Otter Tail Corporation d/b/a Otter Tail Power Company Income Tax For the Year Ending December 31, 2007

Statement K Page 1 of 2

	(A)	(B)	(C)	(D)	(E)
		-	TOTAL SYSTEM		
Line No.	Description	Total System	Claimed Adjustments	Adjusted Total	South Dakota Amount
1	Income Tax Payable				
2	Federal	\$5,338,309	(\$2,929,724)	\$2,408,585	\$77,225
3	State	316,215	(207,585)	108,630	0
4	Deferred Income Tax		, ,		
5	Federal	1,099,348	(766,029)	333,319	(23,796)
6	State	288,238	(135,854)	152,384	0
7	Investment Tax Credit - Net	(1,136,657)	(7,914,521)	(9,051,178)	(848,138)
8	Total Income Tax	\$5,905,453	(\$11,953,713)	(\$6,048,260)	(\$794,709)

(A)

(D)

	4. 4	(2)	(0)	(0)
			TOTAL SYSTEM	
		2007		2007
Line		Actual		Test
No.	Description	Year	Adjustments	Year
1	Net Operating Income Before Tax (NOIBT)	\$32,775,387	(\$7,503,376)	\$25,272,011
2	Less: Interest Cost	13,625,522	3,402,276	17,027,798
3				
4	Net Income Before Tax	19,149,864	(10,905,651)	8,244,213
5				
6	Federal Schedule M Adjustments:			
7	Additional Tax Depreciation	2,682,696	-	2,682,696
8	Cost to Remove	3,949,203	•	3,949,203
9	Directly Assigned Schedule M Items	(93,287)	•	(93,287)
10	Accrued Vacation Pay	87,932		87,932
11	Charges - Operating Reserves (1)	2,617,201	2,054,606	4,671,807
12	Provisions - Operating Reserves (1)	(4,216,383)	(4,382,031)	(8,598,414)
13	Unbilled Revenues		-	
14	Preferred Dividends Paid Credit	160,775	-	160,775
15	Employee Stock Purchase Program	(257,203)	-	(257,203)
16	Stock Options	(90,468)	•	(90,468)
17	Meals - 50% Disallowance	(124,488)	•	(124,488)
18	Restricted Stock Incentive	(285,852)	-	(285,852)
19	Income from Property	1,225,884	-	1,225,884
20	Interest Capitalized on Construction	(1,714,223)	•	(1,714,223)
21	Federal Empowerment Zone Tax Credit	(9,000)	-	(9,000)
22	Capitalized A & G	(2,175,260)	-	(2,175,260)
23	Highway Reimbursements	253,900	-	253,900
24	Leverage ESOP Deduction	1,879,028	-	1,879,028
25	Pensions (FAS 87 & 88) Non-taxable Book Income	(4,511,835)	-	(4,511,835)
26	Payments for Deferred Settlement	84,131	-	84,131
27	Restricted Stock Units	130,692	-	130,692
28	Restricted Stock Incentive (Tax dedeuction for Employee Gain)	161,689	-	161,689
29	Restricted Stock Incentive (Tax dedeuction for Dividends)	10,401	-	10,401
30	AFUDC Charged on Construction	2,257,062	-	2,257,062
31	ADR Repair Allowance	504,232	-	504,232
32	Medicare Part D	1,054,510	-	1,054,510
33	Cultivate Fordarch Colondate 88 Aditation and	0.504.007	(0.007.405)	4.050.040
34 35	Subtotal Federal Schedule M Adjustments	3,581,337	(2,327,425)	1,253,912
	Fadaval Adlusted Income Batana Tanan	45 500 507	(0.570.000)	0.000.004
36 37	Federal Adjusted Income Before Taxes	15,568,527	(8,578,226)	6,990,301
38	1			
39	Less:	246 245	/007 F0F\	100 630
40	State Income Taxes	316,215	(207,585)	108,630
41	Federal Taxable Income	15,252,313	(0.270.642)	6 001 671
42	receiai i axable ilicollie	15,252,513	(8,370,642)	6,881,671
43	Federal Tax Rate	35.00%	25.000/	25.000/
43 44	i Gudiai I AA INAIG	30.00%	35.00%	35.00%
4 4 45	Federal Income Tax Before Credits	E 330 300	(2.020.725)	2 400 505
45 46	Investment Tax Credit - Debits Utilized	5,338,309	(2,929,725)	2,408,585
40 47	myesunem rax credit - Debits Utilized	-	•	•
48	FEDERAL INCOME TAXES	\$5,338,309	(\$2,929,725)	\$2,408,585
40	I EDEIGAL MCCME I MAEG	\$0,000,009	(\$Z,\$Z\$,1Z3)	<u>Ψ∠,4∪0,363</u>

(B)

(C)

Tax Savings Due to Consolidation:

There will be no tax savings as a result of filing a consolidated tax return for the test year ended December 31, 2007.

Abnormalities for Test Period:

None

⁽¹⁾ The adjustment is due to eliminating the effects of the FAS 106 Pay-As-You-Go adjustment in the 2007 Actual Year.

Otter Tail Power Company Reconciliation of Income per Books with Income per Tax return

Reconciliations of Book Net Income to tax Net Income for Otter tail Power Company (OTP) are attached for the tax years 2007, 2006, 2005 and 2004.

Ç.	Sadula M. a (Form 4400) 2007				chedule K-1 Page 2 of ⁴⁶ Page 2
	nedule M-3 (Form 1120) 2007 me of corporation (common parent, if consolidated return	`		Employer id	entification number
	tter Tail Corporation	,		41-0462685	Ollohozzon (tantares
_		t corp (3) Consolidate	ed eliminations (4)	Subsidiary corp (5)	Mixed 1120/L/PC group
	——————————————————————————————————————	liminations	(-,		
					entification number
38	Reconciliation of Net Income (Loss) per income Stat	tement of Includ	lible Corporation	ns With
	Taxable Income per Return (see instr	uctions)		- ·-·	
		(a)	(b)	(c)	(d)
	Income (Loss) Items	income (Loss) per	Temporary	Permanent	Income (Loss) per
	(Attach schedules for lines 1 through 8)	Income Statement	Difference	Difference	Tax Return
		0	0	0	
	Income (loss) from equity method foreign corporations	0	0	0	0
	Gross foreign dividends not previously taxed	v	0	0	0
	Subpart F, QEF, and similar income inclusions		0	0	0
	Section 78 gross-up	0	0	0	
	Income (loss) from equity method U.S. corporations	0	0	0	
	U.S. dividends not eliminated in tax consolidation	0	0	0	0
	Minority interest for includible corporations	0	0	0	
	Income (loss) from U.S. partnerships (attach schedule)	0	0	O	0
	Income (loss) from foreign partnerships (attach schedule)	0	0	0	0
	Income (loss) from other pass-through entities				
	(attach schedule)	0	0	0	0
12	Items relating to reportable transactions (attach details)	0	0	0	0
13	Interest income (attach Form 8916-A)	10,504,054	0	-22,878	10,481,176
14	Total accrual to cash adjustment	0	0	0	0
15	Hedging transactions	0	0	0	0
16	Mark-to-market income (loss)	0	0	0	0
17	Cost of goods sold (attach Form 8916-A)	(0)	0	0	()
	Sale versus lease (for sellers and/or lessors)	0	0	0	0
	Section 481(a) adjustments		0	0	0
	Unearned/deferred revenue	0	0	0	0
	Income recognition from long-term contracts	0	0	0	0
	Original issue discount and other imputed interest	<u> </u>		<u></u>	U
23a	Income statement gain/loss on sale, exchange,				
	abandonment, worthlessness, or other disposition of	125,866	-125,866	0	
L	assets other than inventory and pass-through entitles	125,000	125,000	<u>.</u>	
E	Gross capital gains from Schedule D, excluding		125,866	0	125,866
	amounts from pass-through entities		,	 	<u> </u>
•	amounts from pass-through entities, abandonment				
	losses, and worthless stock losses		0	0	0
•	Net gain/loss reported on Form 4797, line 17,				
	excluding amounts from pass-through entities,				
	abandonment losses, and worthless stock losses		0	0	0
	Abandonment losses		0	0	0
1	Worthless stock losses (attach details)		0	0	0
9	Other gain/loss on disposition of assets other than inventory		0	0	
24	Capital loss limitation and carryforward used		0	0	0
25	Other income (loss) items with differences (attach schedule)	323,742,543	-1,908,595	9,000	321,842,948 STMT 1
26	Total Income (loss) Items. Combine lines 1 through 25		-1,908,595	-13,878	332,449,990
27	· · · · · · · · · · · · · · · · · · ·	-139,507,542	11,244,426	-7,005,940	-135,269,056
28		-174,115,597			-174,115,597
29	Mixed groups, see instructions. All others, add	20 7/0 70/	0.775.074	7 040 040	27 045 277
	lines 26 through 28	20,749,324	9,335,831	-7,019,818 0	
ı	PC insurance subgroup reconciliation totals , , , , ,	0	U	<u> </u>	<u> </u>

9,335,831

0

0

20,749,324

Note. Line 30, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

c Life insurance subgroup reconciliation totals

30 Reconciliation totals. Combine lines 29a through 29c

0

23,065,337

0

-7,019,818

Schedule M-3 (Form 1120) 2007				Page 3
Name of corporation (common parent, if consolidated return	1)			ntification number
Otter Tail Corporation Check applicable box(es): (1) Consolidated group (2) Pare	nt corp (3) Consolidat	ted eliminations (4)	41-0462685 Subsidiary corp (5)	Mixed 1120/L/PC group
	Inteorp (0) Consumular Iminations	(#0 euming/mis /-1)	Sansiana A cosh (A)	loixed 1 (20/E/11 C group
Name of subsidiary (if consolidated return)	emmagovas		Employer ide	ntification number
<u> </u>				
Part III Reconciliation of Net Income (Los Taxable Income per Return-Expe				ons With
Taxable income per return Expe	(a)	(b)	(c)	(d)
Expense/Deduction Items	Expense per Income Statement	Temporary Difference	Permanent Difference	Deduction per Tax Return
1 U.S. current income tax expense	0	0	0	
2 U.S. deferred income tax expense	D	0	0	
3 State and local current income tax expense	0	0	0	0
4 State and local deferred income tax expense	0	0	0	
5 Foreign current income tax expense (other than				
foreign withholding taxes)	0	0	0	0
6 Foreign deferred income tax expense	0	0	0	
7 Foreign withholding taxes	0	0	0	0
8 Interest expense (attach Form 8916-A)	20,209,330	542,839	0	20,752,169
9 Stock option expense	0	0	0	0
10 Other equity-based compensation	0	0	0	0
11 Meals and entertainment	4,013,855	0	-173,400	3,840,455
12 Fines and penalties	0	0	0	0
13 Judgments, damages, awards, and similar costs	0	0	0	0
14 Parachute payments	0	0	0	0
15 Compensation with section 162(m) limitation	0	0	0	0
16 Pension and profit-sharing	9,263,464	-7,162,989	1,621,825	3,722,300
17 Other post-retirement benefits	0	0	0	0
18 Deferred compensation	0	0	0	0
19 Charitable contribution of cash and tangible				
property	687,262	0	0	687,262
20 Charitable contribution of intangible property	0	0	0	0
21 Charitable contribution limitation/carryforward		0	0	0
22 Domestic production activities deduction		0	508,733	508,733
23 Current year acquisition or reorganization	_			
investment banking fees	0	0	0	0
24 Current year acquisition or reorganization legal and				
accounting fees	0	0	0	0
25 Current year acquisition/reorganization other costs	0	0	0	0
26 Amortization/impairment of goodwill	0	0	0	0
27 Amortization of acquisition, reorganization, and				
start-up costs	0	0	0	0
28 Other amortization or impairment write-offs	0	0	0	0
29 Section 198 environmental remediation costs	0	0	0	0
30 Depletion	0	0	0	0
31 Depreciation	24,646,032	2,682,696	0	27,328,728
32 Bad debt expense	0	-23,198	0	-23,198
33 Corporate owned life insurance premiums	0	0	0	0
34 Purchase versus lease (for purchasers and/or				
lessees)	0	0	0	0
35 Other expense/deduction items with differences				
(attach schedule) STATEMENT 18	80,687,599	-7,283,774	5,048,782	78,452,607
36 Total expense/deduction Items. Combine lines 1				
through 35. Enter here and on Part II line 27	139,507,542	-11,244,426	7,005,940	135,269,056

Otter Tail Corporation Year: 2007

*****************	*****
* SCHEDULE M-3	*
****************	*****
DADE I ETHANICIAI THEO AND NEW THRONG (1000) DECOM	
PART I FINANCIAL INFO AND NET INCOME (LOSS) RECON 4 WORLDWIDE CONSOL NET INC IDENTIFIED IN PT 1 LN 1	0
5A NET INCOME FROM NONINCLUDIBLE FOREIGN ENTITIES	0
B NET LOSS FROM NONINCLUDIBLE FOREIGN ENTITIES	0
6A NET INCOME FROM NONINCLUDIBLE U.S. ENTITIES	0
B NET LOSS FROM NONINCLUDIBLE U.S. ENTITIES	0
7A NET INC(LOSS) OF OTHER INCL DISREGARDED ENTITIES	0
B NET INC(LOSS) OF OTHER INCLUDIBLE CORPORATIONS	0
8 ADJ TO ELIM TRANS BTWN INCLDBL & NONINCLDBL ENT 9 ADJ TO RECON INCOME STMT YR TO TAX YR OF TAX RTN	0
10A INTERCOMPANY DIV ADJ TO RECONCILE TO LINE 11	0
B OTHER STATUTORY ACCOUNTING ADJ TO RECON TO LN 11	Ö
C OTHER ADJ TO RECONCILE TO AMOUNT ON LINE 11	Ō
11 NET INCOME PER INCOME STMT OF INCLUDIBLE CORPS	0
PART II RECON OF NET INCOME (LOSS) PER INCOME STMT	
OF INCLUDIBLE CORPS WITH TAXABLE INC PER RTN	
COL A - INCOME (LOSS) PER INCOME STATEMENT	
1 INCOME (LOSS) FROM EQUITY METHOD FGN CORPS 2 GROSS FGN DIVIDENDS NOT PREVIOUS TAXED	0
5 GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED	0
6 INCOME (LOSS) FROM EQUITY METHOD U.S. CORPS	0
7 U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL	0
8 MINORITY INTEREST FOR INCLUDIBLE CORPS	0
9 INCOME (LOSS) FROM U.S. PARTNERSHIPS	0
10 INCOME (LOSS) FROM FGN PARTNERSHIPS 11 INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES	0
11 INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES 12 ITEMS RELATING TO REPORTABLE TRANSACTIONS	0
13 INTEREST INCOME	10,504,054
14 TOTAL ACCRUAL TO CASH ADJUSTMENT	0
15 HEDGING TRANSACTIONS	0
16 MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY	0
17 COST OF GOODS SOLD	0
18 SALES VERSUS LEASE 20 UNEARNED/DEFERRED REVENUE	0
21 INCOME RECOGNITION FROM LONG-TERM CONTRACTS	0
22 ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT	0
23A INCOME STMT GAIN/LOSS ON SALES OTHER THAN	•
INVENTORY AND FLOW THRU ENTITIES	125,866
25 OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES	323,742,543
C HOMAI THOOME /LOGG! THEMS COMPTHE THE COMP	
2 TOTAL INCOME (LOSS) ITEMS. COMBINE LNS 1 TO 26 27 TOTAL EXPENSE/DEDUCTION ITEM FROM PT III, LN 36	334,372,463
28 OTHER INC (LOSS) EXP (DED) ITEMS WITH NO DIFF	(139,507,542) (174,115,597)
TO COMME THE PROOF SHE (DED) TIBLE MILL NO DILL	(1/4/113/39/)
29A 1120 SUBGROUP RECON TOTALS. ADD LINES 26 THRU 28	20,749,324

Otter Tail Corporation Year: 2007

41-0462685

RECONCILIATION TOTALS. ADD LINES 29A THRU 29C

20,749,324

Otter Tail Corporation Year: 2007 41-0462685

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 A C D D E F E F E F E F E F E F E F E F E F	B - TEMPORARY DIFFERENCE INCOME (LOSS) FROM EQUITY METHOD FGN CORPS GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED INCOME (LOSS) FROM EQUITY METHOD U.S. CORPS U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL MINORITY INTEREST FOR INCLUDIBLE CORPS INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY COST OF GOODS SOLD SALES VERSUS LEASE SECTION 481(A) ADJUSTMENTS UNEARNED/DEFERRED REVENUE INCOME RECOGNITION FROM LONG-TERM CONTRACTS ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT INCOME STMT GAIN/LOSS ON SALES OTHER THAN INVENTORY AND FLOW THRU ENTITIES GROSS CAP GAIN FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU GAIN/LOSS REPORTED ON FORM 4797 LINE 17, EXCL FLOW THRU, ABNDNMT LOSSES & WORTHLESS STK ABANDONMENT LOSSES OTHER GAIN/LOSS ON DISPOSITION OF ASSETS OTHER THAN INVENTORY	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
25	OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES	(1,908, <u>595)</u> (1,908,595)
27	TOTAL INCOME (LOSS) ITEMS. COMBINE LNS 1 TO 25 TOTAL EXPENSE/DEDUCTION ITEM FROM PT III, LN 36	11,244,426
29A	1120 SUBGROUP RECON TOTALS. ADD LINES 26 THRU 28	9,335,831
30	RECONCILIATION TOTALS. ADD LINES 29A THRU 29C	9,335,831
1	SECTION 78 GROSS-UP GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED INCOME (LOSS) FROM EQUITY METHOD U.S. CORPS U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL MINORITY INTEREST FOR INCLUDIBLE CORPS INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES	0 0 0 0 0 0 0 0

Otter Tail Corporation Year: 2007

ī	INTEREST INCOME	(22,878)
	TOTAL ACCRUAL TO CASH ADJUSTMENT	0
	HEDGING TRANSACTIONS	0
16	MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY	0
	COST OF GOODS SOLD	0
	SALES VERSUS LEASE	0
	SECTION 481(A) ADJUSTMENTS	Ō
	UNEARNED/DEFERRED REVENUE	Ö
	INCOME RECOGNITION FROM LONG-TERM CONTRACTS	0
	ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT	Ö
	INCOME STMT GAIN/LOSS ON SALES OTHER THAN	v
23A	INCOME SIMI GAIN/ LOSS ON SALES OTHER THAN INVENTORY AND FLOW THRU ENTITIES	0
ъ	GROSS CAP GAIN FROM SCH D EXCLUDING FLOW THRU	0
	GROSS CAP GAIN FROM SCH D EXCLUDING FLOW THRU	Ö
	GAIN/LOSS REPORTED ON FORM 4797, LINE 17	U
ע	EXCL FLOW THRU, ABNDNMT LOSSES & WORTHLESS STK	0
		0
	ABANDONMENT LOSSES	0
	WORTHLESS STOCK LOSSES	U
G	OTHER GAIN/LOSS ON DISPOSITION OF ASSETS OTHER	0
	THAN INVENTORY	0
	CAPITAL LOSS LIMITATION AND CARRYFORWARD USED	•
25	OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES	9,000
26	MOMENT TROOMER (LOGG) THEMS COMPLIES INC 1 MO OF	(12 070)
26	TOTAL INCOME (LOSS) ITEMS. COMBINE LNS 1 TO 25	(13,878)
2.	TOTAL EXPENSE/DEDUCTION ITEM FROM PT III, LN 36	(7,005,940)
203	1120 SUBGROUP RECON TOTAL. ADD LINES 26 THRU 28	/7 010 010)
29A	1120 SUBGROUP RECON TOTAL, ADD LINES 26 THRO 26	(7,019,818)
20	DECONCTITATION TOTALS ADD LINES 292 THRII 290	(7 019 818)
30	RECONCILIATION TOTALS. ADD LINES 29A THRU 29C	(7,019,818)
		(7,019,818)
COL	D - INCOME (LOSS) PER TAX RETURN	
COL 2	D - INCOME (LOSS) PER TAX RETURN GROSS FGN DIVIDENDS NOT PREVIOUS TAXED	0
COL 2 3	D - INCOME (LOSS) PER TAX RETURN GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS	0 0
COL 2 3 4	D - INCOME (LOSS) PER TAX RETURN GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP	0 0 0
COL 2 3 4 7	D - INCOME (LOSS) PER TAX RETURN GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL	0 0 0 0
COL 2 3 4 7 9	D - INCOME (LOSS) PER TAX RETURN GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS	0 0 0 0
COL 2 3 4 7 9	D - INCOME (LOSS) PER TAX RETURN GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS	0 0 0 0 0
COL 2 3 4 7 9 10	D - INCOME (LOSS) PER TAX RETURN GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES	0 0 0 0 0
COL 2 3 4 7 9 10 11 12	D - INCOME (LOSS) PER TAX RETURN GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS	0 0 0 0 0 0
COL 2 3 4 7 9 10 11 12 13	D - INCOME (LOSS) PER TAX RETURN GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME	0 0 0 0 0
COL 2 3 4 7 9 10 11 12 13 14	D - INCOME (LOSS) PER TAX RETURN GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT	0 0 0 0 0 0 0 0 0 10,481,176
COL 2 3 4 7 9 10 11 12 13 14 15	D - INCOME (LOSS) PER TAX RETURN GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS	0 0 0 0 0 0 0 0 0 10,481,176
COL 2 3 4 7 9 10 11 12 13 14	D - INCOME (LOSS) PER TAX RETURN GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY	0 0 0 0 0 0 0 0 0 10,481,176
COL 2 3 4 7 9 10 11 12 13 14 15 16 17	D - INCOME (LOSS) PER TAX RETURN GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY COST OF GOODS SOLD	0 0 0 0 0 0 0 0 0 10,481,176
COL 2 3 4 7 9 10 11 12 13 14 15 16 17 18	D - INCOME (LOSS) PER TAX RETURN GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY COST OF GOODS SOLD SALES VERSUS LEASE	0 0 0 0 0 0 0 0 10,481,176 0
COL 2 3 4 7 9 10 11 12 13 14 15 16 17 18	D - INCOME (LOSS) PER TAX RETURN GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY COST OF GOODS SOLD	0 0 0 0 0 0 0 0 10,481,176 0 0
COL 2 3 4 7 9 10 11 12 13 14 15 16 17 18 19	D - INCOME (LOSS) PER TAX RETURN GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY COST OF GOODS SOLD SALES VERSUS LEASE	0 0 0 0 0 0 0 0 10,481,176
COL 2 3 4 7 9 10 11 12 13 14 15 16 17 18 19 20	D - INCOME (LOSS) PER TAX RETURN GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY COST OF GOODS SOLD SALES VERSUS LEASE SECTION 481(A) ADJUSTMENTS	0 0 0 0 0 0 0 0 10,481,176 0 0 0
COL 2 3 4 7 9 10 11 12 13 14 15 16 17 18 19 20 21	D - INCOME (LOSS) PER TAX RETURN GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY COST OF GOODS SOLD SALES VERSUS LEASE SECTION 481(A) ADJUSTMENTS UNEARNED/DEFERRED REVENUE	0 0 0 0 0 0 0 0 10,481,176 0 0 0
COL 2 3 4 7 9 10 11 12 13 14 15 16 17 18 19 20 21 22	D - INCOME (LOSS) PER TAX RETURN GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY COST OF GOODS SOLD SALES VERSUS LEASE SECTION 481(A) ADJUSTMENTS UNEARNED/DEFERRED REVENUE INCOME RECOGNITION FROM LONG-TERM CONTRACTS	0 0 0 0 0 0 0 0 10,481,176 0 0 0
COL 2 3 4 7 9 10 11 12 13 14 15 16 17 18 19 20 21 22	D - INCOME (LOSS) PER TAX RETURN GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY COST OF GOODS SOLD SALES VERSUS LEASE SECTION 481(A) ADJUSTMENTS UNEARNED/DEFERRED REVENUE INCOME RECOGNITION FROM LONG-TERM CONTRACTS ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT GROSS CAP GAIN FROM SCH D EXCLUDING FLOW THRU	0 0 0 0 0 0 0 0 10,481,176 0 0 0 0
COL 2 3 4 7 9 10 11 12 13 14 15 16 17 18 19 20 21 22 27	D - INCOME (LOSS) PER TAX RETURN GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY COST OF GOODS SOLD SALES VERSUS LEASE SECTION 481 (A) ADJUSTMENTS UNEARNED/DEFERRED REVENUE INCOME RECOGNITION FROM LONG-TERM CONTRACTS ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT GROSS CAP GAIN FROM SCH D EXCLUDING FLOW THRU	0 0 0 0 0 0 0 0 10,481,176 0 0 0 0 0 0
COL 2 3 4 7 9 10 11 12 13 14 15 16 17 18 19 20 21 22 27	D - INCOME (LOSS) PER TAX RETURN GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY COST OF GOODS SOLD SALES VERSUS LEASE SECTION 481(A) ADJUSTMENTS UNEARNED/DEFERRED REVENUE INCOME RECOGNITION FROM LONG-TERM CONTRACTS ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT GROSS CAP GAIN FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU	0 0 0 0 0 0 0 0 10,481,176 0 0 0 0 0 0
COL 2 3 4 7 9 10 11 12 13 14 15 16 17 18 19 20 21 22 22 1	D - INCOME (LOSS) PER TAX RETURN GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY COST OF GOODS SOLD SALES VERSUS LEASE SECTION 481(A) ADJUSTMENTS UNEARNED/DEFERRED REVENUE INCOME RECOGNITION FROM LONG-TERM CONTRACTS ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT GROSS CAP GAIN FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU GRAIN/LOSS REPORTED ON FORM 4797, LINE 17 EXCL FLOW THRU, ABNDNMT LOSSES & WORTHLESS STK	0 0 0 0 0 0 0 0 10,481,176 0 0 0 0 0 0 0 0
COL 2 3 4 7 9 10 11 12 13 14 15 16 17 18 19 20 21 22 2° E	D - INCOME (LOSS) PER TAX RETURN GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY COST OF GOODS SOLD SALES VERSUS LEASE SECTION 481(A) ADJUSTMENTS UNEARNED/DEFERRED REVENUE INCOME RECOGNITION FROM LONG-TERM CONTRACTS ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT GROSS CAP GAIN FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU GRAIN/LOSS REPORTED ON FORM 4797, LINE 17 EXCL FLOW THRU, ABNDNMT LOSSES & WORTHLESS STK	0 0 0 0 0 0 0 0 10,481,176 0 0 0 0 0 0 0 0 0
COL 2 3 4 7 9 10 11 12 13 14 15 16 17 18 19 20 21 22 27 E	D - INCOME (LOSS) PER TAX RETURN GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY COST OF GOODS SOLD SALES VERSUS LEASE SECTION 481(A) ADJUSTMENTS UNEARNED/DEFERRED REVENUE INCOME RECOGNITION FROM LONG-TERM CONTRACTS ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT GROSS CAP GAIN FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU GRAIN/LOSS REPORTED ON FORM 4797, LINE 17 EXCL FLOW THRU, ABNDNMT LOSSES & WORTHLESS STK	0 0 0 0 0 0 0 0 10,481,176 0 0 0 0 0 0 0 0 0 125,866

Otter Tail Corporation

Year: 2007

٧		~~	_	2007
V 6	22	r	•	7007

	THAN INVENTORY	0
24	CAPITAL LOSS LIMITATION AND CARRYFORWARD USED	0
25	OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES	321,842,948_
26	TOTAL INCOME (LOSS) ITEMS. COMBINE LNS 1 TO 25	332,449,990
27	TOTAL EXPENSE/DEDUCTION ITEM FROM PT III, LN 36	(135,269,056)
28	OTHER INC (LOSS) EXP (DED) ITEMS WITH NO DIFF	(174,115,597)
29A	1120 SUBGROUP RECON TOTALS. ADD LINES 26 THRU 28	23,065,337
30	RECONCILIATION TOTALS. ADD LINES 29A THRU 29C	23,065,337

Otter Tail Corporation Year: 2007

Ŀ	2	III	RECON	OF	NET	INCOME	E (LOS	3S)	PER	INCOM	ie si	TMT	
		0	F INCI	JUD.	IBLE	CORPS	WITH	TAX	LABLE	INC	PER	RTN	
		_	EXPE	ISE,	/DEDI	JCTION	ITEMS	3					

COL	A - EXPENSE PER INCOME STATEMENT	
1	U.S. CURRENT INCOME TAX EXPENSE	0
2	U.S. DEFERRED INCOME TAX EXPENSE	0
3	STATE AND LOCAL CURRENT INCOME TAX EXPENSE	0
4	STATE AND LOCAL DEFERRED INCOME TAX EXPENSE	0
5	FOREIGN CURRENT INCOME TAX EXPENSE	0
6	FOREIGN DEFERRED INCOME TAX EXPENSE	0
7	FOREIGN WITHHOLDING TAXES	0
8	INTEREST EXPENSE	20,209,330 0
9	STOCK OPTION EXPENSE	ŏ
10 11	OTHER EQUITY-BASED COMPENSATION MEALS AND ENTERTAINMENT	4,013,855
12	FINES AND PENALTIES	0
13	JUDGMENTS, DAMAGES, AWARDS AND SIMILAR COSTS	Ö
14	EXCESS PARACHUTE PAYMENTS	0
15	EXCESS SECTION 162 (M) COMPENSATION	0
16	PENSION AND PROFIT SHARING	9,263,464
17	OTHER POST-RETIREMENT BENEFITS	0
18	DEFERRED COMPENSATION	0
19	CHARITABLE CONTRIBUTION OF CASH AND TANG PROP	687,262
2^	CHARITABLE CONTRIBUTION OF INTANGIBLE PROPERTY	0
2	CURR YR ACQUISITION OR REORG INVEST BANKING FEES	0
24	CURR YR ACQUISITION OR REORG LEGAL & ACCTNG FEES	0
25	CURR YR ACQUISITION/REORG OTHER COSTS	0
26	AMORTIZATION/IMPAIRMENT OF GOODWILL	0
27	AMORT OF ACQUISITION, REORG AND START-UP COSTS	0
28	OTHER AMORTIZATION OR IMPAIRMENT WRITE-OFFS	0
29	SECTION 198 ENVIRONMENTAL REMEDIATION COSTS	0
30	DEPLETION	24,646,032
31 32	DEPRECIATION BAD DEBT EXPENSE	24,040,032
33	CORPORATE OWNED LIFE INSURANCE PREMIUMS	0
34	PURCHASE VERSUS LEASE	Ö
35	OTHER EXPENSE/DEDUCTION ITEMS WITH DIFFERENCES	80,687,599
26	TOTAL EXPENSE/DEDUCTION ITEMS (ADD LNS 1 TO 35)	139,507,542
36	101AL EXPENSE/DEDUCTION TIEMS (ADD INS 1 10 33)	135,307,312
	B - TEMPORARY DIFFERENCE	
	U.S. CURRENT INCOME TAX EXPENSE	0
_	U.S. DEFERRED INCOME TAX EXPENSE	0
3	STATE AND LOCAL CURRENT INCOME TAX EXPENSE	0
4	STATE AND LOCAL DEFERRED INCOME TAX EXPENSE	0
5	FOREIGN CURRENT INCOME TAX EXPENSE	0
6 7	FOREIGN DEFERRED INCOME TAX EXPENSE FOREIGN WITHHOLDING TAXES	0
<i>γ</i>	INTEREST EXPENSE	542,839
	STOCK OPTION EXPENSE	0
10		Ō
11		Ö
12		0
13		0
14		0
l		

Otter Tail Corporation

	c: 2007	
1 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33	EXCESS SECTION 162 (M) COMPENSATION PENSION AND PROFIT SHARING OTHER POST-RETIREMENT BENEFITS DEFERRED COMPENSATION CHARITABLE CONTRIBUTION OF CASH AND TANG PROP CHARITABLE CONTRIBUTION OF INTANGIBLE PROPERTY CHARITABLE CONTRIBUTION LIMITATION/CARRYFORWARD DOMESTIC PRODUCTION ACTIVITIES DEDUCTION CURR YR ACQUISITION OR REORG INVEST BANKING FEES CURR YR ACQUISITION OR REORG LEGAL & ACCTNG FEES CURR YR ACQUISITION/REORG OTHER COSTS AMORTIZATION/IMPAIRMENT OF GOODWILL AMORT OF ACQUISITION, REORG AND START-UP COSTS OTHER AMORTIZATION OR IMPAIRMENT WRITE-OFFS SECTION 198 ENVIRONMENTAL REMEDIATION COSTS DEPLETION DEPRECIATION BAD DEBT EXPENSE CORPORATE OWNED LIFE INSURANCE PREMIUMS PURCHASE VERSUS LEASE OTHER EXPENSE/DEDUCTION ITEMS WITH DIFFERENCES	0 (7,162,989) 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
36	TOTAL EXPENSE/DEDUCTION ITEMS (ADD LNS 1 TO 35)	
2 3 4 5 6 7 8 9	C - PERMANENT DIFFERENCE U.S. CURRENT INCOME TAX EXPENSE U.S. DEFERRED INCOME TAX EXPENSE STATE AND LOCAL CURRENT INCOME TAX EXPENSE STATE AND LOCAL DEFERRED INCOME TAX EXPENSE FOREIGN CURRENT INCOME TAX EXPENSE FOREIGN DEFERRED INCOME TAX EXPENSE FOREIGN WITHHOLDING TAXES INTEREST EXPENSE STOCK OPTION EXPENSE OTHER EQUITY-BASED COMPENSATION MEALS AND ENTERTAINMENT FINES AND PENALTIES JUDGMENTS, DAMAGES, AWARDS AND SIMILAR COSTS EXCESS PARACHUTE PAYMENTS EXCESS SECTION 162 (M) COMPENSATION PENSION AND PROFIT SHARING OTHER POST-RETIREMENT BENEFITS DEFERRED COMPENSATION CHARITABLE CONTRIBUTION OF CASH AND TANG PROP CHARITABLE CONTRIBUTION OF INTANGIBLE PROPERTY CHARITABLE CONTRIBUTION LIMITATION/CARRYFORWARD DOMESTIC PRODUCTION ACTIVITIES DEDUCTION CURR YR ACQUISITION OR REORG INVEST BANKING FEES	0 0 0 0 0 0 0 0 0 (173,400) 0 0 0 0 1,621,825 0 0 0 0
24 25 27 28 29 30 31	OTHER AMORTIZATION OR IMPAIRMENT WRITE-OFFS SECTION 198 ENVIRONMENTAL REMEDIATION COSTS DEPLETION	0 0 0 0 0 0

135,269,056

2007 FEDERAL FORM 1120 TAX RETURN

Otter Tail Corporation Year: 2007

36

41-0462685

rea.	lear: 2007			
33 34 35	BAD DEBT EXPENSE CORPORATE OWNED LIFE INSURANCE PREMIUMS PURCHASE VERSUS LEASE OTHER EXPENSE/DEDUCTION ITEMS WITH DIFFERENCES	0 0 0 5,048,782		
36	TOTAL EXPENSE/DEDUCTION ITEMS (ADD LNS 1 TO 35)	7,005,940		
COT.	D - DEDUCTION PER TAX RETURN			
3	STATE AND LOCAL CURRENT INCOME TAX EXPENSE	0		
5	FOREIGN CURRENT INCOME TAX EXPENSE	0		
7	FOREIGN WITHHOLDING TAXES	0		
8	INTEREST EXPENSE	20,752,169		
9	STOCK OPTION EXPENSE	0		
10	OTHER EQUITY-BASED COMPENSATION	0		
11	MEALS AND ENTERTAINMENT	3,840,455		
12	FINES AND PENALTIES	0		
13	JUDGMENTS, DAMAGES, AWARDS AND SIMILAR COSTS	0		
14	EXCESS PARACHUTE PAYMENTS	0		
15	EXCESS SECTION 162(M) COMPENSATION	0		
16	PENSION AND PROFIT SHARING	3,722,300		
17	OTHER POST-RETIREMENT BENEFITS	0		
18	DEFERRED COMPENSATION	0		
19	CHARITABLE CONTRIBUTION OF CASH AND TANG PROP	687,262		
20				
2 7	CHARITABLE CONTRIBUTION LIMITATION	0		
2	DOMESTIC PRODUCTION ACTIVITIES DEDUCTION	508,733		
23	CURR YR ACQUISITION OR REORG INVEST BANKING FEES	0		
24	CURR YR ACQUISITION OR REORG LEGAL & ACCTNG FEES	0		
25				
26	AMORTIZATION/IMPAIRMENT OF GOODWILL	0		
27	AMORT OF ACQUISITION, REORG AND START-UP COSTS	0		
28	OTHER AMORTIZATION OR IMPAIRMENT WRITE-OFFS	0		
29	SECTION 198 ENVIRONMENTAL REMEDIATION COSTS	0		
30	DEPLETION	_		
31	DEPRECIATION	27,328,728 (23,198)		
32	BAD DEBT EXPENSE	(23,190)		
33	CORPORATE OWNED LIFE INSURANCE PREMIUMS	0		
34	PURCHASE VERSUS LEASE OTHER EXPENSE/DEDUCTION ITEMS WITH DIFFERENCES	78,452,607		
35	OTUER EVAPUSE DEPOCITOR TIEMS WITH DIFFERENCES	70,432,001		

TOTAL EXPENSE/DEDUCTION ITEMS (ADD LNS 1 TO 35)

10,662,039

(740,561)

216,448

353,301 8,174,520

2,823,937

80,687,599

2007 FEDERAL FORM 1120 TAX RETURN

Otter Tail Corporation

Year: 2007

41-0462685

SCHEDULE M-3 SUPPORTING SCHEDULES

STMT 19 - SCH M-3, PART II, LINE 25 OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES

COLUMN A:		
LINE 25: OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES GROSS SALES	315,640,112	
MISCELLANEOUS OTHER INCOME	8,102,431	
TOTAL	323,742,543	
COLUMN B:		
LINE 25: OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES GROSS SALES	(428,693)	
MISCELLANEOUS OTHER INCOME	(118) (1,479,784)	
GAIN ON ADR, ACRS, MACRS PROPERTY	(1,473,704)	
TOTAL	(1,908,595)	
(JMN C:		
LINE 25: OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES Fed Empowerment Zone Tax Credit	9,000	
COLUMN D: TOTAL OF COLUMNS A, B AND C	321,842,948	
STATEMENT 18 - SCH M-3, PART III, LINE 35 OTHER EXPENSE/DEDUCTION ITEMS WITH DIFFERENCES		
COLUMN A: LINE 35: OTHER EXPENSE/DED ITEMS WITH DIFFERENCES		
SALARIES & WAGES	33,595,894	
MISCELLANEOUS REPAIRS	25,602,021	

FEDERAL INCOME TAXES

SCHEDULE K-1 LOSS

TOTAL

STATE TAXES BASED ON INCOME

LOBBYING EXPENSE - NONDEDUCTIBLE

EMPLOYEE BENEFIT PROGRAMS

MISCELLANEOUS DEDUCTIONS

78,452,607

2007 FEDERAL FORM 1120 TAX RETURN

Otter Tail Corporation Year: 2007

TOTAL OF COLUMNS A, B AND C

	•
LINE 35: OTHER EXPENSE/DED ITEMS WITH DIFFERENCES OTHER EXPENSE/DED ITEMS WITH DIFFERENCES	0.000
SALARIES & WAGES	8,000
MISCELLANEOUS REPAIRS	504,232
FEDERAL INCOME TAXES	(10,512,101)
STATE TAXES BASED ON INCOME	1,217,682
EMPLOYEE BENEFIT PROGRAMS	(2,368,783)
CUSTOMER RELATED EXPENSES	(53,357)
PROPERTY REMOVAL COSTS	3,949,203
SCHEDULE K-1 LOSS	34,131
R & D	1,618,709
MISCELLANEOUS DEDUCTIONS	1,038,664
CIP Expenses (recoverable)	(544,894)
A&G (Book Expense; Tax Capitalize)	(2,175,260)
TOTAL	(7,283,774)
COLUMN C: LINE 35: OTHER EXPENSE/DED ITEMS WITH DIFFERENCES EMPLOYEE BENEFIT PROGRAMS LOBBYING EXPENSE - NONDEDUCTIBLE	1,054,510 (216,448)
MISCELLANEOUS DEDUCTIONS	4,210,720
TOTAL	5,048,782
COLUMN D:	70 450 607

lame of corporation (common parent, if consolidated return) Otter Tail Corporation			Employer lo 41-0462685	lentification number
heck applicable box(es): (1) Consolidated group (2) Parent	corp (3) Consolidated	d eliminations (4)	Subsidiary corp (5)	Mixed 1120/L/PC group
	ninations		Employer	ientification number
ame of subsidiary (if consolidated return)			Elibiohel	igitulicadon numbel
art II Reconciliation of Net Income (Loss)	per Income State	ement of Includ	dible Corporation	ons With
Taxable Income per Return (see instru				
	(a)	(b)	(c)	(d)
Income (Loss) Items	Income (Loss) per	Temporary	Permanent	Income (Loss) per
Attach schedules for lines 1 through 8	Income Statement	Difference	Difference	Tax Return
1 See for a formal and a water and	0		0	
Income (loss) from equity method foreign corporations Gross foreign dividends not previously taxed		0	0	0
	<u> </u>	0	0	0
Subpart F, QEF, and similar income inclusions		0	0	0
Gross foreign distributions previously taxed	0	0	0	
Income (loss) from equity method U.S. corporations	0	0	0	
U.S. dividends not eliminated in tax consolidation	0	0	0	0
Minority interest for includible corporations	0	0	0	
Income (lose) from U.S. partnerships (attach schedule)	0	0	0	Ò
Income (loss) from foreign partnerships (attach schedule)	0	0	0	0
Income (loss) from other pass-through entities	, , , , , , , , , , , , , , , , , , ,	<u> </u>		
(attach schedule)		0	0	0
Items relating to reportable transactions (attach details)	0	0	0	0
Interest income	10,072,784	0	-13,417	10,059,367
Total accrual to cash adjustment	0	0	0	0
Hedging transactions	0	0	0	0
Mark-to-market income (loss)	0	0	0	0
Cost of goods sold (attach Form 8916-A)	0	0	0	0
Sale versus lease (for sellers and/or lessors)	0	0	0	0
Section 481(a) adjustments		0	0	0
Unearned/deferred revenue	0	0	0	0
Income recognition from long-term contracts	0	0	0	0
Original issue discount and other imputed interest	0	0	0	0
la Income statement gain/loss on sale, exchange,				
abandonment, worthlessness, or other disposition of	1			
assets other than inventory and pass-through entities	248,552	-248,552	O	
b Gross capital gains from Schedule D, excluding				
, <u>-</u>		248,552	o c	248,552
amounts from pass-through entities				
amounts from pass-through entities, abandonment				
losses, and worthless stock losses		0	C	0
d Net gain/loss reported on Form 4797, line 17, excluding				
amounts from pass-through entities, abandonment				
losses, and worthless stock losses		0		0
Abandonment losses		0	(0
f Worthless stock losses (attach details)		0	(0
g Other gain/loss on disposition of assets other than inventory		0	(0
Coulded toon timelessian and appropriately tracel		0	(0
	304,015,331	3,799,067	3,300,520	311,114,924 5
Other income (loss) items with differences (attach schedule) Total Income (loss) Items. Combine lines 1 through 25	314,336,667	3,799,067	· · · · · · · · · · · · · · · · · · ·	
7 Total expense/deduction items (from Part III, line 36)	-140,411,546	15,742,431	· · · · · · · · · · · · · · · · · · ·	
	-150,754,084			-150,754,084
Other items with no differences 1. 1120 subgroup reconciliation totals. Add lines 26 through 28	23,171,037	19,541,498	-1,974,83	***
* *	0	0		0 0
b PC insurance subgroup reconciliation totals , , ,	0	0		0 0
c Life insurance subgroup reconciliation totals	23,171,037	19,541,498		2 40,737,703
Reconciliation totals. Combine lines 29a through 29c Note. Line 30, column (a), must equal the amount on Pa				

Schedule M-3 (Form 1120) 2006			<u> </u>	Page 3
lame of corporation (common parent, if consolidated return otter Tail Corporation	n)		41-0462685	itification number
	ent corp (3) Consolidate	ed eliminations (4)		Mixed 1120/L/PC group
	liminations			
Name of subsidiary (if consolidated return)			Employer ider	itification number
Part III Reconciliation of Net Income (Los	88) per Income Sta	atement of Inclu	dible Corporatio	ons With
Taxable Income per Return-Expe	r			/-/\
Evacuac/Daduation Home	(a) Expense per	(b) Temporary	(c) Permanent	(d) Deduction per
Expense/Deduction Items	Income Statement	Difference	Difference	Tax Return
1 U.S. current income tax expense	0	0	0	
2 U.S. deferred income tax expense , , , ,		0	0	0
3 State and local current income tax expense	0	0	0	<u> </u>
4 State and local deferred income tax expense	0	0		
5 Foreign current income tax expense (other than		اه	اه	0
foreign withholding taxes)	0		0	
6 Foreign deferred income tax expense		0	0	0
7 Foreign withholding taxes	19,761,884	534,247	0	20,296,131
8 Interest expense	17,101,004	0	0	0
9 Stock option expense	0	- ŏ	0	0
10 Other equity-based compensation	4,189,990	0	-171,778	4,018,212
11 Meals and entertainment	0	0	0	0
12 Fines and penalties	0	0	0	0
-	0	0	0	0
14 Parachute payments	0	0	0	0
16 Pension and profit-sharing	10,120,315	-5,583,017	1,656,552	6,193,850
17 Other post-retirement benefits	0	0	0	0
18 Deferred compensation	0	0	0	0
19 Charitable contribution of cash and tangible				
property	424,953	0	0	424,953
20 Charitable contribution of intangible property	0	0	0	0
21 Charitable contribution limitation/carryforward		0	0	00
22 Domestic production activities deduction		0	346,913	346,913
23 Current year acquisition or reorganization				
investment banking fees	0	0	0	0
24 Current year acquisition or reorganization legal and			_	_
accounting fees		0	0	0
25 Current year acquisition/reorganization other costs .	1 _	0	0	0
26 Amortization/impairment of goodwill	0	0		U
27 Amortization of acquisition, reorganization, and		ا	0	o
start-up costs	1 -	0	0	0
28 Other amortization or impairment write-offs	0	0	0	0
29 Section 198 environmental remediation costs	0	0	0	0
30 Depletion ,	2/ 197 004	-1,751,773	0	22,431,233
31 Depreciation	774 747	64,705	0	796,422
32 Bad debt expense		04,703	0	0
33 Corporate owned life insurance premiums	-	 	<u> </u>	<u> </u>
34 Purchase versus lease (for purchasers and/or	0	Ð	0	l o
lessees)	<u>-</u>			
(attach schedule) STATEMENT 19	80,999,681	-9,006,593	3,430,254	75,423,342
36 Total expense/deduction items. Combine lines 1	==,,,,,	1		1
through 35. Enter here and on Part II, line 27	140,411,546	-15,742,431	5,261,941	129,931,056

Otter Tail Corporation Year: 2006

*********	******
* SCHEDULE M-3 ***************************	* *******
PART I FINANCIAL INFO AND NET INCOME (LOSS) RECON 4 WORLDWIDE CONSOL NET INC IDENTIFIED IN PT 1 LN 1 5A NET INCOME FROM NONINCLUDIBLE FOREIGN ENTITIES B NET LOSS FROM NONINCLUDIBLE FOREIGN ENTITIES 6A NET INCOME FROM NONINCLUDIBLE U.S. ENTITIES B NET LOSS FROM NONINCLUDIBLE U.S. ENTITIES 7A NET INCOME FROM OTHER INCLUDIBLE ENTITIES B NET LOSS OF OTHER INCLUDIBLE ENTITIES 8 ADJ TO ELIM TRANS BTWN INCLDBL & NONINCLDBL ENT 9 ADJ TO RECON INCOME STMT YR TO TAX YR OF TAX RTN 10A INTERCOMPANY DIV ADJ TO RECONCILE TO LINE 11 B OTHER STATUTORY ACCOUNTING ADJ TO RECON TO LN 11 C OTHER ADJ TO RECONCILE TO AMOUNT ON LINE 11	0 0 0 0 0 0 0 0
11 NET INCOME PER INCOME STMT OF INCLUDIBLE CORPS	0
PART II RECON OF NET INCOME (LOSS) PER INCOME STMT OF INCLUDIBLE CORPS WITH TAXABLE INC PER RTN COL A - INCOME (LOSS) PER INCOME STATEMENT 1 INCOME (LOSS) FROM EQUITY METHOD FGN CORPS 2 GROSS FGN DIVIDENDS NOT PREVIOUS TAXED 5 GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED 6 INCOME (LOSS) FROM EQUITY METHOD U.S. CORPS 7 U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL 8 MINORITY INTEREST FOR INCLUDIBLE CORPS 9 INCOME (LOSS) FROM U.S. PARTNERSHIPS 10 INCOME (LOSS) FROM FGN PARTNERSHIPS 11 INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES 12 ITEMS RELATING TO REPORTABLE TRANSACTIONS 13 INTEREST INCOME 14 TOTAL ACCRUAL TO CASH ADJUSTMENT 15 HEDGING TRANSACTIONS 16 MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY 17 COST OF GOODS SOLD 18 SALES VERSUS LEASE 20 UNEARNED/DEFERRED REVENUE 21 INCOME RECOGNITION FROM LONG-TERM CONTRACTS 22 ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT 23A INCOME STMT GAIN/LOSS ON SALES OTHER THAN INVENTORY AND FLOW THRU ENTITIES 25 OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES 2 IOTAL INCOME (LOSS) ITEMS WITH DIFFERENCES	0 0 0 0 0 0 0 0 0 0 10,072,784 0 0 0 0 0 0 0 0 0 0 0
27 TOTAL EXPENSE/DEDUCTION ITEM FROM PT III, LN 36 28 OTHER INC (LOSS) EXP (DED) ITEMS WITH NO DIFF	(140,411,546) (150,754,084)
29A 1120 SUBGROUP RECON TOTALS. ADD LINES 26 THRU 28	23,171,037

Otter Tail Corporation Year: 2006

41-0462685

RECONCILIATION TOTALS. ADD LINES 29A THRU 29C

23,171,037

Otter Tail Corporation

Year.	2000	
YPAT.	713Uh	

Z		
	B - TEMPORARY DIFFERENCE	•
	INCOME (LOSS) FROM EQUITY METHOD FGN CORPS	0
2	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED	0
3	SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS	0
4	SECTION 78 GROSS-UP	0
5	GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED	0
6	INCOME (LOSS) FROM EQUITY METHOD U.S. CORPS	0
7	U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL	0
8	MINORITY INTEREST FOR INCLUDIBLE CORPS	0
9	INCOME (LOSS) FROM U.S. PARTNERSHIPS	0
10	INCOME (LOSS) FROM FGN PARTNERSHIPS	0
11	INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES	0
12 13	ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME	0
13 14	TOTAL ACCRUAL TO CASH ADJUSTMENT	0
15	HEDGING TRANSACTIONS	0
16	MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY	0
	COST OF GOODS SOLD	0
	SALES VERSUS LEASE	0
19		0
20		0
21		0
22	ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT	0
	INCOME STMT GAIN/LOSS ON SALES OTHER THAN	· ·
2011	INVENTORY AND FLOW THRU ENTITIES	(248,552)
	GROSS CAP GAIN FROM SCH D EXCLUDING FLOW THRU	248,552
C	GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU	0
	GAIN/LOSS REPORTED ON FORM 4797 LINE 17,	•
_	EXCL FLOW THRU, ABNDNMT LOSSES & WORTHLESS STK	0
Е	ABANDONMENT LOSSES	0
	WORTHLESS STOCK LOSSES	0
G	OTHER GAIN/LOSS ON DISPOSITION OF ASSETS OTHER	
	THAN INVENTORY	0
24	CAPITAL LOSS LIMITATION AND CARRYFORWARD USED	0
25	OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES	3,799,067
26	TOTAL INCOME (LOSS) ITEMS. COMBINE LNS 1 TO 25	3,799,067
27	TOTAL EXPENSE/DEDUCTION ITEM FROM PT III, LN 36	15,742,431
29A	1120 SUBGROUP RECON TOTALS. ADD LINES 26 THRU 28	19,541,498
30	RECONCILIATION TOTALS. ADD LINES 29A THRU 29C	19,541,498
	C - PERMANENT DIFFERENCE	_
	INCOME (LOSS) FROM EQUITY METHOD FGN CORPS	0
	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED	0
3	• •	0
4		0
5		0
۴	• •	0
n	U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL	0
8 9	MINORITY INTEREST FOR INCLUDIBLE CORPS INCOME (LOSS) FROM U.S. PARTNERSHIPS	0
10		0
	TON SOURCE TENDEST COLORS COME FOR ENGINEER OF LEGG.	
	·	
12	INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES	0

Otter Tail Corporation Year: 2006

	TMERREDECH TMCOME	(13,417)
	INTEREST INCOME	(12,11,
	TOTAL ACCRUAL TO CASH ADJUSTMENT	0
	HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY	0
		0
	COST OF GOODS SOLD	0
	SALES VERSUS LEASE	0
	SECTION 481(A) ADJUSTMENTS	Ö
20	UNEARNED/DEFERRED REVENUE	Ö
21	INCOME RECOGNITION FROM LONG-TERM CONTRACTS	ŏ
	ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT	U
23A	INCOME STMT GAIN/LOSS ON SALES OTHER THAN	0
_	INVENTORY AND FLOW THRU ENTITIES	0
	GROSS CAP GAIN FROM SCH D EXCLUDING FLOW THRU	ŏ
	GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU	J
D	GAIN/LOSS REPORTED ON FORM 4797, LINE 17	0
_	EXCL FLOW THRU, ABNDNMT LOSSES & WORTHLESS STK	0
	ABANDONMENT LOSSES	Ö
	WORTHLESS STOCK LOSSES	U
G	OTHER GAIN/LOSS ON DISPOSITION OF ASSETS OTHER	0
	THAN INVENTORY	0
24	CAPITAL LOSS LIMITATION AND CARRYFORWARD USED	3,300,526
25	OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES	3,300,526
	CONTINUE (CO.C.) TERMS CONTINUE LINE 1 HOUSE	3,287,109
	TOTAL INCOME (LOSS) ITEMS. COMBINE LNS 1 TO 25	3,207,109 /F 261 041\
2	TOTAL EXPENSE/DEDUCTION ITEM FROM PT III, LN 36	(5,261,941)
		(1 074 933)
29A	1120 SUBGROUP RECON TOTAL. ADD LINES 26 THRU 28	(1,974,832)
		(1,974,832)
30	RECONCILIATION TOTALS. ADD LINES 29A THRU 29C	(1,9/4,034)
		\- \- \-
	4	\- \- \-
COL	D - INCOME (LOSS) PER TAX RETURN	
2	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED	0
2	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS	0 0
2 3 4	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP	0 0 0
2 3 4 7	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL	0 0 0 0
2 3 4 7 9	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS	0 0 0 0
2 3 4 7 9	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS	0 0 0 0 0
2 3 4 7 9 10	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES	0 0 0 0 0
2 3 4 7 9 10 11 12	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS	0 0 0 0 0 0
2 3 4 7 9 10 11 12 13	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME	0 0 0 0 0 0 0 0 10,059,367
2 3 4 7 9 10 11 12 13 14	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT	0 0 0 0 0 0 0 0 10,059,367
2 3 4 7 9 10 11 12 13 14 15	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS	0 0 0 0 0 0 0 0 10,059,367 0
2 3 4 7 9 10 11 12 13 14 15 16	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY	0 0 0 0 0 0 0 0 10,059,367 0
2 3 4 7 9 10 11 12 13 14 15	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY COST OF GOODS SOLD	0 0 0 0 0 0 0 10,059,367 0 0
2 3 4 7 9 10 11 12 13 14 15 16	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY COST OF GOODS SOLD SALES VERSUS LEASE	0 0 0 0 0 0 0 10,059,367 0 0
2 3 4 7 9 10 11 12 13 14 15 16 17	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY COST OF GOODS SOLD SALES VERSUS LEASE SECTION 481(A) ADJUSTMENTS	0 0 0 0 0 0 0 0 10,059,367 0 0 0
2 3 4 7 9 10 11 12 13 14 15 16 17 18 19 20	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY COST OF GOODS SOLD SALES VERSUS LEASE SECTION 481(A) ADJUSTMENTS UNEARNED/DEFERRED REVENUE	0 0 0 0 0 0 0 0 10,059,367 0 0 0
2 3 4 7 9 10 11 12 13 14 15 16 17 18 19 20	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY COST OF GOODS SOLD SALES VERSUS LEASE SECTION 481(A) ADJUSTMENTS UNEARNED/DEFERRED REVENUE INCOME RECOGNITION FROM LONG-TERM CONTRACTS	0 0 0 0 0 0 0 10,059,367 0 0 0
2 3 4 7 9 10 11 12 13 14 15 16 17 18 19 20 21 22	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY COST OF GOODS SOLD SALES VERSUS LEASE SECTION 481(A) ADJUSTMENTS UNEARNED/DEFERRED REVENUE INCOME RECOGNITION FROM LONG-TERM CONTRACTS ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT	0 0 0 0 0 0 0 10,059,367 0 0 0
2 3 4 7 9 10 11 12 13 14 15 16 17 18 19 20 21 22	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY COST OF GOODS SOLD SALES VERSUS LEASE SECTION 481(A) ADJUSTMENTS UNEARNED/DEFERRED REVENUE INCOME RECOGNITION FROM LONG-TERM CONTRACTS ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT GROSS CAP GAIN FROM SCH D EXCLUDING FLOW THRU	0 0 0 0 0 0 0 0 10,059,367 0 0 0 0 0 0
2 3 4 7 9 10 11 12 13 14 15 16 17 18 19 20 21 22	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY COST OF GOODS SOLD SALES VERSUS LEASE SECTION 481 (A) ADJUSTMENTS UNEARNED/DEFERRED REVENUE INCOME RECOGNITION FROM LONG-TERM CONTRACTS ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT GROSS CAP GAIN FROM SCH D EXCLUDING FLOW THRU	0 0 0 0 0 0 0 10,059,367 0 0 0
2 3 4 7 9 10 11 12 13 14 15 16 17 18 19 20 21 22	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY COST OF GOODS SOLD SALES VERSUS LEASE SECTION 481(A) ADJUSTMENTS UNEARNED/DEFERRED REVENUE INCOME RECOGNITION FROM LONG-TERM CONTRACTS ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT GROSS CAP GAIN FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU	0 0 0 0 0 0 0 0 10,059,367 0 0 0 0 0 0 0 0 0 0
2 3 4 7 9 10 11 12 13 14 15 16 17 18 19 20 21 22 2	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY COST OF GOODS SOLD SALES VERSUS LEASE SECTION 481 (A) ADJUSTMENTS UNEARNED/DEFERRED REVENUE INCOME RECOGNITION FROM LONG-TERM CONTRACTS ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT GROSS CAP GAIN FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU GAIN/LOSS REPORTED ON FORM 4797, LINE 17 EXCL FLOW THRU, ABNDNMT LOSSES & WORTHLESS STK	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
2 3 4 7 9 10 11 12 13 14 15 16 17 18 19 20 21 22 21 E	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY COST OF GOODS SOLD SALES VERSUS LEASE SECTION 481 (A) ADJUSTMENTS UNEARNED/DEFERRED REVENUE INCOME RECOGNITION FROM LONG-TERM CONTRACTS ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT GROSS CAP GAIN FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU GAIN/LOSS REPORTED ON FORM 4797, LINE 17 EXCL FLOW THRU, ABNDNMT LOSSES & WORTHLESS STK	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
2 3 4 7 9 10 11 12 13 14 15 16 17 18 19 20 21 22 2	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY COST OF GOODS SOLD SALES VERSUS LEASE SECTION 481(A) ADJUSTMENTS UNEARNED/DEFERRED REVENUE INCOME RECOGNITION FROM LONG-TERM CONTRACTS ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT GROSS CAP GAIN FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU GRAIN/LOSS REPORTED ON FORM 4797, LINE 17 EXCL FLOW THRU, ABNDNMT LOSSES & WORTHLESS STK ABANDONMENT LOSSES	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
2 3 4 7 9 10 11 12 13 14 15 16 17 18 19 20 21 22 2	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY COST OF GOODS SOLD SALES VERSUS LEASE SECTION 481 (A) ADJUSTMENTS UNEARNED/DEFERRED REVENUE INCOME RECOGNITION FROM LONG-TERM CONTRACTS ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT GROSS CAP GAIN FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU GAIN/LOSS REPORTED ON FORM 4797, LINE 17 EXCL FLOW THRU, ABNDNMT LOSSES & WORTHLESS STK	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0

Otter Tail Corporation

Vear.	2006	

	THAN INVENTORY	0
24 25	CAPITAL LOSS LIMITATION AND CARRYFORWARD USED OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES	311,114,924
26 27 28	TOTAL INCOME (LOSS) ITEMS. COMBINE LNS 1 TO 25 TOTAL EXPENSE/DEDUCTION ITEM FROM PT III, LN 36 OTHER INC (LOSS) EXP (DED) ITEMS WITH NO DIFF	321,422,843 (129,931,056) (150,754,084)
29A	1120 SUBGROUP RECON TOTALS. ADD LINES 26 THRU 28	40,737,703
30	RECONCILIATION TOTALS. ADD LINES 29A THRU 29C	40,737,703

Otter Tail Corporation Year: 2006

F

1	III RECON OF NET INCOME	(LOSS) PER INCOME STMT
	OF INCLUDIBLE CORPS 1	WITH TAXABLE INC PER RTN
	- EXPENSE/DEDUCTION	ITEMS

		*
COL	A - EXPENSE PER INCOME STATEMENT	_
1	U.S. CURRENT INCOME TAX EXPENSE	0
2	U.S. DEFERRED INCOME TAX EXPENSE	0
3	STATE AND LOCAL CURRENT INCOME TAX EXPENSE	0
4	STATE AND LOCAL DEFERRED INCOME TAX EXPENSE	0
5	FOREIGN CURRENT INCOME TAX EXPENSE	0
6	FOREIGN DEFERRED INCOME TAX EXPENSE	0
7	FOREIGN WITHHOLDING TAXES	0
8	INTEREST EXPENSE	19,761,884
9	STOCK OPTION EXPENSE	0
10	OTHER EQUITY-BASED COMPENSATION	0
11	MEALS AND ENTERTAINMENT	4,189,990
12	FINES AND PENALTIES	0
13	PUNITIVE DAMAGES	0
14	EXCESS PARACHUTE PAYMENTS	0
15	EXCESS SECTION 162 (M) COMPENSATION	0
16	PENSION AND PROFIT SHARING	10,120,315
17	OTHER POST-RETIREMENT BENEFITS	0
18	DEFERRED COMPENSATION	0
19	CHARITABLE CONTRIBUTION OF CASH AND TANG PROP	424,953
2^	CHARITABLE CONTRIBUTION OF INTANGIBLE PROPERTY	0
2	CURR YR ACQUISITION OR REORG INVEST BANKING FEES	0
24	CURR YR ACQUISITION OR REORG LEGAL & ACCTNG FEES	0
25	CURR YR ACQUISITION/REORG OTHER COSTS	0
26	AMORTIZATION/IMPAIRMENT OF GOODWILL	0
27	AMORT OF ACQUISITION, REORG AND START-UP COSTS	0
28	OTHER AMORTIZATION OR IMPAIRMENT WRITE-OFFS	0
29	SECTION 198 ENVIRONMENTAL REMEDIATION COSTS	0
30	DEPLETION	•
31	DEPRECIATION	24,183,006 731,717
32	BAD DEBT EXPENSE	731,717
33	CORPORATE OWNED LIFE INSURANCE PREMIUMS	0
34	PURCHASE VERSUS LEASE	80,999,681
35	OTHER EXPENSE/DEDUCTION ITEMS WITH DIFFERENCES	80,999,001
36	TOTAL EXPENSE/DEDUCTION ITEMS (ADD LNS 1 TO 35)	140,411,546
COL	B - TEMPORARY DIFFERENCE	
1	U.S. CURRENT INCOME TAX EXPENSE	0
2	U.S. DEFERRED INCOME TAX EXPENSE	0
3	STATE AND LOCAL CURRENT INCOME TAX EXPENSE	0
4	STATE AND LOCAL DEFERRED INCOME TAX EXPENSE	0
5	FOREIGN CURRENT INCOME TAX EXPENSE	0
6	FOREIGN DEFERRED INCOME TAX EXPENSE	0
7	FOREIGN WITHHOLDING TAXES	0
٩	INTEREST EXPENSE	534,247
	STOCK OPTION EXPENSE	0
10	OTHER EQUITY-BASED COMPENSATION	0
11	MEALS AND ENTERTAINMENT	0
12	FINES AND PENALTIES	0
13	PUNITIVE DAMAGES	0
14		0

Otter Tail Corporation Year: 2006

Year	2006	
1	EXCESS SECTION 162(M) COMPENSATION	0
	PENSION AND PROFIT SHARING	(5,583,017)
	OTHER POST-RETIREMENT BENEFITS	0
18	DEFERRED COMPENSATION	0
	CHARITABLE CONTRIBUTION OF CASH AND TANG PROP	0
20	CHARITABLE CONTRIBUTION OF INTANGIBLE PROPERTY	0
21	CHARITABLE CONTRIBUTION LIMITATION/CARRYFORWARD	0
22	DOMESTIC PRODUCTION ACTIVITIES DEDUCTION	0
23	CURR YR ACQUISITION OR REORG INVEST BANKING FEES	0
24	CURR YR ACQUISITION OR REORG LEGAL & ACCTNG FEES	0
25	CURR YR ACQUISITION/REORG OTHER COSTS	0
26	AMORTIZATION/IMPAIRMENT OF GOODWILL	0
27	AMORT OF ACQUISITION, REORG AND START-UP COSTS	0
28	OTHER AMORTIZATION OR IMPAIRMENT WRITE-OFFS	Ŏ
29	SECTION 198 ENVIRONMENTAL REMEDIATION COSTS	0
30	DEPLETION DEPRECIATION	(1,751,773)
31	BAD DEBT EXPENSE	64,705
32 33	CORPORATE OWNED LIFE INSURANCE PREMIUMS	0
34	PURCHASE VERSUS LEASE	0
35	OTHER EXPENSE/DEDUCTION ITEMS WITH DIFFERENCES	(9,006,593)
33	Ullian and another property of the control of the c	
36	TOTAL EXPENSE/DEDUCTION ITEMS (ADD LNS 1 TO 35)	(15,742,431)
C~-	C - PERMANENT DIFFERENCE	
	U.S. CURRENT INCOME TAX EXPENSE	0
2	U.S. DEFERRED INCOME TAX EXPENSE	0
3	STATE AND LOCAL CURRENT INCOME TAX EXPENSE	0
4	STATE AND LOCAL DEFERRED INCOME TAX EXPENSE	0
5	FOREIGN CURRENT INCOME TAX EXPENSE	0
6	FOREIGN DEFERRED INCOME TAX EXPENSE	0
7	FOREIGN WITHHOLDING TAXES	Ö
8	INTEREST EXPENSE	0
9	STOCK OPTION EXPENSE	0
10	OTHER EQUITY-BASED COMPENSATION MEALS AND ENTERTAINMENT	(171,778)
11 12	FINES AND PENALTIES	(1/1,//0,
13	PUNITIVE DAMAGES	0
14	EXCESS PARACHUTE PAYMENTS	0
15	EXCESS SECTION 162 (M) COMPENSATION	0
16	PENSION AND PROFIT SHARING	1,656,552
17	OTHER POST-RETIREMENT BENEFITS	0
18	DEFERRED COMPENSATION	0
19	CHARITABLE CONTRIBUTION OF CASH AND TANG PROP	0
20	CHARITABLE CONTRIBUTION OF INTANGIBLE PROPERTY	0
21	CHARITABLE CONTRIBUTION LIMITATION/CARRYFORWARD	0
22	DOMESTIC PRODUCTION ACTIVITIES DEDUCTION	346,913
23	CURR YR ACQUISITION OR REORG INVEST BANKING FEES	0
24	CURR YR ACQUISITION OR REORG LEGAL & ACCTNG FEES	0
25	CURR YR ACQUISITION/REORG OTHER COSTS	0
2	AMORTIZATION/IMPAIRMENT OF GOODWILL	0
27	AMORT OF ACQUISITION, REORG AND START-UP COSTS	0
28	OTHER AMORTIZATION OR IMPAIRMENT WRITE-OFFS	0
29		0
30	DEPLETION DEPRECIATION	0
31	DEFRECIATION	•

129,931,056

2006 FEDERAL FORM 1120 TAX RETURN

Otter Tail Corporation

Year: 2006

36

41-0462685

rear: 2006			
3 33 34	BAD DEBT EXPENSE CORPORATE OWNED LIFE INSURANCE PREMIUMS PURCHASE VERSUS LEASE	0 0 0 3,430,254	
35	OTHER EXPENSE/DEDUCTION ITEMS WITH DIFFERENCES	3,430,254	
36	TOTAL EXPENSE/DEDUCTION ITEMS (ADD LNS 1 TO 35)	5,261,941	
COL	D - DEDUCTION PER TAX RETURN		
3	STATE AND LOCAL CURRENT INCOME TAX EXPENSE	0	
5	FOREIGN CURRENT INCOME TAX EXPENSE	0	
7	FOREIGN WITHHOLDING TAXES	0	
8	INTEREST EXPENSE	20,296,131	
9	STOCK OPTION EXPENSE	0	
10	OTHER EQUITY-BASED COMPENSATION	0	
11	MEALS AND ENTERTAINMENT	4,018,212	
12	FINES AND PENALTIES	0	
13	PUNITIVE DAMAGES	0	
14	EXCESS PARACHUTE PAYMENTS	0	
15	EXCESS SECTION 162(M) COMPENSATION	0	
16	PENSION AND PROFIT SHARING	6,193,850	
17	OTHER POST-RETIREMENT BENEFITS	0	
18	DEFERRED COMPENSATION	0	
19	CHARITABLE CONTRIBUTION OF CASH AND TANG PROP	424,953	
20	CHARITABLE CONTRIBUTION OF INTANGIBLE PROPERTY	0	
2 7	CHARITABLE CONTRIBUTION LIMITATION	0	
2	DOMESTIC PRODUCTION ACTIVITIES DEDUCTION	346,913	
23	CURR YR ACQUISITION OR REORG INVEST BANKING FEES	0	
24	CURR YR ACQUISITION OR REORG LEGAL & ACCTNG FEES	0	
25	CURR YR ACQUISITION/REORG OTHER COSTS	0	
26	AMORTIZATION/IMPAIRMENT OF GOODWILL	0	
27	AMORT OF ACQUISITION, REORG AND START-UP COSTS	0	
28	OTHER AMORTIZATION OR IMPAIRMENT WRITE-OFFS	0	
29	SECTION 198 ENVIRONMENTAL REMEDIATION COSTS	0	
30	DEPLETION	•	
31	DEPRECIATION	22,431,233	
32	BAD DEBT EXPENSE	796, 4 22 0	
33	CORPORATE OWNED LIFE INSURANCE PREMIUMS	0	
34	PURCHASE VERSUS LEASE	75,423,342	
35	OTHER EXPENSE/DEDUCTION ITEMS WITH DIFFERENCES	13,423,342	

TOTAL EXPENSE/DEDUCTION ITEMS (ADD LNS 1 TO 35)

Otter Tail Corporation

Year: 2006

41-0462685

SCHEDULE M-3 SUPPORTING SCHEDULES

STMT 16 - SCH M-3, PART II, LINE 25 OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES

COLUMN A: LINE 25: OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES GROSS SALES MISCELLANEOUS OTHER INCOME	298,484,435 5,530,896
TOTAL	304,015,331
COLUMN B: LINE 25: OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES GROSS SALES MISCELLANEOUS OTHER INCOME GAIN ON ADR, ACRS, MACRS PROPERTY TOTAL	2,712,264 (118) 1,086,921 3,799,067
C JMN C: LINE 25: OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES MISCELLANEOUS OTHER INCOME Fed Empowerment Zone Tax Credit TOTAL	3,291,526 9,000 3,300,526
COLUMN D: TOTAL OF COLUMNS A, B AND C	311,114,924
CONTROL TO COLL M 2 DADO	דדד ז.דאום פוב

STATEMENT 19 - SCH M-3, PART III, LINE 35 OTHER EXPENSE/DEDUCTION ITEMS WITH DIFFERENCES

COLUMN A: LINE 35: OTHER EXPENSE/DED ITEMS WITH DIFFERENCES SALARIES & WAGES MISCELLANEOUS REPAIRS FEDERAL INCOME TAXES STATE TAXES BASED ON INCOME EMPLOYEE BENEFIT PROGRAMS LOBBYING EXPENSE - NONDEDUCTIBLE SCHEDULE K-1 LOSS INSURANCE	29,513,617 25,947,301 9,350,950 2,498,454 6,479,976 93,397 728,319 1,961,648
MISCELLANEOUS DEDUCTIONS	4,426,019
TOTAL	80,999,681

Otter Tail Corporation

Year: 2006

COLUMN B: LINE 35: OTHER EXPENSE/DED ITEMS WITH DIFFERENCES OTHER EXPENSE/DED ITEMS WITH DIFFERENCES SALARIES & WAGES MISCELLANEOUS REPAIRS FEDERAL INCOME TAXES STATE TAXES BASED ON INCOME EMPLOYEE BENEFIT PROGRAMS CUSTOMER RELATED EXPENSES PROPERTY REMOVAL COSTS SCHEDULE K-1 LOSS R & D INSURANCE MISCELLANEOUS DEDUCTIONS CIP Expenses (recoverable) A&G (Book Expense; Tax Capitalize)	(48,000) 810,043 (9,350,951) (540,636) (2,944,319) (71,161) 1,355,936 (309,534) 3,584,172 783,800 (148,422) (28,052) (2,099,469)
TOTAL	(9,006,593)
C JMN C: LINE 35: OTHER EXPENSE/DED ITEMS WITH DIFFERENCES EMPLOYEE BENEFIT PROGRAMS LOBBYING EXPENSE - NONDEDUCTIBLE MISCELLANEOUS DEDUCTIONS TOTAL	1,318,892 (93,397) 2,204,759 3,430,254
COLUMN D: TOTAL OF COLUMNS A, B AND C	75,423,342

41-046268§chedule K-1 Page 26 of 46 Page 2

lame of corp	poration (common parent, if co	nsolidated return)
Otter Tail	l Corporation	

Employer Identification number 41-0462685

If consolidated return, check applicable box: (1) Consolidated group (2)

Parent corporation (3)

Consulidated eliminations (4) Subsidiary corporation

Name of subsidiary (if consolidated return)

Employer Identification number

Income (Loss) Items	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
Income (loss) from equity method foreign corporations	0	0	0	
Gross foreign dividends not previously taxed	0	0	0	0
Subpart F, QEF, and similar income inclusions		0	0	0
Section 78 gross-up		0	0	0
Gross foreign distributions previously taxed	0	0	0	
Income (loss) from equity method U.S. corporations	0	0	0	
U.S. dividends not eliminated in tax consolidation .	0	0	0	0
Minority interest for includible corporations	0	0	. 0	
Income (loss) from U.S. partnerships (attach schedule)	0	0	0	0
Income (loss) from foreign partnerships (attach schedule)	0	0	0	0
income (loss) from other pass-through entitles				
(attach schedule)	0	0	0	0
Items relating to reportable transactions (attach details)	0	0	0	0
Interest income	7,235,052	0	-14,909	7,220,143
Total accrual to cash adjustment	0	0	0	0
Hedging transactions	0	0	0	0
Mark-to-market income (loss)	0	0	0	0
Cost of goods sold	0	0	0	0
Sale versus lease (for sellers and/or lessors)	0	0	0	0
Section 481(a) adjustments		0	0	0
Unearned/deferred revenue	0	0	0	0
Income recognition from long-term contracts	0	0	0	0
Original issue discount and other imputed interest	0	0	0	C
Income statement gain/loss on sale, exchange,				
abandonment, worthlessness, or other disposition of				
assets other than inventory and pass-through entities	203,889	-203,889	0	
Gross capital gains from Schedule D, excluding				
amounts from pass-through entitles		203,889	0	203,889
Gross capital losses from Schedule D, excluding				
amounts from pass-through entities, abandonment				
losses, and worthless stock losses		0	0	0
Net gain/loss reported on Form 4797, line 17, excluding				
amounts from pass-through entities, abandonment				
losses, and worthless stock losses		0	0	0
Abandonment losses		0	0	0
Worthless stock losses (attach details)		0	0	0
Other gain/loss on disposition of assets other than		0	0	0
inventory Disallowed capital loss in excess of capital gains		0	0	0
Utilization of capital loss carryforward		0	0	0
Other income (loss) items with differences (attach			*	
1 3.1.3	314,143,553	-1,916,974	9,000	312,235,579 S
Total Income (loss) Items. Combine lines 1 through 26	321,582,494	-1,916,974	-5,909	
Total expense/deduction items (from Part III, line 36)	-140,597,960	23,258,571	-5,234,492	
•				
Other income (loss) and expense/deduction	-145,529,380			-145,529,380
items with no differences	35,455,154	21,341,597	-5,240,401	

Otter Tail Corporation

Year: 2005

**************	****
* SCHEDULE M-3	*
***************	*****
PART I FINANCIAL INFO AND NET INCOME (LOSS) RECON 4 WORLDWIDE CONSOL NET INC IDENTIFIED IN PT 1 LN 1 5A NET INCOME FROM NONINCLUDIBLE FOREIGN ENTITIES B NET LOSS FROM NONINCLUDIBLE FOREIGN ENTITIES 6A NET INCOME FROM NONINCLUDIBLE U.S. ENTITIES B NET LOSS FROM NONINCLUDIBLE U.S. ENTITIES 7A NET INCOME FROM OTHER INCLUDIBLE ENTITIES B NET LOSS OF OTHER INCLUDIBLE ENTITIES 8 ADJ TO ELIM TRANS BTWN INCLDBL & NONINCLDBL ENT 9 ADJ TO RECON INCOME STMT YR TO TAX YR OF TAX RTN 10 OTHER ADJ TO RECONCILE TO AMOUNT ON LINE 11	62,551,369 0 0 0 0 0 0 0 0
11 NET INCOME PER INCOME STMT OF INCLUDIBLE CORPS	62,551, <u>369</u>
PART II RECON OF NET INCOME (LOSS) PER INCOME STMT OF INCLUDIBLE CORPS WITH TAXABLE INC PER RTN COT A - INCOME (LOSS) PER INCOME STATEMENT INCOME (LOSS) FROM EQUITY METHOD FGN CORPS	0
2 GROSS FGN DIVIDENDS NOT PREVIOUS TAXED	0
5 GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED	0
6 INCOME (LOSS) FROM EQUITY METHOD U.S. CORPS 7 U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL	0
8 MINORITY INTEREST FOR INCLUDIBLE CORPS	Ō
9 INCOME (LOSS) FROM U.S. PARTNERSHIPS	0
10 INCOME (LOSS) FROM FGN PARTNERSHIPS	0
11 INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES	0
12 ITEMS RELATING TO REPORTABLE TRANSACTIONS 13 INTEREST INCOME	7,235,052
14 TOTAL ACCRUAL TO CASH ADJUSTMENT	0
15 HEDGING TRANSACTIONS	0
16 MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY	0
17 INVENTORY VALUATION ADJUSTMENTS 18 SALES VERSUS LEASE	0
20 UNEARNED/DEFERRED REVENUE	0
21 INCOME RECOGNITION FROM LONG-TERM CONTRACTS	0
22 ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT 23A INCOME STMT GAIN/LOSS ON SALES OTHER THAN	0
INVENTORY AND FLOW THRU ENTITIES 26 OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES	203,889 314,143,553
27 TOTAL INCOME (LOSS) ITEMS. COMBINE LNS 1 TO 26 28 TOTAL EXPENSE/DEDUCTION ITEM FROM PT III, LN 36 2 OTHER INC (LOSS) EXP (DED) ITEMS WITH NO DIFF	321,582,494 (140,597,960) (145,529,380)
30 RECONCILIATION TOTALS. COMBINE LN 27 THRU 29	35,455,154

Otter Tail Corporation Year: 2005

Ć.	B - TEMPORARY DIFFERENCE	
1	INCOME (LOSS) FROM EQUITY METHOD FGN CORPS	0
	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED	0
3	SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS	0
4	SECTION 78 GROSS-UP	0
	GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED	0
5	INCOME (LOSS) FROM EQUITY METHOD U.S. CORPS	Ö
6	· · · · · · · · · · · · · · · · · · ·	ŏ
7	U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL	Ö
8	MINORITY INTEREST FOR INCLUDIBLE CORPS INCOME (LOSS) FROM U.S. PARTNERSHIPS	0
9	INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS	0
10	· · · · ·	0
11 12	INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS	Ö
13	INTEREST INCOME	0
13 14	TOTAL ACCRUAL TO CASH ADJUSTMENT	0
	HEDGING TRANSACTIONS	0
	MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY	0
•	INVENTORY VALUATION ADJUSTMENTS	Ö
	SALES VERSUS LEASE	Ö
	SECTION 481(A) ADJUSTMENTS	0
	UNEARNED/DEFERRED REVENUE	Ö
21	INCOME RECOGNITION FROM LONG-TERM CONTRACTS	0
22	ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT	Ö
	INCOME STMT GAIN/LOSS ON SALES OTHER THAN	,
23A	INCOME SIMI GAIN/LOSS ON SALES OTHER THAN INVENTORY AND FLOW THRU ENTITIES	(203,889)
	GROSS CAP GAIN FROM SCH D EXCLUDING FLOW THRU	203,889
. 1	GROSS CAP GAIN FROM SCH D EXCLUDING FLOW THRU	203,003
	GAIN/LOSS REPORTED ON FORM 4797 LINE 17,	U
ע	EXCL FLOW THRU, ABNDNMT LOSSES & WORTHLESS STK	0
To .	ABANDONMENT LOSSES	0
	WORTHLESS STOCK LOSSES	0
	OTHER GAIN/LOSS ON DISPOSITION OF ASSETS OTHER	· ·
G	THAN INVENTORY	0
24	DISALLOWED CAPITAL LOSS IN EXCESS OF CAP GAINS	0
	UTILIZATION OF CAPITAL LOSS CARRYFORWARD	0
	OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES	(1,916,974)
	(2005) 111111 (2005)	
27	TOTAL INCOME (LOSS) ITEMS. COMBINE LNS 1 TO 26	(1,916,974)
28		23,258,571
	,	
30	RECONCILIATION TOTALS. COMBINE LN 27 THRU 29	21,341,597
COL	C - PERMANENT DIFFERENCE	
1	INCOME (LOSS) FROM EQUITY METHOD FGN CORPS	0
2	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED	0
3	SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS	0
4	SECTION 78 GROSS-UP	0
5	GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED	0
6	INCOME (LOSS) FROM EQUITY METHOD U.S. CORPS	0
7	U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL	0
	MINORITY INTEREST FOR INCLUDIBLE CORPS	0
5	INCOME (LOSS) FROM U.S. PARTNERSHIPS	0
10	INCOME (LOSS) FROM FGN PARTNERSHIPS	0
11	INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES	0
12	ITEMS RELATING TO REPORTABLE TRANSACTIONS	(7.4.000)
13	INTEREST INCOME	(14,909)

0

0

0

2005 FEDERAL FORM 1120 TAX RETURN

Otter Tail Corporation

F WORTHLESS STOCK LOSSES

THAN INVENTORY

G OTHER GAIN/LOSS ON DISPOSITION OF ASSETS OTHER

24 DISALLOWED CAPITAL LOSS IN EXCESS OF CAP GAINS

	r Tail Corporation	41-0462685
2 .		•
1	TOTAL ACCRUAL TO CASH ADJUSTMENT	0
	HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY	0
	INVENTORY VALUATION ADJUSTMENTS	Ō
	SALES VERSUS LEASE	0
19	SECTION 481(A) ADJUSTMENTS	0
	UNEARNED/DEFERRED REVENUE	0
	INCOME RECOGNITION FROM LONG-TERM CONTRACTS	0
22	ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT INCOME STMT GAIN/LOSS ON SALES OTHER THAN	O .
23A	INVENTORY AND FLOW THRU ENTITIES	0
В	GROSS CAP GAIN FROM SCH D EXCLUDING FLOW THRU	0
C	GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU	0
D	GAIN/LOSS REPORTED ON FORM 4797, LINE 17	
	EXCL FLOW THRU, ABNDNMT LOSSES & WORTHLESS STK	0
	ABANDONMENT LOSSES WORTHLESS STOCK LOSSES	0
	OTHER GAIN/LOSS ON DISPOSITION OF ASSETS OTHER	•
Ŭ	THAN INVENTORY	0
	DISALLOWED CAPITAL LOSS IN EXCESS OF CAP GAINS	0
	UTILIZATION OF CAPITAL LOSS CARRYFORWARD	0
26	OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES	9,000
27	TOTAL INCOME (LOSS) ITEMS. COMBINE LNS 1 TO 26	(5,909)
25	TOTAL EXPENSE/DEDUCTION ITEM FROM PT III, LN 36	(5,234,492)
30	RECONCILIATION TOTALS. COMBINE LN 27 THRU 29	(5,240,401)
	TOTAL (1000) DED TO DETERMINE	
	D - INCOME (LOSS) PER TAX RETURN GROSS FGN DIVIDENDS NOT PREVIOUS TAXED	0
2 3	SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS	0
4	SECTION 78 GROSS-UP	0
7	U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL	0
9	INCOME (LOSS) FROM U.S. PARTNERSHIPS	0
10	INCOME (LOSS) FROM FGN PARTNERSHIPS	0
11 12	INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS	0
13	INTEREST INCOME	7,220,143
14	TOTAL ACCRUAL TO CASH ADJUSTMENT	0
15	HEDGING TRANSACTIONS	0
16	MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY	0
17	INVENTORY VALUATION ADJUSTMENTS	0
18 19	SALES VERSUS LEASE SECTION 481(A) ADJUSTMENTS	Ö
20		0
21	INCOME RECOGNITION FROM LONG-TERM CONTRACTS	0
22	ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT	0
	GROSS CAP GAIN FROM SCH D EXCLUDING FLOW THRU	203,889
	GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU	0
I '	GAIN/LOSS REPORTED ON FORM 4797, LINE 17 EXCL FLOW THRU, ABNDNMT LOSSES & WORTHLESS STK	0
н	ABANDONMENT LOSSES	ŏ
	NODELLEGO CHOOK LOCCEC	n .

Otter Tail Corporation Year: 2005

	UTILIZATION OF CAPITAL LOSS CARRYFORWARD OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES	312,235,579
27 28 29	TOTAL INCOME (LOSS) ITEMS. COMBINE LNS 1 TO 26 TOTAL EXPENSE/DEDUCTION ITEM FROM PT III, LN 36 OTHER INC (LOSS) EXP (DED) ITEMS WITH NO DIFF	319,659,611 (122,573,881) (145,529,380)
30	RECONCILIATION TOTALS. COMBINE LN 27 THRU 29	51,556,350

0

0

2005 FEDERAL FORM 1120 TAX RETURN

14 EXCESS PARACHUTE PAYMENTS

13 PUNITIVE DAMAGES

Otter Tail Corporation Year: 2005

4 .	
P. 'III RECON OF NET INCOME (LOSS)	PER INCOME STMT
OF INCLUDIBLE CORPS WITH TAXA	ABLE INC PER RTN
- EXPENSE/DEDUCTION ITEMS	
- EXPENSE/ DEDOCTION TIBES	
COL A - EXPENSE PER INCOME STATEMENT	
	0
	_
	MI DILLINOD
4 STATE AND LOCAL DEFERRED INCOME	IAM EMI EMOD
5 FOREIGN CURRENT INCOME TAX EXPEN	9H
6 FOREIGN DEFERRED INCOME TAX EXPE	NSE 0
7 FOREIGN WITHHOLDING TAXES	17,820,371
8 INTEREST EXPENSE	_
9 STOCK OPTION EXPENSE	0
10 OTHER EQUITY-BASED COMPENSATION	•
11 MEALS AND ENTERTAINMENT	3,721,511
12 FINES AND PENALTIES	0
13 PUNITIVE DAMAGES	0
14 EXCESS PARACHUTE PAYMENTS	0
15 EXCESS SECTION 162(M) COMPENSATI	ON 0
16 PENSION AND PROFIT SHARING	8,547,664
17 OTHER POST-RETIREMENT BENEFITS	0
18 DEFERRED COMPENSATION	0
19 CHARITABLE CONTRIBUTION OF CASH	
2 CHARITABLE CONTRIBUTION OF INTAN	GIBLE PROPERTY 0
CURR YR ACQUISITION OR REORG INV	EST BANKING FEES 0
24 CURR YR ACQUISITION OR REORG LEG	AL & ACCING FEES 0
25 CURR YR ACQUISITION/REORG OTHER	COSTS
26 AMORTIZATION/IMPAIRMENT OF GOODW	IILL 0
27 AMORT OF ACQUISITION, REORG AND	START-UP COSTS 0
28 OTHER AMORTIZATION OR IMPAIRMENT	WRITE-OFFS 10,950
29 SECTION 198 ENVIRONMENTAL REMEDI	TATION COSTS 0
30 DEPLETION	0
31 DEPRECIATION	22,785,759
32 BAD DEBT EXPENSE	706,058
33 CORPORATE OWNED LIFE INSURANCE I	PREMIUMS 0
34 PURCHASE VERSUS LEASE	93,427
35 OTHER EXPENSE/DEDUCTION ITEMS WI	TH DIFFERENCES 85,928,650
33 0111111 21112 7 2 2 2 2 2 2 2 2 2 2 2 2 2	
36 TOTAL EXPENSE/DEDUCTION ITEMS (A	ADD LNS 1 TO 35) 140,597,960
30 1011H HILLINDS, B2B001101	•
COL B - TEMPORARY DIFFERENCE	
1 U.S. CURRENT INCOME TAX EXPENSE	0
2 U.S. DEFERRED INCOME TAX EXPENSI	र 0
3 STATE AND LOCAL CURRENT INCOME '	rax expense 0
	<u> </u>
	11111 - 11111 - 11111
	0
7 FOREIGN WITHHOLDING TAXES C INTEREST EXPENSE	490,376
STOCK OPTION EXPENSE	150,570
	•
10 OTHER EQUITY-BASED COMPENSATION	0
11 MEALS AND ENTERTAINMENT	0
12 FINES AND PENALTIES	

Otter Tail Corporation Year: 2005

Icai			•
î	EXCESS SECTION 162(M) COMPENSATION		0
	PENSION AND PROFIT SHARING	+.	(3,652,464)
17	OTHER POST-RETIREMENT BENEFITS		0
	DEFERRED COMPENSATION		Ō
	CHARITABLE CONTRIBUTION OF CASH AND TANG PROP		Ö
	CHARITABLE CONTRIBUTION OF CASH AND TANG PROPERTY		Ö
			Ö
21	CHARITABLE CONTRIBUTION LIMITATION/CARRYFORWARD		0
22	DOMESTIC PRODUCTION ACTIVITIES DEDUCTION		0
23	CURR YR ACQUISITION OR REORG INVEST BANKING FEES		0
24	CURR YR ACQUISITION OR REORG LEGAL & ACCTNG FEES		
25	CURR YR ACQUISITION/REORG OTHER COSTS		0
26	AMORTIZATION/IMPAIRMENT OF GOODWILL		0
27	AMORT OF ACQUISITION, REORG AND START-UP COSTS		0
28	OTHER AMORTIZATION OR IMPAIRMENT WRITE-OFFS		0
29	SECTION 198 ENVIRONMENTAL REMEDIATION COSTS		0
30	DEPLETION		0
31	DEPRECIATION		(2,496,273)
	BAD DEBT EXPENSE		(164,472)
	CORPORATE OWNED LIFE INSURANCE PREMIUMS		0
34	PURCHASE VERSUS LEASE		0
35	OTHER EXPENSE/DEDUCTION ITEMS WITH DIFFERENCES		(17,435,738)
36	TOTAL EXPENSE/DEDUCTION ITEMS (ADD LNS 1 TO 35)		(23,258,571)
C	C - PERMANENT DIFFERENCE		
	U.S. CURRENT INCOME TAX EXPENSE		0
2	U.S. DEFERRED INCOME TAX EXPENSE		0
3	STATE AND LOCAL CURRENT INCOME TAX EXPENSE		0
4	STATE AND LOCAL DEFERRED INCOME TAX EXPENSE		0
5	FOREIGN CURRENT INCOME TAX EXPENSE		0
6	FOREIGN DEFERRED INCOME TAX EXPENSE		0
7	FOREIGN WITHHOLDING TAXES		0
8	INTEREST EXPENSE		0
9	STOCK OPTION EXPENSE		0
10	OTHER EQUITY-BASED COMPENSATION		0
	MEALS AND ENTERTAINMENT		(128,310)
12	FINES AND PENALTIES		0
13	PUNITIVE DAMAGES		0
14			0
	EXCESS SECTION 162 (M) COMPENSATION		0
16			1,848,166
17			. 0
18	DEFERRED COMPENSATION		0
19			0
20	CHARITABLE CONTRIBUTION OF INTANGIBLE PROPERTY		0
21	CHARITABLE CONTRIBUTION LIMITATION/CARRYFORWARD		Ō
	DOMESTIC PRODUCTION ACTIVITIES DEDUCTION		448,824
22	CURR YR ACQUISITION OR REORG INVEST BANKING FEES		440,024
23	CURR YR ACQUISITION OR REORG INVEST BANKING FEES CURR YR ACQUISITION OR REORG LEGAL & ACCTNG FEES		ő
24	CURR YR ACQUISITION OR REORG LEGAL & ACCING FEES CURR YR ACQUISITION/REORG OTHER COSTS		0
25			0
2	AMORTIZATION/IMPAIRMENT OF GOODWILL		0
27			0
28			Ő
29			0
30			0
31	DEPRECIATION		U

Otter Tail Corporation

Year:	2005	

Iear	.: 2005			
	DAD BEDE EVERYOR	0		
	BAD DEBT EXPENSE	Ö		
	CORPORATE OWNED LIFE INSURANCE PREMIUMS			
34	PURCHASE VERSUS LEASE	0		
35	OTHER EXPENSE/DEDUCTION ITEMS WITH DIFFERENCES	3,065,812		
	TOTAL TURBULET (DEDUCTION THOMS (ADD INC 1 TO 25)	5,234,492		
36	TOTAL EXPENSE/DEDUCTION ITEMS (ADD LNS 1 TO 35)	5,254,472		
COT	D DEDUCATON DED WAY DESTIDA			
	D - DEDUCTION PER TAX RETURN	0		
3	STATE AND LOCAL CURRENT INCOME TAX EXPENSE	0		
	FOREIGN CURRENT INCOME TAX EXPENSE	0		
7	FOREIGN WITHHOLDING TAXES	18,310,747		
8	INTEREST EXPENSE			
9	STOCK OPTION EXPENSE	0		
10	OTHER EQUITY-BASED COMPENSATION	0		
11	MEALS AND ENTERTAINMENT	3,593,201		
12	FINES AND PENALTIES	0		
13	PUNITIVE DAMAGES	0		
14	EXCESS PARACHUTE PAYMENTS	0		
15	EXCESS SECTION 162 (M) COMPENSATION	0		
16	PENSION AND PROFIT SHARING	6,743,366		
	OTHER POST-RETIREMENT BENEFITS	0		
17		0		
18	DEFERRED COMPENSATION	983,570		
19	CHARITABLE CONTRIBUTION OF CASH AND TANG PROP	·		
20	CHARITABLE CONTRIBUTION OF INTANGIBLE PROPERTY	0		
2~	CHARITABLE CONTRIBUTION LIMITATION	0		
<u>.</u>	DOMESTIC PRODUCTION ACTIVITIES DEDUCTION	448,824		
23	CURR YR ACQUISITION OR REORG INVEST BANKING FEES	0		
24	CURR YR ACQUISITION OR REORG LEGAL & ACCTNG FEES	0		
25	CURR YR ACQUISITION/REORG OTHER COSTS	0		
26	AMORTIZATION/IMPAIRMENT OF GOODWILL	0		
27	AMORT OF ACQUISITION, REORG AND START-UP COSTS	0		
28	OTHER AMORTIZATION OR IMPAIRMENT WRITE-OFFS	10,950		
29	SECTION 198 ENVIRONMENTAL REMEDIATION COSTS	. 0		
		0		
30	DEPLETION	20,289,486		
31	DEPRECIATION	541,586		
	BAD DEBT EXPENSE	541,500		
33	CORPORATE OWNED LIFE INSURANCE PREMIUMS	-		
34	PURCHASE VERSUS LEASE	93,427		
35	OTHER EXPENSE/DEDUCTION ITEMS WITH DIFFERENCES	71,558,724		
36	TOTAL EXPENSE/DEDUCTION ITEMS (ADD LNS 1 TO 35)	122,573,881		
STMT 1 - SCH M-3, PART II, LINE 26 OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES				
	LUMN A:			
LII	WE 26: OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES			
	GROSS SALES	306,354,466		
	MISCELLANEOUS OTHER INCOME	7,789,087		
		214 142 552		
	TOTAL	314,143,553		

Otter Tail Corporation

41-0462685

Year: 2005

₹	1 26.	Ownaba	TNICOME	(TOCC)	TTTMC	WTTU	DIFFERENCES
a 1	26:	CHER	INCOME	LUSSI	TIEMS	MTTU	カギルト じ な で い ぐ せ り

GROSS SALES
OVER DEPRECIATION (ADR PROPERTY)
MISCELLANEOUS OTHER INCOME
GAIN ON ADR, ACRS, MACRS PROPERTY
(2,614,780)
157,840
(73,480)
613,446

TOTAL (1,916,974)

COLUMN C:

LINE 26: OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES

Fed Empowerment Zone Tax Credit

9,000

COLUMN D:

TOTAL OF COLUMNS A, B AND C

312<u>,235,579</u>

STATEMENT - SCH M-3, PART III, LINE 35 OTHER EXPENSE/DEDUCTION ITEMS WITH DIFFERENCES

C JMN A:

LINE 35: OTHER EXPENSE/DED ITEMS WITH DIFFERENCES	
SALARIES & WAGES	31,286,941
MISCELLANEOUS REPAIRS	22,395,122
FEDERAL INCOME TAXES	12,333,646
STATE TAXES BASED ON INCOME	2,928,661
EMPLOYEE BENEFIT PROGRAMS	9,743,710
LOBBYING EXPENSE - NONDEDUCTIBLE	84,940
SCHEDULE K-1 LOSS	810,164
INSURANCE	3,826,309
MISCELLANEOUS DEDUCTIONS	2,519,157
MISCUIDMECOS DEDOCIIOMO	

TOTAL 85,928,650

COLUMN B:

LINE 35: OTHER EXPENSE/DED ITEMS WITH DIFFERENCES

OTHER EXPENSE/DED ITEMS WITH DIFFERENCES	
MISCELLANEOUS REPAIRS	771,789
FEDERAL INCOME TAXES	(12,333,646)
STATE TAXES BASED ON INCOME	(388,502)
EMPLOYEE BENEFIT PROGRAMS	(5,159,625)
CUSTOMER RELATED EXPENSES	(6,062)
PROPERTY REMOVAL COSTS	883,895
SCHEDULE K-1 LOSS	(324,153)
R & D	1,067,524
INSURANCE	(783,800)
MISCELLANEOUS DEDUCTIONS	202,417
CIP Expenses (recoverable)	(139,520)
CIL EXheuses (reconstrants)	(100/010)

71,558,724

2005 FEDERAL FORM 1120 TAX RETURN

Otter Tail Corporation Year: 2005

TOTAL OF COLUMNS A, B AND C

Asbestos Removal - Amortization A&G (Book Expense; Tax Capitalize)	5,940 (1,231,995)
TOTAL	(17,435,738)
COLUMN C: LINE 35: OTHER EXPENSE/DED ITEMS WITH DIFFERENCES EMPLOYEE BENEFIT PROGRAMS LOBBYING EXPENSE - NONDEDUCTIBLE MISCELLANEOUS DEDUCTIONS TOTAL	1,083,631 (84,940) 2,067,121 3,065,812
COLUMN D:	

Page 2

Name of corporation (common parent, if consolidated return) Otter Tail Corporation

Employer identification number 41-0462685

Name of subsidiary (if consolidated return)

Employer identification number

Part II	Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With
	Taxable Income per Return

	income (Loss) Items	(a) Income (Loss) per Income Statement (optional)	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return (optional)
Inco	ome (loss) from equity method foreign corporations	0	_ 0	0	
	ss foreign dividends not previously taxed	0	0	0	<u> </u>
	part F, QEF, and similar income inclusions		0	0	0
	tion 78 gross-up		0	0	0
	ss foreign distributions previously taxed	0	0	0	0
	ome (loss) from equity method U.S. corporations	0	0	0	
	dividends not eliminated in tax consolidation	0	0	0	0
	ority Interest for includible corporations	0	0	0	
	ome (loss) from U.S. partnerships (attach schedule)	0	0	0	0
	ome (loss) from foreign partnerships (attach schedule)	0	0	0	0
	ome (loss) from other pass-through entities				_
	ach schedule)	0	0	0	0
	ns relating to reportable transactions (attach details)	0	0	0	0
	rest income	4,161,363	0	-13,193	4,148,170
Tota	al accrual to cash adjustment	0	0	0	0
5 Hed	dging transactions	0	0	0	0
	rk-to-market income (loss)	0	0	0	0
7 Inve	entory valuation adjustments	0	0	0	0
	e versus lease (for sellers and/or lessors)	0	0	0	0
	ction 481(a) adjustments		0	0	0
	earned/deferred revenue	0	0	0	0
1 Inc	ome recognition from long-term contracts	0	0	0	0
	ginal issue discount and other imputed interest	0	0	0	0
	ome statement gain/loss on sale, exchange,				
	andonment, worthlessness, or other disposition of				
	sets other than inventory and flow-through entities	87,752	-87,752	0	
	oss capital gains from Schedule D, excluding				
	ounts from flow-through entitles		87,752	0	87,752
	oss capital losses from Schedule D, excluding				
	ounts from flow-through entities, abandonment		•		
los	ses, and worthless stock losses		0	0	0
3d Ne	t gain/loss reported on Form 4797, line 17, excluding				
am	ounts from flow-through entities, abandonment				
los	ses, and worthless stock losses		0		
	andonment losses		0	(***
	orthless stock losses (attach details)		0		
	her gain/loss on disposition of assets other than ventory		0		
	sallowed capital loss in excess of capital gains		0		
	ilization of capital loss carryforward		0		0
	her income (loss) items with differences (attach			_	
	hedule)	268,296,664	2,227,621	-764,72	
	otal Income (loss) Items. Combine lines 1 through 26	272,545,779	2,227,621	-777,91	
	otal expense/deduction items (from Part III, line 36)	-102,059,339	1,794,132	-3,176,62	7 -103,441,834
	ther income (loss) and expense/deduction	<u> </u>			
	ems with no differences	-141,612,837			-141,612,837
	econciliation totals. Combine lines 27 through 29	28,873,603	4,021,753	-3,954,54	4 28,940,812

Schedule M-3 (Form 1120) 2004

Name of corporation (common parent, if consolidated return)
Otter Tail Corporation

Name of subsidiary (if consolidated return)

Employer Identification number 41-0462685

Employer Identification number

Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return-Expense/Deduction Items				
Expense/Deduction Items	(a) Expense per Income Statement (optional)	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return (optional)
1 U.S. current income tax expense	0	0	0	
2 U.S. deferred income tax expense	0	0	0	
3 State and local current income tax expense	0	0	0	0
4 State and local deferred income tax expense	0	0	0	
5 Foreign current income tax expense (other than			,	
foreign withholding taxes)	0	0	0	0
6 Foreign deferred income tax expense	0	0	0	
7 Foreign withholding taxes	0	0	0	0
8 Incentive stock options	0	0	0	0
9 Nonqualified stock options	0	0	0	0
10 Other equity-based compensation	0	0	0	0
11 Meals and entertainment	272,285	0	-136,142	136,143
12 Fines and penalties	0	0	0	0
13 Punitive damages	0	0	0	0
14 Parachute payments	0	0	0	0
15 Compensation with 162(m) limitation	0	0	0	(
16 Pension and profit-sharing	7,640,897	-1,080,310	1,844,893	8,405,480
17 Other post-retirement benefits	0	0	0	(
18 Deferred compensation	0	0	0	(
19 Charitable contribution of cash and tangible				
property	439,971	0	0	439,971
20 Charitable contribution of intangible property	0	0	0	(
21 Charitable contribution limitation		0	0	
22 Charitable contribution carryforward used		0	0	(
23 Current year acquisition or reorganization investment		i		
banking fees	0	o	0	
24 Current year acquisition or reorganization				
legal and accounting fees	0	o	0	<u> </u>
25 Current year acquisition/reorganization other costs	I ^	0	0	
26 Amortization/impairment of goodwill	1 ^	0	0	
27 Amortization of acquisition, reorganization, and				
	0	0	0	ı 🕽
start-up costs 28 Other amortization or impairment write-offs	8,067	0	0	8,06
29 Section 198 environmental remediation costs	0	0	0	
and the state of t	0	0	C	1
• • • • • • • • • • • • • • • • • • • •	22,482,833	8,635,582	C	31,118,41
31 Depreciation	704 804	-154,035	C	627,18
32 Bad debt expense		0		-
•		-		
34 Purchase versus lease (for purchasers and/or	0	0	()
lessees)				
	70,434,065	-9,195,369	1,467,876	62,706,57
(attach schedule)			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	1
through 35. Enter here and on Part II, line 28	102,059,339	-1,794,132	3,176,627	7 103,441,83

Otter Tail Corporation Year: 2004

	************	*****
	* SCHEDULE M-3	*
	****************	*****
4 N 5A I 6A I 7A I 8 I 8 I	I FINANCIAL INFO AND NET INCOME (LOSS) RECON WORLDWIDE CONSOL NET INC IDENTIFIED IN PT 1 LN 1 NET INCOME FROM NONINCLUDIBLE FOREIGN ENTITIES NET LOSS FROM NONINCLUDIBLE FOREIGN ENTITIES NET INCOME FROM NONINCLUDIBLE U.S. ENTITIES NET LOSS FROM NONINCLUDIBLE U.S. ENTITIES NET INCOME FROM OTHER INCLUDIBLE ENTITIES NET LOSS OF OTHER INCLUDIBLE ENTITIES ADJ TO ELIM TRANS BTWN INCLUBL & NONINCLUBL ENTADJ TO RECON INCOME STMT YR TO TAX YR OF TAX RTN OTHER ADJ TO RECONCILE TO AMOUNT ON LINE 11	42,194,712 0 0 0 0 0 0 0 0
11	NET INCOME PER INCOME STMT OF INCLUDIBLE CORPS	42,194,712
CC ⁻ 2 5 6 7 8 9 10 11 12	II RECON OF NET INCOME (LOSS) PER INCOME STMT OF INCLUDIBLE CORPS WITH TAXABLE INC PER RTN A - INCOME (LOSS) PER INCOME STATEMENT INCOME (LOSS) FROM EQUITY METHOD FGN CORPS GROSS FGN DIVIDENDS NOT PREVIOUS TAXED GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED INCOME (LOSS) FROM EQUITY METHOD U.S. CORPS U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL MINORITY INTEREST FOR INCLUDIBLE CORPS INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS	0 0 0 0 0 0 0 0 0 0
	INTEREST INCOME	4,161,363
16 17 18 20 21 22	TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY INVENTORY VALUATION ADJUSTMENTS SALES VERSUS LEASE UNEARNED/DEFERRED REVENUE INCOME RECOGNITION FROM LONG-TERM CONTRACTS ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT INCOME STMT GAIN/LOSS ON SALES OTHER THAN INVENTORY AND FLOW THRU ENTITIES OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES	0 0 0 0 0 0 0 0 87,752 268,296,664
27 28 2	TOTAL INCOME (LOSS) ITEMS. COMBINE LNS 1 TO 26 TOTAL EXPENSE/DEDUCTION ITEM FROM PT III, LN 36 OTHER INC (LOSS) EXP (DED) ITEMS WITH NO DIFF	272,545,779 (102,059,339) (141,612,837)
30	RECONCILIATION TOTALS. COMBINE LN 27 THRU 29	28,873,603

Otter Tail Corporation Year: 2004 41-0462685

Year: 2004	
B - TEMPORARY DIFFERENCE	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
26 OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES	2,227,621
27 TOTAL INCOME (LOSS) ITEMS. COMBINE LNS 1 TO 26 28 TOTAL EXPENSE/DEDUCTION ITEM FROM PT III, LN 36	
30 RECONCILIATION TOTALS. COMBINE LN 27 THRU 29	4,021,753
COL C - PERMANENT DIFFERENCE 1 INCOME (LOSS) FROM EQUITY METHOD FGN CORPS 2 GROSS FGN DIVIDENDS NOT PREVIOUS TAXED 3 SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS 4 SECTION 78 GROSS-UP 5 GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED 6 INCOME (LOSS) FROM EQUITY METHOD U.S. CORPS 7 U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL MINORITY INTEREST FOR INCLUDIBLE CORPS 9 INCOME (LOSS) FROM U.S. PARTNERSHIPS 10 INCOME (LOSS) FROM FGN PARTNERSHIPS 11 INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES 12 ITEMS RELATING TO REPORTABLE TRANSACTIONS 13 INTEREST INCOME	0 0 0 0 0 0 0 0 0 0 0 0 0 0 (13,193)

Otter Tail Corporation Year: 2004

-		_
1	TOTAL ACCRUAL TO CASH ADJUSTMENT	0
	HEDGING TRANSACTIONS	0
16	MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY	0
	INVENTORY VALUATION ADJUSTMENTS	0
17		0
18	SALES VERSUS LEASE	0
19	SECTION 481(A) ADJUSTMENTS	Ö
20	UNEARNED/DEFERRED REVENUE	0
21	INCOME RECOGNITION FROM LONG-TERM CONTRACTS	
22	ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT	0
23A	INCOME STMT GAIN/LOSS ON SALES OTHER THAN	
2.0	INVENTORY AND FLOW THRU ENTITIES	0
р	GROSS CAP GAIN FROM SCH D EXCLUDING FLOW THRU	0
2	GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU	0
	GAIN/LOSS REPORTED ON FORM 4797, LINE 17	
ע	EXCL FLOW THRU, ABNDNMT LOSSES & WORTHLESS STK	0
_		0
	ABANDONMENT LOSSES	0
F	WORTHLESS STOCK LOSSES	·
G	OTHER GAIN/LOSS ON DISPOSITION OF ASSETS OTHER	0
	THAN INVENTORY	
24	DISALLOWED CAPITAL LOSS IN EXCESS OF CAP GAINS	0
25	UTILIZATION OF CAPITAL LOSS CARRYFORWARD	0
26	· · · · · · · · · · · · · · · · · · ·	(764,724)
- •	, , , , , , , , , , , , , , , , , , ,	
27	TOTAL INCOME (LOSS) ITEMS. COMBINE LNS 1 TO 26	(777,917)
2	TOTAL EXPENSE/DEDUCTION ITEM FROM PT III, LN 36	(3,176,627)
2	TOTAL EXPENSE/DEDOCTION TIEM TWO IT THE T	
2.0	RECONCILIATION TOTALS. COMBINE LN 27 THRU 29	(3,954,544)
30	RECONCIDIATION TOTALS. COMBINE EN 27 11110 25	(-, ,
	(roce) DED MAY DEDUIDM	0
	D - INCOME (LOSS) PER TAX RETURN	0
2	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED	0
	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS	0 0
2 3 4	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP	0 0 0
2 3 4	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED	0 0 0 0
2 3 4 5	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL	0 0 0 0
2 3 4 5 7	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL	0 0 0 0 0
2 3 4 5 7 9	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS	0 0 0 0
2 3 4 5 7 9	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS	0 0 0 0 0
2 3 4 5 7 9 10	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES	0 0 0 0 0
2 3 4 5 7 9 10 11 12	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS	0 0 0 0 0 0 0
2 3 4 5 7 9 10 11 12 13	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME	0 0 0 0 0 0 0 0 0 0 4,148,170
2 3 4 5 7 9 10 11 12 13 14	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT	0 0 0 0 0 0 0 0 0 4,148,170
2 3 4 5 7 9 10 11 12 13 14 15	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS	0 0 0 0 0 0 0 0 0 4,148,170 0
2 3 4 5 7 9 10 11 12 13 14	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY	0 0 0 0 0 0 0 0 4,148,170 0 0
2 3 4 5 7 9 10 11 12 13 14 15	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY INVENTORY VALUATION ADJUSTMENTS	0 0 0 0 0 0 0 0 0 4,148,170 0 0
2 3 4 5 7 9 10 11 12 13 14 15 16	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY INVENTORY VALUATION ADJUSTMENTS SALES VERSUS LEASE	0 0 0 0 0 0 0 0 4,148,170 0 0 0
2 3 4 5 7 9 10 11 12 13 14 15 16 17	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY INVENTORY VALUATION ADJUSTMENTS SALES VERSUS LEASE SECTION 481 (A) ADJUSTMENTS	0 0 0 0 0 0 0 0 4,148,170 0 0 0
2 3 4 5 7 9 10 11 12 13 14 15 16 17 18 19 20	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY INVENTORY VALUATION ADJUSTMENTS SALES VERSUS LEASE SECTION 481(A) ADJUSTMENTS UNEARNED/DEFERRED REVENUE	0 0 0 0 0 0 0 0 4,148,170 0 0 0 0
2 3 4 5 7 9 10 11 12 13 14 15 16 17 18 19 20	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY INVENTORY VALUATION ADJUSTMENTS SALES VERSUS LEASE SECTION 481(A) ADJUSTMENTS UNEARNED/DEFERRED REVENUE	0 0 0 0 0 0 0 0 4,148,170 0 0 0 0
2 3 4 5 7 9 10 11 12 13 14 15 16 17 18 19 20 21	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY INVENTORY VALUATION ADJUSTMENTS SALES VERSUS LEASE SECTION 481 (A) ADJUSTMENTS UNEARNED/DEFERRED REVENUE INCOME RECOGNITION FROM LONG-TERM CONTRACTS	0 0 0 0 0 0 0 0 4,148,170 0 0 0 0
2 3 4 5 7 9 10 11 12 13 14 15 16 17 18 19 20 21 22	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY INVENTORY VALUATION ADJUSTMENTS SALES VERSUS LEASE SECTION 481(A) ADJUSTMENTS UNEARNED/DEFERRED REVENUE INCOME RECOGNITION FROM LONG-TERM CONTRACTS ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT	0 0 0 0 0 0 0 0 4,148,170 0 0 0 0
2 3 4 5 7 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY INVENTORY VALUATION ADJUSTMENTS SALES VERSUS LEASE SECTION 481 (A) ADJUSTMENTS UNEARNED/DEFERRED REVENUE INCOME RECOGNITION FROM LONG-TERM CONTRACTS ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT B GROSS CAP GAIN FROM SCH D EXCLUDING FLOW THRU	0 0 0 0 0 0 0 0 4,148,170 0 0 0 0
2 3 4 5 7 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY INVENTORY VALUATION ADJUSTMENTS SALES VERSUS LEASE SECTION 481(A) ADJUSTMENTS UNEARNED/DEFERRED REVENUE INCOME RECOGNITION FROM LONG-TERM CONTRACTS ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT GROSS CAP GAIN FROM SCH D EXCLUDING FLOW THRU	0 0 0 0 0 0 0 0 4,148,170 0 0 0 0 0 0 0
2 3 4 5 7 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY INVENTORY VALUATION ADJUSTMENTS SALES VERSUS LEASE SECTION 481(A) ADJUSTMENTS UNEARNED/DEFERRED REVENUE INCOME RECOGNITION FROM LONG-TERM CONTRACTS ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT GROSS CAP GAIN FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU	0 0 0 0 0 0 0 0 4,148,170 0 0 0 0 0 0 0
2 3 4 5 7 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23]	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY INVENTORY VALUATION ADJUSTMENTS SALES VERSUS LEASE SECTION 481 (A) ADJUSTMENTS UNEARNED/DEFERRED REVENUE INCOME RECOGNITION FROM LONG-TERM CONTRACTS ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT GROSS CAP GAIN FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU GRAIN/LOSS REPORTED ON FORM 4797, LINE 17 EXCL FLOW THRU, ABNDNMT LOSSES & WORTHLESS STK	0 0 0 0 0 0 0 0 4,148,170 0 0 0 0 0 0 0 0 0 0 0 0 0 0
2 3 4 5 7 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 3	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY INVENTORY VALUATION ADJUSTMENTS SALES VERSUS LEASE SECTION 481(A) ADJUSTMENTS UNEARNED/DEFERRED REVENUE INCOME RECOGNITION FROM LONG-TERM CONTRACTS ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT GROSS CAP GAIN FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU EXCL FLOW THRU, ABNDNMT LOSSES & WORTHLESS STK	0 0 0 0 0 0 0 0 4,148,170 0 0 0 0 0 0 0 0 0 0 0 0 0 0
2 3 4 5 7 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 3	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY INVENTORY VALUATION ADJUSTMENTS SALES VERSUS LEASE SECTION 481(A) ADJUSTMENTS UNEARNED/DEFERRED REVENUE INCOME RECOGNITION FROM LONG-TERM CONTRACTS ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT GROSS CAP GAIN FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU EXCL FLOW THRU, ABNDNMT LOSSES & WORTHLESS STK E ABANDONMENT LOSSES	0 0 0 0 0 0 0 0 4,148,170 0 0 0 0 0 0 0 0 0 0 0 0 0 0
2 3 4 5 7 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 3	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY INVENTORY VALUATION ADJUSTMENTS SALES VERSUS LEASE SECTION 481 (A) ADJUSTMENTS UNEARNED/DEFERRED REVENUE INCOME RECOGNITION FROM LONG-TERM CONTRACTS ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT GROSS CAP GAIN FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU GAIN/LOSS REPORTED ON FORM 4797, LINE 17 EXCL FLOW THRU, ABNDNMT LOSSES & WORTHLESS STK E ABANDONMENT LOSSES F WORTHLESS STOCK LOSSES G OTHER GAIN/LOSS ON DISPOSITION OF ASSETS OTHER	0 0 0 0 0 0 0 0 4,148,170 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
2 3 4 5 7 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 3	GROSS FGN DIVIDENDS NOT PREVIOUS TAXED SUBPART F, QEF AND SIMILAR INCOME INCLUSIONS SECTION 78 GROSS-UP GROSS FGN DISTRIBUTIONS PREVIOUSLY TAXED U.S. DIVIDENDS NOT ELIMINATED IN TAX CONSOL INCOME (LOSS) FROM U.S. PARTNERSHIPS INCOME (LOSS) FROM FGN PARTNERSHIPS INCOME (LOSS) FROM OTHER PASS-THRU ENTITIES ITEMS RELATING TO REPORTABLE TRANSACTIONS INTEREST INCOME TOTAL ACCRUAL TO CASH ADJUSTMENT HEDGING TRANSACTIONS MARK-TO-MARKET INCOME (LOSS) NOT FROM INVENTORY INVENTORY VALUATION ADJUSTMENTS SALES VERSUS LEASE SECTION 481(A) ADJUSTMENTS UNEARNED/DEFERRED REVENUE INCOME RECOGNITION FROM LONG-TERM CONTRACTS ORIGINAL ISSUE DISCOUNT AND OTHER IMPUTED INT GROSS CAP GAIN FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU GROSS CAP LOSS FROM SCH D EXCLUDING FLOW THRU EXCL FLOW THRU, ABNDNMT LOSSES & WORTHLESS STK E ABANDONMENT LOSSES	0 0 0 0 0 0 0 0 4,148,170 0 0 0 0 0 0 0 0 0 0 0 0 0 0

Otter Tail Corporation Year: 2004

2	DISALLOWED CAPITAL LOSS IN EXCESS OF CAP GAINS	0
25	UTILIZATION OF CAPITAL LOSS CARRYFORWARD	0
	OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES	269,759,561
_ •	•	
27	TOTAL INCOME (LOSS) ITEMS. COMBINE LNS 1 TO 26	273,995,483
28	TOTAL EXPENSE/DEDUCTION ITEM FROM PT III, LN 36	(103,441,834)
29	OTHER INC (LOSS) EXP (DED) ITEMS WITH NO DIFF	(141,612,837)
30	RECONCILIATION TOTALS. COMBINE LN 27 THRU 29	28,940,812

41-0462685

2004 FEDERAL FORM 1120 TAX RETURN

Otter Tail Corporation Year: 2004

I 'III RECON OF NET INCOME (LOSS) PER INCOME STMT OF INCLUDIBLE CORPS WITH TAXABLE INC PER RTN

- EXPENSE/DEDUCTION ITEMS

	THE THE THE COLUMN COLUMN THE	
	A - EXPENSE PER INCOME STATEMENT	0
1	U.S. CURRENT INCOME TAX EXPENSE	. 0
2	U.S. DEFERRED INCOME TAX EXPENSE	0
3	STATE AND LOCAL CURRENT INCOME TAX EXPENSE	0
4	STATE AND LOCAL DEFERRED INCOME TAX EXPENSE	0
5	FOREIGN CURRENT INCOME TAX EXPENSE	Ö
6	FOREIGN DEFERRED INCOME TAX EXPENSE	Ö
7	FOREIGN WITHHOLDING TAXES	Ö
8	INCENTIVE STOCK OPTIONS	ŏ
9	NONQUALIFIED STOCK OPTIONS	Ŏ
10	OTHER EQUITY-BASED COMPENSATION	272,285
11	MEALS AND ENTERTAINMENT	2,2,203
12	FINES AND PENALTIES	Ŏ
13	PUNITIVE DAMAGES	0
14	EXCESS PARACHUTE PAYMENTS	0
15	EXCESS SECTION 162 (M) COMPENSATION	7,640,897
16	PENSION AND PROFIT SHARING	0
17	OTHER POST-RETIREMENT BENEFITS	0
18	DEFERRED COMPENSATION CHARITABLE CONTRIBUTION OF CASH AND TANG PROP	439,971
19	CHARITABLE CONTRIBUTION OF CASH AND TANG PROP	0
2^	CHARITABLE CONTRIBUTION OF INTANGIBLE PROPERTY	0
2	CURR YR ACQUISITION OR REORG INVEST BANKING FEES CURR YR ACQUISITION OR REORG LEGAL & ACCTNG FEES	Ö
24	CURR YR ACQUISITION OR REORG DEGAL & ACCING THES	0
25	CURR YR ACQUISITION/REORG OTHER COSTS	0
26	AMORTIZATION/IMPAIRMENT OF GOODWILL	0
27	AMORT OF ACQUISITION, REORG AND START-UP COSTS	8,067
28	OTHER AMORTIZATION OR IMPAIRMENT WRITE-OFFS SECTION 198 ENVIRONMENTAL REMEDIATION COSTS	0
29		0
30	DEPLETION	22,482,833
31	DEPRECIATION	781,221
32	BAD DEBT EXPENSE CORPORATE OWNED LIFE INSURANCE PREMIUMS	, 0
33	PURCHASE VERSUS LEASE	0
34	OTHER EXPENSE/DEDUCTION ITEMS WITH DIFFERENCES	70,434,065
35	OTHER EXPENSE/DEDUCTION ITEMS WITH DITTERENCES	
36	TOTAL EXPENSE/DEDUCTION ITEMS (ADD LNS 1 TO 35)	102,059,339
COI	B - TEMPORARY DIFFERENCE	
1	U.S. CURRENT INCOME TAX EXPENSE	0
2	U.S. DEFERRED INCOME TAX EXPENSE	0
3	STATE AND LOCAL CURRENT INCOME TAX EXPENSE	0
4	STATE AND LOCAL DEFERRED INCOME TAX EXPENSE	0
5	FOREIGN CURRENT INCOME TAX EXPENSE	0
6	FOREIGN DEFERRED INCOME TAX EXPENSE	0
7	FOREIGN WITHHOLDING TAXES	0
Р	INCENTIVE STOCK OPTIONS	0
	NONQUALIFIED STOCK OPTIONS	0
10		0
11		0
12		0
13		0
14	EXCESS PARACHUTE PAYMENTS	0
i		

Otter Tail Corporation Year: 2004

		_
ĩ	EXCESS SECTION 162 (M) COMPENSATION	0
	PENSION AND PROFIT SHARING	(1,080,310)
17	OTHER POST-RETIREMENT BENEFITS	0
	DEFERRED COMPENSATION	0
18	CHARITABLE CONTRIBUTION OF CASH AND TANG PROP	0
19	CHARLTABLE CONTRIBUTION OF THEM MCIDIE DEODEDTY	0
20	CHARITABLE CONTRIBUTION OF INTANGIBLE PROPERTY	Ö
21	CHARITABLE CONTRIBUTION LIMITATION	0
22	CHARITABLE CONTRIBUTION CARRYFORWARD USED	Ö
23	CURR YR ACQUISITION OR REORG INVEST BANKING FEES	0
24	CURR YR ACQUISITION OR REORG LEGAL & ACCTNG FEES	0
25	CURR YR ACQUISITION/REORG OTHER COSTS	0
26	AMORTIZATION/IMPAIRMENT OF GOODWILL	0
27	AMORT OF ACQUISITION, REORG AND START-UP COSTS	0
28	OTHER AMORTIZATION OR IMPAIRMENT WRITE-OFFS	0
29	SECTION 198 ENVIRONMENTAL REMEDIATION COSTS	0
	DEPLETION	0
31	DEPRECIATION	8,635,582
	BAD DEBT EXPENSE	(154,035)
32	CORPORATE OWNED LIFE INSURANCE PREMIUMS	0
		0
	PURCHASE VERSUS LEASE	(9,195,369)
35	OTHER EXPENSE/DEDUCTION ITEMS WITH DIFFERENCES	(5,155,505)
	TOTAL TOTAL TOTAL CARD ING 1 MO 25	(1,794,132)
36	TOTAL EXPENSE/DEDUCTION ITEMS (ADD LNS 1 TO 35)	(1,794,132)
$C \cap \tau$	C - PERMANENT DIFFERENCE	0
	U.S. CURRENT INCOME TAX EXPENSE	0
2	U.S. DEFERRED INCOME TAX EXPENSE	
3	STATE AND LOCAL CURRENT INCOME TAX EXPENSE	0
4	STATE AND LOCAL DEFERRED INCOME TAX EXPENSE	0
5	FOREIGN CURRENT INCOME TAX EXPENSE	0
6	FOREIGN DEFERRED INCOME TAX EXPENSE	0
7	FOREIGN WITHHOLDING TAXES	0
8	INCENTIVE STOCK OPTIONS	0
9	NONQUALIFIED STOCK OPTIONS	0
10	OTHER EQUITY-BASED COMPENSATION	0
11	MEALS AND ENTERTAINMENT	(136,142)
12	FINES AND PENALTIES	0
	PUNITIVE DAMAGES	0
	EXCESS PARACHUTE PAYMENTS	0
1.4	EXCESS PARACHOTE PAINISHTS EXCESS SECTION 162 (M) COMPENSATION	0
		1,844,893
16		0
17		Õ
18	mally make	0
19		0
20	CHARITABLE CONTRIBUTION OF INTANGIBLE PROPERTY	
21	CHARITABLE CONTRIBUTION LIMITATION	0
22	CHARITABLE CONTRIBUTION CARRYFORWARD USED	0
23	CURR YR ACQUISITION OR REORG INVEST BANKING FEES	0
24	CURR YR ACQUISITION OR REORG LEGAL & ACCTNG FEES	0
25	CURR YR ACQUISITION/REORG OTHER COSTS	0
2	AMORTIZATION/IMPAIRMENT OF GOODWILL	0
27	TOURS OF THE PROPERTY OF THE P	0
28		0
29		0
30		0
31		0
1 2T	DEFRECTATION	

Otter Tail Corporation Year: 2004

CORPORATE OWNED LIFE INSURANCE PREMIUMS PURCHASE VERSUS LEASE OTHER EXPENSE/DEDUCTION ITEMS WITH DIFFERENCES	0 0 1,467,876
36 TOTAL EXPENSE/DEDUCTION ITEMS (ADD LNS 1 TO 35)	3,176,627
STATE AND LOCAL CURRENT INCOME TAX EXPENSE FOREIGN CURRENT INCOME TAX EXPENSE FOREIGN WITHHOLDING TAXES INCENTIVE STOCK OPTIONS NONQUALIFIED STOCK OPTIONS NONQUALIFIED STOCK OPTIONS THER EQUITY-BASED COMPENSATION MEALS AND ENTERTAINMENT FINES AND PENALTIES PUNITIVE DAMAGES EXCESS PARACHUTE PAYMENTS EXCESS PARACHUTE PAYMENTS EXCESS SECTION 162 (M) COMPENSATION PENSION AND PROFIT SHARING OTHER POST-RETIREMENT BENEFITS BEFERRED COMPENSATION CHARITABLE CONTRIBUTION OF CASH AND TANG PROP CHARITABLE CONTRIBUTION OF INTANGIBLE PROPERTY CHARITABLE CONTRIBUTION CARRYFORWARD USED CURR YR ACQUISITION OR REORG INVEST BANKING FEES CURR YR ACQUISITION OR REORG INVEST BANKING FEES CURR YR ACQUISITION OR REORG LEGAL & ACCTNG FEES CURR YR ACQUISITION, REORG OTHER COSTS AMORTIZATION/IMPAIRMENT OF GOODWILL AMORT OF ACQUISITION, REORG AND START-UP COSTS THER AMORTIZATION OR IMPAIRMENT WRITE-OFFS SECTION 198 ENVIRONMENTAL REMEDIATION COSTS DEPLETION DEPRECIATION DEPRECIATION DEPRECIATION PURCHASE VERSUS LEASE OTHER EXPENSE/DEDUCTION ITEMS WITH DIFFERENCES	0 0 0 0 0 0 136,143 0 0 0 0 8,405,480 0 0 439,971 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
36 TOTAL EXPENSE/DEDUCTION ITEMS (ADD LNS 1 TO 35)	103,441,834
STMT 1 - SCH M-3, PART II, LI OTHER INCOME (LOSS) ITEMS WITH DIE COLUMN A LINE 26: OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES GROSS SALES MISCELLANEOUS OTHER INCOME TOTAL	INE 26

Otter Tail Corporation

41-0462685

Year: 2004

1 1 26: OTHER INCOME (LOSS) ITEMS WITH DIFFE	ERENCES
--	---------

GROSS SALES
OVER DEPRECIATION (ADR PROPERTY)
MISCELLANEOUS OTHER INCOME
GAIN ON ADR, ACRS, MACRS PROPERTY

1,756,135
104,509
(79,439)
446,416

TOTAL 2,227,621

COLUMN C

LINE 26: OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES

OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES

GROSS SALES
Fed Empowerment Zone Tax Credit

(773,724)
9,000

TOTAL (764,724)

TOTAL (764,724)

COLUMN D:

TOTAL OF COLUMNS A, B AND C 269,759,561

STATEMENT - SCH M-3, PART III, LINE 35 OTHER EXPENSE/DEDUCTION ITEMS WITH DIFFERENCES

COLUMN A:

LINE 35. O	THER EXPENSE	/DED	ITEMS	WITH	DIFFERENCES
------------	--------------	------	-------	------	-------------

SALARIES & WAGES	30,554,321
MISCELLANEOUS REPAIRS	18,760,016
FEDERAL INCOME TAXES	7,636,428
STATE TAXES BASED ON INCOME	1,611,410
EMPLOYEE BENEFIT PROGRAMS	7,356,463
LOBBYING EXPENSE - NONDEDUCTIBLE	34,579
SCHEDULE K-1 LOSS	807,267
INSURANCE	3,262,105
MISCELLANEOUS DEDUCTIONS	409,546
PENALTIES	1,930
PENALTIES	

TOTAL 70,434,065

COTUMN B:

Line 35: OTHER EXPENSE/DED ITEMS WITH DIFFERENCES

OTHER EXPENSE/DED ITEMS WITH DIFFERENCES

SALARIES & WAGES
MISCELLANEOUS REPAIRS
FEDERAL INCOME TAXES

1,151,766 (7,636,428)

(35,000)

Otter Tail Corporation Year: 2004

STATE TAXES BASED ON INCOME INTEREST EXPENSE EMPLOYEE BENEFIT PROGRAMS CUSTOMER RELATED EXPENSES PROPERTY REMOVAL COSTS SCHEDULE K-1 LOSS INSURANCE MISCELLANEOUS DEDUCTIONS CIP Expenses (recoverable) Asbestos Removal - Amortization A&G (Book Expense; Tax Capitalize) TOTAL	(23,456) 504,653 (2,673,337) (3,870) 850,387 (276,097) 56,000 (174,543) 321,450 5,939 (1,262,833) (9,195,369)
COLUMN C: LINE 35: OTHER EXPENSE/DED ITEMS WITH DIFFERENCES EMPLOYEE BENEFIT PROGRAMS LOBBYING EXPENSE - NONDEDUCTIBLE MISCELLANEOUS DEDUCTIONS PENALTIES TOTAL	756,811 (34,579) 747,574 (1,930)
COLUMN D: TOTAL OF COLUMNS A, B AND C	62,706,572

Otter Tail Corporation d/b/a Otter Tail Power Company Difference Between Book and Tax Depreciation Year Ended December 31, 2007

(A)	(B)		
Description	Total Company		
Tax Depreciation on a straight-line basis	\$26,417,495		
Book Depreciation	24,646,032		
Difference between Tax Depreciation on a straight-line basis and Book Depreciation	\$1,771,463		
Tax Depreciation, as calculated by method			
MACRS 5 to 20-year Property	\$27,709,597		
Buildings - SL - All Vintages	500,271		
· · · · · · · · · · · · · · · · · · ·	383,027		
	35,304		
· · · ·	1,013		
DCB (1964-1970) Property	2,178		
Total Tax Depreciation, as calculated	\$28,631,390		
Tax Depreciation on a straight-line basis	\$26,417,495		
Excess of Tax Depreciation, as calculated over Tax Depreciation on a straight-line basis	\$2,213,895		
	Description Tax Depreciation on a straight-line basis Book Depreciation Difference between Tax Depreciation on a straight-line basis and Book Depreciation Tax Depreciation, as calculated by method MACRS 5 to 20-year Property Buildings - SL - All Vintages Intangibles ACRS (1981-1986) Property ADR (1971-1980) Property DCB (1964-1970) Property Total Tax Depreciation, as calculated Tax Depreciation on a straight-line basis		

Notes:

- (1) These amounts are per the 2007 tax accrual for Above-the-Line activity.
- (2) The Source for book and tax depreciation is effective tax rate calculations for 2007.

Otter Tail Corporation d/b/a Otter Tail Power Company Consolidated Federal Income Tax Liability Tax Year 2007
Per Tax Return

Schedule K-3 Page 1 of 1 Public Document - Trade Secret Data Has Been Excised

[Trade Secret Data Begins	(A)	(B)	(C)	(D)	(E)	(F)
Line No.				<u>,</u>		
1 2 3 4 5 6 7 8 9						
11 12 13 14 15 16			Trade Secre	t Data Has Been Excis	ed	
18 19 20 21 22 23 24 25 26						

Trade Secret Data Ends]

Otter Tail Corporation d/b/a Otter Tail Power Company Current Income Tax For the Year Ending December 31, 2007

Line No.	Description
1	Income tax used in the cost of service is less than the utility's share of tax
2	calculated at the consolidated rate.

Otter Tail Corporation d/b/a Otter Tail Power Company State Income Taxes For the Test Year Ended December 31, 2007

Line No.	Description
1	This schedule is not applicable, as no state income taxes are claimed for South Dakota
2	Cost of Service purposes.