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June 30, 2016



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

**RE: In the Matter of Otter Tail Power Company's Request for Approval of its 2016
Renewable Resource Cost Recovery Adjustment Factor Rates
NDPSC Case No. PU-16-14
Compliance Filing**

Dear Mr. Nitschke:

Enclosed please find an original and seven (7) copies of Otter Tail Power Company's ("Otter Tail's") Compliance Filing in the above-referenced matter.

On June 22, 2016, the North Dakota Public Service Commission ("Commission") approved Otter Tail's updated Renewable Resource Cost Recovery Rider Tariff in Case No. PU-16-14. Attached you will find the final version of Otter Tail's Renewable Resource Cost Recovery Rider rate schedule, Section 13.04, reflecting Commission approved changes. The May 1, 2016 effective date in the footer of section 13.04 provided in the supplemental filing has been updated to reflect the ordered effective date of July 1, 2016.

An electronic copy of this filing is being sent to you at dnitschk@nd.gov and to ndpsc@nd.gov.

If you have any questions regarding this filing, please contact me at 218-739-8890 or tmortenson@otpc.com.

Sincerely,

/s/ TAMMY MORTENSON

Tammy Mortenson
Pricing and Tariff Administration Analyst, Regulatory Administration

wjs
Enclosures
By electronic filing and U.S. mail



Fergus Falls, Minnesota

RENEWABLE RESOURCE COST RECOVERY RIDER

DESCRIPTION	RATE CODE
All Services	50-520

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 in Section 9, 10, 11, 12, 13.05, and 14, except for Section 14.09 (**TailWinds**) and Section 14.11 (Released Energy Access Program Rider).

COST RECOVERY CHARGE: There shall be included on each North Dakota customer’s monthly bill a Renewable Resource Cost Recovery (“RRC”) charge based on the applicable cost recovery factor multiplied by the Customer’s monthly bill. The Customer’s monthly bill shall be based on all applicable charges and credits under the Company’s retail rate schedules in Sections 9, 10, 11, 12, and 14, except for Section 14.09 (**TailWinds**) and Section 14.11 (Released Energy Access Program Rider). The RRC charge will not apply to any Mandatory Riders or sales tax and any local assessments as provided in the General Rules and Regulations for the Company’s electric service, except Section 13.05 (Economic Development Cost Removal Rider). 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.

Renewable Resource Cost Recovery Factor - 7.573 percent
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DETERMINATION OF RENEWABLE RESOURCE COST CHARGE: The RRC Factor shall be determined by dividing the forecasted *balance of the RRC Tracker account* by the *forecasted retail revenues subject to the RRC Factor*. The forecasted RRC Tracker balance and retail revenues shall be based on the forecast for the appropriate 12 month period (or such other period as may be approved by the Commission). The RRC Factor shall be rounded to the nearest 0.001 percent.