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January 30, 2024



Mr. Steve Kahl
Director of Administration/Executive Secretary
North Dakota Public Service Commission
State Capitol
600 East Boulevard, Dept. 408
Bismarck, ND 58505-0408

**PUBLIC DOCUMENT -
NOT PUBLIC (OR PRIVILEGED)
DATA HAS BEEN EXCISED**

**RE: In the Matter of Small Power Production and Cogeneration Rates for
Otter Tail Power Company
Case No. PU-24-
Initial Filing**

Dear Mr. Kahl:

Otter Tail Power Company (Otter Tail) hereby submits to the North Dakota Public Service Commission (Commission) Annual updates to rate schedules 12.01, 12.02, and 12.03, Small Power Producer purchased power rates. These rate schedules set forth the rates under which Otter Tail is obligated to purchase energy and capacity from qualifying facilities.

Attachments 2, 3, 4 and 6 contain trade secret information. In accordance with N.D. Admin. Code § 69-02-09-02, an Application for Trade Secret Protection is being provided along with a single copy of the trade secret version of the Application and supporting testimony in a sealed envelope marked **PROTECTED INFORMATION – PRIVATE**.

Copies of this filing have been sent to you via USPS.

Please contact me at (218) 739-8799 or sfedje@otpc.com if you have any questions regarding this filing.

Sincerely,

/s/ SVETLANA A. FEDJE
Svetlana A. Fedje
Pricing Analyst
Regulatory Economics

lcd
Enclosures
By electronic filing and U.S. mail

1 PU-24-63 Filed 01/30/2024 Pages: 35
Application for Proposed Changes to Small Power
Production and Cogeneration Rates - Redacted
Otter Tail Power Company
Svetlana Fedje, Pricing Analyst

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

**In the Matter of Otter Tail Power
Company's Rates for Small Power
Production and Cogeneration**

**Case No. PU-24-
APPLICATION**

I. INTRODUCTION

Otter Tail Power Company (Otter Tail or the Company) hereby files with the North Dakota Public Service Commission (Commission) proposed annual changes to the Small Power Production and Cogeneration rate schedules 12.01, 12.02, and 12.03. Additionally, these rate schedules set forth the rates under which Otter Tail is obligated to purchase energy and capacity from qualifying facilities (QFs) under North Dakota Administrative Code, Chapter 69-09-07. In addition, Midwest Reliability Organization (MRO) on page 3 of rate schedule 12.03 has been updated to properly reference Midcontinent Independent System Operator (MISO) and glossary terms have been capitalized where identified within all three rates schedules.

II. 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.

Lauren D. Donofrio
Senior Associate General Counsel
Otter Tail Power Company
215 South Cascade Street
P.O. Box 496
Fergus Falls, MN 56538-0496
Phone (218) 739-8774

C. Title of utility employee responsible for filing.

Svetlana A. Fedje
Pricing Analyst
Otter Tail Power Company
215 South Cascade Street
P.O. Box 496
Fergus Falls, MN 56538-0496
Phone (218) 739-8799
sfedje@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 January 30, 2024. Otter Tail proposes that the updated rates for small power production and cogeneration, contained herein, go into effect as of April 1, 2024, or on the first day of the following month upon Commission approval.

E. State and/or administrative rule which Otter Tail believes controls the reason for, and the time of, the filing.

Otter Tail believes that this filing is controlled by North Dakota Administrative Code § 69-09-07-08 regarding obligations to QFs and North Dakota Administrative Code § 69-09-07-09, which among other things requires that rates for purchase be just, reasonable, in the public interest, and not discriminate against qualifying cogeneration and small power production facilities.

Otter Tail is not aware of any specific statutory or administrative rule governing the timing of this filing. Although North Dakota Administrative Code § 69-09-02-01(2) prescribes that all proposed changes in rates for the furnishing of electric service by a utility must be filed with the Commission 30 days prior to its effective date, there is no comparable rule for the filing of changes in the rates charged by QFs.

III. DESCRIPTION OF AND PURPOSE OF FILING

In this application, Otter Tail is proposing to update the energy and capacity payments and the Renewable Energy Credits (RECs) a/k/a Renewable Energy Certificates for both wind and solar RECs to 2023 values. These updates are typical and have occurred routinely in previous filing updates.

As reflected in our supporting documents (Attachment 1 – ND SPP Customer Generation Report, Attachment 2 – Capacity Payment Schedule for Rate 12.03, Attachment 3 – REC Payments, Attachment 4 – Energy Payments). The calculated proposed avoided energy payments show a decrease in their on-peak and in the off-peak energy credit rate in 2024. The avoided costs are lower compared to last year primarily due to: (1) MISO market prices are lower than last year resulting in Otter Tail units being dispatched less. This is the result of lower natural gas prices and energy market price forecasts. (2) In our modeling forecast estimates, the MISO market is the marginal market over 90 percent of the time compared to last year when the MISO market was marginal in the mid 80 percent range.

Otter Tail's current projections, as provided and detailed in our current Integrated Resource Plan,¹ are for a capacity surplus in the coming 10-years. The capacity rate is zero because Otter Tail expects to have surplus capacity, avoiding any capacity costs.² And lastly, the payments for wind RECs are decreasing slightly and the Solar RECs remained unchanged. Please see Attachment 3 for the calculations of the rates for all REC payment options for facilities that are renewable.

Otter Tail calculates the RECs value, proposed for the payments in this filing, based on the average actual RECs net sales/purchases executed by Otter Tail in the prior, 2023 calendar year, which reflect a slight change in Wind REC payments. Otter Tail is using most recent 2023 purchased Solar REC's information, there is a significant change to the rate.

The RECs value is paid to the customer who sells renewable energy to Otter Tail. By paying the customer the RECs value, Otter Tail owns the REC associated with the energy received from the renewable generator. Customers who choose not to receive a REC payment from Otter Tail retain REC ownership. Otter Tail endeavors to update the value of the RECs at the same time the avoided cost updates are filed.

¹ Otter Tail's September 1, 2021, Initial Filing *In the Matter of Otter Tail Power Company's Submittal of its 2022-2036 Integrated Resource Plan* in Case No. PU-21-380, Table 3-2, Line No. 15 of the Resource Plan.

² 69-09-07-09. Rates for purchases must: Qualifying facilities are entitled to payment for avoided capacity when utility load forecasts project capacity deficits within ten years and the qualifying facility has entered into a power supply contract with the utility that extends into projected deficit period.

This filing includes both Non-Legislative and Legislative versions of the proposed rate schedules (Section 12.01, 12.02 and 12.03) in Attachment 5.

Moreover, Otter Tail is proposing to modify (reduce) the Customer Charge in the payment schedules Sections 12.01, 12.02 and 12.03. The proposed charges contained in the rate schedules reflect Otter Tail's average marginal customer service charges; please reference Attachment 6 for the calculations of the rates for Customer Charge.

In addition to the rate changes requested in this filing, Midwest Reliability Organization (MRO) on page 3 of rate schedule 12.03 has been updated to properly reference Midcontinent Independent System Operator (MISO) and glossary terms have been capitalized where identified within all three rates schedules.

IV. CONCLUSION

Based on the foregoing, Otter Tail respectfully requests that the proposed modifications to our Small Power Rate Schedules, Sections 12.01, 12.02, and 12.03, become effective as of April 1, 2024 or on the first day of the following month upon Commission approval.

Dated: January 30, 2024

Respectfully submitted,

OTTER TAIL POWER COMPANY

/s/ SVETLANA A. FEDJE

Svetlana A. Fedje

Pricing Analyst

Regulatory Administration

215 South Cascade Street

P.O. Box 496

Fergus Falls, MN 56538-0496

Phone (218) 739-8799

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North Dakota Small Power Producers
Total Monthly Energy Produced, kWh
Year: 2023

Premise	Rate	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
003176	0930	-90	-161	-545	-384	-764	-362	0	0	0	-355	-433	-394	-3,488
011925	0930	0	-160	-400	-1,640	-1,480	-2,120	-1,920	-3,080	-3,160	-1,080	-440	-280	-15,760
012158	0920	-120	-160	-380	-620	-1,960	-2,160	-1,980	-1,300	-1,220	-1,040	-720	-440	-12,100
013216	0930	-100	-100	-1,400	-650	-10,100	-7,150	-7,050	-6,800	-5,850	-4,750	-1,300	-1,200	-46,450
003248	0920	-50	-100	-300	-500	-400	-550	-700	-1,000	-1,150	-400	0	-200	-5,350
015873	0920	-86	-177	-329	-223	-1,065	-1,245	-1,227	-961	-1,137	-795	-338	-371	-7,954
016931	0920	0	0	0	0	0	0	0	0	0	0	0	0	0
002571	0920	-112	-41	-243	0	-469	-229	-138	-4	-101	-157	-173	-102	-1,769
012051	0930	-121	-95	-959	-1,727	-1,691	-2,115	-2,407	-2,346	-1,635	-2,011	-1,086	-611	-16,804
025078	0930	0	0	0	0	0	0	0	0	0	0	0	0	0
		-679	-994	-4,556	-5,744	-17,929	-15,931	-15,422	-15,491	-14,253	-10,588	-4,490	-3,598	-109,675

0 : This indicates no generation measured from the customers generator

CAPACITY PAYMENT SCHEDULE FOR RATE 12.03

OTTER TAIL POWER COMPANY

Year of Filing		2024
Year of Deficit	N/A	
Inflation Rate		0.030
Cost of Capital		0.07338
Project Life	N/A	

Contract Term	Multiplier	\$/kW-Month Gross Capacity Rate	\$/kW-Month Net Capacity Rate	\$/kW-Month Net Levelized Rate
[PROTECTED DATA BEGINS...]				
_____				_____
_____				_____
_____				_____
_____				_____
_____				_____
_____				_____

...PROTECTED DATA ENDS]

Wind REC Sales for calculating 2024 REC price			
(average of the 12 months - 10-1-2022 to 9-30-2023)			
<u>date</u>	<u>RECS</u>	<u>price</u>	<u>total sale</u>
[PROTECTED DATA BEGINS...			
...			
...PROTECTED DATA ENDS]			
			\$/kWh
weighted average		\$ 1.57 per MWh	\$ 0.00157

Solar REC Purchases for calculating 2024 REC price			
(Average of the 12 months 10-1-2022 to 9-30-2023)			
<u>date</u>	<u>RECS</u>	<u>price</u>	<u>total purchase</u>
[PROTECTED DATA BEGINS...			
...			
...PROTECTED DATA ENDS]			
			\$/kWh
weighted average		\$ 3.00 per MWh	\$ 0.00300

Energy Payment Schedule
Otter Tail Power Company

Estimated Marginal Energy Costs (\$/MWh)						
		2024	2025	2026	2027	2028
			[PROTECTED DATA BEGINS...]	[PROTECTED DATA BEGINS...]	[PROTECTED DATA BEGINS...]	[PROTECTED DATA BEGINS...]
Summer	On Peak	44.01				
	Off Peak	30.79				
	All Hours	36.62				
Winter	On Peak	45.60				
	Off Peak	38.45				
	All Hours	41.67				
Annual	On Peak	45.07				
	Off Peak	35.90				
	All Hours	39.99				
			...PROTECTED DATA ENDS]	...PROTECTED DATA ENDS]	...PROTECTED DATA ENDS]	...PROTECTED DATA ENDS]
Annual # hours on-peak:		3930	3900	3900	3900	3900

Attachment 5
Legislative and Non-Legislative Versions of

Tariff Sheet ND 12.01 – Small Power Producer Rider – Occasional Delivery Energy Service

Tariff Sheet ND 12.02 – Small Power Producer Rider – Time of Delivery Energy Service

Tariff Sheet ND 12.03 – Small Power Producer Rider – Dependable Service



**SMALL POWER PRODUCER RIDER
 OCCASIONAL DELIVERY ENERGY SERVICE**

DESCRIPTION	RATE CODE
Base Avoided Costs	N920
Renewable Energy Credit	N991
Solar Renewable Energy Credit	N993
Optional Production Meter Charge	N995

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

AVAILABILITY: Available to any Qualifying Facility not exceeding 100 kW of generating Capacity.

METERING CHARGE: ~~\$1.40~~^{1.33} per month

OPTIONAL PRODUCTION METER CHARGE: \$4.55 per month

PAYMENT SCHEDULES:

DESCRIPTION	ENERGY CREDIT
Base Avoided Costs	4.96 ^{3.999} ¢ per kWh
	REC RATE
Renewable Energy Credit	0.1500 ^{0.157} ¢ per kWh
Solar Renewable Energy Credit	0.1500 ^{0.300} ¢ per kWh

SPECIAL CONDITIONS OF SERVICE: The Customer will be required to sign a contract, agreeing to terms and conditions specified for small power producers. The minimum term of the contract is 12 months.

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.

NORTH DAKOTA PUBLIC
 SERVICE COMMISSION
 Case No. PU-24-3-43
 Approved by order dated ~~March 29, 2023~~

EFFECTIVE with bills rendered on
 and after April 1, 202~~3~~⁴, in North Dakota

APPROVED: Bruce G. Gerhardson
 Vice President, Regulatory Affairs

TERMS AND CONDITIONS:

The use of this rider requires that special precautions be taken in the design of associated metering and control systems. The following terms and conditions describe these precautions and shall be followed on all Customer-owned small qualifying facilities (SQF).

1. The Customer will be compensated monthly for all **e**Energy received from the SQF less the Customer charge. The schedule for these payments is subject to annual review.
2. If the SQF is located at a site outside of the Company's service territory and **e**Energy is delivered to the Company through facilities owned by another utility, **e**Energy payments will be adjusted downward reflecting losses occurring between the point of metering and the point of delivery.
3. If required, a separate meter will be furnished, owned and maintained by the Company to measure the **e**Energy to the Company. Separate monthly charges may apply for any additional metering installed by the Company at the Customer's request. If the Customer requests from the Company an additional Production Meter(s), beyond Company required Production Meter(s), an additional Optional Production Meter charge will be applied.
4. The SQF shall make provisions for the installation of Company owned on-site metering. All **e**Energy received from and delivered to the Company shall be metered. On-site use of the SQF output shall be unmetered for purposes of compensation.
5. In the event the SQF desires wheeling by the Company of the SQF output, arrangements will be made subject to special consideration.
6. The Customer shall pay for any increased capacity of the **D**istribution equipment serving him and made necessary by the installation of the generator.
7. Power and **e**Energy purchased by the SQF from the Company shall be billed under the available retail rates for the purchase of electricity.
8. The generator output must be compatible with the Utility system. The Customer's 60 hertz generator output must be at the voltage and phase relationship of the existing service or of one mutually agreeable to the Company and the Customer.

9. The Customer will provide equipment to maintain a unity power factor + or - 10% during periods of generator operation.
10. The Company reserves the right to disconnect the customer's generator from its system if it interferes with the operation of the Company's equipment or with the equipment of other company customers.
11. The Customer is required to follow the Company's interconnection process which requires that prior to installation, a detailed diagram of the generator and related equipment must be furnished to the Company for its approval.
12. The Customer shall execute an electric service agreement with the Company which may include, among other provisions, a minimum term of service.
13. The SQF shall indemnify and save harmless the Company from and against any and all claims for damages to property and injury or death to persons which may arise out of or be caused by the erection, maintenance, presence, operation or removal of the SQF or by any related act or omission of the SQF, its employees, agents, contractors or subcontractors.
14. Equipment shall be provided by the Customer that provides a means of preventing feedback to the Company during an outage or interruption of that system as well as a visible means to disconnect the generator from the Utility that is readily accessible by Utility employees.
15. The Customer shall install, own, and maintain all equipment deemed necessary by the Company to assure proper parallel operation of the system.
16. Any renewable ~~e~~Energy credits associated with the renewable ~~e~~Energy sold to the Company will be transferred to the Company and the renewable generator will be compensated an additional payment, as shown in the payment schedule.



**SMALL POWER PRODUCER RIDER
 TIME OF DELIVERY ENERGY SERVICE**

DESCRIPTION	RATE CODE
Base Avoided Costs	N930
Renewable Energy Credit	N991
Solar Renewable Energy Credit	N993
Optional Production Meter Charge	N995

AVAILABILITY: This rider is available to any Qualifying Facility not exceeding 100 kW of generating Capacity. This rider is available to any Qualifying Facility exceeding 100 kW upon the approval of the Company. The Company reserves the right to require the Qualifying Facility to sign an Agreement.

METERING CHARGE: ~~\$12.85~~ \$1.33 per month

OPTIONAL PRODUCTION METER CHARGE: \$4.55 per month

PAYMENT SCHEDULE:

DESCRIPTION	ENERGY CREDIT ON-PEAK	ENERGY CREDIT OFF-PEAK
Based Avoided Costs		
Summer	5.106 <u>4.401</u> ¢ per kWh	3.585 <u>3.079</u> ¢ per kWh
Winter	5.949 <u>4.560</u> ¢ per kWh	4.718 <u>3.845</u> ¢ per kWh
Renewable Energy Credit	0.150 <u>0.157</u> ¢ per kWh	0.150 <u>0.157</u> ¢ per kWh
Solar Renewable Energy Credit	0.150 <u>0.300</u> ¢ per kWh	0.150 <u>0.300</u> ¢ per kWh

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.



SPECIAL CONDITIONS OF SERVICE: The minimum contracted term of service is 12 months.

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

DEFINITIONS:

Summer On-Peak: June 1 through September 30 including those hours from 8:00 a.m. to 10:00 p.m., Monday through Friday, excluding holidays.

Summer Off-Peak: All other hours including the three holidays of Memorial Day, Independence Day and Labor Day.

Winter On-Peak: October 1 through May 31 including those hours from 7:00 a.m. to 10:00 p.m., Monday through Friday, excluding holidays.

Winter Off-Peak: All other hours including the three holidays of Thanksgiving Day, Christmas Day and New Year's Day.

TERMS AND CONDITIONS:

The use of this rate requires that special precautions be taken in the design of associated metering and control systems. The following terms and conditions describe these precautions and shall be followed on all Customer-owned small qualifying facilities (SQF).

1. The Customer will be compensated monthly for all eEnergy received from the SQF less the Customer charge. The schedule for these payments is subject to annual review.
2. If the SQF is located at a site outside of the Company's service territory and eEnergy is delivered to the Company through facilities owned by another utility, eEnergy payments will be adjusted downward reflecting losses occurring between the point of metering and the point of delivery.
3. If required, a separate meter will be furnished, owned and maintained by the Company to measure the eEnergy to the Company. Separate monthly charges may apply for any additional metering installed by the Company at the Customer's request. If the Customer requests from the Company an additional Production Meter(s), beyond Company required Production Meter(s), an additional Optional Production Meter charge will be applied.



4. The SQF shall make provisions for the installation of Company owned on-site metering. All ~~e~~Energy received from and delivered to the Company shall be metered. On site use of the SQF output shall be unmetered for purposes of compensation.
5. In the event the SQF desires wheeling by the Company of the SQF output, arrangements will be made subject to special consideration.
6. The Customer shall pay for any increased ~~e~~Capacity of the ~~d~~Distribution equipment serving him and made necessary by the installation of his generator.
7. Power and ~~e~~Energy purchased by the SQF from the Company shall be billed under the available retail rates for the purchase of electricity.
8. The generator output must be compatible with the Utility system. The Customer's 60 hertz generator output must be at the voltage and phase relationship of the existing service or of one mutually agreeable to the Company and the Customer.
9. The Customer will provide equipment to maintain a unity power factor + or - 10% during periods of generator operation.
10. The Company reserves the right to disconnect the Customer's generator from its system if it interferes with the operation of the Company's equipment or with the equipment of other Company Customers.
11. The Customer is required to follow the Company's interconnection process which requires that prior to installation, a detailed diagram of the generator and related equipment must be furnished to the Company for its approval.
12. The Customer shall execute an electric service agreement with the Company which may include, among other provisions, a minimum term of service.
13. The SQF shall indemnify and save harmless the Company from and against any and all claims for damages to property and injury or death to persons which may arise out of or be caused by the erection, maintenance, presence, operation or removal of the SQF or by any related act or omission of the SQF, its employees, agents, contractors or subcontractors.



14. Equipment shall be provided by the Customer that provides a means of preventing feedback to the Company during an outage or interruption of that system as well as a visible means to disconnect the generator from the Utility that is readily accessible by Utility employees.
15. The Customer shall install, own and maintain all equipment deemed necessary by the Company to assure proper parallel operation of the system.
16. Any renewable ~~e~~E energy credits associated with the renewable ~~e~~E energy sold to the Company will be transferred to the Company and the renewable generator will be compensated an additional payment, as shown in the payment schedule.



**SMALL POWER PRODUCER RIDER
 DEPENDABLE SERVICE**

DESCRIPTION	RATE CODE
Base Avoided Costs	N940
Renewable Energy Credit	N991
Solar Renewable Energy Credit	N993
Optional Production Meter Charge	N995

AVAILABILITY: Available to any Qualifying Facility which is capable of delivering power and Energy to the Company on a dependable basis with Generation Capacity of 1,000 kW or less.

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.

METERING CHARGE: ~~\$12.85~~1.33 per month

OPTIONAL PRODUCTION METER CHARGE: \$4.55 per month

PAYMENT SCHEDULE:

DESCRIPTION	ENERGY CREDIT ON-PEAK	ENERGY CREDIT OFF-PEAK
Based Avoided Costs		
Summer	5.106 <u>4.401</u> ¢ per kWh	3.585 <u>3.079</u> ¢ per kWh
Winter	5.949 <u>4.560</u> ¢ per kWh	4.718 <u>3.845</u> ¢ per kWh
Renewable Energy Credit	0.150 <u>0.157</u> ¢ per kWh	0.150 <u>0.157</u> ¢ per kWh
Solar Renewable Energy Credit	0.150 <u>0.300</u> ¢ per kWh	0.150 <u>0.300</u> ¢ per kWh



CAPACITY:

Contract Term	Monthly \$/kW Net Capacity Rate	Monthly \$/kW Levelized Rate
60 mos.	\$0.00	\$0.00
120 mos.	\$0.00	\$0.00
180 mos.	\$0.00	\$0.00
240 mos.	\$0.00	\$0.00
300 mos.	\$0.00	\$0.00
360 mos.	\$0.00	\$0.00

Energy payment will be adjusted annually to reflect eEnergy costs.

Total eCapacity payment equals (accredited eCapacity value of the Qualifying Facility) times (eCapacity ratio) times (appropriate levelized eCapacity rate).

Capacity Ratio equals (Qualifying Facility on-peak eCapacity factor) divided by 65%.

The Capacity Ratio shall not exceed a value of 1 or if the Qualifying Facility is dispatchable by the Company and tested under the Mid-continent Independent System Operator (MISO) guidelines, then the eCapacity ratio automatically equals 1.

SPECIAL CONDITIONS OF SERVICE:

1. A qualifying facility, desiring dependable service compensation shall execute a contract agreement for a term of 5, 10, 15, 20, 25, or 30 years.
2. In the event that a qualifying facility terminates service, the Dependable Service severance penalty payment will be determined as follows:

The remaining percentage of the contract term will be multiplied by the average eCapacity compensation per month and the result multiplied by six months. The average eCapacity compensation per month will be determined for the last three years or from the contract's initiation, whichever is the shorter period.

In addition, eCapacity compensation from the initiation of the contract will be recalculated at the eCapacity payment of the longest contract term filled. The following table illustrates the longest contract term filled given the number of months that payments were made:

<u>Months of Payments</u>	<u>Contract Term Filled</u>
0 - 119	60
120 - 179	120
180 - 239	180
240 - 299	240
300 - 360	300

SPECIAL CONDITIONS OF SERVICE:

The difference between the actual payments made and the recalculated payments must be repaid with interest. The interest rate used will be the average prime interest rate during the contract period prior to the severance.

3. Qualifying facility may select a total of 30 scheduled maintenance days per year, to be taken in two periods, neither of which shall be less than one week in duration at a time agreeable to the Company. A 30-day prior notice must be given to the Company before a scheduled maintenance period can be established.

Capacity payment for a monthly period in which scheduled maintenance has occurred will be the greater of the eCapacity payment using the regular billing procedure or the average billing eCapacity payment since the previous month in which a scheduled maintenance period occurred.

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

DEFINITIONS:

Dependable Service: Qualifying facility can deliver power at a minimum of 65% on-peak eCapacity factor in each month; can deliver power during the Company's winter and summer system peaks; and is accredited according to the ~~Midwest Reliability Organization (MRO)~~ Midcontinent Independent System Operator (MISO).

Capacity Factor: The number of Kilowatt-hours delivered during the period divided by the product of the accredited eCapacity times the number of hours in the period. The maximum eCapacity factor is 1.0.

Summer On-Peak: June 1 through September 30 including those hours from 8:00 a.m. to 10:00 p.m., Monday through Friday, excluding holidays.

Summer Off-Peak: All other hours including the three holidays of Memorial Day, Independence Day and Labor Day.

Winter On-Peak: October 1 through May 31 including those hours from 7:00 a.m. to 10:00 p.m., Monday through Friday, excluding holidays.

Winter Off-Peak: All other hours including the three holidays of Thanksgiving, Christmas Day and New Year's Day.

TERMS AND CONDITIONS: The use of this rate requires that special precautions be taken in the design of associated metering and control systems. The following terms and conditions describe these precautions and shall be followed on all Customer-owned small qualifying facilities (SQF).

1. The Customer will be compensated monthly for all **eEnergy** received from the SQF less the Customer charge. The schedule for these payments is subject to annual review.
2. If the SQF is located at a site outside of the Company's service territory and **eEnergy** is delivered to the Company through facilities owned by another utility, **eEnergy** payments will be adjusted downward reflecting losses occurring between the point of metering and the point of delivery.
3. If required, a separate meter will be furnished, owned and maintained by the Company to measure the **eEnergy** to the Company. Separate monthly charges may apply for any additional metering installed by the Company at the Customer's request. If the Customer requests from the Company an additional Production Meter(s), beyond Company required Production Meter(s), an additional Optional Production Meter charge will be applied.
4. The SQF shall make provisions for the installation of Company owned on-site metering. All **eEnergy** received from and delivered to the Company shall be metered. On site use of the SQF output shall be unmetered for purposes of compensation.
5. In the event the SQF desires wheeling by the Company of the SQF output, arrangements will be made subject to special consideration.
6. The Customer shall pay for any increased **eCapacity** of the **dDistribution** equipment serving him and made necessary by the installation of his generator.
7. Power and **eEnergy** purchased by the SQF from the Company shall be billed under the available retail rates for the purchase of electricity.

8. The generator output must be compatible with the Utility system. The Customer's 60 hertz generator output must be at the voltage and phase relationship of the existing service or of one mutually agreeable to the Company and the Customer.
9. The Customer will provide equipment to maintain a unity power factor + or - 10% during periods of generator operation.
10. The Company reserves the right to disconnect the Customer's generator from its system if it interferes with the operation of the Company's equipment or with the equipment of other Company Customers.
11. The Customer is required to follow the Company's interconnection process which requires that prior to installation, a detailed diagram of the generator and related equipment must be furnished to the Company for its approval.
12. The Customer shall execute an electric service agreement with the Company which may include, among other provisions, a minimum term of service and generator ~~e~~Capacity rating.
13. The SQF shall indemnify and save harmless the Company from and against any and all claims for damages to property and injury or death to persons which may arise out of or be caused by the erection, maintenance, presence, operation or removal of the SQF or by any related act or omission of the SQF, its employees, agents, contractors or subcontractors.
14. Equipment shall be provided by the Customer that provides a means of preventing feedback to the Company during an outage or interruption of that system as well as a visible means to disconnect the generator from the Utility that is readily accessible by Utility employees.
15. The Customer shall install, own and maintain all equipment deemed necessary by the Company to assure proper parallel operation of the system.
16. Any renewable ~~e~~Energy credits associated with the renewable ~~e~~Energy sold to the Company will be transferred to the Company and the renewable generator will be compensated an additional payment, as shown in the payment schedule.



**SMALL POWER PRODUCER RIDER
 OCCASIONAL DELIVERY ENERGY SERVICE**

DESCRIPTION	RATE CODE
Base Avoided Costs	N920
Renewable Energy Credit	N991
Solar Renewable Energy Credit	N993
Optional Production Meter Charge	N995

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

AVAILABILITY: Available to any Qualifying Facility not exceeding 100 kW of generating Capacity.

METERING CHARGE: \$1.33 per month

R

OPTIONAL PRODUCTION METER CHARGE: \$4.55 per month

PAYMENT SCHEDULES:

DESCRIPTION	ENERGY CREDIT
Base Avoided Costs	3.999¢ per kWh
REC RATE	
Renewable Energy Credit	0.157¢ per kWh
Solar Renewable Energy Credit	0.300¢ per kWh

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SPECIAL CONDITIONS OF SERVICE: The Customer will be required to sign a contract, agreeing to terms and conditions specified for small power producers. The minimum term of the contract is 12 months.

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.

NORTH DAKOTA PUBLIC
 SERVICE COMMISSION
 Case No. PU-24-
 Approved by order dated

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

APPROVED: Bruce G. Gerhardson
 Vice President, Regulatory Affairs



TERMS AND CONDITIONS:

The use of this rider requires that special precautions be taken in the design of associated metering and control systems. The following terms and conditions describe these precautions and shall be followed on all Customer-owned small qualifying facilities (SQF).

1. The Customer will be compensated monthly for all Energy received from the SQF less the Customer charge. The schedule for these payments is subject to annual review. C
2. If the SQF is located at a site outside of the Company's service territory and Energy is delivered to the Company through facilities owned by another utility, Energy payments will be adjusted downward reflecting losses occurring between the point of metering and the point of delivery. C C
3. If required, a separate meter will be furnished, owned and maintained by the Company to measure the Energy to the Company. Separate monthly charges may apply for any additional metering installed by the Company at the Customer's request. If the Customer requests from the Company an additional Production Meter(s), beyond Company required Production Meter(s), an additional Optional Production Meter charge will be applied. C
4. The SQF shall make provisions for the installation of Company owned on-site metering. All Energy received from and delivered to the Company shall be metered. On-site use of the SQF output shall be unmetered for purposes of compensation. C
5. In the event the SQF desires wheeling by the Company of the SQF output, arrangements will be made subject to special consideration.
6. The Customer shall pay for any increased capacity of the Distribution equipment serving him and made necessary by the installation of the generator. C
7. Power and Energy purchased by the SQF from the Company shall be billed under the available retail rates for the purchase of electricity. C
8. The generator output must be compatible with the Utility system. The Customer's 60 hertz generator output must be at the voltage and phase relationship of the existing service or of one mutually agreeable to the Company and the Customer.



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9. The Customer will provide equipment to maintain a unity power factor + or - 10% during periods of generator operation.
 10. The Company reserves the right to disconnect the customer's generator from its system if it interferes with the operation of the Company's equipment or with the equipment of other company customers.
 11. The Customer is required to follow the Company's interconnection process which requires that prior to installation, a detailed diagram of the generator and related equipment must be furnished to the Company for its approval.
 12. The Customer shall execute an electric service agreement with the Company which may include, among other provisions, a minimum term of service.
 13. The SQF shall indemnify and save harmless the Company from and against any and all claims for damages to property and injury or death to persons which may arise out of or be caused by the erection, maintenance, presence, operation or removal of the SQF or by any related act or omission of the SQF, its employees, agents, contractors or subcontractors.
 14. Equipment shall be provided by the Customer that provides a means of preventing feedback to the Company during an outage or interruption of that system as well as a visible means to disconnect the generator from the Utility that is readily accessible by Utility employees.
 15. The Customer shall install, own, and maintain all equipment deemed necessary by the Company to assure proper parallel operation of the system.
 16. Any renewable Energy credits associated with the renewable Energy sold to the Company will be transferred to the Company and the renewable generator will be compensated an additional payment, as shown in the payment schedule. C



**SMALL POWER PRODUCER RIDER
 TIME OF DELIVERY ENERGY SERVICE**

DESCRIPTION	RATE CODE
Base Avoided Costs	N930
Renewable Energy Credit	N991
Solar Renewable Energy Credit	N993
Optional Production Meter Charge	N995

AVAILABILITY: This rider is available to any Qualifying Facility not exceeding 100 kW of generating Capacity. This rider is available to any Qualifying Facility exceeding 100 kW upon the approval of the Company. The Company reserves the right to require the Qualifying Facility to sign an Agreement.

METERING CHARGE: \$1.33 per month

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OPTIONAL PRODUCTION METER CHARGE: \$4.55 per month

PAYMENT SCHEDULE:

DESCRIPTION	ENERGY CREDIT ON-PEAK	ENERGY CREDIT OFF-PEAK
Based Avoided Costs		
Summer	4.401¢ per kWh	3.079¢ per kWh
Winter	4.560¢ per kWh	3.845¢ per kWh
Renewable Energy Credit	0.157¢ per kWh	0.157¢ per kWh
Solar Renewable Energy Credit	0.300¢ per kWh	0.300¢ per kWh

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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.



SPECIAL CONDITIONS OF SERVICE: The minimum contracted term of service is 12 months.

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

DEFINITIONS:

Summer On-Peak: June 1 through September 30 including those hours from 8:00 a.m. to 10:00 p.m., Monday through Friday, excluding holidays.

Summer Off-Peak: All other hours including the three holidays of Memorial Day, Independence Day and Labor Day.

Winter On-Peak: October 1 through May 31 including those hours from 7:00 a.m. to 10:00 p.m., Monday through Friday, excluding holidays.

Winter Off-Peak: All other hours including the three holidays of Thanksgiving Day, Christmas Day and New Year's Day.

TERMS AND CONDITIONS:

The use of this rate requires that special precautions be taken in the design of associated metering and control systems. The following terms and conditions describe these precautions and shall be followed on all Customer-owned small qualifying facilities (SQF).

1. The Customer will be compensated monthly for all Energy received from the SQF less the Customer charge. The schedule for these payments is subject to annual review. **C**
2. If the SQF is located at a site outside of the Company's service territory and Energy is delivered to the Company through facilities owned by another utility, Energy payments will be adjusted downward reflecting losses occurring between the point of metering and the point of delivery. **C**
3. If required, a separate meter will be furnished, owned and maintained by the Company to measure the Energy to the Company. Separate monthly charges may apply for any additional metering installed by the Company at the Customer's request. If the Customer requests from the Company an additional Production Meter(s), beyond Company required Production Meter(s), an additional Optional Production Meter charge will be applied. **C**



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4. The SQF shall make provisions for the installation of Company owned on-site metering. All Energy received from and delivered to the Company shall be metered. On site use of the SQF output shall be unmetered for purposes of compensation. C
 5. In the event the SQF desires wheeling by the Company of the SQF output, arrangements will be made subject to special consideration.
 6. The Customer shall pay for any increased Capacity of the Distribution equipment serving him and made necessary by the installation of his generator. C
 7. Power and Energy purchased by the SQF from the Company shall be billed under the available retail rates for the purchase of electricity. C
 8. The generator output must be compatible with the Utility system. The Customer's 60 hertz generator output must be at the voltage and phase relationship of the existing service or of one mutually agreeable to the Company and the Customer.
 9. The Customer will provide equipment to maintain a unity power factor + or - 10% during periods of generator operation.
 10. The Company reserves the right to disconnect the Customer's generator from its system if it interferes with the operation of the Company's equipment or with the equipment of other Company Customers.
 11. The Customer is required to follow the Company's interconnection process which requires that prior to installation, a detailed diagram of the generator and related equipment must be furnished to the Company for its approval.
 12. The Customer shall execute an electric service agreement with the Company which may include, among other provisions, a minimum term of service.
 13. The SQF shall indemnify and save harmless the Company from and against any and all claims for damages to property and injury or death to persons which may arise out of or be caused by the erection, maintenance, presence, operation or removal of the SQF or by any related act or omission of the SQF, its employees, agents, contractors or subcontractors.



14. Equipment shall be provided by the Customer that provides a means of preventing feedback to the Company during an outage or interruption of that system as well as a visible means to disconnect the generator from the Utility that is readily accessible by Utility employees.
15. The Customer shall install, own and maintain all equipment deemed necessary by the Company to assure proper parallel operation of the system.
16. Any renewable Energy credits associated with the renewable Energy sold to the Company will be transferred to the Company and the renewable generator will be compensated an additional payment, as shown in the payment schedule.

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**SMALL POWER PRODUCER RIDER
 DEPENDABLE SERVICE**

DESCRIPTION	RATE CODE
Base Avoided Costs	N940
Renewable Energy Credit	N991
Solar Renewable Energy Credit	N993
Optional Production Meter Charge	N995

AVAILABILITY: Available to any Qualifying Facility which is capable of delivering power and Energy to the Company on a dependable basis with Generation Capacity of 1,000 kW or less.

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.

METERING CHARGE: \$1.33 per month

R

OPTIONAL PRODUCTION METER CHARGE: \$4.55 per month

PAYMENT SCHEDULE:

DESCRIPTION	ENERGY CREDIT ON-PEAK	ENERGY CREDIT OFF-PEAK
Based Avoided Costs		
Summer	4.401¢ per kWh	3.079¢ per kWh
Winter	4.560¢ per kWh	3.845¢ per kWh
Renewable Energy Credit	0.157¢ per kWh	0.157¢ per kWh
Solar Renewable Energy Credit	0.300¢ per kWh	0.300¢ per kWh

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CAPACITY:

Contract <u>Term</u>	Monthly \$/kW Net Capacity <u>Rate</u>	Monthly \$/kW Levelized <u>Rate</u>
60 mos.	\$0.00	\$0.00
120 mos.	\$0.00	\$0.00
180 mos.	\$0.00	\$0.00
240 mos.	\$0.00	\$0.00
300 mos.	\$0.00	\$0.00
360 mos.	\$0.00	\$0.00

Energy payment will be adjusted annually to reflect Energy costs. **C**

Total Capacity payment equals (accredited Capacity value of the Qualifying Facility) times
 (Capacity ratio) times (appropriate levelized Capacity rate). **C**
C

Capacity Ratio equals (Qualifying Facility on-peak Capacity factor) divided by 65%. **C**

The Capacity Ratio shall not exceed a value of 1 or if the Qualifying Facility is dispatchable by
 the Company and tested under the Midcontinent Independent System Operator (MISO)
 guidelines, then the Capacity ratio automatically equals 1. **C**
C

SPECIAL CONDITIONS OF SERVICE:

1. A qualifying facility, desiring dependable service compensation shall execute a contract agreement for a term of 5, 10, 15, 20, 25, or 30 years.
2. In the event that a qualifying facility terminates service, the Dependable Service severance penalty payment will be determined as follows:

The remaining percentage of the contract term will be multiplied by the average Capacity
 compensation per month and the result multiplied by six months. The average Capacity
 compensation per month will be determined for the last three years or from the contract's
 initiation, whichever is the shorter period. **C**
C

In addition, Capacity compensation from the initiation of the contract will be recalculated
 at the Capacity payment of the longest contract term filled. The following table illustrates
 the longest contract term filled given the number of months that payments were made: **C**
C



<u>Months of Payments</u>	<u>Contract Term Filled</u>
0 - 119	60
120 - 179	120
180 - 239	180
240 - 299	240
300 - 360	300

SPECIAL CONDITIONS OF SERVICE:

The difference between the actual payments made and the recalculated payments must be repaid with interest. The interest rate used will be the average prime interest rate during the contract period prior to the severance.

3. Qualifying facility may select a total of 30 scheduled maintenance days per year, to be taken in two periods, neither of which shall be less than one week in duration at a time agreeable to the Company. A 30-day prior notice must be given to the Company before a scheduled maintenance period can be established.

Capacity payment for a monthly period in which scheduled maintenance has occurred will be the greater of the Capacity payment using the regular billing procedure or the average billing Capacity payment since the previous month in which a scheduled maintenance period occurred.

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C

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

DEFINITIONS:

Dependable Service: Qualifying facility can deliver power at a minimum of 65% on-peak Capacity factor in each month; can deliver power during the Company's winter and summer system peaks; and is accredited according to the Midcontinent Independent System Operator (MISO).

C
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Capacity Factor: The number of Kilowatt-hours delivered during the period divided by the product of the accredited Capacity times the number of hours in the period. The maximum Capacity factor is 1.0.

C
C

Summer On-Peak: June 1 through September 30 including those hours from 8:00 a.m. to 10:00 p.m., Monday through Friday, excluding holidays.



Summer Off-Peak: All other hours including the three holidays of Memorial Day, Independence Day and Labor Day.

Winter On-Peak: October 1 through May 31 including those hours from 7:00 a.m. to 10:00 p.m., Monday through Friday, excluding holidays.

Winter Off-Peak: All other hours including the three holidays of Thanksgiving, Christmas Day and New Year's Day.

TERMS AND CONDITIONS: The use of this rate requires that special precautions be taken in the design of associated metering and control systems. The following terms and conditions describe these precautions and shall be followed on all Customer-owned small qualifying facilities (SQF).

1. The Customer will be compensated monthly for all Energy received from the SQF less the Customer charge. The schedule for these payments is subject to annual review. C
2. If the SQF is located at a site outside of the Company's service territory and Energy is delivered to the Company through facilities owned by another utility, Energy payments will be adjusted downward reflecting losses occurring between the point of metering and the point of delivery. C C
3. If required, a separate meter will be furnished, owned and maintained by the Company to measure the Energy to the Company. Separate monthly charges may apply for any additional metering installed by the Company at the Customer's request. If the Customer requests from the Company an additional Production Meter(s), beyond Company required Production Meter(s), an additional Optional Production Meter charge will be applied. C
4. The SQF shall make provisions for the installation of Company owned on-site metering. All Energy received from and delivered to the Company shall be metered. On site use of the SQF output shall be unmetered for purposes of compensation. C
5. In the event the SQF desires wheeling by the Company of the SQF output, arrangements will be made subject to special consideration.
6. The Customer shall pay for any increased Capacity of the Distribution equipment serving him and made necessary by the installation of his generator. C
7. Power and Energy purchased by the SQF from the Company shall be billed under the available retail rates for the purchase of electricity. C



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8. The generator output must be compatible with the Utility system. The Customer's 60 hertz generator output must be at the voltage and phase relationship of the existing service or of one mutually agreeable to the Company and the Customer.
 9. The Customer will provide equipment to maintain a unity power factor + or - 10% during periods of generator operation.
 10. The Company reserves the right to disconnect the Customer's generator from its system if it interferes with the operation of the Company's equipment or with the equipment of other Company Customers.
 11. The Customer is required to follow the Company's interconnection process which requires that prior to installation, a detailed diagram of the generator and related equipment must be furnished to the Company for its approval.
 12. The Customer shall execute an electric service agreement with the Company which may include, among other provisions, a minimum term of service and generator Capacity rating. **C**
 13. The SQF shall indemnify and save harmless the Company from and against any and all claims for damages to property and injury or death to persons which may arise out of or be caused by the erection, maintenance, presence, operation or removal of the SQF or by any related act or omission of the SQF, its employees, agents, contractors or subcontractors.
 14. Equipment shall be provided by the Customer that provides a means of preventing feedback to the Company during an outage or interruption of that system as well as a visible means to disconnect the generator from the Utility that is readily accessible by Utility employees.
 15. The Customer shall install, own and maintain all equipment deemed necessary by the Company to assure proper parallel operation of the system.
 16. Any renewable Energy credits associated with the renewable Energy sold to the Company will be transferred to the Company and the renewable generator will be compensated an additional payment, as shown in the payment schedule. **C**

Annual Customer Small PP T26

**OTTER TAIL POWER COMPANY
ANNUAL INCREMENTAL METER COST BY RATE CLASS
SMALL POWER PRODUCER**

	Residential Demand Control	Residential Controlled Service - Deferred Load	Small General Service <20 kW	General Service >= 20 kW	Farm Service	General Service - Time of Use	Large General Service (Secondary)	Large General Service (Primary)	Large General Service - Time of Day	Large General Service - Time of Day	Other Public Authority	Irrigation Service
Incremental Bi-directional Meter Costs for Small PP (2024 Dollars per Customer) (2024 Dollars per Customer)						
Incremental Meter Investment per Customer With General Plant Loading (PROTECTED DATA BEGINS)											
Material, Supplies and Prepayments											
Annualized Incremental Bi-Directional Meter Costs with plant-related A&G (\$ /account)											
Summary Of Monthly Incremental Customer-Related Costs											

Average Monthly Customer Charge \$1.33

.....(PROTECTED DATA ENDS)

Sources:

- Met & Serv Inv RESIDENTIAL T10
- Loaders w33
- ECC W34
- Meter OM Weights W20C
- Cust Acct Exp by Class T16
- Cust Serv&Info Exp by Class T18

Cash W Cap W9