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January 3, 2018

Darrell Nitschke
Director of Administration/Executive Secretary
North Dakota Public Service Commission
600 East Boulevard, Dept. 408
Bismarck, ND 58505-0480

RE: In the Matter of the Application of Otter Tail Power Company for Authority to Increase Rates for Electric Service in North Dakota
Case No. PU-17-398
OAH File No. 20170622

Dear Mr. Nitschke:

Otter Tail Power Company (Otter Tail) respectfully submits this interim rate tariff compliance filing in response to the North Dakota Public Service Commission's (Commission) December 20, 2017, Order on Interim Rates (Order) in this proceeding.

Otter Tail submits this filing to provide the Commission with 2 additional rate schedules that should have been in our interim rate tariff compliance filing. Both additions are in legislative and non-legislative form, with an approval date of December 20, 2017 and Docket number for this proceeding.

The following Rate Schedules have been added to the initial filing with the following language: The Interim Rate Adjustment section has been added for the applicability of the charge only on the Administrative Charge

- 14.02, REAL TIME PRICING RIDER,
- 14.03, LARGE GENERAL SERVICE RIDER

Please contact me at (218) 739-8657, or molsen@otpco.com should you have any questions with respect to this filing.

Very truly yours,

/S/ MATTHEW J. OLSEN
Matthew J. Olsen
Manager Regulatory Proceedings and Compliance

kaw
Enclosures
By electronic filing
c: Service List

REAL TIME PRICING RIDER

DESCRIPTION	**RATE CODE**	
Transmission Service	50-660	~~C~~
Primary Service	50-662	~~C~~
Secondary Service	50-664	~~C~~

RULES AND REGULATIONS: Terms and condition of this tariff and the General Rules and Regulations govern use of this schedule. ~~LC~~

INTERIM RATE ADJUSTMENT: A 10.44 percent increase will be added to the Administrative Charge. N

AVAILABILITY: This rider is available on a voluntary basis to Customers who have maintained a measured demand of at least 200 kW during the historical period used for Customer Baseline Load ("CBL") development. Priority will be established based on the date that an agreement is executed by both the Customer and the Company. ~~N~~

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

ADMINISTRATIVE CHARGE: An Administrative Charge in the amount of $199.00 will be applied to each monthly bill to cover billing, administrative, metering, and communication costs associated with real-time pricing, plus any other applicable tariff charges. ~~R~~ ~~N~~

TYPE OF SERVICE: Three-phase, 60 hertz at any available Standard Voltage. ~~C~~

TERM OF SERVICE: Service under this rider shall be for a period not less than one year. The Customer shall take service under this rider by either signing a new electric service agreement with the Company or by entering into amendments of existing electric service agreements. A Customer who voluntarily cancels service under this rider is not eligible to receive service again under this rider for a period of one year. ~~C~~

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PRICING METHODOLOGY: Hourly prices are determined for each day based on projections of the hourly system incremental costs, losses according to voltage level, hourly outage costs (when applicable), and profit margin. ~~C~~

CUSTOMER BASELINE LOAD: The Customer Baseline Load is specific to each Real Time Pricing ("RTP") Customer and is developed using a 12-month period of hourly (8,760) energy levels (kWh) as well as the corresponding twelve monthly billing demands based on the Customer's rate schedule under which it was being billed immediately prior to taking service under the RTP Rider. The Customer's CBL must be agreed to in writing by the Customer as a precondition of receiving service under this rider. ~~C~~ ~~C~~ ~~C~~

The Customer's CBL is a representation of its typical pattern of electricity consumption and is derived from historical usage data. The CBL is used to produce the Standard Bill and from which to measure changes in consumption for purposes of billing under the RTP rider. ~~C~~

STANDARD BILL: The Standard Bill is calculated by applying the charges in the rate schedule under which the Customer was being billed immediately prior to taking service under the RTP rider to both the Customer's CBL demand (adjusted for reactive demand) and the CBL level of energy usage for each month of the RTP service year. The Company will immediately adjust a Customer's Standard Bill to reflect any changes which are approved by the North Dakota Public Service Commission to the applicable rate schedule. ~~C~~ ~~C~~ ~~C~~ ~~C~~

BILL DETERMINATION: A Real Time Pricing bill will be rendered after each monthly billing period. The bill consists of an Administrative Charge, a Standard Bill, a charge (or credit) for consumption changes from the CBL, and an excess reactive demand charge/credit. The monthly bill is calculated using the following formula:

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RTP Bill $_{Mo}$ = Adm. Charge + Std Bill$_{Mo}$ + Consumption Changes from CBL$_{Hr}$ + Excess Reactive Demand

Where:

RTP Bill$_{Mo}$ = Customer's monthly bill for service under this Rider
Adm. Chg. = See Administrative Charge section below
Std. Bill$_{Mo}$ = See Standard Bill section above
Consumption Changes From CBL = Σ {Price$_{Hr}$ x {Load$_{Hr}$ - CBL$_{Hr}$}}
Excess Reactive Demand = See Excess Reactive Demand section below
Σ = Sum over all hours of the monthly billing period
Price$_{Hr}$ = Hourly RTP price as defined under Pricing Methodology
Load$_{Hr}$ = Customer's actual load for each hour of the billing period
CBL$_{Hr}$ = Customer's CBL energy usage for each hour of the billing period

CONSUMPTION CHANGES FROM CBL: Hourly RTP prices are applied only to the difference, determined in kWhs for each hour of the billing period, between the Customer's actual energy usage and its CBL energy usage. ~~C~~

EXCESS REACTIVE DEMAND: The Reactive Demand shall be the maximum KVAR registered over any period of one hour during the month for which the bill is rendered. A separate charge or credit will be made on the bill to reflect incremental changes from the reactive demand used in the Standard Bill calculation.

DETERMINATION OF THE CBL:

1. Development of the Customer's CBL. ~~C~~

   For a Customer who elects to take service under this RTP rider, the Company and the Customer will develop a CBL using hourly load data from a representative 12-month period. The representative hourly load data to be used will be historical data that originates within two years (24 months) of the date that the Customer begins receiving service under the RTP rider. ~~C~~ ~~C~~ ~~C~~

   In situations where hourly data are not available for a particular Customer, a CBL will be made by using available aggregate metered usage data and load shapes from Customers with similar usage patterns along with engineering and operating data provided by the Customer and which is verified by the Company. ~~C~~ ~~C~~ ~~C~~

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2. Calendar Mapping of the Base-Year CBL to the RTP service year.
   To provide the Customer with the appropriate CBL for each day of the RTP service year, each day of the base-year CBL is calendar-mapped to the corresponding day of the RTP service year. Calendar-mapping is a day-matching exercise performed to assure that Mondays are matched to Mondays, Tuesdays are matched to Tuesdays, holidays to holidays, and so forth. Calendar-mapping also reflects Customer shutdown schedules. Calendar-mapping is performed prior to each year of RTP service, after any necessary adjustments (as defined below) are made to the CBL. ~~C~~ ~~C~~

CBL ADJUSTMENTS: In order to assure that the CBL accurately reflects the energy that the Customer would consume on its otherwise applicable rate schedule, adjustments to the CBL shall be made for: ~~C~~

1. The installation of permanent energy efficiency measures or other verifiable conservation or technology efficiency improvement measures. At any time during the RTP service year, Customers can request that CBL adjustments be made to reflect efficiency improvements and that the adjustment coincide with the time of the installation or change-out. ~~C~~ ~~C~~ ~~C~~

2. The permanent removal of Customer equipment or a change to operating procedures that results in a significant and permanent reduction of electrical load. At any time before or during the RTP service year, the Company will make adjustments to the CBL to coincide with the time that the equipment is removed or changes to operating procedures. ~~C~~ ~~C~~

3. The permanent addition of Customer equipment that has been or will be made prior to the *initial* RTP service year is based upon known changes in Customer usage and/or demand that are not directly related to the introduction of RTP. ~~C~~ ~~C~~

4. One-time, extraordinary events such as a tornado or other natural causes or disasters outside the control of the Customer or the Company. In these cases, the Company will make adjustments to the CBL as warranted by the circumstance. ~~C~~ ~~C~~

CBL RECONTRACTING: RTP Customers, at the time of initial subscription and during future re-subscription periods, shall select a recontracting Adjustment Factor that will be used in the CBL adjustment rule defined below for the next RTP service year. The Adjustment ~~C~~

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Factor shall be a number between zero and one inclusive.

After taking service under the RTP rider for one full year, the CBL for the second (and subsequent) year(s) of RTP service will be based on both the CBL and the actual load. CBLs will be developed for subsequent years based upon the following general rule:

$CBL_{t+1} = CBL_t + \{\text{Adjustment Factor} \times (\text{Actual load}_t - CBL_t)\}$

PRICE NOTIFICATION: The Company shall make available to Customers, no later than ~~C~~
4:00 p.m. (Central Time) of the preceding day, hourly RTP prices for the next business day. ~~C~~
Except for unusual periods where an outage is at high risk, the Company will make prices for ~~C~~
Saturday through Monday available to Customers on the previous Friday. More than one-day- ~~C~~
ahead pricing may also be used for the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas.

Because high-outage-risk circumstances prevent the Company from projecting prices more ~~C~~
than one day in advance, the Company reserves the right to revise and make available to ~~C~~
Customers prices for Sunday, Monday, any of the holidays mentioned above, or for the day ~~C~~
following a holiday. Any revised prices shall be made available by the usual means no later than 4:00 p.m. of the day prior to the prices taking effect.

The Company is not responsible for a Customer's failure to receive or obtain and act upon the ~~C~~
hourly RTP prices. If a Customer does not receive or obtain the prices made available by the ~~C~~
Company, it is the Customer's responsibility to notify the Company by 4:30 p.m. (Central ~~C~~
Time) of the business day preceding the day that the prices are to take effect. The Company ~~C~~
will be responsible for notifying the Customer if prices are revised. ~~C~~

SPECIAL PROVISIONS:

1. If there is a change in the legal identity of the Customer receiving service under ~~C~~
this RTP rider, service shall be terminated unless the Company and the Customer ~~C~~
make other mutually agreeable arrangements. ~~C~~

2. All equipment to be served must be of such voltage and electrical characteristics so that it can be served from the circuit provided for the main part of the load and so that the electricity used can be properly measured by the meter ordinarily installed on such a circuit. If the equipment is such that it is impossible to serve

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from existing circuits, the Customer must provide any necessary transformers, auto transformers, or any other device~~s~~ so that connection can be made to the circuit provided by the Company. ~~C~~

3. If the Customer's actual load exceeds the CBL by an amount that requires the Company to install additional facilities to serve the Customer, the Customer will be responsible for any and all costs incurred by the Company to install the facilities. ~~C~~

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REAL TIME PRICING RIDER

DESCRIPTION	RATE CODE
Transmission Service	50-660
Primary Service	50-662
Secondary Service	50-664

RULES AND REGULATIONS: Terms and condition of this tariff and the General Rules and Regulations govern use of this schedule.

INTERIM RATE ADJUSTMENT: A 10.44 percent increase will be added to the Administrative Charge. N N

AVAILABILITY: This rider is available on a voluntary basis to Customers who have maintained a measured demand of at least 200 kW during the historical period used for Customer Baseline Load ("CBL") development. Priority will be established based on the date that an agreement is executed by both the Customer and the Company.

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

ADMINISTRATIVE CHARGE: An Administrative Charge in the amount of $199.00 will be applied to each monthly bill to cover billing, administrative, metering, and communication costs associated with real-time pricing, plus any other applicable tariff charges.

TYPE OF SERVICE: Three-phase, 60 hertz at any available Standard Voltage.

TERM OF SERVICE: Service under this rider shall be for a period not less than one year. The Customer shall take service under this rider by either signing a new electric service agreement with the Company or by entering into amendments of existing electric service agreements. A Customer who voluntarily cancels service under this rider is not eligible to receive service again under this rider for a period of one year.

PRICING METHODOLOGY: Hourly prices are determined for each day based on projections of the hourly system incremental costs, losses according to voltage level, hourly outage costs (when applicable), and profit margin.

CUSTOMER BASELINE LOAD: The Customer Baseline Load is specific to each Real Time Pricing ("RTP") Customer and is developed using a 12-month period of hourly (8,760) energy levels (kWh) as well as the corresponding twelve monthly billing demands based on the Customer's rate schedule under which it was being billed immediately prior to taking service under the RTP Rider. The Customer's CBL must be agreed to in writing by the Customer as a precondition of receiving service under this rider.

The Customer's CBL is a representation of its typical pattern of electricity consumption and is derived from historical usage data. The CBL is used to produce the Standard Bill and from which to measure changes in consumption for purposes of billing under the RTP rider.

STANDARD BILL: The Standard Bill is calculated by applying the charges in the rate schedule under which the Customer was being billed immediately prior to taking service under the RTP rider to both the Customer's CBL demand (adjusted for reactive demand) and the CBL level of energy usage for each month of the RTP service year. The Company will immediately adjust a Customer's Standard Bill to reflect any changes which are approved by the North Dakota Public Service Commission to the applicable rate schedule.

BILL DETERMINATION: A Real Time Pricing bill will be rendered after each monthly billing period. The bill consists of an Administrative Charge, a Standard Bill, a charge (or credit) for consumption changes from the CBL, and an excess reactive demand charge/credit. The monthly bill is calculated using the following formula:

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RTP Bill $_{Mo}$ = Adm. Charge + Std Bill $_{Mo}$ + Consumption Changes from CBL $_{Hr}$ + Excess Reactive Demand		
Where:		
RTP Bill $_{Mo}$	=	Customer's monthly bill for service under this Rider
Adm. Chg.	=	See Administrative Charge section below
Std. Bill $_{Mo}$	=	See Standard Bill section above
Consumption Changes From CBL	=	Σ {Price $_{Hr}$ x {Load $_{Hr}$ - CBL $_{Hr}$}}
Excess Reactive Demand	=	See Excess Reactive Demand section below
Σ	=	Sum over all hours of the monthly billing period
Price $_{Hr}$	=	Hourly RTP price as defined under Pricing Methodology
Load $_{Hr}$	=	Customer's actual load for each hour of the billing period
CBL $_{Hr}$	=	Customer's CBL energy usage for each hour of the billing period

CONSUMPTION CHANGES FROM CBL: Hourly RTP prices are applied only to the difference, determined in kWhs for each hour of the billing period, between the Customer's actual energy usage and its CBL energy usage.

EXCESS REACTIVE DEMAND: The Reactive Demand shall be the maximum KVAR registered over any period of one hour during the month for which the bill is rendered. A separate charge or credit will be made on the bill to reflect incremental changes from the reactive demand used in the Standard Bill calculation.

DETERMINATION OF THE CBL:

1. Development of the Customer's CBL.

   For a Customer who elects to take service under this RTP rider, the Company and the Customer will develop a CBL using hourly load data from a representative 12-month period. The representative hourly load data to be used will be historical data that originates within two years (24 months) of the date that the Customer begins receiving service under the RTP rider.

   In situations where hourly data are not available for a particular Customer, a CBL will be made by using available aggregate metered usage data and load shapes from Customers with similar usage patterns along with engineering and operating data provided by the Customer and which is verified by the Company.

2. Calendar Mapping of the Base-Year CBL to the RTP service year.

To provide the Customer with the appropriate CBL for each day of the RTP service year, each day of the base-year CBL is calendar-mapped to the corresponding day of the RTP service year. Calendar-mapping is a day-matching exercise performed to assure that Mondays are matched to Mondays, Tuesdays are matched to Tuesdays, holidays to holidays, and so forth. Calendar-mapping also reflects Customer shutdown schedules. Calendar-mapping is performed prior to each year of RTP service, after any necessary adjustments (as defined below) are made to the CBL.

CBL ADJUSTMENTS: In order to assure that the CBL accurately reflects the energy that the Customer would consume on its otherwise applicable rate schedule, adjustments to the CBL shall be made for:

1. The installation of permanent energy efficiency measures or other verifiable conservation or technology efficiency improvement measures. At any time during the RTP service year, Customers can request that CBL adjustments be made to reflect efficiency improvements and that the adjustment coincide with the time of the installation or change-out.

2. The permanent removal of Customer equipment or a change to operating procedures that results in a significant and permanent reduction of electrical load. At any time before or during the RTP service year, the Company will make adjustments to the CBL to coincide with the time that the equipment is removed or changes to operating procedures.

3. The permanent addition of Customer equipment that has been or will be made prior to the *initial* RTP service year is based upon known changes in Customer usage and/or demand that are not directly related to the introduction of RTP.

4. One-time, extraordinary events such as a tornado or other natural causes or disasters outside the control of the Customer or the Company. In these cases, the Company will make adjustments to the CBL as warranted by the circumstance.

CBL RECONTRACTING: RTP Customers, at the time of initial subscription and during future re-subscription periods, shall select a recontracting Adjustment Factor that will be used in the CBL adjustment rule defined below for the next RTP service year. The Adjustment Factor shall be a number between zero and one inclusive.

After taking service under the RTP rider for one full year, the CBL for the second (and subsequent) year(s) of RTP service will be based on both the CBL and the actual load. CBLs will be developed for subsequent years based upon the following general rule:

$CBL_{t+1} = CBL_t + \{\text{Adjustment Factor} \times (\text{Actual load}_t - CBL_t)\}$

PRICE NOTIFICATION: The Company shall make available to Customers, no later than 4:00 p.m. (Central Time) of the preceding day, hourly RTP prices for the next business day. Except for unusual periods where an outage is at high risk, the Company will make prices for Saturday through Monday available to Customers on the previous Friday. More than one-day-ahead pricing may also be used for the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas.

Because high-outage-risk circumstances prevent the Company from projecting prices more than one day in advance, the Company reserves the right to revise and make available to Customers prices for Sunday, Monday, any of the holidays mentioned above, or for the day following a holiday. Any revised prices shall be made available by the usual means no later than 4:00 p.m. of the day prior to the prices taking effect.

The Company is not responsible for a Customer's failure to receive or obtain and act upon the hourly RTP prices. If a Customer does not receive or obtain the prices made available by the Company, it is the Customer's responsibility to notify the Company by 4:30 p.m. (Central Time) of the business day preceding the day that the prices are to take effect. The Company will be responsible for notifying the Customer if prices are revised.

SPECIAL PROVISIONS:

1. If there is a change in the legal identity of the Customer receiving service under this RTP rider, service shall be terminated unless the Company and the Customer make other mutually agreeable arrangements.

2. All equipment to be served must be of such voltage and electrical characteristics so that it can be served from the circuit provided for the main part of the load and so that the electricity used can be properly measured by the meter ordinarily installed on such a circuit. If the equipment is such that it is impossible to serve from existing circuits, the Customer must provide any necessary transformers, auto transformers, or any other devices so that connection can be made to the circuit provided by the Company.

3. If the Customer's actual load exceeds the CBL by an amount that requires the Company to install additional facilities to serve the Customer, the Customer will be responsible for any and all costs incurred by the Company to install the facilities.

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LARGE GENERAL SERVICE RIDER

DESCRIPTION	Option 1	Option 2
Fixed Rate Energy Pricing	50-648	50-649
System Marginal Energy Pricing	50-642	50-645
Short-term Marginal Capacity Purchases	50-643	50-646
Short-term Marginal Capacity Releases	50-644	50-647

RULES AND REGULATIONS: Terms and conditions of this tariff and the General Rules and Regulations govern use of this schedule.

AVAILABILITY: This rider is available at the request of Customers who take service under the rate schedules listed in the Application Section of this tariff and have either (**Option 1**) a metered Demand of at least 1 MW, or (**Option 2**) a Total Coincident Demand of at least 10 MW for multiple, non-contiguous facilities that function in series.

INTERIM RATE ADJUSTMENT: A 10.44 percent increase will be added to the Administrative Charge. **N** **N**

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

ELECTRIC SERVICE AGREEMENT: For service under this Rider, the Company may, at its discretion, require a written electric service agreement (ESA") between the Company and the Customer that sets forth, among other things, the Customer's Billing Demand, Firm Demand, On-Peak Baseline Demand and Off-Peak Baseline Demand.

FIXED RATE ENERGY PRICING:

Background: Certain Company industrial and commercial Customers have ESAs that designate, among other things, a Billing Demand, On-Peak and Off-Peak Baseline Demands and a Firm Demand. With On-Peak and Off-Peak Baseline Demands, the Company agrees to provide and the Customer agrees to purchase all of its Energy requirements at rates set forth in the Customer's applicable rate schedule and/or a negotiated rate subject to Commission approval. Setting a Firm and Baseline Demands benefits both the Company and the Customer. With Firm Demands, the

Company is able to curtail participating Customers' load to predetermined levels which allows the Company to more accurately forecast its native load Capacity and Energy requirements. Baseline Demands assure the Customer a fixed price for Energy up to the Baseline Demand and the ability to purchase Energy above the Baseline Demand at rates set forth in the Customer's applicable rate schedule and/or a negotiated Energy rate subject to Commission approval.

Energy: A Customer's monthly rate for Energy will be determined in two parts: (1) Energy consumed up to and including the On-Peak Baseline Demand and Off-Peak Baseline Demand, and (2) Energy consumed above the On-Peak Baseline Demand and Off-Peak Baseline Demand. The price (rate) for Energy consumed up to and including the On-Peak Baseline Demand and Off-Peak Baseline Demand will be determined by multiplying the Customer's metered Energy consumption by the Energy rate provided in the rate schedule applicable to the Customer and/or a negotiated rate subject to Commission approval. The monthly rate for Energy consumed above the On-Peak Baseline Demand and Off-Peak Baseline Demand will be determined by multiplying the Customer's metered Energy consumption by the Energy rate provided in the rate schedule applicable to the Customer and/or a negotiated Energy rate subject to Commission approval.

Demand: A Customer's monthly rate for Demand shall be determined by multiplying the Customer's Billing Demand by the Demand rate provided in the rate schedule applicable to the Customer and/or a negotiated Demand rate subject to Commission approval.

SYSTEM MARGINAL ENERGY PRICING:

Background: Certain Company industrial and commercial Customers have ESAs that designate, among other things, a Billing Demand, On-Peak and Off-Peak Baseline Demands and a Firm Demand. With On-Peak and Off-Peak Baseline Demands, the Company agrees to provide and the Customer agrees to purchase its Energy requirements up to the Baseline Demand at rates set forth in the Customer's applicable rate schedule. Setting a Firm and Baseline Demands benefits both the Company and the Customer. With Firm Demands, the Company is able to curtail participating Customers' load to predetermined levels which allows the Company to more accurately forecast its native load Capacity and Energy requirements. Baseline Demands assure the Customer a fixed price for Energy up to the Baseline Demand and the ability to purchase Energy above the Baseline Demand on a "real time" basis, which can be higher or lower than the rates set forth in the applicable rate schedule. Accordingly, a Customer can adjust its Energy consumption above the Baseline Demand according to the value the Customer places on that Energy in real-time.

Energy: A Customer's monthly rate for Energy will be determined in two parts: (1) Energy consumed up to and including the On-Peak Baseline Demand and Off-Peak Baseline Demand, and (2) Energy consumed above the On-Peak Baseline Demand and Off-Peak Baseline Demand.

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The price (rate) for Energy consumed up to and including the On-Peak Baseline Demand and Off-Peak Baseline Demand will be determined by multiplying the Customer's metered Energy consumption by the Energy rate provided in the rate schedule applicable to the Customer. The monthly rate for Energy consumed above the On-Peak Baseline Demand and Off-Peak Baseline Demand will be determined by multiplying the Customer's metered Energy consumption by the Company's System Marginal Energy Price.

System Marginal Energy Price Notification: No later than 4:00 p.m. (Central Time) of the preceding day, the Company shall give its best efforts to make available to Customers the System Marginal Energy Price for the next business day. System Marginal Energy Prices for Saturday through Monday will be made available, whenever possible, the previous Friday. The Company may deviate from this procedure in abnormal operating conditions and for the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas.

The Company is not responsible for a Customer's failure to receive or obtain and act upon the System Marginal Energy Prices. If a Customer does not receive or obtain the prices made available by the Company, it is the Customer's responsibility to notify the Company by 4:30 p.m. of the business day preceding the day the prices are to take effect. The Company reserves the right to revise its System Marginal Energy Price at any time prior to the Customer's acceptance and will be responsible for notifying the Customer of such revised prices.

Administrative Charge: An Administrative Charge in the amount of $199.00 will be applied to each monthly bill to cover billing, administrative, metering, and communication costs associated with System Marginal Energy Pricing.

Demand: A Customer's monthly rate for Demand shall be determined by multiplying the Customer's Billing Demand by the Demand rate provided in the rate schedule applicable to the Customer.

SHORT-TERM MARGINAL CAPACITY PURCHASES:

Background: Certain Customers have ESAs that establish for the term of the ESA, among other things, a Billing Demand under which the Customer purchases a fixed level of Capacity and a Firm Demand that represents the load-level to which the Customer must curtail on being notified by the Company. On a Short-term basis, the Customer may desire either more or less Capacity than that established in the ESA. The Short-Term Marginal Capacity Purchases and Short-Term Marginal Capacity Releases sections provide a mechanism under which the Customer may, on a Short-term basis, purchase additional Capacity from the Company or third party (the "Marginal Capacity") or release (sell) Capacity to the Company or third party (the "Released Capacity").

Marginal Capacity: Where the Customer requests additional Capacity on a Short-term basis, the Customer may reserve additional Capacity, to the extent available, from the Company's system, or request the Company to purchase available Capacity in the market (the "Marginal Capacity"). Where the Company is unable to provide Marginal Capacity within 60 days of the Customer's notice under Section 4.3, the Customer may seek Marginal Capacity indirectly from a third party. The Company would work with the third party to effectuate the purchase. In each case, the Company agrees to give to the Customer its best effort in seeking the Marginal Capacity. The Marginal Capacity purchase must be for a minimum of 1000 kW (1MW) and will include charges for Transmission Service, a Reserve Margin and applicable administrative and other costs. The Company does not guarantee the availability of Capacity or Transmission Service for the Marginal Capacity.

Compensation: The rate for the Marginal Capacity shall be as negotiated by the parties. Where the Marginal Capacity is provided by a third party, the compensation for such Marginal Capacity shall be as negotiated between the Customer, the Company and the third-party, and the Company shall be compensated for its efforts in assisting the transaction.

Purchase Period: The Purchase Period shall be either a Summer Season(s) or Winter Season(s), or combination thereof, unless otherwise agreed to by the Company and the Customer, but in no case will be less than one (1) month.

Effect of Marginal Capacity: By purchasing Marginal Capacity, the Customer agrees that its Firm Demand, as established in the ESA, will be increased throughout the Purchase Period by the amount of Marginal Capacity purchased. The Customer will continue to be billed for the Billing Demand established in the ESA. For all eligible Customers not taking service under Rate Designation 14.02 (the RTP Rider), Energy consumed above the On-Peak Baseline Demand and Off-Peak Baseline Demand will continue to be billed at the System Marginal Energy Price. RTP Rider Customers will continue to be billed under the provisions of Rate Designation 14.02.

SHORT-TERM MARGINAL CAPACITY RELEASES:

Background: Certain Customers have ESAs that establish for the term of the ESA, among other things, a Billing Demand under which the Customer purchases a fixed level of Capacity and a Firm Demand that represents the load-level to which the Customer must curtail on being notified by the Company. On a Short-term basis, the Customer may desire either more or less Capacity than that established in the ESA. The Short-Term Marginal Capacity Purchases and Short-Term Marginal Capacity Releases sections provide a mechanism under which the Customer may, on a Short-term basis, purchase additional Capacity from the Company or third party (the "Marginal

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Capacity") or release (sell) Capacity to the Company or the third party (the "Released Capacity").

Released Capacity: Where the Customer requests to release Capacity on a short-term basis, the Customer may release some but not all of the Capacity (the "Released Capacity"), and the Company agrees to give its best effort in finding a purchaser of the Released Capacity. Where the Company is unable or unwilling to purchase the Released Capacity for its own use or to resell it off-system at wholesale, or otherwise find a purchaser, within 60 days of the Customer's notice under Section 4.3, the Customer may have a third party market the Capacity. The Company would work with the third-party to effectuate the sale of the Released Capacity. The Released Capacity must be a minimum of 1000 KW (1MW).

OTTER TAIL POWER COMPANY
Fergus Falls, Minnesota

Compensation: As compensation for the Released Capacity, the Customer shall receive a credit or payment during any billing month in which the Customer and the Company have cooperated to make a Released term Capacity sale, adjusted to take into account the Company's applicable administrative and other costs. Where the Company purchases the Released Capacity, the rate will be as negotiated between the Company and the Customer. No credit will be given to the Customer for any Energy sold by the Company under the Released Capacity, and the Customer will have no cost responsibility associated with the sale of such Energy. Where the Released Capacity is marketed by a third party, the compensation for such Released Capacity shall be as negotiated between the Customer, the Company and the third-party, and the Company shall be compensated for its efforts in assisting the Released Capacity transaction.

Release Period: The Release Period shall be either a Summer Season(s) or Winter Season(s), or combination thereof, unless otherwise agreed to by the Company and the Customer, but in no case will be less than one (1) month.

Effect of Release Capacity: By selling Released Capacity, the Customer agrees that its Firm Demand, as established in the ESA, will be reduced throughout the Release Period by the amount of Released Capacity. The Customer will continue to be billed for the Billing Demand established in the ESA.

PENALTY FOR INSUFFICIENT LOAD CONTROL: Upon notification from the Company, the Customer shall curtail its Demand to its Firm Demand, as adjusted to take into consideration any Marginal Capacity or Released Capacity. In the event the Customer fails to curtail its load as requested by the Company, the Customer will forfeit any compensation for that period, if any is due. In addition, the Customer shall be responsible for any and all costs and/or penalties incurred by the Company as result of the Customer's failure to curtail. The duration and frequency of curtailments shall be at the sole discretion of the Company unless otherwise provided in the ESA between the Company and the Customer.

TRANSACTION COSTS: Where the Company gives its best efforts to arrange either a Marginal Capacity purchase or Released Capacity sale but is nonetheless unable to find a market for the Customer, the Company is entitled to its associated transaction costs.

NOTIFICATION REQUIRED BY CUSTOMER: In order to improve the possibility there will be a market for the Released Capacity or Marginal Capacity available, the Customer shall provide notice of its intent to sell Released Capacity or purchase Marginal Capacity no later than six months before the start date of the next applicable Winter Season or Summer Season, the six-month requirement to be waived at the Company's discretion.

OTTER TAIL POWER COMPANY
Fergus Falls, Minnesota

COMMUNICATION REQUIREMENTS: The Customer agrees to use Company-specified communication requirements and procedures when submitting any offer for Released Capacity or Marginal Capacity. These requirements may include specific computer software and/or electronic communication procedures.

METERING REQUIREMENTS: Company approved metering equipment capable of providing load interval information is required for Rider participation. The Customer agrees to pay for the additional cost of such metering when not provided in conjunction with existing retail electric service.

LIABILITY: The Company and the Customer agree that the Company has no liability for indirect, special, incidental, or consequential loss or damages to the Customer, including but not limited to the Customer's operations, site, production output, or other claims by the Customer as a result of participation in this Rider.

ENERGY ADJUSTMENT RIDER: Energy consumed up to and including the On-Peak Baseline Demand and Off-Peak Baseline Demand is subject to the Energy Adjustment Rider as provided in Section 13, or any amendments or superseding provisions applicable thereto. Because Energy consumed above the On-Peak Baseline Demand and Off-Peak Baseline Demand is subject to the System Marginal Energy Price and calculated on a real-time basis, it is not subject to the Energy Adjustment Rider as provided for in Mandatory Riders, Section 13.

CUSTOMER EQUIPMENT: Customers taking service under this Rider shall provide equipment to maintain a power factor at a level no less than the level in which penalties would be invoked under the tariff, if applicable.

OTTER TAIL POWER COMPANY
Fergus Falls, Minnesota

LARGE GENERAL SERVICE RIDER

DESCRIPTION	**Option 1**	**Option 2**
Fixed Rate Energy Pricing	50-648	50-649
System Marginal Energy Pricing	50-642	50-645
Short-term Marginal Capacity Purchases	50-643	50-646
Short-term Marginal Capacity Releases	50-644	50-647

RULES AND REGULATIONS: Terms and conditions of this tariff and the General Rules and Regulations govern use of this schedule.

AVAILABILITY: This rider is available at the request of Customers who take service under the rate schedules listed in the Application Section of this tariff and have either (**Option 1**) a metered Demand of at least 1 MW, or (**Option 2**) a Total Coincident Demand of at least 10 MW for multiple, non-contiguous facilities that function in series.

INTERIM RATE ADJUSTMENT: A 10.44 percent increase will be added to the Administrative Charge. N N

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

ELECTRIC SERVICE AGREEMENT: For service under this Rider, the Company may, at its discretion, require a written electric service agreement (ESA") between the Company and the Customer that sets forth, among other things, the Customer's Billing Demand, Firm Demand, On-Peak Baseline Demand and Off-Peak Baseline Demand.

FIXED RATE ENERGY PRICING:

Background: Certain Company industrial and commercial Customers have ESAs that designate, among other things, a Billing Demand, On-Peak and Off-Peak Baseline Demands and a Firm Demand. With On-Peak and Off-Peak Baseline Demands, the Company agrees to provide and the Customer agrees to purchase all of its Energy requirements at rates set forth in the Customer's applicable rate schedule and/or a negotiated rate subject to Commission approval. Setting a Firm and Baseline Demands benefits both the Company and the Customer. With Firm Demands, the Company is able to curtail participating Customers' load to predetermined levels which allows the Company to more accurately forecast its native load Capacity and Energy requirements. Baseline Demands assure the Customer a fixed price for Energy up to the Baseline Demand and the ability to purchase Energy above the Baseline Demand at rates set forth in the Customer's applicable rate schedule and/or a negotiated Energy rate subject to Commission approval.

Energy: A Customer's monthly rate for Energy will be determined in two parts: (1) Energy consumed up to and including the On-Peak Baseline Demand and Off-Peak Baseline Demand, and (2) Energy consumed above the On-Peak Baseline Demand and Off-Peak Baseline Demand. The price (rate) for Energy consumed up to and including the On-Peak Baseline Demand and Off-Peak Baseline Demand will be determined by multiplying the Customer's metered Energy consumption by the Energy rate provided in the rate schedule applicable to the Customer and/or a negotiated rate subject to Commission approval. The monthly rate for Energy consumed above the On-Peak Baseline Demand and Off-Peak Baseline Demand will be determined by multiplying the Customer's metered Energy consumption by the Energy rate provided in the rate schedule applicable to the Customer and/or a negotiated Energy rate subject to Commission approval.

Demand: A Customer's monthly rate for Demand shall be determined by multiplying the Customer's Billing Demand by the Demand rate provided in the rate schedule applicable to the Customer and/or a negotiated Demand rate subject to Commission approval.

SYSTEM MARGINAL ENERGY PRICING:

Background: Certain Company industrial and commercial Customers have ESAs that designate, among other things, a Billing Demand, On-Peak and Off-Peak Baseline Demands and a Firm Demand. With On-Peak and Off-Peak Baseline Demands, the Company agrees to provide and the Customer agrees to purchase its Energy requirements up to the Baseline Demand at rates set forth in the Customer's applicable rate schedule. Setting a Firm and Baseline Demands benefits both the Company and the Customer. With Firm Demands, the Company is able to curtail participating Customers' load to predetermined levels which allows the Company to more accurately forecast its native load Capacity and Energy requirements. Baseline Demands assure the Customer a fixed price for Energy up to the Baseline Demand and the ability to purchase Energy above the Baseline Demand on a "real time" basis, which can be higher or lower than the rates set forth in the applicable rate schedule. Accordingly, a Customer can adjust its Energy consumption above the Baseline Demand according to the value the Customer places on that Energy in real-time.

Energy: A Customer's monthly rate for Energy will be determined in two parts: (1) Energy consumed up to and including the On-Peak Baseline Demand and Off-Peak Baseline Demand, and (2) Energy consumed above the On-Peak Baseline Demand and Off-Peak Baseline Demand. The price (rate) for Energy consumed up to and including the On-Peak Baseline Demand and Off-Peak Baseline Demand will be determined by multiplying the Customer's metered Energy consumption by the Energy rate provided in the rate schedule applicable to the Customer. The monthly rate for Energy consumed above the On-Peak Baseline Demand and Off-Peak Baseline Demand will be determined by multiplying the Customer's metered Energy consumption by the

Company's System Marginal Energy Price.

System Marginal Energy Price Notification: No later than 4:00 p.m. (Central Time) of the preceding day, the Company shall give its best efforts to make available to Customers the System Marginal Energy Price for the next business day. System Marginal Energy Prices for Saturday through Monday will be made available, whenever possible, the previous Friday. The Company may deviate from this procedure in abnormal operating conditions and for the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas.

The Company is not responsible for a Customer's failure to receive or obtain and act upon the System Marginal Energy Prices. If a Customer does not receive or obtain the prices made available by the Company, it is the Customer's responsibility to notify the Company by 4:30 p.m. of the business day preceding the day the prices are to take effect. The Company reserves the right to revise its System Marginal Energy Price at any time prior to the Customer's acceptance and will be responsible for notifying the Customer of such revised prices.

Administrative Charge: An Administrative Charge in the amount of $199.00 will be applied to each monthly bill to cover billing, administrative, metering, and communication costs associated with System Marginal Energy Pricing.

Demand: A Customer's monthly rate for Demand shall be determined by multiplying the Customer's Billing Demand by the Demand rate provided in the rate schedule applicable to the Customer.

SHORT-TERM MARGINAL CAPACITY PURCHASES:

Background: Certain Customers have ESAs that establish for the term of the ESA, among other things, a Billing Demand under which the Customer purchases a fixed level of Capacity and a Firm Demand that represents the load-level to which the Customer must curtail on being notified by the Company. On a Short-term basis, the Customer may desire either more or less Capacity than that established in the ESA. The Short-Term Marginal Capacity Purchases and Short-Term Marginal Capacity Releases sections provide a mechanism under which the Customer may, on a Short-term basis, purchase additional Capacity from the Company or third party (the "Marginal Capacity") or release (sell) Capacity to the Company or third party (the "Released Capacity").

Marginal Capacity: Where the Customer requests additional Capacity on a Short-term basis, the Customer may reserve additional Capacity, to the extent available, from the Company's system, or request the Company to purchase available Capacity in the market (the "Marginal Capacity"). Where the Company is unable to provide Marginal Capacity within 60 days of the Customer's notice under Section 4.3, the Customer may seek Marginal Capacity indirectly from a third party. The Company would work with the third party to effectuate the purchase. In each case, the Company agrees to give to the Customer its best effort in seeking the Marginal Capacity. The

Marginal Capacity purchase must be for a minimum of 1000 kW (1MW) and will include charges for Transmission Service, a Reserve Margin and applicable administrative and other costs. The Company does not guarantee the availability of Capacity or Transmission Service for the Marginal Capacity.

Compensation: The rate for the Marginal Capacity shall be as negotiated by the parties. Where the Marginal Capacity is provided by a third party, the compensation for such Marginal Capacity shall be as negotiated between the Customer, the Company and the third-party, and the Company shall be compensated for its efforts in assisting the transaction.

Purchase Period: The Purchase Period shall be either a Summer Season(s) or Winter Season(s), or combination thereof, unless otherwise agreed to by the Company and the Customer, but in no case will be less than one (1) month.

Effect of Marginal Capacity: By purchasing Marginal Capacity, the Customer agrees that its Firm Demand, as established in the ESA, will be increased throughout the Purchase Period by the amount of Marginal Capacity purchased. The Customer will continue to be billed for the Billing Demand established in the ESA. For all eligible Customers not taking service under Rate Designation 14.02 (the RTP Rider), Energy consumed above the On-Peak Baseline Demand and Off-Peak Baseline Demand will continue to be billed at the System Marginal Energy Price. RTP Rider Customers will continue to be billed under the provisions of Rate Designation 14.02.

SHORT-TERM MARGINAL CAPACITY RELEASES:

Background: Certain Customers have ESAs that establish for the term of the ESA, among other things, a Billing Demand under which the Customer purchases a fixed level of Capacity and a Firm Demand that represents the load-level to which the Customer must curtail on being notified by the Company. On a Short-term basis, the Customer may desire either more or less Capacity than that established in the ESA. The Short-Term Marginal Capacity Purchases and Short-Term Marginal Capacity Releases sections provide a mechanism under which the Customer may, on a Short-term basis, purchase additional Capacity from the Company or third party (the “Marginal Capacity”) or release (sell) Capacity to the Company or the third party (the “Released Capacity”).

Released Capacity: Where the Customer requests to release Capacity on a short-term basis, the Customer may release some but not all of the Capacity (the “Released Capacity”), and the Company agrees to give its best effort in finding a purchaser of the Released Capacity. Where the Company is unable or unwilling to purchase the Released Capacity for its own use or to resell it off-system at wholesale, or otherwise find a purchaser, within 60 days of the Customer’s notice under Section 4.3, the Customer may have a third party market the Capacity. The Company would work with the third-party to effectuate the sale of the Released Capacity. The Released Capacity must be a minimum of 1000 KW (1MW).

Compensation: As compensation for the Released Capacity, the Customer shall receive a credit or payment during any billing month in which the Customer and the Company have cooperated to make a Released term Capacity sale, adjusted to take into account the Company's applicable administrative and other costs. Where the Company purchases the Released Capacity, the rate will be as negotiated between the Company and the Customer. No credit will be given to the Customer for any Energy sold by the Company under the Released Capacity, and the Customer will have no cost responsibility associated with the sale of such Energy. Where the Released Capacity is marketed by a third party, the compensation for such Released Capacity shall be as negotiated between the Customer, the Company and the third-party, and the Company shall be compensated for its efforts in assisting the Released Capacity transaction.

Release Period: The Release Period shall be either a Summer Season(s) or Winter Season(s), or combination thereof, unless otherwise agreed to by the Company and the Customer, but in no case will be less than one (1) month.

Effect of Release Capacity: By selling Released Capacity, the Customer agrees that its Firm Demand, as established in the ESA, will be reduced throughout the Release Period by the amount of Released Capacity. The Customer will continue to be billed for the Billing Demand established in the ESA.

PENALTY FOR INSUFFICIENT LOAD CONTROL: Upon notification from the Company, the Customer shall curtail its Demand to its Firm Demand, as adjusted to take into consideration any Marginal Capacity or Released Capacity. In the event the Customer fails to curtail its load as requested by the Company, the Customer will forfeit any compensation for that period, if any is due. In addition, the Customer shall be responsible for any and all costs and/or penalties incurred by the Company as result of the Customer's failure to curtail. The duration and frequency of curtailments shall be at the sole discretion of the Company unless otherwise provided in the ESA between the Company and the Customer.

TRANSACTION COSTS: Where the Company gives its best efforts to arrange either a Marginal Capacity purchase or Released Capacity sale but is nonetheless unable to find a market for the Customer, the Company is entitled to its associated transaction costs.

NOTIFICATION REQUIRED BY CUSTOMER: In order to improve the possibility there will be a market for the Released Capacity or Marginal Capacity available, the Customer shall provide notice of its intent to sell Released Capacity or purchase Marginal Capacity no later than six months before the start date of the next applicable Winter Season or Summer Season, the six-month requirement to be waived at the Company's discretion.

COMMUNICATION REQUIREMENTS: The Customer agrees to use Company-specified communication requirements and procedures when submitting any offer for Released Capacity or Marginal Capacity. These requirements may include specific computer software and/or electronic communication procedures.

METERING REQUIREMENTS: Company approved metering equipment capable of providing load interval information is required for Rider participation. The Customer agrees to pay for the additional cost of such metering when not provided in conjunction with existing retail electric service.

LIABILITY: The Company and the Customer agree that the Company has no liability for indirect, special, incidental, or consequential loss or damages to the Customer, including but not limited to the Customer's operations, site, production output, or other claims by the Customer as a result of participation in this Rider.

ENERGY ADJUSTMENT RIDER: Energy consumed up to and including the On-Peak Baseline Demand and Off-Peak Baseline Demand is subject to the Energy Adjustment Rider as provided in Section 13, or any amendments or superseding provisions applicable thereto. Because Energy consumed above the On-Peak Baseline Demand and Off-Peak Baseline Demand is subject to the System Marginal Energy Price and calculated on a real-time basis, it is not subject to the Energy Adjustment Rider as provided for in Mandatory Riders, Section 13.

CUSTOMER EQUIPMENT: Customers taking service under this Rider shall provide equipment to maintain a power factor at a level no less than the level in which penalties would be invoked under the tariff, if applicable.