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December 30, 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 Request for Approval of its 2023 Renewable Resource Cost Recovery Adjustment Factor  
Case No. PU-23-  
Initial Filing**

Dear Mr. Kahl:

Otter Tail Power Company (Otter Tail) hereby submits to the North Dakota Public Service Commission (Commission) its application for approval of its 2023 Renewable Resource Cost Recovery Factor under Otter Tail's Renewable Resource Cost Recovery Rider.

An original and copies have been sent to you via USPS along with a \$10,000 check for the filing fee.

Please contact me at (218) 739-8313 or [eketelsen@otpc.com](mailto:eketelsen@otpc.com) if you have any questions regarding this filing.

Sincerely,

*/S/ EMILY KETELSEN*  
Emily Ketelsen  
Rates Analyst  
Regulatory Administration

kaw  
Enclosures  
By electronic filing and U.S. mail

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

**In the Matter of Otter Tail Power  
Company's Application for Approval of  
its 2023 Renewable Resource Cost  
Recovery Adjustment Factor**

**Case No. PU-23-  
APPLICATION**

**I. EXECUTIVE SUMMARY**

- A. This filing for Otter Tail Power Company's (Otter Tail or Company) Renewable Resource Cost Recovery (RRCR) rider includes annual updated actual and forecasted costs and collections associated with:
1. Otter Tail's Merricourt Wind Energy Center.
  2. Otter Tail's acquisition of the Ashtabula III wind farm.
  3. The true-up of actual deferred tax asset balances associated with unused Production Tax Credits to amounts currently in base rates for the Langdon and Ashtabula wind farms.
- B. Otter Tail proposes changes in the E2 jurisdictional allocation factors for 2022 and 2023 to reflect updated jurisdictional sales and associated revenues upon which the rider applies.
- C. Otter Tail proposes the updated rates go into effect April 1, 2023.
- D. The North Dakota projected revenue requirement for the recovery period of April 1, 2023 to March 31, 2024 is \$17,006,718.
- E. The RRCR rider maintains a percent of bill rate design.
- F. The proposed rate increases from 7.108 percent to 15.541 percent for the recovery period.<sup>1</sup> A residential customer using 1000 kWh would see a monthly bill increase of approximately \$5.77.

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<sup>1</sup> Applied to base rate revenues.

## II. INTRODUCTION

Otter Tail 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 an increase to the RRCR Factor in Rate Schedule 13.04 from 7.108 percent to 15.541 percent for the recovery period beginning April 1, 2023.

This filing is Otter Tail's fifteenth update to the RRCR Factor and includes actual cost and revenue information through November 2022 and forecast cost and revenue information from December 2022 through March 2024. The filing includes the revenue requirements (credit) related to the difference between the deferred tax asset for previously generated but unutilized 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 the acquisition of the Ashtabula III Wind Facility (Ashtabula III). The proposed factor reflects a full levelization of PTCs over the life of the Merricourt Facility, as ordered in Case No. PU-19-387 (2020 RRCR). The proposed effective date of this annual update is April 1, 2023.<sup>2</sup>

## III. 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

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<sup>2</sup> Commission's March 18, 2020, Order in the Matter of Otter Tail Power Company's Request for Approval of its 2020 Renewable Resource Cost Recovery Adjustment Factor, Case No. PU-19-387.

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

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

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

The date of this filing is December 30, 2022. Otter Tail proposes the updated RRCR factor be reflected on customers' electric service bills effective April 1, 2023, or in the first full month following Commission approval if Commission action occurs after March 2023.

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

Emily Ketelsen  
Rates Analyst, Regulatory Economics  
Otter Tail Power Company  
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Paula Foster  
Supervisor, Regulatory Analysis, Regulatory Economics  
Otter Tail Power Company  
215 South Cascade Street  
P.O. Box 496  
Fergus Falls, MN 56538-0496  
(218)739-8042  
[pfoster@otpc.com](mailto:pfoster@otpc.com)

We request that all communications regarding this proceeding, including data request, also be directed to:

Regulatory Filing Coordinator  
Otter Tail Power Company  
215 South Cascade Street  
P.O. Box 496  
Fergus Falls, MN 56538-0496  
[regulatory\\_filing\\_coordinators@otpc.com](mailto:regulatory_filing_coordinators@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.

## **IV. 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 chapters 49-02, 49-05, and 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, which reflects the subsequent Renewable Resource Rider filings and Commission approvals.

This update includes the components previously approved for inclusion in the RRCCR and the expected March 2023 tracker balance in the calculation of the revenue requirements and proposed RRCCR Factor for the collection period of April 2023 through March 2024.

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

The treatment of the deferred tax assets related to previously generated but unutilized 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. 10. Because Otter Tail can 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 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 RRCCR 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, 13.01. The Merricourt Facility generation is expected to be fairly level over the life of the project.

### **D. Merricourt PTCs**

The Commission's 2020 RRCR Order approved Otter Tail's methodology to apply the PTCs using the full levelization of PTCs over the life of the project. Full levelization, 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 the life of the facility. Fully levelizing this amount, over the 35-year life of the Merricourt 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**

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 did not exercise this option, the PPA would continue 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,<sup>3</sup> 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, and licenses and permits necessary to own and operate the wind facility.

### **F. Revenue Requirements Calculation**

Otter Tail seeks to recover from customers \$17,006,718 (Attachment 2, Line No. 4) over the April 1, 2023, through March 31, 2024, recovery period. Included in the total revenue requirements are a carrying credit of \$95,850, the March 2023 expected tracker balance, and a true up of \$2,394,185. As in the past, 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 and includes updated actual information through November 2022 and projected amounts from December 2022 through March 2024.

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.

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<sup>3</sup> The Commission issued an order on March 30, 2022, approving Otter Tail's application for a certificate of public convenience and necessity to acquire, own and operate Ashtabula III in Case No. PU 22-27. The Minnesota Public Utilities Commission approved Otter Tail's petition to purchase the assets of the Ashtabula III wind facility on October 6, 2022. *In the Matter of the Petition of Otter Tail Power Company for Approval of a Transfer of Property*, Docket No. E017/PA-21-793.

- c) The revenue requirements section for the Langdon and Ashtabula Facilities includes a summary of the total expense and return on rate base calculations. The North Dakota share of the revenue requirement is reflected in Attachments 5 and 6, Line No. 41 and is the difference between the amount of deferred tax assets related to production tax credits included in base rates (Line No. 40) and the actual, or forecasted, deferred tax assets related to production tax credits (Line No. 39). The revenue requirement section for Merricourt includes a summary of the total expenses and return on rate base calculation with the total revenue requirements on Attachment 7, Line No. 50 and North Dakota's share on Line No. 52. The revenue requirement section for Ashtabula III includes a summary of the total expenses and return on rate base calculation with the total revenue requirements on Attachment 8, Line No. 61 and North Dakota's share on Line No. 63.

The worksheet for each calendar year provides supporting information which includes capital structure detail 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 the 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.<sup>4</sup> Attachment 10 shows the preservation of the proration of Federal ADIT results in an increase of \$4,043 plus any applicable carrying charge to the revenue requirement. This item is included on Attachment 4 (Line No. 10) to this filing and is consistent with the 2022 RRCR and its most recent Transmission Cost Recovery Rider annual update.<sup>5</sup>

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<sup>4</sup> See Treas. Reg. SS 1.167(l)-1(h)(6)(ii).

<sup>5</sup> Case No. PU-21-335.

#### **4. Proposed change in jurisdictional allocation factor and opportunity to mitigate near term impact with Planning Resource Auction revenues.**

Effective January 1, 2018, the North Dakota share of the revenue requirement was based on the North Dakota E2 allocation factor of 37.577 percent as Ordered in Case No. PU-17-398. Historically, rider jurisdictional allocation factors have not changed between rate cases, in large part due to them remaining relatively stable year over year across all our jurisdictions. In 2022, Otter Tail realized a more material shift in the E2 factor from load changes across our jurisdictions, including load additions in North Dakota. Otter Tail strives to seek “right recovery” across all jurisdictions and when material load shifts occur, usually the shifts in cost allocations don’t get adjusted until the next rate case. Keeping rates low by avoiding rate cases yet seeking appropriate recovery and balancing appropriate earnings levels across our jurisdictions continues to be our goal.

In this filing, Otter Tail proposes a change in the 2022 North Dakota E2 allocation factor to 41.783 percent and a change in the 2023 North Dakota E2 allocation factor to 43.489 percent. These changes are reflective of the current and forecasted usage of Otter Tail’s North Dakota customers. Otter Tail proposes that these forecasted factors could be true-ed up to actual amounts in future filings. The estimated impact of the change in the E2 allocator for both 2022 and 2023 over the recovery period is approximately \$4.4 million.

Otter Tail recognizes that the level of increase may be of concern to the Commission. Considering this, Otter Tail is proposing to make another filing in mid-January of 2023 to request modifications to Otter Tail’s Energy Adjustment Rider (EAR or Fuel Clause) tariff Section 13.01, to incorporate the inclusion of capacity related revenues and expenses in the EAR.<sup>6</sup> This change would facilitate the return to customers, the benefit of recent Planning Resource Auction (PRA) revenues Otter Tail received for the Mid-Continent Independent System Operator (MISO) 2022/2023 planning year. Otter Tail’s PRA revenues are approximately \$9.33 million (System). Otter Tail estimates that North Dakota’s share of those revenues, if passed back through the Energy Adjustment rider, would be approximately \$4.2. Facilitating this

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<sup>6</sup> Capacity related revenues and expenses have not been part of any rider mechanism and have been a base rate recovery item managed by the company between rate cases.

change would help offset customer impacts from the jurisdictional allocation factor shift. Otter Tail will provide more details on the PRA revenues in its proposed January filing. Otter Tail’s proposal balances both customer needs and Company financial needs in seeking “right recovery” across its jurisdictions.

#### **G. 2023 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 2022 and projected information through March 2024.

#### **H. Calculation of 2023 RRCR Factor and Rate Design**

Otter Tail proposes the continuation of the percent-of-bill rate design method. The RRCR Factor is calculated using the forecasted March 2023 end of month balance plus the calculated revenue requirement from April 2023 through March 2024 plus any carrying costs or credit divided by the total forecasted base revenue from North Dakota electric retail customers from April 2023 through March 2024. 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”.<sup>7</sup> Beginning in 2011, MISO began accrediting capacity based on each generation site’s production. In December 2020, MISO provided the 2021/2022 capacity credits for each wind farm’s generation verification requirements (GVTC or maximum generating capacity), the megawatt generation (Production Percentage) and the wind capacity credit. These amounts are shown in the table below. A weighted average is computed to determine an Otter Tail system-wide capacity accreditation average.

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<sup>7</sup>The Commission’s Findings of Fact in its Order dated August 4, 2010, in Case No. PU-10-18, includes the following: “*Finally, the Commission finds that it is reasonable for Otter Tail Power to continue to consider and discuss in its future annual rider filings the MISO capacity accreditation and any changes thereto or another appropriate methodology for allocating capacity and energy, as that accreditation currently forms the basis for the inter- and intra-class allocations for the Renewable Resource Cost Recovery Adjustment Factor.*”

<b>Resource</b>	<b>GVTC (MW)</b>	<b>Percentage Production (1)</b>	<b>Capacity Credit (2)</b>	<b>Weighted Average (1 x 2)</b>
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 2023/2024 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 7.108 percent to 15.541 percent. The total revenue requirement to be collected during the April 2023 through March 2024 recovery period, as shown on page 2 of Attachment 4, is \$17,006,718. The proposed RRCR Factor is calculated in Attachment 3. The impact of this update for a residential customer using 1,000 kWh is an increase of approximately \$5.77 per month.

The proposed 2023 RRCR Factor is calculated assuming it is effective April 1, 2023. If implementation of the 2023 RRCR occurs after April 1, 2023, Otter Tail proposes that the factor be revised to recover the approved revenue requirements over the remaining months of the period, through March 2024. This approach ensures that cost recovery and the approved eligible costs match. If it is necessary to adjust the 2023 RRCR, Otter Tail proposes to calculate the final 2023 RRCR and include it with the corresponding rate schedule pages in a compliance filing in the proceeding.

**J. Customer Notification**

The notice of the proposed change in rates for the Renewable Resource Adjustment Rider, provided as Attachment 11, will be included on January 2023 customer bills.

Attachment 12 is a draft of the proposed notice to customers that will be included with customer bills upon implementation of the updated rates.

## **V. PROPOSED RATE SCHEDULE**

Otter Tail's revised rate schedule, Section 13.04 is provided as Attachment 13 in both legislative and non-legislative versions.

## **VI. CONCLUSION**

Otter Tail respectfully requests the Commission approve the updated North Dakota E2 allocation factors, the 2023 RRCR rider revenue requirement, the resulting RRCR Factor, and tariff updates as described to be effective April 1, 2023.

Dated: December 30, 2022

Respectfully Submitted,

OTTER TAIL POWER COMPANY

By: /s/EMILY K KETELSEN

Emily Ketelsen

Rates Analyst, Regulatory Economics

Otter Tail Power Company

215 South Cascade Street

Fergus Falls, MN 56538-0496

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OTTER TAIL POWER COMPANY  
2023 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	January 2023 Bill Message
Attachment 12	2023 Rate Implementation Bill Insert
Attachment 13	Rate Schedule (legislative and non-legislative versions)

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

**RRCR History**

<b>RRCR History</b>	<b>Case Number</b>	<b>Commission Approved</b>	<b>Effective Date</b>
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
Thirteen Update	PU-21-30	March 17, 2021	April 1, 2021
Fourteenth Update	PU-22-19	February 2, 2022	April 1, 2022

\*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  
After Allocation Factor Update**

Line No.	Revenue Requirements	April 2023 - March 2024
1	Revenue Requirements	\$ 14,516,684
2	Carrying Cost	\$ 95,850
3	True up	\$ 2,394,185
4	Total	\$ 17,006,718

**Summary of Revenue Requirements  
Before Allocation Factor Update**

Line No.	Revenue Requirements	April 2023 - March 2024
1	Revenue Requirements	\$ 12,358,709
2	Carrying Cost	\$ (149,464)
3	True up	\$ 462,044
4	Total	\$ 12,671,288

**Difference \$ (4,335,430.20)**

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

**Rate Design Calculation  
After Allocation Factor Change**

North Dakota Revenue Requirements \$ 17,006,718

Line No.	Rate Design	April 2023 - March 2024
1	Forecasted Retail Revenue, all classes	\$ 109,430,057
2	Revenue Requirements	\$ 17,006,718
3	Percentage of Revenue Rate	15.541%

**Rate Design Calculation  
Before Allocation Factor Change**

North Dakota Revenue Requirements

Line No.	Rate Design	April 2023 - March 2024
1	Forecasted Retail Revenue, all classes	\$ 109,430,057
2	Revenue Requirements	\$ 12,671,288
3	Percentage of Revenue Rate	11.579%

Otter Tail Power Company  
Renewable Rider Tracker  
North Dakota

Line No.	TRACKER SUMMARY Requirements Compared to Billed:	2022										Year-End Balance	Forecast January	Forecast February	Forecast March	Collection Period
		Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Forecast December	Forecast					
1	Revenue Requirements															
1	Langdon - DTA only effective 02/01/19	(20,185)	(20,185)	(20,185)	(20,185)	(20,185)	(20,185)	(20,185)	(20,185)	(20,185)	(20,185)	(242,224)	(24,353)	(24,353)	(24,353)	(254,726)
2	Ashtabula - DTA only effective 02/01/19	(78,919)	(78,919)	(78,919)	(78,919)	(78,919)	(78,919)	(78,919)	(78,919)	(78,919)	(78,919)	(947,030)	(88,849)	(88,849)	(88,849)	(976,820)
3	Luverne/Merricourt Wind Energy Center Ashtabula III - Effective January 2023	1,061,090	1,061,777	1,067,556	1,059,672	1,119,833	1,069,792	1,077,333	1,070,949	1,045,947		12,841,858	1,283,009	917,757	916,635	12,751,349
4	Total Revenue Requirements	961,985	962,672	968,452	960,568	1,020,728	970,687	978,228	971,845	946,842		11,652,603	1,386,181	1,100,823	1,099,814	12,328,825
5	Preservation of ADIT Proration	0	0	0	0	0	0	0	0	0		1,011	0	0	0	0
6	Renewable Energy Certificate Sales	-	-	-	-	(200,210)	0	(12,737)	0			(212,946)				(212,946)
7	Net Revenue Requirement	961,985	962,672	968,452	960,568	820,519	970,687	965,491	971,845	946,842		11,440,668	1,386,181	1,100,823	1,099,814	12,115,879
8	Billed (forecast kWh x adj factor)	888,809	601,775	584,717	672,371	695,883	738,474	645,490	608,917	667,245		9,508,756	723,569	700,687	664,211	8,192,147
9	ND ECRR Balance Transfer- Dec 2019 only															
10	Monthly Revenue Difference	63,369	351,493	376,569	283,430	121,673	230,025	319,279	364,238	283,228			668,046	409,824	447,901	
11	Cumulative Difference	(1,476,672)	(1,125,179)	(748,610)	(465,181)	(343,508)	(113,482)	205,797	570,035	853,263			1,521,309	1,931,133	2,379,034	
12	Carrying Cost Adj. for rate calculation	-	-	-	-	-	-	-	-	-		(13,611)	-	-	24,958	24,958
13	Adjusted Cumulative Difference	(1,486,480)	(1,134,987)	(758,418)	(474,988)	(353,315)	(123,290)	195,989	560,228	843,455			1,511,501	1,921,326	2,394,185	
14	Carrying Charge Calculation	(9,404)	(7,166)	(4,767)	(2,962)	(2,188)	(723)	1,311	3,630	5,434		(43,453)	9,688	12,298	15,150	20,302
15	Cumulative Carrying Charge	619,605	612,440	607,672	604,710	602,522	601,800	603,110	606,740	612,174			621,862	634,160	649,311	
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%	
17	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%	
18	Life-to-Date Revenue Requirement	(1,486,076)	(1,132,345)	(753,378)	(468,143)	(345,695)	(114,205)	207,107	573,665	858,697			1,530,997	1,943,431	2,394,185	
19	Forecasted Revenue	8,646,689	7,890,007	9,281,246	9,829,858	10,078,260	9,950,922	7,961,065	8,715,384	9,386,697		107,669,219	10,179,062	9,857,155	9,344,025	111,120,372

Approved by ND PSC on March 30, 2022 in Case No. PU-22-19	
Rate Calculation - Effective April 2022	April 2022 -
Revenue Requirements	10,048,792
Carrying Charge	(79,539)
True-up	(2,144,079)
Total Revenue Requirements	7,825,174
Projected Revenue	110,083,383
Average Rate	7.108%

Otter Tail Power Company  
Renewable Rider Tracker  
North Dakota

Line No.	TRACKER SUMMARY Requirements Compared to Billed:	2023										Year-End Balance	2024			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	Revenue Requirements											(292,231)				(292,231)
2	Langdon - DTA only effective 02/01/19	(24,353)	(24,353)	(24,353)	(24,353)	(24,353)	(24,353)	(24,353)	(24,353)	(24,353)	(24,353)		(24,353)	(24,353)	(24,353)	
3	Ashtabula - DTA only effective 02/01/19	(88,849)	(88,849)	(88,849)	(88,849)	(88,849)	(88,849)	(88,849)	(88,849)	(88,849)	(88,849)	(1,066,188)	(88,849)	(88,849)	(88,849)	(1,066,188)
3	Luverne/Merricourt Wind Energy Center	1,277,499	905,958	910,775	1,277,409	907,861	908,981	1,278,963	903,599	903,599	12,392,045		885,733	884,612	1,245,475	12,290,465
3	Ashtabula III - Effective January 2023	296,494	296,607	296,721	296,834	296,947	297,061	297,174	297,287	297,401	3,481,549		303,933	304,037	304,141	3,584,637
4	Total Revenue Requirements	1,460,791	1,089,364	1,094,294	1,461,042	1,091,607	1,092,840	1,462,935	1,087,685	1,087,799	14,515,176		1,076,465	1,075,447	1,436,414	14,516,684
5	Preservation of ADIT Proration	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Renewable Energy Certificate Sales										-	-				-
10	Net Revenue Requirement	1,460,791	1,089,364	1,094,294	1,461,042	1,091,607	1,092,840	1,462,935	1,087,685	1,087,799	14,515,176		1,076,465	1,075,447	1,436,414	14,516,684
13	Billed (forecast kWh x adj factor)	1,359,780	1,222,678	1,433,956	1,519,120	1,557,716	1,537,563	1,229,786	1,347,524	1,454,726	14,751,316		1,531,918	1,452,171	1,359,780	17,006,718
14	ND ECRR Balance Transfer- Dec 2019 only															
15	Monthly Revenue Difference	116,161	(117,424)	(324,519)	(45,002)	(453,320)	(434,820)	240,283	(251,175)	(359,863)			(450,681)	(374,823)	76,149	
16	Cumulative Difference	2,495,196	2,377,771	2,053,252	2,008,250	1,554,930	1,120,110	1,360,393	1,109,218	749,354			298,673	(76,149)	(0)	(0)
17	Carrying Cost Adj. for rate calculation	-	-	-	-	-	-	-	-	-	24,958		-	-	(15,150)	(15,150)
18	Adjusted Cumulative Difference	2,510,346	2,392,922	2,068,402	2,023,400	1,570,080	1,135,260	1,375,543	1,124,368	764,505			313,824	(60,999)	(0)	
21	Carrying Charge Calculation	15,890	15,142	13,076	12,789	9,902	7,133	8,663	7,064	4,772	131,569		1,902	(485)	(0)	95,850
22	Cumulative Carrying Charge	665,201	680,344	693,419	706,209	716,111	723,244	731,908	738,971	743,744			745,646	745,161	745,161	
23	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%	
24	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%	
26	Life-to-Date Revenue Requirement	2,511,086	2,392,914	2,066,328	2,021,039	1,564,832	1,127,243	1,369,056	1,116,281	754,126			300,575	(76,634)	(0)	
27	Forecasted Revenue	8,749,533	7,867,347	9,226,816	9,774,805	10,023,154	9,893,479	7,913,081	8,670,667	9,360,462	110,859,586		9,857,155	9,344,025	8,749,533	109,430,057

Approved by ND PSC on [DATE] in Case No. PU-	
Rate Calculation - Effective April 2023	April 2023 - March 2024
Revenue Requirements	14,516,684
Carrying Charge	95,850
True-up	2,394,185
Total Revenue Requirements	17,006,718
Projected Revenue	109,430,057
Average Rate	15.541%

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

Line No.		2022												Year-End
		Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Actual December	
1	<b>RATE BASE</b>													
2	ADIT Pro-Rated	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	
3	<b>Deferred Tax Asset - Federal Production Tax Credit</b>													
4	Deferred Tax Asset - Federal PTC Beginning Balance	2,574,358	2,359,829	2,145,299	1,930,770	1,716,240	1,501,711	1,287,182	1,072,652	858,123	643,593	429,064	214,529	
5														
6	Federal PTC Rate													
7	Output (MWH) / month													
8	Deferred Tax Asset - Federal PTC Beginning Balance	-	-	-	-	-	-	-	-	-	-	-	-	
9														
10	Federal PTC utilization recognized/tax return adjustments	214,529	214,529	214,529	214,529	214,529	214,529	214,529	214,529	214,529	214,529	214,529	214,529	
11													2,574,353	
12	Accum. Deferred Inc. Taxes - Federal PTC Ending Balance	2,359,829	2,145,299	1,930,770	1,716,240	1,501,711	1,287,182	1,072,652	858,123	643,593	429,064	214,529	-	
13	End of month rate base	2,359,829	2,145,299	1,930,770	1,716,240	1,501,711	1,287,182	1,072,652	858,123	643,593	429,064	214,529	-	
14	End of month rate base - No Prorate	2,359,829	2,145,299	1,930,770	1,716,240	1,501,711	1,287,182	1,072,652	858,123	643,593	429,064	214,529	-	
15														
16	Average rate base	1,287,181	1,287,181	1,287,181	1,287,181	1,287,181	1,287,181	1,287,181	1,287,181	1,287,181	1,287,181	1,287,181	1,287,181	
17														
18	Return on Rate Base	8,197	8,197	8,197	8,197	8,197	8,197	8,197	8,197	8,197	8,197	8,197	8,197	
19													98,366	
20	Available for return (equity portion of rate base)	5,502	5,502	5,502	5,502	5,502	5,502	5,502	5,502	5,502	5,502	5,502	5,502	
21													66,023	
22	<b>EXPENSES</b>													
23	Income before Taxes													
24	Available for return (from above)	5,502	5,502	5,502	5,502	5,502	5,502	5,502	5,502	5,502	5,502	5,502	5,502	
25	Taxable Income (grossed up)	7,278	7,278	7,278	7,278	7,278	7,278	7,278	7,278	7,278	7,278	7,278	7,278	
26													87,337	
27	Income Taxes													
28	Current and Def Income Taxes	1,776	1,776	1,776	1,776	1,776	1,776	1,776	1,776	1,776	1,776	1,776	1,776	
29	Tax Adjustment for Additional Tax Basis	-	-	-	-	-	-	-	-	-	-	-	-	
30	Federal PTC	-	-	-	-	-	-	-	-	-	-	-	-	
31	Total Income Tax Expense	1,776	1,776	1,776	1,776	1,776	1,776	1,776	1,776	1,776	1,776	1,776	1,776	
32													21,315	
33	<b>REVENUE REQUIREMENTS</b>													
34	Expenses	1,776	1,776	1,776	1,776	1,776	1,776	1,776	1,776	1,776	1,776	1,776	1,776	
35	Return on rate base	8,197	8,197	8,197	8,197	8,197	8,197	8,197	8,197	8,197	8,197	8,197	8,197	
36													98,366	
37	Total revenue requirements	9,973	9,973	9,973	9,973	9,973	9,973	9,973	9,973	9,973	9,973	9,973	9,973	
38													119,681	
39	North Dakota share - E2 factor	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	
40	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	
41	ND share of revenue requirements	(20,185)	(20,185)	(20,185)	(20,185)	(20,185)	(20,185)	(20,185)	(20,185)	(20,185)	(20,185)	(20,185)	(20,185)	
42													(242,224)	
43	<b>SUPPORTING INFORMATION / DATA</b>													
44														
45	ND Capstructure with allowed ROE per order.	Approved in Case No. PU-17-398												
46	Capital Structure	<b>Ratio</b>	<b>Cost</b>	<b>WA Cost</b>		<b>Effective Tax Rate</b>	24.40%	<b>Fed Portion</b>	20.09%	<b>State Portion</b>	4.31%			
47	Debt	47.50%	5.29%	2.51%		Tax conversion factor	1.322837							
48	Preferred equity	0.00%	0.00%	0.00%										
49	Common equity	52.50%	9.77%	5.13%		E2 Factor	41.783%							
50	Total	100.00%		7.64%										

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

Line No.		2023												Year-End	2024		
		January	February	March	April	May	June	July	August	September	October	November	December		January	February	March
1	<b>RATE BASE</b>																
2	ADIT Pro-Rated	1.000000	1.000000	1.000000	0.920548	0.835616	0.753425	0.668493	0.583562	0.501370	0.416438	0.334247	0.249315		0.164384	0.087671	0.002740
3	<b>Deferred Tax Asset - Federal Production Tax Credit</b>																
4	Deferred Tax Asset - Federal PTC Beginning Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5																	
6	Federal PTC Rate																
7	Output (MWH) / month																
8	Deferred Tax Asset - Federal PTC Beginning Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9																	
10	Federal PTC utilization recognized/tax return adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11																	
12	Accum. Deferred Inc. Taxes - Federal PTC Ending Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	End of month rate base	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	End of month rate base - No Prorate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15																	
16	Average rate base	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17																	
18	Return on Rate Base	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19																	
20	Available for return (equity portion of rate base)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21																	
22	<b>EXPENSES</b>																
23	Income before Taxes																
24	Available for return (from above)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Taxable Income (grossed up)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26																	
27	Income Taxes																
28	Current and Def Income Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Tax Adjustment for Additional Tax Basis	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Federal PTC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Total Income Tax Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32																	
33	<b>REVENUE REQUIREMENTS</b>																
34	Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Return on rate base	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36																	
37	Total revenue requirements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38																	
39	North Dakota share - E2 factor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	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
41	ND share of revenue requirements	(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																	
43	<b>SUPPORTING INFORMATION / DATA</b>																
44																	
45	ND Capstructure with allowed ROE per order.	Approved in Case No. PU-17-398												Approved in Case No. PU-17-398			
46	Capital Structure	<b>Ratio</b>	<b>Cost</b>	<b>WA Cost</b>		<b>Effective Tax Rate</b>	24.40%	<b>Fed Portion</b>	20.09%	<b>State Portion</b>	4.31%			<b>Ratio</b>	<b>Cost</b>	<b>WA Cost</b>	
47	Debt	47.50%	5.29%	2.51%		Effective Tax Rate	1.322837							47.50%	5.29%	2.51%	
48	Preferred equity	0.00%	0.00%	0.00%										0.00%	0.00%	0.00%	
49	Common equity	52.50%	9.77%	5.13%		E2 Factor	43.489%							52.50%	9.77%	5.13%	
50	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.		2022												Year-End
		Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Actual December	
1	<b>RATE BASE</b>													
2	ADIT Pro-Rated	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	
3	<b>Deferred Tax Asset - Federal Production Tax Credit</b>													
4	Deferred Tax Asset - Federal PTC Beginning Balance	6,134,301	5,623,109	5,111,918	4,600,726	4,089,534	3,578,343	3,067,151	2,555,959	2,044,768	1,533,576	1,022,383	511,192	(0)
5														
6	Federal PTC Rate													
7	Output (MWH) / month													
8	Deferred Tax Asset - Federal PTC Beginning Balance	-	-	-	-	-	-	-	-	-	-	-	-	-
9														
10	Federal PTC utilization recognized/tax return adjustments	511,192	511,192	511,192	511,192	511,192	511,192	511,192	511,192	511,192	511,192	511,192	511,192	6,134,300
11														
12	Accum. Deferred Inc. Taxes - Federal PTC Ending Balance	5,623,109	5,111,918	4,600,726	4,089,534	3,578,343	3,067,151	2,555,959	2,044,768	1,533,576	1,022,383	511,192	(0)	(0)
13	End of month rate base	5,623,109	5,111,918	4,600,726	4,089,534	3,578,343	3,067,151	2,555,959	2,044,768	1,533,576	1,022,383	511,192	(0)	(0)
14	End of month rate base - No Prorate	5,623,109	5,111,918	4,600,726	4,089,534	3,578,343	3,067,151	2,555,959	2,044,768	1,533,576	1,022,384	511,192	(0)	(0)
15														
16	Average rate base	3,067,151	3,067,151	3,067,151	3,067,151	3,067,151	3,067,151	3,067,151	3,067,151	3,067,151	3,067,151	3,067,151	3,067,151	3,067,151
17														
18	Return on Rate Base	19,533	19,533	19,533	19,533	19,533	19,533	19,533	19,533	19,533	19,533	19,533	19,533	234,392
19														
20	Available for return (equity portion of rate base)	13,110	13,110	13,110	13,110	13,110	13,110	13,110	13,110	13,110	13,110	13,110	13,110	157,322
21														
22	<b>EXPENSES</b>													
23	Income before Taxes													
24	Available for return (from above)	13,110	13,110	13,110	13,110	13,110	13,110	13,110	13,110	13,110	13,110	13,110	13,110	157,322
25	Taxable Income (grossed up)	17,343	17,343	17,343	17,343	17,343	17,343	17,343	17,343	17,343	17,343	17,343	17,343	208,111
26														
27	Income Taxes													
28	Current and Def Income Taxes	4,232	4,232	4,232	4,232	4,232	4,232	4,232	4,232	4,232	4,232	4,232	4,232	50,789
29	Tax Adjustment for Additional Tax Basis	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Federal PTC	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Total Income Tax Expense	4,232	4,232	4,232	4,232	4,232	4,232	4,232	4,232	4,232	4,232	4,232	4,232	50,789
32														
33	<b>REVENUE REQUIRMENTS</b>													
34	Expenses	4,232	4,232	4,232	4,232	4,232	4,232	4,232	4,232	4,232	4,232	4,232	4,232	50,789
35	Return on rate base	19,533	19,533	19,533	19,533	19,533	19,533	19,533	19,533	19,533	19,533	19,533	19,533	234,392
36														
37	Total revenue requirements	23,765	23,765	23,765	23,765	23,765	23,765	23,765	23,765	23,765	23,765	23,765	23,765	285,181
38														
39	North Dakota share - E2 factor	9,930	9,930	9,930	9,930	9,930	9,930	9,930	9,930	9,930	9,930	9,930	9,930	119,157
40	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
41	ND share of revenue requirements	(78,919)	(78,919)	(78,919)	(78,919)	(78,919)	(78,919)	(78,919)	(78,919)	(78,919)	(78,919)	(78,919)	(78,919)	(947,030)
42														(1,189,255)
43	<b>SUPPORTING INFORMATION / DATA</b>													
44														
45	ND Capstructure with allowed ROE per order.	Approved in Case No. PU-17-398												
46	Capital Structure	Ratio	Cost	WA Cost				Fed Portion	State Portion					
47	Debt	47.50%	5.29%	2.51%			Effective Tax Rate	24.40%	20.09%	4.31%				
48	Preferred equity	0.00%	0.00%	0.00%			Tax conversion factor	1.322837						
49	Common equity	52.50%	9.77%	5.13%										
50	Total	100.00%		7.64%			E2 Factor	41.783%						

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

Line No.		2023												Year-End	2024				
		January	February	March	April	May	June	July	August	September	October	November	December		January	February	March		
1	<b>RATE BASE</b>																		
2	ADIT Pro-Rated	1.000000	1.000000	1.000000	0.920548	0.835616	0.753425	0.668493	0.583562	0.501370	0.416438	0.334247	0.249315		0.164384	0.087671	0.002740		
3	<b>Deferred Tax Asset - Federal Production Tax Credit</b>																		
4	Deferred Tax Asset - Federal PTC Beginning Balance	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)		
5																			
6	Federal PTC Rate																		
7	Output (MWH) / month																		
8	Deferred Tax Asset - Federal PTC Beginning Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
9																			
10	Federal PTC utilization recognized/tax return adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
11																			
12	Accum. Deferred Inc. Taxes - Federal PTC Ending Balance	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)		
13	End of month rate base	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)		
14	End of month rate base - No Prorate	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)		
15																			
16	Average rate base	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)		
17																			
18	Return on Rate Base	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)		
19																			
20	Available for return (equity portion of rate base)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)		
21																			
22	<b>EXPENSES</b>																		
23	Income before Taxes																		
24	Available for return (from above)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)		
25	Taxable Income (grossed up)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)		
26																			
27	Income Taxes																		
28	Current and Def Income Taxes	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)		
29	Tax Adjustment for Additional Tax Basis	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
30	Federal PTC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
31	Total Income Tax Expense	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)		
32																			
33	<b>REVENUE REQUIRMENTS</b>																		
34	Expenses	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)		
35	Return on rate base	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)		
36																			
37	Total revenue requirements	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)		
38																			
39	North Dakota share - E2 factor	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)		
40	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	88,849	88,849	88,849		
41	ND share of revenue requirements	(88,849)	(88,849)	(88,849)	(88,849)	(88,849)	(88,849)	(88,849)	(88,849)	(88,849)	(88,849)	(88,849)	(88,849)	(1,066,188)	(88,849)	(88,849)	(88,849)		
42																			
43	<b>SUPPORTING INFORMATION / DATA</b>																		
44																			
45	ND Capstructure with allowed ROE per order.	Approved in Case No. PU-17-398												Approved in Case No. PU-17-398					
46	Capital Structure	Ratio			Cost			WA Cost			Effective Tax Rate			Fed Portion			State Portion		
47	Debt	47.50%			5.29%			2.51%			24.40%			20.09%			4.31%		
48	Preferred equity	0.00%			0.00%			0.00%			1.322837								
49	Common equity	52.50%			9.77%			5.13%											
50	Total	100.00%			7.64%			E2 Factor			43.489%								











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

**Federal ADIT Proration**

(A) (B) (C)

		<b>April 2023 - March 2024 Recovery Period</b>		
<b>Line No.</b>	<b>Month</b>	<b>All Projects' Revenue Requirements</b>	<b>All Projects' Revenue Requirements with ADIT-Prorate</b>	<b>Difference due to Federal ADIT Proration (B - A)</b>
1	Apr-23	\$1,457,165	\$ 1,460,791	\$3,626
2	May-23	\$1,085,738	1,089,364	\$3,626
3	Jun-23	\$1,090,668	1,094,294	\$3,626
4	Jul-23	\$1,457,416	1,461,042	\$3,626
5	Aug-23	\$1,087,981	1,091,607	\$3,626
6	Sep-23	\$1,089,215	1,092,840	\$3,626
7	Oct-23	\$1,459,310	1,462,935	\$3,626
8	Nov-23	\$1,084,060	1,087,685	\$3,626
9	Dec-23	\$1,084,173	1,087,799	\$3,626
10	Jan-24	\$1,077,345	1,076,465	(\$880)
11	Feb-24	\$1,076,327	1,075,447	(\$880)
12	Mar-24	\$1,437,294	1,436,414	(\$880)
13		\$14,486,691	\$14,516,684	\$29,992
14		<b>Revenue Requirement Adjustment Related to Federal ADIT Proration</b>		<b>\$29,992</b>

Otter Tail Power Company  
Renewable Resource Cost Recovery Rider  
North Dakota

**Federal ADIT Proration  
Preserve True-Up Period**

	A	B	C	D	E
1			Tax Conversion Factor	1.3228	(1/(1-24.4%))
2			Gross Up of Equity %	6.78%	(F9 * F17)
3			Equity Return %	5.13%	(F17)
4			Gross Up Factor	1.66%	(F10-F11)

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

		April 2022 - March 2023		
12	Month	Original ADIT Balance - All Projects	Federal ADIT Prorate Balance - All Projects	Difference due to Federal ADIT Proration (B - A)
13	Mar-22	\$2,246,854	\$2,880,628	\$633,775
14	Apr-22	\$667,684	\$1,358,714	
15	May-22	(\$765,706)	(\$63,480)	
16	Jun-22	(\$2,058,033)	(\$1,389,174)	
17	Jul-22	(\$3,204,613)	(\$2,615,148)	
18	Aug-22	(\$4,205,464)	(\$3,741,366)	
19	Sep-22	(\$5,064,252)	(\$4,771,089)	
20	Oct-22	(\$5,777,563)	(\$5,701,101)	
21	Nov-22	(\$6,350,089)	(\$6,534,617)	
22	Dec-22	(\$6,777,136)	(\$7,268,423)	
23	Jan-23	(\$6,913,305)	(\$7,347,196)	
24	Feb-23	(\$6,985,928)	(\$7,389,209)	
25	Mar-23	(\$6,988,197)	(\$7,390,522)	(\$402,325)
26	ADIT Simple Average	(\$2,370,672)	(\$2,254,947)	\$115,725

28	Rate Base Rev Req Gross Up Factor	9.30%
29	Total Company Revenue Requirement	\$10,759

30	<b>ND Revenue Requirement Related to Federal ADIT Proration-Preservation</b>	<b>\$4,043</b>
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## Customer Notice – Bill Message

On December 30, 2022, we filed a request with the North Dakota Public Service Commission to increase our Renewable Resource Cost Recovery Rider Factor, which is part of the Renewable Rider line on your bill. The Renewable Resource Cost Recovery Rider allows us to recover costs associated with renewable generation resources.

Please see panel below for more information.

The proposed change to the Renewable Resource Cost Recovery Rider Factor would begin April 1, 2023, with a rate for all classes of service at 15.541% of base charges and credits. The current rate is 7.108%. An average residential customer would see a monthly bill increase of approximately \$5.77. This change is proposed only and, if suspended by the Commission, will not be effective until the Commission takes action. For more information contact Customer Service at 800-257-4044 or visit [otpc.com](http://otpc.com).

### **Notice of increase to our Renewable Resource Cost Recovery Rider Factor**

The North Dakota Public Service Commission approved our request to increase our Renewable Resource Cost Recovery Rider Factor for usage on and after April 1, 2023. The approved factor for all classes of service is 15.541 percent of base charges and credits. The previous factor was 7.108 percent. A typical residential customer's bill will increase by approximately \$5.77. 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](http://otpc.com).

Attachment 13  
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.

<b>Renewable Resource Cost Recovery Factor <del>15.5417</del>108 percent</b>
--

**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.



**RENEWABLE RESOURCE COST RECOVERY RIDER**

DESCRIPTION	RATE CODE
All Services	NRRA

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

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

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

<b>Renewable Resource Cost Recovery Factor 15.541 percent</b>
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**R**

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