

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



March 3, 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 Application for Approval of the Annual Rate Update to Rate Schedule, Section 13.06, Generation Cost Recovery Rider
Case No. PU-23-
Initial Filing**

Dear Mr. Kahl:

Enclosed are an original and 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 \$50.00 for the filing fee. Otter Tail is proposing a rate decrease 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 218-739-8313 or eketelsen@otpc.com.

Sincerely,
/s/ *EMILY KETELSEN*
Emily Ketelsen
Rates Analyst
Regulatory Economics

vjm
Enclosures
By electronic filing and US mail

1 PU-23-83 Filed 03/03/2023 Pages: 28
Application for Approval of Annual Rate Update to Generation Cost Recovery Rider Rate Schedule
Otter Tail Power Company
Emily Ketelsen, 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-23-

APPLICATION**

I. EXECUTIVE SUMMARY

- A. This filing for Otter Tail Power Company’s (Otter Tail or Company) Generation Cost Recovery Rider (GCRR) includes annual updated actual and forecasted costs and collections associated with:
 - 1. Otter Tail’s Astoria natural gas-fired, simple cycle combustion turbine.
 - 2. Otter Tail’s credit to customers in relation to the closure of Hoot Lake Plant.
- B. Otter Tail proposes the updated rates go into effect July 1, 2023.
- C. The North Dakota projected revenue requirement for the recovery period of July 1, 2023, to June 30, 2024, is \$2,243,885.
- D. The GCRR maintains a percent-of-bill rate design.
- E. The proposed rate decreases from 2.982 percent to 2.026 percent for the recovery period.¹ A residential customer using 1000 kWh would see a monthly bill decrease of approximately \$0.74.

II. 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 \$2,243,885, and a corresponding factor of 2.026 percent.

This filing is Otter Tail’s fifth update to the GCRR and includes actual cost and revenue information through December 2022 and forecasted cost and revenue information for January 2023 through June 2024. It includes the revenue requirement related to the Astoria Station Natural Gas Plant project (Astoria Station). Astoria Station

¹ Applied to base rate revenues.

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-17-140² 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-17-398.³ 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, 2023, and Otter Tail proposes to recover the revenue requirement through the recovery period of July 2023 through June 2024.

III. 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. Titles of utility employees responsible for filing

Emily Ketelsen
Rates Analyst, Regulatory Economics
Otter Tail Power Company
215 South Cascade Street
P.O. Box 496
Fergus Falls, MN 56538-0496
Phone (218) 739-8313
eketelsen@otpc.com

² *Otter Tail Power Company Application for Advance Determination of Prudence for the Astoria Natural Gas Project*, Case No. PU-17-140.

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

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

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

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

The date of this filing is March 3, 2023. Otter Tail proposes a rate effective date of July 1, 2023.

E. Other requirements of North Dakota Rules Part 69-02-02-04

Pursuant to [N.D. Admin. Code § 69-02-02-04](#), a certified copy of Otter Tail's articles of incorporation and a current certificate of good standing are on file with the Commission in Case No. PU-23-39. The certificate and amendments are hereby incorporated by reference.

F. Customer Notification

Otter Tail will provide a notice of the proposed change to the Rider factor to North Dakota customers in March bills. Attachment 8 is a sample of the filing 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.

IV. 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-17-398.⁴ 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%
Fourth Update	PU-22-87	May 25, 2022	July 1, 2022	2.982%

In this annual filing, Otter Tail requests to update the Rider factor to 2.026 percent. This filing includes actual costs incurred through December 2022 and projected costs through June 2024, 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 \$2,243,885 for the July 2023 through June 2024 recovery period. This includes revenue requirements of \$3,266,660 associated with Astoria Station and a HLP closure credit for the recovery period, a carrying credit of (\$38,379), and an expected June 2023 over-collected balance of (\$984,396).

V. 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

⁴ *Otter Tail Power Company Application for Authority to Increase Electric Rates in North Dakota*, Case No. PU-17-398.

Pipeline, and a generation-tie line necessary to connect Astoria Station to the electric grid. The project has quick-start capability to serve 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 plan⁵ to reliably meet its customers' electricity needs. Astoria Station replaced expiring capacity purchase agreements and allowed the May 2021 retirement of 1950s-era 140 MW Powder River Basin (PRB) coal-fired Hoot Lake Plant near Fergus Falls, Minnesota.⁶ 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 infrastructure operational. Consequently, the determination was made several years ago to retire Hoot Lake Plant in 2021 and replace the plant's generation capacity.

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 performance testing was conducted the week of April 5, 2021. Astoria Station was declared commercially operational and first offered into the Midcontinent Independent System Operator (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 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 are projected to be well below the original authorized amount in the ADP.⁷

Total plant balance through January 2023 was \$151.8 million (OTP Total) and \$60.5 million (OTP ND). Forecasted total plant balance through June 2024 is \$152 million (OTP Total) and \$60.6 million (OTP ND).

⁵ 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.

⁶ 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 associated 2012-2026 Baseload Diversification Study was filed and approved by the Minnesota Public Utilities Commission in Docket No. E017/RP-10-623.

⁷ 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.

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 \$8.7 million (OTP Total) were included in the total cost estimate of the project. Per prior Federal Energy Regulatory Commission (FERC) Orders,^{8,9} Transmission owners may elect to self-fund the 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 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 percent of the interconnection costs, while Tatanka Ridge Wind, LLC is responsible for 34.52 percent 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 by Tatanka Ridge Wind, LLC. Attachment 4, Line No. 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 2023 through June 2024 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 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 overtime, predictable planned outage lengths, long-term parts warranties, coverage for damage caused by failed parts, and

⁸ 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 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).

⁹ See FERC Order dated December 20, 2019, under FERC Docket No. ER18-2513. (169 FERC ¶ 61,233).

remote monitoring of the combustion turbine by the manufacturer. The 2023 annual LTSA fee is estimated to be \$1.98 million (OTP Total) / \$0.79 million (OTP ND) with an estimated annual escalation of 3 percent for 2024 based on the annual pricing adjustment provisions within the LTSA.

Attachment 4, Line No. 8 includes approximately \$1.6 million (OTP Total) of the LTSA as capital costs, as estimated by Mitsubishi,¹⁰ and \$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 point, the amount of accumulated LTSA prepayments that have been utilized during major maintenance will be included in plant balance and subject to depreciation.

VI. 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.”¹¹

HLP ceased operations on May 27, 2021. Decommissioning of equipment and abatement of hazardous materials, such as asbestos, was substantially complete in 2021. Demolition of structures and foundations was completed in 2022. Final site grading and seeding will begin when weather allows and is expected to be completed by June 2023. Otter Tail experienced delays outside its control in 2022 as it relates to the completion of the demolition activities. However, Otter Tail was able to manage through those delays without additional cost to the overall project, which is forecasted to be significantly lower than budget.

Some operational costs will continue to be charged to HLP in 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 will be paid in 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

¹⁰ The LTSA 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.

¹¹ The 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.

ceased operations in May 2021. Since June 2021, Otter Tail has included an estimated monthly credit in the Rider that reflects the HLP Adjustment. Otter Tail provides a summary of the HLP Adjustment as Attachment 7. Otter Tail includes the monthly forecasted credit for 2023, totaling (\$3,687,573), and the monthly forecasted credit for 2024, totaling (\$3,888,603), in Attachment 3, Line 2. These amounts are based on the 2023 and 2024 forecasted calendar year amounts shown in Attachment 7, Column F, Line 29 and Attachment 7, Column G, Line 29, respectively. Otter Tail will continue to update forecasts with actuals in subsequent Rider updates.

VII. REVENUE REQUIREMENT 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), 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 began with the property tax expense in 2022 (calculated using 2021 year-end values). Some components of the Astoria Station project (related to distribution work, switching station work, and transmission line modifications) did not receive approval of this treatment from the State of South Dakota; thus, the property tax amount on Attachment 4 is not equal to \$0. Land is 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 Internal Revenue Service (IRS) regulations and to avoid a tax normalization violation.¹² Attachment 6, Line 30 shows the preservation of the proration of ADIT resulting in an increase of \$339, plus any applicable carrying charge, to the revenue requirement. This item is included in the Tracker in 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 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.

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

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 appropriate recovery through the Rider factor. Attachment 3 includes actual information through December 2022 and projected information through June 2024.

VIII. 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 2023 through June 2024 divided by the total forecasted base revenue from North Dakota electric retail customers for the same period. Otter Tail proposes a GCRR factor of 2.026 percent for the proposed recovery period. The rate design calculation is shown on Attachment 2.

IX. RATE IMPACT

The incremental impact of the proposed GCRR factor for a residential customer using 1,000 kWh is a decrease of approximately \$0.74 per month from the current GCRR factor of 2.982 percent. Table 2 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	2.026%	-\$0.74
Large General Service	400,000 kWh & 1,000 kW	2.026%	-\$184.92

The above factor is calculated based on an expected implementation date of July 1, 2023. If the implementation date is different than July 1, 2023, Otter Tail requests the option to recalculate the factor in order to recover all approved costs over the approved recovery period.

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.

X. 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.

XI. 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, 2023, for the updated Rider factor.

Date: March 03, 2023

Respectfully submitted:
OTTER TAIL POWER COMPANY

/s/ EMILY KETELSEN

Emily Ketelsen, Rates Analyst
Regulatory Economics
215 South Cascade Street
P.O. Box 496
Fergus Falls, MN 56538-0496
Phone (218) 739-8313

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

**Otter Tail Power Company
Generation Cost Recovery Rider
North Dakota**

Summary of Revenue Requirements

Line No.	Revenue Requirements	July 2023 - June 2024
1	Revenue Requirements	3,266,660
2	Carrying Cost	(38,379)
3	True Up	(984,396)
4	Total	<u>2,243,885</u>

**Otter Tail Power Company
Generation Cost Recovery Rider
North Dakota**

Rate Design Calculation

North Dakota Forecasted Revenue Requirements 110,754,548

Line No.	Rate Design	July 2023 - June 2024
1	Forecasted Retail Revenue, all classes	110,754,548
2	Revenue Requirements	2,243,885
3	Percentage of Revenue Rate	<u>2.026%</u>

Otter Tail Power Company
Generation Cost Recovery Rider Tracker
North Dakota

Line No.	TRACKER SUMMARY Requirements Compared to Billed:	2022						YE Projected	2023						Collection Period
		July Actual	August Actual	September Actual	October Actual	November Actual	December Actual		January Projected	February Projected	March Projected	April Projected	May Projected	June Projected	
1	Revenue Requirements														
1	Astoria Station	598,227	601,436	593,561	584,727	628,316	595,499	7,118,861	590,157	590,435	589,008	588,451	588,451	590,399	7,138,666
2	Hoot Lake Plant - Plant Closure	(287,280)	(324,828)	(315,230)	(320,948)	(370,804)	(302,886)	(3,237,614)	(298,558)	(298,003)	(374,899)	(308,134)	(309,888)	(287,049)	(3,798,507)
3	Total Revenue Requirements	310,947	276,608	278,331	263,779	257,512	292,612	3,881,246	291,599	292,432	214,108	280,317	278,563	303,350	3,340,159
4															
5	Preservation of ADIT Proration	28	28	28	28	28	28	1,547	28	28	28	28	28	28	339
6															
7	Net Revenue Requirement	310,975	276,636	278,359	263,808	257,540	292,641	3,882,794	291,627	292,460	214,136	280,345	278,591	303,379	3,340,497
8															
9	Billed (forecast \$ x adj factor)	415,486	293,906	310,451	270,688	255,435	280,851	4,625,167	303,533	293,934	278,633	260,906	234,599	275,138	3,473,562
10															
11	Difference	(104,511)	(17,271)	(32,092)	(6,881)	2,105	11,790	(742,373)	(11,906)	(1,474)	(64,497)	19,439	43,992	28,241	
12	Carrying Charge	(4,956)	(5,653)	(5,799)	(6,040)	(6,123)	(6,148)	(50,619)	(6,112)	(6,227)	(6,276)	(6,727)	(6,646)	(6,408)	(73,115)
13	Cummulative Difference (True-Up)	(887,683)	(910,607)	(948,498)	(961,419)	(965,437)	(959,795)	(959,795)	(977,814)	(985,515)	(1,056,287)	(1,043,575)	(1,006,229)	(984,396)	
14															
15	Monthly Carrying Charge	(5,653)	(5,799)	(6,040)	(6,123)	(6,148)	(6,112)		(6,227)	(6,276)	(6,727)	(6,646)	(6,408)	(6,269)	
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															
18															
19	Forecasted Revenue	9,829,858	10,078,260	9,950,922	7,961,065	8,715,384	9,386,697	109,499,937	10,179,062	9,857,155	9,344,025	8,749,533	7,867,347	9,226,816	111,146,125

Filed on March 1, 2022 in Case No. PU-22-87	
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						2024						Collection Period
		July Projected	August Projected	September Projected	October Projected	November Projected	December Projected	YE Projected	January Projected	February Projected	March Projected	April Projected	May Projected	
1	Revenue Requirements													
1	Astoria Station	592,936	590,153	587,370	591,823	588,762	588,762	7,076,706	585,696	585,974	584,304	583,748	583,748	585,696
2	Hoot Lake Plant - Plant Closure	(265,418)	(305,426)	(293,866)	(309,531)	(349,143)	(287,659)	(3,687,573)	(314,327)	(313,436)	(390,656)	(323,555)	(325,772)	(303,522)
3	Total Revenue Requirements	327,518	284,728	293,505	282,292	239,619	301,103	3,389,133	271,369	272,538	193,649	260,193	257,975	282,174
4														
5	Preservation of ADIT Proration							169						
6														
7	Net Revenue Requirement	327,518	284,728	293,505	282,292	239,619	301,103	3,389,302	271,369	272,538	193,649	260,193	257,975	282,174
8														
9	Billed (forecast \$ x adj factor)	198,037	203,069	200,442	160,319	175,668	189,643	2,773,921	205,829	201,110	187,732	176,708	158,558	186,771
10														
11	Difference	129,481	81,659	93,063	121,973	63,951	111,460	615,381	65,540	71,428	5,916	83,485	99,418	95,402
12	Carrying Charge	(6,269)	(5,484)	(4,999)	(4,438)	(3,690)	(3,306)	(66,583)	(2,617)	(2,217)	(1,776)	(1,750)	(1,229)	(604)
13	Cummulative Difference (True-Up)	(861,185)	(785,010)	(696,947)	(579,412)	(519,151)	(410,997)	(410,997)	(348,074)	(278,863)	(274,723)	(192,987)	(94,799)	0
14														
15	Monthly Carrying Charge	(5,484)	(4,999)	(4,438)	(3,690)	(3,306)	(2,617)		(2,217)	(1,776)	(1,750)	(1,229)	(604)	0
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														
18														
19	Forecasted Revenue	9,774,805	10,023,154	9,893,479	7,913,081	8,670,667	9,360,462	110,859,586	10,159,394	9,926,446	9,266,158	8,722,020	7,826,146	9,218,736

Filed on DATE in Case No. PU-23-	
SUMMARY	July 2023 - June 2024
Net Revenue Requirements (July 2023 - June 2024)	\$ 3,266,660
Carrying Charge	\$ (38,379)
True-up (June 2023)	\$ (984,396)
Total Revenue Requirement	\$ 2,243,885
July 2023 - June 2024 Projected Revenue	\$ 110,754,548
Average Rate	2.026%

Otter Tail Power Company
Generation Cost Recovery Rider
North Dakota

Line No.	Year>>	2022 Actual January	2022 Actual February	2022 Actual March	2022 Actual April	2022 Actual May	2022 Actual June	2022 Actual July	2022 Actual August	2022 Actual September	2022 Actual October	2022 Actual November	2022 Actual December	2022 Projected Total
RATE BASE														
1	Plant Balance - Astoria Station	142,797,466	142,803,250	142,796,449	142,565,409	142,705,633	142,674,036	142,670,377	142,685,080	142,696,909	144,724,354	145,006,219	151,795,629	151,795,629
2	Accumulated Depreciation	(3,661,993)	(3,998,715)	(4,335,452)	(4,672,171)	(5,008,329)	(5,344,828)	(5,681,250)	(6,017,664)	(6,354,113)	(6,690,590)	(7,031,999)	(7,374,094)	(7,374,094)
3	Net Plant in Service	139,135,473	138,804,535	138,460,998	137,893,237	137,697,304	137,329,208	136,989,126	136,667,417	136,342,796	138,033,764	137,974,220	144,421,535	144,421,535
4	CWIP	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Accumulated Deferred Income Taxes Federal & State (No Proration)	(1,342,967)	(1,544,064)	(1,745,158)	(1,946,255)	(2,147,489)	(2,348,641)	(2,549,811)	(2,750,983)	(2,952,147)	(3,153,303)	(3,353,256)	(3,553,042)	(3,553,042)
6	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
7	Accumulated Deferred Income Taxes Federal & State	(1,342,967)	(1,544,064)	(1,745,158)	(1,946,255)	(2,147,489)	(2,348,641)	(2,549,811)	(2,750,983)	(2,952,147)	(3,153,303)	(3,353,256)	(3,553,042)	(3,553,042)
8														
9	LTSA Pre-Payments - Capital Portion booked to 107276.0001	80,684	(70,191)	0	107,105	0	0	183,608	0	0	(226,943)	0	(0)	74,263
10	Accumulated LTSA Pre-Payments	1,785,040	1,714,849	1,714,849	1,821,954	1,821,954	1,821,954	2,005,562	2,005,562	2,005,562	1,778,619	1,778,619	1,778,619	1,778,619
11	LTSA Utilized - Added to Plant Balance Above	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Accumulated LTSA Utilized	0	0	0	0	0	0	0	0	0	0	0	0	0
13	LTSA Pre-Payments	1,785,040	1,714,849	1,714,849	1,821,954	1,821,954	1,821,954	2,005,562	2,005,562	2,005,562	1,778,619	1,778,619	1,778,619	1,778,619
14	Ending Rate Base (Lines 3+4+6+8)	139,577,546	138,975,320	138,430,689	137,768,937	137,371,768	136,802,521	136,444,878	135,921,996	135,396,212	136,659,080	136,399,583	142,647,113	142,647,113
15	Average Rate Base	11,489,864	11,489,864	11,489,864	11,489,864	11,489,864	11,489,864	11,489,864	11,489,864	11,489,864	11,489,864	11,489,864	11,489,864	137,878,372
16	Return on Rate Base	878,055	878,055	878,055	878,055	878,055	878,055	878,055	878,055	878,055	878,055	878,055	878,055	10,536,665
17	Available for Return (equity portion of rate base)	589,344	589,344	589,344	589,344	589,344	589,344	589,344	589,344	589,344	589,344	589,344	589,344	7,072,126
EXPENSES														
O&M and Depreciation														
18	Operating Costs	86,006	89,600	80,369	75,983	83,456	90,478	114,809	122,872	103,068	80,867	185,345	102,288	1,215,140
19	Net Facility Service Agreement Payments/(Revenues)	(25,314)	(25,314)	(25,314)	(25,314)	(25,314)	(25,428)	(25,428)	(25,428)	(25,428)	(25,428)	(25,428)	(25,428)	(304,570)
20	Property Tax	7,437	7,437	7,437	7,437	7,437	7,437	7,437	7,437	7,437	7,437	7,437	7,437	89,250
21	Book Depreciation	336,694	336,722	336,736	336,720	336,158	336,499	336,422	336,413	336,449	336,478	341,409	342,094	4,048,795
22	Total O&M and Depreciation Expense	404,823	408,445	399,228	401,826	401,737	408,987	433,240	441,294	421,526	399,354	508,763	426,392	5,048,614
23														
24	Income before Taxes	589,344	589,344	589,344	589,344	589,344	589,344	589,344	589,344	589,344	589,344	589,344	589,344	7,072,126
25	Available for Return (from above)	589,344	589,344	589,344	589,344	589,344	589,344	589,344	589,344	589,344	589,344	589,344	589,344	7,072,126
26	Taxable Income (grossed up)	779,606	779,606	779,606	779,606	779,606	779,606	779,606	779,606	779,606	779,606	779,606	779,606	9,355,271
27														
28	Income Taxes	190,262	190,262	190,262	190,262	190,262	190,262	190,262	190,262	190,262	190,262	190,262	190,262	2,283,145
29	Current and Def Income Taxes	190,262	190,262	190,262	190,262	190,262	190,262	190,262	190,262	190,262	190,262	190,262	190,262	2,283,145
30	Total Income Tax Expense	190,262	190,262	190,262	190,262	190,262	190,262	190,262	190,262	190,262	190,262	190,262	190,262	2,283,145
31														
32														
33														
REVENUE REQUIREMENTS														
34	Expenses	595,085	598,707	589,490	585,088	591,999	599,249	623,502	631,556	611,788	589,616	699,025	616,654	7,331,759
35	Return on Rate Base (from above)	878,055	878,055	878,055	878,055	878,055	878,055	878,055	878,055	878,055	878,055	878,055	878,055	10,536,665
36	Subtotal Revenue Requirements	1,473,141	1,476,763	1,467,546	1,463,143	1,470,055	1,477,304	1,501,558	1,509,611	1,489,844	1,467,671	1,577,081	1,494,709	17,868,424
37	Adjustments													0
38	Total Revenue Requirements	1,473,141	1,476,763	1,467,546	1,463,143	1,470,055	1,477,304	1,501,558	1,509,611	1,489,844	1,467,671	1,577,081	1,494,709	17,868,424
39														
40	Peak Demand Factor	1,473,141	1,476,763	1,467,546	1,463,143	1,470,055	1,477,304	1,501,558	1,509,611	1,489,844	1,467,671	1,577,081	1,494,709	17,868,424
41														
42	North Dakota share - D1 factor	586,906	588,349	584,677	582,923	585,676	588,565	598,227	601,436	593,561	584,727	628,316	595,499	7,118,861
43	ND Revenue Requirements	586,906	588,349	584,677	582,923	585,676	588,565	598,227	601,436	593,561	584,727	628,316	595,499	7,118,861
44														
45	Total North Dakota Share	586,906	588,349	584,677	582,923	585,676	588,565	598,227	601,436	593,561	584,727	628,316	595,499	7,118,861
46														
SUPPORTING INFORMATION / DATA														
1														
2	ND Cap Structure with allowed ROE per order.													
3	Capital Structure													
4	Debt			47.50%		5.29%		2.51%			Property tax		0.81%	
5	Preferred equity			0.00%		0.00%		0.00%			2022 composite rate			
6	Common equity			52.50%		9.77%		5.13%						
7	Total			100.00%				7.64% Overall Return						
8														
9														
10	Project life (years)			Book	Tax									
11				35	15-year MACRS									
12						Federal	State							
13	Statutory Tax Rate			24.40%		20.09%	4.31%							
14	Tax conversion factor			1.32284										
15	Peak Demand Factor			100.00%										
16	ND share - D1 factor			39.84%										
17														
Book Depreciation and Deferred Tax														
18	Book depreciation	336,694	336,722	336,736	336,720	336,158	336,499	336,422	336,413	336,449	336,478	341,409	342,094	4,048,795
19	Tax depreciation-Federal	1,160,724	1,160,724	1,160,724	1,160,724	1,160,724	1,160,724	1,160,724	1,160,724	1,160,724	1,160,724	1,160,724	1,160,724	13,928,688
20	Tax depreciation-State	1,160,724	1,160,724	1,160,724	1,160,724	1,160,724	1,160,724	1,160,724	1,160,724	1,160,724	1,160,724	1,160,724	1,160,724	13,928,688
21	Federal deferred income taxes	(165,588)	(165,582)	(165,579)	(165,583)	(165,696)	(165,627)	(165,643)	(165,644)	(165,637)	(165,631)	(164,641)	(164,503)	(1,985,355)
22	State deferred income taxes	(35,516)	(35,514)	(35,514)	(35,515)	(35,539)	(35,524)	(35,527)	(35,528)	(35,526)	(35,525)	(35,512)	(35,283)	(425,823)

Federal ADIT Proration Projection

A	B	C	D
1	July 2023 - June 2024 Recovery Period		
2	All Projects' Revenue Requirements without ADIT Proration	All Projects' Revenue Requirements with ADIT Proration	Difference due to Federal ADIT Proration (C - B)
3	Month		
3	Jul-23	\$327,357	\$327,518
4	Aug-23	\$284,566	\$284,728
5	Sep-23	\$293,343	\$293,505
6	Oct-23	\$282,131	\$282,292
7	Nov-23	\$239,457	\$239,619
8	Dec-23	\$300,942	\$301,103
9	Jan-24	\$290,527	\$271,369
10	Feb-24	\$291,696	\$272,538
11	Mar-24	\$212,807	\$193,649
12	Apr-24	\$279,351	\$260,193
13	May-24	\$277,134	\$257,975
14	Jun-24	\$301,332	\$282,174
15		\$3,380,643	\$3,266,660
			-\$113,983

16 **Revenue Requirement Adjustment Related to Federal ADIT -\$113,983**

Federal ADIT Proration

	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 %	5.13%
9		Rate of Return	7.64%
10		Tax RR on Equity Return	1.66%
11		Rate Base Rev Req Gross Up Factor	9.30%

July 2022 - June 2023 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	(\$2,355,363)	(\$2,348,641)	\$6,723
15	Jul-21	(\$2,507,778)	(\$2,500,669)	
16	Aug-21	(\$2,646,087)	(\$2,638,630)	
17	Sep-21	(\$2,770,718)	(\$2,762,972)	
18	Oct-21	(\$2,881,246)	(\$2,873,241)	
19	Nov-21	(\$2,978,126)	(\$2,969,319)	
20	Dec-21	(\$3,060,808)	(\$3,051,345)	
21	Jan-22	(\$3,121,755)	(\$3,111,600)	
22	Feb-22	(\$3,171,400)	(\$3,160,681)	
23	Mar-22	(\$3,208,502)	(\$3,197,362)	
24	Apr-22	(\$3,233,506)	(\$3,222,081)	
25	May-22	(\$3,246,008)	(\$3,234,441)	
26	Jun-22	(\$3,246,411)	(\$3,234,840)	\$11,572
27	ADIT Simple Average	(\$2,800,887)	(\$2,791,740)	\$9,147

28	Rate Base Rev Req Gross Up Factor	9.30%
29	Total Company Revenue Requirement (D27 x D28)	\$850

30	ND Revenue Requirement Related to Federal ADIT Proration-Preservation (D29 x ND D1 Factor)	\$339
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Otter Tail Power Company
North Dakota Generation Cost Recovery Rider
Hoot Lake Plant Closure Revenue Requirement Shareback

Line No	A	B Year>>	C		D		E	F	G
			2018 Test Year	2021 Blended Jan-May 2018 TY Values June-Dec 2021 Actuals	2022 Actuals	2023 Projected	2024 Projected		
RATE BASE									
1	Ending Plant in Service		71,447,408	71,172,836	70,976,713	70,976,713	70,976,713	70,976,713	70,976,713
2	Ending Accumulated Depreciation		57,439,161	67,658,831	75,163,294	75,396,644	75,396,644	75,518,007	75,518,007
3	Ending Net Plant		14,008,247	3,514,005	(4,186,581)	(4,419,931)	(4,419,931)	(4,541,295)	(4,541,295)
4									
5	Decommissioning		0	1,618,743	6,474,534	8,950,471	8,950,471	10,182,719	10,182,719
6									
7	Accumulated Deferred Income Taxes Federal & State		(9,198,582)	(8,129,879)	(8,013,749)	(7,664,708)	(7,664,708)	(7,189,808)	(7,189,808)
8	Rate Base		4,809,665	(2,997,131)	(5,725,796)	(3,134,168)	(3,134,168)	(1,548,384)	(1,548,384)
9									
10	Rate Base Revenue Requirement		9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%
11	Return on Rate Base (OTP Total)		447,299	(278,733)	(532,499)	(291,478)	(291,478)	(144,000)	(144,000)
12									
13	North Dakota Share - Blended Base Peak Split		36.42%	36.42%	36.42%	36.42%	36.42%	36.42%	36.42%
14	Return on Rate Base (OTP ND)		162,917	(101,521)	(193,949)	(106,163)	(106,163)	(52,448)	(52,448)
15									
EXPENSES									
<i>O&M and Depreciation</i>									
17	Operations and Maintenance		6,904,226	3,699,519	800,057	935,824	935,824	236,999	236,999
18	Property Tax		1,127,988	1,074,480	1,036,260	1,036,260	1,036,260	1,036,260	1,036,260
19	Annual Depreciation Expense		3,558,914	4,174,868	1,845,531	233,350	233,350	232,757	232,757
20	Total O&M and Depreciation Expense		11,591,128	8,948,867	3,681,847	2,205,435	2,205,435	1,506,016	1,506,016
21									
22									
23	North Dakota Share - Blended Base Peak Split		36.42%	36.42%	36.42%	36.42%	36.42%	36.42%	36.42%
24	O&M (OTP ND)		4,221,765	3,239,391	1,341,017	803,272	803,272	548,527	548,527
25									
REVENUE REQUIREMENTS									
26	Total Revenue Requirements (OTP ND) - Line 12	Line 22	4,384,682	3,157,869	1,147,068	697,109	697,109	496,079	496,079
27									
28									
29	Revenue Requirement Shareback			(1,226,813)	(3,237,615)	(3,687,573)	(3,687,573)	(3,888,603)	(3,888,603)

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 3, 2023, we filed an application with the North Dakota Public Service Commission to update our Generation Cost Recovery Rider (GCRR) Rate, which 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 2.026 percent of your bill, a decrease from the current rate of 2.982 percent. This proposed change is for bills rendered on and after July 1, 2023.

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: (-\$0.74 at 1,000 kWh/month), Large General Service: (-\$184.92 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 2.026 percent of your base bill, and we'll include it as part of the Generation Rider line beginning July 1, 2023.

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	2.026%	-\$0.74
Large General Service	400,000 kWh & 1,000 kW	2.026%	-\$184.92

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 2.9822^{2.026} 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 2.026 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.