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October 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 September 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

rah
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, 2019

October 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 September 30, 2019.

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

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	0	10
Service agreements	6	1	5
Interconnection-related agreements	6	0	6
Site utilities	4	0	4

In the third quarter of 2019, OTP entered into agreements for the supply of the cable bus duct, isolated phase bus duct, power distribution center, distributed control system, and generator circuit breaker. To date, all major equipment supply agreements have been awarded. One service agreement, the general work contract, was issued for bids. The project also finalized and executed the agreement for the fuel gas interconnection and corresponding gas yard with the Northern Border Pipeline Company. Procurement bids and lead times to date are within the project budget and schedule.

Construction activities for the quarter included the completion of the public road upgrade, initial site civil work and subsurface grading, duct bank installation, and the start of concrete foundations installation. A second contractor began work on three permanent buildings and a third mobilized to site to start water tank installation. Weather has impacted construction progress with

wet conditions; however, there is enough schedule float to allow all 2019 planned work to be completed without impact to 2020 work.

The focus for the fourth quarter of 2019 will be the review of the general work contract proposals and subsequent award, and oversight of awarded equipment supply agreements. Construction activities will include the completion of mass concrete foundations, security fencing, seeding, final gravel surfacing, and 2019 duct bank installation. Installation will also continue on the three permanent buildings and two water storage tanks.

22834.00 Astoria Station Plant Coordinates 26 June 2019

06/26/2019



SDR

300 ft

Site activity near beginning of quarter 6/26/2019



SDR

500 ft

Site activity near end of quarter 9/27/2019