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December 22, 2016

Darrell Nitschke
Public Utilities Division
ND Public Service Commission
600 E. Boulevard, Dept. 408
Bismarck, ND 58505



**Re: 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-16-624
Compliance Filing**

Dear Mr. Nitschke:

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

On December 14, 2016, the North Dakota Public Service Commission (Commission) issued its Motion approving Otter Tail's request for approval of the annual update to its Transmission Cost Recovery Rider in Case No. PU-16-624. Attached to this letter is a Non-redline version of page 1 of the Transmission Cost Recovery Rider, Section 13.07 (Tariff Sheet), which reflects the Commission-approved rates. The only change to the Tariff Sheet is the inclusion of the approval date for this filing. No Commission action is required. The effective date on this rate schedule is January 1, 2017.

An electronic copy of this filing is also being sent to you at dnitschk@nd.gov and to the North Dakota Public Service Commission at ndpsc@nd.gov.

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

Sincerely,

Tammy Mortenson
Pricing & Tariff Administration Analyst
Regulatory Administration

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Enclosures
By electronic filing & U.S. Mail

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	\$1.689
Controlled Service	(b)	0.065 ¢/kWh	N/A
Lighting	(c)	0.270 ¢/kWh	N/A
All Other Service		0.475 ¢/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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