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April 15, 2020

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 required 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 March 31, 2020. 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

cjh
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 JANUARY 1 THROUGH MARCH 31, 2020

April 15, 2020

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 March 31, 2020.

Project activities for the first quarter of 2020 focused on completing detailed design, supply agreement administration and oversight, receiving of equipment and materials, construction activities and management of issues surrounding the global COVID-19 pandemic.

All major procurement contracts for the project have been executed.

Supply agreement administration and oversight was again a focal point this quarter, with nearly complete manufacturing of major equipment and deliveries well underway. Most of the equipment for the project was delivered to the project site by the end of the quarter. With the award of all major agreements completed, most of the project costs are known, and the project continues to be within budget and on schedule.

Construction activities for the quarter included completion of the administration, cold storage, and maintenance buildings; generator tie-line foundation installation; mobilization of the general work contractor; underground ductbank, storm sewer, and piping installation; foundation preparation for receiving the combustion turbine and generator; stack erection; civil sub grading of the generator tie line switchyard; receiving deliveries; and maintaining and storing delivered equipment. OTP also mobilized the planned construction oversight staff in parallel with increased construction activities during the quarter.

Managing through implications of the global COVID-19 pandemic received significant attention in the first quarter of 2020. The pandemic increases the risk of workforce, supply chain, and other disruptions for large construction projects. The project is an essential critical infrastructure project and work will continue as planned. OTP, its suppliers, and its contractors are taking measures to prevent the spread of COVID-19. Those measures include, but are not limited to, screening of new workers arriving onsite, social distancing, and additional cleaning. No cases have

been reported on the project site. Contractors and suppliers were informed that the project is an essential critical infrastructure project under guidance issued by the Cybersecurity and Infrastructure Security Agency (CISA), which is part of the U.S. Department of Homeland Security. Consequently, if the State of South Dakota or local political subdivisions issue orders relating to COVID-19, we expect that contractors and suppliers will be allowed to continue to support the project.

The project is managing through COVID-19 impacts as it relates to remaining equipment deliveries and labor supply. Some project suppliers and contractors have issued notices suggesting potential force majeure events under the terms of their contracts. OTP has put those project suppliers and contractors to the burden of demonstrating that their performance has indeed been hindered by COVID-19.

We have not yet altered the Astoria Project construction schedule, but COVID-19-related disruptions have increased risks for the project and circumstances continue to evolve. While project schedule and cost are not impacted at this time, these remain risks for the foreseeable future.

The focus for the second quarter of 2020 will be continued COVID-19 impact mitigation efforts. Construction activities include completion of equipment foundations, continued build-out of the combustion turbine and generator auxiliaries, structural steel erection, completion of underground utilities, piping installation, power and control cable installation, and beginning of gas yard construction. Commissioning and start-up planning efforts will also begin in the second quarter of 2020.



SDR

500 ft

Site activity near beginning of quarter 12/23/2019



SDR

500 ft

Site activity near end of quarter 3/30/2020