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March 19, 2020



Steve Kahl
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 Small Power Production and Cogeneration Rates for Otter Tail Power Company
Case No. PU-20-66
Compliance Filing**

Dear Mr. Kahl:

On March 4, 2020, the North Dakota Public Service Commission (Commission) approved Otter Tail Power Company's (Otter Tail's) updated Small Power Producer rates in Case No. PU-20-66. Attached to this letter you will find the final revisions of Otter Tail's Small Power Producer rate schedules Section 12.01, Page 1; Section 12.02, Page 1; and Section 12.03, Page 1 and Page 2 reflecting Commission approved changes.

Enclosed are an original and seven copies of this filing. An electronic copy of this filing is being sent to ndpsc@nd.gov.

If you have any questions, please contact me at (218) 739-8395 or jfyhrie@otpc.com.

Sincerely,

/s/ JESSICA FYHRIE
Jessica Fyhrie
Supervisor, Regulatory Proceedings
Regulatory Affairs & Compliance

cjh
Enclosures
By electronic filing and U.S. mail



**SMALL POWER PRODUCER RIDER
 OCCASIONAL DELIVERY ENERGY SERVICE**
 (Commonly identified as Net Energy Billing)

DESCRIPTION	RATE CODE
Base Avoided Costs	N920
Renewable Energy Credit	N991
Solar Renewable Energy Credit	N993

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

AVAILABILITY: Available to any Qualifying Facility not exceeding 100 kW of generating Capacity.

METERING CHARGE: \$1.40 per month

PAYMENT SCHEDULES:

DESCRIPTION	ENERGY CREDIT
Base Avoided Costs	2.441¢ per kWh
	REC RATE
Renewable Energy Credit	0.065¢ per kWh
Solar Renewable Energy Credit	0.15¢ per kWh

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SPECIAL CONDITIONS OF SERVICE: The Customer will be required to sign a contract, agreeing to terms and conditions specified for small power producers. The minimum term of the contract is 12 months.

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.

NORTH DAKOTA PUBLIC
 SERVICE COMMISSION
 Case No. PU-20-66
 Approved by order dated March 4, 2020

EFFECTIVE with bills rendered on
 and after April 1, 2020, in North Dakota
 APPROVED: Bruce G. Gerhardson
 Vice President, Regulatory Affairs



**SMALL POWER PRODUCER RIDER
 TIME OF DELIVERY ENERGY SERVICE**

DESCRIPTION	RATE CODE
Base Avoided Costs	N930
Renewable Energy Credit	N991
Solar Renewable Energy Credit	N993

AVAILABILITY: This rider is available to any Qualifying Facility not exceeding 100 kW of generating Capacity. This rider is available to any Qualifying Facility exceeding 100 kW upon the approval of the Company. The Company reserves the right to require the Qualifying Facility to sign an Agreement.

METERING CHARGE: \$12.85 per month

PAYMENT SCHEDULE:

DESCRIPTION	ENERGY CREDIT ON-PEAK	ENERGY CREDIT OFF-PEAK
Based Avoided Costs		
Summer	2.700¢ per kWh	1.950¢ per kWh
Winter	2.850¢ per kWh	2.178¢ per kWh
Renewable Energy Credit	0.065 ¢ per kWh	0.065 ¢ per kWh
Solar Renewable Energy Credit	0.15 ¢ per kWh	0.15 ¢ per kWh

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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.



**SMALL POWER PRODUCER RIDER
 DEPENDABLE SERVICE**

DESCRIPTION	RATE CODE
Base Avoided Costs	N940
Renewable Energy Credit	N991
Solar Renewable Energy Credit	N993

AVAILABILITY: Available to any Qualifying Facility which is capable of delivering power and Energy to the Company on a dependable basis with Generation Capacity of 1,000 kW or less.

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.

METERING CHARGE: \$12.85 per month

PAYMENT SCHEDULE:

DESCRIPTION	ENERGY CREDIT ON-PEAK	ENERGY CREDIT OFF-PEAK	
Based Avoided Costs			
Summer	2.700¢ per kWh	1.950¢ per kWh	R
Winter	2.850¢ per kWh	2.178¢ per kWh	R
Renewable Energy Credit	0.065 ¢ per kWh	0.065 ¢ per kWh	R
Solar Renewable Energy Credit	0..15 ¢ per kWh	0..15¢ per kWh	R

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<u>CAPACITY:</u>			L
<u>Contract</u>	Monthly \$/kW	Monthly \$/kW	L
<u>Term</u>	Net Capacity	Levelized	L
	<u>Rate</u>	<u>Rate</u>	L
60 mos.	\$0.00	\$0.00	R
120 mos.	\$0.00	\$0.00	R
180 mos.	\$0.00	\$0.00	R
240 mos.	\$0.00	\$0.00	R
300 mos.	\$0.00	\$0.00	R
360 mos.	\$0.00	\$0.00	R

Energy payment will be adjusted annually to reflect energy costs.

Total capacity payment equals (accredited capacity value of the Qualifying Facility) times (capacity ratio) times (appropriate levelized capacity rate).

Capacity Ratio equals (Qualifying Facility on-peak capacity factor) divided by 65%.

The Capacity Ratio shall not exceed a value of 1 or if the Qualifying Facility is dispatchable by the Company and tested under the Mid-continent Independent System Operator (MISO) guidelines, then the capacity ratio automatically equals 1.

SPECIAL CONDITIONS OF SERVICE:

1. A qualifying facility, desiring dependable service compensation shall execute a contract agreement for a term of 5, 10, 15, 20, 25, or 30 years.
2. In the event that a qualifying facility terminates service, the Dependable Service severance penalty payment will be determined as follows:

The remaining percentage of the contract term will be multiplied by the average capacity compensation per month and the result multiplied by six months. The average capacity compensation per month will be determined for the last three years or from the contract's initiation, whichever is the shorter period.

In addition, capacity compensation from the initiation of the contract will be recalculated at the capacity payment of the longest contract term filled. The following table illustrates the longest contract term filled given the number of months that payments were made: