

15 South Cascade Street
PO Box 496
Fergus Falls, Minnesota 56538-0496
218 739-8200
www.otpc.com (web site)

June 21, 2019



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 Otter Tail Power Company's Petition for Approval of the Annual Update to its Renewable Resource Cost Recovery Rider Rate, Rate Schedule 13.04 Docket No. E017/M-19-Initial Filing

Dear Mr. Wolf:

Otter Tail Power Company (Otter Tail) hereby submits its Petition to the Minnesota Public Utilities Commission (Commission) for approval of its annual update to the Renewable Resource Cost Recovery Rider Rate under Otter Tail's Rate Schedule 13.04.

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 general service list. A Certificate of Service is also enclosed.

If you have any questions regarding this filing, please contact me at 218-739-8819 or at dmandelke@otpc.com.

Sincerely,

/s/ DARLENE C. MANDELKE
Darlene C. Mandelke, Rates Analyst
Regulatory Administration

mmo
Enclosures
By electronic filing
c: Service List

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

**In the Matter of Otter Tail Power
Company's Petition for Approval of the
Annual Update to its Renewable Resource
Cost Recovery Rider Rate, Rate Schedule
13.04**

Docket No. E017/M-19-

SUMMARY OF FILING

On June 21, 2019, Otter Tail Power Company (Otter Tail) filed a petition with the Minnesota Public Utilities Commission for approval of its annual update to the Renewable Resource Cost Recovery Rider rate under Otter Tail's Rate Schedule 13.04. This petition requests an effective date of November 1, 2019, for cost recovery of the difference in the production tax credits (PTCs) in base rates and the actual PTCs generated and company-owned renewable generation, specifically, the Merricourt Wind project located in North Dakota.

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

**In the Matter of Otter Tail Power Company's
Petition for Approval of the Annual Update
to its Renewable Resource Cost Recovery
Rider Rate, Rate Schedule 13.04**

Docket No. E017/M-19-

**PETITION OF OTTER TAIL
POWER COMPANY**

I. INTRODUCTION

Otter Tail Power Company (Otter Tail or Company) submits this Petition to the Minnesota Public Utilities Commission (Commission) for approval of its annual update (Update) to its Renewable Resource Cost Recovery Rider (RRAR) rate under Otter Tail's Rate Schedule 13.04.

This rider was originally established in Docket Nos. E017/M-08-119 and E017/M-08-131. In Otter Tail's last general rate case, Docket No. E017/M-15-1033, filed on February 16, 2016, Otter Tail proposed to recover Production Tax Credit (PTC)-related expenses through the RRAR after the PTCs expire. On October 30, 2017, the Commission approved Otter Tail's RRAR rate schedule and the RRAR rate in the Findings of Fact, Conclusions and Order¹ (Order) for Docket No. E017/M-15-1033. The RRAR allows Otter Tail to recover the difference between PTCs from its Langdon Wind facility (Langdon) and Ashtabula Wind facility (Ashtabula) included in base rates and actual PTCs generated by these facilities. The RRAR rate was effective November 1, 2017. Otter Tail's most recent Update was approved on August 29, 2018 for the period of November 2018 through October 2019 in Docket No. E017/M-18-390. Otter Tail files this Update to the RRAR rates, which include actual PTCs in base rates and PTCs generated through May 2019 and forecasted PTCs generated through October 2020. This filing also includes costs associated with Otter Tail's Merricourt Wind Project.

On January 10, 2018, the Commission approved cost recovery of the Merricourt Wind Project (Merricourt or Project) in Docket No. E017/M-17-279, Order Approving Project Under Minn. Stat. § 216B.1645, Subd. 1, and authorizing Cost Recovery.² This update includes cost recovery of the

¹Minnesota Public Utilities Commission's May 1, 2017 Order Approving Findings of Fact, Conclusions and Order, Order Point 18.

²Minnesota Public Utilities Commission's January 10, 2018 Order Approving Project Under Minn. Stat. § 216B.1645, Subd. And Authorizing Cost Recovery, Order Point 4.

Merricourt project costs beginning November 2019 through October 2020. Merricourt is scheduled to go into service in November 2020 and will begin generating PTCs for 10 years when it is placed in service.

For this annual update, Otter Tail requests approval to recover the revenue requirement of \$12,570,755 over the recovery period of November 2019 through October 2020. For a residential customer using 1,000 kWh per month, the bill impact is an increase of \$2.78 per month.

II. SUMMARY OF FILING

Pursuant to Minn. Rules 7829.1300, Subp. 1, a one-paragraph summary of the filing accompanies this Petition.

III. GENERAL FILING INFORMATION

Pursuant to Minn. Rules 7829.1300, Subp. 3, the following information is provided.

A. Name, address, and telephone number of utility

(Minn. Rules 7829.1300, Subp. 3(A))

Otter Tail Power Company
215 South Cascade Street
Fergus Falls, Minnesota 56537
(218) 739-8200

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

(Minn. Rules 7829.1300, Subp. 3(B))

Cary Stephenson
Associate General Counsel
Otter Tail Power Company
215 South Cascade Street
Fergus Falls, Minnesota 56537
(218) 739-8956

C. Date of filing and proposed effective date of rates

(Minn. Rules 7829.1300, Subp. 3(C))

The date of the filing is June 21, 2019. Otter Tail proposes the RRAR rates become effective November 1, 2019, or on the first day of the month following Commission approval, should its decision be thereafter.

D. Statutes controlling schedule for processing the filing

(Minn. Rules 7829.1300, Subp. 3(D))

Minn. Stat. § 216B.16 permits a utility to implement a proposed rate change after giving the Commission a 60-day notice. This filing is a “miscellaneous tariff filing” as defined by the Commission’s rules at Minn. Rules 7829.0100, Subp. 11. No determination of Otter Tail’s overall revenue requirement is necessary (or required under the Statute). Minn. Rules 7829.1400, Subps. 1 and 4 permit comments in response to a miscellaneous tariff filing to be filed within 30 days and reply comments to be filed no later than 10 days thereafter.

E. Title of utility employee responsible for filing

(Minn. Rules 7829.1300, Subp. 3(E))

Darlene Mandelke
Rates Analyst, Regulatory Administration
Otter Tail Power Company
215 South Cascade Street
Fergus Falls, Minnesota 56537
(218) 739-8819

F. Impact on rates

(Minn. Rules 7829.1300, Subp 4(F))

The RRAR has no effect on Otter Tail’s base rates. The additional information required under this Rule is included throughout the Petition.

G. Service List

(Minn. Rules 7829.0700)

Otter Tail requests that the following persons be placed on the Commission’s official service list for this matter and that any trade secret comments, requests, or information be provided to the following on behalf of Otter Tail:

Darlene Mandelke
Rates Analyst
Regulatory Administration
Otter Tail Power Company
215 South Cascade Street
Fergus Falls, MN 56537
(218) 739-8819
dmandelke@otpcp.com

Cary Stephenson
Associate General Counsel
Otter Tail Power Company
215 South Cascade Street
Fergus Falls, MN 56537
(218) 739-8956
cstephenson@otpcp.com

H. Service on other parties

(Minn. Rules 7829.1300, Subp. 2; Minn. Rules 7829.0600)

Pursuant to Minn. Rule 7829.1300, Subp. 2, Otter Tail served a copy of this Petition on the Office of Energy Security of the Department of Commerce and the Antitrust & Utilities Division of the Office of the Attorney General. A summary of the filing prepared in accordance with Minn. Rule 7829.1300, Subp. 1 was served on all parties on Otter Tail's general service list.

IV. DESCRIPTION AND PURPOSE OF FILING

In *Section A* below, Otter Tail provides a background summary of its RRAR including the most recently approved update. In *Section B*, Otter Tail provides an overview of the components included in the RRAR tracker.

A. Background

Otter Tail's RRAR was originally established in Docket Nos. E017/M-08-119 and E017/M-08-131.³ On February 16, 2016, Otter Tail filed a RRAR tariff and proposed rates in Docket No. E017/M-15-1033 to recover the increased tax expenses associated with the expiration of the PTCs for Langdon and Ashtabula. On October 30, 2017, the Commission approved Otter Tail's RRAR rate schedule and the RRAR rate in the Order. The RRAR rate was effective November 1, 2017. On June 14, 2018, Otter Tail filed for Approval of the Annual Update to its RRAR Rate in Docket No. E017/M-18-390. The rate was approved by the Commission on August 29, 2018 and was effective November 1, 2018.

³ Minnesota Public Utility Commission's August 15, 2008 Order Approving Rider, Purchase Power Agreement, Variance and Eligibility and Adding Requirements.

On January 10, 2018, the Commission approved cost recovery of Merricourt in Docket No. E017/M-17-279, Order Approving Project Under Minn. Stat. § 216B.1645, Subd. 1, and authorizing Cost Recovery.⁴ This update includes recovery of project costs associated with the Merricourt Project.

For additional background Otter Tail provides Table 1 that details the history of Otter Tail’s RRAR since inception.

Table 1

RRAR History	Description	Docket Number
Original	Original RRAR Rider and RRAR Factor	E017/M-08-119 and E017/M-08-131
1st - 3rd Revision	2009 Annual Update	E017/M-08-1529
4th Revision	2010 Annual Update	E017/M-09-1484
5th Revision	2010 General Rate Case	E017/GR-10-239
6th Revision	2012 Annual Update	E017/M-12-708
7th Revision	2017 General Rate Case	E017/GR-15-1033
8th Revision	2018 Annual Update	E017/M-18-390

Attachment 1 to this filing is a summary of the proposed \$12,570,755 revenue requirement calculated for the November 1, 2019 through October 31, 2020 recovery period. This includes the revenue requirement for the proposed recovery period of \$12,668,183 and the projected over-recovery from the current recovery period of \$97,428. Attachment 2 to this filing calculates the average RRAR rate for this update at \$0.00469 per kWh, an increase of \$0.00250 per kWh from the current average rate of \$0.00219 per kWh.

Attachments 3 and 4 provide the details of the Revenue Requirements Calculation for the Langdon and Ashtabula PTCs and Merricourt project costs, respectively. The calculation for the PTCs includes the difference between the amount of actual PTCs included in base rates compared to the amount generated by month through May 2019 and forecasted to be generated by month from June 2019 through October 2020. The calculation for Merricourt includes actual project costs through May 2019 and forecasted project costs through October 2020.

⁴ Minnesota Public Utilities Commission’s January 10, 2018 Order Approving Project Under Minn. Stat. § 216B.1645, Subd. And Authorizing Cost Recovery, Order Point 4.

B. Components included in this RRAR Tracker

In this Petition, Otter Tail seeks approval of its updated tracker account for the Langdon and Ashtabula PTCs included in base rates compared to actual PTCs and for recovery of one new renewable project; the Merricourt Project. The costs and revenue requirements for this project are included in Attachment 4. A detailed description of these components of the rider is provided below.

PTCs included in Base Rates versus Actual

The RRAR allows Otter Tail to recover the difference between PTCs included in base rates and actual PTCs. Due to the 10-year sunset on PTCs based on original in service dates, Otter Tail stopped receiving PTCs for its Langdon Wind Facility in November 2017 and stopped receiving PTCs for its Ashtabula Wind Facility in October 2018. Otter Tail provides Attachment 3 to this filing showing the actual PTCs generated by these wind facilities, which is zero, compared to the PTC amounts included in base rates.

Merricourt Wind Project Description

The Merricourt Project is a wind generation project that will be located near the small town of Merricourt, North Dakota, approximately 15 miles south of Edgeley, in McIntosh and Dickey Counties. The Merricourt Project will consist of 75 V110-2.0 MW Vestas wind turbine generators with an aggregate nameplate capacity of 150 MW. The Project includes real property interests, tower foundations, operational equipment, electric collection circuit lines, a collector system with an on-site collector substation, and additional infrastructure such as communications systems, meteorological towers, operations and maintenance building, monitoring, safety, lighting and measuring systems. The Project's footprint is approximately 13,000 acres of land. The Project's energy output is expected to be approximately 666,000 megawatt hours (MWh) annually, at a projected net capacity rate of 50.7 percent.

The Project will interconnect to Montana-Dakota Utilities Company's Merricourt 230 kV substation located approximately 13 miles southwest of Kulm, North Dakota. The Interconnection Agreement is effective as of March 6, 2019. The Merricourt Project will be developed and constructed by subsidiaries of EDF Renewable Energy, Inc. (EDF). On November 16, 2016, Otter Tail and EDF executed an Asset Purchase Agreement (APA) under which Otter Tail will purchase the development assets of the Project. Otter Tail and EDF also executed a corresponding Turnkey Engineering, Procurement, and Construction (TEPC) agreement, under which EDF will construct the Project on a

turnkey basis. Otter Tail expects to close on the APA in the summer of 2019 with construction to begin in late summer or fall 2019. Construction is anticipated to continue through Fall of 2020, when the project is expected to be in service.

Total project cost incurred thru May 2019 were \$5,476,544 (OTP Total) / \$2,902,554 (OTP MN) based on Minnesota's E2 jurisdictional allocation factor of 52.99973 percent. Forecasted total project cost through October 2020 is \$254 million (OTP Total) / \$135 million (OTP MN) including allowance for funds used during construction (AFUDC). This request covers the period of November 1, 2019 through October 31, 2020 (the beginning balance includes AFUDC accrued up to and through October 2019.) The forecasted amount of AFUDC through October 2019 is \$2.1 million (OTP Total) / \$1.1 million (OTP MN). Otter Tail forecasts that total project expenditures will be at or under the original budget amount of \$270 million (OTP Total) / \$143 million (OTP MN).

The Merricourt Project qualifies for the Federal PTC for the first 10 years of production. The PTC amount is based on kWh produced each year. Based on projected generation the PTC "earned" amount is estimated to be \$159.8 million (OTP Total) / \$84.7 million (OTP MN) over the first 10 years the project is in service. In this Petition, Otter Tail requests to use the PTCs as a reduction to tax expense as the PTCs are generated. The effect of the PTC flow-through is a reduction in revenue requirements for 10 years and then no credit to tax expense thereafter.

Applying the PTCs at the time they are generated (or "earned") to tax expense reduces the revenue requirements in the first 10 years of the facility's production. Otter Tail is not always able to fully utilize PTCs as they are generated. When the PTCs generated exceed Otter Tail's taxable income, the unused PTCs are accounted for as a deferred tax asset for future use. Even though unused PTCs will not reduce income taxes for Otter Tail, Otter Tail will reflect the tax reduction value in rates. Through this approach, Otter Tail's Minnesota customers will receive the rate reduction benefits associated with PTCs even though Otter Tail may not yet utilize the PTCs on current tax returns. The unutilized PTCs are carried forward to offset future taxable income and are part of the deferred tax asset. Through this method, the PTC benefits are not spread over the entire lives of the project; rather, they are incorporated into rates in each year PTC's are generated (based on the kWhs generated in each of the first ten years), regardless of whether the PTCs are used on the then-current-period tax return.

An alternative method of PTC flow-through is levelizing the PTC flow-through over the life of the project. Levelizing, for ratemaking purposes, would spread the tax benefit over the entire depreciable life of the asset rather than allocating the entire tax benefit only to those customers paying

bills in the early years of the life of the asset. The project life for Merricourt is 25 years. Otter Tail forecasts that Merricourt will generate approximately \$159.8 million (OTP Total) / \$84.7 million (OTP MN) of PTCs. Levelizing this amount over the 25-year life of Merricourt results in approximately \$6.4 million (OTP Total) / \$3.4 million (OTP MN) of tax credit each year for 25 years. Table 2 shows the difference between PTCs as generated reduction to tax expense compared to levelized PTCs reduction to tax expense on an OTP Total system basis.

Table 2

Forecast Year	OTP System		Difference
	PTCs as Generated Reduction to Tax Expense	Levelized PTCs Reduction to Tax Expense	
2019	\$0	\$0	\$0
2020	\$1,827,500	\$1,065,555	\$761,945
2021	\$16,635,000	\$6,393,328	\$10,241,672
2022	\$16,635,000	\$6,393,328	\$10,241,672
2023	\$17,300,400	\$6,393,328	\$10,907,072
2024	\$17,349,800	\$6,393,328	\$10,956,472
2025	\$17,349,800	\$6,393,328	\$10,956,472
2026	\$18,017,100	\$6,393,328	\$11,623,772
2027	\$18,017,100	\$6,393,328	\$11,623,772
2028	\$18,017,100	\$6,393,328	\$11,623,772
2029	\$18,684,400	\$6,393,328	\$12,291,072
2030		\$6,393,328	(\$6,393,328)
2031		\$6,393,328	(\$6,393,328)
2032		\$6,393,328	(\$6,393,328)
2033		\$6,393,328	(\$6,393,328)
2034		\$6,393,328	(\$6,393,328)
2035		\$6,393,328	(\$6,393,328)
2036		\$6,393,328	(\$6,393,328)
2037		\$6,393,328	(\$6,393,328)
2038		\$6,393,328	(\$6,393,328)
2039		\$6,393,328	(\$6,393,328)
2040		\$6,393,328	(\$6,393,328)
2041		\$6,393,328	(\$6,393,328)
2042		\$6,393,328	(\$6,393,328)
2043		\$6,393,328	(\$6,393,328)
2044		\$6,393,328	(\$6,393,328)
2045		\$5,327,773	(\$5,327,773)
Totals	\$159,833,200	\$159,833,200	\$0

Tracker Balance

Otter Tail maintains a tracker account worksheet and accounting system to track and account for PTCs included in base rates compared to the actual PTCs generated, and tracks Merricourt actual costs and the amount recovered through Minnesota retail revenue. When submitting annual filings, the tracker account is updated so that any over/under recovered amount at the end of the previous year is reflected in the RRAR adjustment for the upcoming year. This approach helps ensure that no under/over recovery occurs. The tracker summary balance is included in Attachment 2 and the details for PTCs and Merricourt are included in Attachments 3 and 4, respectfully.

Specifically, the calculations of the revenue requirement in this Petition include the following:

- *Rate base section.* This section provides details on the amount of plant in service, accumulated depreciation (if applicable), construction work in progress (CWIP), accumulated deferred taxes including the effect of proration on Federal amounts, and a 13-month average rate base calculation.
- *Construction Work in Progress (CWIP).* Minn. Stat. §216B-1692 allows a current return on CWIP.
- *Expense section.* The expenses applicable to a project are listed here and include operating costs, property taxes, depreciation, and income taxes.
- *Revenue requirements section.* This section shows the components of the revenue requirements, including expenses and return on rate base.
- *Return on investment (cost of capital).* The return on investment utilizes the return on equity approved in Otter Tail's Rate Case.
- *Depreciation expense.* Depreciation expense is calculated using the Company's current estimated depreciation rates.
- *Property taxes.* The property tax calculation is based on Otter Tail's composite tax rate for the jurisdiction in which the facilities are located and is calculated in accordance with the procedures specified by that state. The composite rate calculation applies to Merricourt while the funds are in FERC account 107, construction work in progress. After Merricourt is placed into service, it will be subject to taxes consisting of the following two components:
 1. A State tax of two dollars and fifty cents per kilowatt times the rated capacity of the wind generator.

2. A State tax of one-half of one mill per kilowatt-hour of electricity generated by the wind generator during the taxable period.
- *Operation and maintenance Expense.* Once the Merricourt project is in service, Otter Tail will track operation and maintenance costs specifically related to this project in Attachment 4. Annual O&M expenses related to these generation facilities include costs related to operating costs, ground lease payments, property taxes and depreciation for Merricourt.
 - *Proration of Federal Accumulated Deferred Income Taxes (ADIT).* Once the Merricourt project is in service, Otter Tail will include proration of Federal ADIT. The methodology used for proration of Federal ADIT is in adherence to United States Internal Revenue Service (IRS) rules related to proration, including recently issued IRS private letter rulings. Otter Tail interprets this to include proration of Federal ADIT for the (forward-looking) recovery period and, in future filings, preserving the effect of the application of the proration methodology for the true-up period. This calculation methodology is necessary in order to comply with Section 1.167(l)-1(h)(6)(ii) of the IRS regulations and to avoid a tax normalization violation.⁵ In future Updates Otter Tail will include a workpaper with the details of the calculation of the proration of Federal ADIT for the recovery period and whether it results in an increase or decrease to the revenue requirement.
 - *Federal Production Tax Credit (PTC).* Merricourt is eligible for PTCs when it is placed in service. The forecasted rate is \$25.00 per megawatt hour for the recovery period of November 2019 through October 2020. The in service date is projected to be November 2020 and not included in the recovery period, therefore, no PTCs will be generated or included in this filing.
 - *Jurisdictional Allocation Factors.* Jurisdictional allocators are used to allocate system cost among jurisdictions. Otter Tail utilizes the Minnesota jurisdictional allocations approved by the Commission in its last Rate Case, Docket No. E017/M-15-1033.

⁵ See Treas. Reg. SS 1.167(l)-1(h)(6)(ii).

V. RATE DESIGN

Otter Tail proposes to use the rate design approved in previous RRAR filings which includes demand and energy components. This is consistent with the last rate update approved for this rider. The rate design is shown in Attachment 5. The proposed rates are based on the assumption that they will be in effect beginning November 1, 2019.

If the effective date of the updated RRAR rates is more than 45 days later than November 1, 2019, Otter Tail respectfully requests the option to recalculate the rates in order to implement rates that forecasts the tracker balance as close to zero as possible at the end of the recovery period.

VI. REVENUE REQUIREMENTS, RATE APPLICATION AND IMPACT

Otter Tail proposes that the RRAR continue to be applicable to electric service under all of Otter Tail's retail rate schedules as defined in Rate Schedule 13.04. The charge will continue to be included as part of the Resource Adjustment line on customers' bills.

The total revenue requirement for the proposed recovery period, as shown on line 5 in Attachment 1, is \$12,570,755

VII. CUSTOMER NOTIFICATION AND BILLING

Attachment 6 is the proposed notice to customers that will be included with customer bills in the month that the new RRAR rates are implemented.

VIII. RENEWABLE RESOURCE COST RECOVERY RIDER RATE SCHEDULE

Otter Tail's updated rate schedule Section 13.04 is provided in Attachment 7 to this Petition in both redline and clean versions.

IX. CONCLUSION

Otter Tail respectfully requests the Commission approve this 2019 Update to its RRAR to be effective November 1, 2019, as explained in this Petition.

Dated: June 21, 2019

Respectfully submitted:

OTTER TAIL POWER COMPANY

By: /s/ DARLENE MANDELKE

Darlene Mandelke
Rates Analyst, Regulatory Administration
215 South Cascade Street
P.O. Box 496
Fergus Falls, MN 56538-0496
Phone (218) 739-8819

OTTER TAIL POWER COMPANY
RENEWABLE RESOURCE COST RECOVERY RIDER FILING ATTACHMENTS

Attachment 1	Revenue Requirements Summary
Attachment 2	Renewable Resource Cost Recovery Rider Tracker Report
Attachment 3	PTCs Revenue Requirements Calculation
Attachment 4	Merricourt Revenue Requirements Calculation
Attachment 5	Rate Design
Attachment 6	Notice to Customers
Attachment 7	Renewable Resource Cost Recovery Rider, Electric Rate Schedule 13.04

Otter Tail Power Company
Renewable Resource Adjustment Recovery Rider

Summary of Revenue Requirements

Line No.	Revenue Requirements	Nov 2019 - Oct 2020
1	Production Tax Credits	\$5,265,493
2	Merricourt Wind Project	\$7,402,690
3	Carrying Cost	0
4	True Up	(97,428)
5	Total	<u>\$12,570,755</u>

Otter Tail Power Company
MN Renewable Resource Rider

LineNo	11/1/2018		YE	1/1/2019		2/1/2019		3/1/2019		4/1/2019		5/1/2019		6/1/2019		7/1/2019		8/1/2019		9/1/2019		10/1/2019		11/2019		12/2019		1/2020		2/2020		3/2020		4/2020		5/2020		6/2020		7/2020		8/2020		9/2020		10/2020		Recovery Period		
	Actual	Actual		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual						
TRACKER SUMMARY Requirements Compared to Billing:																																																		
1	Revenue Requirements	438,784	438,869	3,067,299	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	5,265,493				
2	Merricourt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
3	Total Revenue Requirements	438,784	438,869	3,067,299	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	5,265,493			
4	Billed (forecast MWh x adj factor)	480,952	496,620	2,209,173	602,911	613,777	519,315	472,200	448,516	438,830	463,302	474,440	459,887	445,221	5,915,250	1,017,277	1,100,724	0	1,202,452	1,156,667	1,114,735	1,039,325	968,645	959,444	1,010,455	1,031,915	1,000,123	968,992	12,570,756	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Renewable Energy Certificate Sales	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
6	Monthly Revenue Difference	(42,148)	(58,051)	861,125	(164,127)	(174,993)	(79,531)	(33,416)	(9,732)	(46)	(24,518)	(35,656)	(21,103)	(6,437)	(649,758)	(436,162)	(519,524)	(1,505,246)	(51,865)	(6,080)	35,851	111,262	181,941	191,142	140,132	118,672	150,463	181,596	97,428	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
7	Carrying Charge	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
8	Cumulative Difference	510,162	452,131	289,005	113,011	33,480	64	(9,668)	(9,714)	(34,231)	(69,886)	(90,991)	(97,428)	(649,758)	(533,690)	(1,053,114)	(1,104,979)	(1,111,059)	(1,075,208)	(963,945)	(782,004)	(590,862)	(450,730)	(332,058)	(181,596)	(0)	97,428	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
9	Carrying Charge Calculation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
10	Cumulative Carrying Charge	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
11	Carrying cost	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%				
12	Forecasted Sales (MWh)	238,461,000	252,005,381	242,650,556	233,472,300	217,588,981	202,459,254	200,486,170	211,686,355	216,755,282	210,106,374	203,405,895	2,429,057,548	216,907,528	234,700,421	2,642,204,495	256,391,127	246,628,751	237,887,962	221,608,580	206,538,132	204,576,261	215,452,976	220,028,664	213,249,984	206,611,976	2,680,382,360	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		

MN PUC Approved 06/23/2018
Rate Calculation - November 2018 - October 2019

Revenue Requirements	\$5,265,493
Carrying Charge	0
Req Balance True Up	620,326
Total Revenue Requirements	\$5,885,819
Projected sales in kWh	2,689,025,665
Average Rate	\$0.00219

Rate Calculation - November 2019 - October 2020

Revenue Requirements	\$12,668,183
Carrying Charge	0
Req Balance True Up	(97,428)
Total Revenue Requirements	\$12,570,755
Projected sales in kWh	2,680,382,360
Average Rate	\$0.00469

Otter Tail Power Company
MN Renewable Rider - PTCs Over/Under Credited

LineNo.	Year>>	2018														2019	
		Actual November	Actual December	Actual Total	Actual January	Actual February	Actual March	Actual April	Actual May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	Projected Total
1	PTC Calculation																
	Langdon																
	<i>PTCs in Base Rates</i>																
2	Base MWh	12,592	12,597	151,109	12,592	12,592	12,592	12,592	12,592	12,592	12,592	12,592	12,592	12,592	12,592	12,597	151,109
3	Base PTC Rate	(24.00)	(24.00)		(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	
4	Total PTCs \$ in Base Rates	(302,208)	(302,328)	(3,626,616)	(302,208)	(302,208)	(302,208)	(302,208)	(302,208)	(302,208)	(302,208)	(302,208)	(302,208)	(302,208)	(302,208)	(302,328)	(3,626,616)
5	MN Jurisdictional Allocator - EPIS	50.35701%	50.35701%		50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	
6	PTCs \$ in Rate Base - MN Share	(152,183)	(152,243)	(1,826,255)	(152,183)	(152,183)	(152,183)	(152,183)	(152,183)	(152,183)	(152,183)	(152,183)	(152,183)	(152,183)	(152,243)		(1,826,255)
7																	
	<i>Actual PTCs Generated (MWh)</i>																
8	Actual MWh	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Actual PTC Rate	(24.00)	(24.00)		(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	
11	Total PTCs Generated \$	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	0
12	MN Jurisdictional Allocator - EPIS	50.35701%	50.35701%		50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	
13	PTCs Generated \$ - MN Share	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Langdon Reg Asset (Liability)	152,183	152,243	1,807,221	152,183	152,183	152,183	152,183	152,183	152,183	152,183	152,183	152,183	152,183	152,243		3,633,477
15																	
	Ashtabula																
	<i>PTCs in Base Rates</i>																
17	Base MWh	13,279	13,279	159,348	13,279	13,279	13,279	13,279	13,279	13,279	13,279	13,279	13,279	13,279	13,279	13,279	159,348
18	Base PTC Rate	(24.00)	(24.00)		(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	
19	Total PTCs \$ in Base Rates	(318,696)	(318,696)	(3,824,352)	(318,696)	(318,696)	(318,696)	(318,696)	(318,696)	(318,696)	(318,696)	(318,696)	(318,696)	(318,696)	(318,696)	(318,696)	(3,824,352)
20	MN Jurisdictional Allocator - EPIS	50.35701%	50.35701%		50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	
21	PTCs \$ in Rate Base - MN Share	(160,486)	(160,486)	(1,925,829)	(160,486)	(160,486)	(160,486)	(160,486)	(160,486)	(160,486)	(160,486)	(160,486)	(160,486)	(160,486)	(160,486)	(160,486)	(1,925,829)
22																	
	<i>Actual PTCs Generated (MWh)</i>																
23	Actual MWh	0	0	129,607	0	0	0	0	0	0	0	0	0	0	0	0	0
24	Actual PTC Rate	(24.00)	(24.00)		(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	
25	Total PTCs Generated \$	-	-	(3,110,567)	-	-	-	-	-	-	-	-	-	-	-	-	0
26	MN Jurisdictional Allocator - EPIS	50.35701%	50.35701%		50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	
27	PTCs Generated \$ - MN Share	0	0	(1,566,389)	0	0	0	0	0	0	0	0	0	0	0	0	0
28	Ashtabula Reg Asset (Liability)	160,486	160,486	263,452	160,486	160,486	160,486	160,486	160,486	160,486	160,486	160,486	160,486	160,486	160,486	160,486	2,189,282
29																	
30																	
31																	
32	Current Month Difference (Base Rate vs. Actual G	312,669	312,729	2,070,674	312,669	312,669	312,669	312,669	312,669	312,669	312,669	312,669	312,669	312,669	312,669	312,729	5,822,758
33	Taxable Income - Grossed Up through 2017			-													-
34	Taxable Income - Grossed Up 2018 Forward	438,784	438,869	3,067,299	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,869	5,265,493

Otter Tail Power Company
MN Renewable Rider - PTCs Over/Under Credited

LineNo.	Year>>	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020
		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 Total
	PTC Calculation													
	Langdon													
	<i>PTCs in Base Rates</i>													
1	Base MWh	12,592	12,592	12,592	12,592	12,592	12,592	12,592	12,592	12,592	12,592	12,592	12,592	151,109
2	Base PTC Rate	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	
3	Total PTCs \$ in Base Rates	(302,208)	(302,208)	(302,208)	(302,208)	(302,208)	(302,208)	(302,208)	(302,208)	(302,208)	(302,208)	(302,208)	(302,328)	(3,626,616)
4	MN Jurisdictional Allocator - EPIS	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	
5	PTCs \$ in Rate Base - MN Share	(152,183)	(152,183)	(152,183)	(152,183)	(152,183)	(152,183)	(152,183)	(152,183)	(152,183)	(152,183)	(152,183)	(152,243)	(1,826,255)
6														
7														
8	<i>Actual PTCs Generated (MWh)</i>													
9	Actual MWh	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Actual PTC Rate	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	
11	Total PTCs Generated \$	-	-	-	-	-	-	-	-	-	-	-	-	0
12	MN Jurisdictional Allocator - EPIS	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	
13	PTCs Generated \$ - MN Share	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Langdon Reg Asset (Liability)	152,183	152,183	152,183	152,183	152,183	152,183	152,183	152,183	152,183	152,183	152,183	152,243	5,459,732
15														
16														
17	Ashtabula													
18	<i>PTCs in Base Rates</i>													
19	Base MWh	13,279	13,279	13,279	13,279	13,279	13,279	13,279	13,279	13,279	13,279	13,279	13,279	159,348
20	Base PTC Rate	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	
21	Total PTCs \$ in Base Rates	(318,696)	(318,696)	(318,696)	(318,696)	(318,696)	(318,696)	(318,696)	(318,696)	(318,696)	(318,696)	(318,696)	(318,696)	(3,824,352)
22	MN Jurisdictional Allocator - EPIS	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	
23	PTCs \$ in Rate Base - MN Share	(160,486)	(160,486)	(160,486)	(160,486)	(160,486)	(160,486)	(160,486)	(160,486)	(160,486)	(160,486)	(160,486)	(160,486)	(1,925,829)
24														
25	<i>Actual PTCs Generated (MWh)</i>													
26	Actual MWh	0	0	0	0	0	0	0	0	0	0	0	0	0
27	Actual PTC Rate	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	(24.00)	
28	Total PTCs Generated \$	-	-	-	-	-	-	-	-	-	-	-	-	0
29	MN Jurisdictional Allocator - EPIS	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	50.35701%	
30	PTCs Generated \$ - MN Share	0	0	0	0	0	0	0	0	0	0	0	0	0
31	Ashtabula Reg Asset (Liability)	160,486	160,486	160,486	160,486	160,486	160,486	160,486	160,486	160,486	160,486	160,486	160,486	4,115,111
32														
33	Current Month Difference (Base Rate vs. Actual G	312,669	312,669	312,669	312,669	312,669	312,669	312,669	312,669	312,669	312,669	312,669	312,729	9,574,843
34	Taxable Income - Grossed Up through 2017													-
35	Taxable Income - Grossed Up 2018 Forward	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,784	438,869	5,265,493

Otter Tail Power Company
Minnesota Renewable Resource Rider
Merricourt Wind Farm

Line	1/1/2020	2/1/2020	3/1/2020	4/1/2020	5/1/2020	6/1/2020	7/1/2020	8/1/2020	9/1/2020	10/1/2020	11/1/2020	12/1/2020	2020 YE
	Projected Jan-20	Projected Feb-20	Projected Mar-20	Projected Apr-20	Projected May-20	Projected Jun-20	Projected Jul-20	Projected Aug-20	Projected Sep-20	Projected Oct-20	Projected Nov-20	Projected Dec-20	
1	RATE BASE												
2	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	259,076,775	268,095,639	
4	0	0	0	0	0	0	0	0	0	0	-	(863,589)	
5	0	0	0	0	0	0	0	0	0	0	259,076,775	267,232,050	
6	CWIP Calculation:												
	88,571,775	91,601,775	101,711,775	105,741,775	121,581,774.91	141,571,774.91	159,611,774.91	182,821,774.91	211,011,774.91	239,251,775	254,686,775	0	
	3,030,000	10,110,000	4,030,000	15,840,000	19,990,000.00	18,040,000.00	23,210,000.00	28,190,000.00	28,240,000	15,435,000	4,390,000	9,018,864	
											(259,076,775)	(9,018,864)	
	91,601,774.91	101,711,774.91	105,741,774.91	121,581,774.91	141,571,774.91	159,611,774.91	182,821,774.91	211,011,774.91	239,251,774.91	254,686,775	0	0	
	0.750685	0.673973	0.589041	0.506849	0.421918	0.339726	0.254795	0.169863	0.087671	0.002740	0.920548	0.835616	
7	0	0	0	0	0	0	0	0	0	0	(7,302,126)	(13,951,624)	
8	0	0	0	0	0	0	0	0	0	0	(7,705,605)	(14,759,518)	
9	0	0	0	0	0	0	0	0	0	0	971,178	1,616,692	
10	0	0	0	0	0	0	0	0	0	0	0	0	
11	0	0	0	0	0	0	0	0	0	0	0	0	
12	0	0	0	0	0	0	0	0	0	0	0	0	
13	0	0	0	0	0	0	0	0	0	0	0	0	
14	91,601,775	101,711,775	105,741,775	121,581,775	141,571,775	159,611,775	182,821,775	211,011,775	239,251,775	254,686,775	252,745,827	254,897,117	
15	91,601,775	101,711,775	105,741,775	121,581,775	141,571,775	159,611,775	182,821,775	211,011,775	239,251,775	254,686,775	252,342,348	254,089,223	
16	14,139,791	14,139,791	14,139,791	14,139,791	14,139,791	14,139,791	14,139,791	14,139,791	14,139,791	14,139,791	14,139,791	14,139,791	169,677,498
17													
18	1,061,274	1,061,274	1,061,274	1,061,274	1,061,274	1,061,274	1,061,274	1,061,274	1,061,274	1,061,274	1,061,274	1,061,274	12,735,285
19													
20	698,541	698,541	698,541	698,541	698,541	698,541	698,541	698,541	698,541	698,541	698,541	698,541	8,382,493
21													
22	EXPENSES												
23	<i>O&M and Depreciation</i>												
24											370,575	370,575	741,150
25											58,296	58,296	116,591
26											58,271	61,567	119,837
27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	863,589.25	863,589.25
28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	487,141.39	1,354,026.48	1,841,167.86
29													
30	Income before Taxes												
31	698,541	698,541	698,541	698,541	698,541	698,541	698,541	698,541	698,541	698,541	698,541	698,541	8,382,493
32	0	0	0	0	0	0	0	0	0	0	(1,055,000)	(772,500)	(1,827,500)
33	0	0	0	0	0	0	0	0	0	0	0	0	0
34	0	0	0	0	0	0	0	0	0	0	0	0	0
35	698,541	698,541	698,541	698,541	698,541	698,541	698,541	698,541	698,541	698,541	(356,459)	(73,959)	6,554,993
36	980,298	980,298	980,298	980,298	980,298	980,298	980,298	980,298	980,298	980,298	(500,237)	(103,790)	11,180,270
37													
38	Income Taxes												
39	281,757	281,757	281,757	281,757	281,757	281,757	281,757	281,757	281,757	281,757	(143,778)	(29,831)	2,643,964
40	0	0	0	0	0	0	0	0	0	0	0	0	0
41	0	0	0	0	0	0	0	0	0	0	(1,055,000)	(772,500)	(1,827,500)
42	0	0	0	0	0	0	0	0	0	0	0	0	0
43	0	0	0	0	0	0	0	0	0	0	0	0	0
44	281,757	281,757	281,757	281,757	281,757	281,757	281,757	281,757	281,757	281,757	(1,198,778)	(802,331)	816,464
45													
46													
47	REVENUE REQUIREMENTS												
48	281,757	281,757	281,757	281,757	281,757	281,757	281,757	281,757	281,757	281,757	(711,637)	551,695	2,657,632
49	1,061,274	1,061,274	1,061,274	1,061,274	1,061,274	1,061,274	1,061,274	1,061,274	1,061,274	1,061,274	1,061,274	1,061,274	12,735,285
50													
51	1,343,031	1,343,031	1,343,031	1,343,031	1,343,031	1,343,031	1,343,031	1,343,031	1,343,031	1,343,031	349,637	1,612,969	15,392,917
52													
53	711,803	711,803	711,803	711,803	711,803	711,803	711,803	711,803	711,803	711,803	185,307	854,869	8,158,204

SUPPORTING INFORMATION / DATA

Line	Ratio	Cost	WA Cost	Fed Portion	State Portion
1	MN Capstructure with allowed ROE per order.				
2	Capital Structure				
3	47.50%	5.40%	2.57%	18.94%	9.80%
4	0.00%	0.00%	0.00%		
5	52.50%	9.41%	4.94%		
6	100.00%		7.51%		
7				MN share - E2 factor	52.99973%

Otter Tail Power Company
Renewable Resource Adjustment Recovery Rider
Class Allocation and Current Rate Design

Line No.	Total Minnesota Revenue Requirements \$12,570,755 November 1, 2019 - October 31, 2020						
1	Total Minnesota Revenue Requirements						
2		Weighting	LGS		All others		Total
3	MN E2*	92%	56.856%	\$6,575,427	43.1442%	\$4,989,668	\$11,565,095
4	MN D1*	8%	52.669%	\$529,671	47.3311%	\$475,990	\$1,005,660
5	Minnesota			\$7,105,098		\$5,465,657	\$12,570,755
6			LGS		All others		
7			Rate	billing units**	Revenue	Rate	billing units**
8	kWh billing		\$0.00403	1,633,427,955	\$6,575,427	\$0.00522	1,046,954,405
9	kW billing		\$0.190	2,781,693	\$529,671	n/a	n/a
10	Minnesota				\$7,105,098		\$5,465,657
11							Total Minnesota revenue \$12,570,755
* Class factors are consistent with E017-GR-15-1033 General Rate Case							
** Nov 2019 - Oct 2020 projected rider recovery period.							

Percent of Revenue Method as required by ordering paragraph 7 in Docket E017/M-09-1484

Line No.	Class	(A)	(B)	(C)
		% of Revenue*		
1	Residential			24.59%
2	Farms			1.68%
3	General Service			16.22%
4	Large General Service			49.98%
5	Irrigation			0.19%
6	Outdoor Lighting			1.52%
7	OPA			0.76%
8	Controlled Service Water Heating			0.86%
9	Controlled Service Interruptible			3.46%
10	Controlled Service Deferred			0.76%
11	Total			100.00%
*Column H, Rows 1-10, from Schedule 2, Page 1 of 1 in Docket No. E017/GR-15-1033				
12	LGS (Column (A), row 4)			49.98%
13	All Other (Column (A), rows 1-3 and 5-10)			50.02%
14	Total (lines 12 +13)			100.00%
		Revenue Requirement	Billing Units	Rate
15	LGS	\$6,282,280	1,633,427,955	\$0.00385
16	All Other	\$6,288,475	1,046,954,405	\$0.00601
		\$12,570,755		

Customers notice

The Minnesota Public Utilities Commission has approved an adjustment to the Renewable Resource Cost Recovery Rider that is part of the Resource Adjustment on your monthly electric service statement. This rider recovers costs associated with owning and operating renewable generation resources. The table below shows the prior and new rates, beginning November 1, 2019, for all classes of customers.

Class	Prior Rate	November 1, 2019 Rate
Large General Service	\$0.21738 per kW	\$0.190 per kW
Large General Service	\$0.00164 per kWh	\$0.00403 per kWh
All Other Service	\$0.00244 per kWh	\$0.00522 per kWh

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

Attachment 7

**Tariff Sheet - Section 13.09
Renewable Resource Cost Recovery Rider
Redline and Clean**



Fergus Falls, Minnesota

RENEWABLE RESOURCE COST RECOVERY RIDER

DESCRIPTION	RATE CODE
Large General Service – Demand Charge	MRRAD
Large General Service – Energy Charge	MRRAE
All Other Service	MRRA

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.

COST RECOVERY FACTOR: There shall be included on each Minnesota Customer’s monthly bill a Renewable Resource 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 and will be included in the Resource Adjustment line item on the Customer’s bill.

RATE:

RENEWABLE RESOURCE COST RECOVERY		
Energy Charge per kWh:	kWh	kW
Large General Service (a)	0. 40316 4 ¢/kWh	\$0. 190217
All Other Service	0. 52224 4 ¢/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.

DETERMINATION OF DEMAND CHARGE (LARGE GENERAL SERVICE CLASS ONLY): The Demand charge shall be based on the maximum kW Demand as adjusted for Excess Reactive Demand measured during any period of the month for which the bill is rendered. The Excess Reactive Demand shall be calculated based on the applicable rate schedule under which the Customer is taking service.



Fergus Falls, Minnesota

RENEWABLE RESOURCE COST RECOVERY RIDER

DESCRIPTION	RATE CODE
Large General Service – Demand Charge	MRRAD
Large General Service – Energy Charge	MRRAE
All Other Service	MRRA

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.

COST RECOVERY FACTOR: There shall be included on each Minnesota Customer’s monthly bill a Renewable Resource 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 and will be included in the Resource Adjustment line item on the Customer’s bill.

RATE:

RENEWABLE RESOURCE COST RECOVERY			
Energy Charge per kWh:		kWh	kW
Large General Service (a)	0.403	¢/kWh	\$0.190
All Other Service	0.522	¢/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.			

**R
R**

DETERMINATION OF DEMAND CHARGE (LARGE GENERAL SERVICE CLASS ONLY):

The Demand charge shall be based on the maximum kW Demand as adjusted for Excess Reactive Demand measured during any period of the month for which the bill is rendered. The Excess Reactive Demand shall be calculated based on the applicable rate schedule under which the Customer is taking service.

CERTIFICATE OF SERVICE

RE: In the Matter of Otter Tail Power Company's Petition for Approval of the Annual Update to its Renewable Resource Cost Recovery Rider Rate, Rate Schedule 13.04 Docket No. E017/M-19-

I, Mikayla Osterman, 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
Initial Filing**

Dated this **21st** day of **June, 2019**.

/s/ MIKAYLA OSTERMAN

Mikayla Osterman
Regulatory Filing Coordinator
Otter Tail Power Company
215 South Cascade Street
Fergus Falls MN 56537
(218) 739-8545

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022191	Electronic Service	No	GEN_SL_Otter Tail Power Company_MN_RRA_Otter Tail Power Company_2019
Ray	Choquette	rchoquette@agp.com	Ag Processing Inc.	12700 West Dodge Road PO Box 2047 Omaha, NE 68103-2047	Electronic Service	No	GEN_SL_Otter Tail Power Company_MN_RRA_Otter Tail Power Company_2019
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800 St. Paul, MN 55101	Electronic Service	No	GEN_SL_Otter Tail Power Company_MN_RRA_Otter Tail Power Company_2019
Ian	Dobson	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	No	GEN_SL_Otter Tail Power Company_MN_RRA_Otter Tail Power Company_2019
James C.	Erickson	jericksonkbc@gmail.com	Kelly Bay Consulting	17 Quechee St Superior, WI 54880-4421	Electronic Service	No	GEN_SL_Otter Tail Power Company_MN_RRA_Otter Tail Power Company_2019
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	GEN_SL_Otter Tail Power Company_MN_RRA_Otter Tail Power Company_2019
Bruce	Gerhardson	bgerhardson@otpc.com	Otter Tail Power Company	PO Box 496 215 S Cascade St Fergus Falls, MN 565380496	Electronic Service	No	GEN_SL_Otter Tail Power Company_MN_RRA_Otter Tail Power Company_2019
Bryce	Haugen	bhaugen@otpc.com	Otter Tail Power Company	215 S Cascade St P.O. Box 496 Fergus Falls, MN 56538	Electronic Service	No	GEN_SL_Otter Tail Power Company_MN_RRA_Otter Tail Power Company_2019
Shane	Henriksen	shane.henriksen@enbridge.com	Enbridge Energy Company, Inc.	1409 Hammond Ave FL 2 Superior, WI 54880	Electronic Service	No	GEN_SL_Otter Tail Power Company_MN_RRA_Otter Tail Power Company_2019
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	GEN_SL_Otter Tail Power Company_MN_RRA_Otter Tail Power Company_2019

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
James D.	Larson	james.larson@avantenergy.com	Avant Energy Services	220 S 6th St Ste 1300 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Otter Tail Power Company_MN_RRA_Otter Tail Power Company_2019
Kavita	Maini	kmains@wi.rr.com	KM Energy Consulting LLC	961 N Lost Woods Rd Oconomowoc, WI 53066	Electronic Service	No	GEN_SL_Otter Tail Power Company_MN_RRA_Otter Tail Power Company_2019
Darlene C	Mandelke	dmandelke@otpc.com	Otter Tail Power Company	15 S Cascade St PO Box 496 Fergus Falls, MN 56538-0496	Electronic Service	No	GEN_SL_Otter Tail Power Company_MN_RRA_Otter Tail Power Company_2019
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Otter Tail Power Company_MN_RRA_Otter Tail Power Company_2019
Larry L.	Schedin	Larry@LLSResources.com	LLS Resources, LLC	332 Minnesota St, Ste W1390 St. Paul, MN 55101	Electronic Service	No	GEN_SL_Otter Tail Power Company_MN_RRA_Otter Tail Power Company_2019
Cary	Stephenson	cStephenson@otpc.com	Otter Tail Power Company	215 South Cascade Street Fergus Falls, MN 56537	Electronic Service	No	GEN_SL_Otter Tail Power Company_MN_RRA_Otter Tail Power Company_2019
Randy	Synstelien	rsynstelien@otpc.com	Otter Tail Power Company	215 S Cascade St Fergus Falls, MN 56537	Electronic Service	No	GEN_SL_Otter Tail Power Company_MN_RRA_Otter Tail Power Company_2019
Stuart	Tommerdahl	stommerdahl@otpc.com	Otter Tail Power Company	215 S Cascade St PO Box 496 Fergus Falls, MN 56537	Electronic Service	No	GEN_SL_Otter Tail Power Company_MN_RRA_Otter Tail Power Company_2019
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	No	GEN_SL_Otter Tail Power Company_MN_RRA_Otter Tail Power Company_2019