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April 24, 2023

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-22-429
Reply Comments**

Dear Mr. Kahl:

Otter Tail Power Company (Otter Tail) hereby submits to the North Dakota Public Service Commission (Commission) its Reply Comments in the above-referenced matter.

An original and copies have been sent to you via USPS.

Please contact me at 218-739-8279 or stommerdahl@otpc.com if you have any questions regarding this filing.

Sincerely,

/s/ STUART TOMMERDAHL
Stuart Tommerdahl
Manager, Regulatory Economics
Regulatory Economics

sjw
Enclosures
By electronic filing and U.S. mail

35 PU-22-429 Filed 04/24/2023 Pages: 15
Reply Comments
Otter Tail Power Company
Stuart Tommerdahl, Manager Reg. Economic

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

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

Case No. PU-22-429

REPLY COMMENTS

I. INTRODUCTION

Otter Tail Power Company submits these Reply Comments in response to a Commission Staff request for an updated RRAR rate. These Reply Comments also provide additional comments on matters discussed by the Commission and address Comments filed by the Midwest Large Energy Consumers (MLEC) and Applied Digital.

As discussed in these Comments, Otter Tail understands that the Commission appears prepared to make a determination that the jurisdictional allocator will not be updated in this proceeding. Otter Tail requests one modification. Otter Tail requests that the Commission set the rider rate without reallocation at this time, but to do so *without prejudice* so that the final determination on this point might be made following the assessment of net benefits conferred by the addition of Applied Digital, the nature and timing of which is described in greater detail below. Otter Tail explains the reason for this request below.

In these Comments, Otter Tail does not make any requests beyond this one (that the decision be made “without prejudice”). At Staff’s request, we provide an updated RRAR rate reflective of the change in recovery date beginning May 1, 2023, and keeping the jurisdictional allocation factor at the percentage set in Otter Tail’s last general rate case. Otter Tail also provides additional comments, for informational purposes, on how benefits are realized from the addition of a large load, and we describe proposals and mechanisms that Otter Tail has made or has in effect to address allocation factor adjustments in other Jurisdictions.

II. OTTER TAIL RESPONSES

- A. Updated RRAR rate reflective of change in recovery date beginning May 1, 2023, and keeping jurisdictional allocation factor at the amount set in the last rate case.**

Following the April 12, 2023, Commission work session, Commission staff requested Otter Tail provide an updated rate calculation assuming the rate becomes effective May 1, 2023, and based on a revenue requirement reflecting no change to the jurisdictional allocation factor. Consistent with this request, Otter Tail has updated the tracker and associated rate design assuming an additional month of collection under the current rate, and with a new rate effective May 1, 2023. The updated revenue requirement is \$12,240,125, as found on Revised Attachment 2 included with these comments. The updated rate, based on that revenue requirement to be effective May 1, 2023, is 12.157 percent, as found on Revised Attachment 3. The updated tracker is included in Revised Attachment 4 to these Comments.

B. Otter Tail requests that the determination in this matter be made “without prejudice,” so the Commission can consider the contribution that should be made for RRAR costs by the SLGS customer when the assessment of its net contribution to system benefits is considered.

As noted, Otter Tail understands that the Commission appears prepared to make a determination that the jurisdictional allocator not be updated in this proceeding. Otter Tail requests one modification. Otter Tail requests that the Commission set the rider rate without reallocation at this time, but to do so *without prejudice* so that the final determination on this point might be made following the assessment of net benefits conferred by the addition of Applied Digital. The nature and timing of that assessment is described in greater detail below.

Otter Tail understands the logic that not adjusting the jurisdictional allocator for the non-Super Large General Service (SLGS) customers (despite adding the volumes) is appropriate to confer to them a benefit from adding the new SLGS customer between rate cases; however, not adjusting the allocator for the new SLGS customer that caused the jurisdictional impact has the effect of artificially limiting the contribution made by the new customer. Such a limitation acts to reduce the new SLGS customer’s contribution to system costs (and thus the benefits expected from adding the SLGS customer to the system). Limiting the new SLGS customer’s contribution to the renewable rider in this way will reduce the overall benefits conferred and prompt Otter Tail to raise all rates through a general rate case filing sooner than it otherwise would. It was not the intent of the SLGS rate application that Applied Digital could avail itself of lower rider rates

conferring the benefit of its higher volumes to *other* customers. In other words, failing to recognize Applied Digital's responsibility in its own rider rate will negatively affect other customers. This is not appropriate nor consistent with the intent of the SLGS rate.

Otter Tail also notes that the proceedings in this case have been somewhat unusual in that the Comments from MLEC and Applied Digital came late in the proceedings. In fact, MLEC has filed two sets of Comments and Applied Digital has filed one set of Comments to which Otter Tail is now replying. An informal hearing was held prior to any of those filings, and a second informal hearing was held the day of MLEC's first set of filed Comments (which was a work session converted to an informal hearing on that very day). We very much appreciate the Commission's flexibility to deal with the sequence of events in this proceeding. And we agree that it is wise to not prolong these proceedings, as delaying the implementation of at least the rate as updated in Attachment 3 would cause a need for larger Rider rates later (more "water building up behind the dam"). Therefore, while Otter Tail believes that it would be beneficial for the Commission to proceed with the updating of the Renewable Rider Rate as indicated herein, it asks that the Order in this matter be issued *without prejudice*. By so doing, neither the parties nor the Commission will be foreclosed from reconsidering these issues should it be reasonable and appropriate to do so following an assessment of the SLGS customer's net benefits.

In summary, Otter Tail agrees that it will be appropriate to consider the SLGS customer's contribution to RRAR costs when its assessment of overall net benefits is examined. For this reason, Otter Tail requests that the determination made in this proceeding be made without prejudice, so that it can be reconsidered by the Commission at that time.

C. Informational comments: How are benefits realized from the addition of a large load?

The Commission continues to express interest in better understanding the benefits that are provided to Otter Tail, to the system, and to other customers from serving a new large load under the SLGS rate schedule. Otter Tail will provide the Commission a quantification of those impacts for 2022 in a report to be included with Otter Tail's annual report for 2022 to be filed in May 2023. Otter Tail notes that because 2022 was the initial start-up partial year for the customer, the amount of benefit for the initial year is likely to be different from the benefits forecasted for a full year at full operation as contemplated in the Electric Service Agreement.

Also, from a practical standpoint, system benefits materialize in different ways and at different times over the life of a new customer.

Host Jurisdiction

When a new load comes on to Otter Tail's system, all other things being equal, that new load will pay a base rate that will contribute a new revenue stream toward offsetting incremental new costs as well as offsetting existing embedded costs of Otter Tail's system. The host state of the customer realizes this revenue stream from that base rate. A customer on the SLGS rate provides that same benefit even though the base rate the SLGS customer pays may be discounted from standard tariff rates. However, that rate is designed to ensure that all marginal costs to serve that customer are covered as well as to provide a contribution to current embedded system costs which, over the long run, should ultimately result in a benefit to other customers. The periodic impact of the new revenues is reflected in actual-year cost of service analyses.

The new load will have an impact on jurisdictional cost allocation factors and as a result, contribute to a reallocation of both embedded costs as well as new incremental costs incurred under traditional cost allocation methodologies. Those allocation impacts appear in actual annual cost of service analyses. While growth in load can increase incremental costs as well as increase allocations of embedded costs, new revenue helps offset those costs. From a base rate perspective, the reallocation of costs and their impact on base rates for other customers does not happen dynamically because there are no automatic simultaneous adjustment mechanisms. General rate cases from time to time in the respective states are typically when system costs get reallocated through updated jurisdictional allocation factors.

Over time, operating costs of a utility tend to increase due to things such as: general inflation and impacts on operating expenses; costs associated with new capital investment in infrastructure; and changes in capital costs. New load and associated new revenue, along with targeted management efforts, can help cover those increases in costs, while keeping base rates unchanged for all other customers. If load growth does not keep up with cost increases, ultimately base rates need to be reset through a rate case. The annual actual cost of service study will reflect the cumulative impacts of all changes in revenues, costs, and associated cost allocations. If growth sustains required costs of capital, no need for updates to rates is required and existing customers retain the benefit of delaying future rate increases.

Host Jurisdiction Rider Recovery Benefits

Material load additions can impact capital recovery riders in different ways depending on the approved mechanism. The recovery of the costs included in the rider are spread over a higher level of sales units, which lowers the rate needed to recover those costs. This benefit of a lower rate can accrue to other customers as soon as those increased sales (or associated rider revenues) upon which the rate is developed, are included in the rate calculation. This occurred in 2022 in the Renewable Rider with the rate being calculated on a sales forecast that reflected expected increased revenue from Applied Digital.

Historically, rider allocation factors have typically been set at the applicable allocation factor from the last rate case. As discussed above, the impact of a new load impacts the overall allocation of system costs whether or not immediately adjusted in each jurisdiction. This concept is no different within a rider mechanism. Over time, the costs being recovered in the rider get allocated based on updated allocation factors, typically when the costs are shifted from the rider to base rate recovery during a rate case.

When actual year Cost of Service Study analysis is completed, the impact of revenues collected through rider recovery is included in the analysis, which also reflects costs being allocated based on actual allocation factors. At the Commission's discretion, allocation factors can be updated in rider mechanisms to balance recovery of costs to the appropriate jurisdiction that will ultimately absorb those costs, and which is benefiting from increased sales units. Adjusting a rider mechanism recovery to reflect the actual allocation of costs can provide sufficient revenue to help delay a general rate case. Conversely, failure to timely update allocation factors can contribute to earlier rate cases and exacerbate customer impacts.

Impacts to Other Jurisdictions

The addition of a significant SLGS load can provide benefits to other non-host jurisdictions. Over time, the new load's additional revenue stream contributes to covering not only its incremental costs to serve but provides a contribution toward overall embedded system costs. As noted earlier, when an increase in load reduces a non-host state's allocation of embedded costs, the burden on that state's ratepayers going forward is lessened. The non-host state will be allocated a portion of the new incremental costs but will also see a reduction in the allocation of embedded costs. While the non-host state's revenues do not change, long term, the non-host states allocated share of overall costs declines relative to the impacts

the new loads in other jurisdictions help absorb the shift in those costs. When assessing jurisdictional earnings, new loads in any jurisdiction can improve the timing of meeting combined revenue requirements.

D. Informational comments: Proposals and Mechanisms to address allocation factor adjustments in Other Jurisdictions

It is Otter Tail's understanding that the Commission has questions regarding whether Otter Tail has made any proposals to address load changes and associated allocation factor updates in other jurisdictions. Otter Tail notes both that the various riders have separate filing cadences, and that even if Otter Tail had the resources to file simultaneous rate cases in all three states, each Commission manages its own docket making simultaneous approval and effect highly unlikely. The following describes recent efforts regarding impacts in other jurisdictions.

Earnings Sharing Mechanism Proposed in Minnesota

In October of 2022,¹ Otter Tail proposed a flexible earnings sharing mechanism in Minnesota to address out-of-the-ordinary changes in potential earnings associated with known and anticipated load shifts including the Applied Digital load in North Dakota, the crediting of known (as well as the unknown future) of Planning Resource Auction (PRA) revenues, impacts from the evolving MISO Resource adequacy construct, uncertainty of specific future cost changes, and associated earnings levels. The following is an excerpt from that filing:

This flexible adjustment proposal is a reasonable and appropriate way to address out-of-the-ordinary changes. There are several benefits associated with Otter Tail's proposal. First, it creates a balanced mechanism that addresses material out-of-test-year events, while also avoiding an unintended acceleration of a rate case filing. As discussed above, the 2020 rate case resulted in a net reduction in Otter Tail's authorized revenues. Given the substantial increase in interest rates (which, all else being equal, will place upward pressure on Otter Tail's cost of capital) and inflation, it is unlikely a similar result will reoccur in Otter Tail's next rate case. That, in combination with the administrative cost and burdens of rate cases, which are particularly high for Otter Tail on a per-customer basis due to the small number of customers served by Otter Tail, supports taking a measured approach that does not accelerate a rate case

¹ Supplemental Comments filed October 10, 2022 in Docket E017/AA-22-214.

filing. Second, Otter Tail's proposal is well-tailored to address uncertainty associated with these unusual, out-of-test-year events. The Department's Response Comments acknowledge that the amount of Planning Resource Auction revenues (or costs) attributable to June-December 2023 are unknown at this time. Further, on August 31, 2022, FERC approved MISO Tariff revisions that include a seasonal resource adequacy construct and capacity requirements. These changes allow MISO to move forward with seasonal capacity auctions, with each season having its own capacity requirement. The changes also allow MISO to accredit resources based on their historic availability during Resource Adequacy hours rather than on the forced outage rate methodology where all hours are treated equally. The revised resource adequacy construct will be implemented in the 2023/2024 planning year (running from June 1, 2023 through May 31, 2024). Both the recent capacity auction results and the changes to the structure of future auctions highlight the need for a flexible approach.

Other changes, such as Otter Tail's service to its new, large North Dakota customer also are subject to uncertainties that support flexibility. The new North Dakota customer is very different from any other Otter Tail large customer. Ultimately, the newness of the customer and the unique nature of the customer's business could affect its usage in ways that are difficult to predict.

Consistent with the operation of an integrated system, investments and expenses are allocated across Otter Tail's jurisdictions using a variety of allocation factors. For example, the energy-related portion of generation investments are allocated based on each jurisdiction's relative share of total energy (i.e. kWh sales). The capacity-related portion of generation investments are allocated by each jurisdiction's relative capacity (i.e. kW demand) at the time of Otter Tail's peak. The addition or loss of customers (or growth or shrinkage of usage of existing customers) ultimately impacts the allocation of system-wide costs, with the addition of a customer in one jurisdiction reducing the portion of energy- and capacity-related system costs borne by other jurisdictions (and vice versa), all else being equal.

Allocation factors generally are established in rate cases and are used in both base rate and rider filings. Otter Tail's proposed revenue surplus or deficiency analysis allows for a more dynamic incorporation of the effects of changes to Minnesota and neighboring states' relative consumption on cost allocation, without ignoring the other elements of

Otter Tail's Minnesota jurisdictional revenue requirement and the sources of revenue intended to meet that requirement.

The Minnesota Public Utilities Commission ultimately denied Otter Tail's request but Otter Tail's efforts to seek "right recovery" across its jurisdictions is evident.

Earnings Sharing Mechanism Exists in South Dakota

In conjunction with Otter Tail's last rate case² in South Dakota, an earnings sharing mechanism was implemented to address any potential over-earnings that could occur. That earnings sharing mechanism continues to remain in effect. Therefore, to the extent changes to jurisdictional allocations (e.g. those resulting from the addition of the SLGS customer in ND) cause earnings impacts, they are addressed with that mechanism (within its bandwidth); they also may be addressed in the separate Riders as described below.

South Dakota Transmission Rider Allocation Factor Adjustment

In early 2022 when the South Dakota Public Utility Commission approved Otter Tail's annual Transmission Rider update,³ they requested Otter Tail update the jurisdictional allocation factor in our next annual update, knowing that the large Applied Digital load was just starting to come online in North Dakota. Because the firm load for Applied Digital is very small, the allocation factor impact was not significant, but the adjustment was made and approved. The South Dakota Commission has set the stage for future adjustments from jurisdictional load shifts. Otter Tail anticipates similar updates to allocation factors in its South Dakota Phase-in Rider in future filing.

² Docket No. EL18-021 Stipulation dated June 28, 2019.

³ Docket No. EL21-031 Order dated February 23, 2022.

III. CONCLUSION

Otter Tail respectfully requests the Commission approve the modified proposed rider rates without prejudice, as described above.

Dated: April 24, 2023

Respectfully submitted,

OTTER TAIL POWER COMPANY

By: /s/ STUART TOMMERDAHL

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OTTER TAIL POWER COMPANY
Filing Attachments

1. Revised Attachment 2 – Summary of Revenue Requirements
2. Revised Attachment 3 – Rate Design
3. Revised Attachment 4 – Renewable Resource Tracker

Otter Tail Power Company
Renewable Resource Cost Recovery Rider
North Dakota

Summary of Revenue Requirements

Line No.	Revenue Requirements	April 2023 - March 2024
1	Revenue Requirements	\$ 12,358,709
2	Less: Projected April Revenue at prior rate	\$ (621,952)
3	Carrying Cost	\$ 41,325
4	True up	\$ 462,044
5	Total	<u>\$ 12,240,125</u>

Otter Tail Power Company
Renewable Resource Cost Recovery Rider
North Dakota

Rate Design Calculation

North Dakota Revenue Requirements \$ 12,240,125

Line No.	Rate Design	May 2023 - March 2024
1	Forecasted Retail Revenue, all classes	\$ 100,680,524
2	Revenue Requirements	\$ 12,240,125
3	Percentage of Revenue Rate	12.157%

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					
1	Revenue Requirements														
1	Lanadon - DTA only effective 02/01/19	(20,605)	(20,605)	(20,605)	(20,605)	(20,605)	(20,605)	(20,605)	(20,605)	(20,605)	(247,258)	(24,353)	(24,353)	(24,353)	(258,501)
2	Ashtabula - DTA only effective 02/01/19	(79,919)	(79,919)	(79,919)	(79,919)	(79,919)	(79,919)	(79,919)	(79,919)	(79,919)	(959,024)	(88,849)	(88,849)	(88,849)	(985,815)
3	Luverne/Merricourt Wind Energy Center	954,286	954,904	960,102	953,011	1,007,116	962,112	968,894	963,153	940,667	11,549,264	1,108,604	793,002	792,033	11,357,883
	Ashtabula III - Effective January 2023											186,961	255,994	256,092	699,048
4	Total Revenue Requirements	853,762	854,380	859,578	852,488	906,593	861,588	868,370	862,630	840,144	10,342,982	1,182,363	935,795	934,924	10,812,615
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	853,762	854,380	859,578	852,488	706,383	861,588	855,634	862,630	840,144	10,131,046	1,182,363	935,795	934,924	10,599,669
8															
9	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
10	ND ECRR Balance Transfer- Dec 2019 only														
11	Monthly Revenue Difference	(46,950)	240,402	264,189	171,127	2,600	115,231	202,995	247,856	168,621		455,590	234,805	271,905	
12	Cumulative Difference	(1,916,201)	(1,675,799)	(1,411,610)	(1,240,483)	(1,237,883)	(1,122,651)	(919,657)	(671,801)	(503,180)		(47,590)	187,215	459,120	
13	Carrying Cost Adj. for rate calculation	-	-	-	-	-	-	-	-	-	(15,708)	-	-	14,828	14,828
14	Adjusted Cumulative Difference	(1,928,105)	(1,687,703)	(1,423,514)	(1,252,387)	(1,249,787)	(1,134,555)	(931,561)	(683,705)	(515,084)		(59,494)	175,311	462,044	
15															
16	Carrying Charge Calculation	(12,203)	(10,672)	(8,990)	(7,900)	(7,883)	(7,149)	(5,857)	(4,278)	(3,204)	(98,913)	(303)	1,192	2,924	(64,323)
17	Cumulative Carrying Charge	612,648	601,976	592,986	585,087	577,203	570,054	564,197	559,919	556,715		556,412	557,604	560,528	
18	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%	
19	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%	
20	Life-to-Date Revenue Requirement	(1,928,404)	(1,686,471)	(1,420,600)	(1,248,383)	(1,245,766)	(1,129,801)	(925,513)	(676,079)	(506,384)		(47,893)	188,407	462,044	
21	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	March 2023
Carrying Charge	10,048,792
True-up	(79,539)
Total Revenue Requirements	(2,144,079)
	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			
		Forecast April	Forecast May	Forecast June	Forecast July	Forecast August	Forecast September	Forecast October	Forecast November	Forecast December	Forecast January		Forecast February	Forecast March	Collection Period	
1	Revenue Requirements															
1	Lanndon - 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)	(292,231)	(24,353)	(24,353)	(24,353)	(292,231)
2	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	1,103,842	782,807	786,969	1,103,765	784,452	785,419	1,105,107	780,769	780,769	10,707,538	10,707,538	765,332	764,362	1,076,172	10,619,766
3	Ashtabula III - Effective January 2023	256,190	256,288	256,386	256,484	256,582	256,680	256,778	256,876	256,974	3,008,286	3,008,286	262,618	262,708	262,797	3,097,361
4	Total Revenue Requirements	1,246,831	925,893	930,154	1,247,048	927,832	928,898	1,248,684	924,443	924,541	12,357,406	12,357,406	914,748	913,869	1,225,768	12,358,709
6	Preservation of ADIT Proration	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Renewable Energy Certificate Sales											-				-
10	Net Revenue Requirement	1,246,831	925,893	930,154	1,247,048	927,832	928,898	1,248,684	924,443	924,541	12,357,406	12,357,406	914,748	913,869	1,225,768	12,358,709
13	Billed (forecast kWh x adj factor)	621,952	956,464	1,121,740	1,188,361	1,218,554	1,202,789	962,024	1,054,127	1,137,988	11,552,467	11,552,467	1,198,373	1,135,990	1,063,715	12,862,077
14	ND ECRR Balance Transfer- Dec 2019 only															
15	Monthly Revenue Difference	627,803	(23,649)	(184,815)	64,281	(284,718)	(269,701)	289,133	(125,369)	(209,931)			(281,446)	(221,735)	161,028	
16	Cumulative Difference	1,086,923	1,063,274	878,458	942,739	658,021	388,320	677,453	552,084	342,153			60,707	(161,028)	(0)	
17	Carrying Cost Adj. for rate calculation	-	-	-	-	-	-	-	-	-	14,828	14,828	-	-	(2,924)	
18	Adjusted Cumulative Difference	1,089,846	1,066,197	881,382	945,663	660,945	391,244	680,377	555,007	345,077			63,630	(158,104)	(0)	
19																
21	Carrying Charge Calculation	6,922	6,771	5,594	6,004	4,190	2,473	4,314	3,516	2,179	45,777	45,777	387	(1,025)	(0)	41,325
22	Cumulative Carrying Charge	567,450	574,221	579,815	585,819	590,009	592,482	596,796	600,312	602,491			602,878	601,852	601,852	
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%	
25																
26	Life-to-Date Revenue Requirement	1,093,844	1,070,045	884,053	948,743	662,211	390,793	681,767	555,599	344,332			61,093	(162,053)	(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	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-22-429	
Rate Calculation - Effective May 2023	April 2023 - March 2024
Revenue Requirements	12,358,709
Less Projected April Revenue at prior rate	(621,952)
Carrying Charge	41,325
True-up	462,044
Total Revenue Requirements	12,240,125
Projected Revenue May 2023-March 2024	100,680,524
Average Rate	12.157%