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December 29, 2011

Mr. Darrell Nitschke
Director of Admin./Executive Secretary
North Dakota Public Service Commission
State Capitol
600 East Boulevard, Dept. 408
Bismarck, ND 58505-0408

**PUBLIC DOCUMENT – TRADE
SECRET- PRIVATE DATA HAS BEEN
EXCISED**

**RE: Otter Tail Power Company's Request for Approval of its 2012 Renewable Resource
Cost Recovery Adjustment Factor.
NDPSC Case No. PU-11-_____**

Dear Mr. Nitschke:

Please find enclosed for filing Otter Tail Power Company's ("Otter Tail's") Application for its 2012 Renewable Resource Cost Recovery Adjustment Factor ("RRA") under Otter Tail's Renewable Resource Cost Recovery Rider.

Otter Tail is providing an original and seven copies of the Public version of the Application 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. Otter Tail's 2010 Renewable Resource Rider filing included a similar request for trade secret protection, which was granted by the Commission.

We also enclose our check in the amount of \$50 for the filing fee.

Please refer all inquiries regarding this filing to Pete Beithon at (218) 739-8607 or pbeithon@otpc.com.

Sincerely,

/s/ PETE BEITHON
Pete Beithon
Manager, Regulatory Economics

wao
Enclosures
By electronic filing and overnight mail

**STATE OF NORTH DAKOTA
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of Otter Tail Power)	
Company's Request for Approval of its)	
2012 Renewable Resource Cost Recovery)	Case No. PU-11-_____
Adjustment Factor)	
)	
)	

* * * *

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 in the above-captioned matter.

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 sealed envelope which is labeled: TRADE SECRET – PRIVATE.

Respectfully submitted December 29, 2011.

OTTER TAIL POWER COMPANY

By: /s/ PETE BEITHON
Pete Beithon
Manager Regulatory Economics

**STATE OF NORTH DAKOTA
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of Otter Tail Power Company's
Request for Approval of its 2012 Renewable
Resource Cost Recovery Adjustment Factor

Case No. PU-11- _____

APPLICATION

I. INTRODUCTION

Otter Tail Power Company, ("Otter Tail") submits this Application to the North Dakota Public Service Commission ("Commission") for its 2012 Renewable Resource Cost Recovery Adjustment Factor ("RRA") under the Company's Renewable Resource Cost Recovery Rider ("Renewable Rider" or "Rider").

On May 21, 2008, the Commission approved Otter Tail's Renewable Rider¹ and on January 14, 2009 the Commission approved Otter Tail's first annual RRA for that Rider (2009 RRA)² subject to final review in conjunction with its general rate case.³ On August 4, 2010 the Commission approved Otter Tail's second annual RRA.⁴ This second annual RRA approval established the current RRA which is anticipated to be in effect until March 31, 2012. The Commission ordered Otter Tail to make its next annual RRA filing on or before December 31, 2011, with an expected implementation of April 1, 2012 to March 31, 2013. Otter Tail now files its third annual RRA for the Rider (2012 RRA), which includes actual cost and revenue information through November 2011 and forecast cost and revenue information from December 2011 through March 31, 2013, for investments in the Langdon, Ashtabula, and Luverne Wind Projects, all located in North Dakota.

¹ Case No. PU-06-466.

² Case No. PU-08-742.

³ Order dated November 25, 2009, in Case PU-08-862.

⁴ Case No. PU-10-18.

Pursuant to NDCC §49-05-16, the Commission has made determinations of prudence for Otter Tail's investments in the Langdon, Ashtabula and Luverne Wind Energy Centers. Only costs for these three projects are included in the Rider.

The current filing consists of four parts:

1. *Eligible projects.* Costs are included for the investment in the Langdon, Ashtabula and Luverne Wind Projects.
2. *Revenue requirements calculation.* Components of the revenue requirements calculation are discussed.
3. *2011 Tracker Report.* Actual components of the Renewable Resource Tracker through November 2011 and projections through the next cost recovery period are included.
4. *2012 RRA.* Rate design options are discussed, including Otter Tail's recommended design, and resulting impact on customers' bills.

II. GENERAL FILING INFORMATION

Pursuant to § 69-02-02-04, the following information is provided.

A. Name, address, and telephone number of utility making the filing.

Otter Tail Power Company
215 South Cascade Street
Fergus Falls, Minnesota 56538-0496
(218) 739-8200

B. Name, address, and telephone number of utility attorney.

Bruce Gerhardson
Associate General Counsel
Otter Tail Power Company
215 South Cascade Street
Fergus Falls, Minnesota 56538-0496
(218) 739-8475
bgerhardson@otpc.com

C. Date of filing and proposed effective date of rates.

The date of this filing is December 29, 2011. Otter Tail proposes the 2012 RRA be reflected on customers' electric service bills effective April 1, 2012, or in the first full month following Commission approval if Commission action occurs after March 2012. Otter Tail is requesting the updated RRA be approved to become effective for bills rendered on and after April 1, 2012, for continuity of the annual rider filing process.

D. Title of utility employee responsible for filing.

Pete Beithon
Manager, Regulatory Economics
Otter Tail Power Company
215 South Cascade Street
Fergus Falls, Minnesota 56538-0496
(218) 739-8607
pbeithon@otpc.com

E. Articles of Incorporation.

Pursuant to North Dakota Rules Part 69-02-02-04, a certified copy of Otter Tail's Articles of Incorporation is on file with the Commission, as is an original certificate of good standing.

III. DESCRIPTION AND PURPOSE OF FILING

A. Background.

Cost recovery through this Rider and recovery of revenue requirements for the new investment is under the authority granted to the Commission under NDCC §49-02, §49-05, and §49-06. The Renewable Resource Rider approved by Order dated May 21, 2008, and effective on June 1, 2008, created a recovery mechanism and included provisions for Otter Tail's annual filing requirements.

Otter Tail's first annual filing was approved on January 14, 2009, becoming effective on February 1, 2009, subject to final review in Otter Tail's general rate, Case PU-08-862, which was pending at that time. On November 25, 2009, the Commission issued its Order on Settlement in that general rate case

approving and adopting the Settlement Agreement (with one exception unrelated to the Renewable Resource Rider), Cases No. PU-08-742 and PU-08-862. The Commission's approval included affirmation of the earlier annual RRA approval. The Settlement Agreement revised the RRA for the months of December 2009 through March 2010 and included provisions on calculation of revenue requirements and rate design that Otter Tail addresses in this filing.

Otter Tail's second annual filing was approved by the Commission's Order dated August 4, 2010, and set the RRA rate to be in effect from September 1, 2010, through March 31, 2012. The Order requires Otter Tail to file its next RRA rate on or before December 31, 2011, for expected implementation of April 1, 2012, to March 31, 2013.

Otter Tail's 2012 Renewable Resources Tracker report includes information regarding the amount collected from retail customers and the actual costs including: a return on investment; depreciation expense; federal and state income taxes; operation and maintenance ("O&M") expenses; ground lease payments; and Production Tax Credits ("PTC").

B. Eligible projects.

1. Langdon Wind Project

Cost recovery was first granted for the Langdon Wind Project by Order dated May 21, 2008, in Case No. PU-06-466. This filing includes updated data for that project, shown on Attachment 1.

2. Ashtabula Wind Project

Cost recovery for Otter Tail's investment in the Ashtabula Wind Project was approved by Order dated January 14, 2009, in Case No. PU-09-742. This filing includes updated data for that project, shown on Attachment 2.

3. Luverne Wind Project

Cost recovery for Otter Tail's investment in the Luverne Wind Project was approved by Order dated August 4, 2010, in Case No. PU-10-18. This filing includes updated data for that project, shown on Attachment 3.

C. Revenue requirements calculation.

Otter Tail's revenue requirements calculation in this filing is similar to previous filings. As part of the Settlement Agreement in Case Nos. PU-08-862 and PU-09-742, approved by the Commission on November 25, 2009, Otter Tail deferred the uncollected portion of the amount needed to true-up revenue requirements for a previous period. The amount deferred was \$337,256, as shown on line 4 (last column) of Attachment A to Schedule 6 of Otter Tail's Compliance Filing, dated November 24, 2009, in the above-referenced cases. This deferred balance was amortized over 48 months beginning with the cost recovery period which began April 1, 2010, and continues during the current Application's requested recovery period of April 1, 2012, through March 31, 2013. In this current Application, Otter Tail seeks to recover a total of \$10,158,012 over the annual period, a reduction from the previous revenue requirements of \$15,824,730.

1. Revenue requirement calculation for each project

The total annual revenue requirement is based on the sum of the revenue requirements for the three projects. See attachments 1 through 3. Attachment 1 is the updated revenue requirements calculation for the Langdon Wind Project, Attachment 2 is the revenue requirements calculation for the Ashtabula Wind Project, and Attachment 3 is the revenue requirements calculation for the Luverne Wind Project. Generally, each of these revenue requirement calculations is set up as follows: Information is shown by calendar year from the time each project became commercially operational through 2013. Each 12-month period has two pages. The first page includes three sections: 1) a rate base computation section, using a 13-month average to calculate average rate base; 2) an expenses section listing the operating and maintenance, depreciation, and income tax expenses; and 3) a revenue requirements section, summarizing the total expenses and return on rate base calculations. The second page is the supporting information and data for page 1. On page 2 are the capital structure details, income tax, and depreciation calculations.

2. CWIP and AFUDC

During construction, AFUDC was calculated consistent with the FERC Uniform System of Accounts, 18 CFR Ch 1, Part 101, Electric Plant Instruction No. 3(17).

3. Rate of return

In its calculations Otter Tail has used the rate of return on rate base of 8.62 percent ordered in its most recent general rate case.⁵

4. Depreciation

Otter Tail has used a 25-year average service life for all depreciable property in these wind projects.

5. Taxes

Manufacturing Production Deduction. For tax years beginning after 2004, corporations such as Otter Tail may claim a federal tax deduction (Manufacturing Production Deduction) that is equal to a percentage of the income earned from production activities undertaken in the U.S. (including the production of electricity). The percentage is applied to the taxable income related to production activities (without regard to the deduction) for the tax year. The percentage is 3 percent for tax years beginning in 2005 and 2006, 6 percent for tax years beginning in 2007 through 2009, and 9 percent thereafter. For 2011 and 2012, Otter Tail predicts a net operating loss for income tax purposes so it likewise anticipates that it will not be eligible for this deduction. The deduction cannot be carried forward.

Production Tax Credit. The Langdon and Ashtabula Wind Projects are eligible for the Production Tax Credit (“PTC”). Actual amounts are used through November 2011 and amounts are projected through March 31, 2013. The 2010 PTC is \$22.00 per MWH. The 2011, 2012, and 2013 PTC are assumed to be \$22.00 per MWH. The actual PTC is adjusted

⁵ Case No. PU-08-862, Order dated November 25, 2009.

annually for inflation. The magnitude of tax credits and deductions produced by Otter Tail's recent investments in wind generation have created a net operating loss for the current tax calculation. Otter Tail has used the credits or deductions in the financial information for each project but has only included in accumulated deferred income taxes the amount it has been able to use for tax purposes since there is no cash benefit to Otter Tail until it uses the credit or deduction for actual taxes. Because of loss carry forward provisions, Otter Tail expects that all credits and deductions will be used before they expire.

Bonus Tax Depreciation. The Ashtabula and Luverne Wind Projects qualified for bonus tax depreciation as defined in the Internal Revenue Code. Ashtabula went into service in 2008 and Luverne in 2009 so the entire tax basis qualified for the 50 percent bonus each year. This resulted in a bonus tax depreciation amount of \$57.7 million and \$43.6 million for Ashtabula and Luverne, respectively.

6. Allocation to jurisdictions

Otter Tail has used the allocation factor approved in its most recent rate case to calculate North Dakota's share of the total revenue requirements. The allocation factor approved in that rate case, PU-08-862, is 41.018 percent. Also in that rate case, Otter Tail agreed to monitor its E2 allocation factor and address in its annual Renewable Cost Recovery filings any material changes that may occur to that allocation factor. Consistent with that agreement, Otter Tail notes that the estimated allocation factor for calendar year 2011 is 41.74 percent and the calculated allocation factor for the collection period of April 2012-March 2013 is 41.70 percent. Obviously, these changes to the allocation factor would result in an increase to the allocation of costs to North Dakota, as compared with 41.018 percent from the test year in Case No. PU-08-862. At this time, Otter Tail has retained the lower allocation factor for use in the proposed RRA calculations for this filing. Additionally, in preparing this filing Otter Tail discovered that the approved 41.018 jurisdictional allocation factor was not used in the previous compliance filing in which

the current RRA was calculated. Instead, an incorrect allocation factor of 38.830 percent was inadvertently used, which was the 2007 actual year E2 jurisdictional factor. The annual RRA revenue requirement calculation in this filing correctly reflects use of the 41.018 allocation factor for all periods since that rate was approved by the Commission.

D. 2012 Renewable Tracker report.

The Renewable Resource Rider cost recovery mechanism uses a tracker account, shown in Attachment 4. This account summarizes total revenue requirements by project, credits retail revenue billed each month, and calculates the carrying cost. The Tracker included with this filing reflects actual information through November 2011 and projected information through 2013. The \$337,256 to be deferred appears as a credit on line 14 in December 2009. Amortization of this deferred amount begins in April 2010, shown on Line 15.

E. Calculation of 2011 RRA factor and rate design.

With respect to class allocations and rate design, the Settlement Agreement approved in Case No. PU-08-742 contains the following provision:

“OTP's 2010 Renewable Cost Recovery revenue requirement will be allocated between the customer classes with 20 percent allocated based on demand and 80 percent allocated based on energy. Within the LGS class, that classes' revenue allocation will be collected through both a demand and energy charge using the same 20 percent demand, 80 percent energy allocation. The 20 percent is based on using MISO's capacity accreditation percentage for wind. MISO is expected to amend this initial determination based on studies it is currently performing, and the Parties agree that the allocation factor used by OTP will be adjusted as necessary to correspond with the weighted average level of capacity approved by MISO for the projects being recovered through the Renewable Resource Rider.”

In addition, the Commission's Findings of Fact in its Order dated August 4, 2010, includes the following:

“Finally, the Commission finds that it is reasonable for Otter Tail Power to continue to consider and discuss in its future annual

... rider filings the MISO capacity accreditation and any changes thereto or another appropriate methodology for allocating capacity and energy, as that accreditation currently forms the basis for the inter- and intra-class allocations for the Renewable Resource Cost Recovery Adjustment Factor.”

Ordering paragraph 4 of the Commission's August 4, 2010, Order in Case No. PU-10-18, requires Otter Tail to "continue to provide information in future Renewable Resource Cost Recovery Factor filings on capacity accreditation for wind projects."

As of 2011, MISO accredited capacity based on each generation site’s production. The table below shows each of Otter Tail’s sites’ generation verification test requirements, or maximum generating capacity, megawatt generation and the wind capacity credit. A weighted average was taken to determine an Otter Tail system-wide capacity accreditation average.

Resource	GVTC(MW)	Production Percentage (1)	Capacity Credit (2)	Weighted Average (1x2)
Ashtabula	48	34.78%	29.27%	10.18%
Langdon	40.5	29.35%	30.61%	8.98%
Luverne	49.5	35.87%	14.81%	5.31%
Total	138			24.47%

Based upon these updated accreditation percentages and consistent with the Commission’s approved rate design approach for the current RRA, the following RRA proposals are based on a rate per kW and per kWh for the large general service class with a rate per kWh for all other customers based on a 24.47 percent capacity factor, and

Calculations and the resulting rates of each alternative are shown on Attachment 5.

Otter Tail believes this approach to rate design continues to be reasonable. System planners and the Midwest ISO have recognized that wind generation, while variable and non-dispatchable, provides some amount of capacity for the electric system. There have been discussions during the past few years that resulted in some general agreement to use the Midwest ISO’s designation for the

proportion of capacity produced by wind generation. The 20 percent capacity credit was a preliminary estimate used by the Midwest ISO until a more precise percent could be developed. The Midwest ISO has now designated the capacity credit for Otter Tail's wind farms at 24.47 percent. Otter Tail believes it is appropriate to use the 24.47 percent capacity factor for allocation of class revenue responsibility and rate design in the current docket.

The resulting rates and bill impacts are shown below:

Proposed		LGS	All Others
	Rate/kW	\$0.705	n/a
	Rate/kWh	\$0.00410	\$0.00556
	Typical use		
	kW	652	n/a
	kWh	383,580	733
	Typical monthly bill impact [1]	\$2,032.34	\$4.08
Present			
	Rate/kW	\$0.212	n/a
	Rate/kWh	\$0.00473	\$0.00551
	Typical use		
	kW	652	n/a
	kWh	383,580	733
		\$1,952.56	\$4.04
Change in bill		\$79.78	\$0.04

[1] This impact does not include an offset for a reduction in needed purchased power.

If the RRA rates were calculated to arrive at a flat kWh rate for all customers, the rate would be \$0.00552. As described above, Otter Tail prefers the class allocation and rate design that recognizes capacity accreditation.

Additionally, the proposed 2012 RRA is calculated assuming the total proposed revenue requirement is effective April 1, 2012. If implementation of the 2012 RRA occurs after April 1, 2012, Otter Tail proposes that the RRA be adjusted to recover the approved revenue requirements over the remaining months

of the period, through March 2013. This approach would ensure the cost recovery and the approved eligible costs match. If it is necessary to adjust the 2012 RRA, we propose to calculate the final 2012 RRA and include it with the corresponding rate schedule pages in a compliance filing in this case.

F. Customer notification.

Otter Tail will work with Commission staff on a notice to meet the requirements of the North Dakota rules. A draft notice is attached to this filing as Attachment 7.

IV. PROPOSED RATE SCHEDULE

Our revised rate schedule number 13.04 is provided in Attachment 6, in both redline and clean versions.

V. CONCLUSION

Otter Tail respectfully requests the Commission approve the 2012 Renewable Resource Cost Recovery Adjustment effective April 1, 2012, based on the tracker activity and cost recovery for the Langdon, Ashtabula, and Luverne Wind projects.

Dated: December 29, 2011

Respectfully Submitted,

OTTER TAIL POWER COMPANY

By: /s/ PETE BEITHON
Pete Beithon
Manager, Regulatory Economics
Otter Tail Power Company
215 South Cascade Street
Fergus Falls, MN 56538-0496
218-739-8607
pbeithon@otpc.com

OTTER TAIL POWER COMPANY
RENEWABLE RESOURCE RIDER 2012 RRA FACTOR FILING ATTACHMENTS

Attachment 1	Langdon revenue requirements calculation
Attachment 2	Ashtabula revenue requirements calculation
Attachment 3	Luverne revenue requirements calculation
Attachment 4	Renewable Resource Tracker report
Attachment 5	Class allocation, rate design alternatives, and projected revenue
Attachment 6	Updated Renewable Resource Rider (redline and clean versions)
Attachment 7	Proposed Customer Notice

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	RATE BASE														
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	0.00%													
19															
20	Available for return (equity portion of rate base)	0.00%													
21															
22	EXPENSES														
23	<i>O&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															
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	REVENUE REQUIRMENTS														
48	Expenses														
49	Return on rate base														
50															
51	Total revenue requirements														
52															
53	North Dakota share - E2 factor														

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

Line	2009							2010							2010 YE Balance
	Balance Dec-09	Actual Jan-10	Actual Feb-10	Actual Mar-10	Actual Apr-10	Actual May-10	Actual Jun-10	Actual Jul-10	Actual Aug-10	Actual Sep-10	Actual Oct-10	Actual Nov-10	Actual Dec-10		
1	RATE BASE														
2	Plant Balance - Langdon														
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50															
51	Total revenue requirements														
52															
53	North Dakota share - E2 factor														

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

Line	2010							2011						
	Balance Dec-10	Actual Jan-11	Actual Feb-11	Actual Mar-11	Actual Apr-11	Actual May-11	Actual Jun-11	Actual Jul-11	Actual Aug-11	Actual Sep-11	Actual Oct-11	Actual Nov-11	Forecast Dec-11	2011 YE Balance
1	RATE BASE													
2	Plant Balance - Langdon													
3	Less: Federal Grant													
4	Accumulated Depreciation													
5	Net Plant in Service													
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53	North Dakota share - E2 factor													

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		
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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	0.00%													
19															
20	Available for return (equity portion of rate base)	0.00%													
21															
22	EXPENSES														
23	<i>O&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															
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	REVENUE REQUIRMENTS														
48	Expenses														
49	Return on rate base														
50															
51	Total revenue requirements														
52															
53	North Dakota share - E2 factor														

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

Line	2009							2010							2010 YE Balance
	Balance Dec-09	Actual Jan-10	Actual Feb-10	Actual Mar-10	Actual Apr-10	Actual May-10	Actual Jun-10	Actual Jul-10	Actual Aug-10	Actual Sep-10	Actual Oct-10	Actual Nov-10	Actual Dec-10		
1	RATE BASE														
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	EXPENSES														
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	REVENUE REQUIREMENTS														
48	Expenses														
49	Return on rate base														
50															
51	Total revenue requirements														
52															
53	North Dakota share - E2 factor														

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

Line	2010							2011						
	Balance Dec-10	Actual Jan-11	Actual Feb-11	Actual Mar-11	Actual Apr-11	Actual May-11	Actual Jun-11	Actual Jul-11	Actual Aug-11	Actual Sep-11	Actual Oct-11	Actual Nov-11	Forecast Dec-11	2011 YE Balance
1	RATE BASE													
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	EXPENSES													
23	<i>O&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														
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	REVENUE REQUIREMENTS													
48	Expenses													
49	Return on rate base													
50														
51	Total revenue requirements													
52														
53	North Dakota share - E2 factor													

Otter Tail Power Company
 North Dakota Renewable Resource Rider
 Luverne 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	RATE BASE														
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	0.00%													
19															
20	Available for return (equity portion of rate base)	0.00%													
21															
22	EXPENSES														
23	<i>O&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															
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	REVENUE REQUIRMENTS														
48	Expenses														
49	Return on rate base														
50															
51	Total revenue requirements														
52															
53	North Dakota share - E2 factor														

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	Actual Nov-09	Actual Dec-09		
1	RATE BASE														
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	*rate change														
23	EXPENSES														
24	O&M and Depreciation														
25	Operating Costs														
26	Ground Lease Payments														
27	Property Tax														
28	Book Depreciation														
29	Total O&M and Depreciation Expense														
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	REVENUE REQUIREMENTS														
48	Expenses														
49	Return on rate base														
50															
51	Total revenue requirements														
52															
53	North Dakota share - E2 factor														

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

Line	2010							2011						
	Balance Dec-10	Actual Jan-11	Actual Feb-11	Actual Mar-11	Actual Apr-11	Actual May-11	Actual Jun-11	Actual Jul-11	Actual Aug-11	Actual Sep-11	Actual Oct-11	Actual Nov-11	Forecast Dec-11	2011 YE Balance
1	RATE BASE													
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	EXPENSES													
23	<i>O&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														
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	REVENUE REQUIREMENTS													
48	Expenses													
49	Return on rate base													
50														
51	Total revenue requirements													
52														
53	North Dakota share - E2 factor													

Otter Tail Power Company
Renewable Rider Annual Filing
North Dakota

Line	2008												2008 YE Balance	
	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	TRACKER SUMMARY													
2	Requirements Compared to Billed:													
3	Revenue Requirements													
4	Langdon	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	2,940,867.07
5	Ashtabula	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
6	Luverne	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7	Total	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	454,753.85	444,010.10	3,436,388.31
8														
9														
10	Billed (forecast kWh x adj factor)	0.00	0.00	0.00	0.00	0.00	193,660.03	204,007.50	204,456.69	220,339.60	211,925.43	251,123.26	311,988.63	1,597,501.14
11	Renewable Energy Certificate Sales													
12	Monthly Revenue Difference	281,494.92	298,093.44	332,512.67	201,010.72	255,269.74	31,322.96	92,359.44	54,731.17	29,816.21	(28,090.36)	209,437.55	137,881.33	
13	Cummulative Difference	281,494.92	579,588.37	912,101.04	1,113,111.76	1,368,381.50	1,399,704.46	1,492,063.90	1,546,795.07	1,576,611.29	1,548,520.92	1,757,958.47	1,895,839.80	
14	Deferred 2008 True-up	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15	Amortization of Deferred 2008 True-up	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16	Carrying Cost Adj. for rate calculation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17	Adjusted Cumulative Difference	281,494.92	579,588.37	912,101.04	1,113,111.76	1,368,381.50	1,399,704.46	1,492,063.90	1,546,795.07	1,576,611.29	1,548,520.92	1,757,958.47	1,895,839.80	
18														
19														
20	Carrying Charge Calculation	1,524.76	3,139.44	4,940.55	4,916.24	5,701.59	5,832.10	6,216.93	6,444.98	6,569.21	5,806.95	5,859.86	6,319.47	
21	Cumulative Carrying Charge	1,524.76	4,664.20	9,604.75	14,520.99	20,222.58	26,054.68	32,271.62	38,716.60	45,285.81	51,092.76	56,952.62	63,272.09	
22	Prime Rate	6.50%	6.50%	6.50%	5.30%	5.00%	5.00%	5.00%	5.00%	5.00%	4.50%	4.00%	4.00%	
23	Monthly Rate	0.54167%	0.54167%	0.54167%	0.44167%	0.41667%	0.41667%	0.41667%	0.41667%	0.41667%	0.37500%	0.33333%	0.33333%	
24														
25	Life-to-Date Revenue Requirement	283,019.69	582,727.81	917,041.59	1,118,028.01	1,374,083.09	1,405,536.56	1,498,280.83	1,553,240.05	1,583,180.50	1,554,327.88	1,763,818.33	1,902,159.26	0.00
26														
27	Forecasted Sales (mWh)													
28														
29	REGULATORY ASSET													
30	Reg Asset Account 1822.1001 should be	283,019.69	582,727.81	917,041.59	1,118,028.01	1,374,083.09	1,405,536.56	1,498,280.83	1,553,240.05	1,583,180.50	1,554,327.88	1,763,818.33	1,902,159.26	
31														
32	Reg Asset Account 1822.1001 balance	0.00	0.00	0.00	0.00	0.00	1,360,580.00	1,314,154.60	1,314,154.60	1,626,289.60	1,661,874.60	1,640,842.60	2,009,024.60	
33														
34	Difference - To be booked to Reg Asset	283,019.69	582,727.81	917,041.59	1,118,028.01	1,374,083.09	44,956.56	184,126.23	239,085.45	(43,109.10)	(107,546.72)	122,975.73	(106,865.34)	

Otter Tail Power Company
Renewable Rider Annual Filing
North Dakota

	2009												2009 YE Balance
	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	Actual Nov-09	Actual Dec-09	
TRACKER SUMMARY													
Requirements Compared to Billed:													
Revenue Requirements													
Langdon	143,983.60	169,323.03	180,774.42	181,208.08	194,987.56	227,500.32	222,196.46	226,477.94	174,964.66	233,778.48	152,288.44	112,193.35	2,219,676.34
Ashtabula	306,961.39	331,089.40	325,085.10	312,229.98	354,471.78	407,727.83	382,230.14	410,953.95	355,127.75	365,524.68	317,532.29	356,467.70	4,225,401.98
Luverne	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	240,962.22	(74,438.73)	(93,915.19)	(136,024.31)	(63,416.01)
Total	450,944.99	500,412.43	505,859.52	493,438.06	549,459.34	635,228.15	604,426.60	637,431.89	771,054.63	524,864.43	375,905.53	332,636.74	6,381,662.31
Billed (forecast kWh x adj factor)	394,207.91	920,965.03	866,473.68	774,049.43	606,415.53	566,286.59	569,466.80	578,077.27	589,636.39	636,380.04	690,478.52	602,291.49	7,794,728.68
Renewable Energy Certificate Sales	63,056.55	(415,247.26)	(356,433.45)	(277,396.00)	(54,492.09)	71,258.07	37,469.30	61,965.60	184,197.04	(108,237.94)	(311,588.46)	(267,514.11)	
Monthly Revenue Difference	1,958,896.35	1,543,649.09	1,187,215.64	909,819.65	855,327.55	926,585.63	964,054.93	1,026,020.53	1,210,217.57	1,101,979.63	790,391.17	522,877.07	
Cummulative Difference	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(337,256.00)	
Deferred 2008 True-up	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Amortization of Deferred 2008 True-up	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Carrying Cost Adj. for rate calculation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Adjusted Cumulative Difference	1,958,896.35	1,543,649.09	1,187,215.64	909,819.65	855,327.55	926,585.63	964,054.93	1,026,020.53	1,210,217.57	1,101,979.63	790,391.17	185,621.07	
Carrying Charge Calculation	5,305.34	4,180.72	3,215.38	2,464.09	2,316.51	2,509.50	2,610.98	2,778.81	3,277.67	2,984.53	2,140.64	3,756.00	
Cumulative Carrying Charge	68,577.43	72,758.15	75,973.53	78,437.62	80,754.13	83,263.64	85,874.62	88,653.42	91,931.10	94,915.63	97,056.27	100,812.27	
Prime Rate	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	8.62%
Monthly Rate	0.27083%	0.27083%	0.27083%	0.27083%	0.27083%	0.27083%	0.27083%	0.27083%	0.27083%	0.27083%	0.27083%	0.27083%	0.71833%
Life-to-Date Revenue Requirement	1,964,201.69	1,547,829.80	1,190,431.02	912,283.74	857,644.06	929,095.13	966,665.91	1,028,799.34	1,213,495.24	1,104,964.16	792,531.82	526,633.07	0.00
Forecasted Sales (mWh)												161,730	161,730
REGULATORY ASSET													
Reg Asset Account 1822.1001 should be	1,964,201.69	1,547,829.80	1,190,431.02	912,283.74	857,644.06	929,095.13	966,665.91	1,028,799.34	1,213,495.24	1,104,964.16	792,531.82	526,633.07	
Reg Asset Account 1822.1001 balance	2,083,549.60	1,679,007.60	1,332,124.60	1,078,894.60	1,047,120.60	1,164,594.60	1,316,133.60	1,414,182.60	1,414,182.60	1,382,653.18	1,382,653.18	786,298.74	
Difference - To be booked to Reg Asset	(119,347.91)	(131,177.80)	(141,693.58)	(166,610.86)	(189,476.54)	(235,499.47)	(349,467.69)	(385,383.26)	(200,687.36)	(277,689.02)	(590,121.36)	(259,665.67)	

Otter Tail Power Company
Renewable Rider Annual Filing
North Dakota

	2010												2010 YE Balance
	Actual Jan-10	Actual Feb-10	Actual Mar-10	Actual Apr-10	Actual May-10	Actual Jun-10	Actual Jul-10	Actual Aug-10	Actual Sep-10	Actual Oct-10	Actual Nov-10	Actual Dec-10	
TRACKER SUMMARY													
Requirements Compared to Billed:													
Revenue Requirements													
Langdon	152,881.98	220,266.97	192,304.95	167,588.10	139,761.51	227,294.63	214,167.42	185,846.86	174,097.61	125,256.24	207,322.18	128,639.27	2,135,427.71
Ashtabula	305,713.28	405,914.06	338,536.31	349,055.34	283,245.11	384,324.44	391,713.16	351,004.99	320,302.23	317,382.38	326,309.42	345,443.40	4,118,944.13
Luverne	302,228.69	300,032.66	314,847.91	306,179.11	302,858.07	301,641.63	301,883.23	301,109.06	294,695.74	277,903.34	269,826.42	272,379.12	3,545,584.98
Total	760,823.96	926,213.68	845,689.17	822,822.55	725,864.69	913,260.70	907,763.82	837,960.90	789,095.59	720,541.95	803,458.02	746,461.79	9,799,956.82
Billed (forecast kWh x adj factor)	769,785.23	678,099.73	612,636.50	542,911.06	439,015.60	417,911.18	447,431.34	487,322.19	679,662.19	628,030.73	753,572.03	966,997.36	7,423,375.14
Renewable Energy Certificate Sales	0.00	0.00	0.00	0.00	20,811.50	6,738.30		136,259.10					163,808.90
Monthly Revenue Difference	(5,205.27)	251,832.56	238,580.28	287,152.90	275,341.71	499,893.21	475,205.37	232,666.07	129,391.17	113,398.45	71,587.80	(198,319.52)	
Cumulative Difference	517,671.80	769,504.36	1,008,084.64	1,295,237.54	1,570,579.25	2,070,472.46	2,545,677.83	2,778,343.90	2,907,735.06	3,021,133.51	3,092,721.31	2,894,401.79	
Deferred 2008 True-up	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amortization of Deferred 2008 True-up	0.00	0.00	0.00	7,026.17	7,026.17	7,026.17	7,026.17	7,026.17	7,026.17	7,026.17	7,026.17	7,026.17	7,026.17
Carrying Cost Adj. for rate calculation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Adjusted Cumulative Difference	180,415.80	432,248.36	670,828.64	965,007.71	1,247,375.58	1,754,294.96	2,236,526.50	2,476,218.73	2,612,636.06	2,733,060.68	2,811,674.65	2,620,381.29	
Carrying Charge Calculation	3,718.61	5,527.61	7,241.41	9,304.12	11,281.99	14,872.89	18,286.45	19,957.77	20,887.23	21,701.81	22,216.05	20,791.45	
Cumulative Carrying Charge	104,530.88	110,058.48	117,299.89	126,604.01	137,886.01	152,758.90	171,045.36	191,003.13	211,890.36	233,592.16	255,808.21	276,599.67	
Prime Rate	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%
Monthly Rate	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%
Life-to-Date Revenue Requirement	521,390.41	775,031.97	1,015,326.05	1,304,541.67	1,581,861.25	2,085,345.36	2,563,964.28	2,798,301.67	2,928,622.30	3,042,835.32	3,114,937.36	2,915,193.24	0.00
Forecasted Sales (mWh)													0
REGULATORY ASSET													
Reg Asset Account 1822.1001 should be	521,390.41	775,031.97	1,015,326.05	1,304,541.67	1,581,861.25	2,085,345.36	2,563,964.28	2,798,301.67	2,928,622.30	3,042,835.32	3,114,937.36	2,915,193.24	
Reg Asset Account 1822.1001 balance	566,302.59	743,687.43	743,687.43	1,130,875.50	1,354,500.19	1,354,500.19	2,251,293.77	2,458,166.08	2,458,166.08	2,530,841.40	2,622,224.25	2,655,109.37	
Difference - To be booked to Reg Asset	(44,912.18)	31,344.54	271,638.62	173,666.17	227,361.06	730,845.17	312,670.51	340,135.59	470,456.22	511,993.92	492,713.11	260,083.87	

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	2011											Forecast Dec-11	2011 YE Balance	
	Actual Jan-11	Actual Feb-11	Actual Mar-11	Actual Apr-11	Actual May-11	Actual Jun-11	Actual Jul-11	Actual Aug-11	Actual Sep-11	Actual Oct-11	Actual Nov-11			
TRACKER SUMMARY														
Requirements Compared to Billed:														
Revenue Requirements														
Langdon	136,741.95	100,912.05	161,800.56	132,216.30	136,531.34	165,799.19	208,031.49	203,387.68	145,135.95	91,942.32	110,541.07	163,130.98	1,756,170.88	
Ashtabula	306,766.78	271,664.13	304,935.68	288,321.38	266,569.02	326,737.04	372,504.83	365,610.72	333,121.65	254,142.08	249,184.49	291,096.10	3,630,653.91	
Luverne	280,952.49	308,431.74	300,460.33	283,622.67	307,212.48	315,950.31	297,302.51	275,486.20	274,024.14	262,666.04	297,228.01	278,876.13	3,482,213.04	
Total	724,461.22	681,007.93	767,196.57	704,160.34	710,312.84	808,486.54	877,838.83	844,484.60	752,281.74	608,750.44	656,953.57	733,103.21	8,869,037.83	
Billed (forecast kWh x adj factor)	1,080,261.62	1,045,799.69	970,147.06	869,282.51	707,203.15	670,781.16	661,244.65	699,306.73	690,716.73	636,562.17	762,552.06	Projected 950,626.80	9,744,484.33	
Renewable Energy Certificate Sales	73,956.30					58,002.00	(58,002.00)			64,367.40			138,323.70	
Monthly Revenue Difference	(408,965.25)	(346,938.04)	(187,588.94)	(151,108.14)	16,038.26	92,747.17	288,306.19	160,958.88	78,502.25	(74,677.99)	(88,633.78)	(201,195.57)		
Cumulative Difference	2,485,436.54	2,138,498.50	1,950,909.56	1,799,801.43	1,815,839.69	1,908,586.85	2,196,893.05	2,357,851.93	2,436,354.18	2,361,676.19	2,273,042.41	2,071,846.84		
Deferred 2008 True-up	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Amortization of Deferred 2008 True-up	7,026.17	7,026.17	7,026.17	7,026.17	7,026.17	7,026.17	7,026.17	7,026.17	7,026.17	7,026.17	7,026.17	7,026.17		
Carrying Cost Adj. for rate calculation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Adjusted Cumulative Difference	2,218,442.21	1,878,530.33	1,697,967.56	1,553,885.59	1,576,950.02	1,676,723.35	1,972,055.71	2,140,040.76	2,225,569.18	2,157,917.36	2,076,309.74	1,882,140.34		
Carrying Charge Calculation	17,853.72	15,361.55	14,014.03	12,928.57	13,043.78	13,710.02	15,781.02	16,937.24	17,501.14	16,964.71	16,328.02	14,882.77		
Cumulative Carrying Charge	294,453.38	309,814.93	323,828.97	336,757.54	349,801.32	363,511.34	379,292.35	396,229.59	413,730.73	430,695.44	447,023.46	461,906.23		
Prime Rate	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%		
Monthly Rate	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%		
Life-to-Date Revenue Requirement	2,503,290.26	2,153,860.05	1,964,923.59	1,812,730.00	1,828,883.47	1,922,296.87	2,212,674.06	2,374,789.17	2,453,855.33	2,378,640.90	2,289,370.43	2,086,729.61	(0.00)	
Forecasted Sales (mWh)												176,042	176,042	
REGULATORY ASSET														
Reg Asset Account 1822.1001 should be	2,503,290.26	2,153,860.05	1,964,923.59	1,812,730.00	1,003,328.85	1,922,296.87	2,212,674.06	2,374,789.17	2,453,855.33	2,378,640.90	2,289,370.43	2,086,729.61		
Reg Asset Account 1822.1001 balance	2,415,519.92	1,947,289.35	1,537,037.04	1,271,745.88	1,055,722.04	1,003,328.85	1,052,457.79	1,271,250.44	1,368,177.67	1,422,554.66	1,220,391.80	2,289,370.43		
Difference - To be booked to Reg Asset	87,770.34	206,570.70	427,886.55	540,984.12	(52,393.19)	918,968.02	1,160,216.27	1,103,538.73	1,085,677.66	956,086.24	1,068,978.63	(202,640.82)		

Rate Calculation - Effective April 2012	
Revenue Requirements April 2012 thru March 2013	8,770,090.96
Carrying Charge (April 2012 thru Mar 2013)	87,588.90
True-up from April 2010-March 2012	369,320.46
True-up from April 2009-Mar 2010 (includes carrying chrg)	(175,104.97)
True-up from Jan 2008 thru Mar 2009 (includes carrying chrg)	1,190,431.02
Deferral of Jan 2008 thru Mar 2009 costs	(337,256.00)
Amortization of Deferral	252,942.00
Total Requirements	10,158,012.36
Projected Sales in mWh April 2012 thru Mar 2013	1,841,024
New Rate	50.00552

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	Forecast Jan-12	Forecast Feb-12	Forecast Mar-12	Forecast Apr-12	Forecast May-12	Forecast Jun-12	2012 Forecast Jul-12	Forecast Aug-12	Forecast Sep-12	Forecast Oct-12	Forecast Nov-12	Forecast Dec-12	2012 YE Balance
TRACKER SUMMARY													
Requirements Compared to Billed:													
Revenue Requirements													
Langdon	167,452.88	205,274.56	180,157.69	127,661.18	125,641.29	157,520.40	206,597.84	186,633.15	180,793.03	150,787.44	129,417.60	162,775.04	1,980,712.10
Ashtabula	287,873.23	334,799.05	296,679.15	240,651.03	237,826.11	277,535.95	327,974.62	312,239.98	303,209.03	268,680.64	241,090.13	284,107.91	3,412,666.82
Luverne	291,001.41	291,001.41	291,160.64	291,288.61	291,288.61	291,288.61	291,288.61	291,288.61	291,434.75	291,507.59	291,507.59	291,507.59	3,495,564.05
Total	746,327.52	831,075.02	767,997.47	659,600.82	654,756.01	726,344.97	825,861.08	790,161.74	775,436.81	710,975.67	662,015.32	738,390.54	8,888,942.97
Billed (forecast kWh x adj factor)	Projected 1,043,507.71	Projected 1,055,621.06	Projected 982,419.00	Projected 863,202.36	Projected 761,267.52	Projected 690,951.08	Projected 692,250.44	Projected 710,404.12	Projected 738,111.19	Projected 708,290.17	Projected 863,399.40	Projected 950,000.02	10,059,424.07
Renewable Energy Certificate Sales													0.00
Monthly Revenue Difference	(282,297.42)	(211,691.11)	(203,087.24)	(193,726.10)	(98,027.67)	43,173.57	141,700.44	88,865.31	47,071.66	12,769.67	(191,208.18)	(202,807.10)	
Cummulative Difference	1,789,549.42	1,577,858.31	1,374,771.07	1,181,044.97	1,083,017.30	1,126,190.87	1,267,891.30	1,356,756.61	1,403,828.27	1,416,597.93	1,225,389.75	1,022,582.65	
Deferred 2008 True-up	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amortization of Deferred 2008 True-up	7,026.17	7,026.17	7,026.17	7,026.17	7,026.17	7,026.17	7,026.17	7,026.17	7,026.17	7,026.17	7,026.17	7,026.17	0.00
Carrying Cost Adj. for rate calculation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Adjusted Cumulative Difference	1,606,869.09	1,402,204.15	1,206,143.07	1,019,443.13	928,441.64	978,641.37	1,127,367.97	1,223,259.44	1,277,357.27	1,297,153.10	1,112,971.08	917,190.15	
Carrying Charge Calculation	12,854.93	11,334.28	9,875.44	8,483.84	7,779.67	8,089.80	9,107.69	9,746.03	10,084.17	10,175.90	8,802.38	7,345.55	
Cumulative Carrying Charge	474,761.16	486,095.44	495,970.88	504,454.72	512,234.39	520,324.20	529,431.88	539,177.92	549,262.08	559,437.98	568,240.36	575,585.91	
Prime Rate	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%
Monthly Rate	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%
Life-to-Date Revenue Requirement	1,802,404.35	1,589,192.60	1,384,646.51	1,189,528.81	1,090,796.98	1,134,280.67	1,276,998.99	1,366,502.64	1,413,912.43	1,426,773.83	1,234,192.13	1,029,928.20	(0.00)
Forecasted Sales (mWh)	193,242	195,485	181,929	156,446	137,971	125,227	125,463	128,753	133,774	128,370	156,481	172,177	1,835,318
REGULATORY ASSET													
Reg Asset Account 1822.1001 should be	1,802,404.35	1,589,192.60	1,384,646.51	1,189,528.81	1,090,796.98	1,134,280.67	1,276,998.99	1,366,502.64	1,413,912.43	1,426,773.83	1,234,192.13	1,029,928.20	
Reg Asset Account 1822.1001 balance	2,086,729.61	1,802,404.35	1,589,192.60	1,384,646.51	1,189,528.81	1,090,796.98	1,134,280.67	1,276,998.99	1,366,502.64	1,413,912.43	1,426,773.83	1,234,192.13	
Difference - To be booked to Reg Asset	(284,325.26)	(213,211.76)	(204,546.09)	(195,117.70)	(98,731.83)	43,483.70	142,718.32	89,503.65	47,409.79	12,861.40	(192,581.70)	(204,263.93)	

Rate Calculation - Effective April 2013	
Revenue Requirements April 2013 thru March 2014	8,305,365.76
Carrying Charge (April 2013 thru Mar 2014)	23,480.19
True-up from April 2012-Mar 2013	(1,300,332.51)
True-up from April 2011-Mar 2012	369,320.46
True-up from April 2009-Mar 2010 (includes carrying chrg)	(175,104.97)
True-up from Jan 2008 thru Mar 2009 (includes carrying chrg)	1,190,431.02
Deferral of Jan 2008 thru Mar 2009 costs	(337,256.00)
Amortization of Deferral	337,256.00
Total Requirements	8,413,159.94
Projected Sales in mWh April 2013 thru Mar 2014	1,859,435
New Rate	\$0.00452

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	Forecast Jan-13	Forecast Feb-13	Forecast Mar-13	Forecast Apr-13	Forecast May-13	Forecast Jun-13	2013 Forecast Jul-13	Forecast Aug-13	Forecast Sep-13	Forecast Oct-13	Forecast Nov-13	Forecast Dec-13	2013 YE Balance
TRACKER SUMMARY													
Requirements Compared to Billed:													
Revenue Requirements													
Langdon	152,572.55	197,178.43	165,854.85	110,843.49	108,731.79	142,059.95	193,368.18	172,496.00	166,390.43	135,020.94	112,679.75	147,492.23	1,804,688.58
Ashtabula	268,064.64	323,152.51	276,373.73	218,363.14	215,409.81	256,924.65	310,620.02	293,206.13	283,703.47	247,666.82	218,822.20	263,795.33	3,176,102.45
Luverne	281,117.10	281,117.10	281,117.10	281,117.10	281,117.10	281,117.10	281,117.10	281,117.10	281,117.10	281,117.10	281,117.10	281,117.10	3,373,405.18
Total	701,754.29	801,448.04	723,345.67	610,323.72	605,258.70	680,101.69	785,105.30	746,819.23	731,211.00	663,804.87	612,619.05	692,404.65	8,354,196.21
Billed (forecast kWh x adj factor)	Projected 1,076,892.76	Projected 1,089,393.66	Projected 1,013,849.64	Projected 714,929.19	Projected 630,503.80	Projected 572,265.69	Projected 573,341.86	Projected 588,377.26	Projected 611,325.06	Projected 586,626.43	Projected 715,092.38	Projected 786,817.52	2013 YE 8,959,415.24
Renewable Energy Certificate Sales													0.00
Monthly Revenue Difference	(367,792.92)	(283,242.05)	(287,835.01)	(104,004.13)	(25,390.86)	107,507.86	212,207.55	160,410.44	123,006.69	81,182.79	(97,885.82)	(90,528.50)	
Cumulative Difference	654,789.73	371,547.68	83,712.66	(20,291.47)	(45,682.33)	61,825.53	274,033.08	434,443.52	557,450.22	638,633.01	540,747.18	450,218.68	
Deferred 2008 True-up	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Amortization of Deferred 2008 True-up	7,026.17	7,026.17	7,026.17	7,026.17	7,026.17	7,026.17	7,026.17	7,026.17	7,026.17	7,026.17	7,026.17	7,026.17	
Carrying Cost Adj. for rate calculation	0.00	0.00	601.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Adjusted Cumulative Difference	556,423.39	280,207.51	(0.00)	(96,977.96)	(115,342.66)	(808.64)	218,425.09	385,861.69	515,894.55	604,103.51	513,243.85	429,741.52	
Carrying Charge Calculation	4,703.57	2,668.95	601.34	(145.76)	(328.15)	444.11	1,968.47	3,120.75	4,004.35	4,587.51	3,884.37	3,234.07	
Cumulative Carrying Charge	580,289.49	582,958.44	583,559.77	583,414.01	583,085.86	583,529.98	585,498.45	588,619.20	592,623.55	597,211.06	601,095.43	604,329.50	
Prime Rate	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	
Monthly Rate	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	
Life-to-Date Revenue Requirement	659,493.30	374,216.63	84,314.00	(20,437.23)	(46,010.48)	62,269.64	276,001.55	437,564.28	561,454.57	643,220.52	544,631.55	453,452.75	(0.00)
Forecasted Sales (mWh)	195,175	197,440	183,749	158,010	139,351	126,479	126,717	130,040	135,112	129,653	158,046	173,898	1,853,671
REGULATORY ASSET													
Reg Asset Account 1822.1001 should be	659,493.30	374,216.63	84,314.00	(20,437.23)	(46,010.48)	62,269.64	276,001.55	437,564.28	561,454.57	643,220.52	544,631.55	453,452.75	
Reg Asset Account 1822.1001 balance	1,029,928.20	659,493.30	374,216.63	84,314.00	(20,437.23)	(46,010.48)	62,269.64	276,001.55	437,564.28	561,454.57	643,220.52	544,631.55	
Difference - To be booked to Reg Asset	(370,434.90)	(285,276.67)	(289,902.63)	(104,751.23)	(25,573.25)	108,280.12	213,731.91	161,562.72	123,890.29	81,765.95	(98,588.97)	(91,178.80)	

Rate Calculation - Effective April 2014	
Revenue Requirements April 2014 thru March 2015	7,587,255.95
Carrying Charge (April 2014 thru Mar 2015)	26,505.81
Total Requirements	7,613,761.76
Projected Sales in mWh April 2014 thru Mar 2015	1,878,029
New Rate	\$0.00405

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

North Dakota revenue requirements

\$10,158,012

Alternative #1			
	Billing kWh**	Rate per kWh	Total Revenue
All classes	1,841,024,438	\$0.00552	\$10,158,012

Alternative #2							
Class factors	Weighting	LGS		All others		Total	
ND E2*	75.53%	33.0337%	\$2,534,460	66.9663%	\$5,137,887	\$7,672,346	
ND D1*	24.47%	31.5805%	\$784,986	68.4195%	\$1,700,680	\$2,485,666	
North Dakota			\$3,319,446		\$6,838,566	\$10,158,012	
		LGS		All others			
		Rate	billing units**	Revenue	Rate	billing units**	Revenue
kWh billing		\$0.00410	611,035,656	\$2,507,177	\$0.00556	1,229,988,782	\$6,838,566
kW billing		\$0.705	1,151,988	\$812,268	n/a	n/a	n/a
Class revenue				\$3,319,446			\$6,838,566
					Total North Dakota revenue		\$10,158,012

* Class factors are consistent with projected recovery period.

** April 2012 - March 2013 projected rider recovery period.

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

				LGS customers after April 1, 2010					Total Revenue
	Rate/kWh	kWh	Revenue	Rate/kWh	kWh	Rate/kW	kW	Revenue	
Jan-2009	\$0.00193	Actual	\$394,208						\$394,208
Feb-2009	\$0.00510	Actual	920,965						920,965
Mar-2009	\$0.00510	Actual	866,474						866,474
Apr-2009	\$0.00510	Actual	774,049						774,049
May-2009	\$0.00510	Actual	606,416						606,416
Jun-2009	\$0.00510	Actual	566,287						566,287
Jul-2009	\$0.00510	Actual	569,467						569,467
Aug-2009	\$0.00510	Actual	578,077						578,077
Sep-2009	\$0.00510	Actual	589,636						589,636
Oct-2009	\$0.00510	Actual	636,380						636,380
Nov-2009	\$0.00510	Actual	690,479						690,479
Dec-2009	\$0.00369	Actual	602,291						602,291
			<u>\$7,794,729</u>						<u>\$7,794,729</u>
Jan-2010	\$0.00369	Actual	\$769,785						\$769,785
Feb-2010	\$0.00369	Actual	678,100						678,100
Mar-2010	\$0.00369	Actual	612,637						612,637
Apr-2010	\$0.00369	Actual	542,911						542,911
May-2010	\$0.00369	Actual	439,016						439,016
Jun-2010	\$0.00369	Actual	417,911						417,911
Jul-2010	\$0.00369	Actual	447,431						447,431
Aug-2010	\$0.00369	Actual	487,322						487,322
Sep-2010	\$0.00551	Actual	455,045	\$0.00473		\$0.212		224,617	679,662
Oct-2010	\$0.00551	Actual	414,985	\$0.00473		\$0.212		213,045	628,031
Nov-2010	\$0.00551	Actual	530,030	\$0.00473		\$0.212		223,542	753,572
Dec-2010	\$0.00551	Actual	734,658	\$0.00473		\$0.212		232,340	966,997
			<u>\$6,529,831</u>					<u>\$893,544</u>	<u>\$7,423,375</u>
Jan-2011	\$0.00551	Actual	\$846,163	\$0.00473		\$0.212		234,099	\$1,080,262
Feb-2011	\$0.00551	Actual	806,358	\$0.00473		\$0.212		239,442	1,045,800
Mar-2011	\$0.00551	Actual	747,456	\$0.00473		\$0.212		222,691	970,147
Apr-2011	\$0.00551	Actual	\$625,290	\$0.00473		\$0.212		\$243,993	869,283
May-2011	\$0.00551	Actual	\$487,143	\$0.00473		\$0.212		\$220,061	707,203
Jun-2011	\$0.00551	Actual	\$432,594	\$0.00473		\$0.212		\$238,188	670,781
Jul-2011	\$0.00551	Actual	\$422,451	\$0.00473		\$0.212		\$238,794	\$661,245
Aug-2011	\$0.00551	Actual	\$461,630	\$0.00473		\$0.212		\$237,676	\$699,307
Sep-2011	\$0.00551	Actual	\$448,743	\$0.00473		\$0.212		\$241,973	\$690,717
Oct-2011	\$0.00551	Actual	\$405,485	\$0.00473		\$0.212		\$231,077	\$636,562
Nov-2011	\$0.00551	Actual	\$527,776	\$0.00473		\$0.212		\$234,776	\$762,552
Dec-2011	\$0.00551	124,342,873	\$685,129	\$0.00473	51,698,741	\$0.21200	97272.27	\$265,157	\$950,286
Jan-2012	\$0.00551	143,086,937	\$788,409	\$0.00473	50,155,231	\$0.21200	94429.62	\$257,253	\$1,045,662
Feb-2012	\$0.00551	144,567,417	\$796,566	\$0.00473	50,917,965	\$0.21200	95866.53	\$261,166	\$1,057,732
Mar-2012	\$0.00551	131,642,030	\$725,348	\$0.00473	50,287,415	\$0.21200	94674.72	\$257,931	\$983,278
Apr-2012	\$0.00556	106,054,587	\$589,664	\$0.00410	50,391,042	\$0.70500	94,699	\$273,366	\$863,030
May-2012	\$0.00556	88,306,607	\$490,985	\$0.00410	49,664,490	\$0.70500	93,530	\$269,563	\$760,548
Jun-2012	\$0.00556	74,499,996	\$414,220	\$0.00410	50,727,044	\$0.70500	95,568	\$275,356	\$689,576
Jul-2012	\$0.00556	74,187,077	\$412,480	\$0.00410	51,275,458	\$0.70500	96,853	\$278,511	\$690,991
Aug-2012	\$0.00556	76,757,272	\$426,770	\$0.00410	51,995,411	\$0.70500	98,162	\$282,386	\$709,156
Sep-2012	\$0.00556	81,117,010	\$451,011	\$0.00410	52,657,265	\$0.70500	99,661	\$286,156	\$737,167
Oct-2012	\$0.00556	78,281,138	\$435,243	\$0.00410	50,088,416	\$0.70500	94,448	\$271,948	\$707,192
Nov-2012	\$0.00556	104,903,062	\$583,261	\$0.00410	51,578,279	\$0.70500	97,411	\$280,146	\$863,407
Dec-2012	\$0.00556	122,392,685	\$680,503	\$0.00410	49,784,035	\$0.70500	93,835	\$270,269	\$950,772
Jan-2013	\$0.00556	144,517,807	\$803,519	\$0.00410	50,656,783	\$0.70500	95,374	\$274,931	\$1,078,450
Feb-2013	\$0.00556	146,013,091	\$811,833	\$0.00410	51,427,144	\$0.70500	96,825	\$279,113	\$1,090,946
Mar-2013	\$0.00556	132,958,450	\$739,249	\$0.00410	50,790,289	\$0.70500	95,621	\$275,653	\$1,014,902

Projected revenue April 2012 - March 2013 **\$6,838,738** **\$3,317,398** **\$10,156,136**
Cost recovery target amount **10,158,012**
Difference **(\$1,876)**

Billing determinants for
recovery period 1,229,988,782 kWh 611,035,656 kWh 1,151,988 kW



Fergus Falls, Minnesota

RENEWABLE RESOURCE COST RECOVERY RIDER

DESCRIPTION	RATE CODE
Large General Service	50-520
All Other Service	50-521

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 North Dakota customer’s monthly bill a Renewable Resource Cost Recovery charge (“Renewable Resource Cost”), 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 Energy and Renewable Adjustment line item on the customer’s bill.

RATE:

RENEWABLE RESOURCE COST RECOVERY		
Energy Charge per kWh:	kWh	kW
Large General Service (a)	<u>0.410</u> ¢/kWh	\$ <u>0.705</u>
All Other Service	<u>0.556</u> ¢/kWh	N/A
(a) Rate schedules 10.03 Large General Service, 10.05 Large General Service – Time of Day, 14.02 Real Time Pricing Rider and 14.03 Large General Service Rider.		

C
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DETERMINATION OF DEMAND CHARGE (LARGE GENERAL SERVICE CLASS ONLY): The demand charge shall be billed consistent with the billing demand as defined in the applicable rate schedule under which the Customer is taking service.

NORTH DAKOTA PUBLIC
SERVICE COMMISSION

EFFECTIVE with bills rendered on
and after April 1, 2012, in North Dakota

Case No. PU-11-XX
Approved by order dated _____

APPROVED: Thomas R. Brause
Vice President, Administration



Fergus Falls, Minnesota

North Dakota, Section 13.04
ELECTRIC RATE SCHEDULE
Renewable Resource Cost Recovery Rider
Page 2 of 2
Fourth Revision

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 North Dakota electric rates for the matrices of riders.

NORTH DAKOTA PUBLIC
SERVICE COMMISSION

EFFECTIVE with bills rendered on
and after April 1, 2012, in North Dakota

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North Dakota, Section 13.04
ELECTRIC RATE SCHEDULE
Renewable Resource Cost Recovery Rider
Page 1 of 2
Fourth Revision

Fergus Falls, Minnesota

RENEWABLE RESOURCE COST RECOVERY RIDER

DESCRIPTION	RATE CODE
Large General Service	50-520
All Other Service	50-521

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 North Dakota customer’s monthly bill a Renewable Resource Cost Recovery charge (“Renewable Resource Cost”), 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 Energy and Renewable Adjustment line item on the customer’s bill.

RATE:

RENEWABLE RESOURCE COST RECOVERY			
Energy Charge per kWh:		kWh	kW
Large General Service (a)	0.410	¢/kWh	\$0.705
All Other Service	0.556	¢/kWh	N/A
(a) Rate schedules 10.03 Large General Service, 10.05 Large General Service – Time of Day, 14.02 Real Time Pricing Rider and 14.03 Large General Service Rider.			

C
C

DETERMINATION OF DEMAND CHARGE (LARGE GENERAL SERVICE CLASS ONLY): The demand charge shall be billed consistent with the billing demand as defined in the applicable rate schedule under which the Customer is taking service.

NORTH DAKOTA PUBLIC
SERVICE COMMISSION
Case No. PU-11-XX
Approved by order dated _____

EFFECTIVE with bills rendered on
and after April 1, 2012, in North Dakota

APPROVED: Thomas R. Brause
Vice President, Administration



Fergus Falls, Minnesota

North Dakota, Section 13.04
ELECTRIC RATE SCHEDULE
Renewable Resource Cost Recovery Rider
Page 2 of 2
Fourth Revision

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 North Dakota electric rates for the matrices of riders.

NORTH DAKOTA PUBLIC
SERVICE COMMISSION
Case No. PU-11-XX
Approved by order dated _____

EFFECTIVE with bills rendered on
and after April 1, 2012, in North Dakota

APPROVED: Thomas R. Brause
Vice President, Administration

215 South Cascade Street
 PO Box 496
 Fergus Falls, Minnesota 56538-0496
 218 739-8200
 www.otpco.com (web site)



Date

Notice of change in North Dakota's Renewable Resource Cost Recovery Adjustment Rate

On December 30, 2011, Otter Tail Power Company submitted an application to the North Dakota Public Service Commission (PSC) to increase its Renewable Resource Adjustment under the Renewable Resource Cost Recovery Rider (Otter Tail Electric Rate Schedule, Section 13.04). The new rate includes North Dakota's share of updated costs for investments in the Langdon and Ashtabula and Luverne Wind Energy Centers, all located in North Dakota. Owning renewable generating facilities decreases Otter Tail's need to purchase power on the open market. On average, that lowers the cost of energy, which is part of the Energy and Renewable Adjustment on your bill.

We have requested this change for bills rendered on and after April 1, 2012, subject to review and approval by the PSC. The change applied for is proposed only and, if the rates are suspended by the commission, the new rates will not be effective until commission action has been taken.

The following table shows the requested rate, the current rate, and the change in a typical customer's bill.

	Large General Service	All others
Proposed		
Rate/kW	\$.705	n/a
Rate/kWh	\$0.00410	\$0.00556
Typical use		
kW	652	n/a
kWh	383,580	733
Typical monthly bill impact*	\$2,032.34	\$4.08
Present		
Rate/kW	\$.212	
Rate/kWh	\$0.00473	\$0.00551
Change in bill	\$79.78	\$0.04
*The changes in bills identified in this table do not reflect that the additional wind generation results in reduced purchased power costs on customer bills, and therefore the bill impacts will be less than reflected in this table.		

For more information contact Customer Service at 800-257-4044 or place an inquiry from our web site at www.otpco.com. You also may visit our Customer Service Centers between 8 a.m. and 5 p.m. Monday through Friday or contact the Public Service Commission.

Customer Service Centers

524 Fifth Avenue South, Devils Lake
 171 North Main, Garrison
 315 Second Street SE, Jamestown
 103 South Fifth, Oakes
 226 South Main, Rugby
 2111 Fifteenth Street North, Wahpeton

North Dakota Public Service Commission

600 E. Boulevard, Dept. 408
 Bismarck, ND 58505-0480
 Phone: 701-328-2400
 TTY: 800-366-6888
 Email: ndpsc@nd.gov
 Web: www.psc.state.nd.us