

A	B	C	D=B-C	E=Previous Row (F+J)	F=E+D	G=(E+F)/2	H	I	J=(G*H*I)/365
Interim Rates				Interest Calculation					
Billing month	Interim Increase	Final Increase allowed	Difference (Refund)	Beginning balance	Ending balance	Average balance	Number of days	Annual interest ¹	Monthly interest
January - 2011	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	31	8.34%	\$0.00
February - 2011	\$2.63	\$2.43	\$0.20	\$0.00	\$0.20	\$0.10	28	8.34%	\$0.00
March - 2011	\$8.11	\$7.50	\$0.61	\$0.20	\$0.81	\$0.51	31	8.34%	\$0.00
Subtotal	\$10.74	\$9.93	\$0.81						\$0.00

Total Refund Plus Interest \$0.81

¹The annual interest rate is based on the overall rate of returned authorized by the South Dakota Public Utilities Commission in Otter Tail's last rate case.

The above calculation is based on an interim rate refund for a General Service < 20 kW Customer who paid an interim increase as shown on page 3 of 3 of Schedule 2. The above example shows a hypothetical final increase of 2.71 percent for the General Service < 20 kW rate instead of a 2.93 percent increase. This would result in approximately a 7.53 percent refund of the interim increase to the customer. The table below shows how the hypothetical refund percentage would be calculated.

Calculation of an amount and percentage refund based on a hypothetical final increase

A	B	C	D	E	F	G=C-E	H=G/C
Service Schedule	Section	Interim Increase Amount	Interim Increase Percentage	Final Hypothetical Increase	Final Hypothetical Increase Percentage	Hypothetical Refund Amount	Hypothetical Refund Percentage
General Service < 20 kW	10.01	\$75,384	2.93%	\$69,708	2.71%	\$5,677	7.53%