

LINE NO	ITEM	ALLOC	TOTAL COMPANY	SOUTH DAKOTA	ALL OTHER	LINE NO
1	RATE BASE		509,379,843	53,562,374	455,817,469	1
2	TOTAL AVAILABLE FOR RETURN		26,126,896	2,836,376	23,290,520	2
3	RATE OF RETURN EARNED		5.72%	5.23%	5.77%	3
4	RATE OF RETURN REQUESTED			9.15%		4
5	OPERATING INCOME REQUIRED			4,963,702		5
6	TOTAL AVAILABLE FOR RETURN			2,836,376		6
7	OPERATING INCOME DEFICIENCY			2,067,326		7
8	INCREMENTAL TAXES			1,117,564		8
9	REVENUE INCREASE REQUIRED	1.540773		3,185,220		9
10	PERCENTAGE INCREASE			12.95%		10
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OTTER TAIL POWER COMPANY
OVERALL COST OF SERVICE STUDY
ACTUAL YEAR 2007 - 10 CLASSES

RUN # ACTUAL
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LINE NO.	ITEM	ALLOC	TOTAL COMPANY	SOUTH DAKOTA	ALL OTHER	LINE NO.
1	ELECTRIC PLANT IN SERVICE		984,969,974	95,500,987	889,468,987	1
2	ACCUMULATED DEPRECIATION		(461,843,194)	(38,087,142)	(423,946,351)	2
3	NET PLANT EXCLUDING BIG STONE PLANT CAPITALIZED ITEMS		523,126,780	57,413,845	465,712,935	3
4	NET CAPITALIZED ITEMS - BIG STONE PLANT		128,351	10,715	118,636	4
5	NET ELECTRIC PLANT IN SERVICE		553,455,831	57,414,560	476,041,271	5
6	PLANT HELD FOR FUTURE USE		29,856	2,865	26,991	6
7	CONSTRUCTION WORK IN PROGRESS		26,047,882	-	26,047,882	7
8	MATERIALS AND SUPPLIES		12,708,660	1,223,796	11,484,864	8
9	FUEL STOCKS		6,133,109	786,577	7,946,532	9
10	PREPAYMENTS		(1,600,216)	(172,228)	(1,427,988)	10
11	CUSTOMER ADVANCES		(128,688)	(13,695)	(115,043)	11
12	CASH WORKING CAPITAL		10,143,354	928,369	9,214,985	12
13	ACCUMULATED DEFERRED INCOME TAXES		(79,488,662)	(6,577,540)	(72,911,902)	13
14	UNAMORTIZED BALANCE - SPIRITWOOD		-	-	-	14
15	UNAMORTIZED RATE CASE EXPENSE		-	-	-	15
16	TOTAL AVERAGE RATE BASE		509,270,882	52,552,274	456,718,608	16
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OTTER TAIL POWER COMPANY
OVERALL COST OF SERVICE STUDY
ACTUAL YEAR 2007 - 10 CLASSES

LINE NO	ITEM	ALLOC	TOTAL COMPANY	SOUTH DAKOTA	ALL OTHER	LINE NO
1	OPERATING REVENUES					1
2	SALES OF ELECTRICITY		268,898,170	25,550,754	243,308,416	2
3	OTHER OPERATING REVENUE		33,215,346	3,300,310	29,911,036	3
4	TOTAL OPERATING REVENUE		302,113,516	28,851,065	273,279,452	4
5						5
6	OPERATING EXPENSES					6
7	PRODUCTION EXPENSES		162,003,159	15,677,533	146,325,627	7
8	TRANSMISSION EXPENSES		10,492,942	971,700	9,521,243	8
9	DISTRIBUTION EXPENSES		14,696,349	1,455,240	13,241,109	9
10	CUSTOMER ACCOUNTING EXPENSES		10,307,280	363,163	9,944,117	10
11	CUSTOMER SERVICE AND INFORMATION EXPENSES		5,241,699	236,533	5,005,166	11
12	SALES EXPENSES		1,121,951	79,472	1,042,479	12
13	ADMINISTRATIVE AND GENERAL EXPENSES		30,165,226	2,757,553	27,407,673	13
14	CHARITABLE CONTRIBUTIONS		111,967	-	111,967	14
15	DEPRECIATION EXPENSE		25,396,609	2,274,090	23,122,519	15
16	AMORTIZATION OF BIG STONE PLANT CAPITALIZED COSTS		-	-	-	16
17	SPIRITWOOD AMORTIZATION		9,411,607	1,012,548	8,399,059	17
18	GENERAL TAXES		-	-	-	18
19	TOTAL OPERATING EXPENSES		268,136,725	26,441,576	241,695,149	19
20						20
21	NET OPERATING INCOME BEFORE INCOME TAXES		32,275,387	5,235,487	27,039,900	21
22						22
23	INCOME TAX EXPENSE		(1,136,697)	(106,101)	(1,030,596)	23
24	INVESTMENT TAX CREDIT		1,387,396	55,165	1,332,231	24
25	DEFERRED INCOME TAXES		6,654,374	471,106	6,183,268	25
26	INCOME TAXES		5,905,435	417,111	5,488,324	26
27	TOTAL INCOME TAX EXPENSE					27
28						28
29	NET OPERATING INCOME		26,869,952	4,818,376	22,051,576	29
30						30
31	ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION		4,257,982	-	4,257,982	31
32	TOTAL AVAILABLE FOR RETURN		31,127,934	4,818,376	26,309,558	32
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**OTTER TAIL POWER COMPANY
STATEMENT M
OVERALL COST OF SERVICE STUDIES
2007 ACTUAL YEAR**

Line No.	Description
1	The remaining detail of the 2007 Actual Year Overall Cost of Service Study can be found
2	in Volume 4A, Tab - 2007 Actual Year.

RUN = TEST YEAR PAGE 1 1

OTTER TAIL POWER COMPANY
OVERALL COST OF SERVICE STUDY
TEST YEAR 2007 - 10 CLASSES
TEST YEAR - 2007 ACTUAL WITH KNOWN AND MEASURABLE CHANGES

LINE NO.	ITEM	ALLOC	TOTAL COMPANY	SOUTH DAKOTA	ALL OTHER	LINE NO.
1	RATE BASE		631,167,792	602,531,560	570,596,641	1
2	TOTAL AVAILABLE FOR RETURN		33,577,333	2,824,256	30,743,227	2
3	RATE OF RETURN EARNED		5.32%	4.71%	5.38%	3
4	RATE OF RETURN REQUESTED			6.89%		4
5	OPERATING INCOME REQUIRED			5,854,518		5
6	TOTAL AVAILABLE FOR RETURN			2,834,096		6
7	OPERATING INCOME DEFICIENCY			2,520,422		7
8	INCREMENTAL TAXES			1,362,976		8
9	REVENUE INCREASE REQUIRED	1,540,773		3,883,394		9
10	PERCENTAGE INCREASE			15.30%		10
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LINE NO	ITEM	ALLOC	TOTAL COMPANY	SOUTH DAKOTA	ALL OTHER	LINE NO
1	ELECTRIC PLANT IN SERVICE		1,188,132,229	111,254,210	1,076,890,026	1
2	ACCUMULATED DEPRECIATION		(476,148,800)	(44,074,289)	(432,074,511)	2
3	NET PLANT EXCLUDING BIG STONE PLANT CAPITALIZED ITEMS		711,983,429	67,180,111	644,803,318	3
4	NET CAPITALIZED ITEMS - BIG STONE PLANT		129,351	10,715	118,636	4
5	NET ELECTRIC PLANT IN SERVICE		718,119,647	67,270,827	650,848,820	5
6	PLANT HELD FOR FUTURE USE		29,659	2,845	26,814	6
7	CONSTRUCTION WORK IN PROGRESS		18,956,829		18,956,829	7
8	MATERIALS AND SUPPLIES		12,798,892	1,206,429	11,592,463	8
9	FUEL STOCKS		8,133,109	756,359	7,376,750	9
10	PREPAYMENTS		(20,450,027)	(2,655,620)	(17,794,407)	10
11	CUSTOMER ADVANCES		(159,099)	(12,053)	(147,046)	11
12	CASH WORKING CAPITAL		(8,452,111)	258,775	(8,690,886)	12
13	ACCUMULATED DEFERRED INCOME TAXES		(86,742,953)	(5,408,518)	(92,151,471)	13
14	UNAMORTIZED BALANCE - SPIRITWOOD					14
15	UNAMORTIZED RATE CASE EXPENSE					15
16	TOTAL AVERAGE RATE BASE		651,187,722	69,253,210	570,934,512	16
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OTTER TAIL POWER COMPANY
OVERALL COST OF SERVICE STUDY
TEST YEAR 2007 - 10 CLASSES
TEST YEAR - 2007 ACTUAL WITH KNOWN AND MEASURABLE CHANGES

RUN = TEST YEAR PAGE 7 of 8

LINE NO	ITEM	ALLOC	TOTAL COMPANY	SOUTH DAKOTA	ALL OTHER	LINE NO
1	OPERATING REVENUES					1
2	SALES OF ELECTRICITY		278,186,026	25,374,779	252,811,248	2
3	OTHER OPERATING REVENUE		34,277,803	3,174,346	31,103,457	3
4						4
5	TOTAL OPERATING REVENUE		312,463,829	28,549,125	283,914,704	5
6						6
7						7
8	OPERATING EXPENSES					8
9	PRODUCTION EXPENSES		165,594,493	15,444,791	150,149,702	9
10	TRANSMISSION EXPENSES		19,827,331	971,129	18,856,202	10
11	DISTRIBUTION EXPENSES		15,280,331	1,487,162	13,793,169	11
12	CUSTOMER ACCOUNTING EXPENSES		10,931,695	1,006,342	9,925,353	12
13	CUSTOMER SERVICE AND INFORMATION EXPENSES		5,387,600	245,523	5,142,077	13
14	SALES EXPENSES		1,183,873	111,385	1,072,488	14
15	ADMINISTRATIVE AND GENERAL EXPENSES		33,002,027	3,054,464	29,947,563	15
16	CHARITABLE CONTRIBUTIONS		111,887	-	111,887	16
17	DEPRECIATION EXPENSE		33,974,084	3,177,291	30,796,793	17
18	AMORTIZATION OF BIG STONE PLANT CAPITALIZED COSTS		-	-	-	18
19	SPIRITWOOD AMORTIZATION		-	-	-	19
20	GENERAL TAXES		10,396,697	975,916	9,420,781	20
21						21
22	TOTAL OPERATING EXPENSES		287,181,586	28,510,737	258,670,849	22
23						23
24						24
25	NET OPERATING INCOME BEFORE INCOME TAXES		25,282,243	2,338,388	22,943,855	25
26						26
27	INCOME TAX EXPENSE					27
28	INVESTMENT TAX CREDIT		(9,051,178)	(6,813,133)	(2,238,045)	28
29	DEFERRED INCOME TAXES		465,762	227,786	237,976	29
30	INCOME TAXES		2,517,219	77,225	2,440,000	30
31						31
32	TOTAL INCOME TAX EXPENSE		(6,046,235)	(7,941,732)	(1,895,497)	32
33						33
34						34
35	NET OPERATING INCOME		31,328,478	2,634,096	28,694,382	35
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40	ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION		2,257,862	-	2,257,862	40
41						41
42	TOTAL AVAILABLE FOR RETURN		33,586,340	2,634,096	30,952,244	42
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**OTTER TAIL POWER COMPANY
STATEMENT M
OVERALL COST OF SERVICE STUDIES
2007 TEST YEAR**

Line No.	Description
1	The remaining detail of the 2007 Test Year Overall Cost of Service Study can be found
2	in Volume 4A, Tab - 2007 Test Year Work Papers.