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December 21, 2015

Mr. Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

**Re: In the Matter of the Petition of Otter Tail Power Company for Approval of a
Transmission Cost Recovery Rider Annual Adjustment
Docket No. E017/M-15-874
Supplemental Filing**

Dear Mr. Wolf:

Otter Tail Power Company (Otter Tail) hereby submits its Supplemental Filing to the Minnesota Public Utilities Commission (Commission) for the above-referenced matter.

Otter Tail has electronically filed this document with the Commission which, in compliance with Minn. Rule 7829.1300, subp. 2, also constitutes service on the Department of Commerce, Division of Energy Resources and the Office of Attorney General-Antitrust & Utilities Division. A Summary of the filing has been served on all persons on Otter Tail's miscellaneous electric service list. A Certificate of Service is also enclosed.

If you have any questions regarding this filing, please contact me at 218-739-8385 or at bhaugen@otpc.com.

Sincerely,

/s/ BRYCE C. HAUGEN
Bryce C. Haugen
Sr. Rates Analyst, Regulatory Administration

nlo
Enclosures
By electronic filing
c: Service List

**STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION**

**In the Matter of the Petition of
Otter Tail Power Company's request
For Approval of a Transmission
Cost Recovery Rider Annual
Adjustment**

Docket No. E017/M-15-874

SUPPLEMENTAL FILING

I. INTRODUCTION

Otter Tail Power Company (Otter Tail) is submitting this Supplemental Filing in the above referenced Docket to address two items that impact the revenue requirement for the recovery period proposed in this annual Transmission Cost Recovery Rider (TCRR) update. The first item involves the incorporation of an adjustment to the plant related Accumulated Deferred Income Taxes (ADIT) offset to rate base in accordance with the proration requirements found in IRS regulation section 1.167(1)-1(h)(6). The second item involves a correction of a formula error in Attachment 12 of the Initial Filing in this Docket. The overall impact of the two items, described further below, is a \$549,014 reduction in the revenue requirement for the proposed recovery period. Otter Tail has discussed these items with Mr. Zajicek of the Department of Commerce (DOC).

II. PRORATION OF ACCUMULATED DEFERRED INCOME TAXES

Subsequent to Otter Tail's Initial Filing in this Docket, Otter Tail became aware of an IRS rule interpretation related to the normalization of ADIT in a forward looking test year used for rate-making purposes. This matter was brought to light by a series of Private Letter Rulings issued by the IRS to a number of other utilities.

IRS Regulation Section 1.167(l)(h)(6) provides that ratemaking procedures and adjustments must be consistent with normalization accounting. This section defines the procedures a company must use to normalize the impact on rate making if a company elects to use accelerated depreciation methods. Specifically, this section stipulates that the monthly changes to the deferred taxes balance, as calculated by the company, must be prorated prior to computing the average of beginning and ending balances for ADIT. According to the rule, Otter Tail would risk losing its ability to take accelerated depreciation if it fails to comply with this rule. Accelerated depreciation is a significant benefit to ratepayers as ADIT amounts are credited against rate base amounts when establishing rates making adherence to this rule important to Minnesota customers.

As noted earlier, at the time of the Initial Filing, Otter Tail was not aware of the ADIT proration issue and had therefore not incorporated the implications of this rule in its revenue requirement calculation. Otter Tail recently completed its analysis and application of the proration methodology to its project ADIT balances and has included a new attachment, Attachment 17, in this supplemental filing that reflects the revenue requirement changes (an increase to the revenue requirement) for the projects from

the prorating of forecast ADIT amounts. In Otter Tail’s next update to its TCR rider, actual ADIT balances will replace the prorated forecast ADIT amounts included in this filing; the difference between the actuals and prorated forecast amounts will be incorporated into the true-up applicable to the next collection period.

Adherence to this IRS rule results in an increase of \$50,039 (Revised Attachment 2, Line 16) to the Revenue Requirement for the proposed recovery period. This adjustment also impacts the prior period and results in a \$7,562 increase to the Revenue Requirement by increasing the undercollection depicted in the True-Up (Revised Attachment 2, Line 15). In total, compliance with this rule results in a \$57,601 increase to the revenue requirement in this Docket due to the lower ADIT balance as a result of the proration.

III. CHANGE TO ATTACHMENT 12 OF INITIAL FILING

Attachment 12 of the Initial Filing in this Docket includes the Midcontinent Independent System Operator (MISO) Schedule 26 Revenue. The calculation for passing these revenues to Minnesota customers is explained in Otter Tail’s November 9, 2015 Reply Comments (Reply Comments) in this Docket. Following submission of the Reply Comments, Otter Tail identified a formula error in Attachment 12. Beginning in 2016, the sum of revenues attributable to projects included in the TCRR in Line Number 8 inadvertently excluded the Cass Lake – Bemidji revenues from Line Number 6.

Correcting this error results in a \$483,535 decrease to the Revenue Requirement for the proposed recovery period because it increases the Schedule 26 Revenue credit included in the overall Revenue Requirement (Revised Attachment 2, Line 10). The correction also impacts the prior period and results in a \$123,080 decrease to the Revenue Requirement by reducing the undercollection included in the prior period True-Up balance (Revised Attachment 2, Line 15). In total, this correction to MISO Schedule 26 Revenue results in a decrease to the overall revenue requirement for the proposed recovery period of \$606,615.

IV. RATE IMPACT

The table below shows the decrease in TCRR rates by class from Otter Tail’s Initial Filing (Column C) to this Supplemental filing (Column D).

A		B	C	D
Class		Current Rates	Initial Filing Proposed 4/1/16 - 3/31/17 Rates	Supplemental Filing Proposed 4/1/16 - 3/31/17 Rates
Large General Service	per kW	\$ 2.058	\$ 1.444	\$ 1.342
Controlled Service	per kwh	\$ 0.00122	\$ 0.00072	\$ 0.00067
Lighting	per kwh	\$ 0.00420	\$ 0.00319	\$ 0.00296
All Other Service	per kwh	\$ 0.00643	\$ 0.00464	\$ 0.00431

V. **CONCLUSION**

Otter Tail respectfully requests that the Commission approve the adjusted TCRR annual rate adjustment mechanism including the adjusted 2015 Transmission Factor as set forth in this Supplemental Filing.

Dated: December 21, 2015

Respectfully Submitted,

OTTER TAIL POWER COMPANY

By: /s/ BRYCE C. HAUGEN

Bryce C. Haugen

Sr. Rates Analyst, Regulatory Administration

Otter Tail Power Company

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OTTER TAIL POWER COMPANY
TRANSMISSION COST RECOVERY RIDER FILING ATTACHMENTS

Revised Attachment 1	Projection of Revenue
Revised Attachment 2	Summary of Revenue Requirements (Revised)
Revised Attachment 3	Class Allocation and Rate Design (Revised)
Revised Attachment 4	Transmission Tracker Account (Revised)
Revised Attachment 12	MISO Schedule 26, 37, and 38 Revenues
Revised Attachment 15	Transmission Rider (redline and clean)
Revised Attachment 16	Notice to Customers
New Attachment 17	ADIT Pro-Rate

Projected Revenue for April 2016 to March 2017 Recovery Period

Line No.	Class		Units	Rate per Unit	Amount
1	Large General Service	(a)	2,455,567 kW	\$1.342	\$3,294,542
2					
3	Controlled Service	(b)	190,296,491 kWh	0.067¢	\$128,177
4					
5	Lighting	(c)	19,584,210 kWh	0.296¢	\$57,998
6					
7	All other service		863,707,737 kWh	0.431¢	\$3,721,791
8					
9	Total revenue				<u>\$7,202,509</u>

- (a) Rate Schedules 10.03 Large General Service and 10.05 Large General Service - Time of Day
- (b) Rate Schedules 14.01 Water Heating, 14.04 Interruptible Load (CT Metering), 14.05 Interruptible Load (Self-Contained Metering), 14.06 Deferred Load
- (c) Rate Schedules 11.03 Outdoor Lighting (energy only), 11.04 Outdoor Lighting

Summary of Revenue Requirements

2015 Annual Filing

Line No.	Revenue Requirements	April 2016 - March 2017
1	CAPX 2020 Fargo	\$5,449,948
2	CAPX 2020 Bemidji	\$371,998
3	CAPX 2020 Cass Lake - Bemidji	\$296,618
4	CAPX 2020 Brookings	\$1,793,997
5	Ramsey 230/115 kW Transformer Upgrade	\$16,186
6		
7	Schedule 26 Expense	6,616,752
8	Schedule 26A Expense	2,535,817
9		
10	Schedule 26 Revenue	(7,384,200)
11	Schedule 37 & 38 Revenue	(204,016)
12	Schedule 26A Revenue	(2,320,858)
13	MVP ARR Revenue	(31,607)
14		
15	True-Up	11,836
16	ADIT Pro-Rate	50,039
17		
18	Total	<u>\$7,202,509</u>

Class Allocation and Current Rate Design

Line No.		April 1, 2016 - March 31, 2017
1	Total Minnesota Revenue Requirements	\$7,202,509
2	Large General Service	45.74% \$3,294,542
3	Controlled Service	1.78% 128,177
4	Lighting	0.81% 57,998
5	All Other Service	51.67% 3,721,791
6	Total	\$7,202,509
7	Large General Service	kW 2,455,567
8	Controlled Service	kWh 190,296,491
9	Lighting	kWh 19,584,210
10	All Other Service	kWh 863,707,737
11	Large General Service	\$ / kW 1.342
12	Controlled Service	cents / kWh 0.067
13	Lighting	cents / kWh 0.296
14	All Other Service	cents / kWh 0.431

* Jurisdictional transmission allocation factor (D2 = 47.89%) is from Otter Tail's last general rate case in Minnesota.

Percent of Revenue Rate Design per Order Item 6 in Docket No. E017/M-10-1061							
15	Forecasted Minnesota Retail Revenues (April 2016 - March 2017)	\$	172,070,762				
16	Revenue Requirement		\$7,202,509				
17	Percent of revenue rate for MN TCR		4.186%				
		A	B	C	D	E	F
		Forecast Base Revenue April 2016 - March 2017	# of Customers	Average Base Revenue per Customer per Month (Column A / Column B / 12)	Average TCR Revenue per Customer Per Month from % Base Revenue (1)	Avg kW per month	Avg kWh per month
18	Large General Service	\$86,218,453	529	\$13,575	\$568.23	352	\$472.27
19	Controlled Service	\$9,192,238	16,797	\$46	\$1.91		\$0.63
20	Lighting	\$2,624,284	2,638	\$83	\$3.47		\$1.88
21	All Other Service	\$74,035,787	59,005	\$105	\$4.38		\$5.20
22	Total	\$172,070,762					
(1) Percent of Revenue Rate of 4.186% X Average Monthly Customer Bill in Column C (2) Corresponding Proposed rate from Current Rate Design X average kW (Column E) or average kWh (Column F)							

Line No.	TRACKER SUMMARY Requirements Compared to Billed:	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2016	2016	2016
		March Actual	April Actual	May Actual	June Actual	July Actual	August Actual	September Projected	October Projected	November Projected	December Projected	YE Projected	January Projected	February Projected	March Projected
1	Revenue Requirements														
1	CAPX 2020 Fargo	435,660	430,152	458,595	459,066	458,843	458,784	471,098	459,071	459,337	471,473	5,422,388	453,780	453,780	466,830
2	CAPX 2020 Bemidji	31,167	28,814	28,814	28,814	28,814	28,814	37,794	28,814	28,814	37,794	376,218	28,176	28,176	37,155
3	CAPX 2020 Cass Lake - Bemidji	25,879	25,870	25,870	25,870	25,870	25,870	25,870	25,870	25,870	25,870	310,472	25,115	25,115	25,115
4	CAPX 2020 Brookings	143,616	146,766	146,905	147,010	147,130	147,245	156,625	147,295	147,380	156,757	1,767,705	147,506	147,509	157,329
5	Ramsey 230/115 kW Transformer Upgrade	1,687	1,687	1,687	1,687	1,687	1,687	1,687	1,687	1,687	1,687	20,239	1,366	1,366	1,366
6	Total Revenue Requirements	638,010	633,290	661,872	662,447	662,344	662,400	693,075	662,737	663,088	693,581	7,897,022	655,944	655,946	687,796
7															
8	MISO Expenses														
9	MISO Schedule 26 Expense	524,367	571,578	414,396	407,903	426,644	463,738	502,776	502,776	502,776	502,776	5,987,026	656,273	648,778	628,917
10	MISO Schedule 26A Expense	144,179	136,018	112,083	104,298	103,344	116,618	96,451	100,899	115,056	129,198	1,406,009	235,214	212,850	206,890
11	Total MISO Expenses	668,546	707,595	526,479	512,201	529,988	580,356	599,227	603,674	617,831	631,974	7,393,035	891,487	861,627	835,807
12															
13	MISO Revenues														
14	MISO Schedule 26 Revenue	(505,902)	(530,038)	(450,649)	(526,555)	(570,905)	(664,480)	(456,712)	(442,027)	(471,291)	(410,543)	(6,103,596)	(685,847)	(627,569)	(597,915)
15	MISO Schedule 37 & 38 Revenue	(16,405)	(16,405)	(16,405)	(16,405)	(16,294)	(16,294)	(12,328)	(11,969)	(13,024)	(11,167)	(178,741)	(18,580)	(17,350)	(16,531)
16	MISO Schedule 26A Revenue	(139,381)	(139,061)	(119,486)	(127,857)	(140,963)	(142,106)	(113,573)	(131,938)	(122,976)	(165,655)	(1,596,453)	(334,270)	(163,960)	(156,617)
17	MISO MVP ARR Revenue	(4,351)	(3,315)	(3,081)	(2,720)	(1,681)	(1,789)	(2,634)	(2,634)	(2,634)	(2,634)	(36,389)	(2,634)	(2,634)	(2,634)
18	Total MISO Revenues	(666,039)	(688,818)	(589,621)	(673,537)	(729,843)	(824,669)	(585,246)	(588,568)	(609,925)	(589,999)	(7,915,180)	(1,041,332)	(811,513)	(773,697)
19															
20	ADIT Pro-Rate												2,521	2,521	2,521
21															
22	Net Revenue Requirement	640,517	652,067	598,731	501,112	462,489	418,087	707,055	677,843	670,995	735,555	7,374,877	508,620	708,581	752,427
23															
24	Billed (forecast kWh x adj factor)	987,460	876,902	780,938	804,479	856,540	983,049	877,606	840,447	929,808	1,009,440	9,343,199	1,138,256	1,112,204	1,046,574
25															
26	Monthly Revenue Difference	(346,943)	(224,836)	(182,207)	(303,367)	(394,051)	(564,962)	(170,551)	(162,604)	(258,813)	(273,885)	(1,968,322)	(629,636)	(403,623)	(294,147)
27	Carrying Charge	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28	Life-to-Date Revenue Requirement (Cumulative Difference)	3,874,518	3,649,682	3,467,474	3,164,107	2,770,057	2,205,094	2,034,543	1,871,940	1,613,126	1,339,242	(1,968,322)	709,606	305,983	11,836
29															
30	Forecasted Sales (MWh)							198,798	190,380	210,623	228,661	828,462	257,841	251,939	237,073

Approved February 18, 2015;
 Rate Effective March 1, 2015

SUMMARY	Mar 2015 - Dec 2015
Revenue requirements	\$4,459,572
Carrying Charge (Ended 2/1/14 per Order)	
2013-2014 True-up	<u>3,928,255</u>
Total requirements	\$8,387,827
Mar 2015 - Dec 2015 projected sales in mWh	1,900,033
Average Rate	\$0.00441

Line No.	TRACKER SUMMARY Requirements Compared to Billed:	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2017	2017	2017	Recovery Period Ending
		April Projected	May Projected	June Projected	July Projected	August Projected	September Projected	October Projected	November Projected	December Projected	YE Projected	January Projected	February Projected	March Projected	
1	Revenue Requirements														
1	CAPX 2020 Fargo	453,780	453,780	466,830	453,780	453,780	466,830	453,780	453,780	466,830	5,497,564	437,908	437,908	450,958	5,449,948
2	CAPX 2020 Bemidji	28,176	28,176	37,155	28,176	28,176	37,155	28,176	28,176	37,155	374,029	27,499	27,499	36,478	371,998
3	CAPX 2020 Cass Lake - Bemidji	24,874	24,874	24,874	24,874	24,874	24,874	24,874	24,874	24,874	299,212	24,250	24,250	24,250	296,618
4	CAPX 2020 Brookings	147,514	147,527	157,354	147,549	147,559	157,387	147,579	147,570	157,379	1,809,764	142,056	142,054	152,468	1,793,997
5	Ramsey 230/115 kW Transformer Upgrade	1,366	1,366	1,366	1,366	1,366	1,366	1,366	1,366	1,366	16,397	1,296	1,296	1,296	16,186
6	Total Revenue Requirements	655,711	655,724	687,581	655,746	655,756	687,613	655,776	655,767	687,605	7,996,967	633,009	633,007	665,450	7,928,747
7															
8	MISO Expenses														
9	MISO Schedule 26 Expense	529,615	456,793	443,552	516,374	483,273	450,172	542,855	595,816	628,917	6,581,336	672,145	658,702	638,538	6,616,752
10	MISO Schedule 26A Expense	177,327	164,079	159,647	172,259	173,787	166,357	174,884	196,824	222,100	2,262,218	333,423	303,543	291,587	2,535,817
11	Total MISO Expenses	706,941	620,872	603,199	688,634	657,060	616,529	717,739	792,641	851,017	8,843,554	1,005,568	962,245	930,124	9,152,569
12															
13	MISO Revenues														
14	MISO Schedule 26 Revenue	(494,127)	(575,675)	(679,463)	(709,116)	(709,116)	(686,876)	(538,608)	(597,915)	(568,261)	(7,470,489)	(608,347)	(608,347)	(608,347)	(7,384,200)
15	MISO Schedule 37 & 38 Revenue	(13,661)	(15,916)	(18,785)	(19,605)	(19,605)	(18,990)	(14,891)	(16,531)	(15,711)	(206,156)	(16,774)	(16,774)	(16,774)	(204,016)
16	MISO Schedule 26A Revenue	(130,916)	(151,110)	(176,810)	(184,153)	(184,153)	(178,646)	(141,931)	(156,617)	(149,274)	(2,108,459)	(289,082)	(289,082)	(289,082)	(2,320,858)
17	MISO MVP ARR Revenue	(2,634)	(2,634)	(2,634)	(2,634)	(2,634)	(2,634)	(2,634)	(2,634)	(2,634)	(31,607)	(2,634)	(2,634)	(2,634)	(31,607)
18	Total MISO Revenues	(641,339)	(745,334)	(877,692)	(915,509)	(915,509)	(887,146)	(698,064)	(773,697)	(735,880)	(9,816,711)	(916,838)	(916,838)	(916,838)	(9,940,683)
19															
20	ADIT Pro-Rate	2,521	2,521	2,521	2,521	2,521	2,521	2,521	2,521	2,521	30,247	9,118	9,118	9,118	50,039
21															
22	Net Revenue Requirement	723,834	533,781	415,608	431,392	399,829	419,517	677,973	677,232	805,263	7,054,057	730,857	687,532	687,855	7,190,673
23															
24	Billed (forecast kWh x adj factor)	604,010	545,085	538,603	574,347	585,792	569,669	548,283	592,012	649,899	8,504,735	686,136	682,016	626,656	7,202,509
25															
26	Monthly Revenue Difference	119,825	(11,303)	(122,995)	(142,955)	(185,963)	(150,152)	129,689	85,220	155,364		44,721	5,516	61,199	61,199
27	Carrying Charge	0	0	0	0	0	0	0	0	0		0	0	0	0
28	Life-to-Date Revenue Requirement (Cumulative Difference)	131,660	120,357	(2,638)	(145,593)	(331,556)	(481,709)	(352,019)	(266,799)	(111,436)	0	(66,715)	(61,199)	0	0
29															
35	Forecasted Sales (MWh)	221,110	199,539	197,166	210,251	214,441	208,538	200,710	216,718	237,908	2,653,234	251,174	249,665	229,400	2,636,619

SUMMARY		April 2016 - March 2017
Revenue requirements		\$7,190,673
Carrying Charge (Ended 2/1/14 per Order)		
2015 True-up		11,836
Total requirements		\$7,202,509
April 2016 - March 2017 projected sales		2,636,619
Average Rate		\$0.00273

Line No.	Schedule 37 and 38 Revenues are forecasted within Schedule 26 Revenues by MISO.	2015		2015		2015		2015		2015		2015		2015		2015	
		Jan Actual	Feb Actual	Mar Actual	Apr Actual	May Actual	Jun Actual	Jul Actual	Aug Actual	Sep Projected	Oct Projected	Nov Projected	Dec Projected	Total Projected			
1	Total Schedule 26 Revenue	(1,154,568)	(1,303,504)	(1,148,006)	(1,201,455)	(1,020,410)	(1,192,129)	(1,292,791)	(1,508,096)	(1,036,179)	(1,005,978)	(1,094,708)	(938,588)	(13,896,412)			
2	Total Schedule 26 Revenue Less 37 & 38 Re	(1,154,568)	(1,303,504)	(1,148,006)	(1,201,455)	(1,020,410)	(1,192,129)	(1,292,791)	(1,508,096)	(1,010,437)	(980,986)	(1,067,511)	(915,270)	(13,795,162)			
3																	
4	Fargo 72.50%	(773,699)	(945,093)	(832,350)	(871,103)	(739,838)	(864,341)	(937,325)	(1,093,430)	(732,607)	(711,254)	(773,988)	(663,607)	(9,938,636)			
5	Bemidji 13.98%	(101,406)	(182,256)	(160,514)	(167,987)	(142,674)	(166,683)	(180,758)	(210,862)	(141,279)	(137,161)	(149,259)	(127,973)	(1,868,814)			
6	Cass Lake - Bemdji 5.87%	(168,076)	(73,141)	(63,519)	(67,692)	(58,498)	(68,485)	(74,035)	(83,220)	(79,782)	(74,589)	(60,863)	(65,683)	(937,583)			
7																	
8	Schedule 26 Revenue	(1,043,180)	(1,200,490)	(1,056,383)	(1,106,782)	(941,010)	(1,099,510)	(1,192,118)	(1,387,513)	(953,668)	(923,005)	(984,111)	(857,263)	(12,745,032)			
9																	
10	Minnesota Share 47.89%	(499,579)	(574,915)	(505,902)	(530,038)	(450,649)	(526,555)	(570,905)	(664,480)	(456,712)	(442,027)	(471,291)	(410,543)	(6,103,596)			
11																	
12																	
13	Schedule 37 1.11%	(13,217)	(14,422)	(14,422)	(14,422)	(14,422)	(14,422)	(14,489)	(14,489)	(10,622)	(10,313)	(11,222)	(9,622)	(156,084)			
14	Schedule 38 1.58%	(19,445)	(19,833)	(19,833)	(19,833)	(19,833)	(19,833)	(19,535)	(19,535)	(15,120)	(14,679)	(15,974)	(13,696)	(217,149)			
15																	
16	Schedule 37 & 38 Revenue	(32,662)	(34,255)	(34,255)	(34,255)	(34,255)	(34,255)	(34,024)	(34,024)	(25,743)	(24,992)	(27,197)	(23,318)	(373,233)			
17																	
18	Minnesota Share 47.89%	(15,642)	(16,405)	(16,405)	(16,405)	(16,405)	(16,405)	(16,294)	(16,294)	(12,328)	(11,969)	(13,024)	(11,167)	(178,741)			

Line No.	Schedule 37 and 38 Revenues are forecasted within Schedule 26 Revenues by MISO.	2016		2016		2016		2016		2016		2016		2016		2016	
		Jan Projected	Feb Projected	Mar Projected	Apr Projected	May Projected	Jun Projected	Jul Projected	Aug Projected	Sep Projected	Oct Projected	Nov Projected	Dec Projected	Total Projected			
1	Total Schedule 26 Revenue	(1,589,460)	(1,484,260)	(1,414,126)	(1,168,658)	(1,361,526)	(1,606,994)	(1,677,127)	(1,677,127)	(1,624,527)	(1,273,859)	(1,414,126)	(1,343,992)	(17,635,781)			
2	Total Schedule 26 Revenue Less 37 & 38 Re	(1,550,662)	(1,448,030)	(1,379,608)	(1,140,132)	(1,328,292)	(1,567,768)	(1,636,190)	(1,636,190)	(1,584,873)	(1,242,765)	(1,379,608)	(1,311,186)	(17,205,303)			
3																	
4	Fargo 68.85%	(1,124,292)	(996,896)	(949,791)	(784,924)	(914,462)	(1,079,330)	(1,126,435)	(1,126,435)	(1,091,106)	(855,581)	(949,791)	(902,686)	(11,901,730)			
5	Bemidji 15.78%	(216,814)	(228,543)	(217,744)	(179,947)	(209,644)	(247,441)	(258,240)	(258,240)	(250,141)	(196,146)	(217,744)	(206,945)	(2,687,586)			
6	Cass Lake - Bemdji 6.11%	(91,024)	(84,999)	(80,983)	(66,926)	(77,971)	(92,028)	(96,044)	(96,044)	(93,032)	(72,950)	(80,983)	(76,967)	(1,009,951)			
7																	
8	Schedule 26 Revenue	(1,432,130)	(1,310,438)	(1,248,518)	(1,031,797)	(1,202,077)	(1,418,799)	(1,480,719)	(1,480,719)	(1,434,279)	(1,124,677)	(1,248,518)	(1,186,597)	(15,599,267)			
9																	
10	Minnesota Share 47.89%	(685,847)	(627,569)	(597,915)	(494,127)	(575,675)	(679,463)	(709,116)	(709,116)	(686,876)	(538,608)	(597,915)	(568,261)	(7,470,489)			
11																	
12																	
13	Schedule 37 1.11%	(16,009)	(14,950)	(14,243)	(11,771)	(13,714)	(16,186)	(16,892)	(16,892)	(16,363)	(12,831)	(14,243)	(13,537)	(177,632)			
14	Schedule 38 1.58%	(22,788)	(21,280)	(20,274)	(16,755)	(19,520)	(23,040)	(24,045)	(24,045)	(23,291)	(18,263)	(20,274)	(19,269)	(252,846)			
15																	
16	Schedule 37 & 38 Revenue	(38,798)	(36,230)	(34,518)	(28,526)	(33,234)	(39,226)	(40,938)	(40,938)	(39,654)	(31,094)	(34,518)	(32,806)	(430,478)			
17																	
18	Minnesota Share 47.89%	(18,580)	(17,350)	(16,531)	(13,661)	(15,916)	(18,785)	(19,605)	(19,605)	(18,990)	(14,891)	(16,531)	(15,711)	(206,156)			



Fergus Falls, Minnesota

TRANSMISSION COST RECOVERY RIDER

DESCRIPTION	RATE CODE
Large General Service	31-510
Controlled Service	31-511
Lighting	31-512
All Other Service	31-513

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

AVAILABILITY: This rider is available to any electric service under all of the Company’s retail rate schedules.

COST RECOVERY FACTOR: There shall be included on each Minnesota Customer’s monthly bill a Transmission Cost Recovery charge, which shall be calculated before any applicable municipal payment adjustments and sales taxes 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.

RATE:

TRANSMISSION COST RECOVERY			
Energy Charge per kWh:		kWh	kW
Large General Service	(a)	N/A ¢/kWh	\$2.058 <u>1.342</u>
Controlled Service	(b)	0.122 <u>0.067</u> ¢/kWh	N/A
Lighting	(c)	0.420 <u>0.296</u> ¢/kWh	N/A
All Other Service		0.643 <u>0.431</u> ¢/kWh	N/A
(a) Rate schedules 10.04 Large General Service, 10.05 Large General Service – Time of Day, 14.02 Real Time Pricing Rider and 14.03 Large General Service Rider. (b) Rate Schedules 14.01 Water Heating, 14.04 Interruptible Load (CT Metering), 14.05 Interruptible Load (Self-Contained Metering), 14.06 Deferred Load, and 14.07 Fixed Time of Service (c) Rate Schedules 11.03 Outdoor Lighting (Energy only) and 11.04 Outdoor Lighting			

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Fergus Falls, Minnesota

TRANSMISSION COST RECOVERY RIDER

DESCRIPTION	RATE CODE
Large General Service	31-510
Controlled Service	31-511
Lighting	31-512
All Other Service	31-513

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

AVAILABILITY: This rider is available to any electric service under all of the Company’s retail rate schedules.

COST RECOVERY FACTOR: There shall be included on each Minnesota Customer’s monthly bill a Transmission Cost Recovery charge, which shall be calculated before any applicable municipal payment adjustments and sales taxes 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.

RATE:

TRANSMISSION COST RECOVERY		
Energy Charge per kWh:	kWh	kW
Large General Service (a)	N/A ¢/kWh	\$1.342
Controlled Service (b)	0.067 ¢/kWh	N/A
Lighting (c)	0.296 ¢/kWh	N/A
All Other Service	0.431 ¢/kWh	N/A

(a) Rate schedules 10.04 Large General Service, 10.05 Large General Service – Time of Day, 14.02 Real Time Pricing Rider and 14.03 Large General Service Rider.
 (b) Rate Schedules 14.01 Water Heating, 14.04 Interruptible Load (CT Metering), 14.05 Interruptible Load (Self-Contained Metering), 14.06 Deferred Load, and 14.07 Fixed Time of Service
 (c) Rate Schedules 11.03 Outdoor Lighting (Energy only) and 11.04 Outdoor Lighting

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Customers notice

The Minnesota Public Utilities Commission has approved an adjustment to the Transmission Cost Recovery Rider that is part of the Resource Adjustment on your monthly electric service statement. This rider recovers costs associated with transmission projects that help to ensure we can continue to provide you with safe and reliable service. The table below shows the prior and new rates, beginning April 1, 2016, for all classes of customers. A residential customer who uses 1,000 kwh per month will see a bill decrease of \$2.12.

Class	Prior Rate	April 1, 2016 Rate
Large General Service	\$ 2.058 per kW	\$ 1.342 per kW
Controlled Service	\$ 0.00122 per kWh	\$ 0.00067 per kWh
Lighting	\$ 0.00420 per kWh	\$ 0.00296 per kWh
All Other Service	\$ 0.00643 per kWh	\$ 0.00431 per kWh

For more information contact Customer Service at 800-257-4044 or place an inquiry from our website at www.otpco.com.

	A	B	C
	April 2016 - March 2017 Recovery Period		
Month	All Projects' Revenue Requirement	All Projects' Revenue Requirement w/ADIT Pro-Rate	Difference (B - A)
Apr-16	\$ 655,711	\$ 658,232	\$ 2,521
May-16	655,724	658,244	2,521
Jun-16	687,581	690,101	2,521
Jul-16	655,746	658,267	2,521
Aug-16	655,756	658,277	2,521
Sep-16	687,613	690,134	2,521
Oct-16	655,776	658,297	2,521
Nov-16	655,767	658,288	2,521
Dec-16	687,605	690,126	2,521
Jan-17	633,009	642,127	9,118
Feb-17	633,007	642,125	9,118
Mar-17	665,450	674,568	9,118
	\$ 7,928,747	\$ 7,978,786	\$ 50,039

MN Revenue Requirement ADIT Pro-Rate Adjustment \$ 50,039
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CERTIFICATE OF SERVICE

**RE: In the Matter of the Petition of Otter Tail Power Company for
Approval of a Transmission Cost Recovery Rider Annual Adjustment
MPUC Docket No. E017/M-15-874**

I, Nancy L. Olson, hereby certify that I have this day served a copy of the following, or a summary thereof, on Daniel P. Wolf and Sharon Ferguson by e-filing, and to all other persons on the attached service list by electronic service or by First Class mail.

**Otter Tail Power Company
Supplemental Filing**

Dated this **21st** day of **December 2015**.

/S/ NANCY L. OLSON
Nancy L. Olson, Regulatory Filing Coordinator
Otter Tail Power Company
215 South Cascade Street
Fergus Falls MN 56537
(218) 739-8376

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	Yes	OFF_SL_15-874_M-15-874
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022191	Electronic Service	No	OFF_SL_15-874_M-15-874
Ray	Choquette	rchoquette@agp.com	Ag Processing Inc.	12700 West Dodge Road PO Box 2047 Omaha, NE 68103-2047	Electronic Service	No	OFF_SL_15-874_M-15-874
James C.	Erickson	jericksonkbc@gmail.com	Kelly Bay Consulting	17 Quechee St Superior, WI 54880-4421	Electronic Service	No	OFF_SL_15-874_M-15-874
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Bruce	Gerhardson	bgerhardson@otpc.com	Otter Tail Power Company	PO Box 496 215 S Cascade St Fergus Falls, MN 565380496	Electronic Service	No	OFF_SL_15-874_M-15-874
Bryce	Haugen	bhaugen@otpo.com	Otter Tail Power Company	215 S Cascade St Fergus Falls, MN 56538	Electronic Service	No	OFF_SL_15-874_M-15-874
Shane	Henriksen	shane.henriksen@enbridge.com	Enbridge Energy Company, Inc.	1409 Hammond Ave FL 2 Superior, WI 54880	Electronic Service	No	OFF_SL_15-874_M-15-874
Richard	Johnson	Rick.Johnson@lawmoss.com	Moss & Barnett	150 S. 5th Street Suite 1200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-874_M-15-874
James D.	Larson	james.larson@avantenergy.com	Avant Energy Services	220 S 6th St Ste 1300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-874_M-15-874
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	OFF_SL_15-874_M-15-874

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_15-874_M-15-874
Kavita	Maini	kmairi@wi.rr.com	KM Energy Consulting LLC	961 N Lost Woods Rd Oconomowoc, WI 53066	Electronic Service	No	OFF_SL_15-874_M-15-874
Andrew	Moratzka	apmoratzka@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-874_M-15-874
Gary	Oetken	goetken@agp.com	Ag Processing, Inc.	12700 West Dodge Road P.O. Box 2047 Omaha, NE 681032047	Electronic Service	No	OFF_SL_15-874_M-15-874
David G.	Prazak	dprazak@otpc.com	Otter Tail Power Company	P.O. Box 496 215 South Cascade Street Fergus Falls, MN 565380496	Electronic Service	No	OFF_SL_15-874_M-15-874
Larry L.	Schedin	Larry@LLSResources.com	LLS Resources, LLC	12 S 6th St Ste 1137 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-874_M-15-874
Stuart	Tommerdahl	stommerdahl@otpc.com	Otter Tail Power Company	215 S Cascade St PO Box 496 Fergus Falls, MN 56537	Electronic Service	No	OFF_SL_15-874_M-15-874
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_15-874_M-15-874