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January 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 Merricourt Wind Project.  
Case No. PU-17-141  
Quarterly Report - Compliance Filing**

Dear Mr. Kahl:

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 December 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

mmo  
Enclosures  
By electronic filing and US mail

**MERRICOURT WIND DEVELOPMENT QUARTERLY CONSTRUCTION  
PROGRESS REPORT**

**TO THE**

**NORTH DAKOTA PUBLIC SERVICE COMMISSION**

**FOR THE**

**PERIOD OCTOBER 1, 2018 THROUGH DECEMBER 31, 2018**

**January 15, 2019**

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

As of the end of the fourth quarter of 2018 there has been no physical construction on the Merricourt wind farm site, which is consistent with the project schedule. The Asset Purchase Agreement between EDF Renewable Energy, Inc. (EDF), several of its affiliates, and Otter Tail Power Company (OTP) is currently expected to close no earlier than first quarter 2019, contingent upon satisfaction of various closing conditions. Anticipated interconnection costs are expected to be in-line with OTP's original expectations. Total project costs incurred by OTP through December 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 Requests 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 anticipates a construction completion date in 2020, with the in-service date allowing OTP to avail itself of 100% PTCs.