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December 21, 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 the Application of Otter Tail Power Company for
Authority to Increase Rates for Electric Service in North Dakota
Case No. PU-23-342
OAH File No. 20230373**

Dear Mr. Kahl:

Otter Tail Power Company (Otter Tail) respectfully submits this interim rate tariff compliance filing in response to the North Dakota Public Service Commission's (Commission) December 13, 2023, Order on Interim Rates (Order) in this proceeding.

Otter Tail submits this filing to provide the Commission with revised rate schedules with an effective date of January 1, 2024, for this proceeding.

The following Rate Schedules are included in this filing:

- Index, Thirty-first Revision of Sheet 4 of 5: to reflect the addition of the Interim Rate Rider, please note the Thirtieth revision to Sheet 4 of 5 is also effective January 1, 2024 and was filed in Case No. PU-23-283 to reflect the updated name to the Metering & Distribution Technology Cost Recovery Rider.
- 13.00, Mandatory Riders – Applicability Matrix Pages 1 and 2; to reflect the addition of the Interim Rate Rider, please note, the ninth revision to Pages 1 and 2 are also effective January 1, 2024 and were filed in Case No. PU-23-283 to reflect the updated name to the Metering & Distribution Technology Cost Recovery Rider.
- 13.01, Energy Adjustment Rider, Pages 2 and 3: to reflect the changes to Asset-based Sales Margins where 100 percent of the actual revenues and costs are included in the energy adjustment rider as they are incurred.
- 13.04, Renewable Cost Recovery Rider, Page 1: to reflect the rate to zero due to the transition of costs from the rider to base rates beginning with interim rates.

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- 13.06, Generation Cost Recovery Rider, Page 1: to reflect the rate to zero due to the transition of costs from the rider to base rates beginning with interim rates.
- 13.12, Interim Rate Rider, Page 1, the original Interim Rate Rider.

Also including with this filing is a copy of the customer notice that will be sent as a bill insert with customer bills in January 2024. When the dates for public input sessions and the hearing are determined in this proceeding, we will include those dates in a subsequent notice to customers.

Please contact me at (218) 739-8395, or jfyhrie@otpc.com should you have any questions with respect to this filing.

Very truly yours,

/s/ JESSICA J. FYHRIE
Jessica J. Fyhrie
Manager Regulatory Proceedings

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Enclosures
By electronic filing
c: Service List

Section	Item
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11.00 OTHER SERVICES

11.01	Standby Service
11.02	Irrigation Service
11.03	Outdoor Lighting – Energy Only Dusk to Dawn
11.04	Outdoor Lighting Dusk to Dawn
11.05	Municipal Pumping Service
11.06	Civil Defense - Fire Sirens
11.07	LED Street and Area Lighting – Dusk to Dawn

12.00 PURCHASE POWER RIDERS & APPLICABILITY MATRIX

12.01	Small Power Producer Rider Occasional Delivery Energy Service (Net Energy Billing Rate)
12.02	Small Power Producer Rider Time of Delivery Energy Service
12.03	Small Power Producer Rider Dependable Service


13.00 MANDATORY RIDERS & APPLICABILITY MATRIX


13.01	Energy Adjustment Rider <ul style="list-style-type: none"> Applicable to <u>all</u> services and riders unless otherwise stated in the mandatory riders matrix
13.02	Reserved for Future Use
13.03	Reserved for Future Use
13.04	Renewable Resource Cost Recovery Rider
13.05	Transmission Cost Recovery Rider
13.06	Generation Cost Recovery Rider
13.07	Reserved for Future Use
13.08	Environmental Cost Recovery Rider
13.09	Reserved for Future Use
13.10	Reserved for Future Use
13.11	Meter & Distribution Technology (MDT) Cost Recovery Rider
13.12	Interim Rate Rider

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MANDATORY RIDERS - AVAILABILITY MATRIX

The amount of a bill for service will be modified by any Mandatory Rate Riders that must apply, Voluntary Rate Riders selected by the Customer, and charges listed in the General Rules and Regulations.

														
Applicability Matrix		Mandatory Riders	Energy Adjustment Rider by Service Category	Reserved for Future Use	Reserved for Future Use	Renewable Resource Cost Recovery Rider	Transmission Cost Recovery Rider	Generation Cost Recovery Rider	Reserved for Future Use	Environmental Cost Recovery Rider	Reserved for Future Use	Reserved for Future Use	Metering & Distribution Technology Cost Recovery Rider	Interim Rate Rider
Base Tariffs	Section Numbers	13.01	13.02	13.03	13.04	13.05	13.06	13.07	13.08	13.09	13.10	13.11	13.12	
RESIDENTIAL & FARM SERVICES														
Residential Service	9.01													
Residential Demand Control Service	9.02													
Farm Service	9.03													
Reserved for Future Use	9.04													
GENERAL SERVICES														
Small General Service (Less than 20 kW)	10.01													
General Service (20 kW or Greater)	10.02													
General Service - Time of Use	10.03													
Large General Service	10.04													
Large General Service - Time of Day	10.05													
Super Large General Service	10.06													
OTHER SERVICES														
Standby Service	11.01													
Irrigation Service	11.02													
Outdoor Lighting - Energy Only	11.03											✓		
Outdoor Lighting	11.04													
Municipal Pumping Service	11.05													
Fire Sirens - Civil Defense	11.06													
LED Street and Area Lighting	11.07													
Key:		✓ = May apply	■ = Mandatory	□ = Not Applicable										

 Applicability Matrix		Mandatory Riders	Energy Adjustment Rider by Service Category	Reserved for Future Use	Reserved for Future Use	Renewable Resource Cost Recovery Rider	Transmission Cost Recovery Rider	Generation Cost Recovery Rider	Reserved for Future Use	Environmental Cost Recovery Rider	Reserved for Future Use	Reserved for Future Use	Metering & Distribution Technology Cost Recovery Rider	Interim Rate Rider
Base Tariffs		Section Numbers	13.01	13.02	13.03	13.04	13.05	13.06	13.07	13.08	13.09	13.10	13.11	13.12
MANDATORY RIDERS														
Energy Adjustment Rider by Service Category	13.01													
Reserved for Future Use	13.02													
Reserved for Future Use	13.03													
Renewable Resource Cost Recovery Rider	13.04													
Transmission Cost Recovery Rider	13.05													
Generation Cost Recovery Rider	13.06													
Reserved for Future Use	13.07													
Environmental Cost Recovery Rider	13.08													
Reserved for Future Use	13.09													
Reserved for Future Use	13.10													
Metering & Distribution Technology Cost Recovery Rider	13.11													
Interim Rate Rider	13.12													
VOLUNTARY RIDERS														
Water Heating Control Rider	14.01													✓
Real Time Pricing Rider	14.02													
Large General Service Rider	14.03	✓												✓
Controlled Service - Interruptible Load CT Metering Rider	14.04													
Controlled Service - Interruptible Load Self-Contained Metering Rider	14.05													
Controlled Service Deferred Load Rider	14.06													
Fixed Time of Service Rider	14.07													
Air Conditioning Control Rider	14.08													
Voluntary Renewable Energy Rider	14.09													
WAPA Bill Crediting Program Rider	14.10													
Reserved for Future Use	14.11													
Bulk Interruptible Service Application and Pricing Guidelines	14.12													
Economic Development Rate Rider - Large General Service	14.13													
Key: ✓ = May apply ■ = Mandatory □ = Not Applicable														

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Fergus Falls, Minnesota

Protection Agency rules and regulations. Energy from the Company's hydro generating plants shall be included at zero cost.

2. The Energy cost of purchased power included in Account 555 when such Energy is purchased on an economic dispatch basis, exclusive of Capacity or Demand charges. This includes but is not limited to net costs linked to the utility's load serving obligation, associated with participation in wholesale electric Energy markets operated by Regional Transmission Organizations, Independent System Operators or similar entities that have received Federal Energy Regulatory Commission approval to operate the Energy markets. All Midcontinent Independent System Operator ("MISO") Energy and Ancillary service market charges and credits relating to retail sales and asset based sales, specifically including (but not limited to) Schedule 16 and 17 charges and credits shall be included in the calculation. C
3. The actual identifiable fossil and nuclear fuel costs associated with Energy purchased for reasons other than identified in 2 above.
4. The net Energy cost of Energy purchases from a renewable Energy source, including hydropower, wood, windpower, and biomass.
5. Less the fuel-related costs recovered through intersystem sales.
6. The Energy cost of avoided purchased power resulting from Hoot Lake Solar output.
7. Known MISO Planning Resource Auction capacity costs will be added to the energy adjustment rider or revenues will be credited (flow through) the energy adjustment rider.
8. All revenues and associated costs attributable to Asset-based Sales Margins, as defined below and in the amount calculated as described below, shall be included in the Energy adjustment calculation described in this schedule. C
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Fergus Falls, Minnesota

North Dakota, Section 13.01
ELECTRIC RATE SCHEDULE
Energy Adjustment Rider by Service Category
Page 3 of 3
Second Revision

Asset-based Sales Margins:

Asset-based Sales Margins are defined as wholesale Energy and ancillary services sales revenues from Company-owned generation resources less the sum of fuel, Energy costs (including costs associated with MISO markets that are recorded in FERC Account 555), and any additional transmission or other costs incurred that are required to make such sales (referred to as “margins”). One hundred percent of these actual revenues and costs shall be included in the energy adjustment rider as they are incurred.

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NORTH DAKOTA PUBLIC
SERVICE COMMISSION
Case No. PU-23-342

Approved by order dated December 13, 2023

EFFECTIVE with bills rendered on
and after January 1, 2024, in North Dakota

APPROVED: Bruce G. Gerhardson
Vice President, Regulatory Affairs



Fergus Falls, Minnesota

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.

Renewable Resource Cost Recovery Factor 0.000 percent
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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.

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 0.000 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.



Fergus Falls, Minnesota

INTERIM RATE RIDER

DESCRIPTION	RATE CODE
All Services	NINTM

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 as described in the Mandatory Riders – Applicability Matrix.

INTERIM RATE ADJUSTMENT: There shall be included on each North Dakota Customer's monthly bill a percent increase to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, Facilities Charge, and the monthly Minimum Charge. The following charge is applicable in addition to all charges for service being taken under the Company's standard rate schedules.

Interim Rate Adjustment – 30.51 percent

DETERMINATION OF INTERIM RATE ADJUSTMENT: As described in § 49-05-06 of the North Dakota Century Code, the Interim Rate Adjustment must be calculated using the proposed test year cost of capital, rate base, and expenses, except that the schedule must include:

- A rate of return on common equity for the public utility equal to that authorized by the commission in the public utility's most recent rate proceeding.
- Rate base or expense items the same in nature and kind as those allowed by a currently effective Commission order in the public utility's most recent rate proceeding.
- No change in existing rate design.

The Interim Rate Adjustment shall be rounded to the nearest 0.001 percent.

MANDATORY AND VOLUNTARY RIDERS: The amount of a bill for service will be modified by any Mandatory Rate Riders that must apply or Voluntary Rate Riders selected by the Customer, unless otherwise noted in this rider. See sections 12.00, 13.00 and 14.00 of the North Dakota electric rates for the matrices of riders.