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March 1, 2022

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

RE: In the Matter of Otter Tail Power Company's Application for Approval of the Annual Rate Update to Rate Schedule, Section 13.06, Generation Cost Recovery Rider Case No. PU-22-Initial Filing

Dear Mr. Kahl:

Enclosed are an original and seven (7) copies of Otter Tail Power Company's (Otter Tail's) Application for Approval of the Annual Rate Update to its Generation Cost Recovery Rider.

Also enclosed is a check in the amount of \$50 for the filing fee. Otter Tail is proposing a rate reduction in this filing.

An electronic copy of this filing is being sent to the North Dakota Public Service Commission at ndpsc@nd.gov. Should you have any questions, please feel free to contact me at 218-739-8562 or wrader@otpc.com.

Sincerely,

/s/ WILLIAM RADER
William Rader
Rates Analyst
Regulatory Administration

vjm
Enclosures
By electronic filing and US mail

1 PU-22-87 Filed 03/01/2022 Pages: 34
Application for Approval of Annual Rate Update to Generation Cost Recovery Rider Rate Schedule
Otter Tail Power Company
William Rader, Rates Analyst

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

**In the Matter of Otter Tail Power
Company’s Application for Approval
of the Annual Rate Update to Rate
Schedule, Section 13.06, Generation
Cost Recovery Rider**

**Case No. PU-22-

APPLICATION**

I. INTRODUCTION

Otter Tail Power Company (Otter Tail) submits this Application to the North Dakota Public Service Commission (Commission) for approval of an annual update to its Generation Cost Recovery Rider (GCRR or Rider). This annual update filing results in a revenue requirement of \$3,286,266, and a corresponding factor of 2.982 percent.

This filing is Otter Tail’s fourth update to the GCRR and includes actual cost and revenue information through January 2022 and forecasted cost and revenue information for February 2022 through June 2023. It includes the revenue requirement related to the Astoria Station Natural Gas Plant project (Astoria Station). Astoria Station is a 245 megawatt (MW) natural gas-fired, frame-style, simple cycle combustion turbine generation facility located near Astoria, South Dakota. Astoria Station received an Advance Determination of Prudence (ADP) in Case No. PU-17-140¹ and the recovery mechanism for Astoria Station, the GCRR, was approved in Otter Tail’s most recent North Dakota general rate case, Case No. PU-17-398.² Also included is the estimated net savings associated with the retirement of Hoot Lake Plant (HLP), Otter Tail’s coal-fired electric generation facility located near Fergus Falls, Minnesota. The proposed effective date of this annual update is July 1, 2022, and Otter Tail proposes to recover the revenue requirement through the recovery period of July 2022 through June 2023.

¹ *Otter Tail Power Company Application for Advance Determination of Prudence for the Astoria Natural Gas Project*, Case No. PU-17-140.

² *Otter Tail Power Company Application for Authority to Increase Electric Rates in North Dakota*, Case No. PU-17-398.

II. GENERAL FILING INFORMATION

Pursuant to § 69-02-02-04 of the Commission's Rules of Practice and Procedure, the following information is provided:

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

Otter Tail Power Company
215 South Cascade Street
P.O. Box 496
Fergus Falls, MN 56538-0496
Phone (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, MN 56538-0496
Phone (218) 739-8956

C. Title of utility employee responsible for filing

William Rader
Rates Analyst, Regulatory Administration
Otter Tail Power Company
215 South Cascade Street
P.O. Box 496
Fergus Falls, MN 56538-0496
Phone (218) 739-8562

D. The date of filing and the date changes will take effect

The date of this filing is March 1, 2022. Otter Tail proposes a rate effective date of July 1, 2022.

E. Other requirements of North Dakota Rules Part 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.

F. Customer Notification

Otter Tail will include a notice to North Dakota customers in March bills of the proposed change to the Rider factor. Attachment 8 is a sample of the notice. Otter Tail will also include an implementation notice to North Dakota customers regarding the approved change to the Rider factor in July bills. Attachment 9 is a sample of the implementation notice.

III. BACKGROUND

Cost recovery through this Rider, and recovery of revenue requirements for the investment, is under the authority granted to the Commission under N.D.C.C. §§ 49-02, 49-05, and 49-06. On September 26, 2018, the Commission approved Otter Tail's GCRR tariff in Case No. PU-17-398.³ Table 1, below, provides the procedural history of annual updates for this rider.

Table 1

GCRR History	Case Number	Commission Approved Date	Effective Date	Approved Rate
Original GCRR Rate and Mechanism	PU-17-398	September 26, 2018	February 1, 2019	0.000%
First Update	PU-19-91	May 15, 2019	July 1, 2019	2.547%
Second Update	PU-20-91	June 10, 2020	July 1, 2020	6.041%
Third Update	PU-21-92	May 5, 2021	July 1, 2021	5.179%

In this fourth annual update, Otter Tail requests to update the Rider factor to 2.982 percent. This filing includes actual costs incurred through January 2022 and projected costs through June 2023, pursuant to Otter Tail's Electric Rate Schedule Section 13.06.

The projected revenue requirement for this Rider (found in Attachment 1), as allocated to North Dakota, is \$3,286,266 for the July 2022 through June 2023 recovery period. This includes revenue requirements of \$3,932,973 associated with Astoria Station and a HLP closure credit for the recovery period, a carrying credit of (\$29,866), and an expected June 2022 over-collected balance of (\$616,841).

³ *Otter Tail Power Company Application for Authority to Increase Electric Rates in North Dakota*, Case No. PU-17-398.

IV. ASTORIA STATION PROJECT DESCRIPTION

Otter Tail has constructed and is now operating a 245 MW natural gas-fired, simple cycle combustion turbine near Astoria, South Dakota. Otter Tail owns this generation resource. The project includes all associated facilities, including a short segment of natural gas pipeline necessary to interconnect to the Northern Border Pipeline, and a generation-tie line necessary to connect Astoria Station to the electric grid. The project has quick-start capability to serve a load-following function and provide for peak capacity needs. Otter Tail's ADP application for Astoria Station (Case No. PU-17-140) provided a complete description of the project and analysis to determine the appropriateness of the project.

As discussed in Case No. PU-17-140, Astoria Station provides capacity, dispatchable energy, and grid support as part of Otter Tail's two-part plan⁴ to reliably meet its customers' electric needs. Astoria Station replaces expiring capacity purchase agreements and allowed for the May 2021 retirement of the 1950s-era 140 MW Powder River Basin (PRB) coal-fired Hoot Lake Plant near Fergus Falls, Minnesota.⁵ As noted in Case Nos. PU-17-140 and PU-17-141, Otter Tail could not justify continuing to maintain and operate Hoot Lake Plant past 2021 given the significant balance of plant investments needed to keep such aged units and associated infrastructure operational. Consequently, the determination was made several years ago to retire Hoot Lake Plant in 2021 and replace the plant's generation capacity.

The final Astoria Station quarterly construction progress report, filed in Case No. PU-17-140, on July 15, 2021, is included as Attachment 11 to this filing. At the time of this Application, Astoria Station is in service and being dispatched by the Midcontinent Independent System Operator (MISO) on a regular basis. As of February 13, 2021, Astoria Station successfully completed a key commissioning milestone of running at full load for at least one hour to satisfy requirements necessary for the unit to meet MISO capacity accreditation for the 2021/2022 planning year which began June 1, 2021. As a result, Astoria Station was deemed "in-service", on an accounting basis, as of February 2021. The financial tracker attachments included in this filing reflect a February 2021 in-service date for the main Astoria Station project. Formal

⁴ Otter Tail's two-part plan consists of Astoria Station and the North Dakota-based Merricourt Wind project deemed prudent by the Commission in Case No. PU-17-141.

⁵ The closure of Hoot Lake Plant was contemplated in Otter Tail's 2011-2025 Integrated Resource Plan filed with the Commission in Case No. PU-10-346. The Integrated Resource Plan and associated 2012-2026 Baseload Diversification Study was filed and approved by the Minnesota Public Utilities Commission in Docket No. E017/RP-10-623.

performance testing was conducted the week of April 5, 2021. Astoria Station was declared commercially operational and first offered into the MISO market in late April 2021. Astoria has been dispatched on a regular basis since the commercial operation date. As is typical with large projects, final closeout activities, punch-list and warranty items, final contractor payments/release of contractual retention dollars are expected to continue into 2022 and through mid-2023. Overall, the project was completed one month before Astoria Station was needed as a generation resource. Given the remaining activities, the project's costs will also be well below the original authorized amount in the ADP.⁶

Total project construction work in progress (CWIP) incurred thru January 2022 was \$142.0 million (OTP Total) and \$56.6 million (OTP ND), not including allowance for funds used during construction (AFUDC). Forecasted total project CWIP through June 2023 is \$152.5 million (OTP Total) and \$60.8 million (OTP ND), not including AFUDC. AFUDC of \$795,688 (OTP Total) and \$317,006 (OTP ND) was included as part of the project balance through December 2018. AFUDC was shut off in January 2019 when recovery of Astoria Station began in this Rider.

The Astoria Station Project includes transmission network upgrades required to accommodate the interconnection of this facility into the integrated transmission system. Transmission network upgrades of approximately \$8.7M (OTP Total) were included in the total cost estimate of the project. Per prior FERC Orders^{7,8}, Transmission owners may elect to self-fund the transmission network upgrades. The Transmission Owner will pay for and build the necessary transmission network upgrades that are needed by the interconnection customer(s). The interconnection customer(s) will then pay the transmission owner for the cost of the network upgrade through facility service agreement (FSA) revenues over a 20-year term.

In the case of the transmission upgrades necessary to interconnect the Astoria Station Project, Otter Tail is the owner of those transmission facilities. In addition, MISO determined

⁶ The Commission's November 3, 2017, Order on Settlement in Case No. PU-17-140 approved the Terms of Settlement, Exhibit OTP-17, which stated, "OTP's application...demonstrate that the Astoria Natural Gas Project is reasonable and prudent at a total capital expenditure cost of up to \$181.5 million (the Astoria Authorized Amount) excluding AFUDC.

⁷ See FERC Order dated August 31, 2018, in FERC Docket No. ER18-2513 and FERC Orders on Remand dated August 31, 2018, under FERC Docket Nos. EL15-36, EL15-68, ER16-696, ER18-1964 and EL18-1965. See Remand Order at PP 28-88; see also *Ameren Srvs. Co. v. FERC*, 880 F.3d 571, 581 (D.C. Cir. 2018). FERC further denied requests for rehearing of the Commission's August 31, 2018, order on remand in a December 20, 2019, order under Docket No. ER18-2513, *Midcontinent Independent System Operator, Inc.*, 164 FERC ¶ 61,158 (2018).

⁸ See FERC Order dated December 20, 2019, under FERC Docket No. ER18-2513. (169 FERC ¶ 61,233).

that the costs of those transmission upgrades benefitted two interconnection customers; therefore, the costs are being shared between Astoria Station and the Tatanka Ridge Wind, LLC project. MISO determined Astoria Station is responsible for 65.48% of the interconnection costs, while Tatanka Ridge Wind, LLC is responsible for 34.52% of the interconnection costs. As Otter Tail owns the transmission facilities and is the owner of Astoria, the network upgrades are included as part of the overall capital spend of the project, along with the associated FSA revenues received and paid for from Tatanka Ridge Wind, LLC. Attachment 4, Line 20, identifies forecasted Net FSA Revenues for the Astoria Station interconnection of approximately \$303,772 (OTP Total) / \$121,024 (OTP ND) to be paid to Otter Tail during the July 2022 through June 2023 recovery period. This revenue stream represents the FSA revenues to be received from Tatanka Ridge Wind, LLC to pay for their share of the interconnection upgrades. No revenue stream exists related to Otter Tail's ownership of both Astoria and the Transmission facilities under the FSA.

As part of the combustion turbine procurement, Otter Tail entered into a Long-Term Service Agreement (LTSA) with Mitsubishi, the combustion turbine supplier. The arrangement of an LTSA is one where the manufacturer maintains a parts pool for its fleet of combustion turbines and takes on the risk of the repair and/or replacement of the combustion components. The owner makes prepayments to the manufacturer for major maintenance based on the number of starts and/or hours the unit is operated until the major maintenance is complete. There are many benefits to an LTSA which include: predictable major maintenance costs paid over time; predictable planned outage lengths, long-term parts warranties, coverage for damage caused by failed parts, and remote monitoring of the combustion turbine by the manufacturer. The 2022 annual LTSA fee is estimated to be \$1.9 million (OTP Total) / \$0.77 million (OTP ND) with an estimated annual escalation of 3% for 2023 based on the annual pricing adjustment provisions within the LTSA agreement.

Attachment 4, Line No. 8 includes approximately \$1.5 million (OTP Total) of the LTSA agreement as capital costs, as estimated by Mitsubishi⁹. \$0.4 million (OTP Total) is included as part of operating costs for Astoria Station on Attachment 4, Line No. 19. The capital portion of the LTSA Prepayments is included in rate base until major maintenance is completed. At that

⁹ The LTSA agreement consists of variable and fixed fee components. As estimated by Mitsubishi, 92% of the variable fee is included as capital costs. The remaining 8% of the variable fee, plus the fixed fee, is included as operating costs.

point, the amount of accumulated LTSA Prepayments that have been utilized during major maintenance will be included in Plant Balance and subject to depreciation.

V. HOOT LAKE PLANT RETIREMENT

The Settlement Agreement in Otter Tail’s most recent general rate case, PU-17-398, stated “when OTP retires its Hoot Lake plant, retirement-related changes to costs of service will be evaluated and included as part of the calculation of the GCRR revenue requirements until those changes to costs are reflected in base rates in a general rate case.¹⁰”

Hoot Lake Plant (HLP) ceased operations on May 27, 2021. After operations, Otter Tail staff remained onsite until August 2021 to decommission HLP. Decommissioning activities included de-energizing equipment and systems to place them in a safe state, draining oils, and disposing of consumables no longer needed. Once decommissioning was complete, a demolition contractor mobilized to site and began abatement of regulated materials, such as asbestos. At the end of January 2022, abatement was mostly complete, and demolition of structure commenced. Completion of demolition and site reclamation is expected by the end of 2022.

Some operational costs will continue to be charged to HLP in 2022 and 2023. For example, the air emission permit fees, which are a significant amount of the continuing expenses, are paid by Otter Tail two years in arrears. Therefore, the fees related to 2021 operations are not paid until 2023.

The 2018 Test Year in Otter Tail’s most recent general rate case included components of HLP that were representative of the way the plant operated until it ceased operations in May 2021. Beginning June 2021, Otter Tail includes an estimated monthly credit in the Rider that reflects the HLP Adjustment. Otter Tail provides a summary of the HLP Adjustment as Attachment 7. The HLP Adjustment in this Rider update compares the blended year 2021¹¹ to the 2018 Test Year, which results in a HLP Adjustment credit for 2021 of (\$1,219,273) [Attachment 7, Column D, Line 29]. This adjustment is shown monthly for the months of June 2021 through December 2021 in Attachment 3, Line 2. Otter Tail also includes the monthly

¹⁰The Commission issued its Order on Settlement on September 26, 2018. The Hoot Lake Plant retirement treatment in the ND GCRR is referenced on page 9 of the Settlement Agreement.

¹¹ The 2021 Blended Year includes 2018 Test Year values for January 2021 through May 2021 and actual values for the months June 2021 through December 2021. Using the 2018 Test Year Values for January through May 2021 preserved the costs of service components included in base rates while HLP was operational in 2021.

forecasted credit for 2022, totaling (\$2,823,358), and the first six months of 2023, totaling (\$1,661,571), on Attachment 3, Line 2. These amounts are based on the 2022 and 2023 forecasted calendar year amounts shown on Attachment 7, Column E, Line 29 and Attachment 7, Column F, Line 29, respectively. Otter Tail will continue to update forecasts with actuals in subsequent Rider updates.

VI. REVENUE REQUIREMENTS COMPONENTS AND TRACKER

A. Components of the Revenue Requirement Calculation

Attachment 4 to this filing provides the revenue requirement calculation for the Astoria Station project. The revenue requirement includes the components described below.

1. **Rate base section.** This section provides details on the amount of plant in service, accumulated depreciation (if applicable), construction work in progress (CWIP), accumulated deferred taxes, including the effect of proration on Federal amounts, LTSA Capital Prepayments, and a 13-month average rate base calculation.
2. **Expense section.** The expenses applicable to the project are listed here and include operating costs, net FSA payments/revenues, property taxes, depreciation, and income taxes.
3. **Revenue requirements section.** This section shows the components of the revenue requirements. Included are the above-mentioned expenses and return on rate base.
4. **Return on investment (cost of capital).** The return on investment utilizes the cost of capital approved in Otter Tail's most recent general rate case, Case No. PU-17-398.
5. **Depreciation expense.** Depreciation expense is calculated using Otter Tail's latest composite depreciation rates.
6. **Property taxes.** The property tax calculation is based on Otter Tail's composite tax rate for the jurisdiction in which the facilities are located and is calculated in accordance with the procedures specified by that state. Based on agreements with the state of South Dakota, the year after Astoria Station is in-service (Astoria went into service in 2021), the total property tax expense will be subject to a ramp-up period where the total property tax will be multiplied by 0

percent the first year, 20 percent the second year, 40 percent the third year, 60 percent the fourth year, and 80 percent the fifth year, and 100 percent the sixth year and years forward. With Astoria Station going into service in 2021, the 0 percent treatment begins with property tax expense in 2022 (based on 2021 year-end values). A couple small components of the Astoria Station project (related to distribution work, switching station work, and transmission line modifications) have not yet received formal approval of this treatment from the State of South Dakota; thus, the property tax amount for 2022 on Attachment 4 is not equal to \$0. Land is also not applicable to the property tax ramp-up treatment. It is taxed at the full composite tax rate.

7. **Operation and maintenance Expense.** Otter Tail tracks operation and maintenance costs specifically related to the Astoria Station project.
8. **Proration of Accumulated Deferred Income Tax (ADIT).** Otter Tail provides Attachment 5 to this filing to show the projected Federal ADIT proration calculation impact on the revenue requirement for the recovery period. Otter Tail provides Attachment 6 calculating its ADIT balances to preserve the effect of the application of the proration methodology for the true-up period. This calculation methodology is necessary in order to comply with Section 1.167(l)-1(h)(6)(ii) of the IRS regulations and to avoid a tax normalization violation¹². Attachment 6, Line 30 shows the preservation of the proration of ADIT resulting in an increase of \$2,728, plus any applicable carrying charge, to the revenue requirement. This item is included in the Tracker on Attachment 3, Line No. 5. The methodology used in Attachment 6 is consistent with the IRS rules related to proration and the methodology approved in Otter Tail's most recent Transmission Cost Recovery Rider update in Case No. PU-21-376.

B. Tracker Balance

Otter Tail maintains a tracker account (Attachment 3) and accounting system to track and account for retail revenue requirements until all costs are fully recovered or reflected in base rates as part of a general rate case. The tracker account compares Otter Tail's North Dakota jurisdictional costs and the amount recovered through North Dakota retail revenue. The tracker

¹² See Treas. Reg. SS 1.167(l)-1(h)(6)(ii).

account balance (either positive or negative) accrues monthly carrying charges at a rate of 1/12 of Otter Tail’s cost of capital multiplied by the tracker balance.

When annual updates to the Rider are filed, the tracker account is updated (trued-up) so that any over/under recovered amount at the end of the previous recovery period is reflected in the Rider revenue requirement for the upcoming recovery period. This approach helps ensure the appropriate recovery through the Rider factor. Attachment 3 includes actual information through January 2022 and projected information through June 2023.

VII. RATE DESIGN

The Commission approved the percent-of-bill method for the GCRR factor in Otter Tail’s most recent North Dakota general rate case.¹³ The rate design is the calculated revenue requirement from July 2022 through June 2023 divided by the total forecasted base revenue from North Dakota electric retail customers for the same period. Otter Tail proposes a GCRR factor of 2.982 percent for the proposed recovery period. The rate design calculation is shown on Attachment 2.

VIII. RATE IMPACT

The incremental impact of the proposed GCRR factor for a residential customer using 1,000 kWh is a decrease of approximately \$1.69 per month from the current GCRR factor of 5.179 percent. Table 2, below, shows the estimated incremental monthly impact on a residential customer using 1,000 kWh and a large general service customer using 400,000 kWh and 1,000 kW:

Table 2

	Average kWh's per month	Proposed Factor	Incremental Monthly Impact
Residential	1,000 kWh	2.982%	-\$1.69
Large General Service	400,000 kWh & 1,000 kW	2.982%	-\$424.97

The above factor is calculated based on an expected implementation date of July 1, 2022.

¹³ *Otter Tail Power Company Application for Authority to Increase Electric Rates in North Dakota*, Case No. PU-17-398. The Commission issued its Order on Settlement on September 26, 2018. The GCRR and percent of bill methodology are referenced on page 9 of the Settlement Agreement approved by the Commission.

If the implementation date is different than July 1, 2022, Otter Tail requests the option to recalculate the factor in order to recover all approved costs over the approved recovery period.

IX. GENERATION COST RECOVERY RIDER RATE SCHEDULE

Otter Tail's revised Rate Schedule 13.06 is provided in Attachment 10 to this Application, in both legislative and non-legislative versions reflecting the proposed updated GCRR factor.

X. CONCLUSION

Otter Tail respectfully requests the Commission approve this annual update to the Generation Cost Recovery Rider and the proposed implementation date of July 1, 2022, for the updated Rider factor.

Date: March 01, 2022

Respectfully submitted:

OTTER TAIL POWER COMPANY

/s/ WILLIAM RADER

William Rader, Rates Analyst
Regulatory Administration
215 South Cascade Street
P.O. Box 496
Fergus Falls, MN 56538-0496
Phone (218) 739-8562

Attachments

Attachment 1	Summary of Revenue Requirements
Attachment 2	Rate Design Calculation
Attachment 3	Project Tracker
Attachment 4	Astoria Station Project Revenue Requirement Calculation
Attachment 5	Federal ADIT Proration Projection
Attachment 6	Federal ADIT Proration Preservation
Attachment 7	Hoot Lake Plant Adjustment
Attachment 8	Customer Notice – Filing Notice
Attachment 9	Customer Notice – Rate Implementation Notice
Attachment 10	Generation Cost Recovery Rider, Electric Rate Schedule 13.06
Attachment 11	July 15, 2021, Quarterly Construction Progress Report

Summary of Revenue Requirements

Line No.	Revenue Requirements	July 2022 - June 2023
1	Net Revenue Requirement	\$3,932,973
2	Carrying Charge	(29,866)
3	True-Up (June 2022)	<u>(616,841)</u>
4	Total	<u><u>\$3,286,266</u></u>

Rate Design Calculation

Line No.	Rate Design Calculation	
1	Total Revenue Requirement (July 2022 - June 2023)	\$3,286,266
2	Forecasted Retail Sales, all classes (July 2022 - June 2023)	\$110,205,698
3	Percentage of Revenue Rate (Line 1/Line 2)	2.982%

Otter Tail Power Company
Generation Cost Recovery Rider Tracker
North Dakota

Line No.	TRACKER SUMMARY Requirements Compared to Billed:	2021													
		January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	Collection Period	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	YE Actual
1	Revenue Requirements														
2	Astoria Station	453,972	456,615	587,355	577,529	618,498	628,139	5,245,183	630,586	623,578	633,238	645,099	627,340	618,476	7,100,426
3	Hoot Lake Plant - Plant Closure						(121,983)	(121,983)	(137,583)	(200,119)	(156,888)	(198,507)	(230,664)	(173,528)	(1,219,273)
4	Total Revenue Requirements	453,972	456,615	587,355	577,529	618,498	506,156	5,123,200	493,003	423,459	476,350	446,592	396,676	444,948	5,881,153
5	Preservation of ADIT Proration	1,189	1,189	1,189	1,189	1,189	1,189	14,263	227	227	227	227	227	227	8,496
6															
7	Net Revenue Requirement	455,161	457,803	588,543	578,718	619,687	507,344	5,137,463	493,230	423,687	476,577	446,820	396,903	445,176	5,889,649
8															
9	Billed (forecast \$ x adj factor)	557,195	498,823	524,063	463,888	405,831	444,307	5,733,795	522,176	504,605	454,323	398,934	396,777	431,345	5,602,268
10															
11	Difference	(102,034)	(41,020)	64,481	114,830	213,856	63,037		(28,946)	(80,918)	22,255	47,886	125	13,830	287,381
12	Carrying Charge	(2,662)	(3,328)	(3,611)	(3,223)	(2,512)	(1,166)	(11,089)	(772)	(962)	(1,483)	(1,351)	(1,055)	(1,060)	(23,186)
13	Cumulative Difference (True-Up)	(522,638)	(566,987)	(506,117)	(394,509)	(183,166)	(121,296)		(151,015)	(232,895)	(212,123)	(165,588)	(166,517)	(153,747)	(153,747)
14															
15	Monthly Carrying Charge	(3,328)	(3,611)	(3,223)	(2,512)	(1,166)	(772)		(962)	(1,483)	(1,351)	(1,055)	(1,060)	(979)	
16	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%	7.64%
17															
18															
19	Forecasted Revenue														

Approved on May 5, 2021 in Case No. PU-21-92	
SUMMARY	July 2021 - June 2022
Net Revenue Requirements (July 2021 - June 2022)	\$ 5,132,533
Carrying Charge	\$ 17,309
True-up (June 2021)	\$ 3,927
Total Revenue Requirement	\$ 5,153,769
July 2021 - June 2022 Projected Revenue	\$ 99,504,623
Average Rate	5.179%

Otter Tail Power Company
Generation Cost Recovery Rider Tracker
North Dakota

Line No.	TRACKER SUMMARY Requirements Compared to Billed:	2022													
		January Actual	February Projected	March Projected	April Projected	May Projected	June Projected	Collection Period	July Projected	August Projected	September Projected	October Projected	November Projected	December Projected	YE Projected
1	Revenue Requirements														
2	Astoria Station	585,046	587,427	584,782	586,289	586,320	589,040	7,297,221	592,459	588,670	584,953	591,028	586,865	587,257	7,050,136
3	Hoot Lake Plant - Plant Closure	(140,867)	(156,221)	(231,346)	(225,313)	(226,113)	(202,841)	(2,279,989)	(238,786)	(278,081)	(265,692)	(280,639)	(319,683)	(257,778)	(2,823,358)
4	Total Revenue Requirements	444,179	431,206	353,435	360,976	360,207	386,199	5,017,232	353,673	310,589	319,262	310,389	267,182	329,479	4,226,778
5	Preservation of ADIT Proration	227	227	227	227	227	227	2,728							
6															
7	Net Revenue Requirement	444,407	431,434	353,663	361,203	360,435	386,426	5,019,960	353,673	310,589	319,262	310,389	267,182	329,479	4,226,778
8															
9	Billed (forecast \$ x adj factor)	506,956	486,541	452,800	452,833	407,690	481,060	5,496,040	293,080	301,178	275,327	236,800	256,645	277,068	4,427,978
10															
11	Difference	(62,549)	(55,108)	(99,137)	(91,630)	(47,255)	(94,633)		60,593	9,411	43,934	73,589	10,537	52,411	(201,201)
12	Carrying Charge	(979)	(1,384)	(1,743)	(2,386)	(2,985)	(3,305)	(19,464)	(3,928)	(3,567)	(3,530)	(3,273)	(2,825)	(2,776)	(32,681)
13	Cummulative Difference (True-Up)	(217,275)	(273,766)	(374,647)	(468,663)	(518,903)	(616,841)		(560,176)	(554,332)	(513,928)	(443,611)	(435,900)	(386,265)	(386,265)
14															
15	Monthly Carrying Charge	(1,384)	(1,743)	(2,386)	(2,985)	(3,305)	(3,928)		(3,567)	(3,530)	(3,273)	(2,825)	(2,776)	(2,460)	
16	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%	7.64%
17															
18															
19	Forecasted Revenue		9,394,502	8,743,006	8,743,638	7,871,984	9,288,657		9,828,505	10,100,081	9,233,172	7,941,148	8,606,652	9,291,534	

Filed on March 1, 2022 in Case No. PU-22-	
SUMMARY	July 2022 - June 2023
Net Revenue Requirements (July 2022 - June 2023)	\$ 3,932,973
Carrying Charge	\$ (29,866)
True-up (June 2022)	\$ (616,841)
Total Revenue Requirement	\$ 3,286,266
July 2022 - June 2023 Projected Revenue	\$ 110,205,698
Average Rate	2.982%

Otter Tail Power Company
Generation Cost Recovery Rider Tracker
North Dakota

Line No.	TRACKER SUMMARY Requirements Compared to Billed:	2023						Collection Period
		January Projected	February Projected	March Projected	April Projected	May Projected	June Projected	
	Revenue Requirements							
1	Astoria Station	618,167	618,554	616,470	616,022	616,022	618,734	7,235,202
2	Hoot Lake Plant - Plant Closure	(262,477)	(261,944)	(338,861)	(272,117)	(274,033)	(252,139)	(3,302,229)
3	Total Revenue Requirements	355,690	356,611	277,609	343,905	341,989	366,595	3,932,973
4								
5	Preservation of ADIT Proration							
6								
7	Net Revenue Requirement	355,690	356,611	277,609	343,905	341,989	366,595	3,932,973
8								
9	Billed (forecast \$ x adj factor)	303,001	296,105	276,528	260,456	234,091	275,985	3,286,266
10								
11	Difference	52,689	60,505	1,081	83,448	107,898	90,610	
12	Carrying Charge	(2,460)	(2,140)	(1,768)	(1,773)	(1,253)	(573)	(29,866)
13	Cummulative Difference (True-Up)	(336,036)	(277,670)	(278,358)	(196,682)	(90,037)	0	
14								
15	Monthly Carrying Charge	(2,140)	(1,768)	(1,773)	(1,253)	(573)	0	
16	Carrying cost	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	
17								
18								
19	Forecasted Revenue	10,161,206	9,929,961	9,273,437	8,734,463	7,850,310	9,255,229	110,205,698

Otter Tail Power Company
Generation Cost Recovery Rider
North Dakota

Line No.	Year>>	2021 Actual January	2021 Actual February	2021 Actual March	2021 Actual April	2021 Actual May	2021 Actual June	2021 Actual July	2021 Actual August	2021 Actual September	2021 Actual October	2021 Actual November	2021 Actual December	2021 Actual Total
RATE BASE														
1	Plant Balance - Astoria Station	9,331,089	132,140,732	133,468,037	136,207,908	137,755,033	143,329,572	142,077,124	144,757,565	144,542,051	143,099,770	143,135,402	142,786,005	142,786,005
2	Accumulated Depreciation	(27,494)	(39,823)	(349,235)	(661,858)	(981,109)	(1,304,101)	(1,640,579)	(1,974,027)	(2,313,959)	(2,653,369)	(2,989,291)	(3,325,299)	(3,325,299)
3	Net Plant in Service	9,303,595	132,100,909	133,118,802	135,546,050	136,773,924	142,025,470	140,436,545	142,783,538	142,228,093	140,446,401	140,146,111	139,460,706	139,460,706
4	CWIP	121,151,714	0	0	0	0	0	0	0	0	0	0	0	0
5	ADIT Proration Factor	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
6	Accumulated Deferred Income Taxes Federal & State	(119,402)	(282,510)	(373,115)	(462,937)	(551,141)	(638,432)	(722,432)	(807,172)	(890,329)	(973,613)	(1,057,749)	(1,141,864)	(1,141,864)
7	LTSA Pre-Payments	0	292,223	676,675	769,889	868,408	1,142,822	1,285,055	1,429,044	1,471,176	1,562,116	1,645,479	1,704,356	1,704,356
8	Ending Rate Base (Lines 3+4+6+8)	130,335,908	132,110,622	133,422,362	135,853,003	137,091,191	142,529,860	140,999,166	143,405,410	142,808,939	141,034,904	140,733,841	140,023,199	140,023,199
10	Average Rate Base	11,478,980	11,478,980	11,478,980	11,478,980	11,478,980	11,478,980	11,478,980	11,478,980	11,478,980	11,478,980	11,478,980	11,478,980	11,478,980
12	Return on Rate Base	877,224	877,224	877,224	877,224	877,224	877,224	877,224	877,224	877,224	877,224	877,224	877,224	10,526,684
15	Available for Return (equity portion of rate base)	588,786	588,786	588,786	588,786	588,786	588,786	588,786	588,786	588,786	588,786	588,786	588,786	7,065,427
EXPENSES														
O&M and Depreciation														
19	Operating Costs	(1,783)	4,845	35,921	18,022	102,374	119,011	114,396	99,837	124,264	98,303	130,339	85,214	930,742
20	Net Facility Service Agreement Payments/(Revenues)	(27,541)	(27,541)	(27,541)	(37,514)	(25,063)	(21,843)	(24,571)	(24,571)	(31,235)	25,016	(48,106)	(25,314)	(296,420)
21	Property Tax	89,170	89,170	89,170	89,170	89,170	89,170	89,170	89,170	89,170	89,170	89,170	89,170	1,070,035
22	Book Depreciation	12,325	12,329	309,412	312,623	319,251	322,992	336,478	333,448	339,932	339,411	335,922	336,008	3,310,130
23	Total O&M and Depreciation Expense	72,171	78,003	406,362	382,300	485,132	509,330	515,473	497,884	522,130	551,901	507,324	485,077	5,014,486
24	Income before Taxes													
25	Available for Return (from above)	588,786	588,786	588,786	588,786	588,786	588,786	588,786	588,786	588,786	588,786	588,786	588,786	7,065,427
27	Taxable Income (crossed up)	778,867	778,867	778,867	778,867	778,867	778,867	778,867	778,867	778,867	778,867	778,867	778,867	9,346,409
29	Income Taxes													
30	Current and Def Income Taxes	190,082	190,082	190,082	190,082	190,082	190,082	190,082	190,082	190,082	190,082	190,082	190,082	2,280,982
31	Total Income Tax Expense	190,082	190,082	190,082	190,082	190,082	190,082	190,082	190,082	190,082	190,082	190,082	190,082	2,280,982
32														
33														
REVENUE REQUIREMENTS														
35	Expenses	262,252	268,885	597,044	572,382	675,213	699,412	705,554	687,966	712,212	741,983	697,406	675,158	7,295,468
36	Return on Rate Base (from above)	877,224	877,224	877,224	877,224	877,224	877,224	877,224	877,224	877,224	877,224	877,224	877,224	10,526,684
37	Subtotal Revenue Requirements	1,139,476	1,146,108	1,474,268	1,449,606	1,552,437	1,576,636	1,582,778	1,565,189	1,589,436	1,619,207	1,574,630	1,552,382	17,822,152
38	Adjustments													0
39	Total Revenue Requirements	1,139,476	1,146,108	1,474,268	1,449,606	1,552,437	1,576,636	1,582,778	1,565,189	1,589,436	1,619,207	1,574,630	1,552,382	17,822,152
40														
41	Peak Demand Factor	1,139,476	1,146,108	1,474,268	1,449,606	1,552,437	1,576,636	1,582,778	1,565,189	1,589,436	1,619,207	1,574,630	1,552,382	17,822,152
42														
43	North Dakota share - D1 factor	453,972	456,615	587,355	577,529	618,498	628,139	630,586	623,578	633,238	645,099	627,340	618,476	7,100,426
44	ND Revenue Requirements	453,972	456,615	587,355	577,529	618,498	628,139	630,586	623,578	633,238	645,099	627,340	618,476	7,100,426
45														
46	Total North Dakota Share	453,972	456,615	587,355	577,529	618,498	628,139	630,586	623,578	633,238	645,099	627,340	618,476	7,100,426

Line No.	SUPPORTING INFORMATION / DATA													
46	ND Cap Structure with allowed ROE per order.													
47	Capital Structure	Ratio		Cost		WA Cost		Property tax						
48	Debt	47.50%		5.29%		2.51%		2021 composite rate						0.82%
49	Preferred equity	0.00%		0.00%		0.00%								
50	Common equity	52.50%		9.77%		5.13%								
51	Total	100.00%				7.64% Overall Return								
52														
53														
54														
55														
56	Project life (years)	Book 35		Tax 15-year MACRS										
57														
58	Statutory Tax Rate	24.00%		Federal 20.09%		State 4.31%								
59	Tax conversion factor	1.32284												
60	Peak Demand Factor	100.00%												
61	ND share - D1 factor	39.84%												
62														
Book Depreciation and Deferred Tax														
63	Book depreciation	12,325	12,329	309,412	312,623	319,251	322,992	336,478	333,448	339,932	339,411	335,922	336,008	3,310,130
64	Tax depreciation-Federal	74,079	680,671	680,671	680,671	680,671	680,671	680,671	680,671	680,671	680,671	680,671	680,671	7,561,462
65	Tax depreciation-State	74,079	680,671	680,671	680,671	680,671	680,671	680,671	680,671	680,671	680,671	680,671	680,671	7,561,462
66	Federal deferred income taxes	(12,409)	(134,303)	(74,604)	(73,959)	(72,627)	(71,875)	(69,165)	(69,774)	(68,471)	(68,576)	(69,277)	(69,260)	(854,301)
67	State deferred income taxes	(2,662)	(28,806)	(16,001)	(15,863)	(15,577)	(15,416)	(14,835)	(14,965)	(14,686)	(14,708)	(14,859)	(14,855)	(183,232)

Otter Tail Power Company
Generation Cost Recovery Rider
North Dakota

Line No.	Years>>	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	
		Actual January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	Projected Total		
RATE BASE																
1	Plant Balance - Astoria Station	142,797,375	142,414,690	144,426,690	144,459,091	144,525,691	144,530,691	144,535,691	144,615,691	144,620,691	144,630,691	145,037,660	153,012,164	153,012,164	153,012,164	
2	Accumulated Depreciation	(3,660,472)	(3,995,674)	(4,329,949)	(4,669,092)	(5,009,313)	(5,347,695)	(5,687,090)	(6,026,486)	(6,366,096)	(6,705,708)	(7,045,344)	(7,385,965)	(7,385,965)	(7,385,965)	
3	Net Plant in Service	139,136,902	138,419,016	140,096,740	139,789,999	139,517,377	139,182,995	138,848,601	138,589,194	138,254,594	137,924,982	137,992,316	145,626,199	145,626,199	145,626,199	
4	CWIP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	ADIT Proration Factor	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	0.917908	0.832877	0.750685	0.665753	0.583562	0.498630	0.498630	0.498630	
6	Accumulated Deferred Income Taxes Federal & State	(1,344,576)	(1,547,281)	(1,750,212)	(1,951,955)	(2,153,679)	(2,355,363)	(2,543,396)	(2,717,322)	(2,877,562)	(3,023,699)	(3,156,186)	(3,274,433)	(3,274,433)	(3,274,433)	
7																
8	LTSA Pre-Payments	1,785,040	1,941,019	2,050,205	2,143,792	2,237,380	2,385,560	2,603,931	2,744,312	2,806,704	2,993,879	3,095,265	3,196,652	3,196,652	3,196,652	
9	Ending Rate Base (Lines 3+4+6+8)	139,577,367	138,812,755	140,396,733	139,981,836	139,601,078	139,213,192	138,909,136	138,616,184	138,183,736	137,895,162	137,931,395	145,548,418	145,548,418	145,548,418	
10																
11	Average Rate Base	11,632,629	11,632,629	11,632,629	11,632,629	11,632,629	11,632,629	11,632,629	11,632,629	11,632,629	11,632,629	11,632,629	11,632,629	11,632,629	11,632,629	
12																
13	Return on Rate Base	888,966	888,966	888,966	888,966	888,966	888,966	888,966	888,966	888,966	888,966	888,966	888,966	888,966	888,966	
14																
15	Available for Return (equity portion of rate base)	596,667	596,667	596,667	596,667	596,667	596,667	596,667	596,667	596,667	596,667	596,667	596,667	596,667	596,667	
16																
17	EXPENSES															
18	O&M and Depreciation															
19	Operating Costs	69,492	75,440	69,727	68,642	68,642	75,308	83,878	74,356	64,833	80,069	69,594	69,594	69,594	869,578	
20	Net Facility Service Agreement Payments/(Revenues)	(25,314)	(25,314)	(25,314)	(25,314)	(25,314)	(25,314)	(25,314)	(25,314)	(25,314)	(25,314)	(25,314)	(25,314)	(25,314)	(303,772)	
21	Property Tax	7,529	7,529	7,529	7,529	7,529	7,529	7,529	7,529	7,529	7,529	7,529	7,529	7,529	90,351	
22	Book Depreciation	335,174	335,201	334,276	339,143	339,221	339,382	339,394	339,406	339,600	339,612	339,636	340,621	340,621	4,060,667	
23	Total O&M and Depreciation Expense	386,881	392,857	384,217	390,000	390,000	395,905	405,488	395,977	386,648	401,896	391,446	421,621	421,621	4,716,824	
24																
25	Income before Taxes															
26	Available for Return (from above)	596,667	596,667	596,667	596,667	596,667	596,667	596,667	596,667	596,667	596,667	596,667	596,667	596,667	7,160,000	
27	Taxable Income (crossed up)	789,293	789,293	789,293	789,293	789,293	789,293	789,293	789,293	789,293	789,293	789,293	789,293	789,293	9,471,513	
28																
29	Income Taxes															
30	Current and Def Income Taxes	192,626	192,626	192,626	192,626	192,626	192,626	192,626	192,626	192,626	192,626	192,626	192,626	192,626	2,311,513	
31	Total Income Tax Expense	192,626	192,626	192,626	192,626	192,626	192,626	192,626	192,626	192,626	192,626	192,626	192,626	192,626	2,311,513	
32																
33																
34	REVENUE REQUIREMENTS															
35	Expenses	579,507	585,483	578,843	582,626	582,704	589,531	598,114	588,603	579,274	594,522	584,072	585,056	585,056	7,028,337	
36	Return on Rate Base (from above)	888,966	888,966	888,966	888,966	888,966	888,966	888,966	888,966	888,966	888,966	888,966	888,966	888,966	10,667,586	
37	Subtotal Revenue Requirements	1,468,473	1,474,448	1,467,809	1,471,592	1,471,670	1,478,497	1,487,079	1,477,569	1,468,240	1,483,488	1,473,037	1,474,022	1,474,022	17,695,923	
38	Adjustments														0	
39	Total Revenue Requirements	1,468,473	1,474,448	1,467,809	1,471,592	1,471,670	1,478,497	1,487,079	1,477,569	1,468,240	1,483,488	1,473,037	1,474,022	1,474,022	17,695,923	
40																
41	Peak Demand Factor	1,468,473	1,474,448	1,467,809	1,471,592	1,471,670	1,478,497	1,487,079	1,477,569	1,468,240	1,483,488	1,473,037	1,474,022	1,474,022	17,695,923	
42																
43	North Dakota share - D1 factor	585,046	587,427	584,782	586,289	586,320	589,040	592,459	588,670	584,953	591,028	586,865	587,257	587,257	7,050,136	
44	ND Revenue Requirements	585,046	587,427	584,782	586,289	586,320	589,040	592,459	588,670	584,953	591,028	586,865	587,257	587,257	7,050,136	
45																
46	Total North Dakota Share	585,046	587,427	584,782	586,289	586,320	589,040	592,459	588,670	584,953	591,028	586,865	587,257	587,257	7,050,136	

Line No.	SUPPORTING INFORMATION / DATA																
46	ND Cap Structure with allowed ROE per order.																
47	Capital Structure	Ratio		Cost		WA Cost		Property tax						2022 composite rate		0.82%	
48	Debt	47.50%		5.29%		2.51%											
49	Preferred equity	0.00%		0.00%		0.00%											
50	Common equity	52.50%		9.77%		5.13%											
51	Total	100.00%				7.64%		Overall Return									
52																	
53																	
54																	
55																	
56	Project life (years)	Book		Tax		15-year MACRS											
57		35		15-year MACRS													
58								Federal		State							
59	Statutory Tax Rate	24.00%		20.09%		4.31%											
60	Tax conversion factor	1.32284															
61	Peak Demand Factor	100.00%															
62	ND share - D1 factor	39.84%															
63																	
64	Book Depreciation and Deferred Tax																
65	Book depreciation	335,174	335,201	334,276	339,143	339,221	339,382	339,394	339,406	339,600	339,612	339,636	340,621	340,621	4,060,667		
66	Tax depreciation-Federal	1,165,793	1,165,793	1,165,793	1,165,793	1,165,793	1,165,793	1,165,793	1,165,793	1,165,793	1,165,793	1,165,793	1,165,793	1,165,793	13,989,515		
67	Tax depreciation-State	1,165,793	1,165,793	1,165,793	1,165,793	1,165,793	1,165,793	1,165,793	1,165,793	1,165,793	1,165,793	1,165,793	1,165,793	1,165,793	13,989,515		
68	Federal deferred income taxes	(166,912)	(166,907)	(167,093)	(166,115)	(166,099)	(166,066)	(166,064)	(166,062)	(166,023)	(166,020)	(166,015)	(165,818)	(165,818)	(1,995,192)		
69	State deferred income taxes	(35,800)	(35,798)	(35,838)	(35,629)	(35,625)	(35,618)	(35,618)	(35,617)	(35,609)	(35,608)	(35,607)	(35,565)	(35,565)	(427,933)		

Federal ADIT Proration Projection

	A	B	C	D
1		July 2022 - June 2023 Recovery Period		
		All Projects' Revenue Requirements without ADIT Proration	All Projects' Revenue Requirements with ADIT Proration	Difference due to Federal ADIT Proration (C - B)
2	Month			
3	Jul-22	\$592,275	\$592,459	\$184
4	Aug-22	\$588,486	\$588,670	\$184
5	Sep-22	\$584,770	\$584,953	\$184
6	Oct-22	\$590,845	\$591,028	\$184
7	Nov-22	\$586,681	\$586,865	\$184
8	Dec-22	\$587,073	\$587,257	\$184
9	Jan-23	\$615,746	\$618,167	\$2,421
10	Feb-23	\$616,133	\$618,554	\$2,421
11	Mar-23	\$614,049	\$616,470	\$2,421
12	Apr-23	\$613,601	\$616,022	\$2,421
13	May-23	\$613,601	\$616,022	\$2,421
14	Jun-23	\$616,314	\$618,734	\$2,421
15		\$7,219,575	\$7,235,202	\$15,627

16	Revenue Requirement Adjustment Related to Federal ADIT Proration	\$15,627
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Federal ADIT Proration Preservation

	A	B	C	D	E
1			Tax Conversion Factor	1.3228	(1/(1-24.4%))
2			Gross Up of Equity %	6.78%	(D1 * D8)
3			Equity Return %	5.13%	(D8)
4			Gross Up Factor	1.66%	(D2-D3)

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

July 2021 - June 2022 Recovery Period				
	Original ADIT Balance - All Projects with ADIT Pro-Rated	Updated ADIT Balance - All Projects without ADIT Pro-Rated	Difference due to Federal ADIT Proration (C - B)	
12				
13	Month			
14	Jun-21	(\$662,261)	(\$638,432)	\$23,828
15	Jul-21	(\$746,902)	(\$701,913)	
16	Aug-21	(\$823,706)	(\$760,026)	
17	Sep-21	(\$892,318)	(\$811,426)	
18	Oct-21	(\$952,624)	(\$857,081)	
19	Nov-21	(\$1,005,009)	(\$897,509)	
20	Dec-21	(\$1,050,223)	(\$932,044)	
21	Jan-22	(\$1,120,959)	(\$1,001,095)	
22	Feb-22	(\$1,178,579)	(\$1,057,340)	
23	Mar-22	(\$1,221,676)	(\$1,099,457)	
24	Apr-22	(\$1,250,720)	(\$1,127,673)	
25	May-22	(\$1,265,242)	(\$1,141,780)	
26	Jun-22	(\$1,265,711)	(\$1,142,235)	\$123,476
27	ADIT Simple Average	(\$963,986)	(\$890,334)	\$73,652

28	Rate Base Rev Req Gross Up Factor	9.30%
29	Total Company Revenue Requirement (D27 x D28)	\$6,848

30	ND Revenue Requirement Related to Federal ADIT Proration-Preservation (D29 x ND D1 Factor)	\$2,728
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Line No.	A	B Year>>	C		D		E	F
			2018 Test Year	2021 Blended Jan-May 2018 TY Values June-Dec 2021 Actuals		2022 Projected	2023 Projected	
RATE BASE								
1	Ending Plant in Service		71,447,408	71,172,836	70,976,713	70,976,713		
2	Ending Accumulated Depreciation		57,439,161	67,658,831	75,163,294	75,396,644		
3	Ending Net Plant		14,008,247	3,514,005	(4,186,581)	(4,419,931)		
4								
5	Decommissioning		0	1,618,743	8,091,559	10,658,206		
6								
7	Accumulated Deferred Income Taxes Federal & State		(9,198,582)	(8,129,879)	(6,633,105)	(5,896,140)		
8	Rate Base		4,809,665	(2,997,131)	(2,728,126)	342,134		
9								
10	Rate Base Revenue Requirement		9.30%	9.30%	9.30%	9.30%		
11	Return on Rate Base (OTP Total)		447,299	(278,733)	(253,716)	31,818		
12								
13	North Dakota Share - Blended Base Peak Split		36.42%	36.42%	36.42%	36.42%		
14	Return on Rate Base (OTP ND)		162,917	(101,521)	(92,409)	11,589		
15								
EXPENSES								
<i>O&M and Depreciation</i>								
17	Operations and Maintenance		6,904,226	3,699,519	1,477,571	1,431,804		
18	Property Tax		1,127,988	1,095,182	1,071,748	1,071,748		
19	Annual Depreciation Expense		3,558,914	4,174,868	1,991,112	524,512		
20	Total O&M and Depreciation Expense		11,591,128	8,969,568	4,540,431	3,028,065		
21								
22	North Dakota Share - Blended Base Peak Split		36.42%	36.42%	36.42%	36.42%		
23	O&M (OTP ND)		4,221,765	3,266,931	1,653,733	1,102,893		
24								
25								
REVENUE REQUIREMENTS								
26	Total Revenue Requirements (OTP ND) - Line 12 + Line 22		4,384,682	3,165,409	1,561,324	1,114,482		
27								
28	Revenue Requirement Shareback			(1,219,273)	(2,823,358)	(3,270,200)		

North Dakota			
30	Tax Rate	21.00%	
31		2018 TY COSS	
32	Capital Structure	Rate	Ratio Cost
33	Debt	5.2900%	47.50% 2.51%
34	Preferred Equity	0.0000%	0.00% 0.00%
35	Common Equity	9.7700%	52.50% 5.13%
36	Required Rate of Return		7.64%
37	Equity Return Tax Revenue Requirement		1.66%
38	Rate Base Revenue Requirement Factor		9.30%
39			
40			
41	Gross Up Factor	1.32284	Gross Up of Equity % 6.79%
42		1 / (1 - Tax Rate)	Equity % 5.13%
43			Difference 1.66%
44			
45	OTP ND Share (blended base peak split)	36.42%	
46	Base Demand Factor	81.73%	
47	Peak Demand Factor	18.27%	
48	ND share - E1 factor	35.66%	
49	ND share - D1 factor	39.84%	
50			
51			

CUSTOMER NOTICE

On March 1, 2022, we filed an application with the North Dakota Public Service Commission to update our Generation Cost Recovery Rider (GCRR) rate. The GCRR rate is included on the Generation Rider line of your bill. We developed this rate to allow recovery of costs associated with Astoria Station, our simple-cycle natural gas combustion turbine. The GCRR also includes a credit for the May 2021 retirement of our coal-fired Hoot Lake Plant. The proposed rate is 2.982 percent of your bill, a decrease from the current rate of 5.179 percent. This proposed change is for bills rendered on and after July 1, 2022.

The new rate is proposed only, and, if suspended by the Commission, won't take effect until the Commission acts. If approved, customers can expect the following average monthly bill impacts from the previous GCRR rate: Residential: (-\$1.69 at 1,000 kWh/month), Large General Service: (-\$424.97 at 400,000 kWh/month and 1,000 kW/month).

For more information contact Customer Service at 800-257-4044 or visit otpc.com.

CUSTOMER NOTICE

The North Dakota Public Service Commission approved our request to update our Generation Cost Recovery Rider (GCRR) rate. This rate recovers costs for constructing Astoria Station, our simple-cycle natural gas combustion turbine. The GCRR also includes a credit for the May 2021 retirement of our coal-fired Hoot Lake Plant. The approved rate is 2.982 percent of your base bill, and we'll include it as part of the Generation Rider line on and after July 1, 2022.

The following table shows the approved rate and the incremental impact to a typical customer's bill.

	Average kWh's per month	Approved rate	Monthly incremental impact
Residential	1,000 kWh	2.982%	-\$1.69
Large General Service	400,000 kWh & 1,000 kW	2.982%	-\$424.97

For more information contact Customer Service at 800-257-4044 or visit otpc.com.

Attachment 10
Legislative and Non-Legislative Versions of
Tariff Sheet ND 13.06 – Generation Cost Recovery Rider

GENERATION COST RECOVERY RIDER

DESCRIPTION	RATE CODE
All Services	NGCR

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 Generation Cost Recovery (GCR) 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 GCR 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.

Generation Cost Recovery Factor 2.9825^{1.79} percent

DETERMINATION OF GENERATION COST RECOVERY CHARGE: The GCR Factor shall be determined by dividing the forecasted *balance of the GCR Tracker account* by the *forecasted retail revenues subject to the GCR Factor*. The forecasted GCR 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 GCR Factor shall be rounded to the nearest 0.001 percent.

GENERATION COST RECOVERY RIDER

DESCRIPTION	RATE CODE
All Services	NGCR

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 Generation Cost Recovery (GCR) 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 GCR 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.

Generation Cost Recovery Factor 2.982 percent
--

R

DETERMINATION OF GENERATION COST RECOVERY CHARGE: The GCR Factor shall be determined by dividing the forecasted *balance of the GCR Tracker account* by the *forecasted retail revenues subject to the GCR Factor*. The forecasted GCR 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 GCR Factor shall be rounded to the nearest 0.001 percent.

Attachment 11
July 15, 2021
Quarterly Construction Progress Report

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



July 15, 2021

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

**RE: Otter Tail Power Company's Application for Astoria Natural Gas Project
Case No. PU-17-140
Quarterly Report - Compliance Filing**

Dear Mr. Kahl:

On November 3, 2017, the Commission issued an Order on Settlement and approved a Settlement Agreement between Otter Tail and Advocacy Staff in the above-described case. The Settlement Agreement required Otter Tail to "provide the Commission quarterly construction progress reports on the Astoria Project until the project is in service."

Enclosed is Otter Tail's report for the quarter ending June 30, 2021. Because the project was placed in service this quarter, this will be the final report to be filed in the docket.

If you have any questions regarding this report, please contact me at (605) 924-0767 or at kphinney@otpc.com.

Sincerely,

/s/ *KIRK PHINNEY*
Kirk Phinney
Manager, Supply Engineering

tlk
Enclosures
By electronic filing

**ASTORIA NATURAL GAS PROJECT
QUARTERLY CONSTRUCTION PROGRESS REPORT**

TO THE

NORTH DAKOTA PUBLIC SERVICE COMMISSION

FOR THE

PERIOD APRIL 1 THROUGH JUNE 30, 2021

July 15, 2021

Astoria Natural Gas Project Quarterly Construction Progress Report

Otter Tail Power Company (OTP) submits this report on the Astoria Natural Gas Project in compliance with the Commission's November 3, 2017 Order on Settlement in Case Number PU-17-140, which requires OTP to provide the Commission quarterly construction progress reports on the Astoria Natural Gas Project until the project is in service. This report concerns project activities through June 30, 2021. Since the Astoria Natural Gas Project was placed into service this quarter, this report will also be the final report per the Order on Settlement.

Project activities for the second quarter included formal performance testing, commercial operation, and project closeout activities.

Formal performance testing was conducted the week of April 5. Following testing, an outage was taken to address several punch list items prior to releasing the Unit for commercial operation. The system operator first called on the Unit to operate on April 30, 2021, and the Unit has been dispatched on regular basis since.

The general work contractor remained onsite for the quarter, completing base-scope work such as final grading, seeding, asphaltting, and cleaning. At the end of the quarter, the general work contractor had a minimal amount of work remaining - - including a few punch list items that will require a coordinated outage to complete.

Remaining project activities pertain to punch list and warranty items for the combustion turbine OEM and administrative closeout activities. Some of these activities will carry well into 2021, which is typical for a large project. Overall, the project was completed one month before the Unit was needed as a generation resource. Given the remaining activities, the project's costs will also be well below original budget.



Astoria Station Aerial Photo

6/25/2021