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June 30, 2023

Mr. Steve Kahl
Director of Administration/Executive Secretary
North Dakota Public Service Commission
600 East Boulevard, Dept. 408
Bismarck, ND 58505-0480

**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-23-083
Compliance Filing**

Dear Mr. Kahl:

Otter Tail Power Company (Otter Tail) submits this compliance filing following issuance of the North Dakota Public Service Commission's (Commission) Order dated June 28, 2023.

Attached to this letter you will find page 1 of the non-legislative version of Otter Tail's Rate Schedule Section 13.06, Generation Cost Recovery Rider, reflecting Commission approved changes. All North Dakota Customers will receive a rate change implementation notice with their July bills. A copy is attached.

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

Please contact me at 218-739-8699 or at wolson@otpc.com if you have any questions regarding this filing.

Sincerely,

/s/ WENDI A. OLSON
Wendi A. Olson
Regulatory Compliance Specialist

vjm
Enclosures
By electronic filing and U.S. mail

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
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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.

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**.

