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April 20, 2018



Darrell Nitschke  
Director of Administration/Executive Secretary  
North Dakota Public Service Commission  
State Capitol  
Bismarck, ND 58505

**RE: Otter Tail Power Company's Application for Merricourt Wind Project.  
Case No. PU-17-141  
Quarterly Report - Compliance Filing**

Dear Mr. Nitschke:

On November 3, 2017 the North Dakota Public Service Commission issued an Order on Settlement in the above-described case. The Settlement Agreement directs Otter Tail Power Company to "provide the Commission quarterly construction progress reports on the Merricourt Project until the project is in service." This filing is the Otter Tail Power Company's quarterly report for the quarter ending March 31, 2018. This report has been electronically filed. Enclosed you will find an original and seven (7) copies.

If you have any questions regarding this report, please contact me at (218) 739-8550, ext. 732 or at [hcmahon@otpc.com](mailto:hcmahon@otpc.com).

Sincerely,

*/s/ HARVEY MCMAHON*  
Harvey McMahan  
Manager, Renewable Energy Construction and Operation

ljh  
Enclosures  
By electronic filing and US mail

*An Equal Opportunity Employer*



**MERRICOURT WIND DEVELOPMENT QUARTERLY CONSTRUCTION  
PROGRESS REPORT**

**TO THE**

**NORTH DAKOTA PUBLIC SERVICE COMMISSION**

**FOR THE**

**PERIOD JANUARY 1, 2018 THROUGH MARCH 31, 2018,**

**April 20, 2018**

## **Merricourt Wind Development Quarterly Construction Progress Report**

As of the end of the first quarter of 2018 there has been no physical construction on the Merricourt wind farm site, which is consistent with the project schedule. EDF and OTP have not yet closed the asset purchase under the parties' Asset Purchase Agreement, with several conditions remaining open, the most notable concerning the process and timeline of generator interconnection and costs associated therewith. The Merricourt Project is in the August 2016 MISO interconnection queue, which continues to experience delays. OTP continues to monitor the status of MISO interconnection studies and expects to receive MISO's first study results in Q2, 2018. Total project costs incurred by OTP through March 31, 2018 are in-line with projections.

EDF received the amended Merricourt site certificate in November of 2017. EDF has all project easements updated and signed. EDF has sent out Request for Quotes on the Balance of Plant contract, and for long lead time items such as the main step up power transformer. In December 2016 EDF purchased the 5% safe harbor turbines necessary to avail the Merricourt Project of the 100% Production Tax Credit and these turbines are being stored in Colorado at a Vestas facility.

OTP continues to anticipate that the Merricourt Project will be in service by December 31, 2019. The in-service date is subject to change depending on project developments and the project schedule accommodates flexibility, because the in-service date necessary for availing the Project of the 100% PTC is a full year later (i.e., December 31, 2020).