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October 15, 2018



Darrell Nitschke  
Director of Administration/Executive Secretary  
North Dakota Public Service Commission  
State Capitol  
Bismarck, ND 58505

**RE: Otter Tail Power Company's Application for Astoria Natural Gas Project.  
Case No. PU-17-140  
Quarterly Report - Compliance Filing**

Dear Mr. Nitschke:

On November 3, 2017 the North Dakota Public Service Commission issued an Order on Settlement and approved a Settlement Agreement between Otter Tail and Advocacy Staff in the above-described case. The Settlement Agreement requires Otter Tail to "provide the Commission quarterly construction progress reports on the Astoria Project until the project is in service."

Enclosed are an original and seven (7) copies of Otter Tail's quarterly report for the quarter ending September 30, 2018. This report has also been electronically filed.  
If you have any questions regarding this report, please contact me at (605) 862-6306 or at [kphinney@otpc.com](mailto:kphinney@otpc.com).

Sincerely,

*/s/ KIRK PHINNEY*  
Kirk Phinney  
Manager, Supply Engineering

mmo  
Enclosures  
By electronic filing and US mail

**ASTORIA NATURAL GAS PROJECT  
QUARTERLY CONSTRUCTION PROGRESS REPORT**

**TO THE**

**NORTH DAKOTA PUBLIC SERVICE COMMISSION**

**FOR THE**

**PERIOD JULY 1 THROUGH SEPTEMBER 30, 2018**

**October 15, 2018**

## **Astoria Natural Gas Project Quarterly Construction Progress Report**

Otter Tail Power Company (OTP) submits this report on the Astoria Natural Gas Project in compliance with the North Dakota Public Service Commission's November 3, 2017 Order on Settlement in Case Number PU-17-140, which requires OTP to provide the Commission quarterly construction progress reports on the Astoria Natural Gas Project until the project is in service. This report concerns project activities through September 30, 2018.

Project activities for the third quarter of 2018 focused on obtaining the necessary permits for the Astoria Project, navigating processes and agreements necessary for the MISO interconnection process, and beginning the detailed project design. An application for an energy conversion facility siting permit was filed with the South Dakota Public Utilities Commission on October 5, 2017. A public input hearing was held on November 27, 2017 in Toronto, South Dakota. No parties filed for intervenor status by the December 4, 2017 deadline established by the Commission. On August 3, 2018 the Commission issued an order granting a siting permit to construct the Project subject to the terms and conditions set forth in a settlement stipulation between OTP and Commission Staff.

The Astoria Project is in the February 2016 MISO interconnection queue. The MISO interconnection process has progressed through Phase III, which finalized the cost estimate for transmission upgrades necessary to interconnect the generator. Those costs are in line with the project budget and terms are being negotiated for a generator interconnection agreement. On September 11, 2018 MISO issued a conforming generator interconnection agreement for execution between the Astoria Project, MISO (the transmission provider), and the transmission owner.

OTP is now moving forward with project engineering and procurement. Site topographical surveying and geotechnical surveying were completed this quarter and proposals for the combustion turbine generator are currently under evaluation.

Focus for the fourth quarter will be procurement of the majority of the balance of plant equipment and detailed design.