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December 4, 2015

Darrell Nitschke  
Director of Administration/Executive Secretary  
North Dakota Public Service Commission  
600 East Boulevard, Dept. 408  
Bismarck, ND 58505-0480

**RE: UPDATED ATTACHMENTS  
In the Matter of Otter Tail Power Company's Application for  
Approval of the Annual Rate Update to Rate Schedule, Section 13.07,  
Transmission Cost Recovery Rider  
Case No. PU-15-661**

Dear Mr. Nitschke:

Enclosed for filing in the above-referenced matter are updated attachments to Otter Tail Power Company's (Otter Tail) August 31, 2015 Initial Filing in this case (Initial Filing). In response to discussions with the North Dakota Public Service Commission and Staff during the November 4, 2015 Informal Hearing for this Docket, Otter Tail is submitting this supplemental filing to include updated expenses and revenues associated with the portion of Otter Tail's load that will be subject to Southwest Power Pool (SPP) transmission charges, and associated Midcontinent Independent System Operator (MISO) revenues, beginning January 1, 2016. Otter Tail is also including an additional item discussed with Staff relating to the proration of Accumulated Deferred Income Taxes (ADIT) in compliance with recent Private Letter Rulings issued by the Internal Revenue Service (IRS).

The attachments included in this supplemental filing include the following changes to Otter Tail's Original Filing:

- *SPP Related Expenses (Revised Attachment 23) and Revenues (New Attachment 30).* Otter Tail presented updated SPP transmission expense and revenue related forecasts during the November 4, 2015 Informal Hearing that were not available at the time of the Initial Filing. These updated SPP forecasts included changes to the SPP Schedule expenses and the addition of a new revenue stream, MISO Schedule 9.

The Commission advised Otter Tail to file a supplement to the Initial Filing to amend this information. Although Otter Tail continues to explore a variety of options to protect its customers from increased costs from CPEC’s decision to join SPP effective January 1, 2016, the information provided during the November 4, 2015 Informal Hearing is still the best estimate available at this time. These updates have been included in this filing and have resulted in a net decrease of \$193,564 to the revenue requirement.

- *ADIT (New Attachment 31)*. Subsequent to Otter Tail’s Initial Filing in this Docket, Otter Tail became aware of an IRS rule interpretation related to the normalization of ADIT in a forward looking test year used for rate-making purposes. This matter was brought to light by a series of Private Letter Rulings issued by the IRS to a number of other utilities.

IRS Regulation Section 1.167(l)(h)(6) provides that ratemaking procedures and adjustments must be consistent with normalization accounting. This section defines the procedures a company must use to normalize the impact on rate making if a company elects to use accelerated depreciation methods. Specifically, this section stipulates that the monthly changes to the deferred taxes balance, as calculated by the company, must be prorated prior to computing the average of beginning and ending balances for ADIT. According to the rule, Otter Tail would risk losing its ability to take accelerated depreciation if it fails to comply with this rule. Accelerated depreciation is a significant benefit to ratepayers as ADIT amounts are credited against rate base amounts when establishing rates making adherence to this rule important to North Dakota customers.

As noted earlier, at the time of the Initial Filing, Otter Tail was not aware of the ADIT proration issue and had therefore not incorporated the implications of this rule in its revenue requirement calculation. Otter Tail recently completed its analysis and application of the proration methodology to its ADIT balances and has included a new attachment in this supplemental filing that reflects the new ADIT calculation. Adherence to this IRS rule results in an increase of \$16,930 to the revenue requirement in this Docket due to the lower ADIT balance as a result of the proration.

The overall impact of these changes is a \$176,134 decrease to North Dakota revenue requirements from the amount in the Initial Filing of \$10,160,687 to \$9,984,553.

The table below shows the decrease in rates by class from Otter Tail’s Initial Filing (Column C) to this Supplemental filing (Column D):

A	B	C	D
Class	2015 Rates	Initial Filing Proposed 2016 Rates	Supplemental Filing Proposed 2016 Rates
Large General Service	\$ 2.145	\$ 2.448	\$ 2.406
Controlled Service	\$ 0.00077	\$ 0.00090	\$ 0.00088
Lighting	\$ 0.00338	\$ 0.00406	\$ 0.00399
All Other	\$ 0.00576	\$ 0.00692	\$ 0.00680

Darrell Nitschke  
December 4, 2015  
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If you have any questions regarding this filing, please contact me at 218-739-8385 or [bhaugen@otpc.com](mailto:bhaugen@otpc.com).

Sincerely,

*/s/ BRYCE C. HAUGEN*  
Bryce C. Haugen  
Sr. Rates Analyst, Regulatory Administration

nlo  
Enclosures  
By electronic filing and U.S. Mail (original plus 7 copies)

Attachments Index  
Supplemental Filing  
December 4, 2015  
Case No. PU-15-661

**Attachments**

Revised Attachment 1	Revenue
Revised Attachment 2	Revenue Requirements Summary
Revised Attachment 3	Rate Design
Revised Attachment 4	Tracker Summary
Revised Attachment 23	SPP Related Expenses
Revised Attachment 28	Electric Rate Schedule Section 13.07 Redline and Clean
Revised Attachment 29	Proposed Customer Notice
New Attachment 30	MISO Schedule 9 Revenue
New Attachment 31	ADIT Pro-Rate

Projected Revenue for 2016

Line No.	Class		Units	Rate per Unit	Amount
1	Large General Service	(a)	1,285,391 kW	\$2.406	\$3,092,529
2					
3	Controlled Service	(b)	275,180,640 kWh	0.088¢	\$243,314
4					
5	Lighting	(c)	22,238,760 kWh	0.399¢	\$88,782
6					
7	All other service		964,583,571 kWh	0.680¢	\$6,559,928
8					
9	Total revenue				<u>\$9,984,553</u>

- (a) Rate Schedules 10.03 Large General Service and 10.05 Large General Service - Time of Day
- (b) Rate Schedules 14.01 Water Heating, 14.04 Interruptible Load (CT Metering), 14.05 Interruptible Load (Self-Contained Metering), 14.06 Deferred Load
- (c) Rate Schedules 11.03 Outdoor Lighting (energy only), 11.04 Outdoor Lighting

Summary of Revenue Requirements

Line No.	Revenue Requirements	2016
1	CAPX 2020 - Fargo	\$3,584,676
2	CAPX 2020 - Bemidji	\$786,310
3	Cass Lake-Nary-Helga-Bemidji	\$128,387
4	Rugby Wind Interconnection	\$2,608
5	Cassleton – Buffalo 115 kV Project	\$278,377
6	CAPX 2020 - Brookings - Hampton	\$351,684
7	MVP - Big Stone Area Transmission	\$29,163
8	MVP - Ellendale to Big Stone South	\$27,285
9	Ramsey 230/115 kW Transformer Upgrade	\$22,190
10	Karlstad, MN Capacitor Bank Project	\$45,858
11	Oakes Area Transmission Improvements	\$310,732
12	Hankinson Transformer Addition	\$31,070
13	NERC Compliance	\$707,757
14	Summit Transformer	\$40,145
15	Spiritwood Station Interconnection	\$44,988
16	Rugby -Harvey 115 kV Line Rebuild	\$9,594
17	<b>Total Revenue Requirement</b>	<b>\$6,400,824</b>
18	MISO Schedule 26 Expense	5,766,872
19	SPP Schedule 9 Expense	1,637,703
20	SPP Schedule 11 Expense	38,153
21	MISO Schedule 26A Expense	1,966,732
22	MISO Schedule 9 Revenue	(752,174)
23	MISO Schedule 26 Revenue	(5,079,006)
24	MISO Schedule 37 Revenue	0
25	MISO Schedule 38 Revenue	0
26	MISO Schedule 26A Revenue	(462,814)
27	MISO MVP ARR Revenue	(27,230)
28	ADIT Pro-Rate	16,930
29	Carrying Cost	(899)
30	True-Up - 2015	479,463
31	<b>Net Revenue Requirement</b>	<b>\$9,984,553</b>

**Class Allocation and Rate Design**

Line No.			2016
1	North Dakota Revenue Requirements		\$9,984,553 *
2	Large General Service Class	30.97%	\$3,092,529
3	Controlled Service	2.44%	243,314
4	Lighting	0.89%	88,782
5	All Other Service	65.70%	<u>6,559,928</u>
6	Total		\$9,984,553
7	Large General Service Class	kW	1,285,391
8	Controlled Service	kWh	275,180,640
9	Lighting	kWh	22,238,760
10	All Other Service	kWh	964,583,571
11	Large General Service Class	\$ / kW	2.406
12	Controlled Service	cents / kWh	0.088
13	Lighting	cents / kWh	0.399
14	All Other Service	cents / kWh	0.680

\* Jurisdictional transmission allocation factor (D2 = 41.25727%) is from Otter Tail's last general rate case in North Dakota.

Line No.	TRACKER SUMMARY Requirements Compared to Billed:	2015												YE Projected
		January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	July Actual	August Projected	September Projected	October Projected	November Projected	December Projected	
1	Revenue Requirements													
2	CAPX 2020: Fargo	278,229	278,230	281,849	278,234	297,483	296,466	297,652	297,497	297,521	297,556	297,591	297,712	3,496,021
3	CAPX 2020: Bemidji	67,059	67,059	67,065	68,963	67,059	67,059	67,059	67,059	67,059	67,059	67,059	67,059	806,619
4	Cass Lake-Nary-Helga-Bemidji	11,004	11,004	11,004	11,029	11,002	11,002	11,002	11,002	11,002	11,002	11,002	11,002	132,057
5	Rugby Wind Interconnection	220	220	220	220	220	220	220	220	220	220	220	220	2,640
6	Cassellton - Buffalo 115 kV Project	18,277	18,274	18,275	18,275	18,268	18,268	18,268	18,268	18,268	18,268	18,268	18,268	219,249
7	CAPX 2020: Brookings - Hampton	26,897	26,928	27,441	27,822	27,794	27,796	27,858	27,836	27,858	27,872	27,872	27,867	331,840
8	MVP: Big Stone Area Transmission	691	691	691	691	691	691	691	691	691	691	691	691	8,290
9	MVP: Ellendale to Big Stone South	710	710	710	710	710	710	710	710	710	710	710	710	8,523
10	Ramsey 230/115 kV Transformer Upgrade	1,854	1,854	1,854	1,854	1,854	1,854	1,854	1,854	1,854	1,854	1,854	1,854	22,249
11	Karlstad, MN Capacitor Bank Project	3,814	3,814	3,814	3,814	3,814	3,814	3,814	3,814	3,814	3,814	3,814	3,814	45,773
12	Oakes Area Transmission Improvements	18,997	18,997	20,881	20,929	20,913	20,911	20,930	20,928	21,018	21,018	21,018	21,018	247,559
13	Hankinson Transformer Addition	2,592	2,592	2,592	2,592	2,592	2,592	2,592	2,592	2,592	2,592	2,592	2,592	31,106
14	NERC Compliance	29,585	29,588	29,580	30,238	30,253	30,517	30,709	30,997	31,827	32,165	32,439	32,581	370,479
15	Summit Transformer	2,714	2,714	2,714	2,714	2,714	2,714	2,714	3,066	3,066	3,066	3,066	3,066	34,328
16	Spiritwood Station Interconnection	3,896	3,896	3,896	3,896	3,896	3,896	3,896	3,896	3,896	3,896	3,896	3,896	46,747
17	Rugby-Harvey 115 kV Line Rebuild	0	0	0	0	0	0	0	0	0	0	0	0	0
18	<b>Total Revenue Requirements</b>	<b>466,540</b>	<b>466,572</b>	<b>472,587</b>	<b>471,982</b>	<b>489,265</b>	<b>488,511</b>	<b>489,969</b>	<b>490,430</b>	<b>491,398</b>	<b>491,784</b>	<b>492,091</b>	<b>492,351</b>	<b>5,803,480</b>
19	<b>MISO &amp; SPP Expenses</b>													
20	MISO Schedule 26 Expense	500,541	533,557	463,093	504,787	365,972	360,238	376,789	444,025	444,025	444,025	444,025	444,025	5,325,099
21	SPP Schedule 9 Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
22	SPP Schedule 11 Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
23	MISO Schedule 26A Expense	68,834	146,457	125,255	118,165	97,372	90,609	89,780	87,800	83,791	87,655	99,954	112,240	1,207,913
24	<b>Total MISO &amp; SPP Expenses</b>	<b>569,374</b>	<b>680,014</b>	<b>588,347</b>	<b>622,952</b>	<b>463,344</b>	<b>450,847</b>	<b>466,569</b>	<b>531,824</b>	<b>527,816</b>	<b>531,680</b>	<b>543,979</b>	<b>556,265</b>	<b>6,533,013</b>
25	<b>MISO Revenues</b>													
26	MISO Schedule 9 Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
27	MISO Schedule 26 Revenue	(335,140)	(400,793)	(352,982)	(369,416)	(313,749)	(366,548)	(397,499)	(397,877)	(394,882)	(309,312)	(336,594)	(288,591)	(4,263,383)
28	MISO Schedule 37 Revenue	(4,184)	(4,561)	(4,561)	(4,561)	(4,561)	(4,561)	(4,592)	0	0	0	0	0	(31,571)
29	MISO Schedule 38 Revenue	(6,156)	(6,272)	(6,272)	(6,272)	(6,272)	(6,272)	(6,178)	0	0	0	0	0	(43,695)
30	MISO Schedule 26A Revenue	(20,341)	(31,523)	(28,621)	(28,548)	(24,522)	(26,232)	(28,893)	(26,867)	(25,512)	(27,026)	(25,179)	(33,904)	(327,168)
31	MISO MVP ARR Revenue	(3,898)	(3,784)	(3,748)	(2,856)	(2,654)	(2,343)	(1,448)	(2,269)	(2,269)	(2,269)	(2,269)	(2,269)	(32,078)
32	<b>Total MISO Revenues</b>	<b>(369,719)</b>	<b>(446,933)</b>	<b>(396,184)</b>	<b>(411,653)</b>	<b>(351,758)</b>	<b>(405,957)</b>	<b>(438,600)</b>	<b>(427,013)</b>	<b>(422,664)</b>	<b>(338,607)</b>	<b>(364,042)</b>	<b>(324,765)</b>	<b>(4,697,895)</b>
33	<b>Pro-Rate ADIT</b>													
34	<b>Net Revenue Requirement</b>	<b>666,195</b>	<b>699,653</b>	<b>664,751</b>	<b>683,281</b>	<b>600,851</b>	<b>533,401</b>	<b>517,938</b>	<b>595,241</b>	<b>596,550</b>	<b>684,858</b>	<b>672,028</b>	<b>723,851</b>	<b>7,638,598</b>
35	<b>Billed (forecast kWh x adj factor)</b>	<b>890,277</b>	<b>839,217</b>	<b>817,612</b>	<b>684,554</b>	<b>591,869</b>	<b>580,331</b>	<b>628,658</b>	<b>536,976</b>	<b>536,588</b>	<b>519,126</b>	<b>631,652</b>	<b>736,689</b>	<b>7,993,550</b>
36	<b>Big Stone II True-Up</b>	<b>12280</b>	<b>12280</b>	<b>12280</b>	<b>12280</b>	<b>12280</b>	<b>12280</b>	<b>12280</b>	<b>12280</b>	<b>12280</b>	<b>12280</b>	<b>12280</b>	<b>12280</b>	<b>147,360</b>
37	<b>Difference</b>	<b>(236,362)</b>	<b>(151,844)</b>	<b>(165,142)</b>	<b>(13,553)</b>	<b>(3,298)</b>	<b>(59,210)</b>	<b>(123,000)</b>	<b>45,985</b>	<b>47,682</b>	<b>153,451</b>	<b>28,096</b>	<b>(25,118)</b>	<b>(502,312)</b>
38	<b>Carrying Charge</b>	<b>6,765</b>	<b>5,116</b>	<b>4,063</b>	<b>2,906</b>	<b>2,830</b>	<b>2,826</b>	<b>2,422</b>	<b>1,556</b>	<b>1,897</b>	<b>2,253</b>	<b>3,371</b>	<b>3,597</b>	<b>39,602</b>
39	<b>Cumulative Difference</b>	<b>712,576</b>	<b>565,849</b>	<b>404,770</b>	<b>394,123</b>	<b>393,655</b>	<b>337,271</b>	<b>216,693</b>	<b>264,233</b>	<b>313,813</b>	<b>469,517</b>	<b>500,984</b>	<b>479,463</b>	<b>479,463</b>
40	<b>Carrying Charge Calculation</b>	<b>5,116</b>	<b>4,063</b>	<b>2,906</b>	<b>2,830</b>	<b>2,826</b>	<b>2,422</b>	<b>1,556</b>	<b>1,897</b>	<b>2,253</b>	<b>3,371</b>	<b>3,597</b>	<b>3,443</b>	
41	<b>Cumulative Carrying Charge</b>	<b>106,787</b>	<b>110,850</b>	<b>113,756</b>	<b>116,586</b>	<b>119,412</b>	<b>121,834</b>	<b>123,390</b>	<b>125,287</b>	<b>127,540</b>	<b>130,911</b>	<b>134,508</b>	<b>137,951</b>	
42	<b>Carrying cost</b>	<b>8.62%</b>	<b>8.62%</b>	<b>8.62%</b>	<b>8.62%</b>	<b>8.62%</b>	<b>8.62%</b>	<b>8.62%</b>	<b>8.62%</b>	<b>8.62%</b>	<b>8.62%</b>	<b>8.62%</b>	<b>8.62%</b>	
43	<b>Forecasted Sales (MWh)</b>								<b>120,212</b>	<b>120,126</b>	<b>116,216</b>	<b>141,407</b>	<b>164,922</b>	<b>662,884</b>

Approved December 17, 2014 (PU-14-690);  
 Rate Effective January 1, 2014

SUMMARY	Jan 2015 - Dec 2015
Revenue requirements	\$7,237,903
Carrying Charge	37,486
2014 True-Up	1,187,646
<b>Total requirements</b>	<b>\$8,463,035</b>
Jan 2015-Dec 2015 projected sales in MWh	1,894,613
Average Rate	\$0.00447

Line No.	TRACKER SUMMARY Requirements Compared to Billed:	2016												YE Projected
		January Projected	February Projected	March Projected	April Projected	May Projected	June Projected	July Projected	August Projected	September Projected	October Projected	November Projected	December Projected	
1	Revenue Requirements													
2	CAPX 2020: Fargo	298,723	298,723	298,723	298,723	298,723	298,723	298,723	298,723	298,723	298,723	298,723	298,723	3,584,676
3	CAPX 2020: Bemidji	65,526	65,526	65,526	65,526	65,526	65,526	65,526	65,526	65,526	65,526	65,526	65,526	786,310
4	Cass Lake-Nary-Helga-Bemidji	10,755	10,755	10,755	10,755	10,680	10,680	10,680	10,680	10,680	10,680	10,680	10,680	128,387
5	Rugby Wind Interconnection	217	217	217	217	217	217	217	217	217	217	217	217	2,606
6	Cassellton - Buffalo 115 kV Project	23,198	23,198	23,198	23,198	23,198	23,198	23,198	23,198	23,198	23,198	23,198	23,198	278,377
7	CAPX 2020: Brookings - Hampton	29,313	29,307	29,307	29,307	29,307	29,307	29,307	29,307	29,307	29,307	29,307	29,307	351,684
8	MVP: Big Stone Area Transmission	2,430	2,430	2,430	2,430	2,430	2,430	2,430	2,430	2,430	2,430	2,430	2,430	29,163
9	MVP: Ellendale to Big Stone South	2,274	2,274	2,274	2,274	2,274	2,274	2,274	2,274	2,274	2,274	2,274	2,274	27,285
10	Ramsey 230/115 kV Transformer Upgrade	1,849	1,849	1,849	1,849	1,849	1,849	1,849	1,849	1,849	1,849	1,849	1,849	22,190
11	Karlstad, MN Capacitor Bank Project	3,821	3,821	3,821	3,821	3,821	3,821	3,821	3,821	3,821	3,821	3,821	3,821	45,858
12	Oakes Area Transmission Improvements	25,894	25,894	25,894	25,894	25,894	25,894	25,894	25,894	25,894	25,894	25,894	25,894	310,732
13	Hankinson Transformer Addition	2,589	2,589	2,589	2,589	2,589	2,589	2,589	2,589	2,589	2,589	2,589	2,589	31,070
14	NERC Compliance	57,442	57,681	57,832	57,965	58,131	58,306	58,541	58,599	60,725	60,858	60,828	60,848	707,757
15	Summit Transformer	3,345	3,345	3,345	3,345	3,345	3,345	3,345	3,345	3,345	3,345	3,345	3,345	40,145
16	Spiritwood Station Interconnection	3,749	3,749	3,749	3,749	3,749	3,749	3,749	3,749	3,749	3,749	3,749	3,749	44,988
17	Rugby -Harvey 115 kV Line Rebuild	717	717	717	827	827	827	827	827	827	827	827	827	9,594
18	<b>Total Revenue Requirements</b>	531,844	532,077	532,227	532,395	532,562	532,737	532,972	533,029	535,155	535,289	535,259	535,279	6,400,824
19	<b>MISO &amp; SPP Expenses</b>													
20	MISO Schedule 26 Expense	579,585	567,993	550,606	463,668	399,914	388,322	452,076	423,097	394,118	475,260	521,627	550,606	5,766,872
21	SPP Schedule 9 Expense	136,475	136,475	136,475	136,475	136,475	136,475	136,475	136,475	136,475	136,475	136,475	136,475	1,637,703
22	SPP Schedule 11 Expense	3,179	3,179	3,179	3,179	3,179	3,179	3,179	3,179	3,179	3,179	3,179	3,179	38,153
23	MISO Schedule 26A Expense	204,341	185,063	179,882	154,178	142,660	138,806	149,772	151,100	144,640	152,054	171,130	193,106	1,966,732
24	<b>Total MISO &amp; SPP Expenses</b>	923,581	892,712	870,142	757,501	682,228	666,783	741,503	713,852	678,412	766,969	832,411	883,367	9,409,461
25	<b>MISO Revenues</b>													
26	MISO Schedule 9 Revenue	(62,681)	(62,681)	(62,681)	(62,681)	(62,681)	(62,681)	(62,681)	(62,681)	(62,681)	(62,681)	(62,681)	(62,681)	(752,174)
27	MISO Schedule 26 Revenue	(457,530)	(427,504)	(407,237)	(336,300)	(392,036)	(462,973)	(483,240)	(483,240)	(468,040)	(366,701)	(407,237)	(386,969)	(5,079,006)
28	MISO Schedule 37 Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
29	MISO Schedule 38 Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
30	MISO Schedule 26A Revenue	(63,415)	(36,832)	(35,206)	(29,461)	(34,024)	(39,814)	(41,455)	(41,472)	(40,249)	(31,973)	(35,283)	(33,630)	(462,814)
31	MISO MVP ARR Revenue	(2,269)	(2,269)	(2,269)	(2,269)	(2,269)	(2,269)	(2,269)	(2,269)	(2,269)	(2,269)	(2,269)	(2,269)	(27,230)
32	<b>Total MISO Revenues</b>	(585,896)	(529,286)	(507,393)	(430,711)	(491,010)	(567,737)	(589,646)	(589,663)	(573,239)	(463,625)	(507,469)	(485,550)	(6,321,224)
33	<b>Pro-Rate ADIT</b>	1,411	1,411	1,411	1,411	1,411	1,411	1,411	1,411	1,411	1,411	1,411	1,411	16,930
34	<b>Net Revenue Requirement</b>	870,940	896,913	896,387	860,596	725,191	633,194	686,240	658,629	641,739	840,043	861,612	934,507	9,505,989
35														
36	Billed (forecast kWh x adj factor)	1,133,810	1,120,162	999,358	864,775	703,995	648,397	673,851	696,571	696,157	673,673	819,081	954,723	9,984,553
37														
38	Big Stone II True-Up													
39	Difference	(262,871)	(223,250)	(102,971)	(4,179)	21,196	(15,203)	12,389	(37,942)	(54,418)	166,370	42,531	(20,216)	(478,564)
40	Carrying Charge	3,443	1,580	(12)	(751)	(787)	(640)	(754)	(947)	(1,345)	(160)	144	(899)	
41	Cumulative Difference	220,035	(1,634)	(104,617)	(109,547)	(89,138)	(104,981)	(93,346)	(131,958)	(187,324)	(22,299)	20,072	(0)	(0)
42														
43	Carrying Charge Calculation	1,580	(12)	(751)	(787)	(640)	(754)	(670)	(947)	(1,345)	(160)	144	(0)	
44	Cumulative Carrying Charge	139,530	139,519	138,768	137,981	137,341	136,587	135,917	134,970	133,625	133,465	133,609	133,609	
45	Carrying cost	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	
46														
47	Forecasted Sales (MWh)	197,116	194,744	173,741	150,344	122,392	112,726	117,151	121,101	121,029	117,120	142,400	165,981	1,735,844

SUMMARY	Jan 2016 -
	Dec 2016
Revenue requirements	\$9,505,989
Carrying Charge	(899)
2015 True-Up	479,463
<b>Total requirements</b>	<b>\$9,984,553</b>
Jan 2016-Dec 2016 projected sales in MWh	1,735,844
Average Rate	\$0.00575



**TRANSMISSION COST RECOVERY RIDER**

DESCRIPTION	RATE CODE
Large General Service	50-510
Controlled Service	50-511
Lighting	50-512
All Other Service	50-513

**REGULATIONS:** Terms and conditions of this tariff and the General Rules and Regulations govern use of this rider.

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

**COST RECOVERY FACTOR:** There shall be included on each North Dakota Customer's monthly bill a Transmission Cost Recovery charge, which shall be calculated before any applicable municipal payment adjustments and sales taxes as provided in the General Rules and Regulations for the Company's electric service. The following charges are applicable in addition to all charges for service being taken under the Company's standard rate schedules.

**RATE:**

TRANSMISSION COST RECOVERY			
Energy Charge per kWh:		kWh	kW
<b>Large General Service</b>	(a)	N/A ¢/kWh	\$2.406
<b>Controlled Service</b>	(b)	0.088 ¢/kWh	N/A
<b>Lighting</b>	(c)	0.399 ¢/kWh	N/A
<b>All Other Service</b>		0.680 ¢/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.  
 (b) Rate Schedules 14.01 Water Heating, 14.04 Interruptible Load (CT Metering), 14.05 Interruptible Load (Self-Contained Metering), 14.06 Deferred Load, and 14.07 Fixed Time of Delivery  
 (c) Rate Schedules 11.03 Outdoor Lighting (energy only) and 11.04 Outdoor Lighting

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**TRANSMISSION COST RECOVERY RIDER**

DESCRIPTION	RATE CODE
Large General Service	50-510
Controlled Service	50-511
Lighting	50-512
All Other Service	50-513

**REGULATIONS:** Terms and conditions of this tariff and the General Rules and Regulations govern use of this rider.

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

**COST RECOVERY FACTOR:** There shall be included on each North Dakota Customer's monthly bill a Transmission Cost Recovery charge, which shall be calculated before any applicable municipal payment adjustments and sales taxes as provided in the General Rules and Regulations for the Company's electric service. The following charges are applicable in addition to all charges for service being taken under the Company's standard rate schedules.

**RATE:**

TRANSMISSION COST RECOVERY			
Energy Charge per kWh:		kWh	kW
Large General Service (a)		N/A ¢/kWh	<del>\$2.14</del> <u>\$2.406</u>
Controlled Service (b)		<del>0.077</del> <u>0.088</u> ¢/kWh	N/A
Lighting (c)		<del>0.338</del> <u>0.399</u> ¢/kWh	N/A
All Other Service		<del>0.576</del> <u>0.680</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.  
 (b) Rate Schedules 14.01 Water Heating, 14.04 Interruptible Load (CT Metering), 14.05 Interruptible Load (Self-Contained Metering), 14.06 Deferred Load, and 14.07 Fixed Time of Delivery  
 (c) Rate Schedules 11.03 Outdoor Lighting (energy only) and 11.04 Outdoor Lighting

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NORTH DAKOTA PUBLIC  
SERVICE COMMISSION  
Dakota

Case No. PU-~~14-690~~ 15-661

Approved by order dated: ~~December 17, 2014~~

EFFECTIVE with bills rendered on  
and after January 1, ~~2015~~ 2016, in North

APPROVED: Thomas R. Brause  
Vice President, Administration

### Changes to North Dakota's Transmission Cost Recovery Rider

The North Dakota Public Service Commission (PSC) approved our request to update our Transmission Cost Recovery Rider. This rider recovers costs incurred for regional transmission projects that are necessary to provide our North Dakota customers with reliable and economical service.

These changes below apply to bills rendered on and after January 1, 2016, and are included in the Energy and Renewable Adjustment line item.

	Old rates		New rates		Impact of new rates <sup>(1)</sup>
Large General Service	\$2.145	per kw	\$2.406	per kw	\$110.93/month
Controlled Service	\$0.00077	per kwh	\$0.00088	per kwh	\$0.14/month
Lighting	\$0.00338	per kwh	\$0.00399	per kwh	\$0.05/month
Residential	\$0.00576	per kwh	\$0.00680	per kwh	\$1.04/month
All other service	\$0.00576	per kwh	\$0.00680	per kwh	\$1.40/month

(1) Assumes Large General Service uses 425 kw of demand, Controlled Services uses 1,300 kwh, Lighting uses 90 kwh per fixture, Residential uses 1,000 kwh, All other service uses 1,350 kwh.

For more information contact customer service at 800-257-4044 or place an inquiry from our web site at [otpc.com](http://otpc.com).



Month	A	B	C
	All Projects' Revenue Requirement*	All Projects' Revenue Requirement w/ADIT Pro-Rate	Difference (B - A)
2016			
January	531,844	533,254	1,411
February	532,077	533,487	1,411
March	532,227	533,638	1,411
April	532,395	533,806	1,411
May	532,562	533,973	1,411
June	532,737	534,148	1,411
July	532,972	534,382	1,411
August	533,029	534,440	1,411
September	535,155	536,566	1,411
October	535,289	536,699	1,411
November	535,259	536,670	1,411
December	535,279	536,690	1,411
	\$ 6,400,824	\$ 6,417,753	\$ 16,930

\*Tie to Line 17 of the Tracker (Attachment 4)

<b>ND Revenue Requirement Adjustment</b>	<b>\$ 16,930</b>
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