

215 South Cascade Street
PO Box 496
Fergus Falls, Minnesota 56538-0496
218 739-8200
www.otpc.com (web site)

December 29, 2021



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

**PUBLIC DOCUMENT – NOT PUBLIC
(OR PRIVILEGED) DATA HAS BEEN EXCISED**

**RE: In the Matter of Otter Tail Power Company’s Request for Approval of its 2022 Renewable Resource Cost Recovery Adjustment Factor
Case No. PU-22-
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 2022 annual update to its Renewable Resource Cost Recovery Adjustment Factor under Otter Tail’s Renewable Resource Cost Recovery Rider.

Also enclosed is a check in the amount of \$50 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.

Please refer all inquiries regarding this filing to Nikolai Kleven at (218) 739-8444 or nkleven@otpc.com.

Sincerely,

/s/ NIKOLAI KLEVEN

Nikolai Kleven
Rates Analyst, Regulatory Administration

sjw

Enclosures

By electronic filing and U.S. mail

1 PU-22-19 Filed 01/05/2022 Pages: 34
Application for Renewable Resource Cost Recovery Adjustment Factor - redacted
Otter Tail Power Company
Nikolai Kleven, Rates Analyst

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

**In the Matter of Otter Tail Power Company’s
Request for Approval of its 2022 Renewable
Resource Cost Recovery Adjustment Factor**

**Case No. PU-22-
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 11.825 percent currently in effect to 7.108 percent for the recovery period beginning April 1, 2022.

This filing (2022 RRCR) is Otter Tail’s fourteenth update to the RRCR Factor and includes actual cost and revenue information through November 2021 and forecast cost and revenue information from December 2021 through March 2023. 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), the costs associated with Otter Tail’s Merricourt Wind Energy Facility (Merricourt Facility), and the costs associated with Otter Tail’s proposed buy-out of the Ashtabula III Wind Facility (Ashtabula III). The proposed updated factor reflects a full levelization of PTCs over the life of the Merricourt Facility as ordered in Case No. PU-19-387¹ (2020 RRCR). The proposed effective date of this annual update is April 1, 2022.

¹ 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

C. Date of filing and proposed effective date of rates

The date of this filing is December 29, 2021. Otter Tail proposes the updated RRRCR factor be reflected on customers' electric service bills effective April 1, 2022, or in the first full month following Commission approval if Commission action occurs after March 2022.

D. Title of utility employee responsible for filing

Nikolai Kleven
Rates Analyst
Otter Tail Power Company
215 South Cascade Street
Fergus Falls, Minnesota 56538-0496
(218) 739-8444
nkleven@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 2022 tracker balance in the calculation of the revenue requirements and proposed RRCR Factor for the collection period of April 2022 through March 2023.

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 5, Line No. 41 for the Langdon Facility and in Attachment 6, Line No. 41 for the Ashtabula Facility. Otter Tail projects the utilization of these deferred tax assets related to PTCs in Attachments 5 and 6, Line No. 11. 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 Facility

The Merricourt Facility is a wind generation facility located near Merricourt, North Dakota, approximately 15 miles south of Edgeley, in McIntosh and Dickey Counties. It 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 Facility consists of 75 V110-2.0 MW Vestas wind turbine generators with an aggregate nameplate capacity of 150 MW. It 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.

Commissioning of turbines began in October of 2020, with some units beginning to operate. All 75 units were fully in service by December 19, 2020. At full generation, the Merricourt Facility adds 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. The Merricourt Facility's zero fuel cost energy generation contributes to a reduction in the cost of energy paid through the Energy Adjustment Rider in tariff rate schedule, Section 13.01. The Merricourt Facility generation is expected to be fairly level over the life of the project.

As per the Minnesota Depreciation filing, Docket No. 20-703,² that was approved in March 2021, Otter Tail has updated the useful life of the Merricourt Facility from 25 years to 35 years. This will keep the project in line with industry standards for this type of facility and benefit customers by amortizing the costs associated with the project over a longer period of time.

D. Merricourt PTCs

The Commission's March 18, 2020, 2020 RRCR 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 life for the Merricourt Facility is 35 years, updated from 25 years as mentioned above. Otter Tail forecasts the Merricourt Facility will generate approximately \$172.6 million (OTP Total) / \$64.9 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 35-year life of the Merricourt

² *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.

Facility results in approximately \$4.9 million (OTP Total) / \$1.8 million (OTP ND) of tax credit, a reduction to tax expense, each year for 35 years.

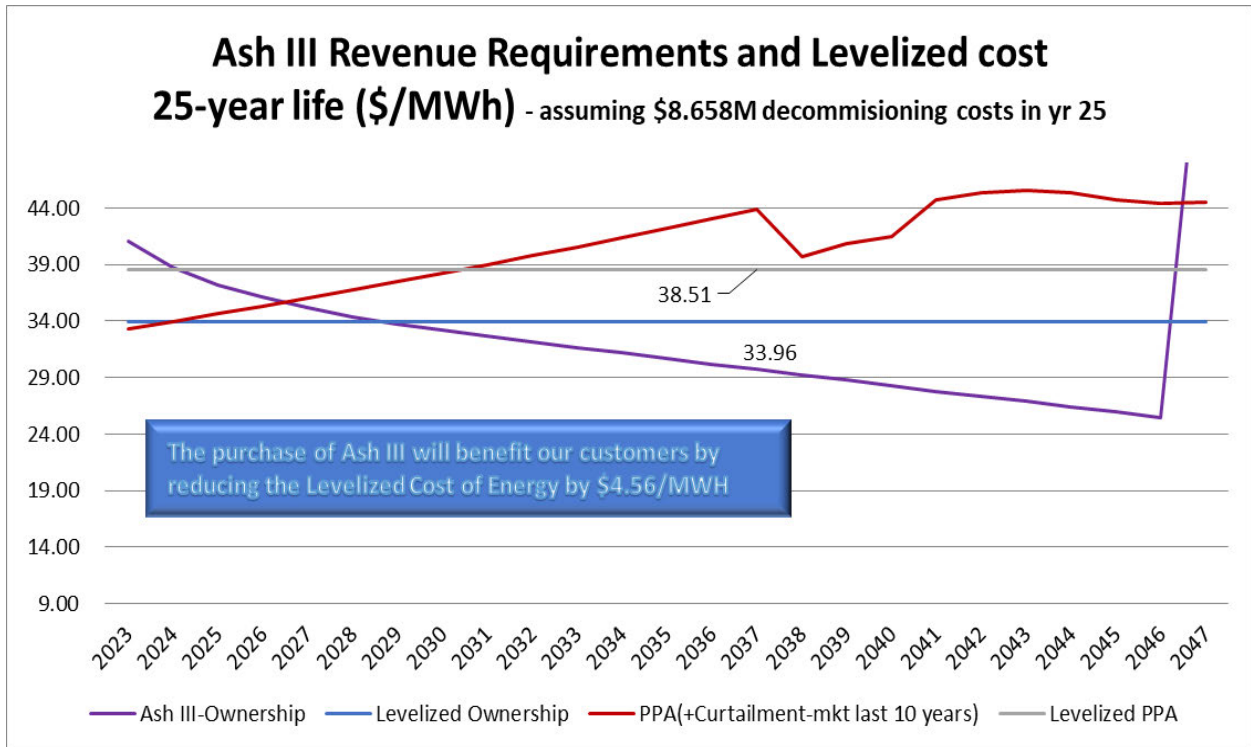
Otter Tail provides the RRCR tracker and resulting RRCR Factor using the Fully Levelized PTC method over the currently approved 35-year life of the Merricourt Facility as Attachment 7.

E. Ashtabula III Facility

Otter Tail entered into a Purchased Power Agreement (PPA) with Ashtabula III, LLC in 2013 which included an option for Otter Tail to purchase the wind facility assets in 2023. If Otter Tail does not exercise this option, the PPA continues through 2037. Consistent with the option to purchase in the PPA, in July 2021, Otter Tail entered into a Purchase and Sale Agreement (PSA), subject to regulatory approvals, for the purchase of the wind facility assets with an anticipated closing of January 2, 2023. The PSA for Ashtabula III facility assets includes: 39 wind generators with an aggregate nameplate of 62.4 MW that were placed into service in 2010; real estate interests, substation assets, as well as licenses and permits necessary to own and operate the wind facility. On November 12, 2021, Otter Tail petitioned the Minnesota Public Utilities Commission under Minn. Stat. § 216.B50 for approval to purchase the assets of the Ashtabula III wind facility.³ Otter Tail’s petition is pending with the Minnesota Public Utilities Commission.

The requested acquisition is compatible with the public interest because it lowers energy costs to Otter Tail customers over the life of the wind facility. In simple terms, Otter Tail can provide its customers lower energy costs by exercising its purchase option and owning and operating the Purchased Assets than by foregoing its option and remaining in the PPA. Otter Tail’s analysis demonstrates that the purchase of the wind facility will benefit Otter Tail customers by reducing energy costs from the wind facility by over \$4.56 /MWh over the life of the wind facility. The graph below shows a comparison of continuing with the existing PPA (red line) to the purchase of the wind facility (purple line) on per MWh basis.

³ *In the Matter of the Petition of Otter Tail Power Company for Approval of a Transfer of Property*, Docket No. E017/PA-21-793.



The existing PPA price in 2023 would be [PROTECTED DATA BEGINS... ..PROTECTED DATA ENDS] with a 2 percent escalation with an ending price of [PROTECTED DATA BEGINS... ..PROTECTED DATA ENDS] in 2037, the last year of the PPA. Anticipated PPA curtailment payments add another [PROTECTED DATA BEGINS... ..PROTECTED DATA ENDS] in 2023 growing to [PROTECTED DATA BEGINS... ..PROTECTED DATA ENDS] in 2037, based on [PROTECTED DATA BEGINS... ..PROTECTED DATA ENDS] MWh of curtailed energy per year. After the PPA expires in 2037, the assumed replacement energy cost is based on the market energy forecasted costs (Wood Mackenzie forecast).

The following ownership assumptions are used in calculating the ownership costs on a per MWh basis (purple line)⁴:

- 1) Project costs of \$51.1 million which consists of the purchase price of the assets and the costs associated with the purchase including legal and due diligence related items.

⁴ Attachment 8, ASH III Revenue Requirements and Levelized Costs Analysis, contains Otter Tail’s detailed analysis of the ownership costs.

- 2) Net Capacity factor of 40 percent which is based on historical 6-year average production of the facility.
- 3) Remaining life of 25 years starting in 2023.
- 4) Decommissioning costs of \$8.7 million in 2047 at the end of the useful life.
- 5) Annual O&M costs of \$2.5 million in 2023 with escalations through the life of the project.

In the instant filing, Otter Tail respectfully requests the Commission approve the Requested Acquisition as consistent with the public interest for the reasons set forth in this petition. Otter Tail further requests that the Commission give its consent and approval by order in writing, upon investigation without public hearing.

F. Revenue Requirements Calculation

Otter Tail seeks to recover from customers \$7,825,174 (Attachment 2, Line No. 4) over the April 1, 2022, through March 31, 2023, recovery period. Included in the total revenue requirements are a carrying credit of (\$79,539); the March 2022 expected tracker balance; and a true-up of (\$2,144,079) largely caused by the change in the life of the Merricourt Facility from 25 years to 35 years as well as (\$954,043) in 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 5, 6, 7, and 8. In this year's filing, the revenue requirement calculation related to each component is provided on a calendar year basis including updated actual information through November 2021 and projected amounts from December 2021 through March 2023.

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 5 and 6, Line No. 42 and is the difference between the amount of deferred tax assets related to production tax credits included in base rates (Line No. 41) and the actual, or forecasted, deferred tax assets related to production tax credits (Line No. 40). The revenue requirements section for Merricourt includes summarizing the total expenses and return on rate base calculation with the total revenue requirements on Attachment 7, Line 50 and North Dakota's share on Line 52.

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 9 to this filing to show the projected Federal ADIT proration calculation impact on the revenue requirement for the recovery period.

Otter Tail provides Attachment 10 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)-1(h)(6)(ii) of the Internal Revenue Service (IRS) regulations and to avoid a tax normalization violation.⁵ Attachment 10 shows the preservation of the proration of Federal ADIT results in a decrease of \$39,189 plus any applicable carrying charge to the revenue requirement. This item is included on Attachment 4

⁵ See Treas. Reg. SS 1.167(l)-1(h)(6)9ii).

(Line No. 10) to this filing and is consistent with its 2021 RRCR and its most recent Transmission Cost Recovery Rider annual update.⁶

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.

G. 2022 Renewable Tracker Report

The Renewable Resource Rider cost recovery mechanism uses a tracker account, shown in Attachment 4. 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 2021 and projected information through March 2023.

H. Calculation of 2022 RRCR Factor and Rate Design

Otter Tail proposes the continuation of the percent-of-bill method. The RRCR Factor is the forecasted March 2022 end of month balance plus the calculated revenue requirement from April 2022 through March 2023 plus any carrying cost or credit divided by the total forecasted base revenue from North Dakota electric retail customers from April 2022 through March 2023. The RRCR Factor calculation is shown on Attachment 3.

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."⁷

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

⁶ Case No. PU-20-383.

⁷ 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."

PUBLIC DOCUMENT – NOT PUBLIC (OR PRIVILEGED) DATA HAS BEEN EXCISED

shown in the table below. A weighted average is computed to determine an Otter Tail system-wide capacity accreditation average.

Resource	GVTC (MW)	Percentage Production (1)	Capacity Credit (2)	Weighted Average (1 x 2)
Ashtabula	48.0	16.67%	16.88%	2.81%
Langdon	40.5	14.06%	19.09%	2.68%
Luverne	49.5	17.19%	19.19%	3.30%
Merricourt	150.0	52.08%	16.32%	8.50%
Total	288.0			17.30%

The weighted average capacity factor for the planning year 2022/2023 is 17.30 percent. Otter Tail’s four wind projects continue to perform well above the MISO average capacity credit of 15.5 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 19.19 percent.

I. RRCR Factor Impact

This update changes the RRCR Factor for all customers from 11.825 percent to 7.108 percent. The total revenue requirement to be collected during the April 2022 through March 2023 recovery period, as shown on page 2 of Attachment 4, is \$7,825,174. The proposed RRCR Factor is calculated in Attachment 3. The impact of this update for a residential customer using 1,000 kWh is a decrease of approximately \$3.23 per month.

The proposed 2022 RRCR Factor is calculated assuming it is effective April 1, 2022. If implementation of the 2022 RRCR occurs after April 1, 2022, Otter Tail proposes that the factor be revised to recover the approved revenue requirements over the remaining months of the period, through March 2023. This approach ensures that cost recovery and the approved eligible costs match. If it is necessary to adjust the 2022 RRCR, Otter Tail proposes to calculate the final 2022 RRCR and include it with the corresponding rate schedule pages in a compliance filing in this proceeding.

J. Customer Notification

Otter Tail will include on January 2022 bills to its North Dakota customers, the following notice of the proposed change in rates for the renewable resource adjustment rider.

PUBLIC DOCUMENT – NOT PUBLIC (OR PRIVILEGED) DATA HAS BEEN EXCISED

The North Dakota Public Service Commission approved our request to decrease our Renewable Resource Cost Recovery Rider Factor for usage on and after April 1, 2022. The approved factor for all classes of service now is 7.108 percent of base charges and credits. The previous factor was 11.825 percent. A typical residential customer's bill will decrease by approximately \$3.23. The energy produced at the Merricourt and Ashtabula III Wind Energy Centers 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.

Attachment 11 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, Section 13.04 is provided as Attachment 12 in both legislative and non-legislative versions.

V. CONCLUSION

Otter Tail respectfully requests the Commission approve the Requested Acquisition of Ashtabula III Facility, the 2022 RRCR rider revenue requirement, and the resulting RRCR Factor to be effective April 1, 2022.

Dated: December 29, 2021

Respectfully Submitted,

OTTER TAIL POWER COMPANY

By: /s/NIKOLAI J KLEVEN

Nikolai Kleven
Rates Analyst, Regulatory Administration
Otter Tail Power Company
215 South Cascade Street
Fergus Falls, MN 56538-0496
218-739-8444
nkleven@otpc.com

**PUBLIC DOCUMENT – NOT PUBLIC (OR PRIVILEGED) DATA HAS BEEN
EXCISED**

**OTTER TAIL POWER COMPANY
2022 RRCR FILING ATTACHMENTS**

Attachment 1	RRCR Procedural History
Attachment 2	Summary of Revenue Requirements
Attachment 3	Rate Design
Attachment 4	Renewable Resource Tracker Report
Attachment 5	Langdon Facility Tracker
Attachment 6	Ashtabula Facility Tracker
Attachment 7	Merricourt Facility Tracker
Attachment 8	Ashtabula III Facility Tracker
Attachment 9	ADIT Pro-Rate Projection
Attachment 10	ADIT Pro-Rate Preservation
Attachment 11	Customer Notice
Attachment 12	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
Thirteenth Update	PU-21-30	March 17, 2021	April 1, 2021

*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	April 2022 - March 2023
1	Revenue Requirements	\$ 10,048,792
2	Carrying Cost	(79,539)
3	True up	<u>(2,144,079)</u>
4	Total	<u>\$ 7,825,174</u>

**Otter Tail Power Company
Renewable Resource Cost Recovery Rider
North Dakota**

Rate Design Calculation

North Dakota Revenue Requirements \$ 7,825,174

Line No.	Rate Design	April 2022 - March 2023
1	Forecasted Retail Revenue, all classes	\$ 110,083,383
2	Revenue Requirements	\$ 7,825,174
3	Percentage of Revenue Rate	7.108%

Otter Tail Power Company
Renewable Rider Annual Filing
North Dakota

Line		2021									2022			Collection Period
		Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Forecast December	Forecast January	Forecast February	Forecast March	
1	TRACKER SUMMARY													
2	<i>Requirements Compared to Billed:</i>													
3	Revenue Requirements													
4	Langdon - DTA only effective 02/01/19	\$ (13,044)	\$ (13,044)	\$ (13,044)	\$ (13,044)	\$ (13,044)	\$ (13,044)	\$ (13,044)	\$ (13,044)	\$ (13,044)	\$ (19,254)	\$ (19,254)	\$ (19,254)	\$ (175,158)
5	Ashtabula - DTA only effective 02/01/19	(69,760)	(69,760)	(69,760)	(69,760)	(69,760)	(69,760)	(69,760)	(69,760)	(69,760)	(79,050)	(79,050)	(79,050)	(864,990)
6	Merricourt Wind Energy Center	920,305	923,769	935,069	924,962	948,157	923,381	924,825	947,292	936,043	1,125,435	807,682	806,769	11,123,686
7	Ashtabula III													
8	Total	\$ 837,501	\$ 840,965	\$ 852,265	\$ 842,158	\$ 865,353	\$ 840,577	\$ 842,021	\$ 864,488	\$ 853,239	\$ 1,027,131	\$ 709,378	\$ 708,465	\$ 10,083,539
9														
10	ADIT Preservation of Proration	(2,451)	(2,451)	(2,451)	(2,451)	(2,451)	(2,451)	(2,451)	(2,451)	(2,451)	(2,451)	(2,451)	(2,451)	(29,416)
11														
12	Renewable Energy Certificate Sales	(383,638)	-	-	-	(570,397)	-	-						(954,034)
13														
14	Net Revenue Requirement	\$ 451,412	\$ 838,513	\$ 849,813	\$ 839,707	\$ 292,505	\$ 838,126	\$ 839,569	\$ 862,037	\$ 850,788	\$ 1,024,679	\$ 706,927	\$ 706,013	\$ 9,100,088
15														
16														
17	Billed (forecast kWh x adj factor)	\$ 568,160	\$ 790,274	\$ 869,757	\$ 1,068,913	\$ 1,150,209	\$ 1,037,376	\$ 910,879	\$ 905,966	\$ 1,070,172	\$ 1,151,316	\$ 1,062,190	\$ 1,014,453	\$ 11,599,665
18														
19	Monthly Revenue Difference	\$ (114,118)	\$ 50,143	\$ (17,721)	\$ (227,097)	\$ (857,041)	\$ (204,044)	\$ (77,403)	\$ (50,516)	\$ (226,292)	\$ (134,986)	\$ (364,473)	\$ (319,970)	\$ 11,599,665
20	Cumulative Difference	298,889	349,032	331,311	104,214	(752,827)	(956,871)	(1,034,274)	(1,084,791)	(1,311,083)	(1,446,069)	(1,810,542)	(2,130,511)	
21	Carrying Cost Adj. for rate calculation	-	-	-	-	-	-	-	-	-	-	-	-	(16,198)
22	Adjusted Cumulative Difference	\$ 301,519	\$ 351,662	\$ 333,941	\$ 106,844	\$ (750,197)	\$ (954,241)	\$ (1,031,644)	\$ (1,082,161)	\$ (1,308,453)	\$ (1,443,439)	\$ (1,807,911)	\$ (2,144,079)	
23														
24														
25	Carrying Charge Calculation	1,903	2,223	2,110	664	(4,794)	(6,094)	(6,587)	(6,908)	(8,349)	(9,209)	(11,530)	(13,568)	(60,139)
26	Cumulative Carrying Charge	\$ 650,843	\$ 653,066	\$ 655,176	\$ 655,840	\$ 651,045	\$ 644,952	\$ 638,365	\$ 631,457	\$ 623,107	\$ 613,898	\$ 602,368	\$ 588,801	
27	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%	
28	Monthly Rate	0.63683%	0.63683%	0.63683%	0.63683%	0.63683%	0.63683%	0.63683%	0.63683%	0.63683%	0.63683%	0.63683%	0.63683%	
29														
30	Life-to-Date Revenue Requirement	300,793	351,255	333,421	104,878	(757,621)	(962,965)	(1,040,861)	(1,091,699)	(1,319,432)	(1,455,278)	(1,822,072)	(2,144,079)	
31														
32	Forecasted Revenue								\$ 8,046,781	\$ 9,050,077	\$ 9,736,284	\$ 8,982,583	\$ 8,578,882	\$ 44,394,608

Approved by ND PSC March 17, 2021 in PU-21-30

Rate Calculation - Effective April 2021	Apr 2021 - Mar 2022
Revenue Requirements April 2021 thru March 2022	10,689,677
Carrying Charge (April 2021 thru Mar 2022)	56,187
Cumulative True-up	1,012,388
Total Requirements	\$ 11,758,253
Revenue April 2021 thru Mar 2022	\$ 99,439,612
New Rate	11.825%

Otter Tail Power Company
Renewable Rider Annual Filing
North Dakota

Line		2022										2023			Collection Period	
		Forecast April	Forecast May	Forecast June	Forecast July	Forecast August	Forecast September	Forecast October	Forecast November	Forecast December	Forecast January	Forecast February	Forecast March			
1	TRACKER SUMMARY															
2	<i>Requirements Compared to Billed:</i>															
3	Revenue Requirements															
4	Langdon - DTA only effective 02/01/19	\$ (19,254)	\$ (19,254)	\$ (19,254)	\$ (19,254)	\$ (19,254)	\$ (19,254)	\$ (19,254)	\$ (19,254)	\$ (19,254)	\$ (21,324)	\$ (21,324)	\$ (21,324)	\$ (237,263)		
5	Ashtabula - DTA only effective 02/01/19	(79,050)	(79,050)	(79,050)	(79,050)	(79,050)	(79,050)	(79,050)	(79,050)	(79,050)	(83,981)	(83,981)	(83,981)	(963,390)		
6	Merricourt Wind Energy Center	1,107,214	786,178	790,285	1,107,136	787,823	788,790	1,108,451	784,112	784,112	1,092,419	783,921	782,969	10,703,411		
7	Ashtabula III										135,724	205,155	205,155	546,034		
8	Total	\$ 1,008,910	\$ 687,874	\$ 691,980	\$ 1,008,832	\$ 689,519	\$ 690,486	\$ 1,010,147	\$ 685,808	\$ 685,808	\$ 1,122,838	\$ 883,770	\$ 882,819	\$ 10,048,792		
9																
10	ADIT Preservation of Proration	-	-	-	-	-	-	-	-	-	-	-	-	-		
11																
12	Renewable Energy Certificate Sales															
13																
14	Net Revenue Requirement	\$ 1,008,910	\$ 687,874	\$ 691,980	\$ 1,008,832	\$ 689,519	\$ 690,486	\$ 1,010,147	\$ 685,808	\$ 685,808	\$ 1,122,838	\$ 883,770	\$ 882,819	\$ 10,048,792		
15																
16																
17	Billed (forecast kWh x adj factor)	\$ 580,455	\$ 545,694	\$ 651,366	\$ 714,867	\$ 716,383	\$ 690,602	\$ 614,063	\$ 649,880	\$ 721,429	\$ 692,095	\$ 638,519	\$ 609,822	\$ 7,825,174		
18																
19	Monthly Revenue Difference	\$ 414,886	\$ 131,254	\$ 30,524	\$ 284,070	\$ (34,951)	\$ (8,424)	\$ 387,722	\$ 30,035	\$ (41,323)	\$ 424,778	\$ 137,715	\$ 269,737	\$ 2,026,023		
20	Cumulative Difference	(1,715,625)	(1,584,371)	(1,553,846)	(1,269,776)	(1,304,727)	(1,313,151)	(925,430)	(895,394)	(936,718)	(511,940)	(374,225)	(104,488)			
21	Carrying Cost Adj. for rate calculation	-	-	-	-	-	-	-	-	-	-	-	-	12,902		
22	Adjusted Cumulative Difference	\$ (1,729,193)	\$ (1,597,938)	\$ (1,567,414)	\$ (1,283,344)	\$ (1,318,295)	\$ (1,326,719)	\$ (938,998)	\$ (908,962)	\$ (950,285)	\$ (525,508)	\$ (387,793)	\$ (105,154)			
23																
24																
25	Carrying Charge Calculation	(10,926)	(10,090)	(9,895)	(8,086)	(8,309)	(8,363)	(5,893)	(5,702)	(5,965)	(3,260)	(2,383)	(665)	(79,539)		
26	Cumulative Carrying Charge	\$ 577,875	\$ 567,785	\$ 557,890	\$ 549,803	\$ 541,494	\$ 533,132	\$ 527,238	\$ 521,536	\$ 515,571	\$ 512,311	\$ 509,927	\$ 509,262			
27	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%			
28	Monthly Rate	0.63683%	0.63683%	0.63683%	0.63683%	0.63683%	0.63683%	0.63683%	0.63683%	0.63683%	0.63683%	0.63683%	0.63683%			
29																
30	Life-to-Date Revenue Requirement	(1,726,551)	(1,594,460)	(1,563,742)	(1,277,863)	(1,313,036)	(1,321,514)	(931,323)	(901,097)	(942,683)	(515,200)	(376,608)	(105,154)			
31																
32	Forecasted Revenue	\$ 8,165,761	\$ 7,676,738	\$ 9,163,323	\$ 10,056,640	\$ 10,077,974	\$ 9,715,282	\$ 8,638,542	\$ 9,142,410	\$ 10,148,962	\$ 9,736,284	\$ 8,982,583	\$ 8,578,882	\$ 110,083,383		

Rate Calculation - Effective April 2022		Apr 2022 - Mar 2023
Revenue Requirements	\$	10,048,792
Carrying Charge		(79,539)
Cumulative True-up		(2,144,079)
Total Requirements	\$	7,825,174
Revenue	\$	110,083,383
New Rate		7.108%

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

Line No.		2021												
		Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Forecasted December	Forecasted Year-End
1	RATE BASE													
2	ADIT Pro-Rated	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	
3														
4	Deferred Tax Asset - Federal Production Tax Credit													
5	Deferred Tax Asset - Federal PTC Beginning Balance	4,955,250	4,776,712	4,598,175	4,419,637	4,241,099	4,062,562	3,884,024	3,705,486	3,526,949	3,348,411	3,169,873	2,991,336	2,812,798
6														
7	Federal PTC Rate													
8	Output (MWH) / month													
9	Deferred Tax Asset - Federal PTC Beginning Balance	-	-	-	-	-	-	-	-	-	-	-	-	-
10														
11	Federal PTC utilization recognized/tax return adjustments													
12		178,538	178,538	178,538	178,538	178,538	178,538	178,538	178,538	178,538	178,538	178,538	178,538	2,142,452
13	Accum. Deferred Inc. Taxes - Federal PTC Ending Balance	4,776,712	4,598,175	4,419,637	4,241,099	4,062,562	3,884,024	3,705,486	3,526,949	3,348,411	3,169,873	2,991,336	2,812,798	2,812,798
14	End of month rate base	4,776,712	4,598,175	4,419,637	4,241,099	4,062,562	3,884,024	3,705,486	3,526,949	3,348,411	3,169,873	2,991,336	2,812,798	2,812,798
15	End of month rate base - No Prorate	4,776,712	4,598,175	4,419,637	4,241,099	4,062,562	3,884,024	3,705,486	3,526,949	3,348,411	3,169,873	2,991,336	2,812,798	2,812,798
16														
17	Average rate base	3,884,024	3,884,024	3,884,024	3,884,024	3,884,024	3,884,024	3,884,024	3,884,024	3,884,024	3,884,024	3,884,024	3,884,024	3,884,024
18														
19	Return on Rate Base	24,735	24,735	24,735	24,735	24,735	24,735	24,735	24,735	24,735	24,735	24,735	24,735	296,817
20														
21	Available for return (equity portion of rate base)	16,602	16,602	16,602	16,602	16,602	16,602	16,602	16,602	16,602	16,602	16,602	16,602	199,221
22														
23	EXPENSES													
24	Income before Taxes													
25	Available for return (from above)	16,602	16,602	16,602	16,602	16,602	16,602	16,602	16,602	16,602	16,602	16,602	16,602	199,221
26	Taxable Income (grossed up)	21,961	21,961	21,961	21,961	21,961	21,961	21,961	21,961	21,961	21,961	21,961	21,961	263,537
27														
28	Income Taxes													
29	Current and Def Income Taxes	5,360	5,360	5,360	5,360	5,360	5,360	5,360	5,360	5,360	5,360	5,360	5,360	64,316
30	Tax Adjustment for Additional Tax Basis	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Federal PTC	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Total Income Tax Expense	5,360	5,360	5,360	5,360	5,360	5,360	5,360	5,360	5,360	5,360	5,360	5,360	64,316
33														
34	REVENUE REQUIREMENTS													
35	Expenses	5,360	5,360	5,360	5,360	5,360	5,360	5,360	5,360	5,360	5,360	5,360	5,360	64,316
36	Return on rate base	24,735	24,735	24,735	24,735	24,735	24,735	24,735	24,735	24,735	24,735	24,735	24,735	296,817
37														
38	Total revenue requirements	30,094	30,094	30,094	30,094	30,094	30,094	30,094	30,094	30,094	30,094	30,094	30,094	361,133
39														
40	North Dakota share - E2 factor	11,309	11,309	11,309	11,309	11,309	11,309	11,309	11,309	11,309	11,309	11,309	11,309	135,704
41	Langdon DTA for PTC revenue requirement in base rates per Case No. PU-17-398	24,353	24,353	24,353	24,353	24,353	24,353	24,353	24,353	24,353	24,353	24,353	24,353	292,231
42	ND share of revenue requirements	(13,044)	(13,044)	(13,044)	(13,044)	(13,044)	(13,044)	(13,044)	(13,044)	(13,044)	(13,044)	(13,044)	(13,044)	(156,526)
43														
44	SUPPORTING INFORMATION / DATA													
45														
46	ND Capstructure with allowed ROE per order.	Approved in Case No. PU-17-398												
47	Capital Structure	Ratio	Cost	WA Cost		Effective Tax Rate	Fed Portion	State Portion						
48	Debt	47.50%	5.29%	2.51%		Tax conversion factor	24.40%	20.09%	4.31%					
49	Preferred equity	0.00%	0.00%	0.00%			1.322837							
50	Common equity	52.50%	9.77%	5.13%		E2 Factor	37.577%							
51	Total	100.00%		7.64%										

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

Line No.	2022													Forecasted Year-End	Forecasted January	Forecasted February	Forecasted March	
	Forecasted January	Forecasted February	Forecasted March	Forecasted April	Forecasted May	Forecasted June	Forecasted July	Forecasted August	Forecasted September	Forecasted October	Forecasted November	Forecasted December						
1	RATE BASE																	
2	ADIT Pro-Rated	1.00000	1.00000	1.00000	0.920548	0.835616	0.753425	0.668493	0.583562	0.501370	0.416438	0.334247	0.249315		0.164384	0.087671	0.002740	
4	Deferred Tax Asset - Federal Production Tax Credit																	
5	Deferred Tax Asset - Federal PTC Beginning Balance	2,812,798	2,598,269	2,383,739	2,169,210	1,971,725	1,792,460	1,630,829	1,487,417	1,362,226	1,254,667	1,165,329	1,093,623	1,040,138	1,040,138	1,040,138	1,040,138	
7	Federal PTC Rate																	
8	Output (MWH) / month																	
9	Deferred Tax Asset - Federal PTC Beginning Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Federal PTC utilization recognized/tax return adjustments	214,530	214,530	214,530	214,530	214,530	214,530	214,530	214,530	214,530	214,530	214,530	214,530	2,574,354	-	-	-	
12	Accum. Deferred Inc. Taxes - Federal PTC Ending Balance	2,598,269	2,383,739	2,169,210	1,971,725	1,792,460	1,630,829	1,487,417	1,362,226	1,254,667	1,165,329	1,093,623	1,040,138	1,040,138	1,040,138	1,040,138	1,040,138	
13	End of month rate base	2,598,269	2,383,739	2,169,210	1,971,725	1,792,460	1,630,829	1,487,417	1,362,226	1,254,667	1,165,329	1,093,623	1,040,138	1,040,138	1,040,138	1,040,138	1,040,138	
15	End of month rate base - No Prorate	2,598,269	2,383,739	2,169,210	1,954,680	1,740,151	1,525,621	1,311,092	1,096,562	882,032	667,503	452,973	238,444	238,444	238,444	238,444	238,444	
17	Average rate base	1,750,956	1,750,956	1,750,956	1,750,956	1,750,956	1,750,956	1,750,956	1,750,956	1,750,956	1,750,956	1,750,956	1,750,956	1,750,956	1,040,138	1,040,138	1,040,138	
18	Return on Rate Base	11,151	11,151	11,151	11,151	11,151	11,151	11,151	11,151	11,151	11,151	11,151	11,151	11,151	133,808	6,624	6,624	
19	Return on Rate Base	11,151	11,151	11,151	11,151	11,151	11,151	11,151	11,151	11,151	11,151	11,151	11,151	11,151	133,808	6,624	6,624	
21	Available for return (equity portion of rate base)	7,484	7,484	7,484	7,484	7,484	7,484	7,484	7,484	7,484	7,484	7,484	7,484	89,811	4,446	4,446	4,446	
23	EXPENSES																	
24	Income before Taxes																	
25	Available for return (from above)	7,484	7,484	7,484	7,484	7,484	7,484	7,484	7,484	7,484	7,484	7,484	7,484	89,811	4,446	4,446	4,446	
26	Taxable Income (grossed up)	9,900	9,900	9,900	9,900	9,900	9,900	9,900	9,900	9,900	9,900	9,900	9,900	118,805	5,881	5,881	5,881	
28	Income Taxes																	
29	Current and Def Income Taxes	2,416	2,416	2,416	2,416	2,416	2,416	2,416	2,416	2,416	2,416	2,416	2,416	28,994	1,435	1,435	1,435	
30	Tax Adjustment for Additional Tax Basis	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
31	Federal PTC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
32	Total Income Tax Expense	2,416	2,416	2,416	2,416	2,416	2,416	2,416	2,416	2,416	2,416	2,416	2,416	28,994	1,435	1,435	1,435	
34	REVENUE REQUIREMENTS																	
35	Expenses	2,416	2,416	2,416	2,416	2,416	2,416	2,416	2,416	2,416	2,416	2,416	2,416	28,994	1,435	1,435	1,435	
36	Return on rate base	11,151	11,151	11,151	11,151	11,151	11,151	11,151	11,151	11,151	11,151	11,151	11,151	133,808	6,624	6,624	6,624	
37	Return on rate base	11,151	11,151	11,151	11,151	11,151	11,151	11,151	11,151	11,151	11,151	11,151	11,151	133,808	6,624	6,624	6,624	
38	Total revenue requirements	13,567	13,567	13,567	13,567	13,567	13,567	13,567	13,567	13,567	13,567	13,567	13,567	162,802	8,059	8,059	8,059	
39	Total revenue requirements	13,567	13,567	13,567	13,567	13,567	13,567	13,567	13,567	13,567	13,567	13,567	13,567	162,802	8,059	8,059	8,059	
40	North Dakota share - E2 factor	5,098	5,098	5,098	5,098	5,098	5,098	5,098	5,098	5,098	5,098	5,098	5,098	61,177	3,028	3,028	3,028	
41	Langdon DTA for PTC revenue requirement in base rates per Case No. PU-17-398	24,353	24,353	24,353	24,353	24,353	24,353	24,353	24,353	24,353	24,353	24,353	24,353	292,231	24,353	24,353	24,353	
42	ND share of revenue requirements	(19,254)	(19,254)	(19,254)	(19,254)	(19,254)	(19,254)	(19,254)	(19,254)	(19,254)	(19,254)	(19,254)	(19,254)	(231,054)	(21,324)	(21,324)	(21,324)	
44	SUPPORTING INFORMATION / DATA																	
46	ND Capstructure with allowed ROE per order.	Approved in Case No. PU-17-398															Approved in Case No. PU-17-398	
47	Capital Structure	Ratio	Cost	WA Cost			Effective Tax Rate	24.40%	Fed Portion	20.09%	State Portion	4.31%			Ratio	Cost	WA Cost	
48	Debt	47.50%	5.29%	2.51%			Tax conversion factor	1.322837							47.50%	5.29%	2.51%	
49	Preferred equity	0.00%	0.00%	0.00%											0.00%	0.00%	0.00%	
50	Common equity	52.50%	9.77%	5.13%			E2 Factor	37.577%							52.50%	9.77%	5.13%	
51	Total	100.00%		7.64%											100.00%		7.64%	

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

Line No.		2021												
		Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Forecasted December	Forecasted Year-End
1	RATE BASE													
2	ADIT Pro-Rated	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	
3														
4	Deferred Tax Asset - Federal Production Tax Credit													
5	Deferred Tax Asset - Federal PTC Beginning Balance	7,216,487	7,106,434	6,996,382	6,886,329	6,776,277	6,666,224	6,556,171	6,446,119	6,336,066	6,226,014	6,115,961	6,005,909	5,895,856
6														
7	Federal PTC Rate													
8	Output (MWH) / month													
9	Deferred Tax Asset - Federal PTC Beginning Balance	-	-	-	-	-	-	-	-	-	-	-	-	-
10														
11	Federal PTC utilization recognized/tax return adjustments	110,053	110,053	110,053	110,053	110,053	110,053	110,053	110,053	110,053	110,053	110,053	110,053	1,320,631
12														
13	Accum. Deferred Inc. Taxes - Federal PTC Ending Balance	7,106,434	6,996,382	6,886,329	6,776,277	6,666,224	6,556,171	6,446,119	6,336,066	6,226,014	6,115,961	6,005,909	5,895,856	5,895,856
14	End of month rate base	7,106,434	6,996,382	6,886,329	6,776,277	6,666,224	6,556,171	6,446,119	6,336,066	6,226,014	6,115,961	6,005,909	5,895,856	5,895,856
15	End of month rate base - No Prorate	7,106,434	6,996,382	6,886,329	6,776,277	6,666,224	6,556,171	6,446,119	6,336,066	6,226,014	6,115,961	6,005,909	5,895,856	5,895,856
16														
17	Average rate base	6,556,171	6,556,171	6,556,171	6,556,171	6,556,171	6,556,171	6,556,171	6,556,171	6,556,171	6,556,171	6,556,171	6,556,171	6,556,171
18														
19	Return on Rate Base	41,752	41,752	41,752	41,752	41,752	41,752	41,752	41,752	41,752	41,752	41,752	41,752	501,023
20														
21	Available for return (equity portion of rate base)	28,024	28,024	28,024	28,024	28,024	28,024	28,024	28,024	28,024	28,024	28,024	28,024	336,282
22														
23	EXPENSES													
24	Income before Taxes													
25	Available for return (from above)	28,024	28,024	28,024	28,024	28,024	28,024	28,024	28,024	28,024	28,024	28,024	28,024	336,282
26	Taxable Income (grossed up)	37,071	37,071	37,071	37,071	37,071	37,071	37,071	37,071	37,071	37,071	37,071	37,071	444,847
27														
28	Income Taxes													
29	Current and Def Income Taxes	9,047	9,047	9,047	9,047	9,047	9,047	9,047	9,047	9,047	9,047	9,047	9,047	108,564
30	Tax Adjustment for Additional Tax Basis	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Federal PTC	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Total Income Tax Expense	9,047	9,047	9,047	9,047	9,047	9,047	9,047	9,047	9,047	9,047	9,047	9,047	108,564
33														
34	REVENUE REQUIREMENTS													
35	Expenses	9,047	9,047	9,047	9,047	9,047	9,047	9,047	9,047	9,047	9,047	9,047	9,047	108,564
36	Return on rate base	41,752	41,752	41,752	41,752	41,752	41,752	41,752	41,752	41,752	41,752	41,752	41,752	501,023
37														
38	Total revenue requirements	50,799	50,799	50,799	50,799	50,799	50,799	50,799	50,799	50,799	50,799	50,799	50,799	609,587
39														
40	North Dakota share - E2 factor	19,089	19,089	19,089	19,089	19,089	19,089	19,089	19,089	19,089	19,089	19,089	19,089	229,067
41	Ashtabula 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
42	ND share of revenue requirements	(69,760)	(69,760)	(69,760)	(69,760)	(69,760)	(69,760)	(69,760)	(69,760)	(69,760)	(69,760)	(69,760)	(69,760)	(837,121)
43														
44	SUPPORTING INFORMATION / DATA													
45														
46	ND Capstructure with allowed ROE per order.	Approved in Case No. PU-17-398												
47	Capital Structure	Ratio	Cost	WA Cost				Fed Portion	State Portion					
48	Debt	47.50%	5.29%	2.51%			Effective Tax Rate	24.40%	20.09%	4.31%				
49	Preferred equity	0.00%	0.00%	0.00%			Tax conversion factor	1.322837						
50	Common equity	52.50%	9.77%	5.13%										
51	Total	100.00%		7.64%			E2 Factor	37.577%						

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

Line No.	2021												Forecasted December	Forecasted Year-End
	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November			
54	SUPPORTING INFORMATION / DATA													
55	ND Capstructure with allowed ROE per order.													
56	Capital Structure													
57	Ratio	Cost	WA Cost				Fed Portion	State Portion						
58	Debt	47.50%	5.29%	2.51%			Effective Tax Rate	24.40%	20.09%	4.31%				
59	Preferred equity	0.00%	0.00%	0.00%			Tax conversion factor	1.322837						
60	Common equity	52.50%	9.77%	5.13%										
61	Total	100.00%		7.64%			E2 Factor	37.577%						
62	Federal Production Tax Credit													
63	Federal PTC Rate	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
64	Output (MWH) / month	34,816	26,896	45,856	54,244	48,183	25,315	33,388	41,813	53,494	51,417	47,402	57,003	519,827
65	Federal PTC Available based on production	\$ 870,399	\$ 672,396	\$ 1,146,409	\$ 1,356,100	\$ 1,204,573	\$ 632,874	\$ 834,704	\$ 1,045,326	\$ 1,337,350	\$ 1,285,419	\$ 1,185,048	\$ 1,425,077	\$ 12,995,674
66	Credit to Customer	(410,903)	(410,903)	(410,903)	(410,903)	(410,903)	(410,903)	(410,903)	(410,903)	(410,903)	(410,903)	(410,903)	(410,903)	(4,930,830)
67	Credit to Customer - Cumulative	(410,903)	(821,805)	(1,232,708)	(1,643,610)	(2,054,513)	(2,465,415)	(2,876,318)	(3,287,220)	(3,698,123)	(4,109,025)	(4,519,928)	(4,930,830)	(4,930,830)
68	Federal PTC Used on tax return	-	-	-	-	-	-	-	-	-	-	-	-	-
69	Deferred	870,399	672,396	1,146,409	1,356,100	1,204,573	632,874	834,704	1,045,326	1,337,350	1,285,419	1,185,048	1,425,077	12,995,674
70	Accumulated Deferred	2,120,676	2,793,072	3,939,480	5,295,580	6,500,153	7,133,027	7,967,731	9,013,057	10,350,407	11,635,826	12,820,874	14,245,951	14,245,951
71	Deferred Tax													
72	Book depreciation	\$ 624,538	\$ 635,233	\$ 635,560	\$ 635,563	\$ 635,560	\$ 635,759	\$ 636,195	\$ 636,932	\$ 638,415	\$ 638,844	\$ 638,971	\$ 647,350	\$ 7,638,920
73	Tax depreciation-Federal	7,948,765	7,948,765	7,948,765	7,948,765	7,948,765	7,948,765	7,948,765	7,948,765	7,948,765	7,948,765	7,948,765	7,948,765	95,385,181
74	Tax depreciation-ND	7,948,765	7,948,765	7,948,765	7,948,765	7,948,765	7,948,765	7,948,765	7,948,765	7,948,765	7,948,765	7,948,765	7,948,765	95,385,181
75	Book vs. tax depreciation	(7,324,227)	(7,313,532)	(7,313,205)	(7,313,202)	(7,313,205)	(7,313,006)	(7,312,571)	(7,311,833)	(7,310,350)	(7,309,921)	(7,309,794)	(7,301,415)	(87,746,261)
76	Federal deferred income taxes	(1,471,796)	(1,469,647)	(1,469,581)	(1,469,581)	(1,469,581)	(1,469,541)	(1,469,454)	(1,469,306)	(1,469,008)	(1,468,921)	(1,468,896)	(1,467,212)	(17,632,523)
77	State deferred income taxes	(315,674)	(315,213)	(315,199)	(315,199)	(315,199)	(315,191)	(315,172)	(315,140)	(315,076)	(315,058)	(315,052)	(314,691)	(3,781,864)
78	Income Tax Calculation													
79	Book Operating Income	846,707	846,707	846,707	846,707	846,707	846,707	846,707	846,707	846,707	846,707	846,707	846,707	10,160,487
80	Tax Rate	24.40%	24.40%	24.40%	24.40%	24.40%	24.40%	24.40%	24.40%	24.40%	24.40%	24.40%	24.40%	24.40%
81	Income Tax Expense	206,638	206,638	206,638	206,638	206,638	206,638	206,638	206,638	206,638	206,638	206,638	206,638	2,479,657
82	Net Income (Book)	640,069	640,069	640,069	640,069	640,069	640,069	640,069	640,069	640,069	640,069	640,069	640,069	7,680,831
83	Federal Tax Calculation													
84	Timing Difference													
85	Book Income	846,707	846,707	846,707	846,707	846,707	846,707	846,707	846,707	846,707	846,707	846,707	846,707	10,160,487
86	+Book Depreciation	624,538	635,233	635,560	635,563	635,560	635,759	636,195	636,932	638,415	638,844	638,971	647,350	7,638,920
87	-Tax Depreciation Federal	(7,948,765)	(7,948,765)	(7,948,765)	(7,948,765)	(7,948,765)	(7,948,765)	(7,948,765)	(7,948,765)	(7,948,765)	(7,948,765)	(7,948,765)	(7,948,765)	(95,385,181)
88	Taxable Income	(6,477,520)	(6,466,825)	(6,466,498)	(6,466,495)	(6,466,498)	(6,466,299)	(6,465,863)	(6,465,126)	(6,463,643)	(6,463,213)	(6,463,087)	(6,454,708)	(77,585,773)
89	Tax Rate	20.09%	20.09%	20.09%	20.09%	20.09%	20.09%	20.09%	20.09%	20.09%	20.09%	20.09%	20.09%	20.09%
90	Income Tax - Current	(1,301,651)	(1,299,502)	(1,299,436)	(1,299,436)	(1,299,436)	(1,299,396)	(1,299,309)	(1,299,161)	(1,298,863)	(1,298,776)	(1,298,751)	(1,297,067)	(15,590,784)
91	Income Tax - Deferred	1,471,796	1,469,647	1,469,581	1,469,581	1,469,581	1,469,541	1,469,454	1,469,306	1,469,008	1,468,921	1,468,896	1,467,212	17,632,523
92	Net Tax (Federal)	170,145	170,145	170,145	170,145	170,145	170,145	170,145	170,145	170,145	170,145	170,145	170,145	170,145
93	State Tax Calculation													
94	Timing Difference													
95	Book Income	846,707	846,707	846,707	846,707	846,707	846,707	846,707	846,707	846,707	846,707	846,707	846,707	10,160,487
96	+Book Depreciation	624,538	635,233	635,560	635,563	635,560	635,759	636,195	636,932	638,415	638,844	638,971	647,350	7,638,920
97	-Tax Depreciation State	(7,948,765)	(7,948,765)	(7,948,765)	(7,948,765)	(7,948,765)	(7,948,765)	(7,948,765)	(7,948,765)	(7,948,765)	(7,948,765)	(7,948,765)	(7,948,765)	(95,385,181)
98	Taxable Income	(6,477,520)	(6,466,825)	(6,466,498)	(6,466,495)	(6,466,498)	(6,466,299)	(6,465,863)	(6,465,126)	(6,463,643)	(6,463,213)	(6,463,087)	(6,454,708)	(77,585,773)
99	Tax Rate	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%
100	Income Tax - Current	(279,181)	(278,720)	(278,706)	(278,706)	(278,706)	(278,697)	(278,679)	(278,647)	(278,583)	(278,564)	(278,559)	(278,198)	(3,343,947)
101	Income Tax - Deferred	315,674	315,213	315,199	315,199	315,199	315,191	315,172	315,140	315,076	315,058	315,052	314,691	3,781,864
102	Net Tax (State)	36,493	36,493	36,493	36,493	36,493	36,493	36,493	36,493	36,493	36,493	36,493	36,493	437,917
103	Net of State and Federal													
104	Income Tax Expense	(1,580,832)	(1,578,222)	(1,578,142)	(1,578,142)	(1,578,142)	(1,578,094)	(1,577,987)	(1,577,807)	(1,577,446)	(1,577,341)	(1,577,310)	(1,575,265)	(18,934,730)
105	Current Income Tax Expense	1,787,470	1,784,860	1,784,780	1,784,780	1,784,780	1,784,732	1,784,626	1,784,446	1,784,084	1,783,979	1,783,948	1,781,903	21,414,387
106	Deferred Tax Expense	206,638	206,638	206,638	206,638	206,638	206,638	206,638	206,638	206,638	206,638	206,638	206,638	2,479,657
107	Check	-	-	0	-	-	-	-	-	(0)	-	0	0	-

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

Line No.	2022													2023		
	Forecasted January	Forecasted February	Forecasted March	Forecasted April	Forecasted May	Forecasted June	Forecasted July	Forecasted August	Forecasted September	Forecasted October	Forecasted November	Forecasted December	Forecasted Year-End	Forecasted January	Forecasted February	Forecasted March
54	SUPPORTING INFORMATION / DATA															
55	ND Capstructure with allowed ROE per order.															
56	Capital Structure															
57	Ratio	Cost	WA Cost				Fed Portion	State Portion						Ratio	Cost	WA Cost
58	47.50%	5.29%	2.51%				Effective Tax Rate	24.40%	20.09%	4.31%				47.50%	5.29%	2.51%
59	0.00%	0.00%	0.00%				Tax conversion factor	1.322837						0.00%	0.00%	0.00%
60	52.50%	9.77%	5.13%											52.50%	9.77%	5.13%
61	100.00%		7.64%				E2 Factor	37.577%						100.00%		7.64%
62																
63																
64	Federal Production Tax Credit															
65	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$26.00	\$26.00	\$26.00
66	\$7,089	\$2,764	\$9,469	\$8,488	\$5,774	\$0,417	\$3,597	\$4,353	\$3,369	\$9,435	\$2,174	\$7,003	\$653,931	\$7,513	\$4,969	\$3,777
67	\$ 1,427,221	\$ 1,319,093	\$ 1,486,727	\$ 1,462,201	\$ 1,394,359	\$ 1,260,424	\$ 1,089,914	\$ 1,108,826	\$ 1,334,226	\$ 1,485,867	\$ 1,554,350	\$ 1,425,078	\$ 16,348,288	\$ 1,495,341	\$ 1,429,182	\$ 1,658,190
68	(410,903)	(410,903)	(410,903)	(410,903)	(410,903)	(410,903)	(410,903)	(410,903)	(410,903)	(410,903)	(410,903)	(410,903)	(4,930,830)	(410,903)	(410,903)	(410,903)
69	(5,341,733)	(5,752,635)	(6,163,538)	(6,574,440)	(6,985,343)	(7,396,245)	(7,807,148)	(8,218,050)	(8,628,953)	(9,039,855)	(9,450,758)	(9,861,660)	(9,861,660)	(10,272,563)	(10,683,465)	(11,094,368)
70																
71																
72	515,292	515,292	515,292	515,292	515,292	515,292	515,292	515,292	515,292	515,292	515,292	515,292	6,183,506	703,645	703,645	703,645
73	911,928	803,801	971,435	946,909	879,067	745,132	574,622	593,533	970,575	1,039,058	909,786	954,545	10,164,782	791,696	725,537	954,545
74	15,157,879	15,961,681	16,933,116	17,880,025	18,759,092	19,504,224	20,078,846	20,672,379	21,491,313	22,461,889	23,500,947	24,410,733	24,410,733	25,202,429	25,927,966	26,882,511
75																
76	Deferred Tax															
77	\$ 647,350	\$ 647,350	\$ 647,350	\$ 647,350	\$ 647,350	\$ 647,350	\$ 647,350	\$ 647,350	\$ 647,350	\$ 647,350	\$ 647,350	\$ 647,350	\$ 7,768,202	\$ 647,350	\$ 647,350	\$ 647,350
78	5,039,516	5,039,516	5,039,516	5,039,516	5,039,516	5,039,516	5,039,516	5,039,516	5,039,516	5,039,516	5,039,516	5,039,516	60,474,197	3,026,421	3,026,421	3,026,421
79	5,039,516	5,039,516	5,039,516	5,039,516	5,039,516	5,039,516	5,039,516	5,039,516	5,039,516	5,039,516	5,039,516	5,039,516	60,474,197	3,026,421	3,026,421	3,026,421
80	(4,392,166)	(4,392,166)	(4,392,166)	(4,392,166)	(4,392,166)	(4,392,166)	(4,392,166)	(4,392,166)	(4,392,166)	(4,392,166)	(4,392,166)	(4,392,166)	(52,705,994)	(2,379,070)	(2,379,070)	(2,379,070)
81																
82	(882,601)	(882,601)	(882,601)	(882,601)	(882,601)	(882,601)	(882,601)	(882,601)	(882,601)	(882,601)	(882,601)	(882,601)	(10,591,217)	(478,072)	(478,072)	(478,072)
83	(189,302)	(189,302)	(189,302)	(189,302)	(189,302)	(189,302)	(189,302)	(189,302)	(189,302)	(189,302)	(189,302)	(189,302)	(2,271,628)	(102,538)	(102,538)	(102,538)
84																
85	Income Tax Calculation															
86																
87	797,078	797,078	797,078	797,078	797,078	797,078	797,078	797,078	797,078	797,078	797,078	797,078	9,564,939	745,137	745,137	745,137
88	24.40%	24.40%	24.40%	24.40%	24.40%	24.40%	24.40%	24.40%	24.40%	24.40%	24.40%	24.40%	24.40%	24.40%	24.40%	24.40%
89	194,526	194,526	194,526	194,526	194,526	194,526	194,526	194,526	194,526	194,526	194,526	194,526	2,334,314	181,850	181,850	181,850
90	602,552	602,552	602,552	602,552	602,552	602,552	602,552	602,552	602,552	602,552	602,552	602,552	7,230,625	563,287	563,287	563,287
91	Federal Tax Calculation															
92																
93	797,078	797,078	797,078	797,078	797,078	797,078	797,078	797,078	797,078	797,078	797,078	797,078	9,564,939	745,137	745,137	745,137
94	647,350	647,350	647,350	647,350	647,350	647,350	647,350	647,350	647,350	647,350	647,350	647,350	7,768,202	647,350	647,350	647,350
95	(5,039,516)	(5,039,516)	(5,039,516)	(5,039,516)	(5,039,516)	(5,039,516)	(5,039,516)	(5,039,516)	(5,039,516)	(5,039,516)	(5,039,516)	(5,039,516)	(60,474,197)	(3,026,421)	(3,026,421)	(3,026,421)
96	(3,595,088)	(3,595,088)	(3,595,088)	(3,595,088)	(3,595,088)	(3,595,088)	(3,595,088)	(3,595,088)	(3,595,088)	(3,595,088)	(3,595,088)	(3,595,088)	(43,141,056)	(1,633,933)	(1,633,933)	(1,633,933)
97	20.09%	20.09%	20.09%	20.09%	20.09%	20.09%	20.09%	20.09%	20.09%	20.09%	20.09%	20.09%	20.09%	20.09%	20.09%	20.09%
98	(722,429)	(722,429)	(722,429)	(722,429)	(722,429)	(722,429)	(722,429)	(722,429)	(722,429)	(722,429)	(722,429)	(722,429)	(8,669,152)	(328,337)	(328,337)	(328,337)
99	882,601	882,601	882,601	882,601	882,601	882,601	882,601	882,601	882,601	882,601	882,601	882,601	10,591,217	478,072	478,072	478,072
100	160,172	160,172	160,172	160,172	160,172	160,172	160,172	160,172	160,172	160,172	160,172	160,172	149,735	149,735	149,735	149,735
101	State Tax Calculation															
102																
103	797,078	797,078	797,078	797,078	797,078	797,078	797,078	797,078	797,078	797,078	797,078	797,078	9,564,939	745,137	745,137	745,137
104	647,350	647,350	647,350	647,350	647,350	647,350	647,350	647,350	647,350	647,350	647,350	647,350	7,768,202	647,350	647,350	647,350
105	(5,039,516)	(5,039,516)	(5,039,516)	(5,039,516)	(5,039,516)	(5,039,516)	(5,039,516)	(5,039,516)	(5,039,516)	(5,039,516)	(5,039,516)	(5,039,516)	(60,474,197)	(3,026,421)	(3,026,421)	(3,026,421)
106	(3,595,088)	(3,595,088)	(3,595,088)	(3,595,088)	(3,595,088)	(3,595,088)	(3,595,088)	(3,595,088)	(3,595,088)	(3,595,088)	(3,595,088)	(3,595,088)	(43,141,056)	(1,633,933)	(1,633,933)	(1,633,933)
107	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%
108	(154,948)	(154,948)	(154,948)	(154,948)	(154,948)	(154,948)	(154,948)	(154,948)	(154,948)	(154,948)	(154,948)	(154,948)	(1,859,380)	(70,423)	(70,423)	(70,423)
109	189,302	189,302	189,302	189,302	189,302	189,302	189,302	189,302	189,302	189,302	189,302	189,302	2,271,628	102,538	102,538	102,538
110	34,354	34,354	34,354	34,354	34,354	34,354	34,354	34,354	34,354	34,354	34,354	34,354	412,249	32,115	32,115	32,115
111	Net of State and Federal															
112																
113	(877,378)	(877,378)	(877,378)	(877,378)	(877,378)	(877,378)	(877,378)	(877,378)	(877,378)	(877,378)	(877,378)	(877,378)	(10,528,532)	(398,760)	(398,760)	(398,760)
114	1,071,904	1,071,904	1,071,904	1,071,904	1,071,904	1,071,904	1,071,904	1,071,904	1,071,904	1,071,904	1,071,904	1,071,904	12,862,845	580,610	580,610	580,610
115	194,526	194,526	194,526	194,526	194,526	194,526	194,526	194,526	194,526	194,526	194,526	194,526	2,334,314	181,850	181,850	181,850
116	Check															

Otter Tail Power Company
North Dakota Renewable Resource Rider
Ashtabula III

Line No.		2022	2023		
		Projected Year-End	Projected January	Projected February	Projected March
RATE BASE					
1	Plant Balance	-	51,562,811	51,562,811	51,562,811
2	Accumulated Depreciation	-	-	(184,767)	(369,533)
3	Net Plant in Service	-	51,562,811	51,378,044	51,193,278
4	CWIP Calculation:				
5	Beginning	-	-	-	-
6	Additional CWIP	-	-	-	-
7	Closings from CWIP	-	-	-	-
8	AFUDC	-	-	-	-
9	CWIP	-	-	-	-
10					
11	ADIT Pro-Rated		0.416438	0.334247	0.249315
12	Accum. Deferred Inc. Taxes - Fed & State	-	(27,239)	(30,555)	(33,359)
13	Accum. Deferred Inc. Taxes - Fed & State - No Prorate	-	(52,433)	(34,579)	(37,896)
14	Accum. Deferred Inc. Taxes - Basis Difference	-	-	-	-
15	Accum. Deferred Inc. Taxes - Federal PTC	-	-	-	-
16	Accum. Deferred Inc. Taxes - ND ITC	-	-	-	-
17	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	-	-	-	-
18	Accum. Deferred Inc. Taxes - ND ITC	-	-	-	-
19	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	-	-	-	-
20					
21	End of month rate base	-	51,535,572	51,347,489	51,159,919
22					
23					
24	Average rate base	-	3,884,597	3,884,597	3,884,597
25					
26	Return on Rate Base		296,861	296,861	296,861
27					
28	Available for return (equity portion of rate base)		199,251	199,251	199,251
29					
30	EXPENSES				
31	O&M and Depreciation				
32	Operating Costs		-	-	-
33	Self-Funded Transmission Monthly Payments		-	-	-
34	Ground Lease Payments		-	-	-
35	Property Tax		-	-	-
36	Book Depreciation		-	184,767	184,767
37	Total O&M and Depreciation Expense		-	184,767	184,767
38					
39	Income before Taxes				
40	Available for return (from above)		199,251	199,251	199,251
41	Less book tax credits - Federal PTC		-	-	-
42	Less book tax credits - ND ITC		-	-	-
43	ND ITC - Federal impact		-	-	-
44	Less: Section 199 Deduction				
45	Adjusted Income before interest and taxes		199,251	199,251	199,251
46	Taxable Income (grossed up)		263,576	263,576	263,576
47					
48	Income Taxes				
49	Current and Def Income Taxes		64,325	64,325	64,325
50	Tax Adjustment for Additional Tax Basis		-	-	-
51	Federal PTC		-	-	-
52	ND ITC		-	-	-
53	ND ITC - Federal Impact		-	-	-
54	Total Income Tax Expense		64,325	64,325	64,325
55					
56					
57	REVENUE REQUIREMENTS				
58	Expenses		64,325	249,092	249,092
59	Return on rate base		296,861	296,861	296,861
60					
61	Total revenue requirements		361,186	545,953	545,953
62					
63	North Dakota share - E2 factor		135,724	205,155	205,155

Otter Tail Power Company
North Dakota Renewable Resource Rider
Ashtabula III

Line No.		2022	2023		
		Projected Year-End	Projected January	Projected February	Projected March
	SUPPORTING INFORMATION / DATA				
1	ND Capstructure with allowed ROE per order.				
2	Capital Structure		Ratio	Cost	WA Cost
3	Debt		47.50%	5.29%	2.51%
4	Preferred equity		0.00%	0.00%	0.00%
5	Common equity		52.50%	9.77%	5.13%
6	Total		100.00%		7.64%
7					
8					
9	Federal Production Tax Credit				
10	Federal PTC Rate			\$0.00	\$0.00
11	Output (MWH) / month				
12	Federal PTC Available based on production		-	-	-
13	Federal PTC Used on tax return		-	-	-
14	Deferred		-	-	-
15	Accumulated Deferred		-	-	-
16					
17	Deferred Tax				
18	Book depreciation rate		4.3000%	4.3000%	4.3000%
19	Book depreciation		-	184,767	184,767
20	Tax depreciation - Federal		214,845	214,845	214,845
21	Tax depreciation - State		214,845	214,845	214,845
22	Book vs. tax depreciation		(214,845)	(30,078)	(30,078)
23	Federal deferred income taxes		(43,173)	(6,044)	(6,044)
24	State deferred income taxes		(9,260)	(1,296)	(1,296)
25					
26	Additional Tax Basis (permanent difference)				
27	Tax Impact-ND				
28	Tax Impact-Federal				
29	Total Tax Impact		-	-	-
30					
31	Income Tax Calculation				
32	Book Operating Income				
33	Tax Rate				
34	Income Tax Expense				
35	Net Income (Book)				
36	Federal Tax Calculation				
37	Timing Difference				
38	Book Income				
39	+Book Depreciation				
40	-Tax Depreciation Federal				
41	Taxable Income				
42	Tax Rate				
43	Income Tax - Current				
44	Income Tax - Deferred				
45	Net Tax (Federal)				
46	State Tax Calculation				
47	Timing Difference				
48	Book Income				
49	+Book Depreciation				
50	-Tax Depreciation State				
51	Taxable Income				
52	Tax Rate				
53	Income Tax - Current				
54	Income Tax - Deferred				
55	Net Tax (State)				
56	Net of State and Federal				
57	Income Tax Expense				
58	Current Income Tax Expense				
59	Deferred Tax Expense				
60	Total Income Tax Expense				
61	Check				

**Otter Tail Power Company
North Dakota Renewable Resource Cost Recovery Rider
Federal ADIT Proration**

April 2022 - March 2023 Recovery Period				
A	B	C	D	
Line No.	Month	All Projects' Revenue Requirements	All Projects' Revenue Requirements with ADIT-Prorate	Difference due to Federal ADIT Proration (B - A)
1	Apr-22	\$ 995,280	\$ 1,008,910	\$ 13,629
2	May-22	674,245	687,874	13,629
3	Jun-22	678,351	691,980	13,629
4	Jul-22	995,203	1,008,832	13,629
5	Aug-22	675,890	689,519	13,629
6	Sep-22	676,857	690,486	13,629
7	Oct-22	996,518	1,010,147	13,629
8	Nov-22	672,179	685,808	13,629
9	Dec-22	672,179	685,808	13,629
10	Jan-23	1,107,131	1,122,838	15,706
11	Feb-23	868,064	883,770	15,706
12	Mar-23	867,112	882,819	15,706
13		\$ 9,879,010	\$ 10,048,792	\$ 169,781
14				
15	Revenue Requirement Adjustment Related to Federal ADIT Proration			\$ 169,781

Otter Tail Power Company
North Dakota Renewable Resource Cost Recovery Rider
Federal ADIT Proration -- Preserve True-Up Period

	A	B	C	D
Line No.				
1	Tax Conversion Factor	1.3228		(1/(1-24.4%))
2	Gross Up of Equity %	6.78%		(F9 * F17)
3	Equity Return %	5.13%		(F17)
4	Gross Up Factor	1.66%		(F10-F11)
5				
6		Annual		Monthly
7	Debt Return %	2.51%		0.21%
8	Preferred Equity %	0.00%		0.00%
9	Equity Return %	5.13%		0.43%
10	Rate of Return	7.64%		0.64%
11	Tax RR on Equity Return	1.66%		0.14%
12	Rate Base Rev Req Gross Up Factor	9.30%		0.77%
13				
14				
15		April 2021 - March 2022		
16				
17		Original ADIT	Federal ADIT	Difference due to
18		Balance -	Prorate	Federal ADIT
19	Month	Balance -	Balance -	Proration
		All Projects	All Projects	(B - A)
20	March-21	\$ 2,246,854	\$ 2,888,443	\$ 641,590
21	April-21	667,684	1,263,374	
22	May-21	(765,706)	(219,431)	
23	June-21	(2,058,033)	(1,564,538)	
24	July-21	(3,204,613)	(2,767,326)	
25	August-21	(4,205,464)	(3,827,751)	
26	September-21	(5,064,252)	(4,751,310)	
27	October-21	(5,777,563)	(5,532,722)	
28	November-21	(6,350,089)	(6,176,629)	
29	December-21	(6,777,136)	(6,676,791)	
30	January-22	(6,913,305)	(7,592,927)	
31	February-22	(6,985,928)	(8,445,517)	
32	March-22	(6,988,197)	(9,227,755)	(2,239,557)
33	Simple Average	\$ (2,370,672)	\$ (3,169,656)	\$ (798,984)
34				
35		Rate Base Rev Req Gross Up Factor		9.30%
36		Total Company Revenue Requirement	\$	(74,285)
37				
38		ND Revenue Requirement Related to		
		Federal ADIT Proration-Preservation	\$	(29,416)

Notice of decrease to your Renewable Resource Cost Recovery Rider Factor

The North Dakota Public Service Commission approved our request to decrease our Renewable Resource Cost Recovery Rider Factor for usage on and after April 1, 2022. The approved factor for all classes of service now is 7.108 percent of base charges and credits. The previous factor was 11.825 percent. A typical residential customer's bill will decrease by approximately \$3.23. The energy produced at the Merricourt and Ashtabula III Wind Energy Centers 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.

Attachment 12
Legislative and Non-Legislative Versions of
Tariff Sheet ND 13.04
Renewable Resource Cost Recovery Rider



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 11.8257.108 percent

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.



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 7.108 percent
--

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.