

Section 5.01 Extension Rules & Minimum Revenue Guarantees and Minn-Kota calculations



Fergus Falls, Minnesota

North Dakota, General Rules & Regulations
ELECTRIC RATE SCHEDULE
General Rules & Regulations
EXTENSION RULES AND MINIMUM REVENUE GUARANTEE
Section 5.01

STANDARD INSTALLATION AND EXTENSION RULES

SECTION 5.01 EXTENSION RULES AND MINIMUM REVENUE GUARANTEE

The Company will, at its own expense, extend, enlarge, or change its Distribution or other facilities for supplying electric service when the anticipated revenue from the sale of additional service at the location justifies the expenditure. If it reasonably appears to the Company that the expenditure may not be justified based on a three-year projection of revenue received from the Customer's applicable rate(s) (not including any such amounts expected to be recovered through the energy adjustment rider, but including any base costs of energy included in the Customer's rate(s)), the Company may require the Customer to sign an Electric Service Agreement guaranteeing a minimum payment of not less than three (3) years use of electric service, or to require the Customer to pay in advance if the Company has reason to question whether the Customer will maintain adequate creditworthiness over the period or for any other reason may fail to make payments for service over the period.

The Company shall provide to the Customer an estimate with detail of the costs prior to construction.

If at the point of true-up at the end of the initial contracted period of service, the Customer uses and pays for more than the specified guaranteed minimum amount of electric service which the Customer contracted to purchase (not including any amounts paid pursuant to the energy adjustment rider, but including any amounts paid for the base costs of energy included in the Customer's rate(s)), any advance that may have been made in excess of the guaranteed minimum amount will be refunded to the Customer together with interest at the rate provided for Customer deposits under North Dakota Public Service Commission Standard of Service 69-09-02-04. However, if the Customer uses less than the guaranteed minimum, the amount of the deficiency will be billed to the Customer, and/or will be deducted from the Customer's advance payment, and the balance of the advance payment, if any, will be refunded to the Customer with interest on the balance.

NORTH DAKOTA PUBLIC
SERVICE COMMISSION
Case No. PU-08-862
Approved by order dated November 25, 2009

RATES EFFECTIVE with bills rendered
on and after December 1, 2009, in North Dakota

APPROVED: Bernadeen Brutlag
Manager, Regulatory Services

54 PU-17-96 Filed: 10/30/2017 Pages: 3
Exhibit OTP-LF1 - OTP - Policy extensions of service
and minimum revenue guarantee calculated by OTP
for Minnkota
Otter Tail Power Company

Section 5.01 Extension Rules & Minimum Revenue Guarantees and Minn-Kota calculations

**Otter Tail Power Company
Minn-Kota Ag Products Extension
Three Year Minimum Revenue - Secondary Service – 23% LF**

Aggregate Cost to Extend Service & On-Site Facilities:	\$235,869
Estimated Annual Load (kWh):	2,591,440
Estimated Annual Revenue:	\$251,136
Estimated Three-year Revenue:	\$753,408

An Electric Service Agreement is not needed based on a three-year projection of revenue received.

Section 5.01 Extension Rules & Minimum Revenue Guarantees and Minn-Kota calculations

**Otter Tail Power Company
Minn-Kota Ag Products Extension
Three Year Minimum Revenue - Secondary Service – 33% LF**

Aggregate Cost to Extend Service & On-Site Facilities:	\$235,869
Estimated Annual Load (kWh):	2,846,400
Estimated Annual Revenue:	\$271,981
Estimated Three-year Revenue:	\$815,943

An Electric Service Agreement is not needed based on a three-year projection of revenue received.