336	336	336	336	336	336	336	336	4,028
9	Ramsey 230/115 kW Transformer Upgrade	1,862	1,862	1,862	1,862	1,862	1,862	1,862	1,862	1,862	1,862	1,862	1,862	22,345
10	Karlstad, MN Capacitor Bank Project	3,750	3,750	3,750	3,742	3,742	3,742	3,742	3,742	3,742	3,742	3,742	3,742	44,931
11	Oakes Area Transmission Improvements	8,816	8,816	8,816	8,816	8,816	8,816	8,816	8,816	8,816	8,816	8,816	8,816	105,794
12	Hankinson Transformer Addition	2,603	2,603	2,603	2,603	2,603	2,603	2,603	2,603	2,603	2,603	2,603	2,603	31,230
13	NERC Compliance	17,972	17,972	17,972	17,972	17,972	17,972	17,972	18,168	18,168	19,805	19,805	19,352	221,098
14	Summit Transformer	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Spiritwood Station Interconnection	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Total Revenue Requirements	389,318	381,185	381,185	382,268	382,901	383,015	394,096	394,597	394,816	396,541	396,681	396,258	4,672,861
MISO Expenses														
19	MISO Schedule 26 Expense	392,978	492,858	450,007	461,260	385,361	334,543	333,743	417,548	416,998	416,998	416,998	416,998	4,936,290
20	MISO Schedule 26A Expense	33,878	79,998	69,463	73,335	60,241	57,363	55,114	47,045	44,875	47,762	54,942	62,438	686,453
21	Total MISO Expenses	426,856	572,856	519,471	534,594	445,602	391,905	388,857	464,593	461,873	464,760	471,940	479,437	5,622,743
MISO Revenues														
24	MISO Schedule 26 Revenue	(324,932)	(356,258)	(309,389)	(329,715)	(284,933)	(333,578)	(360,613)	(342,469)	(342,469)	(342,469)	(342,469)	(342,469)	(4,011,762)
25	MISO Schedule 37 Revenue	(3,688)	(4,135)	(4,135)	(4,135)	(4,135)	(4,135)	(4,121)	98,467	0	0	0	0	69,984
26	MISO Schedule 38 Revenue	(5,754)	(5,531)	(5,531)	(5,531)	(5,531)	(5,531)	(6,062)	0	0	0	0	0	(39,474)
27	MISO Schedule 26A Revenue	(14,733)	(25,311)	(22,728)	(24,001)	(21,594)	(22,428)	(23,669)	(29,893)	(29,892)	(29,891)	(29,888)	(29,890)	(303,918)
28	MISO MVP ARR Revenue					(245)	(257)	(257)	(257)	(257)	(257)	(257)	(257)	(1,785)
29	Total MISO Revenues	(349,107)	(391,235)	(341,784)	(363,382)	(316,194)	(365,917)	(394,722)	(274,151)	(372,618)	(372,616)	(372,614)	(372,615)	(4,286,954)
31	Net Revenue Requirement	467,067	562,805	558,872	553,481	512,309	409,004	388,231	585,038	484,072	488,685	496,007	503,080	6,008,650
32	Billed (forecast kWh x adj factor)	511,458	475,117	432,887	395,591	336,169	318,288	320,058	317,187	317,872	305,478	364,817	416,976	4,511,899
35	Big Stone II True-Up				(144,193)		85							
37	Difference	(44,392)	87,688	125,984	13,697	176,140	90,800	68,173	267,851	166,200	183,207	131,190	86,104	1,496,751
38	Carrying Charge	(1,367)	(1,696)	(1,079)	(182)	(85)	1,179	1,840	2,342	4,282	5,506	6,861	7,853	25,456
39	Cumulative Difference	(236,211)	(150,219)	(25,313)	(11,798)	164,257	256,237	326,249	596,442	766,925	955,639	1,093,690	1,187,646	1,187,646
41	Carrying Charge Calculation	(1,696)	(1,079)	(182)	(85)	1,179	1,840	2,342	4,282	5,506	6,861	7,853	8,527	
42	Cumulative Carrying Charge	66,090	65,012	64,830	64,745	65,925	67,764	70,107	74,389	79,896	86,757	94,610	103,137	
43	Carrying cost	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	
46	Forecasted Sales (MWh)								135,539	135,832	130,536	155,893	178,181	735,981

Approved December 30, 2013 (PU-13-755);
Rate Effective January 1, 2014

SUMMARY	Jan 2014 - Dec 2014
Revenue requirements	\$4,753,703
Carrying Charge	(31,192)
2013 True-Up Amount	(431,105)
Total requirements	\$4,291,406