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October 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."

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

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

TO THE

NORTH DAKOTA PUBLIC SERVICE COMMISSION

FOR THE

PERIOD JULY 1 THROUGH SEPTEMBER 30, 2020

October 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 September 30, 2020.

Project activities for the third quarter of 2020 focused on construction and commissioning.

All major procurements identified for the project have been completed and all major equipment and materials have been delivered to the site. Several equipment suppliers have had technical field advisors onsite providing support for construction and commissioning of their respective equipment. Training of the permanent OTP workforce has also been conducted by several of the equipment suppliers this quarter.

Completed construction activities during the quarter included generator tie line bus yard, erecting the air inlet ductwork; erecting remaining structural steel; setting all remaining equipment on foundations; erecting equipment enclosures; installation of balance of plant utilities, such as the compressed air, service water, well water, rural water, and demineralized water systems; isophase bus duct installation; insulating water tanks; and combustion turbine generator lube oil system piping. Interconnecting piping and electrical cable installation were focal points during the quarter and these installations will continue into next quarter.

Commissioning activities for the quarter included energizing electrical distribution equipment via the permanent reserve auxiliary power source; energizing the turbine and balance of plant control systems; placing the compressed air system into service; initial running of motors; cleaning and flushing of the combustion turbine generator lube oil system; check out and running of the diesel fire pump and underground fire protection system; and check out of high voltage equipment between the generator and transmission interconnection point.

Managing implications of the COVID-19 pandemic continued in the third quarter of 2020. An increase in COVID-19 positive test results within the site workforce at the beginning of the quarter prompted additional preventive measures onsite, primarily mandatory face covering usage

and continuous cleaning and disinfecting. The site has not had a member of the workforce test positive for COVID-19 since the additional measures were implemented. This is fortunate considering that worker activities offsite are beyond employers' control and active COVID-19 cases within the local area are currently on the rise. To date the project has incurred some additional costs for increased cleaning and additional management to ensure compliance with site COVID-19 policies. However, maintaining a productive, healthy workforce and continuing work outweighs those additional costs. The project will continue to manage COVID-19 implications, but it will remain a risk for the project for the foreseeable future.

The focus for the fourth quarter of 2020 will be continued COVID-19 impact mitigation efforts. All systems will be commissioned and placed into initial operation in the fourth quarter of 2020. Once those activities take place, the combustion turbine generator supplier will perform testing and tuning of the unit in preparation of OTP conducting formal testing in early 2021. The project remains on schedule and within budget.



Site activity near beginning of quarter 7/1/2020



Site activity near end of quarter 10/2/2020