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July 9, 2010



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

**Re: Otter Tail Power Company Renewable Resource Cost Recovery Adjustment Factor  
Case No. PU-10-18**

Dear Mr. Nitschke:

Please find enclosed for filing Otter Tail Power Company's ("Otter Tail's") updated financial information for the Company's Renewable Resource Cost Recovery Rider ("Renewable Rider" or "Rider") 2010 Rider Rate Adjustment ("RRA"). This information is being filed at the request of Commission Advocacy Staff as discussed at the June 30, 2010 informal hearing in this matter. The updated information provides the full detail on recalculating the RRA in conformity with the consensus of the parties as was described at the hearing.

Otter Tail requests that this letter and all attachments be made part of the official record in this matter. Otter Tail has confirmed with the North Dakota Large Industrial Group Interveners that they have no objection to inclusion of this information in the official record.

Otter Tail is providing an original and seven copies of the Public version of this document from which trade secret information has been redacted. The Trade Secret version has been included in a sealed envelope marked "**TRADE SECRET – PRIVATE**" and accompanies the Application for Trade Secret Protection, which is also filed herewith.

Attachments 1, 2, and 3 show the detailed revenue requirements calculation for each wind project (Langdon, Ashtabula, and Luverne), revised to apply the North Dakota Investment Tax Credit ("ITC") to the entire investment in the Luverne Project without reduction for the federal grant. These Attachments use the same formatting as the Attachments 1-3 of the Original Application. The information for the Langdon and Ashtabula projects has not changed from the original filing; however we have now included information through the year 2012 for all three projects, consistent with the parties' proposal to use a 19-month recovery period (costs of April 2010-March 2012 recovered over 19-month period September 2010-March 2012). Attachments 1, 2 and 3 contain TRADE SECRET information as described above.

Attachment 4 shows the monthly detail of the Tracker Account through the end of 2012. The format is the same as Attachment 4 of the Original Application. This updated Attachment 4 shows the detailed monthly components of the total revenue requirements and develops an average rate per kWh for the cost recovery period of September 1, 2010, through March 31, 2012. Note that this average rate per kWh is not actually used for customer billing because specific rate design has been developed consistent with the consensus of the parties (see Attachment 6).

Attachment 5 is a summary of the components of revenue requirements that compares the original filing (Column (A)), the changes that result from the correction of the application of the North Dakota ITC for Luverne (Columns (B) and (C)), and the changes that result from extending the recovery period to 19 months (Columns (D) and (E)).

Attachment 6 shows development of the rates for the Large General Service class, showing separate energy (kWh) and demand (kW) rates, and an energy rate for all other classes of customers.

Attachment 7 is a table showing that when the rates developed in Attachment 6 are applied to the projected North Dakota sales from September 2010, through March 2012, the amount of revenue collected is within a few thousand dollars of the amount to be recovered. Pursuant to the Rider, any amounts collected over or under the actual revenue requirements for the period are reflected in the next recovery period.

Please refer all inquiries regarding this filing to Bruce Gerhardson at (218) 998-7108 or at [bgerhardson@otpc.com](mailto:bgerhardson@otpc.com).

Very truly yours,

*/s/ Bruce Gerhardson*  
Bruce Gerhardson  
Associate General Counsel  
Otter Tail Power Company  
215 South Cascade Street  
P.O. Box 496  
Fergus Falls, MN 56538-0496

BGG/dm

STATE OF NORTH DAKOTA  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of Otter Tail Power	)	
Company's Request for Approval of its	)	
2010 Renewable Resource Cost Recovery	)	Case No. PU-10-18
Adjustment Factor and Request for	)	
Determination of Prudence for Luverne	)	
Wind Project under N.D.C.C. §49-05-16	)	

\* \* \* \*

APPLICATION FOR TRADE SECRET PROTECTION

COMES NOW, Otter Tail Power Company ("Otter Tail") and respectfully moves the Commission for entry of a trade secret protective order under § 69-02-09-01 of the North Dakota Administrative Code. The purpose of the requested protective order is to protect against public disclosure of trade secret information as defined by NDCC § 47-25.1-01(4).

**1. A general description of the nature of the information sought to be protected.**

Cost information contained in the calculation of Revenue Requirements on Otter Tail's share of the Langdon Wind Energy Center, the Ashtabula Wind Energy Center, and the Luverne Wind Energy Center, contained in Attachments 1 through 3 of Otter Tail's July 9, 2010 letter filing in the above-captioned matter. The information is the same as that supplied with the original Application in this matter and for which trade secret protection was granted by the Commission's February 10, 2010 Order Granting Trade Secret Protection in this case.

**2. Explanation of why the information derives independent economic value, actual or potential, from not being generally known to other persons.**

The information could have economic value to potential vendors, contractors, and suppliers who may desire to supply components of similar projects in which Otter Tail may be involved in the future. They could use such information against Otter Tail's interests in the course of submitting proposals.

**3. An explanation of why the information is not readily ascertainable by proper means by other persons.**

The confidentiality of the information has been maintained by Otter Tail. The information is not disclosed to the public or to persons other than employees or authorized agents of Otter Tail who need to know the information to fulfill their responsibilities in connection with the project or to third persons pursuant to agreement to maintain the confidentiality of the information.

**4. A general description of the persons or entities that would obtain economic value from disclosure or use of the information.**

Potential equipment and material vendors contractors, and other suppliers for similar projects would obtain economic value from disclosure of the costs.

**5. A specific description of known competitors and competitors' goods and services that is pertinent to the tariff or rate filing.**

See response to No. 4.

**6. A description of the efforts used to maintain the secrecy of the information.**

See response to No. 3.

In accordance with § 69-02-09-02 of the North Dakota Administrative Code, one copy of the trade secret material is provided in the enclosed envelope, which is labeled: **TRADE SECRET – PRIVATE.**

Respectfully submitted this 9<sup>th</sup> day of July, 2010.

OTTER TAIL POWER COMPANY

By: /s/ BRUCE GERHARDSON  
Bruce Gerhardson  
Associate General Counsel

Otter Tail Power Company  
North Dakota Renewable Resource Rider  
Langdon Wind Farm

Line		2007						2008						2008 YE Balance	
		Actual Dec-07	Actual Jan-08	Actual Feb-08	Actual Mar-08	Actual Apr-08	Actual May-08	Actual Jun-08	Actual Jul-08	Actual Aug-08	Actual Sep-08	Actual Oct-08	Actual Nov-08		Actual Dec-08
1	<b>RATE BASE</b>														
2	Plant Balance - Langdon														
3	Less: Federal Grant														
4	Accumulated Depreciation														
5	Net Plant in Service														
6	Inventory														
7	Accum. Deferred Inc. Taxes - Fed & State														
8	Accum. Deferred Inc. Taxes - Basis Difference														
9	Accum. Deferred Inc. Taxes - Federal PTC														
10	Accum. Deferred Inc. Taxes - ND ITC														
11	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC														
12	Accum. Deferred Inc. Taxes - ND ITC														
13	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC														
14	End of month rate base														
15															
16	Average rate base														
17															
18	Return on Rate Base	8.88%													
19															
20	Available for return (equity portion of rate base)	6.00%													
21															
22	<b>EXPENSES</b>														
23	O&M and Depreciation														
24	Operating Costs														
25	Ground Lease Payments														
26	Property Tax														
27	Book Depreciation														
28	Total O&M and Depreciation Expense														
29															
30	Income before Taxes														
31	Available for return (from above)														
32	Less book tax credits - Federal PTC														
33	Less book tax credits - ND ITC														
34	ND ITC - Federal impact														
35	Adjusted Income before interest and taxes														
36	Taxable Income (grossed up)														
37															
38	Income Taxes														
39	Current and Def Income Taxes														
40	Tax Adjustment for Additional Tax Basis														
41	Federal PTC														
42	ND ITC														
43	ND ITC - Federal impact														
44	Total Income Tax Expense														
45															
46															
47	<b>REVENUE REQUIRMENTS</b>														
48	Expenses														
49	Return on rate base														
50															
51	Total revenue requirements		724,941.86	763,761.73	848,244.23	504,945.08	644,742.45	564,721.60	748,222.62	651,483.20	627,635.42	456,517.78	576,126.15	462,356.22	7,573,698.34
52															
53	North Dakota share - E2 factor	38.830%	281,494.92	296,568.68	329,373.24	196,070.17	250,353.49	219,281.40	290,534.84	252,970.93	243,710.83	177,265.85	223,709.78	179,532.92	<u>2,940,867.07</u>

Otter Tail Power Company  
North Dakota Renewable Resource Rider  
Langdon Wind Farm

2007

2008

SUPPORTING INFORMATION / DATA						
Line						
1	MN Capstructure with allowed ROE per order.					
2	Capital Structure					
3	Debt	Ratio	Cost	WA Cost		
4	Preferred equity	43.10%	6.30%	2.72%		
5	Common equity	3.60%	4.75%	0.17%		
6	Total	53.30%	11.25%	6.00%		
7		100.00%		8.88%		
8						
9	<b>Federal Production Tax Credit</b>					
10	Federal PTC Rate			\$21.000	\$21.000	\$21.000
11	Output (MWH) / month					
12	Federal PTC Available based on production	0				
13	Federal PTC Used on tax return	0				
14	Deferred	0				
15	Accumulated Deferred					
16						
17	<b>Deferred Tax</b>					
18	Book depr. rate					
19	Book depreciation					
20	Tax depreciation-ND					
21	Tax depreciation-Federal					
22	Book vs. tax depreciation					
23	Federal & State deferred income taxes					
24						
25	Additional Tax Basis (permanent difference)					
26	Tax Impact-ND					
27	Tax Impact-Federal					
28	Total Tax Impact					

Otter Tail Power Company  
North Dakota Renewable Resource Rider  
Langdon Wind Farm

Line	2008							2009							2009 YE Balance
	Balance Dec-08	Actual Jan-09	Actual Feb-09	Actual Mar-09	Actual Apr-09	Actual May-09	Actual Jun-09	Actual Jul-09	Actual Aug-09	Actual Sep-09	Actual Oct-09	Projected Nov-09	Projected Dec-09		
1	<b>RATE BASE</b>														
2	Plant Balance - Langdon														
3	Less: Federal Grant														
4	Accumulated Depreciation														
5	Net Plant in Service														
6	Inventory														
7	Accum. Deferred Inc. Taxes - Fed & State														
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25	Ground Lease Payments														
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43	ND ITC - Federal impact														
44	Total Income Tax Expense														
45															
46															
47	<b>REVENUE REQUIREMENTS</b>														
48	Expenses														
49	Return on rate base														
50															
51	Total revenue requirements	370,434.76	435,820.57	465,242.52	466,461.67	501,911.35	585,791.95	572,095.39	583,159.56	450,378.32	601,945.26	506,553.16	484,549.44	6,024,343.95	
52															
53	North Dakota share - E2 factor	38.830%	143,839.82	169,229.13	180,653.67	181,127.07	194,892.18	227,463.01	222,144.64	226,440.86	174,881.90	233,735.34	196,694.59	188,150.55	<u>2,339,252.76</u>



Otter Tail Power Company  
North Dakota Renewable Resource Rider  
Langdon Wind Farm

Line		2009						2010						2010 YE Balance
		Balance Dec-09	Projected Jan-10	Projected Feb-10	Projected Mar-10	Projected Apr-10	Projected May-10	Projected Jun-10	Projected Jul-10	Projected Aug-10	Projected Sep-10	Projected Oct-10	Projected Nov-10	
1	<b>RATE BASE</b>													
2	Plant Balance - Langdon													
3	Less: Federal Grant													
4	Accumulated Depreciation													
5	Net Plant in Service													
6	Inventory													
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22	<b>EXPENSES</b>													
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24	Operating Costs													
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42	ND ITC													
43	ND ITC - Federal impact													
44	Total Income Tax Expense													
45														
46														
47	<b>REVENUE REQUIREMENTS</b>													
48	Expenses													
49	Return on rate base													
50														
51	Total revenue requirements		408,930.22	408,934.93	470,934.93	408,934.93	408,934.93	408,934.93	408,934.93	408,934.93	470,934.93	408,934.93	408,934.93	5,031,214.40
52														
53	North Dakota share - E2 factor	38.830%	158,787.60	158,789.43	182,864.03	158,789.43	158,789.43	158,789.43	158,789.43	158,789.43	182,864.03	158,789.43	158,789.43	1,953,620.55



Otter Tail Power Company  
North Dakota Renewable Resource Rider  
Langdon Wind Farm

Line	2010							2011							2011 YE Balance
	Balance Dec-10	Projected Jan-11	Projected Feb-11	Projected Mar-11	Projected Apr-11	Projected May-11	Projected Jun-11	Projected Jul-11	Projected Aug-11	Projected Sep-11	Projected Oct-11	Projected Nov-11	Projected Dec-11		
1	<b>RATE BASE</b>														
2	Plant Balance - Langdon														
3	Less: Federal Grant														
4	Accumulated. Depreciation														
5	Net Plant in Service														
6	Inventory														
7	Accum. Deferred Inc. Taxes - Fed & State														
8	Accum. Deferred Inc. Taxes - Basis Difference														
9	Accum. Deferred Inc. Taxes - Federal PTC														
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18	Return on Rate Base														
19															
20	Available for return (equity portion of rate base)														
21															
22	<b>EXPENSES</b>														
23	<i>O&amp;M and Depreciation</i>														
24	Operating Costs														
25	Ground Lease Payments														
26	Property Tax														
27	Book Depreciation														
28	Total O&M and Depreciation Expense														
29															
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41	Federal PTC														
42	ND ITC														
43	ND ITC - Federal impact														
44	Total Income Tax Expense														
45															
46															
47	<b>REVENUE REQUIREMENTS</b>														
48	Expenses														
49	Return on rate base														
50															
51	Total revenue requirements	328,006.28	328,006.28	390,006.28	328,006.28	328,006.28	328,006.28	328,006.28	328,006.28	390,006.28	328,006.28	328,006.28	328,006.28	4,060,075.31	
52															
53	North Dakota share - E2 factor	38.830%	127,364.84	127,364.84	151,439.44	127,364.84	127,364.84	127,364.84	127,364.84	151,439.44	127,364.84	127,364.84	127,364.84	1,576,527.24	







Otter Tail Power Company  
North Dakota Renewable Resource Rider  
Ashtabula Wind Farm

Line	2007							2008							2008 YE Balance
	Actual Dec-07	Actual Jan-08	Actual Feb-08	Actual Mar-08	Actual Apr-08	Actual May-08	Actual Jun-08	Actual Jul-08	Actual Aug-08	Actual Sep-08	Actual Oct-08	Actual Nov-08	Actual Dec-08		
1	<b>RATE BASE</b>														
2	Plant Balance - Ashtabula														
3	Less: Federal Grant														
4	Accumulated Depreciation														
5	Net Plant in Service														
6	Inventory														
7	Accum. Deferred Inc. Taxes - Fed & State														
8	Accum. Deferred Inc. Taxes - Basis Difference														
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13	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC														
14	End of month rate base														
15															
16	Average rate base														
17															
18	Return on Rate Base	8.62%													
19															
20	Available for return (equity portion of rate base)	5.73%													
21															
22	<b>EXPENSES</b>														
23	O&M and Depreciation														
24	Operating Costs														
25	Ground Lease Payments														
26	Property Tax														
27	Book Depreciation														
28	Total O&M and Depreciation Expense														
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30	Income before Taxes														
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42	ND ITC														
43	ND ITC - Federal impact														
44	Total Income Tax Expense														
45															
46															
47	<b>REVENUE REQUIRMENTS</b>														
48	Expenses														
49	Return on rate base														
50															
51	Total revenue requirements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	595,014.34	681,115.58	1,276,129.92
52															
53	North Dakota share - E2 factor	38.830%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	231,044.07	264,477.18	495,521.25



Otter Tail Power Company  
North Dakota Renewable Resource Rider  
Ashtabula Wind Farm

Line	2008							2009							2009 YE Balance
	Balance Dec-08	Actual Jan-09	Actual Feb-09	Actual Mar-09	Actual Apr-09	Actual May-09	Actual Jun-09	Actual Jul-09	Actual Aug-09	Actual Sep-09	Actual Oct-09	Projected Nov-09	Projected Dec-09		
1	<b>RATE BASE</b>														
2	Plant Balance - Ashtabula														
3	Less: Federal Grant														
4	Accumulated Depreciation														
5	Net Plant in Service														
6	Inventory														
7	Accum. Deferred Inc. Taxes - Fed & State														
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42	ND ITC														
43	ND ITC - Federal impact														
44	Total Income Tax Expense														
45															
46															
47	<b>REVENUE REQUIREMENTS</b>														
48	Expenses														
49	Return on rate base														
50															
51	Total revenue requirements	790,655.45	852,858.98	837,287.85	804,231.70	913,024.31	1,050,403.40	984,695.68	1,058,709.91	914,794.60	941,624.67	892,884.94	860,381.80	10,901,553.31	
52															
53	North Dakota share - E2 factor	38.830%	307,011.51	331,165.14	325,118.87	312,283.17	354,527.34	407,871.64	382,357.33	411,097.06	355,214.74	365,632.86	346,707.22	334,086.25	<u>4,233,073.15</u>



Otter Tail Power Company  
North Dakota Renewable Resource Rider  
Ashtabula Wind Farm

Line	2009							2010							2010 YE Balance
	Balance Dec-09	Projected Jan-10	Projected Feb-10	Projected Mar-10	Projected Apr-10	Projected May-10	Projected Jun-10	Projected Jul-10	Projected Aug-10	Projected Sep-10	Projected Oct-10	Projected Nov-10	Projected Dec-10		
1	<b>RATE BASE</b>														
2	Plant Balance - Ashtabula														
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34	ND ITC - Federal impact														
35	Adjusted Income before interest and taxes														
36	Taxable Income (grossed up)														
37															
38	Income Taxes														
39	Current and Def Income Taxes														
40	Tax Adjustment for Additional Tax Basis														
41	Federal PTC														
42	ND ITC														
43	ND ITC - Federal impact														
44	Total Income Tax Expense														
45															
46															
47	<b>REVENUE REQUIREMENTS</b>														
48	Expenses														
49	Return on rate base														
50															
51	Total revenue requirements		770,690.99	770,690.99	844,190.99	770,690.99	770,690.99	770,690.99	770,690.99	770,690.99	844,190.99	770,690.99	770,690.99	9,395,291.86	
52															
53	North Dakota share - E2 factor	38.830%	299,259.31	299,259.31	327,799.36	299,259.31	299,259.31	299,259.31	299,259.31	299,259.31	327,799.36	299,259.31	299,259.31	<u>3,648,191.83</u>	



Otter Tail Power Company  
North Dakota Renewable Resource Rider  
Ashtabula Wind Farm

Line	2010							2011							2011 YE Balance
	Balance Dec-10	Projected Jan-11	Projected Feb-11	Projected Mar-11	Projected Apr-11	Projected May-11	Projected Jun-11	Projected Jul-11	Projected Aug-11	Projected Sep-11	Projected Oct-11	Projected Nov-11	Projected Dec-11		
1	<b>RATE BASE</b>														
2	Plant Balance - Ashtabula														
3	Less: Federal Grant														
4	Accumulated Depreciation														
5	Net Plant in Service														
6	Inventory														
7	Accum. Deferred Inc. Taxes - Fed & State														
8	Accum. Deferred Inc. Taxes - Basis Difference														
9	Accum. Deferred Inc. Taxes - Federal PTC														
10	Accum. Deferred Inc. Taxes - ND ITC														
11	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC														
12	Accum. Deferred Inc. Taxes - ND ITC														
13	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC														
14	End of month rate base														
15															
16	Average rate base														
17															
18	Return on Rate Base														
19															
20	Available for return (equity portion of rate base)														
21															
22	<b>EXPENSES</b>														
23	O&M and Depreciation														
24	Operating Costs														
25	Ground Lease Payments														
26	Property Tax														
27	Book Depreciation														
28	Total O&M and Depreciation Expense														
29															
30	Income before Taxes														
31	Available for return (from above)														
32	Less book tax credits - Federal PTC														
33	Less book tax credits - ND ITC														
34	ND ITC - Federal impact														
35	Adjusted Income before interest and taxes														
36	Taxable Income (grossed up)														
37															
38	Income Taxes														
39	Current and Def Income Taxes														
40	Tax Adjustment for Additional Tax Basis														
41	Federal PTC														
42	ND ITC														
43	ND ITC - Federal impact														
44	Total Income Tax Expense														
45															
46															
47	<b>REVENUE REQUIREMENTS</b>														
48	Expenses														
49	Return on rate base														
50															
51	Total revenue requirements		674,134.69	674,134.69	747,634.69	674,134.69	674,134.69	674,134.69	674,134.69	747,634.69	674,134.69	674,134.69	674,134.69	8,236,616.27	
52															
53	North Dakota share - E2 factor	38.830%	261,766.50	261,766.50	290,306.55	261,766.50	261,766.50	261,766.50	261,766.50	290,306.55	261,766.50	261,766.50	261,766.50	<u>3,198,278.10</u>	









Otter Tail Power Company  
North Dakota Renewable Resource Rider  
Luverne Wind Farm

2007

2008

**SUPPORTING INFORMATION / DATA**

Line		2007	2008	2009	2010	2011
1	MN Capstructure with allowed ROE per order.					
2	Capital Structure					
3	Debt	43.10%	6.30%	2.72%		
4	Preferred equity	3.60%	4.75%	0.17%		
5	Common equity	53.30%	11.25%	6.00%		
6	Total	100.00%	8.88%			
7						
8						
9	<b>Federal Production Tax Credit</b>					
10	Federal PTC Rate		\$21.000	\$21.000	\$21.000	\$21.000
11	Output (MWH) / month					
12	Federal PTC Available based on production					
13	Federal PTC Used on tax return					
14	Deferred					
15	Accumulated Deferred					
16						
17	<b>Deferred Tax</b>					
18	Book depr. rate					
19	Book depreciation					
20	Tax depreciation-ND					
21	Tax depreciation-Federal					
22	Book vs. tax depreciation					
23	Federal & State deferred income taxes					
24						
25	Additional Tax Basis (permanent difference)					
26	Tax Impact-ND					
27	Tax Impact-Federal					
28	Total Tax Impact					

Otter Tail Power Company  
North Dakota Renewable Resource Rider  
Luverne Wind Farm

Line	2008							2009							2009 YE Balance
	Balance Dec-08	Actual Jan-09	Actual Feb-09	Actual Mar-09	Actual Apr-09	Actual May-09	Actual Jun-09	Actual Jul-09	Actual Aug-09	Actual Sep-09	Actual Oct-09	Projected Nov-09	Projected Dec-09		
1	<b>RATE BASE</b>														
2	Plant Balance - Luverne														
3	Less: Federal Grant														
4	Accumulated Depreciation														
5	Net Plant in Service														
6	Inventory														
7	Accum. Deferred Inc. Taxes - Fed & State														
8	Accum. Deferred Inc. Taxes - Basis Difference														
9	Accum. Deferred Inc. Taxes - Federal PTC														
10	Accum. Deferred Inc. Taxes - ND ITC														
11	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC														
12	Accum. Deferred Inc. Taxes - ND ITC														
13	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC														
14	End of month rate base														
15															
16	Average rate base														
17															
18	Return on Rate Base														
19															
20	Available for return (equity portion of rate base)														
21															
22	<b>EXPENSES</b>														
23	O&M and Depreciation														
24	Operating Costs														
25	Ground Lease Payments														
26	Property Tax														
27	Book Depreciation														
28	Total O&M and Depreciation Expense														
29															
30	Income before Taxes														
31	Available for return (from above)														
32	Less book tax credits - Federal PTC														
33	Less book tax credits - ND ITC														
34	ND ITC - Federal impact														
35	Adjusted Income before interest and taxes														
36	Taxable Income (grossed up)														
37															
38	Income Taxes														
39	Current and Def Income Taxes														
40	Tax Adjustment for Additional Tax Basis														
41	Federal PTC														
42	ND ITC														
43	ND ITC - Federal impact														
44	Total Income Tax Expense														
45															
46															
47	<b>REVENUE REQUIREMENTS</b>														
48	Expenses														
49	Return on rate base														
50															
51	Total revenue requirements		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	620,971.79	(209,427.92)	(277,491.95)	(300,724.71)	(166,672.79)
52															
53	North Dakota share - E2 factor	38.830%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	241,123.35	(81,320.86)	(107,750.12)	(116,771.41)	(64,719.04)







Otter Tail Power Company  
North Dakota Renewable Resource Rider  
Luverne Wind Farm

Line	2010							2011							2011 YE Balance
	Balance Dec-10	Projected Jan-11	Projected Feb-11	Projected Mar-11	Projected Apr-11	Projected May-11	Projected Jun-11	Projected Jul-11	Projected Aug-11	Projected Sep-11	Projected Oct-11	Projected Nov-11	Projected Dec-11		
1	<b>RATE BASE</b>														
2	Plant Balance - Luverne														
3	Less: Federal Grant														
4	Accumulated Depreciation														
5	Net Plant in Service														
6	Inventory														
7	Accum. Deferred Inc. Taxes - Fed & State														
8	Accum. Deferred Inc. Taxes - Basis Difference														
9	Accum. Deferred Inc. Taxes - Federal PTC														
10	Accum. Deferred Inc. Taxes - ND ITC														
11	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC														
12	Accum. Deferred Inc. Taxes - ND ITC														
13	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC														
14	End of month rate base														
15															
16	Average rate base														
17															
18	Return on Rate Base														
19															
20	Available for return (equity portion of rate base)														
21															
22	<b>EXPENSES</b>														
23	O&M and Depreciation														
24	Operating Costs														
25	Ground Lease Payments														
26	Property Tax														
27	Book Depreciation														
28	Total O&M and Depreciation Expense														
29															
30	Income before Taxes														
31	Available for return (from above)														
32	Less book tax credits - Federal PTC														
33	Less book tax credits - ND ITC														
34	ND ITC - Federal impact														
35	Adjusted Income before interest and taxes														
36	Taxable Income (grossed up)														
37															
38	Income Taxes														
39	Current and Def Income Taxes														
40	Tax Adjustment for Additional Tax Basis														
41	Federal PTC														
42	ND ITC														
43	ND ITC - Federal impact														
44	Total Income Tax Expense														
45															
46															
47	<b>REVENUE REQUIREMENTS</b>														
48	Expenses														
49	Return on rate base														
50															
51	Total revenue requirements		761,781.14	761,781.14	761,781.14	761,781.14	761,781.14	761,781.14	761,781.14	761,781.14	761,781.14	761,781.14	761,781.14	9,141,373.65	
52															
53	North Dakota share - E2 factor	38.830%	295,799.62	295,799.62	295,799.62	295,799.62	295,799.62	295,799.62	295,799.62	295,799.62	295,799.62	295,799.62	295,799.62	<u>3,549,595.39</u>	

















**NORTH DAKOTA RENEWABLE RESOURCE RIDER COST RECOVERY**

**Revisions to original filing for correction to Luverne ITC and to reflect 19 month recovery period**

	(A)	(B)	(C)	(D)	(E)
	Original Filing	Change	Revised for ND ITC on Luverne	Change	Col (C) revised for 19 month recovery period
<b>Rate Calculation</b>					
1 Revenue Requirements April 2010 thru March 2011	\$9,071,745	(\$69,811)	\$9,001,934	\$0	\$9,001,934
2 Carrying Charge (April 2010 thru Mar 2011)	79,431	(1,720)	77,712	49,505	127,216
3 Revenue Requirements April 2011 thru March 2012				8,168,041	8,168,041
4 Carrying Charge (April 2011 thru Mar 2012)				118,541	118,541
5 True-up from April 2009-Mar 2010 (includes carrying chrg)	(92,884)	(37,289)	(130,172)	(121,960)	(252,133)
6 True-up from Jan 2008 thru Mar 2009 (includes carrying chrg)	1,188,521	0	1,188,521	0	1,188,521
7 Less revenue received Apr-Aug 2010	0		0	(2,358,763)	(2,358,763)
8 Deferral of Jan 2008 thru Mar 2009 costs	(337,256)	0	(337,256)	0	(337,256)
9 Amortization of Deferral (April 2010-Mar 2011)	84,314	0	84,314	0	84,314
10 Amortization of Deferral (Apr 2011-Mar 2012)	0	0	0	84,314	84,314
11 Total Requirements	<u>\$9,993,871</u>	<u>(\$108,820)</u>	<u>\$9,885,052</u>	<u>\$5,939,678</u>	<u>\$15,824,730</u>
12 Projected Sales in mWh April 2010 thru Mar 2011	1,779,560		1,779,560		2,930,787
13 New Rate	<u>\$0.0562</u>	(\$0.0006)	<u>\$0.0555</u>	(\$0.0016)	<u>\$0.0540</u>

Otter Tail Power Company  
Renewable Resource Rider - North Dakota  
**Rider Rate Design**

**Revenue requirements are collected from September 1, 2010 through March 31, 2012**

North Dakota revenue requirements

**\$15,824,730**

	Weighting	LGS		All others		Total
ND E2	92%	30.2501%	\$4,404,037	69.7499%	\$10,154,714	\$14,558,751
ND D1	8%	30.9731%	\$392,113	69.0269%	\$873,865	\$1,265,978
North Dakota			\$4,796,150		\$11,028,580	<b>\$15,824,730</b>

  

	LGS			All others		
	Rate	billing units	Revenue	Rate	billing units	Revenue
kWh billing	<b>\$0.00473</b>	930,969,520	\$4,404,037	<b>\$0.00551</b>	1,999,817,495	\$11,028,580
kW billing	<b>\$0.212</b>	1,853,458	\$392,113	n/a	n/a	n/a
Class revenue			\$4,796,150			\$11,028,580
				Total North Dakota revenue		<b>\$15,824,730</b>

Otter Tail Power Company  
Renewable Resource Rider - North Dakota  
**Projected Revenue**

				LGS customers after September 1, 2010					Total Revenue
	Rate/kWh	kWh	Revenue	Rate/kWh	kWh	Rate/kW	kW	Revenue	
Sep-2010	\$0.00551	76,016,230	418,849	\$0.00473	48,855,783	\$0.212	100,782	252,454	671,303
Oct-2010	\$0.00551	78,430,752	432,153	\$0.00473	46,400,796	\$0.212	95,942	239,815	671,969
Nov-2010	\$0.00551	99,626,027	548,939	\$0.00473	47,092,942	\$0.212	97,405	243,399	792,339
Dec-2010	\$0.00551	123,871,609	682,533	\$0.00473	47,454,500	\$0.212	98,116	245,260	927,793
		<u>377,944,618</u>	<u>\$2,082,475</u>		<u>189,804,022</u>			<u>\$980,929</u>	<u>\$3,063,404</u>
Jan-2011	\$0.00551	144,068,375	\$793,817	\$0.00473	47,881,641	\$0.212	99,049	247,479	\$1,041,295
Feb-2011	\$0.00551	140,949,612	776,632	\$0.00473	48,496,655	\$0.212	94,905	249,509	1,026,141
Mar-2011	\$0.00551	124,164,329	684,145	\$0.00473	48,990,713	\$0.212	95,872	252,051	936,196
Apr-2011	\$0.00551	105,647,040	582,115	\$0.00473	49,205,839	\$0.212	96,293	253,158	835,273
May-2011	\$0.00551	82,139,123	452,587	\$0.00473	48,333,986	\$0.212	94,587	248,672	701,259
Jun-2011	\$0.00551	75,397,715	415,441	\$0.00473	50,061,007	\$0.212	97,967	257,558	672,999
Jul-2011	\$0.00551	73,733,193	406,270	\$0.00473	50,510,351	\$0.212	98,846	259,869	666,139
Aug-2011	\$0.00551	75,457,441	415,770	\$0.00473	51,945,840	\$0.212	101,655	267,255	683,025
Sep-2011	\$0.00551	79,690,886	439,097	\$0.00473	51,314,656	\$0.212	100,420	264,007	703,104
Oct-2011	\$0.00551	79,450,107	437,770	\$0.00473	48,462,941	\$0.212	94,839	249,336	687,106
Nov-2011	\$0.00551	101,609,034	559,866	\$0.00473	49,096,295	\$0.212	96,079	252,594	812,460
Dec-2011	\$0.00551	124,367,317	685,264	\$0.00473	48,629,598	\$0.212	95,166	250,193	935,457
		<u>1,206,674,171</u>	<u>\$6,648,775</u>		<u>592,929,521</u>			<u>\$3,051,681</u>	<u>\$9,700,455</u>
Jan-2012	\$0.00551	143,784,101	792,250	\$0.00473	48,626,239	\$0.212	100,604	251,330	1,043,581
Feb-2012	\$0.00551	142,876,732	787,251	\$0.00473	49,353,408	\$0.212	96,582	253,917	1,041,168
Mar-2012	\$0.00551	128,537,876	708,244	\$0.00473	50,256,329	\$0.212	98,349	258,562	966,806
		<u>415,198,709</u>	<u>\$2,287,745</u>		<u>148,235,977</u>			<u>\$763,810</u>	<u>\$3,051,555</u>
<b>Projected revenue April 2010-March 2012</b>			<b>\$11,018,994</b>					<b>\$4,796,419</b>	<b>\$15,815,413</b>
<b>Cost recovery target amount</b>									<b>15,824,730</b>
<b>Difference</b>									<b>(\$9,316)</b>
Billing determinants for recovery period		1,999,817,498 kWh		930,969,520 kWh		1,853,458 kW			

## CERTIFICATE OF SERVICE

In the Matter of Otter Tail Power Company's  
2010 Renewable Resource Cost Recovery  
Adjustment Factor Tariff

Case No. PU-10-18

Diane Merz certifies that on the 9th day of July, 2010, she served a true and correct copy of the attached **Otter Tail Power Company Updated Financial Information for the above-referenced matter** by e-mailing and U.S. Mail, addressed to the following:

ND Public Service Commission 600 East Boulevard, Dept. 408 Bismarck, ND 58505-0480 E-mail: <a href="mailto:dnitschk@nd.gov">dnitschk@nd.gov</a> <a href="mailto:ndpsc@nd.gov">ndpsc@nd.gov</a>	Richard J. Savelkoul Felhaber, Larson, Fenlon & Vogt, P.A. 444 Cedar Street, Suite 2100 St. Paul, MN 55101 E-mail: <a href="mailto:rsavelkoul@felhaber.com">rsavelkoul@felhaber.com</a>
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