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June 21, 2018

Darrell Nitschke
Executive Secretary
ND Public Service Commission
600 East Boulevard Avenue
Bismarck, ND 58505-0480

**RE: Otter Tail Power Company's Application for Approval of its Economic
Development Rider
Case No. PU-17-238
Revised Rate Schedule**

Dear Mr. Nitschke:

Enclosed please find an original and seven (7) copies of Otter Tail Power Company's (Company's) revised EDR. The changes are intended to improve clarity and understanding and are based on comments made by Commissioners and Staff during work sessions. Lastly, we are requesting an effective date of July 1, 2018, assuming this case is placed on the June 27, 2018 Commission meeting agenda and is approved.

An electronic copy of this filing is being sent to you at dnitschk@nd.gov and to ndpsc@nd.gov. Please feel free to contact me at (218) 739-8595 or dprazak@otpco.com if you have any questions.

Sincerely,

/s/ DAVID G. PRAZAK
David G. Prazak
Supervisor, Pricing and Tariff Administration
Regulatory Administration

ljh
Enclosures

An Equal Opportunity Employer

33 PU-17-238 Filed 06/21/2018 Pages: 4
Revised Economic Development Rate Schedule
Otter Tail Power Company
David Prazak



Fergus Falls, Minnesota

North Dakota, Section 14.13
ELECTRIC RATE SCHEDULE
Economic Development Rate Rider – Large General Service
Applications and Eligibility Requirements

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**ECONOMIC DEVELOPMENT RATE RIDER - LARGE GENERAL SERVICE
APPLICATIONS AND ELIGIBILITY REQUIREMENTS**

DESCRIPTION	RATE CODE
Secondary Service	50-0690
Primary Service	50-0691
Transmission Service	50-0692

REGULATIONS: Terms and conditions of this electric rate schedule and the General Rules and Regulations govern use of this rider.

APPLICATION OF RIDER: This rider is applicable to the following customers:

- (i) Greenfield customers with: expected metered demand of at least 500 kW at a single metering point, and Seasonal Load Factor that is above the seasonal system average load factor and above the seasonal class average load factor corresponding to existing customers under the otherwise Applicable Standard Tariff.
- (ii) Existing customers with: metered demands of at least 1,000 kW that increase measured demand by at least 500 kW at a single new metering point, and Seasonal Load Factor above the seasonal system average load factor and above the seasonal class average load factor under the otherwise Applicable Standard Tariff.

SCOPE OF RIDER: To attract new customer load that provides net benefits to ratepayers.

COMMISSION REVIEW AND APPROVAL PROCESS: The nature of this rider requires Commission approval of the Rate Discount offered to the Customer. The following steps will be followed in developing the discount and securing appropriate Commission reviews and approvals:

1. Company will compute discount using proprietary pricing model and producing net benefits to rate payers.
2. Company will provide copy of model with proposed discount to Commission staff for review.
3. Following confirmation by Commission staff, Company will provide rate quote to prospective customer.
4. Final contract inclusive of rate discount, will require Commission approval per the terms of

NORTH DAKOTA PUBLIC
SERVICE COMMISSION
Case No. PU-17-238
Approved by order dated

RATES EFFECTIVE with bills rendered
on and after July 1, 2018, in North Dakota

APPROVED: Bruce G. Gerhardson
Vice President, Regulatory Affairs



Fergus Falls, Minnesota

North Dakota, Section 14.13
ELECTRIC RATE SCHEDULE
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this rate schedule. N

RATE DISCOUNT: To be specified in each Customer's contract, in the form of a discount from the Company's Applicable Standard Tariff (Section 10.03 or 10.05), plus applicable Riders that follows the Commission-Approved Process described herein. N
N
N

MANDATORY AND VOLUNTARY RIDERS: The amount of a bill for service will be modified by any Mandatory Rate Riders that must apply and by any Voluntary Rate Riders selected by the Customer, unless otherwise noted in this schedule. See Sections 12.00, 13.00 and 14.00 of the North Dakota electric rates for the matrices of riders. N
N
N
N

TERMS AND CONDITIONS: The Company will offer the Customer the rate schedule under the following terms: N
N

1. The minimum rate under this schedule shall recover at least the incremental cost of providing the service, including any energy-related marginal costs plus the cost of additional generation capacity or network Capacity that is to be added while the rate is in effect, and any marginal Customer-related costs. The goal of this calculation is to establish a floor price to ensure that the revenue requirement of other Customers will not increase due to the addition of the new large load. N
N
N
N
N

2. The final rate offered to the Customer under this rate schedule shall not exceed the Company's Standard Tariff and all applicable riders and shall not be lower than incremental costs as described in the preceding paragraph. N
N
N

3. The Company will utilize its proprietary pricing model to compare expected revenues from the prospective Customer and expected costs of serving the added load over the time period described in 4 of these terms and conditions. The model will be made available only to the Commission to verify the calculations used to establish the rate quote and final rate offered to the Customer. N
N
N
N
N

4. The contract term for a Customer who meets all requirements under this rate schedule must be no less than one year and no longer than five years commencing the first day of commercial operations N
N
N

5. The contract will indicate how the incentive percent level will vary during the 1 to 5-year period for the particular customer. The stated incentive will be an annual discount percentage to be N
N

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- applied to all billed amounts and mandatory riders, including Energy Adjustment Rider (EAR) related revenue, but excluding taxes. N
N
 - 6. Customers who do not meet the 3-year minimum revenue guarantee as per OTP’s line extension policy will not qualify for this rate schedule. N
N
 - 7. The Company will not need to verify, nor will customers served on this rate schedule need to demonstrate the creation of a minimum number of jobs upon adding the new load. N
N
 - 8. Customer will allow Company to undertake an Energy efficiency audit of the facility. N
 - 9. The Company will provide the Commission annual compliance updates to the proprietary pricing model and approved Rate Discount while this rate schedule is in effect. N
N