

For your 2016 Actual Attachment O and supporting financial information please respond to the following related to load reported and operations and maintenance expenses incurred.

To understand the load included in the rates for the zone, we would like to better understand the components of the load reported on your Attachment O.

According to MISO BPM-012 R14 at pages 78- 79:

The Schedule 9 charges (billed by MISO or imputed via a Joint Pricing Zone Agreement) are obtained by applying the effective annual Schedule 9 zonal rate to the Network Customer's Load. By definition, a Network Customer's Network Load can only be determined after the fact, when all Transmission Owners report the Network Customer's monthly peak loads coincident with their zonal peak. This may not be coincident to MISO's peak Load.

- Unless specifically designated as Point-To-Point Transmission Service, all Network Customer Load is reported as Network Load. This includes Grandfathered Load or Load served by Behind-the-Meter Generation.
- Network Resource output under Point-To-Point Transmission Service does not contribute to Network Customer Network Load. All other output is to be included as Customer Network Load. Station power may be Network Load if the generator has signed a Network Integration Transmission Service Agreement.
- Unmetered Network Load shall be estimated by the Transmission Owner or Local Balancing Authority.

In the Attachment O Notes to page 1, lines 8-11, the following descriptions of Loads to be included in the Divisor states:

A Peak as would be reported on page 401, column d of Form 1 at the time of the applicable pricing zone coincident monthly peaks.

B Labeled LF, LU, IF, IU on pages 310-311 of Form 1 at the time of the applicable pricing zone coincident monthly peaks.

C Labeled LF on page 328 of Form 1 at the time of the applicable pricing zone coincident monthly peaks.

D Labeled LF on page 328 of Form 1 at the time of the applicable pricing zone coincident monthly peaks.

In the FERC Form 1 at page 328, the description of Transmission of Electricity for Others defines the following classifications of service:

In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments.

Based upon the above definitions and descriptions, and any other sources you might use, please provide the following information related to the load that is reported in Line 8 or Line 10, page 1 of Attachment O based on the respective questions below;

1. Please state whether the Monthly Peak information provided in the FERC Form 1 at page 401 includes load served by any behind the meter generation (BTMG). If Monthly Peak information does include the BTMG, please provide the amount of load served by the BTMG in MW for the FERC Form 1.

ANSWER: Otter Tail Power Company FERC Form 1, page 401, column D includes the gross up for BTMG. The monthly information is provided below.

	BTMG (MW) in FERC Form 1 Page 401
Jan	5
Feb	8
Mar	4
Apr	7
May	3
Jun	2
Jul	2
Aug	5
Sep	4
Oct	4
Nov	7
Dec	4

2. Please detail the 12 Coincident Peak (CP) in MegaWatts (MW) of load in total served by BTMG reported on lines 8 or 10 of Attachment O.

ANSWER: As reported in the response to Question 1, the amount of BTMG operating at the time of the coincident peak is added back into the load that is reported on line 8 of the Attachment O. Otter Tail Power Company is not aware of any load served by BTMG on line 10 of Attachment O.

- a. If no load served by BTMG is reported in Line 8, page 1 of the Attachment O, please confirm there is no load served by BTMG.

ANSWER: Refer to the response provided to Question 2.

- b. If there is load served by BTMG but some or all of the load served by BTMG is not reported on the Attachment O, please detail the load served by the BTMG not reported:

ANSWER: Refer to the response provided to Question 2.

- i. Describe the BTMGs.
- ii. Provide the 12 CP MW of load served by the BTMG.
- iii. Explain why the load served by the BTMG is not included in Line 8 or 10 on page 1.
- iv. State whether any of the BTMG is categorized as a Network Resource or a Deliverable Resource serving MISO load.
- v. State whether any of the BTMG is connected to an Appendix H or Appendix G facility.
- vi. State whether the BTMG owned by a retail customer.
- vii. State whether there is an agreement with your company and the BTMG related to interruption of the associated load.

3. Please detail the 12CP in MW of load in total with which your company has a Grandfathered Agreements (GFA) reported on the Attachment O.

ANSWER: There are no GFA Loads that are reported in Line 8 or Line 10 on Page 1 of the Attachment O.

- a. If no GFA load is reported in Line 8 or Line 10 on page 1 of the Attachment O, please confirm you have no GFAs listed in MISO Attachment P.

ANSWER: OTP does have GFAs listed in MISO Attachment P.

- b. If your company has a GFA listed in MISO Attachment P, but some or all the GFA load for a given GFA is not reported on your Attachment O, please detail those by MISO GFA # and explain why the load is not included in Line 8 or Line 10 on page 1. If the GFA load is reported by another entity within the zone, please detail that as well. Also please include the amount of 12CP in MW of load served by the GFA.

ANSWER: Load associated with GFA #306 (Great River Energy Integrated Transmission Agreement) is reported by Great River Energy. Revenues from GFAs included in MISO Attachment P are recorded in FERC Accounts 456.0 and 456.1. Those GFAs that are recorded in FERC Account 456.1 are detailed in the response to question 3(f) below. GFA revenues from GFA #308 (East River Interconnection and Transmission Service Agreement) and GFA #314 (Minnkota Power Cooperative Interconnection and Transmission Service Agreement) are recorded in FERC Account 456.0 and treated as revenue credits in the calculation of the Annual Transmission Revenue Requirement on Attachment O.

- c. Please detail if there are any GFA loads that are pseudo-tied to another balancing area or local balancing area and if those loads are included in the 12CP for purposes of reporting load in the Attachment O. If the GFA load is not reported in the Attachment O, please include the amount of 12CP in MW of load related to the GFA.

ANSWER: There are no GFA loads that are pseudo-tied to another balancing area or local balancing area.

- d. Please detail if there are any arrangements within the respective GFAs where there are netting or offsetting of any charges for service provided by the counter party. If there are netting or offsetting of charges, please detail by MISO GFA #, if the GFA provides for service to the company's load on the counter parties facilities.

ANSWER: GFA arrangements may be netted or offset as the result of the exchange of services. No counter party to a GFA provides services to Otter Tail Power Company. Otter Tail Power Company does give East River (GFA #308) and Minnkota Power Cooperative (GFA #314) an offset to transmission charges in recognition of facilities they own.

- e. Please detail if there are any arrangements within the respective GFAs where there are any payments made to the counter party.

ANSWER: n/a for Otter Tail Power Company.

- i. If there were are payments made to the counter party, please detail by MISO GFA #, if the GFA provides for service to your company's load on the counter parties facilities, the annual amount of the payment made, and which account those payments are recorded.
- ii. If the payments made are not accounted for in FERC Account 565 account, please explain why for each GFA and each payment, if there are different reasons.
- f. Please detail if there are any arrangements within the respective GFAs where there are any payments received from the counter party.
If there are payments received from the counter party, please detail by MISO GFA #, the annual amount of the payment received, and which account those payments

are documented.

Counterparty	GFA #	Annual Amount (2016 FERC Form 1, pages 328 – 330)	FERC Account
Badger, SD	440	\$9,802	456.1
Newfolden, MN	300	\$25,532	456.1
Nielsville, MN	302	\$7,012	456.1
Shelly, MN	304	\$16,848	456.1
Fort Totten Indian Agency	437	\$1,526	456.1
State Development Center	433	\$22,815	456.1
North Dakota School for the Deaf	436	\$5,993	456.1
North Dakota School of Forestry	434	\$10,377	456.1
North Dakota College of Science	435	\$92,617	456.1
Turtle Mountain Indian Agency	438	\$32,852	456.1
Oakes O&M Headquarters	439	\$2,063	456.1
Minnkota Power Cooperative	314	\$216,203	456.1

- i. If the payments received are not utilized as an offset to FERC transmission operations and maintenance expenses (excluding FERC Account 565), please explain why for each GFA.

ANSWER: All payments received noted above are accounted for within FERC Account 456.1 as the amounts represent transmission revenues.