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January 14, 2021

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 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 is Otter Tail's report for the quarter ending December 31, 2020.

If you have any questions regarding this report, please contact me at (605) 924-0767 or at kphinney@otpc.com.

Sincerely,

/s/ KIRK PHINNEY
Kirk Phinney
Manager, Supply Engineering

cjh
Enclosures
By electronic filing

78 PU-17-140 Filed 01/14/2021 Pages: 5
Compliance filing - Quarterly Progress Report - ending Dec. 31, 2020
Otter Tail Power Company

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

TO THE

NORTH DAKOTA PUBLIC SERVICE COMMISSION

FOR THE

PERIOD OCTOBER 1 THROUGH DECEMBER 31, 2020

January 14, 2021

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 December 31, 2020.

Project activities for the fourth quarter of 2020 focused on commissioning activities and completing construction activities necessary for initial operation of the plant.

All major procurements identified for the project have been completed and all major equipment and materials have been delivered to the site.

Construction activities during the quarter included completing the fuel gas system piping, cable installation and terminations, air inlet ductwork, air inlet filter installation, partial site asphaltting, final concrete, plant area lighting, pressure testing of piping systems, and insulation of piping and combustion turbine. The general work contractor also began demobilizing equipment such as the large cranes and heavy haul dump trucks.

Commissioning activities for the quarter included cleaning of numerous piping systems, energizing the generator step up and unit auxiliary transformers via the transmission switchyard, combustion turbine and generator lube oil flush, bringing natural gas to the fuel gas equipment, test firing the fuel gas water bath heater, functional checks of balance of plant systems, high voltage equipment protection check out, calibration of all instruments, and initial fills of oils and lubricants.

Managing implications of the COVID-19 pandemic continued in the fourth quarter of 2020. During the quarter, several workers at the site tested positive for COVID-19. However, given the sporadic timing of the cases - - nothing suggested on-site spread. Mandatory face covering usage, continuous cleaning, disinfecting, and coordinated contract tracing with all on-site contractors will continue through completion of the project. Additional project costs due to COVID-19 have remained relatively low. As the workforce transitions from a large construction workforce to a smaller workforce, individual positive COVID-19 cases could impact commissioning and startup on specific equipment requiring specialized workforce personnel. To date, these risks have been

avoided, and we have worked with equipment suppliers on technical support contingency plans and preventative measures already in place.

Several contractual milestones were missed due to instrumentation failures discovered during the commissioning process. Replacement instruments were received onsite by the end of the quarter; however, their lead time impacted the critical path schedule by six weeks. At the time of this report, commissioning efforts have resumed in full and OTP is assessing cost and schedule impacts.

The focus for the first quarter of 2021 will be continued COVID-19 impact mitigation efforts, final commissioning of all systems, achieving first fire of the Unit, and hot commissioning of the combustion turbine. The project remains within budget and the anticipated in-service date is March 1, 2021.



Site activity near beginning of quarter 10/2/2020



Site activity near end of quarter 12/31/2020