

Otter Tail Corporation d/b/a OTTER TAIL POWER COMPANY
Depreciation Expense
Actual Year 2007

Statement J
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Line No.	(A) Functional Classification	(B) Total Depreciation Expense 2007	(C) (1) Adjustments	(D) Adjusted 2007 Test Year Depreciation Expense	(E) 12-Month Average Depreciable Property	(F) (2) Annual Accrual Rate	(G) Accrual Rate Last Filing Docket No. F-3691
1	Production						
2	Steam						
3	Hoot Lake Plant	\$ 1,269,588		\$ 1,269,588	\$ 45,707,837	2.78%	3.52%
4	Big Stone Plant	3,380,114		3,380,114	126,393,793	2.67%	4.40%
5	Coyote Station	3,411,711		3,411,711	146,700,545	2.33%	3.04%
6	Total Steam	8,061,412	-	8,061,412	318,802,175	2.53%	3.38%
7							
8	Hydro	132,459		132,459	3,077,572	4.30%	1.02%
9	Internal Combustion	1,068,206		1,068,206	39,169,580	2.73%	2.90%
10	Wind	-		-	5,502,008	4.00%	N/A
11	Total Production	9,262,078	8,695,075	17,957,153	366,551,335	2.53%	3.35%
12							
13	Transmission	3,947,740	55,376	4,003,116	190,279,183	2.07%	2.01%
14							
15	Distribution	8,775,992	59,216	8,835,208	314,396,798	2.79%	3.33%
16							
17	General Plant	2,439,781	(39,738)	2,400,043	69,337,121	3.52%	4.70%
18							
19	Intangibles	410,801	267,743	678,544	3,414,601	12.03%	20.00%
20							
21	Total	<u>\$ 24,836,391</u>	<u>\$ 9,037,673</u>	<u>\$ 33,874,064</u>	<u>\$943,979,038</u>		

(1) The adjustments to depreciation expense by function can be traced to the 2007 Test Year Input Summary found in Volume 4A, Tab - 2007 Test Year Work Papers

(2) The Annual Accrual Rate is a composite total system rate.

Otter Tail Corporation d/b/a OTTER TAIL POWER COMPANY
 Depreciation Expense Charged to Other Accounts
 Actual Year 2007

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Line No.	(A) Functional Classification	(B) Depreciable Property 12/31/2006	(C) Depreciable Property 12/31/2007	(D) Total Depreciation Expense 2007	(E) Depreciation Expense Charged to Other Accounts	(F) Notes	(G) Net Depreciation Expense
1	Production						
2	Steam						
3	Hoot Lake Plant	\$ 45,236,199	\$ 46,466,805	\$ 1,269,588			\$ 1,269,588
4	Big Stone Plant	124,531,412	136,059,209	3,380,114			3,380,114
5	Coyote Station	146,600,746	147,004,924	3,411,711			3,411,711
6	Total Steam	316,368,357	329,530,938	8,061,412	-		8,061,412
7							
8	Hydro	3,029,314	3,184,423	132,459			132,459
9	Internal Combustion	39,224,209	39,119,672	1,068,206			1,068,206
10	Wind	-	66,024,097	-			-
11	Total Production	358,621,880	437,859,130	9,262,078	-		9,262,078
12							
13	Transmission	189,303,878	191,275,532	3,947,740			3,947,740
14							
15	Distribution	306,800,540	321,446,378	8,775,992			8,775,992
16							
17	General Plant	68,220,240	69,939,075	3,812,383	1,372,602	(1 & 2)	2,439,781
18							
19	Intangibles	3,383,281	4,086,760	410,801			410,801
20							
21	Total	<u>\$ 926,329,818</u>	<u>\$ 1,024,606,876</u>	<u>\$ 26,208,994</u>	<u>\$ 1,372,602</u>		<u>\$ 24,836,391</u>

1)

Depreciation expense of \$1,261,165 on transportation equipment is charged to the appropriate account based on vehicle usage. Depreciation is included in the rate per mile or hour established for the use of the vehicle.

2)

Depreciation expense of \$111,438. on warehouse property is charged to material as the material moves through the warehouse.

Note: The Depreciable Property Balances in Columns B & C above do not include land if trying to tie back to Plant in Service Balances for 12/31/06 and 12/31/07. Total land balances for 12/31/06 and 12/31/07 are \$4,329,229 and \$4,280,600, respectively.