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July 15, 2019



Steve Kahl
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. Kahl:

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 June 30, 2019. 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.

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 APRIL 1 THROUGH JUNE 30, 2019

July 15, 2019

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 June 30, 2019.

Project activities for the second quarter of 2019 focused on detailed design, equipment procurement, and the start of construction.

The chart below provides the number and type of major procurements identified for the project, the number of active procurements, and the number of procurements for which contracts have been executed. For clarity, active procurements are those for which specifications are under development, proposals have been requested, or proposal responses are under review.

Procurement Type	Project Total	Active	Executed
Major equipment supply agreements	10	4	6
Service agreements	6	1	4
Interconnection-related agreements	6	1	5
Site utilities	4	0	4

In the second quarter of 2019, OTP entered into agreements for the supply of the generator step-up and unit auxiliary transformers, compressed air system, continuous emissions monitoring system, and field erected tanks. To date, four major equipment supply agreements remain to be awarded. One service agreement, the general work contract, is active with the development of the bid package. Procurement bids and lead times to date are within the project budget and schedule.

Proposals were received and reviewed, and a contract was awarded, for the initial sitework and major foundations installation. This work commenced in the second quarter of 2019 and will continue until December of 2019.

The focus for the third quarter of 2019 will be the award of all remaining equipment supply agreements, oversight of awarded equipment supply agreements, and development and issuance of a request for proposal package for the remaining installation work. Construction activities will include the completion of public roads upgrade, completion of initial site grading, and the start of concrete foundations.

22834.00 Astoria Station Plant Coordinates 2 May 2019

05/02/2019



SDR

500 ft

Site prior to start of construction 5/2/2019



SDR

300 ft

Site activity on 6/26/2019