

Line	Description	Staff Proposed South Dakota Electric Adjusted 2009 Test Year	OTP Proposed South Dakota Electric Adjusted 2009 Test Year	Difference
	(a)	(b)	(c)	(d)
1	Average Rate Base	\$ 61,277,693	\$ 64,406,556	\$ (3,128,863)
2	Adjusted Test Year Operating Income	5,351,045	4,091,636	1,259,409
3	Earned Rate of Return	8.73%	6.35%	
4	Recommended Rate of Return	8.50%	9.13%	
5	Required Operating Income	5,208,604	5,880,319	(671,715)
6	Income Deficiency (Excess)	(142,441)	1,788,683	(1,931,124)
7	Gross Revenue Conversion Factor	1.53846		
8	Revenue Deficiency (Excess)	(219,140)		
9	Gross Receipts Tax (at 0.0015)	(329)		
10	Total Revenue Deficiency (Excess)	(219,469)	2,755,954	(2,975,423)
11	Adjusted Test Year Revenue	18,587,395	29,952,770	(11,365,375)
12	Revenue Requirement	\$ 18,367,926	\$ 32,708,724	\$ (14,340,798)

SOURCES:

Column b, line 1: JPT-2, schedule 1, page 1, column d, line 31	Column c, line 1: Statement N, page 6 of 9, line 1, column South Dakota
Column b, line 2: JPT-1, schedule 2, page 1, column d, line 27	Column c, line 2: Statement N, page 6 of 9, line 3, column South Dakota
Column b, line 3: Line 2 divided by line 1	Column c, line 3: Line 2 divided by line 1
Column b, line 4: BLC-1, Schedule 1, column d, line 5	Column c, line 4: Statement G page 1 of 5
Column b, line 5: Line 1 * line 4	Column c, line 5: Statement N, page 6 of 9, line 9, column South Dakota
Column b, line 6: Line 5 less line 2	Column c, line 6: Statement N, page 6 of 9, line 13, column South Dakota
Column b, line 7: Effective FIT rate / inverse + 1	Column c, line 10: Statement N, page 6 of 9, line 17, column South Dakota
Column b, line 8: Line 6 * line 7	Column c, line 11: Statement N, page 8 of 9, line 5, column South Dakota
Column b, line 9: Line 8 * 0.0015	Column c, line 12: Line 10 plus line 11
Column b, line 10: Line 8 plus line 9	
Column b, line 11: JPT-1, schedule 2, page 1, column d, line 4	Column d: Column b less column c
Column b, line 12: Line 11 plus line 10	

Line No.	Description (a)	South Dakota Per Books (b)	Total Staff Adjustments (c)	Adjusted Test Year (d)	Revenue Adjustment (e)	Adjusted Test Year with Revenue Adjustment (f)
1	OPERATING REVENUES:					
2	Retail Revenue	\$ 27,634,807	\$ (10,256,506)	\$ 17,378,301	\$ (219,469)	\$ 17,158,832
3	Other Electric Operating Revenue	2,279,962	(1,070,868)	1,209,094		1,209,094
4	TOTAL OPERATING REVENUES	29,914,769	(11,327,374)	18,587,395	(219,469)	18,367,926
5	OPERATING EXPENSES:					
6	Operation and Maintenance:					
7	Production Expense	13,473,421	(11,147,259)	2,326,162		2,326,162
8	Transmission Expense	1,048,976	59,059	1,108,035		1,108,035
9	Distribution Expense	1,397,735	63,798	1,461,533		1,461,533
10	Customer Accounting Expense	969,935	36,824	1,006,759		1,006,759
11	Customer Service and Information Expense	186,556	5,036	191,592		191,592
12	Sales Expenses	51,229	(10,627)	40,602		40,602
13	Administration and General Expense	3,063,844	154,134	3,217,978		3,217,978
14	Other	-	-	-		-
15	Total Operation and Maintenance	20,191,696	(10,839,036)	9,352,660		9,352,660
16	Depreciation and Amortization	3,550,318	132,059	3,682,377		3,682,377
17	Taxes:					
18	Property Taxes	797,860	960	798,820		798,820
19	Coal Conversion Tax	69,615	-	69,615		69,615
20	South Dakota Gross Receipts Tax	41,951	-	41,951	(329)	41,622
21	Investment Tax Credit	(915,852)	19,510	(896,342)		(896,342)
22	Deferred Income Taxes	3,953,396	(1,660,417)	2,292,979		2,292,979
23	Federal Income Taxes	(3,343,116)	1,237,406	(2,105,710)	(76,699)	(2,182,409)
24	Other Taxes	-	-	-		-
25	Total Taxes	603,854	(402,541)	201,313	(77,028)	124,285
26	TOTAL OPERATING EXPENSES	24,345,868	(11,109,518)	13,236,350	(77,028)	13,159,322
27	OPERATING INCOME	\$ 5,568,901	\$ (217,856)	\$ 5,351,045	\$ (142,441)	\$ 5,208,604
28	Rate Base	62,922,314		\$ 61,277,693		\$ 61,277,693
29	Earned Rate of Return	8.85%		8.73%		8.50%
30	Staff Proposed Rate of Return			8.50%		8.50%

SOURCES:

Line 4: Sum of lines 2 through 3	Column c: JPT-1, Schedule 3, column a
Line 15: Sum of lines 7 through 14	Column d: Column b plus column c
Line 25: Sum of lines 18 through 24	
Line 26: Sum of lines 15, 16 and 25	Column e, line 2: JPT-1, Schedule 1, column b, line 10
Line 27: Line 4 less line 26	Column e, line 20: JPT-1, Schedule 1, column b, line 9
Line 28: JPT-2 Schedule 1, column d, line 31	Column e, line 23: JPT-1, Schedule 1, column b, line 8 less
Line 29: Line 27 / line 28	JPT-1, Schedule 1, column b, line 6
Line 30: BLC-1, Schedule 1, column e, line 5	Column f: Column d plus column e
Column b: JPT-1, Schedule 3, column b	

Line No.	Description	South Dakota Per Books (b)	Plant Annualizations and Additions (c)	BSP II Amortization and Removal of AFUDC (d)	Interest Sync (e)	Transmission Plant Transfer Adjustment (f)	Depreciation to Reflect 2010 Rates (g)	Weather Normalization (h)	Retail Revenue Normalization (i)
1	OPERATING REVENUES:								
2	Retail Revenue	\$ 27,634,807							\$ 101,599
3	Other Electric Operating Revenue	2,279,962							
4	TOTAL OPERATING REVENUES	29,914,769	-	-	-	-	-	-	101,599
5	OPERATING EXPENSES:								
6	Operation and Maintenance:								
7	Production Expense	13,473,421							
8	Transmission Expense	1,048,976							
9	Distribution Expense	1,397,735							
10	Customer Accounting Expense	969,935							
11	Customer Service and Information Expense	186,556							
12	Sales Expenses	51,229							
13	Administration and General Expense	3,063,844							
14	Other	-							
15	Total Operation and Maintenance	20,191,696							
16	Depreciation and Amortization	3,550,318	43,343	100,332		306	66,786		
17	Taxes:								
18	Property Taxes	797,860							
19	Coal Conversion Tax	69,615							
20	South Dakota Gross Receipts Tax	41,951							
21	Investment Tax Credit	(915,852)							
22	Deferred Income Taxes	3,953,396							
23	Federal Income Taxes	(3,343,116)	(15,170)	(35,116)	(5,805)	(107)	(23,375)	-	35,560
24	Other Taxes	-							
25	Total Taxes	603,854	(15,170)	(35,116)	(5,805)	(107)	(23,375)	-	35,560
26	TOTAL OPERATING EXPENSES	24,345,868	28,173	65,216	(5,805)	199	43,411	-	35,560
27	OPERATING INCOME	\$ 5,568,901	(28,173)	(65,216)	5,805	(199)	(43,411)	-	66,039
	Source		OTP TY-01 revised per 12/15 e-mail from Sem Knadle	RLK-1 Sch 10 Knadle	RLK-1 Sch 1 Knadle	OTP Work Paper TY-03 Knadle	OTP Work Paper TY-04 Peterson		OTP Work Paper TY-07 Thurber
	Staff Witness Testimony								
	Staff position on OTP's Adjustment		Adjusted	Adjusted	Staff Proposed	Accepted	Accepted	Withdrawn	Accepted

Line No.	Description	Labor Expense - Wage Increases (j)	KPA Incentive Compensation (k)	Employee Benefits Medical/Dental (l)	FAS 87 Pension Costs (m)	FAS 106 & 112 Benefits (n)	Holding Company Formation Costs (o)	Amortized Rate Case Expense (p)	Patient Protection and Affordable Care Act (q)	Vegetation Maintenance Cycle (r)
1	OPERATING REVENUES:									
2	Retail Revenue									
3	Other Electric Operating Revenue									
4	TOTAL OPERATING REVENUES	-	-	-	-	-	-	-	-	-
5	OPERATING EXPENSES:									
6	Operation and Maintenance:									
7	Production Expense	40,366	(15,664)	(6,619)	52,129	21,437				
8	Transmission Expense	15,239	(5,913)	(2,703)	21,284	8,752				38,316
9	Distribution Expense	26,896	(10,437)	(4,699)	37,007	15,217				4,205
10	Customer Accounting Expense	17,154	(6,656)	(2,879)	22,680	9,326				
11	Customer Service and Information Expense	2,564	(995)	(384)	3,026	1,244				
12	Sales Expenses									
13	Administration and General Expense	51,011	(19,795)	(9,177)	72,263	29,715	1,512	27,825		
14	Other									
15	Total Operation and Maintenance	153,229	(59,459)	(26,461)	208,389	85,692	1,512	27,825	-	42,521
16	Depreciation and Amortization									
17	Taxes:									
18	Property Taxes									
19	Coal Conversion Tax									
20	South Dakota Gross Receipts Tax									
21	Investment Tax Credit									
22	Deferred Income Taxes								-	
23	Federal Income Taxes	(53,630)	20,811	9,261	(72,936)	(29,992)	(529)	(9,739)	-	(14,882)
24	Other Taxes									
25	Total Taxes	(53,630)	20,811	9,261	(72,936)	(29,992)	(529)	(9,739)	-	(14,882)
26	TOTAL OPERATING EXPENSES	99,599	(38,648)	(17,200)	135,453	55,700	983	18,086	-	27,639
27	OPERATING INCOME	(99,599)	38,648	17,200	(135,453)	(55,700)	(983)	(18,086)	-	(27,639)
	Source	JPT-3 Sch 4 Page 1	JPT-3 Sch 4 Page 2	JPT-3 Sch 3 Page 1	JPT-3 Sch 3 Page 4	JPT-3 Sch 3 Page 2 & 3	JPT-3 Sch 2	JPT-3 Sch 1		OTP Work Paper TY-13
	Staff Witness Testimony	Thurber	Thurber	Thurber	Peterson	Peterson	Thurber	Thurber	Peterson	Mehlhoff
	Staff position on OTP's Adjustment	Adjusted	Adjusted	Adjusted	Adjusted	Adjusted	Adjusted	Adjusted	Rejected	Accepted

Line No.	Description	Normalized Storm Repair Expense (s)	Reduction in Capacity Costs (t)	Schedule 26 Expenses Collected in Transmission Rider (u)	Remove Minor Affiliate Transactions (v)	Remove Luverne Wind Farm (w)	Changes in Allocation Factors due to effect of Removing Luverne (x)
1	OPERATING REVENUES:						
2	Retail Revenue						
3	Other Electric Operating Revenue						581
4	TOTAL OPERATING REVENUES	-	-	-	-	-	581
5	OPERATING EXPENSES:						
6	Operation and Maintenance:						
7	Production Expense		(62,770)			(6,308)	
8	Transmission Expense			(13,427)			
9	Distribution Expense						
10	Customer Accounting Expense						
11	Customer Service and Information Expense						
12	Sales Expenses						
13	Administration and General Expense	21,433			(2,468)	(3,720)	273
14	Other						
15	Total Operation and Maintenance	21,433	(62,770)	(13,427)	(2,468)	(10,028)	273
16	Depreciation and Amortization					(79,434)	87
17	Taxes:						
18	Property Taxes						436
19	Coal Conversion Tax						
20	South Dakota Gross Receipts Tax						
21	Investment Tax Credit					20,136	(335)
22	Deferred Income Taxes					(1,358,841)	1,988
23	Federal Income Taxes	(7,502)	21,970	4,699	864	1,500,229	(2,319)
24	Other Taxes						
25	Total Taxes	(7,502)	21,970	4,699	864	161,524	(230)
26	TOTAL OPERATING EXPENSES	13,931	(40,800)	(8,728)	(1,604)	72,062	130
27	OPERATING INCOME	(13,931)	40,800	8,728	1,604	(72,062)	451
	Source	OTP Work Paper TY-14	RLK-1 Sch 2	OTP Work Paper TY-16	OTP Work Paper TY-17	RLK-1 Sch 11	RLK-1 Sch 12
	Staff Witness Testimony	Mehlhoff	Knadle	Knadle	Thurber	Knadle	Knadle
	Staff position on OTP's Adjustment	Accepted	Adjusted	Accepted	Accepted	Staff Proposed	Staff Proposed

Line No.	Description	Changes in Allocation Factors due to effect of Test Year Adjustments (y)	Economic Development (z)	Advertising (aa)	Association Dues (ab)	BSP Capitalized Items (ac)	Asset Based Margins (ad)	Emission Allowances (ae)	Ancillary Service Market (ASM) (af)
1	OPERATING REVENUES:								
2	Retail Revenue								
3	Other Electric Operating Revenue	710					(1,080,730)	(1,526)	
4	TOTAL OPERATING REVENUES	710	-	-	-	-	(1,080,730)	(1,526)	-
5	OPERATING EXPENSES:								
6	Operation and Maintenance:								
7	Production Expense						(831,929)		26,795
8	Transmission Expense	(1)							
9	Distribution Expense								
10	Customer Accounting Expense								
11	Customer Service and Information Expense								
12	Sales Expenses		(10,627)						
13	Administration and General Expense	283		(3,371)	(726)				
14	Other								
15	Total Operation and Maintenance	282	(10,627)	(3,371)	(726)	-	(831,929)	-	26,795
16	Depreciation and Amortization	639							
17	Taxes:								
18	Property Taxes	524							
19	Coal Conversion Tax								
20	South Dakota Gross Receipts Tax								
21	Investment Tax Credit	(291)							
22	Deferred Income Taxes	1,750							
23	Federal Income Taxes	(4,961)	3,719	1,180	254	(1,286)	(87,080)	(534)	(9,378)
24	Other Taxes								
25	Total Taxes	(2,978)	3,719	1,180	254	(1,286)	(87,080)	(534)	(9,378)
26	TOTAL OPERATING EXPENSES	(2,057)	(6,908)	(2,191)	(472)	(1,286)	(919,009)	(534)	17,417
27	OPERATING INCOME	2,767	6,908	2,191	472	1,286	(161,721)	(992)	(17,417)
	Source	E-mail from Sem on 02/10/2011	JPT-3 Sch 5	BAM-1 Sch 1	BAM-1 Sch 2	DR 3-4	RLK-1 Sch 3	OTP Volume 4A Work paper 236 Allocation NEPIS	DR 2-12
	Staff Witness Testimony	Thurber	Thurber	Mehlhoff	Mehlhoff	Thurber	Knadle	Knadle	Knadle
	Staff position on OTP's Adjustment	Adjusted	Staff Proposed	Adjusted	Staff Proposed	Staff Proposed	Staff Proposed	Staff Proposed	Staff Proposed

Line No.	Description	Spousal Travel (ag)	Aircraft Expense Related to Lobbying (ah)	MISO Attachment O Revenue (ai)	Purchase Card Program (aj)	Management Incentive Compensation (ak)	Test Year Flow-Through Repair Allowance Deduction (al)	Remove FCA Revenue & Expense (am)
1	OPERATING REVENUES:							
2	Retail Revenue							\$ (10,358,105)
3	Other Electric Operating Revenue			10,097				
4	TOTAL OPERATING REVENUES	<u>-</u>	<u>-</u>	<u>10,097</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,358,105)</u>
5	OPERATING EXPENSES:							
6	Operation and Maintenance:							
7	Production Expense					(6,591)		(10,358,105)
8	Transmission Expense					(2,488)		
9	Distribution Expense					(4,391)		
10	Customer Accounting Expense					(2,801)		
11	Customer Service and Information Expense					(419)		
12	Sales Expenses							
13	Administration and General Expense	(133)	(763)		(1,700)	(8,329)		
14	Other							
15	Total Operation and Maintenance	<u>(133)</u>	<u>(763)</u>	<u>-</u>	<u>(1,700)</u>	<u>(25,019)</u>	<u>-</u>	<u>(10,358,105)</u>
16	Depreciation and Amortization							
17	Taxes:							
18	Property Taxes							
19	Coal Conversion Tax							
20	South Dakota Gross Receipts Tax							
21	Investment Tax Credit							
22	Deferred Income Taxes						(\$305,314)	
23	Federal Income Taxes	47	267	3,534	595	8,757	-	-
24	Other Taxes							
25	Total Taxes	<u>47</u>	<u>267</u>	<u>3,534</u>	<u>595</u>	<u>8,757</u>	<u>(305,314)</u>	<u>-</u>
26	TOTAL OPERATING EXPENSES	<u>(86)</u>	<u>(496)</u>	<u>3,534</u>	<u>(1,105)</u>	<u>(16,262)</u>	<u>(305,314)</u>	<u>(10,358,105)</u>
27	OPERATING INCOME	<u>86</u>	<u>496</u>	<u>6,563</u>	<u>1,105</u>	<u>16,262</u>	<u>305,314</u>	<u>-</u>
	Source	DR 4-2	DR 6-2	RLK-1 Sch 8	DR 4-11	JPT-3 Sch 4 Page 3	DEP-1	E-mail from Beithon to Knadle on 12/21/10
	Staff Witness Testimony	Thurber	Mehlhoff	Knadle	Knadle	Thurber	Peterson	Knadle
	Staff position on OTP's Adjustment	Staff Proposed	Staff Proposed	Staff Proposed	Staff Proposed	Staff Proposed	Staff Proposed	Staff Proposed

Line No.	Description	Subtotal Staff Adjustments (an)	Adjusted Test Year (ao)
1	OPERATING REVENUES:		
2	Retail Revenue	\$ (10,256,506)	\$ 17,378,301
3	Other Electric Operating Revenue	(1,070,868)	1,209,094
4	TOTAL OPERATING REVENUES	<u>(11,327,374)</u>	<u>18,587,395</u>
5	OPERATING EXPENSES:		
6	Operation and Maintenance:		
7	Production Expense	(11,147,259)	2,326,162
8	Transmission Expense	59,059	1,108,035
9	Distribution Expense	63,798	1,461,533
10	Customer Accounting Expense	36,824	1,006,759
11	Customer Service and Information Expense	5,036	191,592
12	Sales Expenses	(10,627)	40,602
13	Administration and General Expense	154,134	3,217,978
14	Other	-	-
15	Total Operation and Maintenance	<u>(10,839,036)</u>	<u>9,352,660</u>
16	Depreciation and Amortization	132,059	3,682,377
17	Taxes:		
18	Property Taxes	960	798,820
19	Coal Conversion Tax	-	69,615
20	South Dakota Gross Receipts Tax	-	41,951
21	Investment Tax Credit	19,510	(896,342)
22	Deferred Income Taxes	(1,660,417)	2,292,979
23	Federal Income Taxes	1,237,406	(2,105,710)
24	Other Taxes	-	-
25	Total Taxes	<u>(402,541)</u>	<u>201,313</u>
26	TOTAL OPERATING EXPENSES	<u>(11,109,518)</u>	<u>13,236,350</u>
27	OPERATING INCOME	<u>\$ (217,856)</u>	<u>\$ 5,351,045</u>

Source

Staff Witness Testimony

Staff position on OTP's Adjustment

SOURCES:

Line 4:	Sum of lines 2 through 3
Line 15:	Sum of lines 7 through 14
Line 25:	Sum of lines 18 through 24
Line 26:	Sum of lines 15, 16, and 25
Line 27:	Line 4 less line 26
Column b, line 2:	Volume 4A, Work paper 207, line 3
Column b, line 3:	Volume 4A, Work paper 207, line 38
Column b, line 7:	Volume 4A, Work paper 208, line 24
Column b, line 8:	Volume 4A, Work paper 208, line 27
Column b, line 9:	Volume 4A, Work paper 208, line 40
Column b, line 10:	Volume 4A, Work paper 208, line 47
Column b, line 11:	Volume 4A, Work paper 209, line 5
Column b, line 12:	Volume 4A, Work paper 209, line 12
Column b, line 13:	Volume 4A, Work paper 209, line 39 less Volume 4A, Page 315, Column D, line 7 (SD Gross Receipts Tax)
Column b, line 16:	Volume 4A, Work paper 210, line 22
Column b, line 18:	Volume 4A, Work paper 220, line 13
Column b, line 19:	Volume 4A, Work paper 220, line 15
*Note - Column b, line 18 + line 19 = General Taxes on Volume 4A, Work paper 211, line 1	
Column b, line 20:	Volume 4A, Page 315, Column D, line 7 (SD Gross Receipts Tax)
Column b, line 21:	Volume 4A, Work paper 211, line 9
Column b, line 22:	Volume 4A, Work paper 211, line 26
Column b, line 23:	Volume 4A, Work paper 220, line 34

Line No.	Description	South Dakota Test Year Average Per Books	Total Pro Forma Adjustments	South Dakota Pro Forma Rate Base
	(a)	(b)	(c)	(d)
1	Electric Plant in Service			
2	Production (including unclassified)	\$ 59,479,824	\$ (1,019,557)	\$ 58,460,267
3	Transmission (including unclassified)	21,200,923	111,859	21,312,782
4	Distribution (including unclassified)	34,846,607	424,511	35,271,118
5	General (including unclassified)	7,440,335	3,952	7,444,287
6	Intangible	422,430	225	422,655
7	Total Plant in Service	123,390,119	(479,010)	122,911,109
8	Accumulated Depreciation & Amortization			
9	Production	23,389,938	109,356	23,499,294
10	Transmission	8,241,289	(122,196)	8,119,093
11	Distribution	14,696,617	117,676	14,814,293
12	General	3,149,078	585	3,149,663
13	Intangible	287,261	153	287,414
14	Total Accumulated Depreciation and Amortization	49,764,183	105,574	49,869,757
15	TOTAL NET ELECTRIC PLANT IN SERVICE	73,625,936	(584,584)	73,041,352
16	Additions to Rate Base:			
17	Big Stone Plant capitalized items	3,366	(3,366)	-
18	Utility Plant Held for Future Use	2,926	1	2,927
19	Materials and Supplies	1,604,175	(20,185)	1,583,990
20	Fuel Stocks	857,871	(45,808)	812,063
21	Cash Working Capital	753,880	(326,628)	427,252
22	Tax Collections Available	(47,909)	5,641	(42,268)
23	Other	2,395,200	(2,238,056)	157,144
24	TOTAL ADDITIONS TO RATE BASE	5,569,509	(2,628,401)	2,941,108
25	Deductions to Rate Base:			
26	Prepayments	3,433,622	(862,723)	2,570,899
27	Customer Advances	38,894	2,766	41,660
28	Accumulated Deferred Income Taxes	12,800,615	(930,314)	11,870,301
29	Other		221,907	221,907
30	TOTAL DEDUCTIONS TO RATE BASE	16,273,131	(1,568,364)	14,704,767
31	TOTAL SOUTH DAKOTA RATE BASE	\$ 62,922,314	\$ (1,644,621)	\$ 61,277,693

Sources:

Line 7: Sum of lines 2 through 7
Line 14: Sum of lines 9 through 13
Line 15: Line 7 less line 14
Line 24: Sum of lines 16 through 23
Line 30: Sum of lines 26 through 29

Line 31: Line 15 plus line 24 less line 30
Column b: JPT-2 Schedule 2, page 1, column b
Column c: JPT-2 Schedule 2, page 2, column t
Column d: column b plus column c

Line No.	Description	South Dakota Test Year Average Per Books (b)	Plant Annualizations and Additions (c)	BSP II Deferred Recovery (d)	Transmission Plant Transfer (e)	Depreciation To Reflect 2010 Rates (f)	Special Deposits (g)	Remove Unamortized Holding Company & Rate Case Expense from EL08-030 (h)
1	Electric Plant in Service							
2	Production (including unclassified)	\$59,479,824	631,606	501,662	227,895			
3	Transmission (including unclassified)	21,200,923	689,544		(577,684)			
4	Distribution (including unclassified)	34,846,607	52,660		376,397			
5	General (including unclassified)	7,440,335						
6	Intangible	422,430						
7	Total Plant in Service	123,390,119	1,373,810	501,662	26,608	-	-	-
8	Accumulated Depreciation & Amortization							
9	Production	23,389,938	28,044		30,794	63,473		
10	Transmission	8,241,289	13,531		(139,924)	4,196		
11	Distribution	14,696,617	(1,627)		110,450	203		
12	General	3,149,078				(1,087)		
13	Intangible	287,261						
14	Total Accumulated Depreciation and Amortization	49,764,183	39,948	-	1,320	66,785	-	-
15	TOTAL NET ELECTRIC PLANT IN SERVICE	73,625,936	1,333,862	501,662	25,288	(66,785)	-	-
16	Additions to Rate Base:							
17	Big Stone Plant capitalized items	3,366						
18	Utility Plant Held for Future Use	2,926						
19	Materials and Supplies	1,604,175						
20	Fuel Stocks	857,871						
21	Cash Working Capital	753,880						
22	Tax Collections Available	(47,909)						
23	Other	2,395,200					(2,129,021)	(225,671)
24	TOTAL ADDITIONS TO RATE BASE	5,569,509	-	-	-	-	(2,129,021)	(225,671)
25	Deductions to Rate Base:							
26	Prepayments	3,433,622						
27	Customer Advances	38,894						
28	Accumulated Deferred Income Taxes	12,800,615	155,523					
29	Other							
30	TOTAL DEDUCTIONS TO RATE BASE	16,273,131	155,523	-	-	-	-	-
31	TOTAL SOUTH DAKOTA RATE BASE	\$ 62,922,314	1,178,339	501,662	25,288	(66,785)	(2,129,021)	(225,671)
	Source	OTP Volume 4A W/P 202-206	OTP TY-01 revised per 12/14 & 12/15 e-mail from Sem Knadle	RLK-1 Sch 10 Knadle	OTP Work Paper TY-03 Page 2 Knadle	OTP Work Paper TY-04 Peterson	RLK-1 Sch 9 Knadle	OTP Volume 4A W/P 205 Thurber
	Staff Witness Testimony							
	Staff position on OTP's Adjustment		Adjusted	Adjusted	Accepted	Accepted	Adjusted	Staff Proposed

Line No.	Description	Holding Company Expense (i)	Rate Case Expense (j)	Patient Protection and Affordable Care Act (k)	Remove Luverne Wind Farm (l)	Changes in Allocations due to Effect of Test Year Adjustments (m)	Working Capital Adjustment (n)	BSP Capitalized Items (o)
1	Electric Plant in Service							
2	Production (including unclassified)				(2,380,720)			
3	Transmission (including unclassified)					(1)		
4	Distribution (including unclassified)					(4,546)		
5	General (including unclassified)					1,798		
6	Intangible					103		
7	Total Plant in Service	-	-	-	(2,380,720)	(2,646)	-	-
8	Accumulated Depreciation & Amortization							
9	Production				(12,967)	12		
10	Transmission					1		
11	Distribution					8,650		
12	General					760		
13	Intangible					70		
14	Total Accumulated Depreciation and Amortization	-	-	-	(12,967)	9,493	-	-
15	TOTAL NET ELECTRIC PLANT IN SERVICE	-	-	-	(2,367,753)	(12,139)	-	-
16	Additions to Rate Base:							
17	Big Stone Plant capitalized items							(3,366)
18	Utility Plant Held for Future Use					1		
19	Materials and Supplies					(1,314)		
20	Fuel Stocks							
21	Cash Working Capital						(326,628)	
22	Tax Collections Available						5,641	
23	Other	5,636	109,238			667		
24	TOTAL ADDITIONS TO RATE BASE	5,636	109,238	-	-	(646)	(320,987)	(3,366)
25	Deductions to Rate Base:							
26	Prepayments					(1,556)		
27	Customer Advances					(25)		
28	Accumulated Deferred Income Taxes			166,222	(960,522)	7,341		
29	Other					(1)		
30	TOTAL DEDUCTIONS TO RATE BASE	-	-	166,222	(960,522)	5,759	-	-
31	TOTAL SOUTH DAKOTA RATE BASE	5,636	109,238	(166,222)	(1,407,231)	(18,544)	(320,987)	(3,366)
	Source	JPT-3 Sch 2	JPT-3 Sch 1	OTP Work Paper TY-12	RLK-1 Sch 11	E-mail from Sem on 02/10/2011	RLK-1 Sch 6 & RLK-1 Sch 7	DR 3-4
	Staff Witness Testimony	Thurber	Thurber	Peterson	Knadle	Thurber	Knadle	Thurber
	Staff position on OTP's Adjustment	Adjusted	Staff Proposed	Accepted	Proposed	Adjusted	Adjusted	Staff Proposed

Line No.	Description	Updates (p)	Cable & Conductor Long Term Agreement (q)	Test Year Flow-Through Repair Allowance Deduction (r)	Changes in Allocation Factors due to effect of Removing Luverne (s)	Total Staff Adjustments (t)	Total Staff South Dakota Rate Base (u)
1	Electric Plant in Service						
2	Production (including unclassified)					\$ (1,019,557)	\$ 58,460,267
3	Transmission (including unclassified)					111,859	21,312,782
4	Distribution (including unclassified)					424,511	35,271,118
5	General (including unclassified)				2,154	3,952	7,444,287
6	Intangible				122	225	422,655
7	Total Plant in Service	-	-	-	2,276	(479,010)	122,911,109
8	Accumulated Depreciation & Amortization						
9	Production					109,356	23,499,294
10	Transmission					(122,196)	8,119,093
11	Distribution					117,676	14,814,293
12	General				912	585	3,149,663
13	Intangible				83	153	287,414
14	Total Accumulated Depreciation and Amortization	-	-	-	995	105,574	49,869,757
15	TOTAL NET ELECTRIC PLANT IN SERVICE	-	-	-	1,281	(584,584)	73,041,352
16	Additions to Rate Base:						
17	Big Stone Plant capitalized items					(3,366)	-
18	Utility Plant Held for Future Use					1	2,927
19	Materials and Supplies	(19,246)			375	(20,185)	1,583,990
20	Fuel Stocks	(45,808)				(45,808)	812,063
21	Cash Working Capital					(326,628)	427,252
22	Tax Collections Available					5,641	(42,268)
23	Other				1,095	(2,238,056)	157,144
24	TOTAL ADDITIONS TO RATE BASE	(65,055)	-	-	1,470	(2,628,401)	2,941,108
25	Deductions to Rate Base:						
26	Prepayments	(862,893)			1,726	(862,723)	2,570,899
27	Customer Advances	2,771			20	2,766	41,660
28	Accumulated Deferred Income Taxes			(\$305,314)	6,436	(930,314)	11,870,301
29	Other	182,108	39,800			221,907	221,907
30	TOTAL DEDUCTIONS TO RATE BASE	(678,014)	39,800	(305,314)	8,182	(1,568,364)	14,704,767
31	TOTAL SOUTH DAKOTA RATE BASE	612,960	(39,800)	305,314	(5,431)	(1,644,621)	\$ 61,277,693
	Source	RLK-1 Sch 5	DR 4-11	DEP-1	RLK-1 Sch 12		
	Staff Witness Testimony	Knadle	Knadle	Peterson	Knadle		
	Staff position on OTP's Adjustment	Staff Proposed	Staff Proposed	Staff Proposed	Staff Proposed		

Sources

Line 7: Sum of lines 2 through 6

Line 14: Sum of lines 9 through 13

Line 15: Line 7 less line 14

Line 24: Sum of lines 17 through 23

Line 30: Sum of lines 26 through 29

Line 31: Line 15 plus 24 less line 30

Column b, line 2: Volume 4A, Work paper 202, line 15
Column b, line 3: Volume 4A, Work paper 202, line 22
Column b, line 4: Volume 4A, Work paper 202, line 35
Column b, line 5: Volume 4A, Work paper 202, line 46
Column b, line 6: Volume 4A, Work paper 202, line 49
Column b, line 9: Volume 4A, Work paper 203, line 7
Column b, line 10: Volume 4A, Work paper 203, line 10
Column b, line 11: Volume 4A, Work paper 203, line 13
Column b, line 12: Volume 4A, Work paper 203, line 16
Column b, line 13: Volume 4A, Work paper 203, line 19
Column b, line 17: Volume 4A, Work paper 203, line 28
Column b, line 18: Volume 4A, Work paper 203, line 47
Column b, line 19: Volume 4A, Work paper 204, line 39
Column b, line 20: Volume 4A, Work paper 204, line 46
Column b, line 21: Volume 4A, Work paper 204, line 53 - Column b, line 22 -
Volume 4A, Work paper 220, line 27
Column b, line 22: Volume 4A, Work paper 220, line 39
Column b, line 23: Volume 4A, Work paper 220, line 27 +
Volume 4A, Work paper 205, line 19 +
Volume 4A, Work paper 205, line 22
Column b, line 26: Volume 4A, Work paper 204, line 49
Column b, line 27: Volume 4A, Work paper 204, line 51
Column b, line 28: Volume 4A, Work paper 205, line 16

Column t Sum of Column c through Column s
Column u Column b + Column t

Line	Description	Amount
	(a)	(b)
1	Moss & Barnett, attorneys	\$ 41,981
2	Administrative Costs, Consultants, etc.	
3	Consultants	
4	National Economic Research Associates	12,726
5	Cost of Capital Expert	38,769
6	Total Administrative Costs	<u>51,495</u>
7	SD PUC Statutory Fee	<u>125,000</u>
8	Total Rate Case Expense	<u>218,476</u>
9	3 Year Amortization	\$ 72,825
10	Test Year Rate Case Expense	45,000
11	Rate Case Expense Adjustment	\$ 27,825
12	Pro Forma Adjustment to Rate Base	\$ 109,238

SOURCES:

Column b, line 1, 4 - 6: DR 9-3
Column b, line 7: Maximum Statutory Fee
Column b, line 8: Sum of lines 1, 6, & 7
Column b, line 9: Line 8 / 3
Column b, line 10: Volume 4A, p. 315, B-5, Page 1
Column b, line 11: Column b, line 9 - line 10
Column b, line 12: Line 8 / 2

Line	Description	Total Company Amount	Allocation Factor	South Dakota Percent	South Dakota Amount
	(a)	(b)	(c)	(d)	(e)
1	OTP Share of Deferred Expenses to Form Holding Company	\$ 271,000			
2	Holding Company Expenses included in EL08-030	156,251			
3	Holding Company Expenses	<u>114,749</u>			
4	3 Year Amortization of Holding Company Expenses	38,250	NEPIS	9.823588%	\$ 3,758
5	Test Year Holding Company Expense	22,858	NEPIS	9.823588%	2,245
6	Holding Company Expense Adjustment				<u>\$ 1,512</u>
7	Rate Base Adjustment	57,375	NEPIS	9.823588%	<u>\$ 5,636</u>

SOURCES:

Column b, line 1: Volume 4A, SD TY-10, Page 4, pg 145, line 1
Column b, line 2: EL08-030, Exhibit (JPT-3), Schedule 4, line 3
Column b, line 3: Column b, line 1 - line 2
Column b, line 4: Column b, line 3 / 3
Column b, line 5: Volume 4A, SD TY-10, Page 4, pg 145, line 4
Column b, line 7: Column b, line 3 / 2

Column c, line 4 & 5: Volume 4A, SD TY-10, Page 2
Column c, line 7: Volume 4A, SD TY-10, Page 1
Column e, line 4-5 & 7: Column b * d
Column e, line 6: Column e, line 4 - line 5

Line No.	Description	(A) Total Utility	(B) Allocator	(C) Allocator %	(D) SD
<u>Production</u>					
1	Base Demand	(50,066)	E1	9.971047%	(4,992)
2	Peak Demand	(16,436)	D1	9.900122%	(1,627)
3	Total Production Expense	(66,503)			(6,619)
4	Transmission Expense	(27,533)	D2	9.815717%	(2,703)
<u>Distribution Expense</u>					
5	Primary Demand	(13,256)	D3	10.813368%	(1,433)
6	Secondary Demand	(4,401)	D4	11.236581%	(495)
7	Primary Customer	(9,159)	C2	8.521890%	(781)
8	Secondary Customer	(8,334)	C3	8.520943%	(710)
9	Streetlighting	(5,146)	C4	10.675156%	(549)
10	Area Lighting	(134)	C5	9.514736%	(13)
11	Meters	(7,761)	C6	9.257730%	(718)
12	Load Management				
13	Total Distribution Expense	(48,191)			(4,699)
<u>Customer Accounting Expense</u>					
14	Meter Reading	(14,492)	C7	8.930150%	(1,294)
15	Other	(18,614)	C8	8.519540%	(1,586)
16	Total Customer Accounts	(33,106)			(2,879)
<u>Customer Service & Info Expense (MN CIP)</u>					
17	- MN	(5,572)	Direct	0.000000%	-
18	- ND	(57)	Direct	0.000000%	-
19	- SD	-	Direct	100.000000%	-
20	- Other	(4,544)	C1	8.454538%	(384)
21	Total Customer Service & Information Expense	(10,174)			(384)
<u>Administrative and General Expense</u>					
<u>Salaries, Supplies, Pensions & Benefits</u>					
22	Production	(34,353)	OXPD	9.957096%	(3,421)
23	Transmission	(14,221)	D2	9.815717%	(1,396)
24	Distribution	(24,896)	OXD	9.751435%	(2,428)
25	Customer Accounts	(17,105)	OXC	8.699288%	(1,488)
26	Customer Service & Information	(5,251)	C1	8.454538%	(444)
27	Total A&G Salaries, Supplies, Pensions & Benefits	(95,826)			(9,177)
28	Total	(281,332)			(26,462)

Column A: JPT-3 Sch 3 Pg 5 Col D
Column B: Volume 4A, TY-09 p 135

Line No.	Description	(A) Total Utility	(B) Allocator	(C) Allocator %	(D) SD
<u>Production</u>					
1	Base Demand	18,211	E1	9.971047%	1,816
2	Peak Demand	5,979	D1	9.900122%	592
3	Total Production Expense	24,190			2,408
4	Transmission Expense	10,015	D2	9.815717%	983
<u>Distribution Expense</u>					
5	Primary Demand	4,822	D3	10.813368%	521
6	Secondary Demand	1,601	D4	11.236581%	180
7	Primary Customer	3,332	C2	8.521890%	284
8	Secondary Customer	3,031	C3	8.520943%	258
9	Streetlighting	1,872	C4	10.675156%	200
10	Area Lighting	49	C5	9.514736%	5
11	Meters	2,823	C6	9.257730%	261
12	Load Management	-			
13	Total Distribution Expense	17,529			1,709
<u>Customer Accounting Expense</u>					
14	Meter Reading	5,272	C7	8.930150%	471
15	Other	6,771	C8	8.519540%	577
16	Total Customer Accounts	12,042			1,048
<u>Customer Service & Info Expense (MN CIP)</u>					
17	- MN	2,027	Direct	0.000000%	-
18	- ND	21	Direct	0.000000%	-
19	- SD	-	Direct	100.000000%	-
20	- Other	1,653	C1	8.454538%	140
21	Total Customer Service & Information Expense	3,701			140
<u>Administrative and General Expense</u>					
<u>Salaries, Supplies, Pensions & Benefits</u>					
22	Production	12,496	OXPD	9.957096%	1,244
23	Transmission	5,173	D2	9.815717%	508
24	Distribution	9,056	OXD	9.751435%	883
25	Customer Accounts	6,222	OXC	8.699288%	541
26	Customer Service & Information	1,910	C1	8.454538%	161
27	Total A&G Salaries, Supplies, Pensions & Benefits	34,856			3,338
28	Total	102,334			9,625

Column A: JPT-3 Sch 3 Pg 5 Col E
Column B: Volume 4A, TY-09 p 136

Line No.	Description	(A) Total Utility	(B) Allocator	(C) Allocator %	(D) SD
<u>Production</u>					
1	Base Demand	143,920	E1	9.971047%	14,350
2	Peak Demand	47,247	D1	9.900122%	4,677
3	Total Production Expense	191,167			19,029
4	Transmission Expense	79,147	D2	9.815717%	7,769
<u>Distribution Expense</u>					
5	Primary Demand	38,105	D3	10.813368%	4,120
6	Secondary Demand	12,652	D4	11.236581%	1,422
7	Primary Customer	26,328	C2	8.521890%	2,244
8	Secondary Customer	23,956	C3	8.520943%	2,041
9	Streetlighting	14,793	C4	10.675156%	1,579
10	Area Lighting	386	C5	9.514736%	37
11	Meters	22,309	C6	9.257730%	2,065
12	Load Management	-			
13	Total Distribution Expense	138,528			13,508
<u>Customer Accounting Expense</u>					
14	Meter Reading	41,660	C7	8.930150%	3,720
15	Other	53,506	C8	8.519540%	4,558
16	Total Customer Accounts	95,166			8,279
<u>Customer Service & Info Expense (MN CIP)</u>					
17	- MN	16,018	Direct	0.000000%	-
18	- ND	164	Direct	0.000000%	-
19	- SD	-	Direct	100.000000%	-
20	- Other	13,063	C1	8.454538%	1,104
21	Total Customer Service & Information Expense	29,245			1,104
<u>Administrative and General Expense</u>					
<u>Salaries, Supplies, Pensions & Benefits</u>					
22	Production	98,752	OXPD	9.957096%	9,833
23	Transmission	40,878	D2	9.815717%	4,012
24	Distribution	71,564	OXD	9.751435%	6,979
25	Customer Accounts	49,169	OXC	8.699288%	4,277
26	Customer Service & Information	15,095	C1	8.454538%	1,276
27	Total A&G Salaries, Supplies, Pensions & Benefits	275,458			26,377
28	Total	808,711			76,065

Column A: JPT-3 Sch 3 Pg 5 Col F
Column B: Volume 4A, TY-09 p 137

Line No.	Description	(A) Total Utility	(B) Allocator	(C) Allocator %	(D) SD
<u>Production</u>					
1	Base Demand	394,283	E1	9.971047%	39,314
2	Peak Demand	129,437	D1	9.900122%	12,814
3	Total Production Expense	523,720			52,129
4	Transmission Expense	216,831	D2	9.815717%	21,284
<u>Distribution Expense</u>					
5	Primary Demand	104,391	D3	10.813368%	11,288
6	Secondary Demand	34,660	D4	11.236581%	3,895
7	Primary Customer	72,128	C2	8.521890%	6,147
8	Secondary Customer	65,630	C3	8.520943%	5,592
9	Streetlighting	40,528	C4	10.675156%	4,326
10	Area Lighting	1,057	C5	9.514736%	101
11	Meters	61,117	C6	9.257730%	5,658
12	Load Management				
13	Total Distribution Expense	379,512			37,007
<u>Customer Accounting Expense</u>					
14	Meter Reading	114,131	C7	8.930150%	10,192
15	Other	146,585	C8	8.519540%	12,488
16	Total Customer Accounts	260,716			22,680
<u>Customer Service & Info Expense (MN CIP)</u>					
17	- MN	43,882	Direct	0.000000%	-
18	- ND	450	Direct	0.000000%	-
19	- SD	-	Direct	100.000000%	-
20	- Other	35,788	C1	8.454538%	3,026
21	Total Customer Service & Information Expense	80,120			3,026
<u>Administrative and General Expense</u>					
<u>Salaries, Supplies, Pensions & Benefits</u>					
22	Production	270,540	OXPD	9.957096%	26,938
23	Transmission	111,989	D2	9.815717%	10,993
24	Distribution	196,057	OXD	9.751435%	19,118
25	Customer Accounts	134,704	OXC	8.699288%	11,718
26	Customer Service & Information	41,355	C1	8.454538%	3,496
27	Total A&G Salaries, Supplies, Pensions & Benefits	754,645			72,263
28	Total	2,215,544			208,389

Column A: JPT-3 Sch 3 Pg 5 Col G
Column B: Volume 4A, TY-09 p 138

(A)	(B)	(C)	(D)	(E)	(F)	(G)	
Line No.	Description	From Functionalization	Medical	FAS 112	FAS 106	FAS 87	
<u>Production</u>							
1	Base Demand	12,864,251	75%	(50,066)	18,211	143,920	394,283
2	Peak Demand	4,223,136	25%	(16,436)	5,979	47,247	129,437
3	Total Production Expense	17,087,387	100%	(66,503)	24,190	191,167	523,720
4	Transmission Expense			(27,533)	10,015	79,147	216,831
<u>Distribution Expense</u>							
5	Primary Demand	3,942,821	28%	(13,256)	4,822	38,105	104,391
6	Secondary Demand	1,309,109	9%	(4,401)	1,601	12,652	34,660
7	Primary Customer	2,724,250	19%	(9,159)	3,332	26,328	72,128
8	Secondary Customer	2,478,838	17%	(8,334)	3,031	23,956	65,630
9	Streetlighting	1,530,711	11%	(5,146)	1,872	14,793	40,528
10	Area Lighting	39,915	0%	(134)	49	386	1,057
11	Meters	2,308,374	16%	(7,761)	2,823	22,309	61,117
12	Load Management	-		-	-	-	-
13	Total Distribution Expense	14,334,018	100%	(48,191)	17,529	138,528	379,512
<u>Customer Accounting Expense</u>							
14	Meter Reading	4,880,837	44%	(14,492)	5,272	41,660	114,131
15	Other	6,268,756	56%	(18,614)	6,771	53,506	146,585
16	Total Customer Accounts	11,149,593	100%	(33,106)	12,042	95,166	260,716
<u>Customer Service & Info Expense (MN CIP)</u>							
17	- MN	2,705,611	55%	(5,572)	2,027	16,018	43,882
18	- ND	27,761	1%	(57)	21	164	450
19	- SD	-	0%	-	-	-	-
20	- Other	2,206,578	45%	(4,544)	1,653	13,063	35,788
21	Total Customer Service & Information Expense	4,939,950	100%	(10,174)	3,701	29,245	80,120
<u>Administrative and General Expense</u>							
<u>Salaries, Supplies, Pensions & Benefits</u>							
22	Production	8,643,309	36%	(34,353)	12,496	98,752	270,540
23	Transmission	3,577,872	15%	(14,221)	5,173	40,878	111,989
24	Distribution	6,263,687	26%	(24,896)	9,056	71,564	196,057
25	Customer Accounts	4,303,572	18%	(17,105)	6,222	49,169	134,704
26	Customer Service & Information	1,321,209	5%	(5,251)	1,910	15,095	41,355
27				(95,826)	34,856	275,458	754,645
28	Total A&G Salaries, Supplies, Pensions & Benefits	24,109,649	100%				
29	Total			(281,332)	102,334	808,711	2,215,544

SOURCES:

Column B & C, except 19: Volume 4A, TY-09 p 139
Column D, E, F & G; Line 3, 4, 13, 16, 21, 27, 29: JPT-3 Sch 4 Pg 5
Column D, Line 1: Column C, Line 1 * Column D, Line 3
Column D, E, F, & G; Line 2, 5-11, 14-15, 17-20, 22-26: Similar calculations as Column D, Line 1

Line No.	(A) Labor From FERC Form 1 Page 354-355	(B) Amount	(C) % of total	(D) Medical	(E) FAS 112	(F) FAS 106	(G) FAS 87
1	Production	\$ 14,422,766	20.0%	\$ (66,503)	\$ 24,190	\$ 191,167	\$ 523,720
2	Transmission	5,971,337	8.3%	(27,533)	10,015	79,147	\$ 216,831
3	Distribution	10,451,408	14.5%	(48,191)	17,529	138,528	\$ 379,512
4	Customer Accounts	7,179,884	10.0%	(33,106)	12,042	95,166	\$ 260,716
5	Customer Service & Information, & Sales	2,206,430	3.1%	(10,174)	3,701	29,245	\$ 80,120
6	Administrative & General	<u>20,782,225</u>	28.8%	<u>(95,826)</u>	<u>34,856</u>	<u>275,458</u>	<u>754,645</u>
7	Total Labor Expense	\$ 61,014,050		\$ (281,332)	\$ 102,334	\$ 808,711	\$ 2,215,544
8	Construction Labor	<u>10,725,320</u>	14.9%	<u>(49,454)</u>	17,989	142,159	389,458
9	Total Utility Labor	\$ 71,739,370		\$ (330,786)	\$ 120,322	\$ 950,870	\$ 2,605,002
10	Account 417.1 Expenses of Non-Utility Operations	<u>296,221</u>	0.4%	<u>(1,366)</u>	497	3,926	10,756
11	Total Otter Tail Power Labor	<u>\$ 72,035,591</u>	100.0%	<u>\$ (332,152)</u>	<u>\$ 120,819</u>	<u>\$ 954,796</u>	<u>\$ 2,615,758</u>

SOURCES:

Col B & C: Volume 4A, TY-09, pg 140
Column D - G, Line 11: JPT-3 Sch 3 Pg 7, line 7

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
Line No.	Year	Medical & Dental	Medical % Increase	FAS 112 Expense (Post Employment Medical)	FAS 112 Expense % Increase	FAS 106 Expense (Post Retirement Medical)	FAS 106 Expense % Increase	FAS 87 Pension Expense	FAS 87 Pension % Increase	Total Expenses	Total % Change
1	2005	\$ 7,037,358	--	\$ 1,983,077	--	\$ 3,532,466	--	\$ 4,210,262	--	\$ 16,763,163	--
2	2006	\$ 8,236,703	17.04%	\$ 258,193	86.98%	\$ 3,135,356	-11.24%	\$ 5,449,510	29.43%	\$ 17,079,762	1.89%
3	2007	\$ 8,304,645	0.82%	\$ 217,619	-15.71%	\$ 2,936,686	-6.34%	\$ 4,230,508	-22.37%	\$ 15,689,458	-8.14%
4	2008	\$ 9,324,011	12.27%	\$ 288,791	32.70%	\$ 3,360,202	14.42%	\$ 2,700,059	-36.18%	\$ 15,673,063	-0.10%
5	2009	\$ 10,030,336	7.58%	\$ 145,652	-49.56%	\$ 3,489,895	3.86%	\$ 2,942,333	8.97%	\$ 16,608,216	5.97%
6	2010 Actuals	\$ 9,698,184	-3.31%	\$ 266,471	82.95%	\$ 4,444,691	27.36%	\$ 5,558,091	88.90%	\$ 19,967,437	20.23%
7	Adjustment	\$ (332,152)		\$ 120,819		\$ 954,796		\$ 2,615,758		\$ 3,359,221	

SOURCES:

Line 1 - 5: Volume 4A, TY-09, pg 141

Line 7, column B, D, F & H: Line 6 - Line 5

Column B, line 6: Medical Expense (10/1/09 - 9/30/10) \$8,952,388 + Dental Expense (10/1/09 - 9/30/10) \$745,796 = \$9,698,184 (DR 9-5 Attachment 2, Page 1 & 2 - Gross Cost)

Column D, F & H, line 6: DR 9-5

Line No.	Description	(A) Total Utility	(B) Allocator	(C) Allocator %	(D) SD
Production					
1	Base Demand	305,312	E1	9.971047%	30,443
2	Peak Demand	100,229	D1	9.900122%	9,923
3	Total Production Expense	405,541			40,366
4	Transmission Expense	155,253	D2	9.815717%	15,239
Distribution Expense					
5	Primary Demand	75,869	D3	10.813368%	8,204
6	Secondary Demand	25,190	D4	11.236581%	2,831
7	Primary Customer	52,421	C2	8.521890%	4,467
8	Secondary Customer	47,698	C3	8.520943%	4,064
9	Streetlighting	29,454	C4	10.675156%	3,144
10	Area Lighting	768	C5	9.514736%	73
11	Meters	44,418	C6	9.257730%	4,112
12	Load Management				
13	Total Distribution Expense	275,819			26,896
Customer Accounting Expense					
14	Meter Reading	86,321	C7	8.930150%	7,709
15	Other	110,867	C8	8.519540%	9,445
16	Total Customer Accounts	197,187			17,154
Customer Service & Info Expense (MN CIP)					
17	- MN	37,183	Direct	0.000000%	-
18	- ND	382	Direct	0.000000%	-
19	- SD	-	Direct	100.000000%	-
20	- Other	30,325	C1	8.454538%	2,564
21	Total Customer Service & Information Expense	67,890			2,564
Administrative and General Expense					
Salaries, Supplies, Pensions & Benefits					
22	Production	199,491	OXPD	9.957096%	19,864
23	Transmission	79,541	D2	9.815717%	7,807
24	Distribution	125,335	OXD	9.751435%	12,222
25	Customer Accounts	95,321	OXC	8.699288%	8,292
26	Customer Service & Information	33,426	C1	8.454538%	2,826
27	Total A&G Salaries, Supplies, Pensions & Benefits	533,114			51,011
28	Total	1,634,804			153,229

SOURCES:

Column A: JPT-3 Sch 4 Pg 4 Col D
Column B: Volume 4A, TY-08 p 129

Line No.	Description	(A) Total Utility	(B) Allocator	(C) Allocator %	(D) SD
Production					
1	Base Demand	(118,474)	E1	9.971047%	(11,813)
2	Peak Demand	(38,893)	D1	9.900122%	(3,850)
3	Total Production Expense	(157,367)			(15,664)
4	Transmission Expense	(60,245)	D2	9.815717%	(5,913)
Distribution Expense					
5	Primary Demand	(29,440)	D3	10.813368%	(3,183)
6	Secondary Demand	(9,775)	D4	11.236581%	(1,098)
7	Primary Customer	(20,341)	C2	8.521890%	(1,733)
8	Secondary Customer	(18,509)	C3	8.520943%	(1,577)
9	Streetlighting	(11,430)	C4	10.675156%	(1,220)
10	Area Lighting	(298)	C5	9.514736%	(28)
11	Meters	(17,236)	C6	9.257730%	(1,596)
12	Load Management	-			
13	Total Distribution Expense	(107,029)			(10,437)
Customer Accounting Expense					
14	Meter Reading	(33,496)	C7	8.930150%	(2,991)
15	Other	(43,021)	C8	8.519540%	(3,665)
16	Total Customer Accounts	(76,517)			(6,656)
Customer Service & Info Expense (MN CIP)					
17	- MN	(14,429)	Direct	0.000000%	-
18	- ND	(148)	Direct	0.000000%	-
19	- SD	-	Direct	100.000000%	-
20	- Other	(11,767)	C1	8.454538%	(995)
21	Total Customer Service & Information Expense	(26,344)			(995)
Administrative and General Expense					
Salaries, Supplies, Pensions & Benefits					
22	Production	(77,411)	OXPD	9.957096%	(7,708)
23	Transmission	(30,865)	D2	9.815717%	(3,030)
24	Distribution	(48,635)	OXD	9.751435%	(4,743)
25	Customer Accounts	(36,988)	OXC	8.699288%	(3,218)
26	Customer Service & Information	(12,971)	C1	8.454538%	(1,097)
27	Total A&G Salaries, Supplies, Pensions & Benefits	(206,871)			(19,795)
28	Total	(634,373)			(59,459)

SOURCES:

Column A: JPT-3 Sch 4 Pg 4 Col E
Column B: Volume 4A, TY-08 p 130

Line No.	Description	(A) Total Utility	(B) Allocator	(C) Allocator %	(D) SD
Production					
1	Base Demand	(49,850)	E1	9.971047%	(4,971)
2	Peak Demand	(16,365)	D1	9.900122%	(1,620)
3	Total Production Expense	(66,215)			(6,591)
4	Transmission Expense	(25,349)	D2	9.815717%	(2,488)
Distribution Expense					
5	Primary Demand	(12,388)	D3	10.813368%	(1,340)
6	Secondary Demand	(4,113)	D4	11.236581%	(462)
7	Primary Customer	(8,559)	C2	8.521890%	(729)
8	Secondary Customer	(7,788)	C3	8.520943%	(664)
9	Streetlighting	(4,809)	C4	10.675156%	(513)
10	Area Lighting	(125)	C5	9.514736%	(12)
11	Meters	(7,252)	C6	9.257730%	(671)
12	Load Management	-			
13	Total Distribution Expense	(45,035)			(4,391)
Customer Accounting Expense					
14	Meter Reading	(14,094)	C7	8.930150%	(1,259)
15	Other	(18,102)	C8	8.519540%	(1,542)
16	Total Customer Accounts	(32,196)			(2,801)
Customer Service & Info Expense (MN CIP)					
17	- MN	(6,071)	Direct	0.000000%	-
18	- ND	(62)	Direct	0.000000%	-
19	- SD	-	Direct	100.000000%	-
20	- Other	(4,951)	C1	8.454538%	(419)
21	Total Customer Service & Information Expense	(11,085)			(419)
Administrative and General Expense					
Salaries, Supplies, Pensions & Benefits					
22	Production	(32,572)	OXPD	9.957096%	(3,243)
23	Transmission	(12,987)	D2	9.815717%	(1,275)
24	Distribution	(20,464)	OXD	9.751435%	(1,996)
25	Customer Accounts	(15,564)	OXC	8.699288%	(1,354)
26	Customer Service & Information	(5,458)	C1	8.454538%	(461)
27	Total A&G Salaries, Supplies, Pensions & Benefits	(87,045)			(8,329)
28	Total	(266,925)			(25,019)

SOURCES:

Column A: JPT-3 Sch 4 Pg 4 Col F
Column B: Volume 4A, TY-08 p 130

Line No.	(A) Description	(B) From Functionalization	(C)	(D)	(E)	(F)
	<u>Production</u>			<u>Wage Incr.</u>	<u>KPA Adj</u>	<u>MGM Adj</u>
1	Base Demand	12,864,251	75%	305,312	(118,474)	(49,850)
2	Peak Demand	4,223,136	25%	100,229	(38,893)	(16,365)
3	Total Production Expense	17,087,387	100%	405,541	(157,367)	(66,215)
4	Transmission Expense			155,253	(60,245)	(25,349)
	<u>Distribution Expense</u>					
5	Primary Demand	3,942,821	28%	75,869	(29,440)	(12,388)
6	Secondary Demand	1,309,109	9%	25,190	(9,775)	(4,113)
7	Primary Customer	2,724,250	19%	52,421	(20,341)	(8,559)
8	Secondary Customer	2,478,838	17%	47,698	(18,509)	(7,788)
9	Streetlighting	1,530,711	11%	29,454	(11,430)	(4,809)
10	Area Lighting	39,915	0%	768	(298)	(125)
11	Meters	2,308,374	16%	44,418	(17,236)	(7,252)
12	Load Management	-				
13	Total Distribution Expense	14,334,018	100%	275,819	(107,029)	(45,035)
	<u>Customer Accounting Expense</u>					
14	Meter Reading	4,880,837	44%	86,321	(33,496)	(14,094)
15	Other	6,268,756	56%	110,867	(43,021)	(18,102)
16	Total Customer Accounts	11,149,593	100%	197,187	(76,517)	(32,196)
	<u>Customer Service & Info Expense (MN CIP)</u>					
17	- MN	2,705,611	55%	37,183	(14,429)	(6,071)
18	- ND	27,761	1%	382	(148)	(62)
19	- SD	-	0%	-	-	-
20	- Other	2,206,578	45%	30,325	(11,767)	(4,951)
21	Total Customer Service & Information Expense	4,939,950	100%	67,890	(26,344)	(11,085)
	<u>Administrative and General Expense</u>					
	<u>Salaries, Supplies, Pensions & Benefits</u>					
22	Production	8,643,309	37%	199,491	(77,411)	(32,572)
23	Transmission	3,577,872	15%	79,541	(30,865)	(12,987)
24	Distribution	6,263,687	24%	125,335	(48,635)	(20,464)
25	Customer Accounts	4,303,572	18%	95,321	(36,988)	(15,564)
26	Customer Service & Information	1,321,209	6%	33,426	(12,971)	(5,458)
				533,114	(206,871)	(87,045)
27	Total A&G Salaries, Supplies, Pensions & Benefits	24,109,649	100%			
28	Total			1,634,804	(634,373)	(266,925)

SOURCES:

Column B & C, except 19: Volume 4A, TY-08 p 131
Column D, E & F; Line 3, 4, 13, 16, 21, 27, 28: JPT-3 Sch 4 Pg 5
Column D, Line 1: Column C, Line 1 * Column D, Line 3
Column D, E & F; Line 2, 5-11, 14-15, 17-20, 22-26: Similar calculations as Column D, Line 1

Line No.	(A) Labor From FERC Form 1 Page 354-355	(B) Amount	(C) % of total	(D) Wage increase	(E) KPA Incentive	(F) MGM Incentive
1	Production	\$ 14,906,456	21.1%	\$ 405,541	\$ (157,367)	\$ (66,215)
2	Transmission	5,706,607	8.1%	155,253	(60,245)	(25,349)
3	Distribution	10,138,266	14.4%	275,819	(107,029)	(45,035)
4	Customer Accounts	7,247,999	10.3%	197,187	(76,517)	(32,196)
5	Customer Service & Information, & Sales	2,495,421	3.5%	67,890	(26,344)	(11,085)
6	Administrative & General	19,595,620	27.8%	533,114	(206,871)	(87,045)
7	Total Labor Expense	\$ 60,090,369		\$ 1,634,804	\$ (634,373)	\$ (266,925)
8	Construction Labor	9,230,786	13.1%	251,130	(97,449)	(41,004)
9	Total Utility Labor	\$ 69,321,155		\$ 1,885,934	\$ (731,822)	\$ (307,929)
10	Below-the-Line Labor	1,161,698	1.6%	31,605	(12,264)	(5,160)
11	Total Otter Tail Power Labor	\$ 70,482,853	100.0%	1,917,539	(\$744,086)	(\$313,089)

SOURCES:

Col B & C: Volume 4A, TY-08, pg 132
Column D, Line 11: JPT-3 Sch 4 Pg 6, line 35, column B
Column E, Line 11: JPT-3 Sch 4 Pg 7, line 3, column D
Column F, Line 11: JPT-3 Sch 4 Pg 8, line 3, column D

Line	Description	Amount
	(a)	(b)
1	Coyote Union	
2	Annualize 2009 Wage Increase:	
3	1/1/09 - 8/31/09 OTP Labor Expense	\$ 918,950
4	September 2009 Union Wage Increase	4.00%
5	2009 Wage Increase Adjustment	36,758
6	2010 Wage Increase:	
7	2010 Base Labor Amount	
8	1/1/09 - 8/31/09 OTP Labor Expense	\$ 918,950
9	2009 Wage Increase Adjustment	36,758
10	9/1/09 - 12/31/09 OTP Labor Expense	483,606
11	2010 Base Labor Amount	1,439,314
12	September 2010 Union Wage Increase	4.00%
13	2010 Wage Increase Adjustment	57,573
14	BSP & Other Union	
15	Annualize 2009 Wage Increase:	
16	1/1/09 - 10/31/09 OTP Labor Expense	\$ 17,728,304
17	November 2009 Union Wage Increase	2.00%
18	2009 Wage Increase Adjustment	354,566
19	2010 Wage Increase:	
20	2010 Base Labor Amount	
21	1/1/09 - 10/31/09 OTP Labor Expense	\$ 17,728,304
22	2009 Wage Increase Adjustment	354,566
23	11/1/09 - 12/31/09 OTP Labor Expense	3,651,633
24	2010 Base Labor Amount	21,734,503
25	November 2010 Union Wage Increase	2.90%
26	2010 Wage Increase Adjustment	630,301
27	Non-Union	
28	2010 Salary Increase:	
29	2010 Base Labor Amount	\$ 26,589,257
30	April 2010 Salary Increase	3.00%
31	2010 Salary Increase Adjustment	797,678
32	Executive	
33	2010 Salary Increase:	
34	2010 Base Labor Amount	\$ 1,694,303
35	April 2010 Salary Increase	2.40%
36	2010 Salary Increase Adjustment	40,663
37	OTP Labor Adjustment	
38	2009 Coyote Union Wage Increase Adjustment	\$ 36,758
39	2009 BSP & Other Union Wage Increase Adjustment	354,566
40	2010 Coyote Union Wage Increase Adjustment	57,573
41	2010 BSP & Other Union Wage Increase Adjustment	630,301
42	2010 Non-Union Salary Increase Adjustment	797,678
43	2010 Executive Salary Increase Adjustment	40,663
44	Total OTP Labor Adjustment	1,917,539

SOURCES:

Column b, line 3 & 8: \$2,625,572 (DR 7-1) * 35% (Volume 4A, TY-08, page 5)
Column b, line 4 & 12: DR 4-8, Attachment 3, page 37-38
Column b, line 5, 9, & 38: Column b, line 3 * line 4
Column b, line 10: \$1,381,730 (DR 7-1) * 35% (Volume 4A, TY-08, page 5)
Column b, line 11: sum of Column b, lines 8 - 10
Column b, line 13 & 40: Column b, line 11 * line 12
Column b, line 16 & 21: \$3,132,029 * 53.9% + \$16,040,140 (DR 7-1)
Column b, line 17: DR 4-8, Attachment 1, pages 27-39 & Attachment 2, pages 27 - 41
Column b, line 18, 22 & 39: Column b, line 16 * line 17
Column b, line 23: DR 7-1
Column b, line 24: Column b, sum of line 21 - 23
Column b, line 25: e-mail from Spangler to Thurber on 1-24-11
Column b, line 26 & 41: Column b, line 24 * 25
Column b, line 29: Volume 4A, TY-08, Page 5, sum of column C, line 11 & 13
Column b, line 30: DR 4-9, Attachment 2
Column b, line 31 & 42: Column b, line 21 * line 22
Column b, line 34: Volume 4A, TY-08, Page 5, column C, line 12
Column b, line 35: DR 7-4 & Attachment 2 to IR SD-PUC-09-02 (with McFarland @ 0%)
Column b, line 36 & 43: Column b, line 26 * line 27
Column b, line 44: sum of Column b, line 38 - 43

Line No.	(A)	(B)	(C)	(D)
1	4 year average 2006 - 2009			\$409,401
2	Amount in Financial Statements/COSS for 2009			<u>(1,153,487)</u>
3	Test Year Adjustment			<u>(\$744,086)</u>

Key Performance Award	
Year	Actual
2006	\$213,440
2007	\$340,934
2008	\$356,101
2009	\$727,128
4Yr Average	\$409,401

SOURCES:

Line 1, column D: Line 9, column B

Line 2, column D: Volume 4A, work paper 134 (TY-08 pg 6)

Line 5 - 8, column B: Attachment 1 to IR SD-PUC-07-14 (less Financial Goals)

Line No.	(A)	(B)	(C)	(D)
1	5 year average 2005 - 2009			\$275,949
2	Amount in Financial Statements/COSS for 2009			<u>(589,038)</u>
3	Test Year Adjustment			<u>(\$313,089)</u>

Management Incentive Plan	
Year	Actual
2005	\$278,802
2006	\$135,619
2007	\$322,503
2008	\$366,676
2009	\$276,144
5 Yr Average	\$275,949

SOURCES:

Line 1, Column D: Line 10, Column B

Line 2, Column D: Attachment 1 to IR SD-PUC-07-11 (Accrual: \$822,526 - \$233,488)

Line 5 - 9, Column B: Attachment 1 to IR SD-PUC-07-13, Individual Performance Payout

<u>Line</u>	<u>Description</u>	<u>Amount</u>
	(a)	(b)
1	Labor	\$ 20,606
2	Lodging	147
3	Meals	60
4	Travel Expense	331
5	Miscellaneous Expense	110
6	Total	<u>21,254</u>
7	Ratepayer/Shareholder Sharing	50%
8	Adjustment	<u>(10,627)</u>

SOURCES:

Column b, line 1 - 6: DR 2-17

Line	Description	Total Company Amount	Allocation Factor	South Dakota Percent	South Dakota Amount
	(a)	(b)	(c)	(d)	(e)
1	Schedule H-3 - Safety				
2	Page 72 - Power to say "no"	\$ (175)			
3	Page 76 - Bus safety	(458)			
4	Page 84 - Weather safety	(21,864)			
5	Total Safety Disallowance	<u>(22,497)</u>	C1	8.454538%	\$ (1,902)
6	Schedule H-3 - Demand Side Management				
7	** Water Heating	\$ (9,157)			
8	Page 122 - Dual fuel (DFS.503.09)	(32)			
9	Page 124 - Underfloor heat	(664)			
10	Page 128 - Dual fuel (DFS.507RS.09)	(1,938)			
11	Page 129 - Dual fuel (DFS.508RS.09)	(2,376)			
12	Page 130 - Dual fuel (DFS.509RS.09)	(1,323)			
13	Page 131 - Dual fuel (DFS.510RS.09)	(338)			
14	Page 132 - Dual fuel (DFS.511RS.09)	(1,544)			
15	Total DSM Disallowance	<u>(17,372)</u>	C1	8.454538%	<u>(1,469)</u>
16	Total Advertisement Disallowance				<u>\$ (3,371)</u>

SOURCES:

- Column b, line 2-4: Attachment 1 to IR SD-PUC-02-26, page 3 of 5
- Column b, line 5: Sum of column b, line 2 - 4
- Column b, line 7-12: Attachment 1 to IR SD-PUC-02-26, page 4 of 5
- Column b, line 13-14: Attachment 1 to IR SD-PUC-02-26, page 5 of 5
- Column b, line 15: Sum of column b, line 7-14
- Column c, line 5, 15: Schedule H-3
- Column e, line 5, 15: column b * column d
- Column e, line 16: Column e, line 5 + line 15

<u>Line</u>	<u>Description</u> (a)	<u>Total Company Amount</u> (b)	<u>Allocation Factor</u> (c)	<u>South Dakota Percent</u> (d)	<u>South Dakota Amount</u> (e)
1	FERC Account 9302				
2	Minnesota Business Partnership	(6,044)			
3	South Dakota Chamber of Commerce	(1,540)			
4	Total Association Dues Disallowance	<u>(7,584)</u>	P90	9.578542%	\$ (726)

SOURCES:

Column b, line 2-4: Attachment 1 to IR SD-PUC-02-16
Column b, line 5: Column b, sum of lines 2 - 4
Column c, line 5: Schedule H-3
Column e, line 5: column b * column d

PUBLIC

<u>Line</u>	<u>Component</u> (a)	<u>Capital Structure</u> (b)	<u>% of Total</u> (c)	<u>Cost</u> (d)	<u>Weighted Cost</u> (e)
1	Long Term Debt				
2	Preferred Stock				
3	Common Equity				
4	Total				<u>8.50%</u>

PUBLIC

<u>Line</u>	<u>Description</u>	<u>Amount</u>
	(a)	(b)
1	Average Rate Base	\$ 61,277,693
2	Weighted Cost of Long Term Debt	<u>3.20%</u>
3	Synchronized Interest Expense	1,960,886
4	South Dakota Interest Expense on LT Debt as filed	<u>1,944,300</u>
5	Difference In Interest Expense	16,586
6	Federal Income Tax Adjustment (35%)	\$ (5,805)

SOURCES:

- Column b, line 1: JPT-2 Sch 1, column d, line 31
- Column b, line 2: BLC-1 Sch1 column e, line 1
- Column b, line 3: Line 1 * line 2
- Column b, line 4: Volume 4A, Work paper 212, line 4 less CWIP
\$62,922,314 (Per Books JPT-2 Sch 2) * 3.09% (Volume 4A, Work paper 216)
- Column b, line 5: Line 3 less line 4
- Column b, line 6: line 5 times consolidated effective tax rate (35%)

<u>Line</u>	<u>Description</u> (a)	<u>Total Company Amount</u> (b)	<u>Allocation Factor</u> (c)	<u>South Dakota Percent</u> (d)	<u>South Dakota Amount</u> (e)
1	2010 Capacity Purchases	\$ 3,576,356			
2	Test Year Capacity Purchases	<u>4,205,876</u>			
3	Adjustment	<u>(629,520)</u>	E1	9.971047%	\$ (62,770)

SOURCES:

Column b, line 1 - 2: DR 1-6 & October 26, 2010 e-mail from Beithon to Knadle
Column b, line 3: line 1 minus line 2
Column c, line 3: TY-15, page 1 (Work paper 159)
Column e, line 3: Line 3, column b * column d

<u>Line</u>	<u>Description</u>	<u>Total Company Amount</u>	<u>Allocation Factor</u>	<u>South Dakota Percent</u>	<u>South Dakota Amount</u>
	(a)	(b)	(c)	(d)	(e)
1	Asset Based Revenues	\$ (11,204,529)	E2	9.645471%	\$ (1,080,730)
2	Asset Based Expenses	(8,625,073)	E2	9.645471%	<u>(831,929)</u>
3	Adjustment to Asset Based Margins included in Base Rates				<u>\$ (248,801)</u>

SOURCES:

Column b, line 1: DR 1-7 -> \$13,181,799 - 1,977,270
Column b, line 2: DR 1-7 -> \$10,147,145 - 1,522,072
Column c, line 1: Volume 4A, Work paper 10, line 13
Column c, line 2: Volume 4A, Work paper 11, line 6
Column e, line 1 & 2: Column b * Column d
Column e, line 3: Column e, line 1 - line 2

<u>Line</u>	<u>Description</u>	<u>Amount</u>
	(a)	(b)
1	Renewable Energy Credits	
2	2010 SD REC Revenue	\$ 54,522
3	REC Sharing for SD Customers	90%
4	SD REC Revenue	<u>49,070</u>

NOTE - Staff proposes to flow this revenue through the fuel clause

SOURCES:

Column b, line 2: DR 1-12

Column b, line 3: Commission Decision EL09-029

Column b, line 4: Column b, line 2 * line 3

Line	Description (a)	Total Company Amount (b)	Allocation Factor (c)	South Dakota Percent (d)	South Dakota Amount (e)
	Materials and Supplies less Luverne:				
1	13 month average ending September 30, 2010:				
2	Production	\$ 5,147,747	P10	9.859743%	\$ 507,555
3	Transmission	3,932,203	D2	9.815717%	385,974
4	Distribution	6,990,584	P60	9.895813%	691,775
5	Total				<u>1,585,304</u>
6	Less test year 13 month average				<u>1,604,550</u>
7	Difference				<u>(19,246)</u>
	Fuel Stocks				
8	13 month average ending September 30, 2010:				
9	Coal	\$ 6,582,555	E1	9.971047%	\$ 656,350
10	Fuel Oil	1,572,841	D1	9.900122%	155,713
11	Total				<u>812,063</u>
12	Less test year 13 month average				<u>857,871</u>
13	Difference				<u>(45,808)</u>
	Prepayments				
14	13 month average ending September 30, 2010:	\$ 33,572,411	NEPIS	9.823588%	\$ 3,298,015
15	Less test year 13 month average				<u>3,435,348</u>
16	Difference				<u>(137,333)</u>
	Customer Advances				
17	13 month average ending September 30, 2010:	\$ 424,333	NEPIS	9.823588%	\$ 41,685
18	Less test year 13 month average				<u>38,914</u>
19	Difference				<u>2,771</u>
	Accumulated Provision for Injuries and Damages				
20	13 month average ending September 30, 2010:	\$ 990,231	NEPIS	9.823588%	\$ 97,276
21	Less test year 13 month average				<u>-</u>
22	Difference				<u>97,276</u>
	Accumulated Provision for Uncollectibles				
23	13 month average ending September 30, 2010:	\$ 995,727	C8	8.519540%	\$ 84,831
24	Less test year 13 month average				<u>-</u>
25	Difference				<u>84,831</u>
	Noncurrent Prepaid Pension Expense				
26	13 month average ending September 30, 2010:	\$ 7,385,894	NEPIS	9.823588%	\$ 725,560
27	Less test year 13 month average				<u>-</u>
28	Difference				<u>725,560</u>

SOURCES:

Column b, line 2-4: IR 2-7, page 2 of 3 less Luverne of \$395,695 for months of January - September 2010
Column b, line 6: Exhibit_(JPT-2), Schedule 2, column b, line 19 + column s, line 19
Column b, line 9-10: IR 2-7, page 1 of 3
Column b, line 12: Exhibit_(JPT-2), Schedule 2, column b, line 20
Column b, line 14: IR 2-7, page 3 of 3
Column b, line 15: Exhibit_(JPT-2), Schedule 2, column b, line 26 + column s, line 26
Column b, line 17: IR 2-8, page 1
Column b, line 18: Exhibit_(JPT-2), Schedule 2, column b, line 27 + column s, line 27
Column b, line 20: IR 2-8, page 1
Column b, line 23: IR 2-8, page 1
Column b, line 26: e-mail from Sem to Knadle on 1/17/11
Column c, line 2-4, 9-10, & 14: IR 2-7
Column c, line 17, 20, & 23: DR 2-8

Otter Tail Power Company
 South Dakota - Electric
 Cash Working Capital
 Adjusted Test Year Ended December 31, 2009

Exhibit__(RLK-1)
 Schedule 6
 Page 1

Line	Description	South Dakota Per Books (a)	Adjustments (c)	Pro Forma Expense (d)	Expense Per Day (e)	Expense Lead Days (f)	Expense Dollar Days (g)
1	Operation & Maintenance						
2	Fuel - Coal	\$ 5,463,645	\$ -	\$ 5,463,645	\$ 14,969	11.9	\$ 178,131
3	Fuel - Oil	273,446		273,446	749	13.5	10,112
4	Purchased Power	5,155,346	(62,770)	5,092,576	13,952	30.6	426,931
5	Labor and Associated Payroll Expense	5,306,981	336,370	5,643,351	15,461	15.9	245,830
6	Vacation	371,212		371,212	1,017	508.8	517,450
7	Uncollectible Accounts	83,591		83,591	229	424.3	97,165
8	All Other O&M Expense	3,537,473	77,398	3,614,871	9,904	16.8	166,387
9	Total O & M	20,191,694	350,998	20,542,692	56,281		1,642,006
10	Property Tax	797,860	960	798,820	2,189	311.4	681,655
11	Coal Conversion Tax	69,615	-	69,615	191	311.4	59,477
12	Federal Income Tax	(3,343,116)	1,237,406	(2,105,710)	(5,769)	37.0	(213,453)
13	Depreciation Expense	3,550,318	132,059	3,682,377	10,089	0.0	-
14	Investment Tax Credit	(915,852)	19,510	(896,342)	(2,456)	0.0	-
15	Deferred Income Taxes	3,953,396	(1,660,417)	2,292,979	6,282	0.0	-
16	S D Gross Receipts Tax	41,951	(329)	41,622	114	378.5	43,149
17	Preferred Stock Dividends			-	-	45.6	-
18	Interest on Long Term Debt			1,960,886	5,372	91.3	490,464
19	Total	\$ 24,345,866	\$ 80,187	\$ 26,386,939	\$ 72,293	37.39	\$ 2,703,298
20	Revenue Lag Days	43.30					
21	Expense Lead Days	37.39					
22	Net Days	5.91					
23	Expense per Day	72,293					
24	Cash Working Capital	427,252					

Sources :

Line 9: Sum of lines 2 through 8
 Line 19 (except column f): Sum of lines 9 through 18

Column (b)

Line 2 - 4: Volume 4A, Work paper 220
 Line 5: \$5,678,193 (Volume 4A, Work paper 220) less Column b, line 6
 Line 6: DR 7-16
 Line 7: DR 1-17, page 1
 Line 8: \$3,663,015 (Volume 4A, Work paper 220) less Column b, line 7 less Column b, line 16
 Line 10 - 16: Exhibit__(JPT-1), Sch 3, page 1
 Line 20: Work paper 20
 Line 21: column f, line 19
 Line 22: Column b, line 20 less line 21
 Line 23: Column e, line 19
 Line 24: Column b, line 22 * line 23

Column (c)

Line 4: JPT-1 Sch 3, col t, line 7
 Line 5: JPT-1 Sch 3, col j - n, line 15 + JPT-1 Sch 3, col ak, line 15
 Line 8: JPT-1 Sch 3, col an, line 15 - col c, line 2 - col c, line 4 - col c, line 5 - JPT-1 Sch 3, col am, line 15 - JPT-1 Sch 3, col ad, line 15
 Line 10 - 15: JPT-1 Sch 3, col an
 Line 16: JPT-1 Sch 1, col b, line 9

Column (d)

Line 2 - 16: Column b plus column c
 Line 18: RLK-1 Sch 1, col b, line 3

Column (e)

Column d / 365

Column (f)

Line 2 - 5, 8, 10, and 11: Volume 4B, Work paper 73
 Line 6: \$517,501 (Attachment 1, DR 7-16, 13 month average) / (371,212 (DR 7-16) / 365)
 Line 7: DR 1-17, page 1 and Attachment 2 \$83,951 / (842,836 / 365 * 8.519540%)
 Line 12, 17, and 18: Staff Workpapers
 Line 16: SDCL 49-1A-5

Column (g):

Column e * column f

Otter Tail Power Company
 South Dakota - Electric
 Tax Collections Available
 Adjusted Test Year Ended December 31, 2009

Exhibit__(RLK-1)
 Schedule 7
 Page 1

Line	Item	South Dakota Per Books (b)	Adjustments (c)	Pro Forma Collections (d)	Collections Per Day (e)	Collection Lead Days (f)	Available (g)
1	Employee FICA	\$ 395,696	\$ -	\$ 395,696	\$ 1,084	13.34	\$ 14,461
2	Federal Withholding	636,356	-	636,356	1,743	13.34	23,252
3	South Dakota Sales Tax	1,287,693	(8,779)	1,278,914	3,504	1.3	4,555
4	Total	<u>\$ 2,319,745</u>	<u>\$ (8,779)</u>	<u>\$ 2,310,966</u>			<u>\$ 42,268</u>

Sources:

Column (b)
 line 1 - 2: Volume 4A, Work paper 220
 line 3: Volume 4A, Work paper 284

Column (c)
 line 3: JPT-1 Sch 2, col e, line 4 * .04

Column (d)
 Column b plus column c

Column (e)
 Column d / 365

Column (f)
 line 1: Vol 4B, Lead Lag Study, pg 124
 line 2: Vol 4B, Lead Lag Study, pg 124
 line 3: $[(365 / 12) / 2] + 29.4$ (SDCL 10-45-27.3) - 43.3 (revenue lag)
 Reflects SD sales tax remittance statute.

Column (g)
 Column e * column f

<u>Line</u>	<u>Description</u>	<u>Amount</u>
	(a)	(b)
1	2009 SD Pro Forma Net Transmission Plant	\$ 13,193,689
2	2008 SD Net Transmission Plant	<u>12,366,089</u>
3	Difference	827,600
4	% of Net Plant Collected Through Attachment O	1.22%
5	Increase in Attachment O Revenues	<u><u>10,097</u></u>

SOURCES:

Column b, line 1: Exhibit__ (JPT-2), Sch 2, pg 3, col u, line 3 minus line 10
Column b, line 2: IR 3-16, Attachment 1, pg 1
Column b, line 3: Column b, line 1 - line 2
Column b, line 4: IR 3-16, Attachment 1, pg 1
Column b, line 5: line 3 * line 4

<u>Line</u>	<u>Description</u> (a)	<u>Total Company Amount</u> (b)	<u>Allocation Factor</u> (c)	<u>South Dakota Percent</u> (d)	<u>South Dakota Amount</u> (e)
	Special Deposits:				
1	13 month average ending November 30, 2010:	\$ 421,186			
2	Less test year 13 month average	22,093,721			
3	Difference	<u>(21,672,535)</u>	NEPIS	9.823588%	(2,129,021)

SOURCES:

Column b, line 1: Attachment 1 to IR SD-PUC-09-01
Column b, line 2: Volume 4A, page 108, SD TY-05
Column b, line 3: line 1 - line 2
Column c, line 3: Volume 4A, p. 21, line 27, Column Allocation Factors
Column e, line 3: line 3, Column b * Column d

Line	Description	Total Company Amount	Allocation Factor	South Dakota Percent	South Dakota Amount
	(a)	(b)	(c)	(d)	(e)
1	BSP II CWIP Costs	\$ 12,692,127			
2	BSP II Transmission Costs	2,612,036			
3	BSP II Generation Costs	10,080,091			
4	Recovery Period (years)	10			
5	Annual Amortization Expense	1,008,009			
6	Deferred Amortization:				
7	Base Demand - 75.29%	758,930	E1	9.971047%	75,673
8	Peak Demand - 24.71%	249,079	D1	9.900122%	24,659
9	Annual Amortization Expense	1,008,009			100,332
10	Rate Base:				
11	BSP II Average Unamortized Generation Costs	5,040,046			
12	Base Demand - 75.29%	3,794,651	E1	9.971047%	378,366
13	Peak Demand - 24.71%	1,245,395	D1	9.900122%	123,296
14					501,662

SOURCES:

Column b, line 1: Volume 4A, work paper 98, SD TY-02, line 1
Column b, line 2: DR 7-20, Page 1, response b
Column b, line 3: Column b, line 1 - line 2 (DR 7-20, Page 1, response c)
Column b, line 5: Column b, line 3 / line 4
Column b, line 7: Column b, line 5 * 75.29% (Volume 4A, work paper 98, line 7)
Column b, line 8: Column b, line 5 * 24.71% (Volume 4A, work paper 98, line 7)
Column c, line 7 & 8: Volume 4A, work paper 96, SD TY-02, line 2 & 3
Column e, line 7 & 8: Column b * Column d
Column e, line 9: Column e, line 7 + line 8
Column b, line 11: Column b, line 5 * 50%
Column b, line 12: Column b, line 11 * 75.29% (Volume 4A, work paper 98, SD TY-02, line 8)
Column c, line 12 & 13: Volume 4A, work paper 97, SD TY-02, line 2 & 3
Column e, line 12 & 13: Column b * Column d
Column e, line 14: Column e, line 12 + line 13

Line	Description	Total Company Amount	Allocation Factor	South Dakota Percent	South Dakota Amount
	(a)	(b)	(c)	(d)	(e)
1	Rate Base				
2	Production Plant				
3	Peak Demand	\$ (1,970,419)	D1	9.900122%	\$ (195,074)
4	Base Energy	<u>(22,659,818)</u>	E2	9.645471%	<u>(2,185,646)</u>
5	Total Production Plant	<u>(24,630,237)</u>			<u>(2,380,720)</u>
6					
7	Accumulated Depreciation - Production Plant				
8	Peak Demand	(10,732)	D1	9.900122%	(1,062)
9	Base Energy	<u>(123,424)</u>	E2	9.645471%	<u>(11,905)</u>
10	Total Accumulated Depreciation - Production Plant	<u>(134,156)</u>			<u>(12,967)</u>
11					
12	Accumulated Deferred Income Taxes	(9,789,526)	NEPIS	9.811727%	(960,522)
13					
14	Operating Income				
15	Production Expenses				
16	Peak Demand	(47,715)	E1	9.971047%	(4,758)
17	Base Demand	<u>(15,660)</u>	D1	9.900122%	<u>(1,550)</u>
18	Total Production Expenses	<u>(63,375)</u>			<u>(6,308)</u>
19					
20	A & G Expense - Property Insurance	(37,913)	NEPIS	9.811727%	(3,720)
21					
22	Depreciation Expense - Production Plant				
23	Peak Demand	(65,744)	D1	9.900122%	(6,509)
24	Base Energy	<u>(756,057)</u>	E2	9.645471%	<u>(72,925)</u>
25	Total Depreciation Expense - Production Plant	<u>(821,801)</u>			<u>(79,434)</u>
26					
27	Investment Tax Credit	204,639	EPIS	9.839867%	20,136
28					
29	Deferred Income Taxes	(13,849,152)	NEPIS	9.811727%	(1,358,841)
30					
31	Income Tax Calculation				
32	Additional Tax Depreciation	42,482,061	NEPIS	9.811727%	4,168,224
33	Other Major Schedule M Items	<u>292,326</u>	NEPIS	9.811727%	<u>28,682</u>
34	Subtotal Federal Schedule M Adjustments	<u>42,774,387</u>			<u>4,196,906</u>
35	Net Operating Income from Luverne Adjustment				<u>89,462</u>
36	Federal Adjusted Income Before Income Taxes				<u>4,286,368</u>
37	Federal Tax Rate				<u>35%</u>
38	Federal Income Tax				<u>1,500,229</u>

SOURCES:

Column b, line 2: Attachment 2 to IR SD-PUC-10-01, A-Summary page 1, line 5, Column M
Column c, line 2: Attachment 3 to IR SD-PUC-10-01, page 3, line 4
Column b, line 3: Attachment 2 to IR SD-PUC-10-01, A-Summary page 1, line 6, Column M
Column c, line 3: Attachment 3 to IR SD-PUC-10-01, page 3, line 5
Column b, line 8: Attachment 2 to IR SD-PUC-10-01, A-Summary page 2, line 9, Column M
Column c, line 8: Attachment 3 to IR SD-PUC-10-01, page 4, line 4
Column b, line 9: Attachment 2 to IR SD-PUC-10-01, A-Summary page 2, line 13, Column M
Column c, line 9: Attachment 3 to IR SD-PUC-10-01, page 4, line 5
Column b, line 12: Attachment 2 to IR SD-PUC-10-01, A-Summary page 4, line 11, Column M
Column c, line 12: Attachment 3 to IR SD-PUC-10-01, page 6, line 10
Column b, line 16: Attachment 2 to IR SD-PUC-10-01, B-Summary page 2, line 4, Column M
Column c, line 16: Attachment 3 to IR SD-PUC-10-01, page 9, line 4
Column b, line 17: Attachment 2 to IR SD-PUC-10-01, B-Summary page 2, line 5, Column M
Column c, line 17: Attachment 3 to IR SD-PUC-10-01, page 9, line 5
Column b, line 20: Attachment 2 to IR SD-PUC-10-01, B-Summary page 3, line 22, Column M
Column c, line 20: Attachment 3 to IR SD-PUC-10-01, page 10, line 29
Column b, line 23: Attachment 2 to IR SD-PUC-10-01, B-Summary page 4, line 7, Column M
Column c, line 23: Attachment 3 to IR SD-PUC-10-01, page 11, line 4
Column b, line 24: Attachment 2 to IR SD-PUC-10-01, B-Summary page 4, line 11, Column M
Column c, line 24: Attachment 3 to IR SD-PUC-10-01, page 11, line 5
Column b, line 27: Attachment 2 to IR SD-PUC-10-01, B-Summary page 5, line 23, Column M
Column c, line 27: Attachment 3 to IR SD-PUC-10-01, page 12, line 6
Column b, line 29: Attachment 2 to IR SD-PUC-10-01, B-Summary page 5, line 36, Column M
Column c, line 29: Attachment 3 to IR SD-PUC-10-01, page 12, line 20
Column b, line 32: Attachment 2 to IR SD-PUC-10-01, B-Summary page 6, line 2, Column M
Column c, line 32: Attachment 3 to IR SD-PUC-10-01, page 13, line 9
Column b, line 33: Attachment 2 to IR SD-PUC-10-01, B-Summary page 6, line 14, Column M
Column c, line 33: Attachment 3 to IR SD-PUC-10-01, page 13, line 17
Column d: Attachment 3 to IR SD-PUC-10-01, page 15-16
Column e, line 35: - (Column e, line 18 + line 20 + line 25)

Line	Description	Total Company Amount	Allocation Factor	Per Books without Luverne	Per Books with Luverne	Amount
	(a)	(b)	(c)	(d)	(e)	(f)
1	Rate Base					
2						
3	General Plant - Production	\$ 27,690,629	P10	9.856615%	9.848834%	\$ 2,154
4	Intangible Plant	4,412,810	P90	9.575587%	9.572815%	122
5						
6	Accumulated Depreciation					
7	General Plant	32,896,050	P90	9.575587%	9.572815%	912
8	Intangible Plant	3,000,801	P90	9.575587%	9.572815%	83
9	Total Accumulated Depreciation					<u>995</u>
10						
11	Materials and Supplies - Production	4,815,900	P10	9.856615%	9.848834%	375
12	Prepayments	35,012,678	NEPIS	9.811727%	9.806797%	1,726
13	Customer Advances	396,606	NEPIS	9.811727%	9.806797%	20
14	Special Deposits	22,093,721	NEPIS	9.811727%	9.806797%	1,089
15	Accumulated Deferred Income Taxes	130,527,991	NEPIS	9.811727%	9.806797%	6,436
16	Unamortized Holding Company Formation Expense	112,740	NEPIS	9.811727%	9.806797%	6
17						
18	Operating Income					
19						
20	Other Operating Revenues					
21	Rent from Electric Property	638,477	NEPIS	9.811727%	9.806797%	31
22	Other Miscellaneous Electric Revenue	3,353,015	NEPIS	9.811727%	9.806797%	165
23	ITA Deficiency Payments	3,747,651	NEPIS	9.811727%	9.806797%	185
24	Miscellaneous Services	32,304	NEPIS	9.811727%	9.806797%	2
25	Load Control and Dispatch	4,007,399	NEPIS	9.811727%	9.806797%	198
26	Total Other Operating Revenues					<u>581</u>
27						
28	Administrative & General Expenses					
29	Outside Services	1,373,045	NEPIS	9.811727%	9.806797%	68
30	Property Insurance	1,508,889	NEPIS	9.811727%	9.806797%	74
31	Injuries & Damages	1,416,527	NEPIS	9.811727%	9.806797%	70
32	Miscellaneous, Rents, Maintenance	2,212,739	P90	9.575587%	9.572815%	61
33	Total Administrative & General Expense					<u>273</u>
34						
35	Depreciation Expense					
36	General	2,526,983	P90	9.575587%	9.572815%	70
37	Intangible	619,332	P90	9.575587%	9.572815%	17
38	Total Depreciation Expense					<u>87</u>
39						
40	General Taxes	8,845,653	NEPIS	9.811727%	9.806797%	436
41	Investment Tax Credit	(9,310,969)	EPIS	9.839867%	9.836269%	(335)
42	Deferred Income Taxes	40,312,817	NEPIS	9.811727%	9.806797%	1,988
43						
44	Federal Schedule M Adjustments					
45	Additional Tax Depreciation	87,767,748	NEPIS	9.811727%	9.806797%	4,327
46	Cost to Remove	3,029,927	NEPIS	9.811727%	9.806797%	149
47	Accrued Vacation Pay	73,953	NEPIS	9.811727%	9.806797%	4
48	Charges - Operating Reserves	4,161,474	NEPIS	9.811727%	9.806797%	205
49	Provisions - Operating Reserves	(7,629,629)	NEPIS	9.811727%	9.806797%	(376)
50	Other Schedule M Items	42,610,619	NEPIS	9.811727%	9.806797%	2,101
51	Total Income Effect of Schedule M Adjustments					<u>(6,410)</u>
52	Net Operating Income From Adjustment					<u>(215)</u>
53	Federal Adjusted Income Before Income Taxes					<u>(6,625)</u>
54	Federal Tax Rate					<u>35%</u>
55	Federal Income Tax					<u>(2,319)</u>

SOURCES:

Column b & c, line 3: Attachment 3 to IR SD-PUC-10-01, page 3, line 39
Column b & c, line 4: Attachment 3 to IR SD-PUC-10-01, page 3, line 49
Column b & c, line 7: Attachment 3 to IR SD-PUC-10-01, page 4, line 16
Column b & c, line 8: Attachment 3 to IR SD-PUC-10-01, page 4, line 19
Column b & c, line 11: Attachment 3 to IR SD-PUC-10-01, page 5, line 35
Column b & c, line 12: Attachment 3 to IR SD-PUC-10-01, page 5, line 49
Column b & c, line 13: Attachment 3 to IR SD-PUC-10-01, page 5, line 51
Column b, line 14: Volume 4A, page 108, SD TY-05
Column c, line 14: Attachment 3 to IR SD-PUC-10-01, page 21, line 27
Column b & c, line 15: Volume 4A, page 205, line 10
Column b & c, line 16: Attachment 3 to IR SD-PUC-10-01, page 6, line 19
Column b & c, line 21: Attachment 3 to IR SD-PUC-10-01, page 8, line 25
Column b & c, line 22: Attachment 3 to IR SD-PUC-10-01, page 8, line 29
Column b & c, line 23: Attachment 3 to IR SD-PUC-10-01, page 8, line 30
Column b & c, line 24: Attachment 3 to IR SD-PUC-10-01, page 8, line 31
Column b & c, line 25: Attachment 3 to IR SD-PUC-10-01, page 8, line 33
Column b & c, line 29: Attachment 3 to IR SD-PUC-10-01, page 10, line 27
Column b & c, line 30: Volume 4A, page 209, line 29
Column b & c, line 31: Attachment 3 to IR SD-PUC-10-01, page 10, line 31

Column b & c, line 32: Attachment 3 to IR SD-PUC-10-01, page 10, line 37
Column b & c, line 36: Attachment 3 to IR SD-PUC-10-01, page 11, line 16
Column b & c, line 37: Attachment 3 to IR SD-PUC-10-01, page 11, line 19
Column b & c, line 40: Attachment 3 to IR SD-PUC-10-01, page 12, line 1
Column b & c, line 41: Volume 4A, page 211, line 6
Column b & c, line 42: Volume 4A, page 211, line 20
Column b & c, line 45: Volume 4A, page 212, line 9
Column b & c, line 46: Volume 4A, page 212, line 10
Column b & c, line 47: Volume 4A, page 212, line 12
Column b & c, line 48: Volume 4A, page 212, line 13
Column b & c, line 49: Volume 4A, page 212, line 14
Column b & c, line 50: Volume 4A, page 212, line 17
Column d: Attachment 3 to IR SD-PUC-10-01, page 15-16
Column e: Volume 4A, page 214 & 215
Column f, line 3-4, 7-8, 11-16, 21-25, 29-32, 36-37, 40-42, 45-50: Column b
* (Column d - Column e)
Column f, line 51: sum of Column f, line 45 through 50 * -1
Column f, line 52: Column f, line 26 - line 33 - line 38 - line 40

OTTER TAIL POWER COMPANY
 Electric Utility - South Dakota
 Flow-Through Repair Allowance Deduction
 Test Year Ended December 31, 2009

	2009
(A)	(B)
Flow-Through Test Year Deduction	
1. Test year repair allowance deduction	(\$8,879,897)
2. Federal income tax rate	35%
3. Deferred tax adjustment	(\$3,107,964)
4. SD allocation factor (NEPIS 2009 wind removed)	9.823588%
5. SD deferred tax expense adjustment	(\$305,314)
6. SD deferred tax reserve adjustment	(\$305,314)

Sources:

Lines 1: OTP response SD-PUC-03-23

Line 4: OTP response SD-PUC-10-1, Attachment 5