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August 21, 2018

Darrel Nitschke
Director of Administration/Executive Secretary
North Dakota Public Service Commission
State Capitol
600 East Boulevard Dept. 408
Bismarck, ND 58505

RE: In the Matter of Otter Tail Power Company's Application for Approval of Tariff Changes to Facilitate Implementation of a New Customer Information System Case No. PU-18-106 Supplemental Filing

Dear Mr. Nitschke:

On June 28th, Otter Tail Power Company (Otter Tail) submitted a filing to notify the Public Service Commission of the implementation of a new Customer Information System (CIS) which is scheduled to go into operation on October 1, 2018.

Subsequent review of that filing in conjunction with further progress on the implementation effort alerted Otter Tail to the need to update certain items in the initial filing.

This letter contains updates to two items in the initial filing: 1) an update of billing proration language as described in Section 4.07, 2) an update to the summary billing section, 4.12. Those items will be addressed in turn. These changes relate to bill processing and administration for which a determination of Otter Tail's gross revenue requirements is not necessary in determining the reasonableness of the proposed changes. The proposed changes are as follows:

1. An update to rate schedule Section 4.07 to provide greater clarity in the application of charge proration and to included definitions of the computed daily average for both fixed charges and consumption-based charges. These changes are reflected in the attached Section 4.07 Monthly Billing Period and Prorated Bills.
2. An update to Section 4.12 by retracting the requested changes to the tariff language.

The retraction is necessary because the physical capacity to assemble and distribute bills would be overwhelmed by implementing the proposed summary billing change. Upon review of this physical constraint, Otter Tail desires to retract this request and continue to

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administer summary billing as described in the current tariff. This change is reflected in the attached Section 4.12 Summary Billing Services.

The October 1, 2018 target date is time sensitive. Otter Tail respectfully requests that this matter be expedited to the extent possible for Otter Tail to implement the changes on or before October 1, 2018.

Otter Tail is available to provide any additional information or respond to any questions you may have. Feel free to contact me at (218) 739-8956 or email me at cstephenson@otpc.com.

Sincerely,

/s/ CARY STEPHENSON
Cary Stephenson
Associate General Counsel

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Enclosures



Fergus Falls, Minnesota

Section 4.07 MONTHLY BILLING PERIOD AND PRORATED BILLS

A period of 365 days divided by 12 months [30.41667 days] ~~from 25 to 35 days inclusive~~ is considered a normal monthly Billing pPeriod ~~due to the normal variation of scheduled Meter reading dates~~. The Meter reading date may be advanced or postponed not more than five days without adjustment of the billing for the period. Bills based on actual billing periods, which will be determined by the interval between two consecutive meter reading dates for metered services or between billing dates for the non-metered services, will be prorated on a daily basis for a period of lesser than or greater than one a normal Billing Pperiod ~~when service is begun or terminated between the regular Meter reading dates. Proration on a daily basis also applies when the period between Meter readings is more than one normal Billing Period~~. The proration shall apply to the Customer Charge, Energy Charge, Demand Charge and Facilities Charge components of the rate.

Services will be prorated to the month in which they were consumed based on a computed daily average. The following definitions apply:

- For fixed charges, the “computed daily average” used to prorate “services” is the daily fixed charge, or ratio of the annual amount of the fixed charge by the number of days in a year (365).
- For consumption-based charges, the “computed daily average” used to prorate “services” is the daily average energy/demand usage, or ratio of the energy/demand usage during the billing period by the number of days in the same billing period.

NORTH DAKOTA PUBLIC
SERVICE COMMISSION
in North Dakota
Case No. PU-~~08-86218-106~~
Approved by order dated ~~November 25, 2009~~
Gerhardson

President, Regulatory Affairs

RATES EFFECTIVE with bills rendered
on and after ~~December 1, 2009~~October 1, 2018,

APPROVED: ~~Bernadeen Brutlag~~Bruce G.

Manager, Regulatory ServicesVice



Fergus Falls, Minnesota

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Fergus Falls, Minnesota

Section 4.12 SUMMARY BILLING SERVICES

Under the Company's Summary Billing Services, the Customer's multiple monthly bills will be consolidated into a single billing statement each month. Customers need make only one payment covering the total amount due for all the accounts included in a summary bill. Summary Billing Services is an optional service in which the Customer may choose to participate. Upon Customer's request, the Customer and the Company will enter into a contract for Summary Billing Services with a 45-day cancellation provision that applies to both parties.

The Company may, at its sole discretion, limit the number of accounts included in any one summary bill, and exclude accounts based on rate class or type, amount of bill, account arrearages, billing cycle, or participation in other programs. Participation in Company programs, such as Even Monthly Payment, Ready Check, and ePay, may restrict accounts from inclusion in summary billing.

Accounts may be combined from more than one bill date resulting in a delay of the bill statement mailing for all accounts until the master billing date is reached. Individual accounts will be read on their normal reading cycle and placed on hold until all accounts are read. Once completed, the Customer will be billed based on the total accumulation of the sub accounts, including all Customer Charges, Energy Charges, Demand Charges, Facilities Charges, Fixed Charges, and Monthly Minimum Charges.

Payment policies remain in effect for each Customer participating in Summary Billing Services. Any determination of delinquencies will be based on the ~~new~~ master billing date. If a summary bill falls into arrears, the Company may, at its option, discontinue the Customer's summary bill, reverting the individual accounts to separate monthly billing.

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