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November 2, 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 2024 Renewable Resource Cost Recovery Adjustment Factor
Case No. PU-23-
Initial Filing**

Dear Mr. Kahl:

Otter Tail Power Company (Otter Tail) hereby submits to the North Dakota Public Service Commission (Commission) its application for approval of its 2024 Renewable Resource Cost Recovery Factor under Otter Tail's Renewable Resource Cost Recovery Rider.

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

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

Sincerely,

/S/ EMILY KETELSEN
Emily Ketelsen
Rates Analyst
Regulatory Economics

sjw
Enclosures
By electronic filing and U.S. mail

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

**In the Matter of Otter Tail Power
Company’s Application for Approval of
its 2024 Renewable Resource Cost
Recovery Adjustment Factor**

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

I. FILING SUMMARY

- A. This filing for Otter Tail Power Company’s (Otter Tail or Company) Renewable Resource Cost Recovery (RRCR) rider includes annual updated actual and forecasted costs and collections associated with the following:
 - 1. Merricourt Wind Energy Center (Merricourt) Production Tax Credits (PTCs).
 - 2. Wind Energy Facility Equipment Upgrades (Upgrade Project) to repower the following four wind facilities:
 - a. Langdon,
 - b. Ashtabula I,
 - c. Luverne, and
 - d. Ashtabula III
- B. Otter Tail proposes the RRCR Rider rates be adjusted to remove the costs associated with the Merricourt Wind Energy Facility and the Ashtabula III Wind Facility as Otter Tail is proposing base rate recovery of these projects effective with the implementation of interim rates on January 1, 2024, per Otter Tail’s General Rate Case filing, submitted on November 2, 2023.
- C. The RRCR is updated to include Otter Tail’s proposed capital structure included in the General Rate Case, using the return on equity approved in the last rate case. This change is included effective January 1, 2024, and any changes to the capital structure and associated costs approved in the rate case will be incorporated in the true-up of the next annual update to the RRCR.
- D. The E2 jurisdictional allocation factor is updated to reflect the proposed allocation factor included in the general rate case, effective January 1, 2024.

- E. To minimize the fluctuation of the RRCR Rider Rate, Otter Tail proposes to adjust the RRCR rate to zero with the implementation of interim rates, for the period of January 1, 2024, through March 31, 2024.
- F. Otter Tail proposes that the Merricourt PTCs remain in the rider, and accrued credits will be included in the true-up in the updated RRCR rates calculated in this filing, which Otter Tail proposes to be effective April 1, 2024.
- G. The North Dakota projected revenue requirement for the recovery period of April 1, 2024, through March 31, 2025, is \$1,943,515.
- H. The RRCR rider maintains a percent of bill rate design.
- I. The proposed rate decreases from 12.157 percent to zero percent on January 1, 2024, and is proposed to increase to 1.728 percent of base charges and credits for the recovery period. A residential customer using 1,000 kWh would see a monthly bill decrease of approximately \$8.32 on January 1, 2024, and an increase of \$1.18 beginning April 1, 2024.

II. INTRODUCTION

Otter Tail submits this Application to the North Dakota Public Service Commission (Commission) for approval of an annual update to its Renewable Resource Cost Recovery Adjustment Factor (RRCR Factor) under the Company's Renewable Resource Cost Recovery Rider (Renewable Resource Rider or Rider). This update results in a decrease to the RRCR Factor in Rate Schedule 13.04 from 12.157 percent to zero percent on January 1, 2024, and is proposed to increase to 1.728 percent of base charges and credits for the recovery period beginning April 1, 2024.

This filing is Otter Tail's sixteenth update to the RRCR Factor and includes actual cost and revenue information through August 2023 and forecast cost and revenue information from September 2023 through March 2025. The filing includes the revenue requirements (credit) associated with Otter Tail's Merricourt Wind Energy Facility (Merricourt Facility) PTCs and the costs and PTCs associated with the facilities included in the Upgrade Project. The proposed factor reflects a full levelization of Merricourt Facility PTCs over the life of the Merricourt Facility, as ordered in Case No. PU-19-387

(2020 RRCR), and flow-through treatment of PTCs for the facilities included in the Upgrade Project.¹ The proposed effective date of this annual update is April 1, 2024.

III. GENERAL FILING INFORMATION

Pursuant to N.D. Admin. Code § 69-02-02-04, the following information is provided.

A. Name, address, and telephone number of utility making the filing

Otter Tail Power Company
215 South Cascade Street
Fergus Falls, Minnesota 56538-0496
(218) 739-8200

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

Lauren D. Donofrio
Senior Associate General Counsel – Regulatory
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Associate General Counsel
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C. Date of filing and proposed effective date of rates

The date of this filing is November 2, 2023. Otter Tail proposes the initial updated RRCR factor of zero percent be reflected on customers' electric service bills effective January 1, 2024, with the subsequent rate to be effective April 1, 2024, or in the first full month following Commission approval if Commission action occurs after March 2024.

¹ Commission's March 18, 2020 Order in the Matter of Otter Tail Power Company's Request for Approval of its 2020 Renewable Resource Cost Recovery Adjustment Factor, Case No. PU-19-387.

D. Title of utility employee responsible for filing

Emily Ketelsen
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We request that all communications regarding this proceeding, including data requests, 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

E. Articles of Incorporation

Pursuant to N.D. Admin. Code § 69-02-02-04, a certified copy of Otter Tail's Articles of Incorporation is on file with the Commission, as is an original Certificate of Good Standing.

IV. DESCRIPTION AND PURPOSE OF FILING

A. Background

Commission authority for approval of this Rider and recovery of revenue requirements is granted under N.D.C.C. chapters 49-02, 49-05, and 49-06. The Commission's May 21, 2008 Order in Case No. PU-06-466 created a recovery mechanism and included provisions for Otter Tail's annual filing requirements. Otter Tail provides Attachment 1, which reflects the subsequent Renewable Resource Rider filings and Commission approvals.

This filing includes: updates related to the recovery of the Merricourt and Ashtabula III wind facilities in the RRCR through December 31, 2023; updates that reflect the removal of these facilities from RRCR recovery and into base rates effective January 1, 2024; updates to the RRCR jurisdictional allocation factor and capital structure proposed to be effective January 1, 2024; updates to Merricourt PTCs, which Otter Tail proposes to remain in the RRCR; and, the proposed recovery of the new Upgrade Projects. This update also includes the forecasted March 2024 tracker balance in the calculation of the revenue requirements and proposed RRCR Factor for the collection period of April 2024 through March 2025.

B. Moving Recovery of Merricourt and Ashtabula III Wind Facilities to Base Rate Recovery

On November 2, 2023, Otter Tail submitted a general rate case filing in North Dakota using a 2024 Forecasted Test Year, for purposes of updating base rates to be effective January 1, 2024, with the implementation of interim rates. In that filing, Otter Tail is proposing to move recovery of the Merricourt and Ashtabula III wind facilities out of the RRCR and into base rates effective January 1, 2024. In this filing, the revenue requirements associated with Merricourt and Ashtabula III are removed from RRCR recovery effective January 1, 2024.

C. Jurisdictional Allocation Factor and Capital Structure Updates

In the general rate case filing, Otter Tail has updated jurisdictional allocation factors and its proposed capital structure for the 2024 Test Year. In this filing, Otter Tail has included the updated E2 allocation factor effective January 1, 2024, to align with the factor used in Otter Tail's 2024 Test year. Otter Tail has also updated the capital structure in the RRCR to reflect the 53.5 percent equity ratio proposed in the general rate case Test Year but has left the return on equity percentage at the last approved 9.77 percent amount, effective January 1, 2024. Any changes to the allocation factor or capital structure components ultimately decided by the Commission in the rate case will be incorporated into the true-up of the RRCR in its next annual update, with those changes to be effective January 1, 2024.

D. Merricourt PTCs Proposed to Remain in RRCR

The Commission's 2020 RRCR Order required Otter Tail to levelize the recognition of the Merricourt PTCs over the life of the facility. Full levelization, for ratemaking purposes, spreads the tax benefit evenly over the 35-year depreciable

life of Merricourt. Otter Tail forecasts Merricourt will generate approximately \$155.5 million (OTP Total) / \$69.9 million (OTP ND) of PTCs in its first ten years of production to be spread over the life of the facility. Fully levelizing this amount, over the 35-year life of the Merricourt Facility, results in approximately \$4.4 million (OTP Total) / \$2.0 million (OTP ND) of annual tax credit, a reduction to tax expense, each year for 35 years. Estimated PTC amounts are updated annually with actual amounts and the levelization is true-up accordingly. Otter Tail proposes that the PTCs remain in the RRCR to facilitate this annual true-up.

Otter Tail provides the Merricourt Facility PTC tracker using the Fully Levelized PTC method over the currently approved 35-year life of the Merricourt Facility as Attachment 5.

E. Wind Repower Projects

Otter Tail has four existing wind farm facilities that will qualify for new PTCs through the Inflation Reduction Act (IRA) of 2022. To qualify for the PTCs, Otter Tail plans to upgrade the Langdon, Luverne, Ashtabula I, and Ashtabula III Wind Energy Facilities in 2024 and 2025. These upgrades involve replacing certain turbine technology, which will consist of removing and replacing the existing General Electric blades, hub, and gearbox with upgraded technology and increased blade rotor diameters. All 131 turbines to be repowered will reuse the existing 80-meter structural steel towers and existing nacelles. Otter Tail plans to use the existing turbine foundations (with reinforcement, if needed), collection and communication systems, and permanent access roads. Other associated facilities will remain unchanged. The current generation of these four wind facilities is approximately 661 GWhs annually. Installation of the upgraded equipment is expected to increase energy generation at the facilities to 832 GWhs annually, a total increase of 171 GWhs.

Total capital costs for the projects are estimated to be \$230 million (OTP Total). Otter Tail expects that these projects will generate more than \$23 million (OTP Total) in PTCs annually.² The Upgrade Projects were approved by the North Dakota Public Service Commission in siting application Case Nos. PU-23-86, PU-23-176, PU-23-252, and PU-23-256.

The Langdon Upgrade Project is expected to be completed in the fourth quarter of 2024. The Luverne, Ashtabula I, and Ashtabula III Upgrade Projects are expected to be completed in the second and third quarters of 2025. Otter Tail's

² 832,000 MWh x \$28/MWh PTC rate = 23,296,000.

request in this filing is for inclusion of these four Upgrade Projects in the RRCR for recovery effective January 1, 2024. The Langdon Upgrade Project costs will remain in the RRCR until the Commission approves final rates in Otter Tail's rate case, after which they will be rolled into base rates, and removed from the RRCR. Otter Tail also proposes that the PTCs for all of the Upgrade Projects be recognized as they are generated for rate making purposes in the RRCR.

The original projects were approved for recovery in the Commission's May 21, 2008 Order in Case No. PU-06-466 (Langdon), November 25, 2009 Order in Case No. PU-08-472 (Ashtabula I), August 4, 2010 Order in Case No. PU-10-018 (Luverne), and August 30, 2022 Order in Case No. PU-22-027 (Ashtabula III).

F. Revenue Requirements Calculation

Otter Tail requests recovery of (Attachment 2, Line No. 4) over the April 1, 2024, through March 31, 2025, recovery period. Included in the total revenue requirements are a carrying cost of \$25,705, the March 2024 expected tracker balance and a true up of \$891,572. As in the past, under-collections or over-collections carry forward in the tracker and true up in the following collection period.

The following provides detail into the various sections of the revenue requirement calculations in the Rider:

1. Revenue Requirements

The total annual revenue requirement is based on the sum of the revenue requirements computed in Attachments 5, 6, 7, 8, and 9. In this year's filing, the revenue requirement calculation related to each component is provided on a calendar year basis and includes updated actual information through August 2023 and projected amounts from September 2023 through March 2025.

The calculation for each calendar year includes three sections:

- a) A rate base computation section, using a 13-month average to calculate average rate base.
- b) An expense section listing income tax expenses incurred.
- c) The PTCs generated by the Merricourt Facility are levelized over the 35-year life of the project. This calculation is reflected in Attachment 5, Line No. 5, and North Dakota's share is shown on Line No. 7.

The revenue requirements section for the Upgrade Project, which encompasses Langdon, Ashtabula I, Luverne, and Ashtabula III wind facilities, includes a summary of the total expenses and return on rate base calculations. The North Dakota share of the revenue requirement is reflected in Attachments 6, 7, 8, and 9, on Line No. 44. This calculation includes the production tax credits the facilities are expected to generate in each of the first ten years of operation.

The worksheet for each calendar year provides supporting information, which includes capital structure detail and income tax calculation.

2. Rate of Return, Capital Structure, and Allocation Factors

As Ordered by the Commission in OTP's last general rate case, the return on equity effective January 1, 2018, is 9.77 percent, resulting in a rate of return on rate base of 7.64 percent.³ The current approved RRCR Rider rate is based on the rate of return and North Dakota allocation factors approved in that case. As noted earlier, this update incorporates the 2024 Test Year North Dakota allocation factors, proposed capital structure (with the current approved return on equity), and projected sales and revenues used in Otter Tail's submitted general rate case, which was also filed on Thursday November 2, 2023.

G. 2024 Renewable Tracker Report

The Renewable Resource Rider cost recovery mechanism uses a tracker account, shown in Attachment 4. The tracker summarizes total revenue requirements by project, credits retail revenue billed each month, and calculates the carrying charge or credit. The Tracker included with this filing reflects actual information through August 2023 and projected information through March 2025.

H. Calculation of 2024 RRCR Factor and Rate Design

Otter Tail proposes the continuation of the percent-of-bill rate design. The RRCR Factor is calculated using the forecasted March 2024 end-of-month balance, plus the calculated revenue requirement from April 2024 through March 2025, plus any carrying costs or credit, divided by the total forecasted base revenue from North Dakota electric retail customers from April 2024 through March 2025. The RRCR Factor calculation is shown on Attachment 3.

³ Commission's September 16, 2018 Order on Settlement in Case No. PU-17-398 for OTP's Electric Rate Increase Application.

Ordering paragraph 4 of the Commission’s August 4, 2010, Order in Case No. PU-10-18 requires Otter Tail to “continue to provide information in future Renewable Resource Cost Recovery Factor filings on capacity accreditation for wind projects.”⁴ Beginning in 2011, MISO began accrediting capacity based on each generation site’s production. In December 2020, MISO provided 2021/2022 capacity credits for each wind facility’s generation verification requirements (GVTC or maximum generating capacity), the megawatt generation (Production Percentage), and the wind capacity credit. A weighted average is computed to determine an Otter Tail system-wide capacity accreditation average.

The weighted average capacity factor for the planning year 2024/2025 is 31.49 percent, as shown in Attachment 11. Otter Tail’s four wind facilities continue to perform well above the MISO average capacity credit of 26.13 percent for wind farms across MISO’s footprint. Of Otter Tail’s wind farms, the Merricourt Wind Facility has the highest average MISO capacity credit at 35 percent. OTP uses MISO’s capacity accreditation to classify wind production plant into base energy and peak demand components. With the adoption of a seasonal resource adequacy construct, MISO has changed how it accredits wind capacity, looking to production during all seasons, not just the summer. As a result, OTP’s wind facilities have higher accredited capacity under the new construct. The seasonal and yearly average MISO capacity credit information for each wind farm is also provided in Attachment 11.

I. RRCR Factor Impact

This proposed annual update changes the RRCR Factor for all customers from 12.157 percent to zero percent on January 1, 2024, and is proposed to increase to 1.728 percent of base charges and credits beginning April 1, 2024, for the recovery period. The total revenue requirement to be collected during the April 2024 through March 2025 recovery period, as shown on page 2 of Attachment 4, is \$1,943,515. The proposed RRCR Factor is calculated in Attachment 3. The impact of this update for a residential customer using 1,000 kWh is a decrease of approximately \$8.32 on January 1, 2024, and an increase of \$1.18 beginning April 1, 2024.

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

During the period of January 1, 2024, when interim rates begin, through March 31, 2024, Otter Tail proposes that the RRCR Factor be set at zero. The Merricourt PTCs that are accrued during this time are included in the true-up of the proposed RRCR Factor calculation establishing the rate to be effective April 1, 2024. The reduction to a zero rate, rather than a negative rate reflecting only the PTCs, will allow a less volatile transition for customers during the three months between the rate case interim rate implementation and the approval of a new RRCR Factor.

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

J. Customer Notification

The notice of the proposed change in rates for the Renewable Resource Adjustment Rider, provided as Attachment 12, will be included on November 2023 customer bills.

Following approval, an implementation notice in the form of a bill insert, will be included with all customer's bills in the month the rate becomes effective.

V. PROPOSED RATE SCHEDULE

Otter Tail's revised rate schedule, Section 13.04 is provided as Attachment 13 in both legislative and non-legislative versions. In addition to the updated rate, Otter Tail is taking this opportunity to reference the Matrices in the Application of Rider section of this tariff and capitalize Customer, which is a Glossary term in Section 8.01 of our General Rules and Regulations. These changes are shown in detail on the attached rate schedule.

VI. CONCLUSION

Otter Tail respectfully requests the Commission approve the updated 2024 RRCR rider revenue requirement, the resulting RRCR Factor, and tariff updates as described to be effective April 1, 2024.

Dated: November 2, 2023

Respectfully Submitted,

OTTER TAIL POWER COMPANY

By: /s/EMILY KETELSEN

Emily Ketelsen

Rates Analyst, Regulatory Economics

Otter Tail Power Company

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OTTER TAIL POWER COMPANY
2024 RRCR FILING ATTACHMENTS

Attachment 1	RRCR Procedural History
Attachment 2	Summary of Revenue Requirements
Attachment 3	Rate Design
Attachment 4	Renewable Resource Tracker Report
Attachment 5	Merricourt Facility PTCs Tracker
Attachment 6	Langdon Repower Facility Tracker
Attachment 7	Ashtabula Repower Facility Tracker
Attachment 8	Luverne Repower Facility Tracker
Attachment 9	Ashtabula III Repower Facility Tracker
Attachment 10	ADIT Prorate Projection
Attachment 11	Seasonal MISO Capacity Credit
Attachment 12	November 2023 Bill Message
Attachment 13	Rate Schedule (legislative and non-legislative versions)

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

RRCR History	Case Number	Commission Approved	Effective Date
Original RRA Rate and Mechanism	PU-08-742 PU-08-862	January 14, 2009	February 1, 2009
First Update	PU-10-18	August 4, 2010	September 1, 2010
Second Update*	PU-12-24	March 21, 2012	April 1, 2012
Third Update	PU-13-16	July 10, 2013	April 1, 2013
Fourth Update	PU-14-14	March 12, 2014	April 1, 2014
Langdon Wind Energy Center Repower	PU-15-14	March 25, 2015	April 1, 2015
Sixth Update	PU-16-14	June 22, 2016	July 1, 2016
Luverne Wind Energy Center Repower	PU-17-016	March 15, 2017	April 1, 2017
Eighth Update	PU-17-398	December 20, 2017	January 1, 2018
Ninth Update	PU-17-398	February 27, 2018	March 1, 2018
Tenth Update	PU-17-398	December 19, 2018	February 1, 2019
Eleventh Update	PU-19-17	May 1, 2019	June 1, 2019
Twelfth Update	PU-19-387	March 18, 2020	April 1, 2020
Thirteen Update	PU-21-30	March 17, 2021	April 1, 2021
Fourteenth Update	PU-22-19	February 2, 2022	April 1, 2022
Fifteenth Update	PU-22-429	April 27, 2023	May 1, 2023

*Established the current collection timeline of April through March of the following year.

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

Summary of Revenue Requirements

Line No.	Revenue Requirements	April 2024 - March 2025
1	Revenue Requirements	\$ 1,026,238
2	Carrying Cost	25,705
3	True up	891,572
4	Total	<u>\$ 1,943,515</u>

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

Rate Design Calculation

Line No.	Rate Design	April 2024 - March 2025
1	Forecasted Retail Revenue, all classes	\$ 112,457,472
2	Revenue Requirements	\$ 1,943,515
3	Percentage of Revenue Rate	1.728%

Otter Tail Power Company
Renewable Rider Tracker
North Dakota

Line No.	TRACKER SUMMARY Requirements Compared to Billed:	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2024	2024	2024	2024
		April Actual	May Actual	June Actual	July Actual	August Actual	September Forecast	October Forecast	November Forecast	December Forecast	Year-End Forecast	January Forecast	February Forecast	March Forecast	Recovery Period
1	Revenue Requirements														
1	Langdon - DTA only effective 02/01/19	(24,353)	(24,353)	(24,353)	(24,353)	(24,353)	(24,353)	(24,353)	(24,353)	(24,353)	(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)	(1,066,188)				
3	Merricourt Wind Energy Center	941,419	943,717	949,108	944,006	945,530	936,324	936,324	936,324	936,324	11,329,979				
4	Ashtabula III - Effective January 2023	277,496	251,620	320,573	247,812	253,000	291,693	302,530	266,266	266,266	3,091,926				
5	Merricourt PTCs Only											(166,495)	(166,495)	(166,495)	
6	Langdon Wind Energy Center Repower											107,344	107,344	107,344	
7	Ashtabula I Wind Energy Center Repower											38,590	38,590	38,590	
8	Lavonne Wind Energy Center Repower											54,554	54,554	54,554	
9	Ashtabula III Wind Energy Center Repower											50,482	50,482	50,482	
10	Total Revenue Requirements	1,105,713	1,082,135	1,156,480	1,078,616	1,085,329	1,114,816	1,125,653	1,089,389	1,089,389	13,063,487	84,475	84,475	84,475	-
11															
12	Preservation of ADIT Proration	-	-	-	-	-	-	-	-	-	(6,713)				
13															
14	Renewable Energy Certificate Sales	0	(693,247)	0	0	0					(693,247)				
15															
16	Net Revenue Requirement	1,105,713	388,888	1,156,480	1,078,616	1,085,329	1,114,816	1,125,653	1,089,389	1,089,389	12,363,526	84,475	84,475	84,475	
17															
18															
19	Billed (forecast kWh x adj factor)	661,463	726,986	1,062,768	1,237,469	1,191,886	1,170,912	1,051,275	1,137,808	1,239,270	11,595,838	-	-	-	
20	ND ECRR Balance Transfer- Dec 2019 only														
21	Monthly Revenue Difference	449,434	(330,052)	99,656	(152,274)	(100,948)	(51,130)	79,019	(43,275)	(145,014)	88,420	88,843	89,391		
22	Cumulative Difference	1,263,468	933,416	1,033,072	880,798	779,850	728,720	807,738	764,463	619,450	707,869	796,712	886,104		
23	Carrying Cost Adj. for rate calculation	-	-	-	-	-	-	-	-	-	16,490	-	-	284	
24	Adjusted Cumulative Difference	1,268,652	938,600	1,038,256	885,982	785,034	733,904	812,923	769,647	624,634	713,053	801,896	891,572		
25															
26															
27	Carrying Charge Calculation	8,046	5,944	6,579	5,609	4,966	4,641	5,144	4,868	3,945	57,995	4,368	4,917	5,468	
28	Cumulative Carrying Charge	567,614	573,559	580,138	585,747	590,713	595,354	600,498	605,366	609,311		613,679	618,596	624,064	
29	Carrying Cost	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%		7.41%	7.41%	7.41%	
30	Monthly Rate	0.63683%	0.63683%	0.63683%	0.63683%	0.63683%	0.63683%	0.63683%	0.63683%	0.63683%		0.61710%	0.61710%	0.61710%	
31															
32	Life-to-Date Revenue Requirement	1,271,514	939,360	1,039,651	886,407	784,816	733,361	812,882	769,332	623,395		712,238	801,629	891,572	
33															
34	Forecasted Revenue	\$ 1,115,777	\$ 1,167,386	\$ 1,178,005	\$ 1,249,574	\$ 670,742	\$ 9,631,278	\$ 8,647,209	\$ 9,358,979	\$ 10,193,556	\$ 46,380,350	\$ 10,303,500	\$ 9,455,043	\$ 9,045,045	\$ 72,016,094

Approved by ND PSC on April 27, 2023, in Case No. PU-22-429	
Rate Calculation - Effective April 2023	April 2023 - March 2024
Revenue Requirements	12,358,709
Carrying Charge	41,325
True-up	462,044
Projected April revenue collected with prior rate	(621,952)
Total Revenue Requirements	12,240,125
Projected Revenue May 2023 - April 2024	100,680,524
Average Rate	12.157%

Otter Tail Power Company
Renewable Rider Tracker
North Dakota

Line No.	TRACKER SUMMARY													
	2024 April	2024 May	2024 June	2024 July	2024 August	2024 September	2024 October	2024 November	2024 December	2024 Year-End	2025 January	2025 February	2025 March	2025 Period
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Recovery
1	Requirements Compared to Billed:													
2	Revenue Requirements													
3														
4														
5														
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Approved by ND PSC on [DATE] in Case No. PU-

Rate Calculation - Effective April 2024		April 2024 - March 2025
Revenue Requirements		\$ 1,026,238
Carrying Charge		25,705
Cumulative True-up		891,572
Total Requirements		\$ 1,943,515
Revenue		\$ 112,457,472
New Rate		1.728%

Otter Tail Power Company
North Dakota Renewable Resource Rider
Langdon Wind Farm - Repower Project

Line No.	Dates >>	2024												Year-End Projected
		January Projected	February Projected	March Projected	April Projected	May Projected	June Projected	July Projected	August Projected	September Projected	October Projected	November Projected	December Projected	
1	RATE BASE													
2	Plant Balance - Langdon	-	-	-	-	-	-	-	-	-	-	-	49,202,349	49,202,349
3	Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-	-	(108,585)	(108,585)
4	Net Plant in Service	-	-	-	-	-	-	-	-	-	-	-	49,202,349	49,093,763
5														
6	CWIP Calculation:													
1	Beginning	13,448,522	13,468,522	23,796,407	23,816,408	23,836,408	24,356,408	25,876,408	27,401,408	42,140,279	45,007,447	49,202,349	-	13,448,522
	Additional CWIP	20,000	10,327,885	20,001	20,000	520,000	1,520,000	1,525,000	14,738,871	2,867,168	4,194,902	-	-	35,753,827
	Closings from CWIP	-	-	-	-	-	-	-	-	-	-	(49,202,349)	-	(49,202,349)
	AFUDC	-	-	-	-	-	-	-	-	-	-	-	-	-
1	CWIP	13,468,522	23,796,407	23,816,408	23,836,408	24,356,408	25,876,408	27,401,408	42,140,279	45,007,447	49,202,349	-	-	-
2														
3	ADIT Pro-Rated	1.00000	1.00000	1.00000	0.92077	0.83607	0.75410	0.66940	0.58470	0.50273	0.41803	0.33607	0.25137	-
4	Accum. Deferred Inc. Taxes - Fed Only	-	-	-	-	-	-	-	-	-	-	(332,274)	(575,318)	(575,318)
5	Accum. Deferred Inc. Taxes - Fed & State	-	-	-	-	-	-	-	-	-	-	(544,336)	(994,763)	(994,763)
6	Accum. Deferred Inc. Taxes - Fed & State - No Prorate	-	-	-	-	-	-	-	-	-	-	(1,200,778)	(1,718,614)	(1,718,614)
7	Accum. Deferred Inc. Taxes - Federal PTC	-	-	-	-	-	-	-	-	-	-	116,856	215,277	215,277
8	End of month rate base	13,468,522	23,796,407	23,816,408	23,836,408	24,356,408	25,876,408	27,401,408	42,140,279	45,007,447	49,202,349	48,774,869	48,314,278	48,314,278
9	End of month rate base - No Prorate	13,468,522	23,796,407	23,816,408	23,836,408	24,356,408	25,876,408	27,401,408	42,140,279	45,007,447	49,202,349	48,118,426	47,590,427	47,590,427
10														
11	Average rate base	2,624,614	2,624,614	2,624,614	2,624,614	2,624,614	2,624,614	2,624,614	2,624,614	2,624,614	2,624,614	2,624,614	2,624,614	31,495,362
12														
13	Return on Rate Base	194,358	194,358	194,358	194,358	194,358	194,358	194,358	194,358	194,358	194,358	194,358	194,358	2,332,297
14														
15	Available for return (equity portion of rate base)	137,175	137,175	137,175	137,175	137,175	137,175	137,175	137,175	137,175	137,175	137,175	137,175	1,646,095
16														
17	EXPENSES													
18	<i>O&M and Depreciation</i>													
19	Operating Costs	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Net Self Fund Transmission Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Ground Lease Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Property Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Book Depreciation	-	-	-	-	-	-	-	-	-	-	-	108,585	108,585
24	Total O&M and Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	108,585	108,585
25														
26	Income before Taxes													
27	Available for return (from above)	137,175	137,175	137,175	137,175	137,175	137,175	137,175	137,175	137,175	137,175	137,175	137,175	1,646,095
28	Less book tax credits - Federal PTC	-	-	-	-	-	-	-	-	-	-	(347,717)	(391,547)	(739,264)
29	Adjusted Income before interest and taxes	137,175	137,175	137,175	137,175	137,175	137,175	137,175	137,175	137,175	137,175	(210,543)	(254,372)	906,831
30														
31	Taxable Income (grossed up)	181,460	181,460	181,460	181,460	181,460	181,460	181,460	181,460	181,460	181,460	(278,513)	(336,493)	1,199,590
32														
33	Income Taxes													
34	Current and Def Income Taxes	44,285	44,285	44,285	44,285	44,285	44,285	44,285	44,285	44,285	44,285	(67,971)	(82,121)	292,759
35	Federal PTC	-	-	-	-	-	-	-	-	-	-	(347,717)	(391,547)	(739,264)
36	Total Income Tax Expense	44,285	44,285	44,285	44,285	44,285	44,285	44,285	44,285	44,285	44,285	(415,688)	(473,668)	(446,505)
37														
38	REVENUE REQUIREMENTS													
39	Expenses	44,285	44,285	44,285	44,285	44,285	44,285	44,285	44,285	44,285	44,285	(415,688)	(365,082)	(337,920)
40	Return on rate base	194,358	194,358	194,358	194,358	194,358	194,358	194,358	194,358	194,358	194,358	194,358	194,358	2,332,297
41														
42	Total revenue requirements	238,643	238,643	238,643	238,643	238,643	238,643	238,643	238,643	238,643	238,643	(221,330)	(170,724)	1,994,377
43														
44	North Dakota share - E2 factor	107,344	107,344	107,344	107,344	107,344	107,344	107,344	107,344	107,344	107,344	(99,557)	(76,794)	897,091
45														
46	SUPPORTING INFORMATION / DATA													
47														
48	ND Cap structure with allowed ROE per order.													
49	Capital Structure	Ratio	Cost	WA Cost			Fed Portion	State Portion						
50	Debt	46.50%	4.68%	2.18%			24.40%	20.09%	4.31%					
51	Preferred equity	0.00%	0.00%	0.00%			1.32284							
52	Common equity	53.50%	9.77%	5.23%										
53	Total	100.00%		7.41%										
54														
55														
56	Federal Production Tax Credit													
57	Federal PTC Rate	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50
58	Output (MWH) / month	-	-	-	-	-	-	-	-	-	-	12,644	14,238	26,882
59	Federal PTC Available based on production	-	-	-	-	-	-	-	-	-	-	347,717	391,547	739,264
60														
61	Credit to Customer	-	-	-	-	-	-	-	-	-	-	347,717	391,547	739,264
62	Credit to Customer - Cumulative	-	-	-	-	-	-	-	-	-	-	347,717	391,547	739,264
63														
64	Federal PTC Used on tax return	-	-	-	-	-	-	-	-	-	-	-	-	-
65	Deferred	-	-	-	-	-	-	-	-	-	-	347,717	391,547	739,264
66	Accumulated Deferred	-	-	-	-	-	-	-	-	-	-	347,717	391,547	739,264
67														
68	Deferred Tax													
69	Book depreciation	-	-	-	-	-	-	-	-	-	-	-	108,585	108,585
70	Tax depreciation-Federal	-	-	-	-	-	-	-	-	-	-	4,920,235	4,920,235	9,840,470
71	Tax depreciation-ND	-	-	-	-	-	-	-	-	-	-	4,920,235	4,920,235	9,840,470
72	Book vs. tax depreciation	-	-	-	-	-	-	-	-	-	-	(4,920,235)	(4,811,649)	(9,731,884)
73														
74	Federal deferred income taxes	-	-	-	-	-	-	-	-	-	-	(988,716)	(966,896)	(1,955,612)
75	State deferred income taxes	-	-	-	-	-	-	-	-	-	-	(212,062)	(207,382)	(419,444)

Otter Tail Power Company
North Dakota Renewable Resource Rider
Ashtabula I Wind Farm - Repower Project

Line No.	Dates >>	2025												Year-End Projected
		January Projected	February Projected	March Projected	April Projected	May Projected	June Projected	July Projected	August Projected	September Projected	October Projected	November Projected	December Projected	
1	RATE BASE													
2	Plant Balance - Ashtabula	-	-	-	-	-	-	45,254,404	50,462,245	51,134,002	51,357,349	52,957,349	55,225,391	55,225,391
3	Accumulated Depreciation	-	-	-	-	-	-	(100,205)	(211,941)	(438,882)	(325,164)	(438,882)	(556,143)	(556,143)
4	Net Plant in Service	-	-	-	-	-	-	45,254,404	50,362,040	50,922,061	51,032,185	52,518,467	54,669,248	54,669,248
6	CWIP Calculation:													
1	Beginning	26,019,392	26,024,392	26,029,392	26,034,392	26,039,392	27,211,059	43,415,980	-	-	-	-	-	26,019,392
	Additional CWIP	5,000	5,000	5,000	5,000	1,171,667	16,204,921	1,838,424	5,207,841	671,757	223,347	1,600,000	2,268,042	29,205,999
	Closings from CWIP AFUDC	-	-	-	-	-	-	(45,254,404)	(5,207,841)	(671,757)	(223,347)	(1,600,000)	(2,268,042)	(55,225,391)
1	CWIP	26,024,392	26,029,392	26,034,392	26,039,392	27,211,059	43,415,980	-	-	-	-	-	-	-
2	ADIT Pro-Rated	0.16438	0.08767	0.00274	0.92055	0.83562	0.75342	0.66849	0.58356	0.50137	0.41644	0.33425	0.24932	-
4	Accum. Deferred Inc. Taxes - Fed Only	-	-	-	-	-	-	(247,286)	(451,405)	(625,612)	(770,185)	(886,190)	(972,541)	(972,541)
5	Accum. Deferred Inc. Taxes - Fed & State	-	-	-	-	-	-	(326,627)	(605,767)	(854,499)	(1,073,532)	(1,263,976)	(1,424,614)	(1,424,614)
6	Accum. Deferred Inc. Taxes - Fed & State - No Prorate	-	-	-	-	-	-	(449,257)	(751,429)	(1,027,755)	(1,276,124)	(1,495,036)	(1,684,616)	(1,684,616)
7	Accum. Deferred Inc. Taxes - Federal PTC	-	-	-	-	-	-	204,199	381,003	630,114	857,376	987,767	1,117,944	1,117,944
8	End of month rate base	26,024,392	26,029,392	26,034,392	26,039,392	27,211,059	43,415,980	45,131,976	50,137,276	50,697,676	50,816,029	52,242,257	54,362,578	54,362,578
9	End of month rate base - No Prorate	26,024,392	26,029,392	26,034,392	26,039,392	27,211,059	43,415,980	45,009,346	49,991,614	50,524,420	50,613,437	52,011,198	54,102,576	54,102,576
10														
11	Average rate base	3,231,806	3,231,806	3,231,806	3,231,806	3,231,806	3,231,806	3,231,806	3,231,806	3,231,806	3,231,806	3,231,806	3,231,806	38,781,676
12														
13	Return on Rate Base	239,322	239,322	239,322	239,322	239,322	239,322	239,322	239,322	239,322	239,322	239,322	239,322	2,871,863
14														
15	Available for return (equity portion of rate base)	168,909	168,909	168,909	168,909	168,909	168,909	168,909	168,909	168,909	168,909	168,909	168,909	2,026,912
16														
17	EXPENSES													
18	O&M and Depreciation													
19	Operating Costs	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Net Self Fund Transmission Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Ground Lease Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Property Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Book Depreciation	-	-	-	-	-	-	-	100,205	111,736	113,223	113,718	117,261	556,143
24	Total O&M and Depreciation Expense	-	-	-	-	-	-	-	100,205	111,736	113,223	113,718	117,261	556,143
25														
26	Income before Taxes													
27	Available for return (from above)	168,909	168,909	168,909	168,909	168,909	168,909	168,909	168,909	168,909	168,909	168,909	168,909	2,026,912
28	Less book tax credits - Federal PTC	-	-	-	-	-	-	(305,462)	(302,972)	(496,861)	(545,730)	(390,103)	(522,139)	(2,563,267)
29	Adjusted Income before interest and taxes	168,909	168,909	168,909	168,909	168,909	168,909	168,909	(136,553)	(134,063)	(327,951)	(376,820)	(221,194)	(536,355)
30														
31	Taxable Income (grossed up)	223,440	223,440	223,440	223,440	223,440	223,440	223,440	(180,637)	(177,344)	(433,826)	(498,472)	(292,603)	(467,265)
32														
33	Income Taxes													
34	Current and Def Income Taxes	54,530	54,530	54,530	54,530	54,530	54,530	54,530	(44,084)	(43,281)	(105,875)	(121,652)	(71,409)	(114,036)
35	Federal PTC	-	-	-	-	-	-	-	(305,462)	(302,972)	(496,861)	(545,730)	(390,103)	(522,139)
36	Total Income Tax Expense	54,530	54,530	54,530	54,530	54,530	54,530	54,530	(349,547)	(346,253)	(602,736)	(667,381)	(461,514)	(636,174)
37														
38	REVENUE REQUIREMENTS													
39	Expenses	54,530	54,530	54,530	54,530	54,530	54,530	54,530	(349,547)	(246,048)	(491,000)	(554,158)	(347,794)	(2,180,280)
40	Return on rate base	239,322	239,322	239,322	239,322	239,322	239,322	239,322	239,322	239,322	239,322	239,322	239,322	2,871,863
41														
42	Total revenue requirements	293,852	293,852	293,852	293,852	293,852	293,852	293,852	(110,225)	(6,727)	(251,678)	(314,836)	(108,472)	(691,583)
43														
44	North Dakota share - E2 factor	132,178	132,178	132,178	132,178	132,178	132,178	132,178	(49,580)	(3,026)	(113,207)	(141,617)	(48,792)	(125,763)
45														
46	SUPPORTING INFORMATION / DATA													
47														
48	ND Cap structure with allowed ROE per order.													
49	Capital Structure	Ratio	Cost	WA Cost				Fed Portion	State Portion					
50	Debt	46.50%	4.68%	2.18%				24.40%	20.09%	4.31%				
51	Preferred equity	0.00%	0.00%	0.00%				1.32284						
52	Common equity	53.50%	9.77%	5.23%										
53	Total	100.00%		7.41%				E2 Factor	44.981%					
54														
55														
56	Federal Production Tax Credit													
57	Federal PTC Rate	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50
58	Output (MWH) / month	-	-	-	-	-	-	11,108	11,017	18,068	19,845	14,186	18,987	93,210
59	Federal PTC Available based on production	-	-	-	-	-	-	305,462	302,972	496,861	545,730	390,103	522,139	2,563,267
60														
61	Credit to Customer	-	-	-	-	-	-	305,462	302,972	496,861	545,730	390,103	522,139	2,563,267
62	Credit to Customer - Cumulative	-	-	-	-	-	-	305,462	608,435	1,105,296	1,651,025	2,041,128	2,563,267	2,563,267
63														
64	Federal PTC Used on tax return	-	-	-	-	-	-	-	-	-	-	-	-	-
65	Deferred	-	-	-	-	-	-	305,462	302,972	496,861	545,730	390,103	522,139	2,563,267
66	Accumulated Deferred	-	-	-	-	-	-	305,462	608,435	1,105,296	1,651,025	2,041,128	2,563,267	2,563,267
67														
68	Deferred Tax													
69	Book depreciation	-	-	-	-	-	-	-	100,205	111,736	113,223	113,718	117,261	556,143
70	Tax depreciation-Federal	-	-	-	-	-	-	-	1,840,846	1,840,846	1,840,846	1,840,846	1,840,846	11,045,078
71	Tax depreciation-ND	-	-	-	-	-	-	-	1,840,846	1,840,846	1,840,846	1,840,846	1,840,846	11,045,078
72	Book vs. tax depreciation	-	-	-	-	-	-	-	(1,840,846)	(1,740,642)	(1,729,110)	(1,727,623)	(1,727,128)	(10,488,935)
83	Federal deferred income taxes	-	-	-	-	-	-	-	(369,916)	(349,780)	(347,463)	(347,164)	(346,353)	(2,107,741)
84	State deferred income taxes	-	-	-	-	-	-	-	(79,340)	(75,022)	(74,525)	(74,461)	(74,439)	(452,073)

Otter Tail Power Company
North Dakota Renewable Resource Rider
Luverne Wind Farm

Line No.	Dates >>	2025												Year-End Projected
		January Projected	February Projected	March Projected	April Projected	May Projected	June Projected	July Projected	August Projected	September Projected	October Projected	November Projected	December Projected	
1	RATE BASE													
2	Plant Balance - Luverne	-	-	-	-	-	-	-	-	58,319,321	58,319,321	58,319,321	58,319,321	58,319,321
3	Accumulated Depreciation	-	-	-	-	-	-	-	-	-	(141,118)	(282,236)	(423,355)	(423,355)
4	Net Plant in Service	-	-	-	-	-	-	-	-	58,319,321	58,178,202	58,037,084	57,895,966	57,895,966
5														
6	CWIP Calculation:													
1	Beginning	33,264,921	33,269,921	33,274,921	33,299,921	33,324,921	51,331,768	55,481,090	55,800,855	58,319,321	-	-	-	33,264,921
	Additional CWIP	5,000	5,000	25,000	25,000	18,006,847	4,149,322	319,765	2,518,466	-	-	-	-	25,054,400
	Closings from CWIP	-	-	-	-	-	-	-	-	-	-	-	-	-
	AFUDC	-	-	-	-	-	-	-	-	(58,319,321)	-	-	-	(58,319,321)
1	CWIP	33,269,921	33,274,921	33,299,921	33,324,921	51,331,768	55,481,090	55,800,855	58,319,321	-	-	-	-	-
2														
3	ADIT Pro-Rated	0.16438	0.08767	0.00274	0.92055	0.83562	0.75342	0.66849	0.58356	0.50137	0.41644	0.33425	0.24932	-
4	Accum. Deferred Inc. Taxes - Fed Only	-	-	-	-	-	-	-	-	(293,783)	(525,990)	(712,367)	(851,386)	(851,386)
5	Accum. Deferred Inc. Taxes - Fed & State	-	-	-	-	-	-	-	-	(419,461)	(771,264)	(1,077,237)	(1,335,852)	(1,335,852)
6	Accum. Deferred Inc. Taxes - Fed & State - No Prorate	-	-	-	-	-	-	-	-	(711,639)	(1,096,660)	(1,448,463)	(1,754,436)	-
7	Accum. Deferred Inc. Taxes - Federal PTC	-	-	-	-	-	-	-	-	229,739	462,721	603,303	740,777	740,777
8	End of month rate base	33,269,921	33,274,921	33,299,921	33,324,921	51,331,768	55,481,090	55,800,855	58,319,321	58,129,599	57,869,659	57,563,150	57,300,892	57,300,892
9	End of month rate base - No Prorate	33,269,921	33,274,921	33,299,921	33,324,921	51,331,768	55,481,090	55,800,855	58,319,321	57,837,421	57,544,264	57,191,924	56,882,308	56,882,308
10														
11	Average rate base	3,963,019	3,963,019	3,963,019	3,963,019	3,963,019	3,963,019	3,963,019	3,963,019	3,963,019	3,963,019	3,963,019	3,963,019	47,556,226
12														
13	Return on Rate Base	293,470	293,470	293,470	293,470	293,470	293,470	293,470	293,470	293,470	293,470	293,470	293,470	3,521,637
14														
15	Available for return (equity portion of rate base)	207,126	207,126	207,126	207,126	207,126	207,126	207,126	207,126	207,126	207,126	207,126	207,126	2,485,511
16														
17	EXPENSES													
18	O&M and Depreciation													
19	Operating Costs	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Net Self Fund Transmission Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Ground Lease Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Property Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Book Depreciation	-	-	-	-	-	-	-	-	-	141,118	141,118	141,118	423,355
24	Total O&M and Depreciation Expense	-	-	-	-	-	-	-	-	-	141,118	141,118	141,118	423,355
25														
26	Income before Taxes													
27	Available for return (from above)	207,126	207,126	207,126	207,126	207,126	207,126	207,126	207,126	207,126	207,126	207,126	207,126	2,485,511
28	Less book tax credits - Federal PTC	-	-	-	-	-	-	-	-	(458,223)	(559,463)	(420,594)	(551,407)	(1,989,688)
29	Adjusted Income before interest and taxes	207,126	207,126	207,126	207,126	207,126	207,126	207,126	207,126	(251,098)	(352,337)	(213,468)	(344,282)	-495,823
30														
31	Taxable Income (grossed up)	273,994	273,994	273,994	273,994	273,994	273,994	273,994	273,994	(332,161)	(466,084)	(282,384)	(455,428)	655,893
32														
33	Income Taxes													
34	Current and Def Income Taxes	66,868	66,868	66,868	66,868	66,868	66,868	66,868	66,868	(81,064)	(113,747)	(68,915)	(111,147)	160,070
35	Federal PTC	-	-	-	-	-	-	-	-	(458,223)	(559,463)	(420,594)	(551,407)	(1,989,688)
36	Total Income Tax Expense	66,868	66,868	66,868	66,868	66,868	66,868	66,868	66,868	(539,287)	(673,210)	(489,510)	(662,554)	(1,829,618)
37														
38	REVENUE REQUIREMENTS													
39	Expenses	66,868	66,868	66,868	66,868	66,868	66,868	66,868	66,868	(539,287)	(532,092)	(348,391)	(521,436)	(1,406,263)
40	Return on rate base	293,470	293,470	293,470	293,470	293,470	293,470	293,470	293,470	293,470	293,470	293,470	293,470	3,521,637
41														
42	Total revenue requirements	360,338	360,338	360,338	360,338	360,338	360,338	360,338	360,338	(245,817)	(238,622)	(54,922)	(227,966)	2,115,374
43														
44	North Dakota share - E2 factor	162,084	162,084	162,084	162,084	162,084	162,084	162,084	162,084	(110,571)	(107,335)	(24,704)	(102,542)	951,517
45														
46	SUPPORTING INFORMATION / DATA													
47														
48	ND Cap structure with allowed ROE per order.													
49	Capital Structure	Ratio	Cost	WA Cost				Fed Portion	State Portion					
50	Debt	46.50%	4.68%	2.18%			Effective Tax Rate	24.40%	20.09%	4.31%				
51	Preferred equity	0.00%	0.00%	0.00%			Tax conversion factor	1.32284						
52	Common equity	53.50%	9.77%	5.23%										
53	Total	100.00%		7.41%			E2 Factor	44.981%						
54														
55														
56	Federal Production Tax Credit													
57	Federal PTC Rate	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50
58	Output (MWH) / month	-	-	-	-	-	-	-	-	16,663	20,344	15,294	20,051	72,352
59	Federal PTC Available based on production	-	-	-	-	-	-	-	-	458,223	559,463	420,594	551,407	1,989,688
60														
61	Credit to Customer	-	-	-	-	-	-	-	-	458,223	559,463	420,594	551,407	1,989,688
62	Credit to Customer - Cumulative	-	-	-	-	-	-	-	-	458,223	1,017,686	1,438,280	1,989,688	1,989,688
63														
64	Federal PTC Used on tax return	-	-	-	-	-	-	-	-	-	-	-	-	-
65	Deferred	-	-	-	-	-	-	-	-	458,223	559,463	420,594	551,407	1,989,688
66	Accumulated Deferred	-	-	-	-	-	-	-	-	458,223	1,017,686	1,438,280	1,989,688	1,989,688
67														
68	Deferred Tax													
69	Book depreciation	-	-	-	-	-	-	-	-	-	141,118	141,118	141,118	423,355
70	Tax depreciation-Federal	-	-	-	-	-	-	-	-	-	2,915,966	2,915,966	2,915,966	11,663,864
71	Tax depreciation-ND	-	-	-	-	-	-	-	-	-	2,915,966	2,915,966	2,915,966	11,663,864
72	Book vs. tax depreciation	-	-	-	-	-	-	-	-	(2,915,966)	(2,774,848)	(2,774,848)	(2,774,848)	(11,240,510)
73														
74	Federal deferred income taxes	-	-	-	-	-	-	-	-	(585,960)	(557,603)	(557,603)	(557,603)	(2,258,769)
75	State deferred income taxes	-	-	-	-	-	-	-	-	(125,678)	(119,596)	(119,596)	(119,596)	(484,466)

Otter Tail Power Company
North Dakota Renewable Resource Rider
Ashtabula III Wind Farm - Repower Project

Line No.	Dates >>	2025												Year-End Projected	
		January Projected	February Projected	March Projected	April Projected	May Projected	June Projected	July Projected	August Projected	September Projected	October Projected	November Projected	December Projected		
1	RATE BASE														
2	Plant Balance - Ashtabula III	-	-	-	-	-	-	-	-	-	-	-	64,224,032	67,088,313	67,088,313
3	Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	(145,660)	(145,660)
4	Net Plant in Service	-	-	-	-	-	-	-	-	-	-	-	64,224,032	66,942,652	66,942,652
5															
6	CWIP Calculation:														
1	Beginning	35,657,122	35,662,122	35,667,122	35,672,122	35,677,122	35,682,122	54,366,286	57,901,972	58,573,377	59,244,782	62,274,032	-	-	35,657,122
	Additional CWIP	5,000	5,000	5,000	5,000	5,000	18,684,164	3,535,686	671,405	671,405	3,029,250	(64,224,032)	2,864,281	(2,864,281)	31,431,191
	Closings from CWIP APUDC	-	-	-	-	-	-	-	-	-	-	-	-	-	(67,088,313)
1	CWIP	35,662,122	35,667,122	35,672,122	35,677,122	35,682,122	54,366,286	57,901,972	58,573,377	59,244,782	62,274,032	-	-	-	-
2	ADIT Pro-Rated														
4	Accum. Deferred Inc. Taxes - Fed Only	0.16438	0.08767	0.00274	0.92055	0.83562	0.73342	0.66849	0.58356	0.50137	0.41644	0.33425	0.24932		
5	Accum. Deferred Inc. Taxes - Fed & State	-	-	-	-	-	-	-	-	-	-	-	(450,609)	(779,421)	(779,421)
6	Accum. Deferred Inc. Taxes - Fed & State - No Prorate	-	-	-	-	-	-	-	-	-	-	-	(739,759)	(1,351,444)	(1,351,444)
7	Accum. Deferred Inc. Taxes - Federal PTC	-	-	-	-	-	-	-	-	-	-	-	(1,637,284)	(2,341,495)	(2,341,495)
8	End of month rate base	35,662,122	35,667,122	35,672,122	35,677,122	35,682,122	54,366,286	57,901,972	58,573,377	59,244,782	62,274,032	63,664,169	65,943,975	65,943,975	65,943,975
9	End of month rate base - No Prorate	35,662,122	35,667,122	35,672,122	35,677,122	35,682,122	54,366,286	57,901,972	58,573,377	59,244,782	62,274,032	62,766,645	64,953,925	64,953,925	64,953,925
10															
11	Average rate base	4,076,835	4,076,835	4,076,835	4,076,835	4,076,835	4,076,835	4,076,835	4,076,835	4,076,835	4,076,835	4,076,835	4,076,835	4,076,835	48,922,025
12															
13	Return on Rate Base	301,898	301,898	301,898	301,898	301,898	301,898	301,898	301,898	301,898	301,898	301,898	301,898	301,898	3,622,777
14															
15	Available for return (equity portion of rate base)	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075	2,556,894
16															
17	EXPENSES														
18	<i>O&M and Depreciation</i>														
19	Operating Costs														-
20	Net Sell Fund Transmission Payments														-
21	Ground Lease Payments														-
22	Property Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Book Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Total O&M and Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	145,660
25															145,660
26	Income before Taxes														
27	Available for return (from above)	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075	2,556,894
28	Less book tax credits - Federal PTC	-	-	-	-	-	-	-	-	-	-	-	(538,216)	(693,380)	(1,231,596)
29	Adjusted Income before interest and taxes	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075	(325,141)	(480,305)	1,325,298
30															
31	Taxable Income (grossed up)	281,863	281,863	281,863	281,863	281,863	281,863	281,863	281,863	281,863	281,863	281,863	(430,109)	(635,365)	1,753,154
32															
33	Income Taxes														
34	Current and Def Income Taxes	68,788	68,788	68,788	68,788	68,788	68,788	68,788	68,788	68,788	68,788	68,788	(104,968)	(155,060)	427,855
35	Federal PTC	-	-	-	-	-	-	-	-	-	-	-	(538,216)	(693,380)	(1,231,596)
36	Total Income Tax Expense	68,788	68,788	68,788	68,788	68,788	68,788	68,788	68,788	68,788	68,788	68,788	(643,184)	(848,440)	(803,740)
37															
38	REVENUE REQUIREMENTS														
39	Expenses	68,788	68,788	68,788	68,788	68,788	68,788	68,788	68,788	68,788	68,788	68,788	(643,184)	(702,780)	(658,080)
40	Return on rate base	301,898	301,898	301,898	301,898	301,898	301,898	301,898	301,898	301,898	301,898	301,898	301,898	301,898	3,622,777
41															
42	Total revenue requirements	370,686	370,686	370,686	370,686	370,686	370,686	370,686	370,686	370,686	370,686	370,686	(341,286)	(400,882)	2,964,697
43															
44	North Dakota share - E2 factor	166,739	166,739	166,739	166,739	166,739	166,739	166,739	166,739	166,739	166,739	166,739	(153,514)	(180,321)	1,333,552
45															
46	SUPPORTING INFORMATION / DATA														
47															
48	ND Cap structure with allowed ROE per order.														
49	Capital Structure	Ratio	Cost	WA Cost				Fed Portion	State Portion						
50	Debt	46.50%	4.68%	2.18%			Effective Tax Rate	24.40%	20.09%	4.31%					
51	Preferred equity	0.00%	0.00%	0.00%			Tax conversion factor	1.32284							
52	Common equity	53.50%	9.77%	5.23%											
53	Total	100.00%		7.41%			E2 Factor	44.981%							
54															
55															
56	Federal Production Tax Credit														
57	Federal PTC Rate	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50
58	Output (MWH) / month												19,571	25,214	44,785
59	Federal PTC Available based on production	-	-	-	-	-	-	-	-	-	-	-	538,216	693,380	1,231,596
60															
61	Credit to Customer	-	-	-	-	-	-	-	-	-	-	-	538,216	693,380	1,231,596
62	Credit to Customer - Cumulative	-	-	-	-	-	-	-	-	-	-	-	538,216	1,231,596	1,231,596
63															
64	Federal PTC Used on tax return	-	-	-	-	-	-	-	-	-	-	-	-	-	-
65	Deferred	-	-	-	-	-	-	-	-	-	-	-	538,216	693,380	1,231,596
66	Accumulated Deferred	-	-	-	-	-	-	-	-	-	-	-	538,216	1,231,596	1,231,596
67															
68	Deferred Tax														
69	Book depreciation	-	-	-	-	-	-	-	-	-	-	-	-	145,660	145,660
70	Tax depreciation-Federal	-	-	-	-	-	-	-	-	-	-	-	6,708,831	6,708,831	13,417,663
71	Tax depreciation-ND	-	-	-	-	-	-	-	-	-	-	-	6,708,831	6,708,831	13,417,663
72	Book vs. tax depreciation	-	-	-	-	-	-	-	-	-	-	-	(6,708,831)	(6,563,171)	(13,272,002)
73															
74	Federal deferred income taxes	-	-	-	-	-	-	-	-	-	-	-	(1,348,133)	(1,318,863)	(2,666,996)
75	State deferred income taxes	-	-	-	-	-	-	-	-	-	-	-	(289,151)	(282,873)	(572,023)

**Otter Tail Power Company
North Dakota Renewable Resource Rider
Federal ADIT Proration**

	(A)	(B)	(C)	(D)
April 2024 - March 2025 Recovery Period				
Line No.	Month	All Projects' Revenue Requirements	All Projects' Revenue Requirements with ADIT-Prorate	Difference due to Federal ADIT Proration (B - A)
1	Apr-24	84,139	84,475	336
2	May-24	84,139	84,475	336
3	Jun-24	84,139	84,475	336
4	Jul-24	84,139	84,475	336
5	Aug-24	84,139	84,475	336
6	Sep-24	84,139	84,475	336
7	Oct-24	84,139	84,475	336
8	Nov-24	(122,762)	(122,426)	336
9	Dec-24	(99,999)	(99,663)	336
10	Jan-25	199,216	199,965	748
11	Feb-25	189,291	190,039	748
12	Mar-25	266,252	267,000	748
13		1,020,968	1,026,238	5,270
14	Revenue Requirement Adjustment Related to Federal ADIT Proration			5,270

**Otter Tail Power Company
North Dakota Renewable Resource Rider
Seasonal MISO Capacity Credit**

Summer				
Ashtubula	48	13.70%	16%	2.19%
Ashtabula III	62.4	17.81%	18%	3.19%
Langdon	40.5	11.56%	16%	1.83%
Luverne	49.5	14.13%	20%	2.80%
Merricourt	150	42.81%	22%	9.25%
Total	350.4			19.25%

Fall				
Ashtubula	48	13.70%	32%	4.32%
Ashtabula III	62.4	17.81%	26%	4.65%
Langdon	40.5	11.56%	29%	3.34%
Luverne	49.5	14.13%	32%	4.48%
Merricourt	150	42.81%	25%	10.62%
Total	350.4			27.40%

Winter				
Ashtubula	48	13.70%	52%	7.16%
Ashtabula III	62.4	17.81%	55%	9.81%
Langdon	40.5	11.56%	56%	6.45%
Luverne	49.5	14.13%	56%	7.94%
Merricourt	150	42.81%	48%	20.46%
Total	350.4			51.83%

Spring				
Ashtubula	48	13.70%	20%	2.74%
Ashtabula III	62.4	17.81%	20%	3.51%
Langdon	40.5	11.56%	25%	2.88%
Luverne	49.5	14.13%	21%	2.99%
Merricourt	150	42.81%	36%	15.37%
Total	350.4			27.49%

Yearly Average				
Ashtubula	48	13.70%	30%	4.10%
Ashtabula III	62.4	17.81%	30%	5.29%
Langdon	40.5	11.56%	31%	3.62%
Luverne	49.5	14.13%	32%	4.55%
Merricourt	150	42.81%	33%	13.92%
Total	350.4			31.49%

Customer Notice – Bill Message

On November 2, 2023, we filed a request with the North Dakota Public Service Commission (PSC) to adjust our Renewable Resource Cost Recovery Rider Factor, which is part of the Renewable Rider line on your bill. This rider allows us to recover costs associated with renewable generation resources.

Please see below for more information.

The proposed rate decreases from 12.157 percent to 0 percent on January 1, 2024, and is proposed to increase to 1.728 percent of base charges and credits for the recovery period beginning April 1, 2024. A residential customer using 1,000 kilowatt-hours could see a monthly bill decrease of approximately \$8.32 on January 1, 2024, and an increase of \$1.18 beginning April 1, 2024. These changes would not be effective until the PSC reviews and approves.

For more information, contact Customer Service at 800-257-4044 or visit otpc.com.

Attachment 13
Legislative and Non-Legislative Versions of
Tariff Sheet ND 13.04 – Renewable Resource
Cost Recovery Rider



RENEWABLE RESOURCE COST RECOVERY RIDER

DESCRIPTION	RATE CODE
All Services	NRRA

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

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

COST RECOVERY CHARGE: There shall be included on each North Dakota eCustomer’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 1.72812.157 percent
--

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.



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 as described in the Mandatory Riders – Applicability Matrix.

C
C

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.

C

Renewable Resource Cost Recovery Factor 1.728 percent
--

R

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