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December 31, 2020

Mr. Steve Kahl  
Director of Admin./Executive Secretary  
North Dakota Public Service Commission  
State Capitol  
600 East Boulevard, Dept. 408  
Bismarck, ND 58505-0408

**RE: Otter Tail Power Company's Request for Approval of its 2021 Renewable Resource  
Cost Recovery Adjustment Factor  
Case No. PU-21-  
Initial Filing**

Dear Mr. Kahl:

Enclosed please find an original and seven (7) copies of Otter Tail Power Company's (Otter Tail's) Application for its 2021 annual update to its Renewable Resource Cost Recovery Adjustment Factor under Otter Tail's Renewable Resource Cost Recovery Rider. Otter Tail is providing an original and seven copies of the Application.

Also enclosed is a check in the amount of \$10,000 for the filing fee.

An electronic copy of this filing is also being sent to the North Dakota Public Service Commission at [ndpsc@nd.gov](mailto:ndpsc@nd.gov).

Please refer all inquiries regarding this filing to Darlene Mandelke at (218) 739-8819 or [dmandelke@otpc.com](mailto:dmandelke@otpc.com).

Sincerely,

*/s/ DARLENE MANDELKE*  
Darlene Mandelke  
Rates Analyst, Regulatory Administration

cjh  
Enclosures  
By electronic filing and U.S. mail

*An Equal Opportunity Employer*

**STATE OF NORTH DAKOTA  
BEFORE THE  
NORTH DAKOTA PUBLIC SERVICE COMMISSION**

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In the Matter of Otter Tail Power Company’s  
Request for Approval of its 2021 Renewable  
Resource Cost Recovery Adjustment Factor

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Case No. PU-21-  
**APPLICATION**

**I. INTRODUCTION**

Otter Tail Power Company, (Otter Tail or Company) submits this Application to the North Dakota Public Service Commission (Commission) for approval of an annual update to its Renewable Resource Cost Recovery Adjustment Factor (RRCR Factor) under the Company’s Renewable Resource Cost Recovery Rider (Renewable Resource Rider or Rider). This update results in a change to the RRCR Factor in Rate Schedule 13.04 from 5.637 percent currently in effect to 11.825 percent for the recovery period beginning April 1, 2021.

This filing (2021 RRCR) is Otter Tail’s thirteenth update to the RRCR Factor and includes actual cost and revenue information through November 2020 and forecast cost and revenue information from December 2020 through March 2022. The filing includes the revenue requirements (credit) related to the difference between the deferred tax asset for production tax credits (PTCs) included in base rates and actual amounts associated with the Ashtabula and Langdon Wind Energy Facilities (Ashtabula and Langdon Facilities) as approved by the Commission-approved Settlement Agreement in Otter Tail’s last general rate case, Case No. PU-17-398 (Rate Case) and the costs associated with Otter Tail’s Merricourt Wind Energy Facility (Merricourt Project or The Project). The proposed updated factor reflects a full levelization of PTCs over the life of the project as ordered in last year’s annual update filing, Case No. PU-19-387<sup>1</sup> (2020 RRCR). The proposed effective date of this annual update is April 1, 2021.

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<sup>1</sup> Commission’s March 18, 2020 Order in the Matter of Otter Tail Power Company’s Request for Approval of its 2020 Renewable Resource Cost Recovery Adjustment Factor, Case No. PU-19-387

## II. GENERAL FILING INFORMATION

Pursuant to N.D. Admin. Code § 69-02-02-04, the following information is provided.

### A. Name, address, and telephone number of utility making the filing

Otter Tail Power Company  
215 South Cascade Street  
Fergus Falls, Minnesota 56538-0496  
(218) 739-8200

### B. Name, address, and telephone number of utility attorney

Cary Stephenson  
Associate General Counsel  
Otter Tail Power Company  
215 South Cascade Street  
P.O. Box 496  
Fergus Falls, Minnesota 56538-0496  
(218) 739-8956  
[cstephenson@otpc.com](mailto:cstephenson@otpc.com)

### C. Date of filing and proposed effective date of rates

The date of this filing is December 31, 2020. Otter Tail proposes the updated RRCR factor be reflected on customers' electric service bills effective April 1, 2021, or in the first full month following Commission approval if Commission action occurs after March 2021.

### D. Title of utility employee responsible for filing

Darlene Mandelke  
Rates Analyst  
Otter Tail Power Company  
215 South Cascade Street  
Fergus Falls, Minnesota 56538-0496  
(218) 739-8819  
[dmandelke@otpc.com](mailto:dmandelke@otpc.com)

### E. Articles of Incorporation

Pursuant to N.D. Admin. Code § 69-02-02-04, a certified copy of Otter Tail's Articles of Incorporation is on file with the Commission, as is an original Certificate of Good Standing.

### **III. DESCRIPTION AND PURPOSE OF FILING**

#### **A. Background**

Commission authority for approval of this Rider and recovery of revenue requirements is granted under N.D.C.C. ch. 49-02, ch. 49-05, and ch. 49-06. The Commission's May 21, 2008 Order in Case No. PU-06-466 created a recovery mechanism and included provisions for Otter Tail's annual filing requirements. Otter Tail provides Attachment 1 with the subsequent filings and Commission approvals.

This update includes the components previously approved for inclusion in the RRCR and the expected March 2021 tracker balance in the calculation of the revenue requirements and proposed RRCR Factor for the collection period of April 2021 through March 2022.

#### **B. The Deferred Tax Asset related to Otter Tail's PTCs**

The treatment of the deferred tax assets related to PTCs for the Ashtabula and Langdon Facilities was approved by the Commission's September 26, 2018 Order approving the Settlement Agreement in the Rate Case. The Commission's December 19, 2018 Order approving Otter Tail's compliance filing in the Rate Case included approval of the balances of the Accumulated Deferred Income Tax (ADIT) related to the PTCs for the Langdon and Ashtabula Facilities that rolled into base rates as part of the rate case. These amounts are included in Attachment 3 on Line No. 40 for the Langdon Facility and in Attachment 4 on Line No. 40 for the Ashtabula Facility. Otter Tail projects the utilization of these deferred tax assets related to PTCs on Line No. 10 in Attachments 3 and 4. Because Otter Tail is able to utilize these assets against its tax liability, the revenue requirement related to the difference between the amount of deferred tax asset related to PTCs included in base rates and the actual amounts is provided as a credit to customers through the Rider. Any difference between Otter Tail's forecasted utilization of these assets and actual utilization will be trued-up in Otter Tail's next annual RRCR update filing.

#### **C. Merricourt Project**

The Merricourt Project is a wind generation project located near Merricourt, North Dakota, approximately 15 miles south of Edgeley, in McIntosh and Dickey Counties. The Project received an Advance Determination of Prudence and Certificate of Public Convenience

and Necessity by the Commission's November 3, 2017 Order in Case Nos. PU-17-141 and PU-17-143. The Merricourt Project consists of 75 V110-2.0 MW Vestas wind turbine generators with an aggregate nameplate capacity of 150 MW. The Project includes real property interests, tower foundations, operational equipment, electric collection circuit lines, a collector system with an on-site collector substation, and additional infrastructure such as communications systems, meteorological towers, operations and maintenance building, monitoring, safety, lighting and measuring systems.

As reported in Otter Tail's October 15, 2020 Merricourt Project Quarterly Construction Report Commission<sup>2</sup> for the period July 1, 2020 through September 30, 2020, total project costs incurred by Otter Tail through September 30, 2020 are consistent with projections. Though uncertainty with the coronavirus pandemic has created additional complexities for project management and circumstances continue to evolve, the project is still on time and under budget. Total project costs incurred through November 2020 is \$242.1 million (OTP Total) / \$91.0 million (OTP ND) based on North Dakota's E2 jurisdictional allocation factor of 37.57734 percent. The Project balance includes allowance for funds used during construction (AFUDC) accrued through December 2019 before it was approved for recovery in the RRCR. The actual amount of AFUDC through December 2019 was \$2.6 million (OTP Total) / \$1.0 million (OTP ND). The forecasted estimate at completion is \$260.4 million (OTP Total) / \$97.8 million (OTP ND) which is below the original budget amount of \$270 million (OTP Total) / \$101.5 million (OTP ND).

As this filing and associated schedules were being prepared, the Merricourt project was assumed to be placed fully in service in December 2020. Commissioning of turbines actually began in October, with some units beginning to operate. All 75 units were fully in service by December 19, 2020. Accounting is making a final determination of whether to place units into service in October, November, and December to reflect dates consistent with Commissioning, or to place the complete farm in-service in December. Should the staged in-service approach be elected, Otter Tail will update the tracker to assess the impact and proposes to file a supplemental filing with updated costs and associated rates in event those changes are material. As an alternative, those updates could be incorporated into next year's annual update.

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<sup>2</sup> Case No. PU-17-141 and PU-17-143, State of North Dakota Public Service Commission, Settlement Agreement dated September 29, 2017, Terms of Settlement, Item 7b.

When at full generation, the Merricourt Project will add approximately 666,000 megawatt hours (MWh) annually, at a projected net capacity rate of 50.7 percent, of zero fuel cost energy to Otter Tail's generation portfolio. Merricourt Project generation will result in a reduction to the cost of energy paid through the Energy Adjustment Rider in tariff rate schedule, Section 13.01. Merricourt Project generation is expected to be fairly level over the life of the project.

The 2021 Merricourt Project generation forecast is about 80 percent of the expected output at full operation. Otter Tail estimates this slightly lower generation as The Project comes online due to the timing of Midcontinent Independent System Operator (MISO) network upgrades in addition to the performance of remedial action schemes Otter Tail obtained to ensure available transmission pathways. Due to spreading the PTCs benefit to customers over the life of the project, this slightly lower expected PTC generation in 2021 has a minimal impact on the recovery period revenue requirements. As with other components of the Rider, Otter Tail will update the actual dispatch as it is available in future updates.

The Merricourt Project includes transmission interconnection upgrades required to accommodate the interconnection of these facilities into the integrated transmission system. These transmission interconnection upgrades were originally included in the total cost of the project. While the costs of these necessary transmission interconnection upgrades are included as part of the project, ownership of the facilities may be held by other transmission owners. In these cases, the transmission owners may elect to self-fund the transmission interconnection upgrade which reduces Otter Tail's overall capital investment in the project and increases the project's ongoing facility charge payments, which are reflected as an operations and maintenance expense. In the case of these transmission facilities being owned by Otter Tail, the interconnection investments are included as part of the overall capital spend of the project as are associated revenues.

In this filing, Otter Tail includes greater detail for the transmission interconnection upgrades necessary for the Merricourt Project. Attachment 5, Line 27 identifies the annual Net Self-Fund Transmission Payment of the Merricourt Project interconnection of \$678,000 (OTP Total) / \$254,774 (OTP ND). This payment stream is related to other transmission owners self-funding approximately \$12.5 Million of transmission upgrades needed for its facilities to accommodate the interconnection of the Merricourt Project.

#### **D. Merricourt PTCs**

The Merricourt Project qualifies for Federal PTCs for the first 10 years of production. The PTC amount is based on kWh produced each year times the Federal PTC rate. Based on projected generation, the PTC “earned” amount is estimated to be \$171.3 million (OTP Total) / \$64.4 million (OTP ND) over the first 10 years the project is in service.

The Commission’s March 18, 2020 RRCR 2020 Order directed Otter Tail to apply the PTCs using the full levelization of PTCs over the life of the project (Fully Levelized). Fully Levelized, for ratemaking purposes, spreads the tax benefit evenly over the depreciable life of the asset. The project life for the Merricourt Project is 25 years. Otter Tail forecasts the Merricourt Project will generate approximately \$171.3 million (OTP Total) / \$64.4 million (OTP ND) of PTCs in its first 10 years of production to be applied over life of the facility. Fully levelizing this amount over the 25-year life of The Project results in approximately \$6.9 million (OTP Total) / \$2.6 million (OTP ND) of tax credit, a reduction to tax expense, each year for 25 years.

In Otter Tail’s 2020 Minnesota depreciation filing, Otter Tail proposed to increase the service lives of its wind energy facilities, including the Merricourt Project, from 25 years to 35 years for rates applicable in 2021.<sup>3</sup> Otter Tail bases this average service life extension request for its wind farms on two primary factors. First, a recent engineering firm study points to an expected service life for the Merricourt Project of forty years. Second, Otter Tail has made significant investments in life extending equipment for its three existing wind facilities. Otter Tail has considered this update to service lives for some time and feels this is the time, at about halfway through its initial wind energy facility investments, that this update is warranted. If approved, Otter Tail proposes updating its annual depreciation expense for the Merricourt Project and fully levelizing the Merricourt Project PTCs over the 35-year life. This would result in approximately \$4.9 million (OTP Total) / \$1.8 million (OTP ND) of annual tax credits, a reduction to tax expense, each year for 35 years. Otter Tail estimates this change, coupled with lower depreciation expenses related to the longer life, to the Merricourt Project would slightly decrease the proposed RRCR Factor from 11.825 percent to 11.680 percent. Otter Tail proposes

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<sup>3</sup> *In the Matter of Otter Tail Power Company’s Petition for Approval of its 2020 Annual Review of Depreciation Certification* in Docket No. E017/D-20-703 Otter Tail proposed to increase its four wind farm (Ashtabula, Langdon, Luverne, and Merricourt) lives from twenty-five to thirty-five years.

any updates to its Ashtabula, Langdon, and Luverne facilities as a result of the depreciable life change be addressed in its next general rate case.

If the depreciation filing is approved prior to the approval of this application, Otter Tail proposes to submit a supplemental filing with all revised attachments using 35 years to calculate a new proposed RRCR Factor for the recovery period.

Otter Tail provides the RRCR tracker and resulting RRCR Factor using the Fully Levelized PTC method over the currently approved 25-year life of The Project as Attachments 1 through 6.

### **E. Revenue Requirements Calculation**

Otter Tail seeks to recover from customers \$11,758,253 (Attachment 2, Line No. 4) over the April 1, 2021 through March 31, 2022 recovery period. Included in the total revenue requirements is: a carrying cost charge of \$56,187 and the March 2021 expected tracker balance; a true-up of \$1,012,388 which includes an over-collection balance of (\$301,219) as of March 30, 2020 which actually was originally forecasted to be an over-collection of (\$719,902) as of March 30, 2020; lower sales than expected during the collection period; and (\$1,642) renewable energy certificate sales. As in the past, any under-collections or over-collections carry forward in the tracker and true-up in the following collection period.

The following provides further detail into the various sections of the revenue requirement calculations in the Rider:

#### **1. Revenue Requirements**

The total annual revenue requirement is based on the sum of the revenue requirements computed in Attachments 3, 4 and 5. In this year's filing, the revenue requirement calculation related to each component is provided on a calendar year basis starting with the 2020 projected balance through March 2022.

The calculation for each calendar year includes three sections:

- a.) A rate base computation section, using a 13-month average to calculate average rate base.
- b.) An expense section listing income tax expenses incurred.
- c.) A revenue requirements section for the Langdon and Ashtabula Facilities includes summarizing the total expenses and return on rate base calculations. The North

Dakota share of the revenue requirement is reflected in Attachments 3 and 4 on Line No. 41 and is the difference between the amount of deferred tax assets related to production tax credits included in base rates (Line No. 40) and the actual, or forecasted, deferred tax assets related to production tax credits (Line No. 39). The revenue requirements section for Merricourt includes summarizing the total expenses and return on rate base calculation with the total revenue requirements on Attachment 5 Line 49 and North Dakota's share on Line 51.

The worksheet for each calendar year provides supporting information which includes capital structure details and the income tax calculation.

## **2. Rate of Return**

As Ordered by the Commission in the Rate Case, the return on equity is 9.77 percent effective January 1, 2018, resulting in a rate of return on rate base of 7.64 percent.

## **3. Taxes**

*Proration of Federal ADIT.* Otter Tail provides Attachment 8 to this filing to show the projected Federal ADIT proration calculation impact on the revenue requirement for the recovery period.

Otter Tail provides Attachment 8 calculating its Federal ADIT balances to preserve the effect of the applications of the prorations methodology for the true-up period. This calculation methodology is necessary to comply with Section 1.167(l)-l(h)(6)(ii) of the Internal Revenue Service (IRS) regulations and to avoid a tax normalization violation.<sup>4</sup> Attachment 9 shows the preservation of the proration of Federal ADIT results in an increase of \$20,858 plus any applicable carrying charge to the revenue requirement. This item is included on Attachment 6 [Line No. 9] to this filing and is consistent with its 2020 RRCR and its most recent Transmission Cost Recovery Rider annual update.<sup>5</sup>

## **4. Allocation to Jurisdictions**

Effective January 1, 2018, the North Dakota share of the revenue requirement is based on the North Dakota E2 allocation factor of 37.577 percent as Ordered in Case No. PU-17-398.

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<sup>4</sup> See Treas. Reg. SS 1.167(l)-l(h)(6)9ii).

<sup>5</sup> Case No. PU-20-383.

## **F. 2021 Renewable Tracker Report**

The Renewable Resource Rider cost recovery mechanism uses a tracker account, shown in Attachment 6. The tracker summarizes total revenue requirements by project, credits retail revenue billed each month, and calculates the carrying charge or credit. The Tracker included with this filing reflects actual information through November 2020 and projected information through March 2022.

## **G. Calculation of 2021 RRCR Factor and Rate Design**

Otter Tail proposes the continuation of the percent-of-bill method. The RRCR Factor is the forecasted March 2021 end of month balance plus the calculated revenue requirement from April 2021 through March 2022 plus any carrying cost or credit divided by the total forecasted base revenue from North Dakota electric retail customers from April 2021 through March 2022. The RRCR Factor calculation is shown on Attachment 7.

Ordering paragraph 4 of the Commission's August 4, 2010, Order in Case No. PU-10-18, requires Otter Tail to "continue to provide information in future Renewable Resource Cost Recovery Factor filings on capacity accreditation for wind projects."<sup>6</sup>

Beginning in 2011, MISO began accrediting capacity based on each generation site's production. In December 2020 MISO provided the 2021/2022 capacity credits for each wind farm's generation verification test requirements (GVTC or maximum generating capacity), the megawatt generation (Production Percentage) and the wind capacity credit. These amounts are shown in the table below. For Merricourt, a new generating facility with no actual history to establish the capacity credit, MISO assigned its overall system average capacity credit. A weighted average is computed to determine an Otter Tail system-wide capacity accreditation average.

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<sup>6</sup> The Commission's Findings of Fact in its Order dated August 4, 2010, in Case No. PU-10-18, includes the following: "*Finally, the Commission finds that it is reasonable for Otter Tail Power to continue to consider and discuss in its future annual rider filings the MISO capacity accreditation and any changes thereto or another appropriate methodology for allocating capacity and energy, as that accreditation currently forms the basis for the inter- and intra-class allocations for the Renewable Resource Cost Recovery Adjustment Factor.*"

		Percentage	Capacity	Weighted
Resource	GVTC(MW)	Production	Credit	Average
		(1)	(2)	(1x2)
Ashtabula	48	16.67%	17.09%	2.85%
Langdon	40.5	14.06%	19.09%	2.68%
Luverne	49.5	17.19%	19.81%	3.41%
Merricourt	150	52.08%	16.32%	8.50%
Total	288			17.44%

The weighted average capacity factor for the planning year 2021/2022 is 17.44 percent. Otter Tail’s four wind projects continue to perform well above the MISO average capacity credit of 16.3 percent for wind farms across MISO’s footprint. Of Otter Tail’s wind farms, the Luverne Wind Project has MISO’s highest capacity credit at 19.81 percent.

#### **H. RRCR Factor Impact**

This update changes the RRCR Factor for all customers from 5.637 percent to 11.825 percent. The total revenue requirement to be collected during the April 2021 through March 2022 recovery period, as shown on page 2 of Attachment 6, is \$11,758,253. The proposed RRCR Factor is calculated in Attachment 7. The impact of this update for a residential customer using 1,000 kWh is an increase of approximately \$4.24 per month.

The proposed 2021 RRCR Factor is calculated assuming it is effective April 1, 2021. If implementation of the 2021 RRCR occurs after April 1, 2020, Otter Tail proposes that the factor be revised to recover the approved revenue requirements over the remaining months of the period, through March 2022. This approach ensures that cost recovery and the approved eligible costs match. If it is necessary to adjust the 2021 RRCR, Otter Tail proposes to calculate the final 2021 RRCR and include it with the corresponding rate schedule pages in a compliance filing in this proceeding.

#### **I. Customer Notification**

Otter Tail will include on January 2021 bills to its North Dakota customers, the following notice of the proposed change in rates for the renewable resource adjustment rider.

*On December 31, 2020, we filed a request with the North Dakota Public Service Commission to increase our Renewable Resource Cost Recovery Rider Factor, which is the Renewable Rider line on your bill. The Renewable Resource Cost Recovery Rider allows Otter Tail Power Company to recover costs associated with renewable generation resources.*

*Please see panel below for more information.*

*The proposed change to the Renewable Resource Cost Recovery Rider Factor is for usage on and after April 1, 2021. The proposed rate for all classes of service is 11.825% of base charges and credits. The current rate is 5.637%. This proposed update would increase the charge on base rates by 6.188%, or approximately \$4.24 on an average residential customers' bill. This change is proposed only and, if suspended by the Commission, the new rates will not be effective until the Commission takes action.*

*For more information contact Customer Service at 800-257-4044 or place an inquiry from our website at [otpc.com](http://otpc.com).*

Attachment 10 is a draft of the proposed notice to customers upon implementation of the updated rates.

#### **IV. PROPOSED RATE SCHEDULE**

Otter Tail's revised rate schedule number 13.04 is provided as Attachment 11 in both legislative and non-legislative versions.

#### **V. CONCLUSION**

Otter Tail respectfully requests the Commission approve its 2021 RRCR and resulting RRCR Factor to be effective April 1, 2021.

Dated: December 31, 2020

Respectfully Submitted,

OTTER TAIL POWER COMPANY

By: /s/DARLENE MANDELKE

Darlene Mandelke

Rates Analyst, Regulatory Administration

Otter Tail Power Company

215 South Cascade Street

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OTTER TAIL POWER COMPANY  
2021 RRCR FILING ATTACHMENTS

Attachment 1	RRCR Procedural History
Attachment 2	Summary of revenue requirements
Attachment 3	Langdon revenue requirements calculation
Attachment 4	Ashtabula revenue requirements calculation
Attachment 5	Merricourt revenue requirements calculation
Attachment 6	Renewable Resource Tracker report
Attachment 7	Rate Design Calculation
Attachment 8	ADIT Pro-Rate Projection
Attachment 9	ADIT Pro-Rate Preservation
Attachment 10	Customer Notice
Attachment 11	Rate Schedule (legislative and non-legislative versions)

Otter Tail Power Company  
Renewable Resource Cost Recovery Rider  
North Dakota

RRCR History

RRCR History	Case Number	Commission Approved	Effective Date
Original RRA Rate and Mechanism	PU-08-742 PU-08-862	January 14, 2009	February 1, 2009
First Update	PU-10-18	August 4, 2010	September 1, 2010
Second Update*	PU-12-24	March 21, 2012	April 1, 2012
Third Update	PU-13-16	July 10, 2013	April 1, 2013
Fourth Update	PU-14-14	March 12, 2014	April 1, 2014
Fifth Update	PU-15-14	March 25, 2015	April 1, 2015
Sixth Update	PU-16-14	June 22, 2016	July 1, 2016
Seventh Update	PU-17-016	March 15, 2017	April 1, 2017
Eighth Update	PU-17-398	December 20, 2017	January 1, 2018
Ninth Update	PU-17-398	February 27, 2018	March 1, 2018
Tenth Update	PU-17-398	December 19, 2018	February 1, 2019
Eleventh Update	PU-19-17	May 1, 2019	June 1, 2019
Twelfth Update	PU-19-387	March 18, 2020	April 1, 2020

\*Established the current collection timeline of April through March of the following year.

Otter Tail Power Company  
Renewable Resource Cost Recovery Rider  
North Dakota

Summary of Revenue Requirements

Line No.	Revenue Requirements	Apr 2021 - Mar 2022
1	Revenue Requirements	\$ 10,689,677
2	Carrying Cost	\$ 56,187
3	True up	\$ 1,012,388
4	Total	\$ 11,758,253



Otter Tail Power Company  
North Dakota Renewable Resource Rider Revenue Requirement Calculation  
Ashhabula Wind Farm

Line No.		2020	1/1/2021	2/1/2021	3/1/2021	4/1/2021	5/1/2021	6/1/2021	7/1/2021	8/1/2021	9/1/2021	10/1/2021	11/1/2021	12/1/2021	2021	1/1/2022	2/1/2022	3/1/2022	
		Projected Balance	Projected Jan-21	Projected Feb-21	Projected Mar-21	Projected Apr-21	Projected May-21	Projected Jun-21	Projected Jul-21	Projected Aug-21	Projected Sep-21	Projected Oct-21	Projected Nov-21	Projected Dec-21	2021 YE Balance	Balance Dec-21	Projected Jan-22	Projected Feb-22	Projected Mar-22
1	<b>RATE BASE</b>																		
2	ADIT pro-rated		1,000,000	1,000,000	1,000,000	0,920,548	0,835,616	0,753,425	0,668,493	0,583,562	0,501,370	0,416,438	0,334,247	0,249,915		0,164,384	0,087,671	0,002,740	
3	<b>Deferred Tax Asset - Federal Production Tax Credit</b>																		
4	Deferred Tax Asset - Federal PTC Beginning Balance		6,839,867	6,689,590	6,539,313	6,389,035	6,250,698	6,125,124	6,011,902	5,911,442	5,823,746	5,748,402	5,685,821	5,635,591		5,598,125	5,598,125	5,598,125	
5	Federal PTC Rate																		
6	Output (MWH) / month																		
7	Deferred Tax Asset - Federal PTC Beginning Balance																		
8	Federal PTC utilization recognized/tax return adjustments		150,277	150,277	150,277	150,277	150,277	150,277	150,277	150,277	150,277	150,277	150,277	150,277	1,803,326				
9	Federal PTC Ending Balance		6,839,867	6,689,590	6,539,313	6,389,035	6,250,698	6,125,124	6,011,902	5,911,442	5,823,746	5,748,402	5,685,821	5,635,591	5,598,125	5,598,125	5,598,125	5,598,125	
10	Accum. Deferred Inc. Taxes - Federal PTC Ending Balance		6,839,867	6,689,590	6,539,313	6,389,035	6,250,698	6,125,124	6,011,902	5,911,442	5,823,746	5,748,402	5,685,821	5,635,591	5,598,125	5,598,125	5,598,125	5,598,125	
11	End of month rate base		6,839,867	6,689,590	6,539,313	6,389,035	6,250,698	6,125,124	6,011,902	5,911,442	5,823,746	5,748,402	5,685,821	5,635,591	5,598,125	5,598,125	5,598,125	5,598,125	
12	End of month rate base - No Prorate		6,839,867	6,689,590	6,539,313	6,389,035	6,238,758	6,088,481	5,938,204	5,787,927	5,637,650	5,487,372	5,337,095	5,186,818	5,036,541	5,036,541	5,036,541	5,036,541	
13	Average rate base		9,981,165	6,096,050	6,096,050	6,096,050	6,096,050	6,096,050	6,096,050	6,096,050	6,096,050	6,096,050	6,096,050	6,096,050	6,096,050	6,096,050	5,598,125	5,598,125	5,598,125
14	Return on Rate Base		38,822	38,822	38,822	38,822	38,822	38,822	38,822	38,822	38,822	38,822	38,822	38,822	38,822	465,860	35,651	35,651	35,651
15	Available for return (equity portion of rate base)		26,057	26,057	26,057	26,057	26,057	26,057	26,057	26,057	26,057	26,057	26,057	26,057	312,682	23,928	23,928	23,928	
16	<b>EXPENSES</b>																		
17	Income before Taxes		26,057	26,057	26,057	26,057	26,057	26,057	26,057	26,057	26,057	26,057	26,057	26,057	312,682	23,928	23,928	23,928	
18	Available for return (from above)		34,469	34,469	34,469	34,469	34,469	34,469	34,469	34,469	34,469	34,469	34,469	34,469	413,627	31,653	31,653	31,653	
19	Taxable income (grossed up)																		
20	Income Taxes		8,412	8,412	8,412	8,412	8,412	8,412	8,412	8,412	8,412	8,412	8,412	8,412	100,945	7,725	7,725	7,725	
21	Current and Def Income Taxes																		
22	Tax Adjustment for Additional Tax Basis																		
23	Federal PTC																		
24	Total Income Tax Expense		8,412	8,412	8,412	8,412	8,412	8,412	8,412	8,412	8,412	8,412	8,412	8,412	100,945	7,725	7,725	7,725	
25	<b>REVENUE REQUIREMENTS</b>																		
26	Expenses		8,412	8,412	8,412	8,412	8,412	8,412	8,412	8,412	8,412	8,412	8,412	8,412	100,945	7,725	7,725	7,725	
27	Return on rate base		38,822	38,822	38,822	38,822	38,822	38,822	38,822	38,822	38,822	38,822	38,822	38,822	465,860	35,651	35,651	35,651	
28	Total revenue requirements		47,234	47,234	47,234	47,234	47,234	47,234	47,234	47,234	47,234	47,234	47,234	47,234	566,805	43,375.73	43,375.73	43,375.73	
29	North Dakota share - E2 factor		17,749	17,749	17,749	17,749	17,749	17,749	17,749	17,749	17,749	17,749	17,749	17,749	212,990	16,299	16,299	16,299	
30	Ashhabula DTA for PTC revenue requirement in base rates per Case No. PU-17-398		88,849	88,849	88,849	88,849	88,849	88,849	88,849	88,849	88,849	88,849	88,849	88,849	1,066,188	88,849	88,849	88,849	
31	ND share of revenue requirements		(71,100)	(71,100)	(71,100)	(71,100)	(71,100)	(71,100)	(71,100)	(71,100)	(71,100)	(71,100)	(71,100)	(71,100)	(853,197)	(72,550)	(72,550)	(72,550)	
32	<b>SUPPORTING INFORMATION / DATA</b>																		
33	ND Capstructure with allowed ROE per order.		Approved in Case No. PU-17-398						Fed Portion	State Portion						Approved in Case No. PU-17-398			
34	Capital Structure		Ratio	Cost	WA Cost			Effective Tax Rate	24.40%	20.09%	4.31%				Ratio	Cost	WA Cost		
35	Debt		47.50%	5.29%	2.51%			Tax conversion factor	1.322837						47.50%	5.29%	2.51%		
36	Preferred equity		0.00%	0.00%	0.00%										0.00%	0.00%	0.00%		
37	Common equity		52.50%	9.77%	5.13%										52.50%	9.77%	5.13%		
38	Total		100.00%		7.64%										100.00%		7.64%		
39	E2 Factor			37.577%											E2 Factor		37.577%		

Otter Tail Power Company  
North Dakota Renewable Resource Rider  
Merricourt Wind Farm

Line	2020	2021												2022				
		1/1/2021	3/1/2021	5/1/2021	7/1/2021	9/1/2021	11/1/2021	1/1/2022	3/1/2022	5/1/2022	7/1/2022	9/1/2022	11/1/2022	1/1/2023	3/1/2023	5/1/2023	7/1/2023	
	Projected Balance	Projected Jan-21	Projected Feb-21	Projected Mar-21	Projected Apr-21	Projected May-21	Projected Jun-21	Projected Jul-21	Projected Aug-21	Projected Sep-21	Projected Oct-21	Projected Nov-21	Projected Dec-21	2021 YTD	Dec-21	Projected Jan-22	Projected Feb-22	Projected Mar-22
1	<b>BATE BASE</b>													2021	2022	2022	2022	2022
2	Plant Balance - Merricourt	253,033,971	256,533,971	256,675,638	256,817,304	256,958,970	257,100,638	257,242,304	260,383,971	260,383,971	260,383,971	260,383,971	260,383,971	258,205,125	260,383,971	260,383,971	260,383,971	260,383,971
3	Accumulated Depreciation	(874,115)	(1,748,231)	(2,622,346)	(3,496,461)	(4,370,576)	(5,244,691)	(6,118,806)	(7,000,000)	(7,881,115)	(8,762,230)	(9,643,345)	(10,524,460)	(10,524,460)	(10,524,460)	(10,524,460)	(10,524,460)	(10,524,460)
4	Net Plant in Service	253,033,971	255,000,000	254,975,407	254,951,843	253,588,394	252,205,947	251,123,493	254,199,971	253,383,971	252,421,741	250,740,626	250,740,626	247,680,665	249,859,511	249,859,511	249,859,511	249,859,511
5	CWIP Calculation:																	
6	Beginning	242,064,139																
7	Additional CWIP	9,492,262	3,000,000	141,667	141,667	141,667	141,667	141,667	141,667	141,667	141,667	141,667	141,667	0	0	0	0	0
8	Closings from CWIP	(251,557,081)	(3,000,000)	(141,667)	(141,667)	(141,667)	(141,667)	(141,667)	(141,667)	(141,667)	(141,667)	(141,667)	(141,667)	0	0	0	0	0
9	AFUDC																	
10	CWIP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	ADIT Pro-Rate	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	0	0	0	0	0
12	Accum. Deferred Inc. Taxes - Fed & State	(3,085,709)	(4,026,334)	(5,067,359)	(6,108,384)	(7,149,409)	(8,190,434)	(9,231,459)	(10,272,484)	(11,313,509)	(12,354,534)	(13,395,559)	(14,436,584)	(14,436,584)	(14,436,584)	(14,436,584)	(14,436,584)	(14,436,584)
13	Accum. Deferred Inc. Taxes - Fed & State - No Prorate	(4,026,334)	(5,067,359)	(6,108,384)	(7,149,409)	(8,190,434)	(9,231,459)	(10,272,484)	(11,313,509)	(12,354,534)	(13,395,559)	(14,436,584)	(15,477,609)	(15,477,609)	(15,477,609)	(15,477,609)	(15,477,609)	(15,477,609)
14	Accum. Deferred Inc. Taxes - Federal PTC	1,406,166	2,272,259	3,138,352	4,004,445	4,870,538	5,736,631	6,602,724	7,468,817	8,334,910	9,201,003	10,067,096	10,933,189	10,933,189	10,933,189	10,933,189	10,933,189	10,933,189
15	End of month rate base - No Prorate	251,388,427	253,560,581	252,397,193	251,247,002	250,738,088	249,450,025	248,161,962	246,873,899	245,585,836	244,297,773	243,009,710	241,721,647	241,721,647	241,721,647	241,721,647	241,721,647	241,721,647
16	End of month rate base	251,388,427	253,560,581	252,397,193	251,247,002	250,738,088	249,450,025	248,161,962	246,873,899	245,585,836	244,297,773	243,009,710	241,721,647	241,721,647	241,721,647	241,721,647	241,721,647	241,721,647
17	Average rate base	12,932,789	20,724,792	20,724,792	20,724,792	20,724,792	20,724,792	20,724,792	20,724,792	20,724,792	20,724,792	20,724,792	20,724,792	248,697,907	20,724,791.81	19,817,054	19,817,054	19,817,054
18	Return on Rate Base	1,583,789	1,583,789	1,583,789	1,583,789	1,583,789	1,583,789	1,583,789	1,583,789	1,583,789	1,583,789	1,583,789	1,583,789	19,005,463	1,583,789	1,583,789	1,583,789	1,583,789
19	Available for return (equity portion of rate base)	1,063,026	1,063,026	1,063,026	1,063,026	1,063,026	1,063,026	1,063,026	1,063,026	1,063,026	1,063,026	1,063,026	1,063,026	12,756,317	1,063,026	1,063,026	1,063,026	1,063,026
20																		
21	<b>EXPENSES</b>																	
22	GM&M and Depreciation	927,791	106,824	105,291	941,967	1,125,517	1,220,300	941,767	1,126,767	1,192,627	944,750	106,767	106,767	4,652,777	930,828	109,861	108,328	108,328
23	Operating Costs	56,500	56,500	56,500	56,500	56,500	56,500	56,500	56,500	56,500	56,500	56,500	56,500	678,000	56,500	56,500	56,500	56,500
24	Net Self Fund Transmission Payments	58,740	58,740	58,740	58,740	58,740	58,740	58,740	58,740	58,740	58,740	58,740	58,740	71,000	71,000	71,000	71,000	71,000
25	Ground Lease Payments	50,385	47,899	47,899	47,899	47,899	47,899	47,899	47,899	47,899	47,899	47,899	47,899	574,891	47,899	47,899	47,899	47,899
26	Property Tax	50,385	47,899	47,899	47,899	47,899	47,899	47,899	47,899	47,899	47,899	47,899	47,899	574,891	47,899	47,899	47,899	47,899
27	Book Depreciation	874,115	874,115	874,115	874,115	874,115	874,115	874,115	874,115	874,115	874,115	874,115	874,115	10,671,422	874,115	874,115	874,115	874,115
28	Total GM&M and Depreciation Expense	1,967,311	1,344,078	1,350,782	2,003,770	2,162,276	2,172,200	1,967,311	2,172,200	2,092,292	1,664,211	1,664,211	1,664,211	11,272,088	0	2,006,899	1,198,193	1,198,193
29	Income before Taxes	1,063,026	1,063,026	1,063,026	1,063,026	1,063,026	1,063,026	1,063,026	1,063,026	1,063,026	1,063,026	1,063,026	1,063,026	12,756,317	1,063,026	1,063,026	1,063,026	1,063,026
30	Available for return (from above)	1,063,026	1,063,026	1,063,026	1,063,026	1,063,026	1,063,026	1,063,026	1,063,026	1,063,026	1,063,026	1,063,026	1,063,026	12,756,317	1,063,026	1,063,026	1,063,026	1,063,026
31	Less book tax credits - Federal PTC	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	0	0	0	0	0
32	Adjusted income before interest and taxes	492,022	492,022	492,022	492,022	492,022	492,022	492,022	492,022	492,022	492,022	492,022	492,022	12,756,317	492,022	492,022	492,022	492,022
33	Taxable Income (reported - ul)	600,865	600,865	600,865	600,865	600,865	600,865	600,865	600,865	600,865	600,865	600,865	600,865	7,810,385	600,865	600,865	600,865	600,865
34	Income Taxes	158,843	158,843	158,843	158,843	158,843	158,843	158,843	158,843	158,843	158,843	158,843	158,843	1,906,117	158,843	158,843	158,843	158,843
35	Current and Def Income Taxes	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(6,852,049)	(571,004)	(571,004)	(571,004)	(571,004)
36	Federal PTC	(412,161)	(412,161)	(412,161)	(412,161)	(412,161)	(412,161)	(412,161)	(412,161)	(412,161)	(412,161)	(412,161)	(412,161)	(6,852,049)	(412,161)	(412,161)	(412,161)	(412,161)
37	Total Income Tax Expense	(158,843)	(158,843)	(158,843)	(158,843)	(158,843)	(158,843)	(158,843)	(158,843)	(158,843)	(158,843)	(158,843)	(158,843)	1,906,117	(158,843)	(158,843)	(158,843)	(158,843)
38	Income Tax	158,843	158,843	158,843	158,843	158,843	158,843	158,843	158,843	158,843	158,843	158,843	158,843	1,906,117	158,843	158,843	158,843	158,843
39	Current and Def Income Taxes	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(6,852,049)	(571,004)	(571,004)	(571,004)	(571,004)
40	Federal PTC	(412,161)	(412,161)	(412,161)	(412,161)	(412,161)	(412,161)	(412,161)	(412,161)	(412,161)	(412,161)	(412,161)	(412,161)	(6,852,049)	(412,161)	(412,161)	(412,161)	(412,161)
41	Total Income Tax Expense	(158,843)	(158,843)	(158,843)	(158,843)	(158,843)	(158,843)	(158,843)	(158,843)	(158,843)	(158,843)	(158,843)	(158,843)	1,906,117	(158,843)	(158,843)	(158,843)	(158,843)
42	Income Tax	158,843	158,843	158,843	158,843	158,843	158,843	158,843	158,843	158,843	158,843	158,843	158,843	1,906,117	158,843	158,843	158,843	158,843
43	Current and Def Income Taxes	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(6,852,049)	(571,004)	(571,004)	(571,004)	(571,004)
44	Federal PTC	(412,161)	(412,161)	(412,161)	(412,161)	(412,161)	(412,161)	(412,161)	(412,161)	(412,161)	(412,161)	(412,161)	(412,161)	(6,852,049)	(412,161)	(412,161)	(412,161)	(412,161)
45	Total Income Tax Expense	(158,843)	(158,843)	(158,843)	(158,843)	(158,843)	(158,843)	(158,843)	(158,843)	(158,843)	(158,843)	(158,843)	(158,843)	1,906,117	(158,843)	(158,843)	(158,843)	(158,843)
46	Income Tax	158,843	158,843	158,843	158,843	158,843	158,843	158,843	158,843	158,843	158,843	158,843	158,843	1,906,117	158,843	158,843	158,843	158,843
47	Current and Def Income Taxes	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(571,004)	(6,852,049)	(571,004)	(571,004)	(571,004)	(571,004)
48	Federal PTC	(412,161)	(412,161)	(412,161)	(412,161)	(412,161)	(412,161)	(412,161)	(412,161)	(412,161)	(412,161)	(412,161)	(412,161)	(6,852,049)	(412,161)	(412,161)	(412,161)	(412,161)
49	Total Income Tax Expense	(158,843)	(158,843)	(158,843)	(158,843)	(158,843)	(158,843)	(158,843)	(158,843)	(158,843)	(158,843)	(158,843)	(158,843)	1,906,117	(158,843)	(158,843)	(158,843)	(158,843)
50	Income Tax	158,843	158															

Otter Tail Power Company  
Renewable Rider Annual Filing  
North Dakota

Line	2020										2020	2021				Collection Period
	Actual Apr-20	Actual May-20	Actual Jun-20	Actual Jul-20	Actual Aug-20	Actual Sep-20	Actual Oct-20	Actual Nov-20	Forecast Dec-20	Projected Balance	Forecast Jan-21	Forecast Feb-21	Forecast Mar-21			
1	<b>TRACKER SUMMARY</b>															
2	<b>Requirements Compared to Billed:</b>															
3	Revenue Requirements															
4	Langdon - DTA only effective 02/01/19	(3,866)	(3,866)	(3,866)	(3,866)	(3,866)	(3,866)	(3,866)	(3,866)	(3,866)	(46,390)	(12,994)	(12,994)	(12,994)	(73,774)	
5	Ashtabula - DTA only effective 02/01/19	(59,788)	(59,788)	(59,788)	(59,788)	(59,788)	(59,788)	(59,788)	(59,788)	(59,788)	(717,455)	(71,100)	(71,100)	(71,100)	(751,390)	
6	Luverne/Merricourt Wind Energy Center	451,860	451,860	451,860	451,860	451,860	451,860	451,860	451,860	856,593	5,827,051	1,179,612	870,181	876,082	7,397,346	
7	Total	388,206	388,206	388,206	388,206	388,206	388,206	388,206	388,206	792,939	5,063,206	1,095,519	786,087	791,988	6,572,182	
8																
9	ADIT Preservation of Proration	1,738	1,738	1,738	1,738	1,738	1,738	1,738	1,738	1,738	15,644	1,738	1,738	1,738	20,858	
10																
11	Net Revenue Requirement	389,944	389,944	389,944	389,944	389,944	389,944	389,944	389,944	794,678	5,078,850	1,097,257	787,825	793,726	6,593,040	
12																
13		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	2020 YE	Projected	Projected	Projected		
14	Billed (forecast kWh x adj factor)	118,347	377,710	404,566	525,377	513,091	505,274	450,475	420,951	512,410	3,767,638	519,228	470,519	454,661	5,272,610	
15	Renewable Energy Certificate Sales			1,642							1,642				1,642	
16	ND ECRR Balance Transfer- Dec 2019 only															
17	Monthly Revenue Difference	269,691	12,046	(16,376)	(135,649)	(124,226)	(117,200)	(63,147)	(34,025)	279,032		576,569	317,306	341,277	5,274,252	
18	Cumulative Difference	(29,622)	(17,576)	(33,952)	(169,601)	(293,828)	(411,028)	(474,175)	(508,201)	(229,169)		347,400	664,706	1,005,983		
19	Carrying Cost Adj. for rate calculation	-	-	-	-	-	-	-	-	-		-	-	8,310	8,310	
20	Adjusted Cumulative Difference	(31,527)	(19,482)	(35,858)	(171,507)	(295,733)	(412,934)	(476,081)	(510,106)	(231,075)		345,495	662,801	1,012,388		
21																
22																
23	Carrying Charge Calculation	(189)	(112)	(216)	(1,080)	(1,871)	(2,617)	(3,019)	(3,236)	(1,459)		2,212	4,232	6,405	(949)	
24	Cumulative Carrying Charge	677,593	677,481	677,265	676,185	674,314	671,697	668,678	665,443	663,984		666,196	670,428	676,832		
25	Carrying Cost	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%		7.64%	7.64%	7.64%		
26	Monthly Rate	0.63667%	0.63667%	0.63667%	0.63667%	0.63667%	0.63667%	0.63667%	0.63667%	0.63667%		0.63667%	0.63667%	0.63667%		
27																
28	Life-to-Date Revenue Requirement	(29,810)	(17,688)	(34,168)	(170,681)	(295,698)	(413,645)	(477,194)	(511,436)	(230,628)		349,612	668,938	1,012,388		
29																
30	Forecasted Revenue									9,090,766	100,663,033	9,211,729	8,347,566	8,066,222	34,716,283	

Approved by ND PSC March 18, 2020 in PU-19-387

Rate Calculation - Effective April 2020	
Revenue Requirements April 2020 thru March 2021	6,524,023.20
Carrying Charge (April 2020 thru Mar 2021)	(41,524.83)
Cumulative True-up	(719,901.84)
<hr/>	
Total Requirements	5,762,596.54
Projected Sales in mWh April 2020 thru Mar 2021	102,235,290
New Rate	5.637%

Otter Tail Power Company  
Renewable Rider Annual Filing  
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Line	2021										2021 YE Balance	2022			Collection Period
	Forecast Apr-21	Forecast May-21	Forecast Jun-21	Forecast Jul-21	Forecast Aug-21	Forecast Sep-21	Forecast Oct-21	Forecast Nov-21	Forecast Dec-21	Forecast Jan-22		Forecast Feb-22	Forecast Mar-22		
1	<b>TRACKER SUMMARY</b>														
2	<b>Requirements Compared to Billed:</b>														
3	Revenue Requirements														
4	(12,994)	(12,994)	(12,994)	(12,994)	(12,994)	(12,994)	(12,994)	(12,994)	(12,994)	(12,994)	(155,929)	(21,161)	(21,161)	(21,161)	(180,429)
5	(71,100)	(71,100)	(71,100)	(71,100)	(71,100)	(71,100)	(71,100)	(71,100)	(71,100)	(71,100)	(853,197)	(72,550)	(72,550)	(72,550)	(857,546)
6	1,193,080	877,000	880,756	1,188,180	877,192	882,385	1,193,426	877,825	877,871	11,773,590	1,162,668	858,868	858,482	11,727,653	
7	1,108,986	792,906	796,662	1,104,086	793,098	798,291	1,109,332	793,731	793,777	10,764,464	1,068,958	765,158	764,692	10,689,677	
8															
9	0	0	0	0	0	0	0	0	0	5,215	0	0	0		
10															
11	1,108,986	792,906	796,662	1,104,086	793,098	798,291	1,109,332	793,731	793,777	10,769,678	1,068,958	765,158	764,692	10,689,677	
12															
13	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	2021 YE	Projected	Projected	Projected		
14	841,298	802,071	970,883	1,083,667	1,076,586	1,032,598	888,788	959,825	1,068,207	10,168,331	1,091,011	988,395	954,924	11,758,253	
15										-				-	
16															
17	274,092	(10,114)	(166,071)	28,505	(276,459)	(227,097)	225,994	(162,091)	(268,988)	652,925	(19,356)	(220,663)	(189,062)	11,758,253	
18	1,280,076	1,269,962	1,103,891	1,132,396	855,937	628,840	854,834	692,744	423,756		404,400	183,737	(5,326)		
19	-	-	-	-	-	-	-	-	-		-	-	(6,439)	(6,439)	
20	1,286,481	1,276,367	1,110,296	1,138,800	862,341	635,245	861,239	699,148	430,160		410,804	190,141	(5,359)		
21															
22															
23	8,150	8,085	7,028	7,210	5,449	4,004	5,442	4,410	2,698		2,575	1,170	(34)	56,187	
24	684,982	693,068	700,096	707,305	712,755	716,758	722,201	726,611	729,309		731,884	733,054	733,020		
25	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%		7.64%	7.64%	7.64%		
26	0.63667%	0.63667%	0.63667%	0.63667%	0.63667%	0.63667%	0.63667%	0.63667%	0.63667%		0.63667%	0.63667%	0.63667%		
27															
28	1,288,226	1,278,047	1,110,919	1,139,605	861,386	632,844	860,277	697,154	426,454		406,974	184,906	(5,359)		
29															
30	7,114,863	6,783,119	8,210,759	9,164,580	9,104,690	8,732,686	7,516,482	8,117,247	9,033,833	99,403,776	9,226,690	8,358,864	8,075,798	99,439,612	

Rate Calculation - Effective April 2021	
Revenue Requirements April 2021 thru March 2022	10,689,677.40
Carrying Charge (April 2021 thru Mar 2022)	56,187.39
Cumulative True-up	1,012,388.11
<b>Total Requirements</b>	<b>11,758,252.90</b>
Projected Sales in mWh April 2021 thru Mar 2022	99,439,612
<b>New Rate</b>	<b>11.825%</b>

Otter Tail Power Company  
Renewable Resource Cost Recovery Rider  
North Dakota

Rate Design Calculation

North Dakota Revenue Requirements \$ 11,758,253

Line No.	Rate Design	Apr 2021 - Mar 2022
1	Forecasted Retail Revenue, all classes (April 2021 - March 2022)	\$ 99,439,612
2	Revenue Requirements	\$ 11,758,253
3	Percentage of Revenue Rate	11.825%

Otter Tail Power Company  
Renewable Resource Cost Recovery Rider  
North Dakota

Federal ADIT Proration

	A	B	C	D
1	April 2021 - March 2022 Recovery Period			
		<b>All Projects' Revenue Requirements</b>	<b>All Projects' Revenue Requirements with ADIT-Prorate</b>	<b>Difference due to Federal ADIT Proration (B - A)</b>
2	Month			
3	Apr-21	\$1,106,738	\$1,108,986	\$2,248
4	May-21	\$790,658	\$792,906	\$2,248
5	Jun-21	\$794,413	\$796,662	\$2,248
6	Jul-21	\$1,101,838	\$1,104,086	\$2,248
7	Aug-21	\$790,850	\$793,098	\$2,248
8	Sep-21	\$796,043	\$798,291	\$2,248
9	Oct-21	\$1,107,084	\$1,109,332	\$2,248
10	Nov-21	\$791,483	\$793,731	\$2,248
11	Dec-21	\$791,528	\$793,777	\$2,248
12	Jan-22	\$1,064,550	\$1,068,958	\$4,408
13	Feb-22	\$760,750	\$765,158	\$4,408
14	Mar-22	\$760,284	\$764,692	\$4,408
15		\$10,656,219	\$10,689,677	\$33,458

16	<b>Revenue Requirement Adjustment Related to Federal ADIT Proration</b>	<b>\$33,458</b>
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Otter Tail Power Company  
Renewable Resource Cost Recovery Rider  
North Dakota

Federal ADIT Proration  
Preserve True-Up Period

	A	B	C	D	E
1			Tax Conversion Factor	1.3228	(1/(1-24.4%))
2			Gross Up of Equity %	6.79%	(F9 * F17)
3			Equity Return %	5.13%	(F17)
4			Gross Up Factor	1.66%	(F10-F11)

		Annual	Monthly	
5				
6		Debt Return %	2.51%	0.21%
7		Preferred Equity %	0.00%	0.00%
8		Equity Return %	5.13%	0.43%
9		Rate of Return	7.64%	0.64%
10		Tax RR on Equity Return	1.66%	0.14%
11		Rate Base Rev Req Gross Up Factor	9.30%	0.77%

		April 2020 - March 2021		
	Month	Original ADIT Balance - All Projects	Federal ADIT Prorate Balance - All Projects	Difference due to Federal ADIT Proration (B - A)
12				
13				
14	Mar-20	\$18,499,371	\$19,823,206	\$1,323,835
15	Apr-20	\$17,627,978	\$18,961,255	
16	May-20	\$16,836,982	\$18,177,662	
17	Jun-20	\$16,123,788	\$17,469,899	
18	Jul-20	\$15,490,991	\$16,840,494	
19	Aug-20	\$14,938,590	\$16,289,447	
20	Sep-20	\$14,463,992	\$15,814,230	
21	Oct-20	\$14,069,791	\$15,417,371	
22	Nov-20	\$13,219,626	\$15,096,343	
23	Dec-20	\$12,640,411	\$12,801,371	
24	Jan-21	\$12,296,316	\$12,356,167	
25	Feb-21	\$12,112,799	\$12,056,033	
26	Mar-21	\$12,107,064	\$11,916,521	(\$190,543)
27	ADIT Simple Average	\$15,303,217	\$15,869,863	\$566,646

28	Rate Base Rev Req Gross Up Factor	9.30%
29	Total Company Revenue Requirement	\$52,674

30	<b>ND Revenue Requirement Related to Federal ADIT Proration-Preservation</b>	<b>\$20,858</b>
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## **Notice of increase to your Renewable Resource Cost Recovery Rider Factor**

On Xxxx xx, 2021, the North Dakota Public Service Commission approved recovery of our Merricourt Wind Energy Center and our request to increase our Renewable Resource Cost Recovery Rider Factor for usage on and after April 1, 2020. The approved factor for all classes of service now is 11.825 percent of base charges and credits. The previous factor was 5.637 percent, a debit. A typical residential customer's bill will increase by approximately \$4.24. The energy produced at the Merricourt Wind Energy Center will lower the costs customers pay through the Energy Adjustment Rider.

The Renewable Resource Cost Recovery Rider recovers costs associated with our investments in renewable generation resources.

For more information contact Customer Service at 800-257-4044 or visit [otpc.com](http://otpc.com).

Attachment 11  
Legislative and Non-Legislative Versions of  
Tariff Sheet ND 13.04  
Renewable Resource Cost Recovery Rider



Fergus Falls, Minnesota

**RENEWABLE RESOURCE COST RECOVERY RIDER**

DESCRIPTION	RATE CODE
All Services	NRRA

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

**APPLICATION OF RIDER:** This rider is applicable to electric service under all of the Company’s Retail Rate Schedules in Section 9, 10, 11, 12, and 14, except for Section 14.09 (*TailWinds*).

**COST RECOVERY CHARGE:** There shall be included on each North Dakota customer’s monthly bill a Renewable Resource Cost Recovery (RRC) charge based on the applicable cost recovery factor multiplied by the Customer’s monthly bill. The Customer’s monthly bill shall be based on all applicable charges and credits under the Company’s retail rate schedules in Sections 9, 10, 11, 12, and 14, except for Section 14.09 (*TailWinds*). The RRC charge will not apply to any Mandatory Riders or sales tax and any local assessments as provided in the General Rules and Regulations for the Company’s electric service. The following charges are applicable in addition to all charges for service being taken under the Company’s standard rate schedules.

Renewable Resource Cost Recovery Factor <del>11.825</del> <del>5.637</del> percent
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**DETERMINATION OF RENEWABLE RESOURCE COST CHARGE:** The RRC Factor shall be determined by dividing the forecasted *balance of the RRC Tracker account* by the *forecasted retail revenues subject to the RRC Factor*. The forecasted RRC Tracker balance and retail revenues shall be based on the forecast for the appropriate 12 month period (or such other period as may be approved by the Commission). The RRC Factor shall be rounded to the nearest 0.001 percent.

NORTH DAKOTA PUBLIC  
 SERVICE COMMISSION

Case No. PU-20-~~269~~  
 Approved by ~~memo-order~~ dated ~~June 19, 2020~~

EFFECTIVE with bills rendered on  
 and after ~~July 15, 2020~~ April 1, 2021, in North  
 Dakota

APPROVED: Bruce G. Gerhardson  
 Vice President, Regulatory Affairs



Fergus Falls, Minnesota

**RENEWABLE RESOURCE COST RECOVERY RIDER**

DESCRIPTION	RATE CODE
All Services	NRRA

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

**APPLICATION OF RIDER:** This rider is applicable to electric service under all of the Company’s Retail Rate Schedules in Section 9, 10, 11, 12, and 14, except for Section 14.09 (*TailWinds*).

**COST RECOVERY CHARGE:** There shall be included on each North Dakota customer’s monthly bill a Renewable Resource Cost Recovery (RRC) charge based on the applicable cost recovery factor multiplied by the Customer’s monthly bill. The Customer’s monthly bill shall be based on all applicable charges and credits under the Company’s retail rate schedules in Sections 9, 10, 11, 12, and 14, except for Section 14.09 (*TailWinds*). The RRC charge will not apply to any Mandatory Riders or sales tax and any local assessments as provided in the General Rules and Regulations for the Company’s electric service. The following charges are applicable in addition to all charges for service being taken under the Company’s standard rate schedules.

<b>Renewable Resource Cost Recovery Factor 11.825 percent</b>
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**R**

**DETERMINATION OF RENEWABLE RESOURCE COST CHARGE:** The RRC Factor shall be determined by dividing the forecasted *balance of the RRC Tracker account* by the *forecasted retail revenues subject to the RRC Factor*. The forecasted RRC Tracker balance and retail revenues shall be based on the forecast for the appropriate 12 month period (or such other period as may be approved by the Commission). The RRC Factor shall be rounded to the nearest 0.001 percent.