



Volume 1 – Section 2

Deficiency and Proposed Revenues

**OTTER TAIL POWER COMPANY**  
**Electric Utility - State of South Dakota**  
**JURISDICTIONAL FINANCIAL SUMMARY SCHEDULE**

**Docket No. EL10-\_\_\_\_\_**  
**Exhibit \_\_\_\_ (Application)**  
**Schedule 1**  
**Page 1 of 1**

Line No.	Description	( A )	( B )
		2009 Actual Year	2009 Test Year
1	Average Rate Base	\$62,922,312	\$64,406,556
2	Operating Income (Before AFUDC)	\$5,568,902	\$4,091,636
3	Allowance for Funds Used During Construction (AFUDC)	\$0	\$0
4	Total Available for Return (Line 2 + Line 3 + Rounding)	\$5,568,902	\$4,091,636
5	Overall Rate of Return (Line 4 / Line 1)	8.85%	6.35%
6	Required Rate of Return	8.18%	9.13%
7	Operating Income Requirement (Line 1 x Line 6)	\$5,147,045	\$5,880,319
8	Income Deficiency (Line 7 - Line 4)	(\$421,857)	\$1,788,683
9	Gross Revenue Conversion Factor	1.540773	1.540773
10	Revenue Deficiency (Line 8 x Line 9)	(\$649,986)	\$2,755,954
11	Retail Related Revenues Under Present Rates	\$27,634,807	\$27,672,377
12	Percent Increase Needed in Overall Revenue (Line 10 / Line 11)	-2.35%	9.96%

Service Schedule

	Average Customers	kWh Sales Annual	Annual Revenue		Increase	
			Present	Proposed	Amount	Percent
<b><u>Residential</u></b>						
Residential Service	8,505	90,722,040	\$7,837,567	\$8,732,090	\$894,523	11.41%
Residential Demand Control	446	11,214,273	\$741,732	\$919,622	\$177,890	23.98%
<b><u>Farm Service</u></b>						
	392	7,624,960	\$594,499	\$683,674	\$89,175	15.00%
<b><u>Small Commercial</u></b>						
General Service < 20 kW	1,962	30,258,222	\$2,568,700	\$2,767,864	\$199,164	7.75%
General Service >= 20 kW	383	49,951,157	\$3,732,945	\$4,012,302	\$279,357	7.48%
General Service Time of Use	-	-	\$0	\$0	\$0	
<b><u>Large Commercial</u></b>						
Large General Service	45	148,281,577	\$8,112,682	\$8,759,166	\$646,484	7.97%
Large General Service Time of Day	3	30,558,556	\$1,694,817	\$1,792,722	\$97,905	5.78%
Real Time Pricing	-	-	\$0	\$0	\$0	
Large General Service Rider	-	-	\$0	\$0	\$0	
<b><u>Irrigation Services</u></b>						
Irrigation Option #1	8	252,416	\$17,370	\$19,628	\$2,258	13.00%
Irrigation Option #2	3	53,204	\$2,404	\$3,111	\$708	29.44%
<b><u>Outdoor Lighting</u></b>						
Outdoor Lighting - Energy Only	23	454,792	\$40,980	\$45,078	\$4,098	10.00%
Outdoor Lighting Non-Metered		4,040,348	\$561,138	\$617,251	\$56,114	10.00%
<b><u>Other Public Authorities</u></b>						
Municipal Pumping Service	106	3,993,059	\$234,358	\$269,309	\$34,951	14.91%
Civil Defense - Fire Sirens	19		\$920	\$1,260	\$340	36.96%
<b><u>Water Heating, Controlled</u></b>						
	2,432	6,396,995	\$413,540	\$479,707	\$66,167	16.00%
<b><u>Interruptible Loads</u></b>						
Interruptible Load CT Metering	25	7,406,167	\$251,251	\$305,729	\$54,478	21.68%
Interruptible Load CT Metering Option 2	-	-	\$0	\$0	\$0	
Interruptible Load Self Contained Metering	823	13,767,550	\$580,567	\$684,135	\$103,568	17.84%
Bulk Interruptible Load	-	-	\$0	\$0	\$0	
Standby Service	-	-			\$0	
<b><u>Heat Storage</u></b>						
Deferred Load Controlled Service	164	4,584,769	\$214,119	\$256,501	\$42,382	19.79%
Fix Time of Delivery Service	57	2,173,339	\$72,788	\$79,180	\$6,392	8.78%
<b>Total</b>	<b>15,396</b>	<b>411,733,424</b>	<b>27,672,377</b>	<b>30,428,330</b>	<b>\$2,755,954</b>	<b>9.96%</b>

OTTER TAIL POWER COMPANY  
 Electric Utility - State of South Dakota  
 COMPARISON OF PRESENT AND PROPOSED RATES

SD Residential Service 9.01	2009 Revenue	Proposed Rev	Increase
	\$7,837,567	\$8,732,090	11.41%

	Customer Charge per month	Monthly Minimum Bill per month	Facilities Charge per month	Energy Charge		
				All Year	per kWh Summer	Winter
<b>Current Rate</b>	\$7.00	Customer + Facilities		First 500	\$0.08626	\$0.08315
				Excess	\$0.07401	\$0.07198
			Water Heating Credit			-\$4.00
<b>Proposed Rate</b>	\$8.00	Customer + Facilities	\$0.00	First 500	\$0.08858	\$0.09097
				Excess	\$0.08245	\$0.08538
Seasonal Fixed Charge	\$32.00		Water Heating Credit			-\$4.00

OTTER TAIL POWER COMPANY  
 Electric Utility - State of South Dakota  
 COMPARISON OF PRESENT AND PROPOSED RATES

Current Rev.	Proposed Rev.	Increase
\$741,732	\$919,622	23.98%

SD Residential Controlled Demand - 9.02

	Customer Charge per month	Minimum Bill per month	Facilities Charge per KW month	Charge per kWh		Demand Charge per kW per mo.	
				Summer	Winter	per 12-mo. max	Summer
<b>Current Rate</b>							
Seasonality - 12-month Demand Ratchet	\$12.00	Cust. + Demand Charge		\$0.04855	\$0.04905		
						\$4.71	\$4.31
<b>Proposed Rate</b>							
	\$13.00	Cust. + Demand Charge		All kWh:	\$0.05451	\$0.05902	
						\$8.63	\$7.25
			All Customers:	\$0.00			

OTTER TAIL POWER COMPANY  
 Electric Utility - State of South Dakota  
 COMPARISON OF PRESENT AND PROPOSED RATES

SD Farm Service 9.03

Current Rev	Proposed Rev	Increase
\$594,499	\$683,674	15.00%

	Customer Charge per month	Monthly Minimum Bill per month	Facilities Charge per kVA of Transformer		Energy per kWh			
					Summer	Winter		
<b>Current Rates</b>	\$8.00	Cust + Facility	3-Phase Surcharge per Mo.		0.07628	0.07405	First 1,600	
			<b>Overhead</b>	<25 kVA	\$3.85	0.07051	0.06878	Excess
				25 kVA or more	\$4.49			
			<b>Underground</b>	<25 kVA	\$10.73			
				25 kVA or more	\$17.24			
			<b>Proposed Rate</b>					
	\$13.00	Cust + Facility	3-Phase Surcharge per Mo.		\$0.08081	\$0.08299	First 1,600	
			<25 kVA	\$5.00	\$0.07793	\$0.08036	Excess	
			25 kVA or more	\$5.00				

OTTER TAIL POWER COMPANY  
 Electric Utility - State of South Dakota  
 COMPARISON OF PRESENT AND PROPOSED RATES

**SD General Service Less than 20 kW - 10.01**

Current Revenue	Proposed Rev	Increase
\$2,568,700	\$2,767,864	7.75%

	Customer Charge per month	Monthly Minimum Bill per month	Facilities Charge per annual max. kW per month	Energy Charge per kWh		
				Summer	Winter	
<b>Current Rate GS</b>						
Secondary Service	\$12.00	Customer Charge	\$0.00	\$0.08683	\$0.07886	First 2,000
				\$0.07164	\$0.06367	Excess
Primary Service	\$12.00	Customer Charge	\$0.00	\$0.08643	\$0.07849	First 2,000
				\$0.07130	\$0.06337	Excess

<b>Proposed Rate</b>						
Secondary Service	\$13.00	Customer Charge	\$0.00	\$0.08269	\$0.08492	First 2,000
				\$0.07510	\$0.07733	Excess
Primary Service	\$13.00	Customer Charge	\$0.00	\$0.07998	\$0.08165	First 2,000
				\$0.07242	\$0.07409	Excess
Seasonal Fixed Charge	\$52.00					



OTTER TAIL POWER COMPANY  
 Electric Utility - State of South Dakota  
 COMPARISON OF PRESENT AND PROPOSED RATES

**SD GS: Greater than or Equal to 20 kW - 10.02**

Current Rev	Proposed Rev	Increase
\$3,732,945	\$4,012,302	7.48%

	Customer Charge per month	Monthly Minimum Bill per month	Facilities Charge per annual max. kW per month	Energy Charge per kWh		Demand Charge per kW		
				Summer	Winter	Summer	Winter	
<b>Current Rate</b>								
Secondary	\$10.00	Cust.+ Facilities	\$0.52	\$0.07692	\$0.06982			
Primary	\$10.00	Cust.+ Facilities	\$0.38	\$0.07656	\$0.06946			
<b>Proposed Rate</b>								
Secondary	\$12.00	Cust. + Facilities Charge + minimum Demand	\$0.60	\$0.06735	\$0.07292	\$1.22	\$1.02	
Primary	\$12.00	Cust. + Facilities Charge + minimum Demand	\$0.40 Minimum of 20 kW	\$0.06529	\$0.07031	\$1.17	\$0.97	

OTTER TAIL POWER COMPANY  
 Electric Utility - State of South Dakota  
 COMPARISON OF PRESENT AND PROPOSED RATES

SD General Service Time of Use 10.03

Current Revenue	Proposed Revenue	Increase
\$0	\$0	0.00%

	Customer Charge per month	Minimum Bill per month	Facilities Charge per per KW month	Charge per kWh		Demand Charge per kW per mo.		
				Summer	Winter	Summer	Winter	
								per seasonal max kW
<b>Current Rate</b>								
Seasonal Energy and Demand with Peak, Shoulder, Off Peak	\$12.00	Cust+Fac.	\$0.52	*Declared	\$0.19699	\$0.12907	NA	NA
				Intermediate	\$0.06414	\$0.06506	\$2.45	\$2.84
				Off-peak	\$0.03638	\$0.03779	\$0.00	\$0.00

\*Declared energy rates include some Capacity costs.

	Customer Charge per month	Minimum Bill per month	Facilities Charge per per KW month	Charge per kWh		Demand Charge per kW per mo.		
				Summer	Winter	Summer	Winter	
								per seasonal max kW
<b>Proposed Rate</b>								
Seasonal Energy and Demand with Peak, Shoulder, Off Peak	\$19.00	Cust+Fac. +min. Demand	\$0.60	*Declared	\$0.20332	\$0.21624	\$0.00	\$0.00
				Intermediate	\$0.08153	\$0.07428	\$2.81	\$1.45
				Off-peak	\$0.03682	\$0.05536	\$0.00	\$0.00

\*Declared energy rates include some Capacity costs.

OTTER TAIL POWER COMPANY  
 Electric Utility - State of South Dakota  
**COMPARISON OF PRESENT AND PROPOSED RATES**  
 SD Large General Service- Sec, Prim, Trans. 10.04

Present	Proposed	Increase
\$ 8,112,682	\$ 8,759,166	7.97%

	Customer Charge per month	Minimum Bill per month	Facilities Charge per annual max. kW (minimum 80 kw) per month	Energy Charge per kWh		Demand Charge per kW	
				Summer	Winter	Summer	Winter
<b>SECONDARY</b>							
<b>Current Rate</b>	\$40.00	Cust+Fac+Demand		\$0.04613	\$0.04661	\$7.06	\$2.85
		< 1000 kW:	\$0.30				
		> 1000 kW:	\$0.15				
<b>Proposed - Secondary</b>	\$50.00	Cust+Fac+Demand		\$0.04386	\$0.04749	\$7.29	\$6.13
Customer, Facility, Flat Energy, Flat Demand		< 1000 kW:	\$0.33				
		> 1000 kW:	\$0.24				
<b>PRIMARY</b>							
<b>Current Rate</b>	\$40.00	Cust+Fac+Demand	\$0.11	\$0.04594	\$0.04638	\$7.01	\$2.83
<b>Proposed - Primary</b>	\$50.00	Cust+Fac+Demand	\$0.12	\$0.04251	\$0.04579	\$7.00	\$5.82
Customer, Facility, Flat Energy, Flat Demand							
<b>TRANSMISSION</b>							
<b>Current Rate</b>	\$40.00	Cust+Fac+Demand	\$0.00	\$0.04475	\$0.04496	\$5.69	\$2.41
<b>Proposed - Transmission</b>	\$50.00	Cust+Fac+Demand	\$0.00	\$0.04030	\$0.04305	\$5.42	\$5.02
Customer, Facility, Flat Energy, Flat Demand							

SD Large General Service-Time-of-Day 10.05				\$1,694,817 2009 LGS TOD Rev.			5.78% Increase			\$1,792,722 Proposed LGS TOD Rev.					
	Cust. Charge per month	Monthly Min. Bill per month	Facilities Charge per annual max. kW (min. 80)	Energy Charge per kWh						Demand Charge per kW					
				Summer			Winter			Summer			Winter		
				PK	SH	OP	PK	SH	OP	PK	SH	OP	PK	SH	OP
<b>SECONDARY</b>															
<b>Current Rate</b>	\$60.00	\$325 + Cust. + Fac.	\$0.30 < 1,000 kW \$0.15 >=1,000 kW	\$0.07298	\$0.05500	\$0.03115	\$0.06508	\$0.05219	\$0.03567	\$5.64	\$1.56	\$0.00	\$2.18	\$0.51	\$0.00
<b>Proposed Secondary</b>	\$70.00	\$380 + Cust. + Facilities	\$0.33 < 1,000 kW \$0.24 >=1,000 kW	\$0.07442	\$0.05487	\$0.02478	\$0.06616	\$0.04999	\$0.03726	\$5.59	\$1.70	\$0.00	\$5.18	\$0.95	\$0.00
<b>PRIMARY</b>															
<b>Current Rate</b>	\$60.00	\$325 + Cust. + Fac.	\$0.11	\$0.07264	\$0.05476	\$0.03104	\$0.06474	\$0.05193	\$0.03550	\$5.60	\$1.54	\$0.00	\$2.17	\$0.51	\$0.00
<b>Proposed Primary</b>	\$70.00	\$380 + Cust. + Facilities	\$0.12	\$0.07185	\$0.05316	\$0.02416	\$0.06355	\$0.04821	\$0.03605	\$5.37	\$1.63	\$0.00	\$4.99	\$0.83	\$0.00
<b>TRANSMISSION</b>															
<b>Current Rate</b>	\$60.00	\$325 + Cust. + Fac.	\$0.00	\$0.07061	\$0.05329	\$0.03034	\$0.06271	\$0.05033	\$0.03445	\$4.76	\$1.04	\$0.00	\$1.97	\$0.44	\$0.00
<b>Proposed Transmission</b>	\$70.00	\$380 + Cust. + Facilities	\$0.00	\$0.06771	\$0.05035	\$0.02310	\$0.05941	\$0.04534	\$0.03408	\$4.35	\$1.07	\$0.00	\$4.31	\$0.71	\$0.00

**South Dakota Standby Service**

2009 Current Revenue	\$0.00	Proposed	\$0.00	Increase	0.00%
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	Cust. Charge per month	Monthly Min. Bill per month	Facilities Charge	Energy Charge per kWh						Demand Charge per kW		Reservation Charge per kW		
				PK	Summer SH	OP	PK	Winter SH	OP	Summer PK	Winter PK	Summer	Winter	
<b>SECONDARY</b>														
Current Rate	\$199.00	Cust. + Fac. + Res.	\$0.30	\$0.07298	\$0.05500	\$0.03115	\$0.06508	\$0.05219	\$0.03567	\$0.49076	\$0.32187	\$0.85069	\$0.09697	
			<1,000kW 1,00kW>											
<b>Proposed</b>	\$199.00	Cust. + Fac. + Res.	\$0.33	0.24	\$0.07442	\$0.05487	\$0.02478	\$0.06616	\$0.04999	\$0.03726	\$0.71375	\$0.73731	\$0.16772	\$0.05370
<b>PRIMARY</b>														
Current Rate	\$199.00	Cust. + Fac. + Res.	\$0.11	\$0.07264	\$0.05476	\$0.03104	\$0.06474	\$0.05193	\$0.03550	\$0.4868	\$0.3198	\$0.84590	\$0.09634	
<b>Proposed</b>	\$199.00	Cust. + Fac. + Res.	\$0.12	\$0.07185	\$0.05316	\$0.02416	\$0.06355	\$0.04821	\$0.03605	\$0.6838	\$0.7003	\$0.16042	\$0.05097	
<b>TRANSMISSION</b>														
Current Rate	\$199.00	Cust. + Fac. + Res.	NA	\$0.07061	\$0.05329	\$0.03034	\$0.06292	\$0.05033	\$0.03445	\$0.3587	\$0.2869	\$0.81704	\$0.09254	
<b>Proposed</b>	\$199.00	Cust. + Fac. + Res.	\$0.00	\$0.06771	\$0.05035	\$0.02310	\$0.05941	\$0.04534	\$0.03408	\$0.6367	\$0.6433	\$0.14896	\$0.04678	

OTTER TAIL POWER COMPANY  
 Electric Utility - State of South Dakota  
 COMPARISON OF PRESENT AND PROPOSED RATES

SD Irrigation Option #1, Irrigation Option #2,

Current #1	Proposed #1
\$17,369	\$19,628
13.00%	Increase

Current #2	Proposed #2
\$2,404	\$3,111
29.42% Increase	

	Cust. Charge per month	Monthly Min. Bill per month	Facilities Charge per annual max. kW (min. 80)	Energy Charge per kWh		Demand Charge per HP		
				Summer	Winter	Summer	Winter	
<b>SECONDARY</b>								
<b>Current Rate</b>	\$1.00		Customer Specific	\$0.06430		\$0.04695	N/A	N/A
<b>OPTION 1</b>								
Rate 1 Option 1 - Seasonal Energy, Customer-specific facilities charge, Customer Charge	\$2.00	Cust.+Fac	Customer specific	\$0.07334		\$0.04841	N/A	N/A

	Cust. Charge per month	Monthly Min. Bill per month	Facilities Charge per annual max. kW (min. 80)	Declared			Declared			Declared			Declared		
				Peak	Intermediate	Off-Peak	Peak	Intermediate	Off-Peak	Peak	Intermediate	Off-Peak	Peak	Intermediate	Off-Peak
<b>Current Rate</b>	\$5.00	Cust.+Fac	Customer Specific	\$ 0.18971	\$ 0.06896	\$ 0.03144	\$ 0.11343	\$ 0.06453	\$ 0.03137	NA	NA	NA	NA	NA	NA
<b>OPTION 2</b>															
Rate 2 Option 2 - TOU energy including Capacity, Customer Charge, Customer-specific facilities charge	\$6.00	Cust.+Fac	Customer Specific	\$0.19993	\$0.08121	\$0.02229	\$0.22061	\$0.06942	\$0.02345	NA	NA	NA	NA	NA	NA

OTTER TAIL POWER COMPANY  
 Electric Utility - State of South Dakota  
 COMPARISON OF PRESENT AND PROPOSED RATES

SD Energy Only Lighting - 11.03	Current Revenue	Proposed Revenue	Increase
	\$ 40,980	\$ 45,078	10.00%

<b>Customer Charge per month</b>	<b>Monthly Minimum Bill per month</b>	<b>Facilities Charge per month</b>	<b>Energy Charge per kWh</b>
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Metered

Current Rate	\$2.00	\$2.00	\$0.00	0.06097
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<b>Proposed Rate</b>	\$2.50	\$2.50	\$0.00	0.06813
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Non-Metered

Current Rate	Connected kW x	\$22.19	Current rate * 4100 hrs in year / 12 months
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<b>Proposed Rate</b>	Connected kW x	\$23.28	Current rate * 4100 hrs in year / 12 months
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South Dakota 11.04 Outdoor Lighting Dusk to Dawn

**STREET AND AREA LIGHTING**

Rate Code	TYPE	QTY	Present Rate 2009		Proposed Rate		
			Rate	Amount	Rate	Amount	
741	MV-6	12,783	\$7.26	\$92,804	\$7.75	\$99,114	
741	MV-6PT	152	\$10.44	\$1,587	\$11.15	\$1,695	
741	MV-11	-	\$13.15	\$0	\$14.04	\$0	
741	MV-21	73	\$17.41	\$1,274	\$18.59	\$1,361	
741	MV-35	-	\$25.60	\$0	\$27.34	\$0	
741	MV-55	-	\$32.75	\$0	\$34.98	\$0	
741	MA-8	12	\$8.23	\$100	\$8.79	\$107	
741	MA-8PT	-	New	\$0	\$11.48	\$0	
741	MA-14	-	\$15.67	\$0	\$16.74	\$0	
741	MA-20	-	\$17.95	\$0	\$19.17	\$0	
741	MA-36	22	\$17.76	\$399	\$18.97	\$426	
741	MA-110	180	\$38.03	\$6,836	\$40.62	\$7,301	
741	HPS-9	33,120	\$7.96	\$263,636	\$8.50	\$281,563	
741	HPS-9PT	263	\$9.65	\$2,537	\$10.31	\$2,710	
741	HPS-14	2,200	\$12.22	\$26,878	\$13.05	\$28,706	
741	HPS-14PT	-	\$12.41	\$0	\$13.25	\$0	
741	HPS-19	79	\$14.07	\$1,106	\$15.03	\$1,181	
741	HPS-23	2,219	\$16.03	\$35,566	\$17.12	\$37,984	
741	HPS-44	2,076	\$19.83	\$41,159	\$21.18	\$43,958	
741	UMV6	12	\$9.34	\$114	\$9.98	\$122	
741	UHPS9	-	\$10.04	\$0	\$10.73	\$0	
741	UHPS19	-	\$16.15	\$0	\$17.26	\$0	
741	UHPS23	-	\$18.11	\$0	\$19.35	\$0	
				<u>\$473,996</u>	<u>\$506,228</u>		

**FLOOD LIGHTING**

Rate Code	TYPE	QTY	Present Rate 2009		Proposed Rate		
			Rate	Amount	Rate	Amount	
743	400MVF	482	\$18.05	\$8,707	\$19.28	\$9,300	
743	400MAF	1,687	\$19.26	\$32,498	\$20.57	\$34,708	
743	400HPSF	2,389	\$19.72	\$47,102	\$21.06	\$50,305	
743	1000MVF	12	\$31.71	\$389	\$33.87	\$415	
743	1000MAF	335	\$33.32	\$11,154	\$35.59	\$11,912	
				<u>\$99,851</u>	<u>\$106,641</u>		

11.04 Outdoor Lighting Dusk to Dawn

**CLOSED NON-STANDARD LIGHTING FACILITIES**

Rate Code	QTY	Present Rate	Proposed Rate	
0741	HPS9CIP	240	\$1,912	\$2,042
0741	MV6SM	5	\$57	\$60
0741	SIGN	18	\$229	\$244
0741	CABLETV	30	\$659	\$704
0741	EGYONLY	36	\$83	\$89
0741	INCAND	175	\$303	\$324
0743	U4CHPSF	36	\$802	\$857
0743	HPS9	12	\$60	\$64
		<u>\$4,104</u>	<u>\$4,383</u>	
Unbilled kWh		\$517		
Cost of Energy Adjustment		-\$17,330		
Total:		Present <u>\$561,138</u>	Proposed <u>\$617,251</u>	



OTTER TAIL POWER COMPANY  
 Electric Utility - State of South Dakota  
 COMPARISON OF PRESENT AND PROPOSED RATES

SD Municipal Pumping - 11.05

Current Rev \$234,358	Proposed Rev. \$269,309	Increase 14.91%
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Comparison of Current Rate, Recommended Rate and Marginal Cost  
 Municipal Pumping

	Customer \$ per month	Minimum Bill \$ per month	Facilities Charge \$ per month		Summer \$ per kWh	Winter per month
<b>Current Rate</b>						
Secondary	\$2.00	Cust + Fac per metering pt.	\$4.00		\$0.06037	\$0.05472
Primary	\$2.00	Cust + Fac per metering pt.	\$2.68		\$0.06008	\$0.05444
<b>Proposed Rate</b>						
Secondary	\$3.00	Cust + Fac	per kW	\$0.14	\$0.06426	\$0.06600
Primary	\$3.00	Cust + Fac	per kW	\$0.09	\$0.06216	\$0.06345

OTTER TAIL POWER COMPANY  
 Electric Utility - State of South Dakota  
 COMPARISON OF PRESENT AND PROPOSED RATES

Current Rev.	Proposed Rev.	Increase
\$920.00	\$1,260.31	36.99%

SD Civil Defense Fire Sirens

	Customer Charge per month	Monthly Minimum Bill per month	Facilities Charge per month	Charge per HP
<b>SECONDARY</b>				
Current Rate	\$1.00	Customer Charge	\$0.00	\$0.48731
<b>Proposed Rate</b>	\$1.00	Customer Charge	\$0.00	\$0.72848

OTTER TAIL POWER COMPANY  
 Electric Utility - State of South Dakota  
 COMPARISON OF PRESENT AND PROPOSED RATES

SD Water Heating Control (Off-Peak) 14.01

Current Rev.	Proposed Rev.	
\$413,540	\$479,707	16.0% Increase

		<u>Customer Charge</u> per month	<u>Monthly Minimum Bill</u> per month	<u>Facilities Charge</u> per month	<u>Energy Charge</u> per kWh	
					Summer	Winter
Current	Customer Charge, Seasonal Energy	\$1.00	Cust. + Facilities	\$1.00	\$0.05540	\$0.05401
<b>Proposed Rate</b>	Customer Charge, Seasonal Energy	\$2.50	Cust. + Facilities	\$0.00	\$0.06067	\$0.06487

OTTER TAIL POWER COMPANY  
 Electric Utility - State of South Dakota  
 COMPARISON OF PRESENT AND PROPOSED RATES

SD LDF CT Metering - Option 1 14.04

Current Rev.	Proposed Rev	Increase
\$251,251	\$305,729	21.68%

Controlled Service - Interruptible - (assumes all customers have CT metering)

	Customer Charge per month	Monthly Minimum Bill per month	Facilities Charge	Energy Charge per kWh		
				Summer	Winter	
SECONDARY						
Current Rate	\$3.00	Cust. + Facilities	\$0.08 per kW	All kWh Penalty kWh	\$0.03185 \$0.39031	\$0.03047 \$0.12325
Proposed Rate	\$5.00	Cust. + Facilities	\$0.12 per kW	All kWh Penalty kWh	\$0.03694 \$0.14991	\$0.04004 \$0.15270

**SD LDF CT Metering - Option 2 - 14.04**

\$	-	\$	-	0%
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**Controlled Service-Interruptible (assumes all customers have CT metering)**

	Customer Charge per month	Monthly Minimum Bill per month	Facilities Charge	Energy Charge per kWh		Demand Charge per kW	
				Summer	Winter	Summer	Winter
SECONDARY							
Current Rate	\$4.00	Customer + Facilities charge	per annual max. kW per month \$0.08	\$0.03446	\$0.03298	\$7.06	\$2.85
Rate 1 Seasonal Energy, kW Facilities All kWh	\$6.00	Customer + Facilities charge	per annual max. kW per month \$0.12	\$0.03939	\$0.04270	\$7.29	\$6.13

SD Small Dual Fuel - Self Contained Metering - 14.05

Current Revenue	Proposed Rev	Increase
\$580,567	\$684,135	17.84%

Controlled Service - Interruptible - SDF, Self-Contained: (assumes all customers do not have CT metering)

SECONDARY	Customer Charge per month	Monthly Minimum Bill per month	Facilities Charge per customer per month		Energy Charge per kWh		
					Summer	Winter	
Current Rate	\$2.00	Cust. + Facilities Charge	\$3.50		All kWhs	\$0.03836	\$0.03595
					Penalty kWhs	\$0.38031	\$0.12382
Proposed Rate	\$2.00	Cust. + Facilities Charge	Fixed Facilities	\$5.00	All kWhs	\$0.04117	\$0.04503
					Penalty kWhs	\$0.15876	\$0.17120

OTTER TAIL POWER COMPANY  
 Electric Utility - State of South Dakota  
 COMPARISON OF PRESENT AND PROPOSED RATES

SD Deferred Load

<b>Current Rev.</b>	<b>Proposed Rev.</b>	<b>Increase</b>
<b>\$214,119</b>	<b>\$256,501</b>	<b>19.79%</b>

Controlled Service - Deferred Load 14.06

	<u>Customer Charge per month</u>	<u>Monthly Minimum Bill per month</u>		<u>Facilities Charge per month</u>	<u>Energy Charge per kWh</u>	
					<u>Summer</u>	<u>Winter</u>
					<b>Current Deferred Load Rate</b>	\$2.50
<b>Proposed Rate</b>	\$3.00	Customer + Facilities	Flat charge per month	\$4.00	All kWhs \$0.04992 Penalty kWhs \$0.15340	\$0.05337 \$0.16286

OTTER TAIL POWER COMPANY  
 Electric Utility - State of South Dakota  
 COMPARISON OF PRESENT AND PROPOSED RATES

SD FTS 14.07

<b>Current Rev</b> \$72,788	<b>Proposed Rev.</b> \$79,180	<b>Increase</b> 8.78%
--------------------------------	----------------------------------	--------------------------

Fixed Time of Service - Rate Codes 301,302,303

	<b>Customer Charge per month</b>	<b>Monthly Minimum Bill per month</b>	<b>Facilities Charge per Customer per month</b>	<b>Energy Charge per kWh</b>	
<b>Current Rate</b>		Customer + Facilities Charge		<b>Summer</b>	<b>Winter</b>
Secondary < 100 kW (301)	\$1.00		\$3.00	\$0.02517	\$0.02689
Secondary > 100 kW (302)	\$1.50		\$15.00	\$0.02517	\$0.02689
Primary (303)	\$3.00		\$7.00	\$0.02506	\$0.02676

<b>Proposed Rate</b>		Customer + Facilities Charge		<b>Summer</b>	<b>Winter</b>
Secondary Self-Contained Metering (301)	\$1.50		\$3.00	\$0.01629	\$0.03331
				Penalty kWh	\$0.03599
Secondary CT Metering (302)	\$2.00		\$16.00	\$0.01629	\$0.03331
				Penalty kWh	\$0.03599
Primary (303)	\$5.00		\$8.00	\$0.01623	\$0.03318
				Penalty kWh	\$0.03586



Figure 1. Bill Impacts – Residential Service

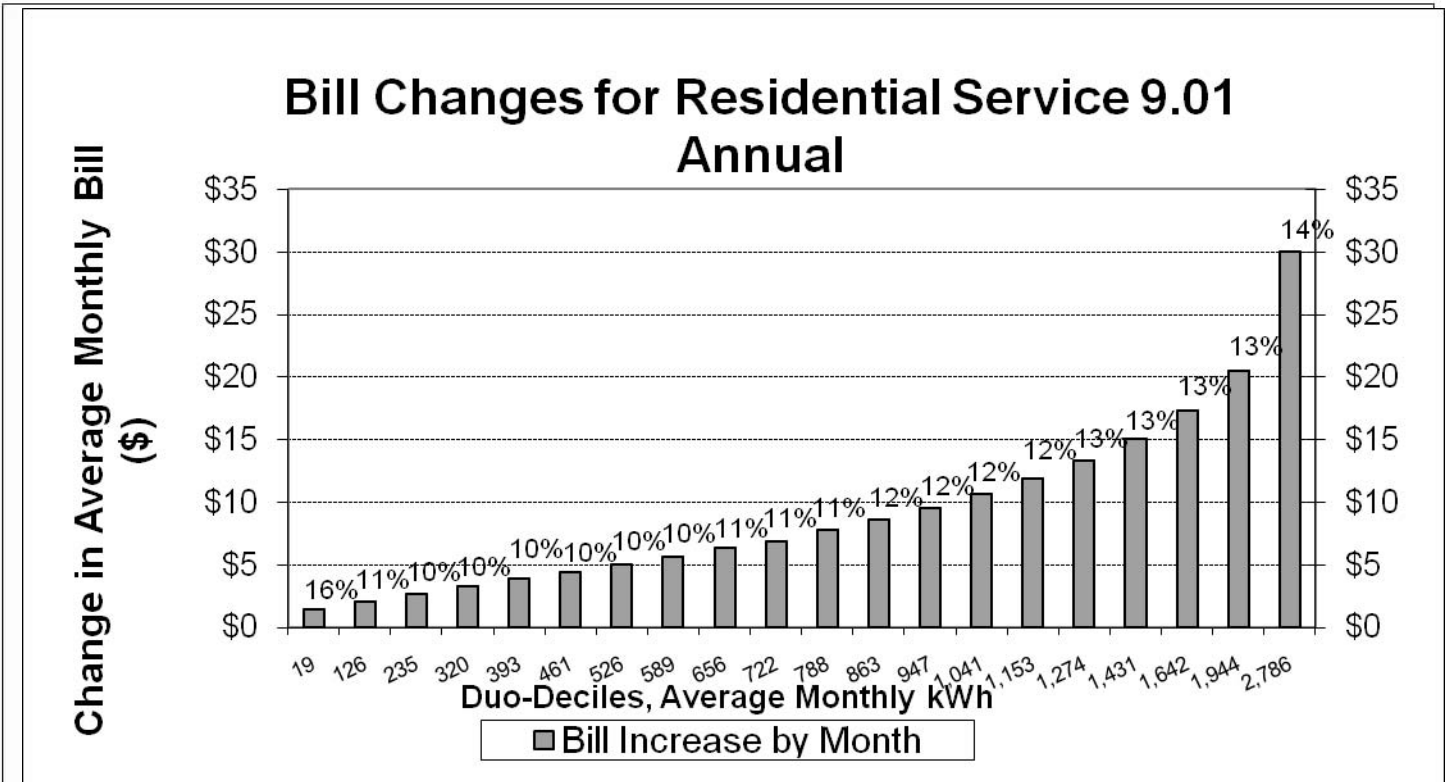


Figure 2. Bill Impacts – Residential Controlled Demand

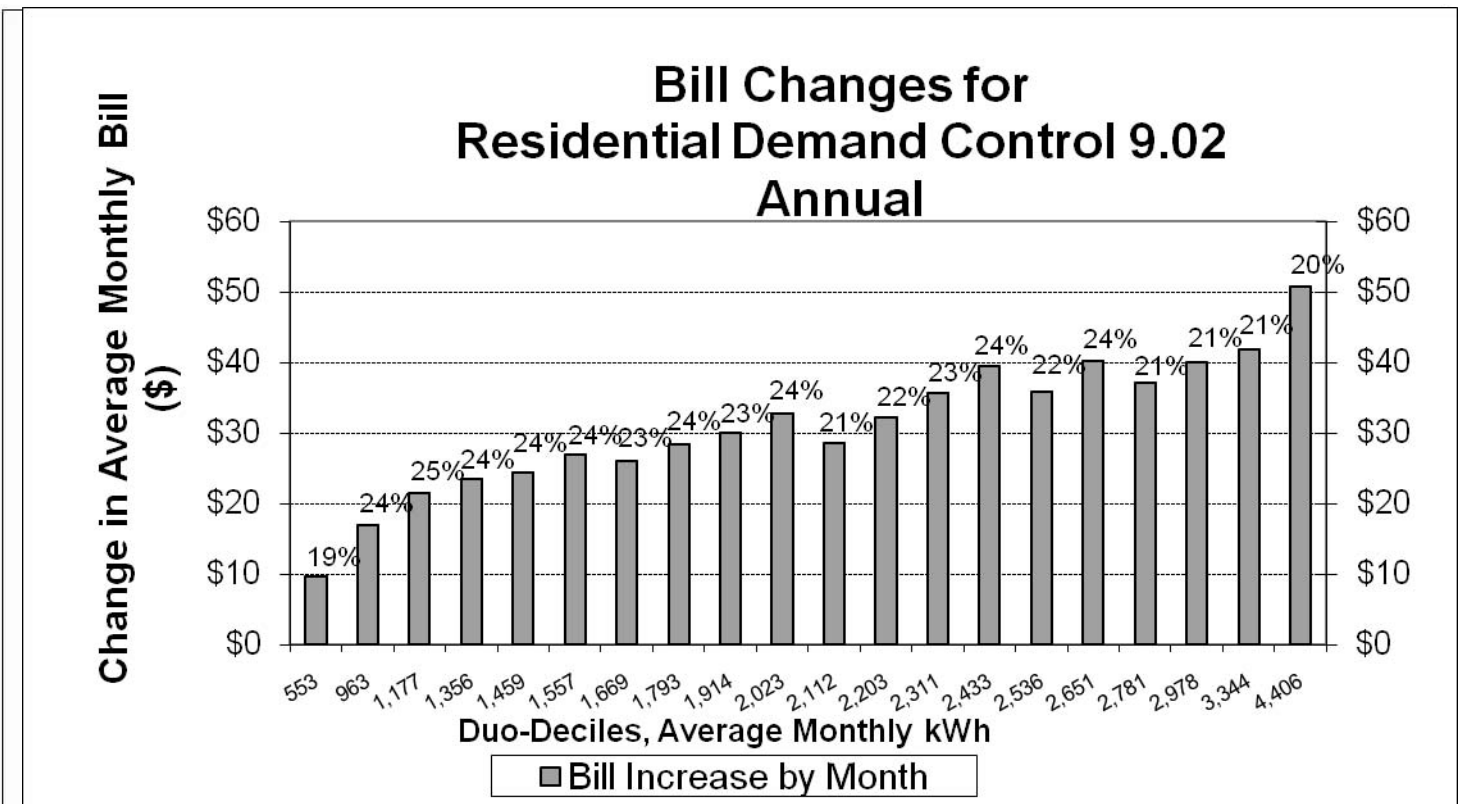


Figure 3. Bill Impacts – Farm Service

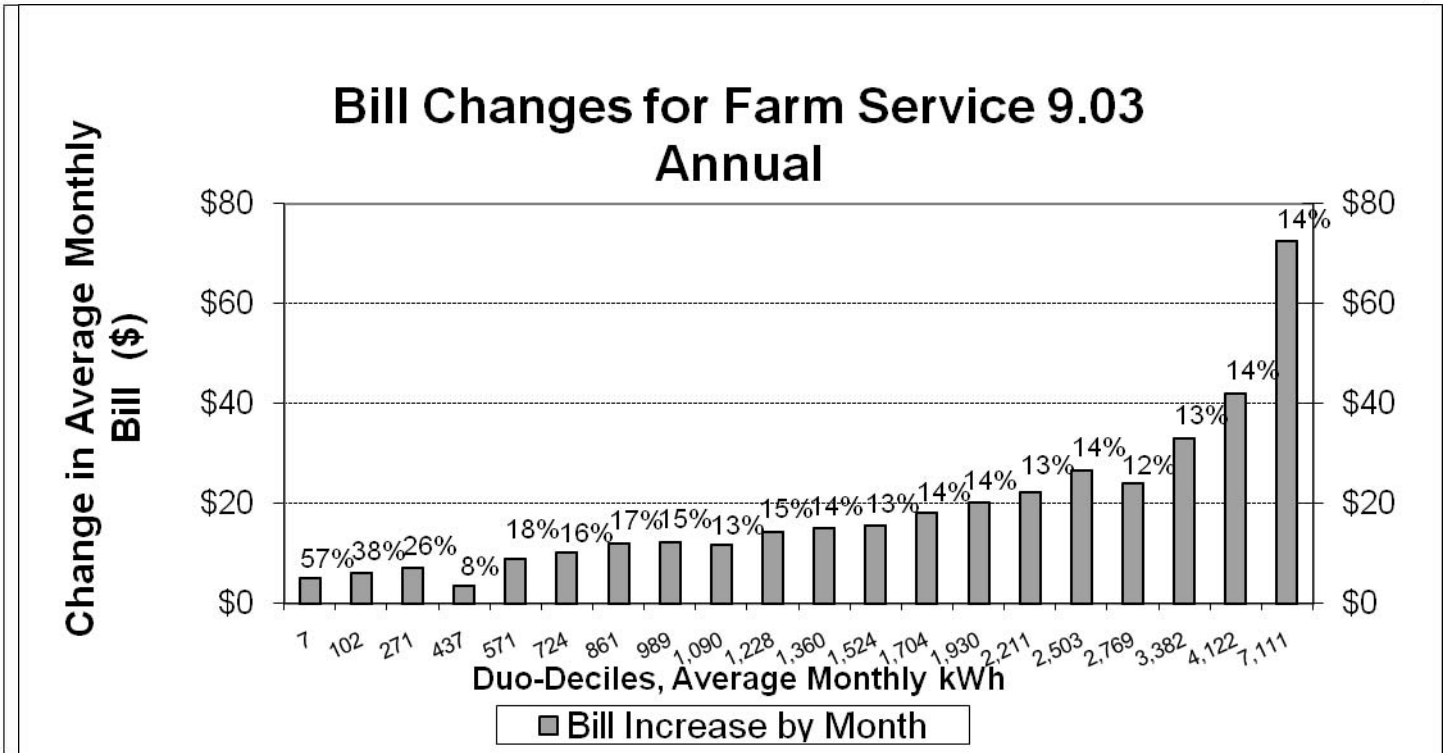


Figure 4. Small General Service

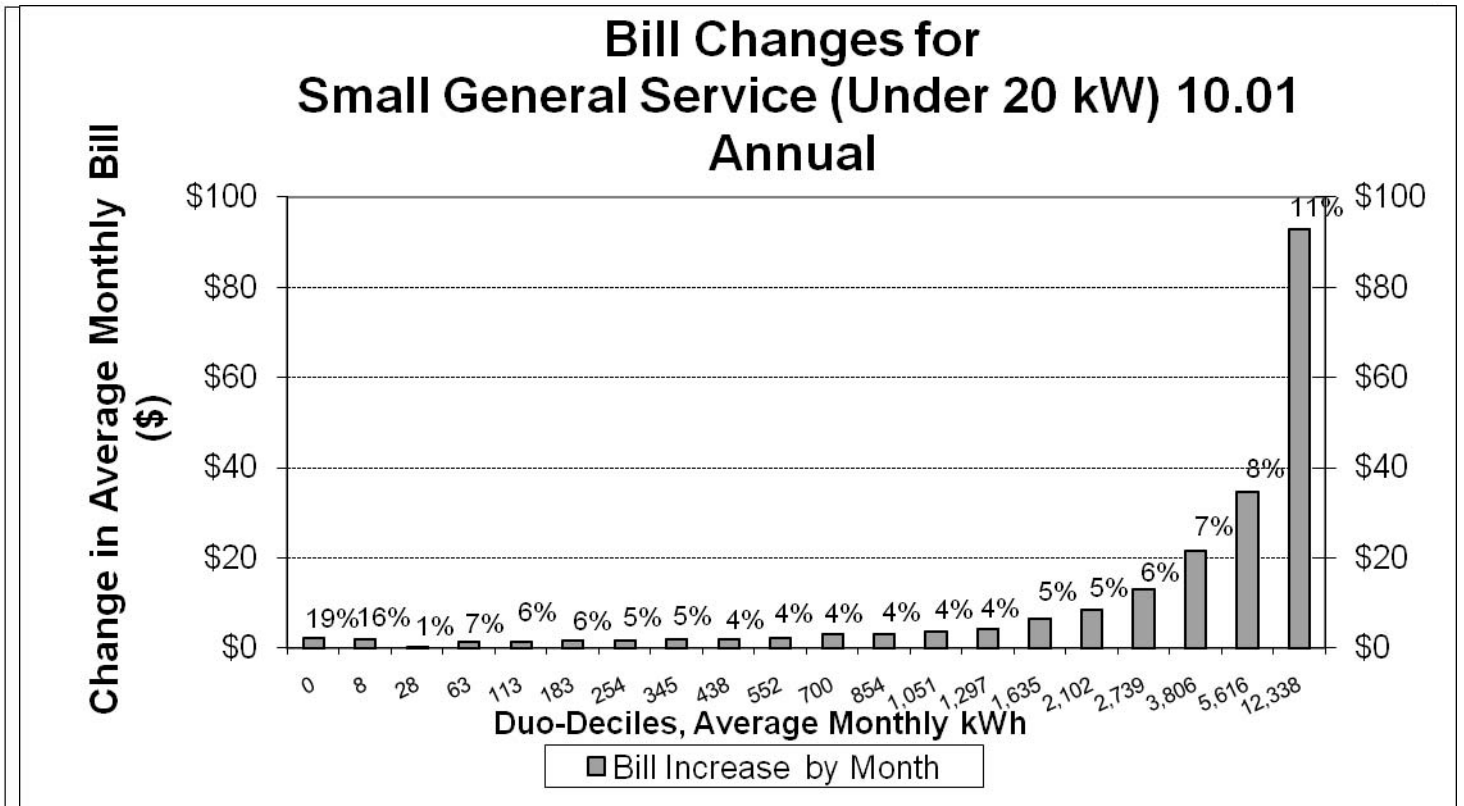


Figure 5. General Service 20kW or Greater

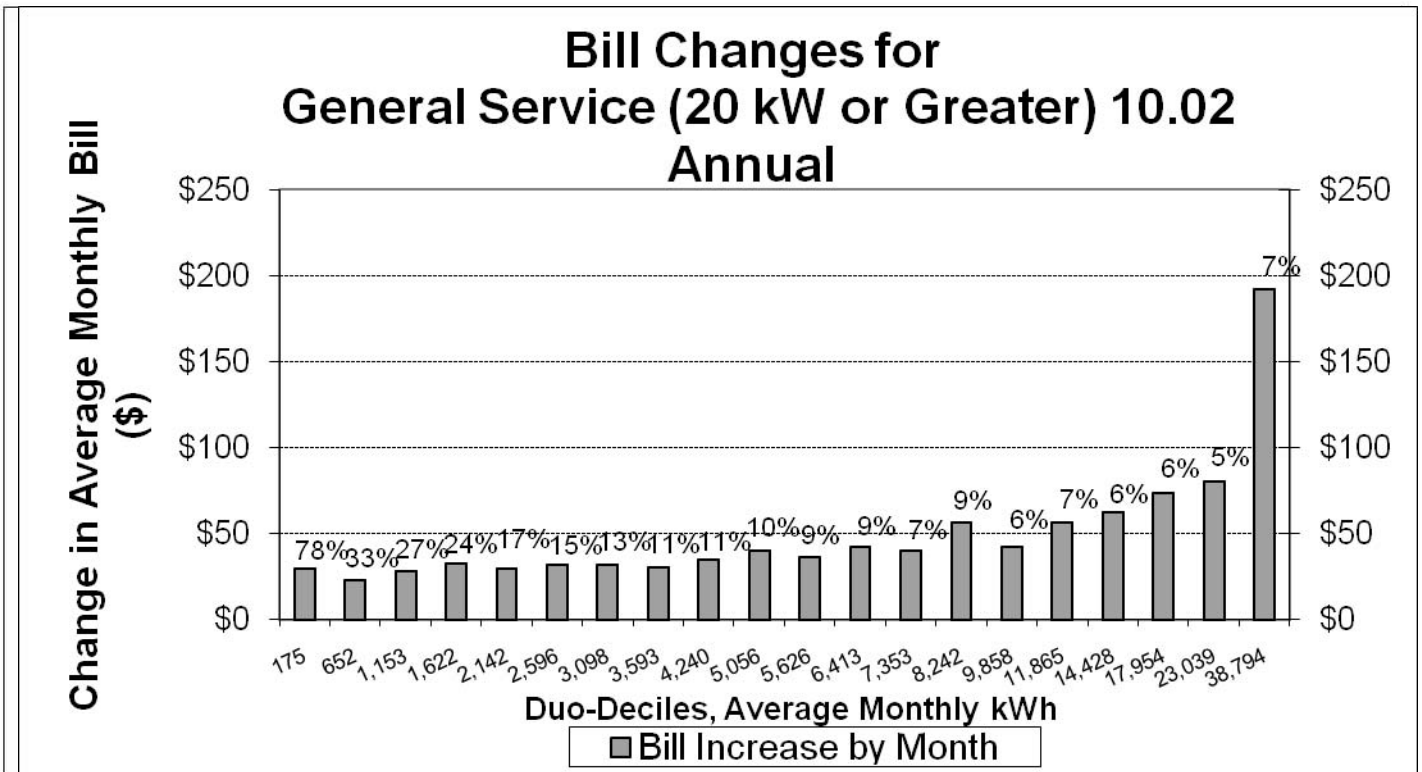


Figure 6. Large General Service

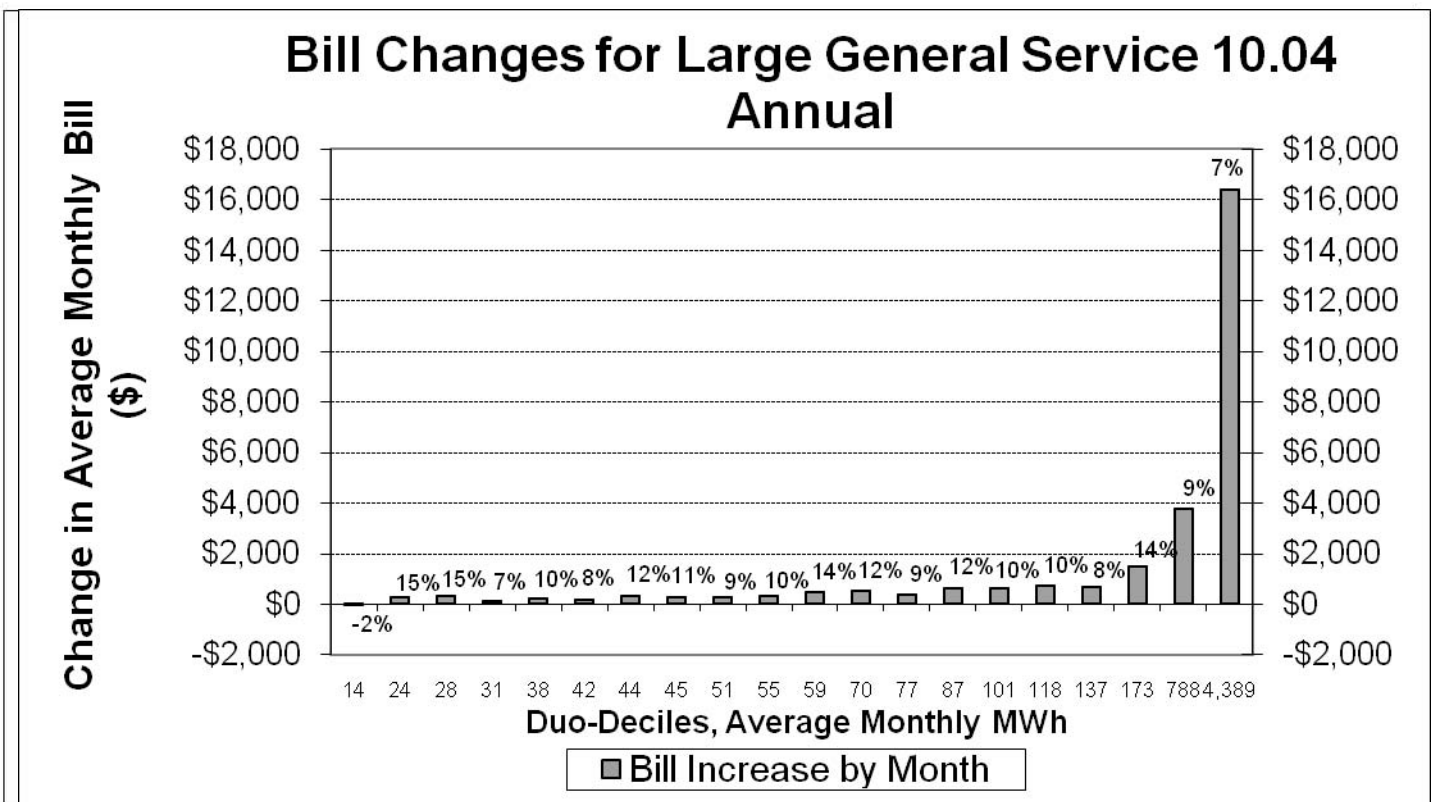


Figure 7. Large General Service Time of Day

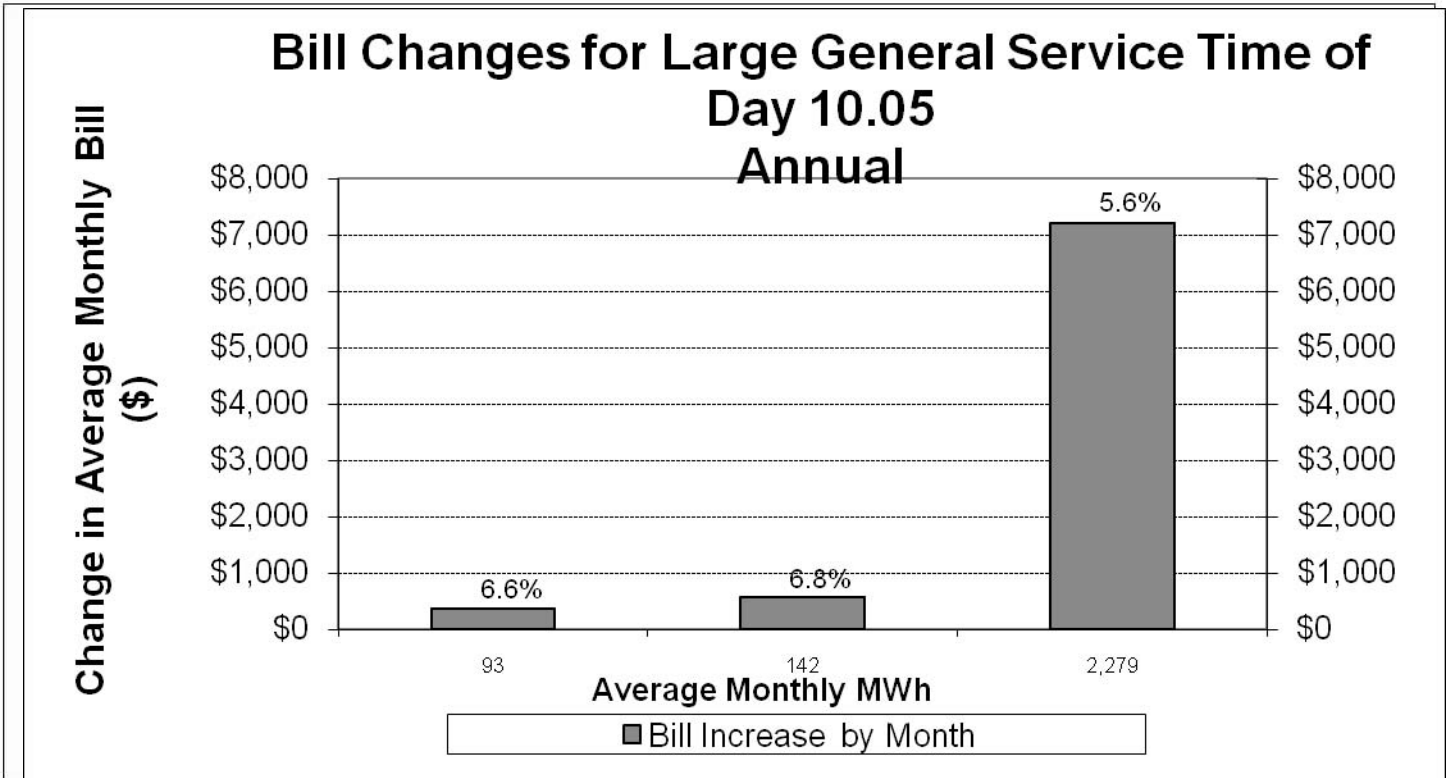


Figure 8. Irrigation Service 703

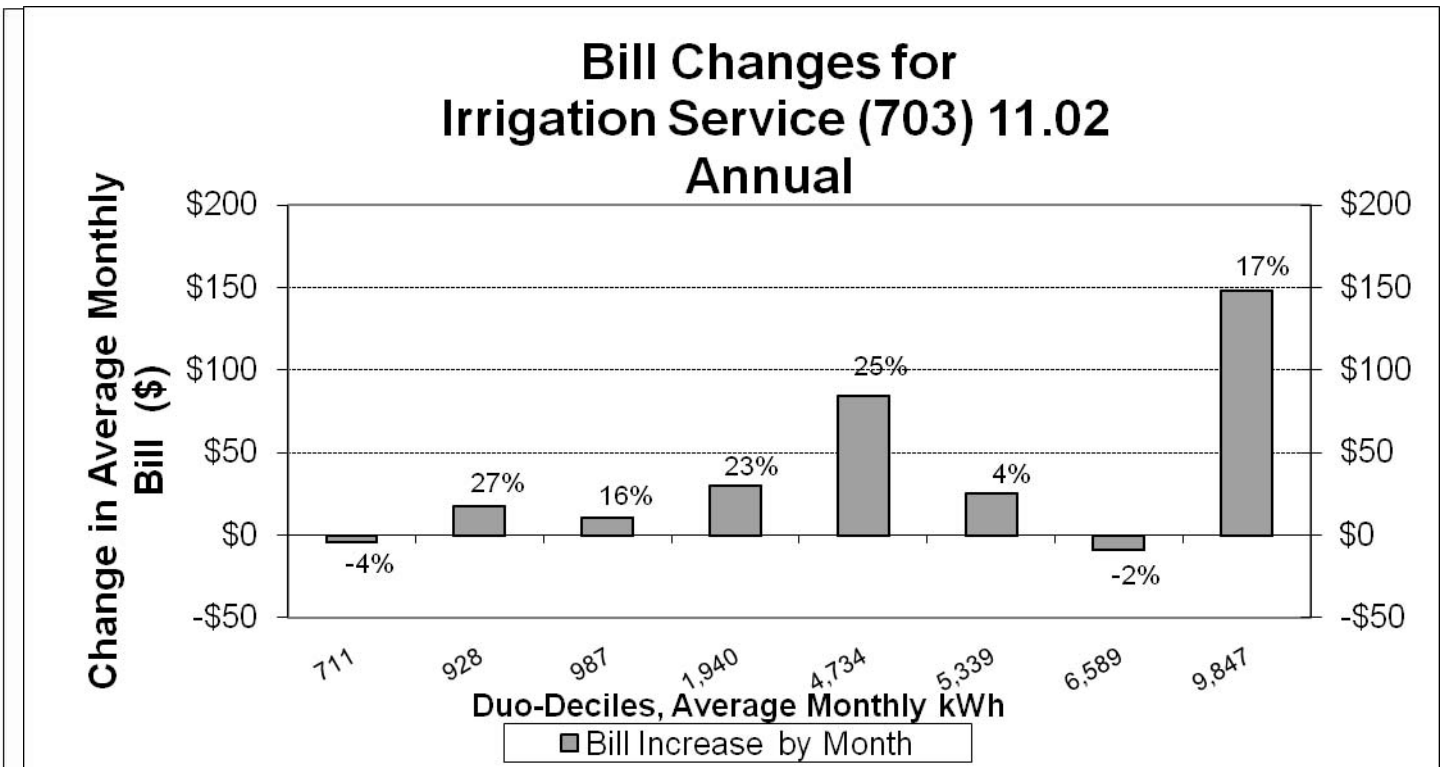


Figure 9. Irrigation Service 704-706

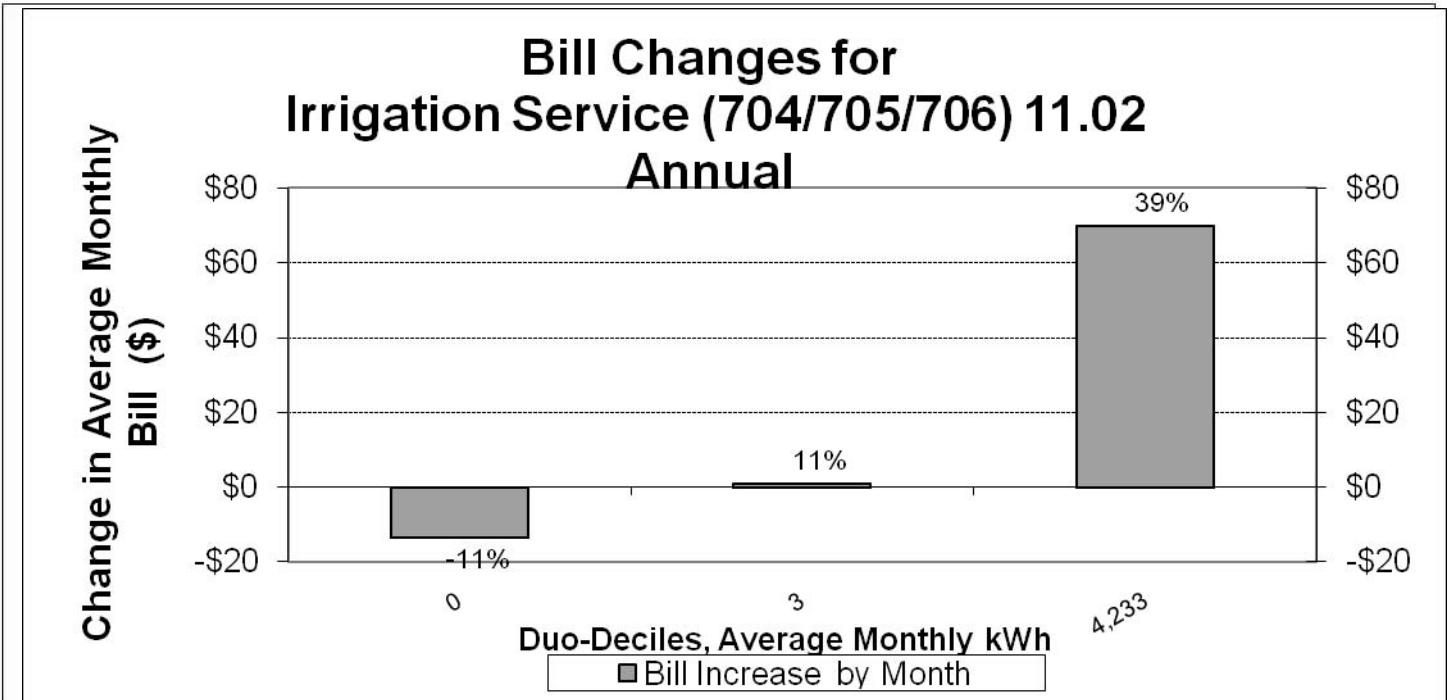
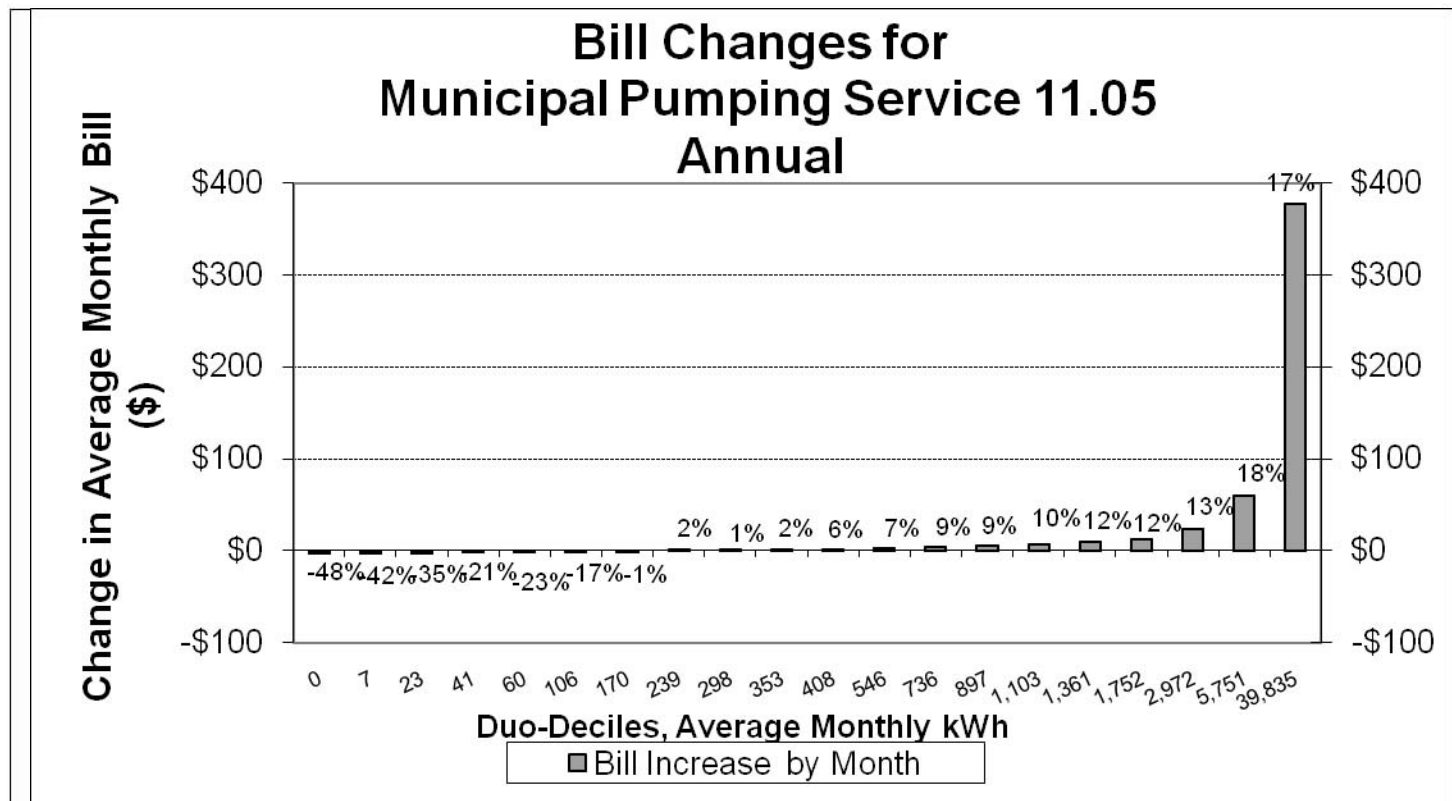


Figure 10. Municipal Pumping Service



**Figure 11: Monthly Bill Impacts - 11.06 Civil Defense-Fire Siren Service**

Monthly Bill Changes per Typical Siren Sizes

Siren HP	Monthly Impacts			
	Current Bill	Proposed Bill	Difference	% Change
2.5	\$ 2.75	\$ 2.82	\$ 0.07	3%
3	\$ 2.75	\$ 3.19	\$ 0.44	16%
5	\$ 2.75	\$ 4.64	\$ 1.89	69%
6	\$ 2.92	\$ 5.37	\$ 2.45	84%
10	\$ 4.87	\$ 8.28	\$ 3.41	70%
12	\$ 5.85	\$ 9.74	\$ 3.89	67%

Figure 12. Water Heating Control Rider

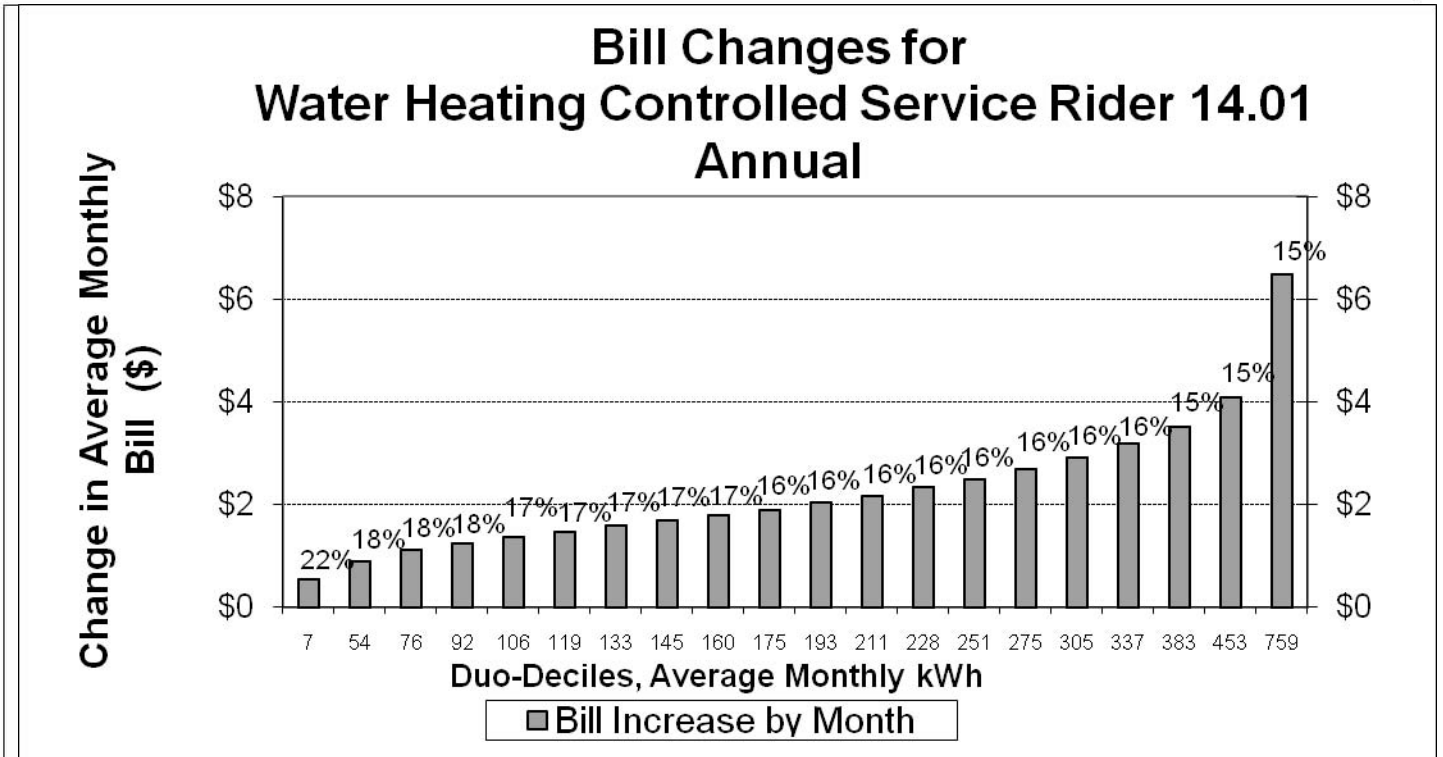
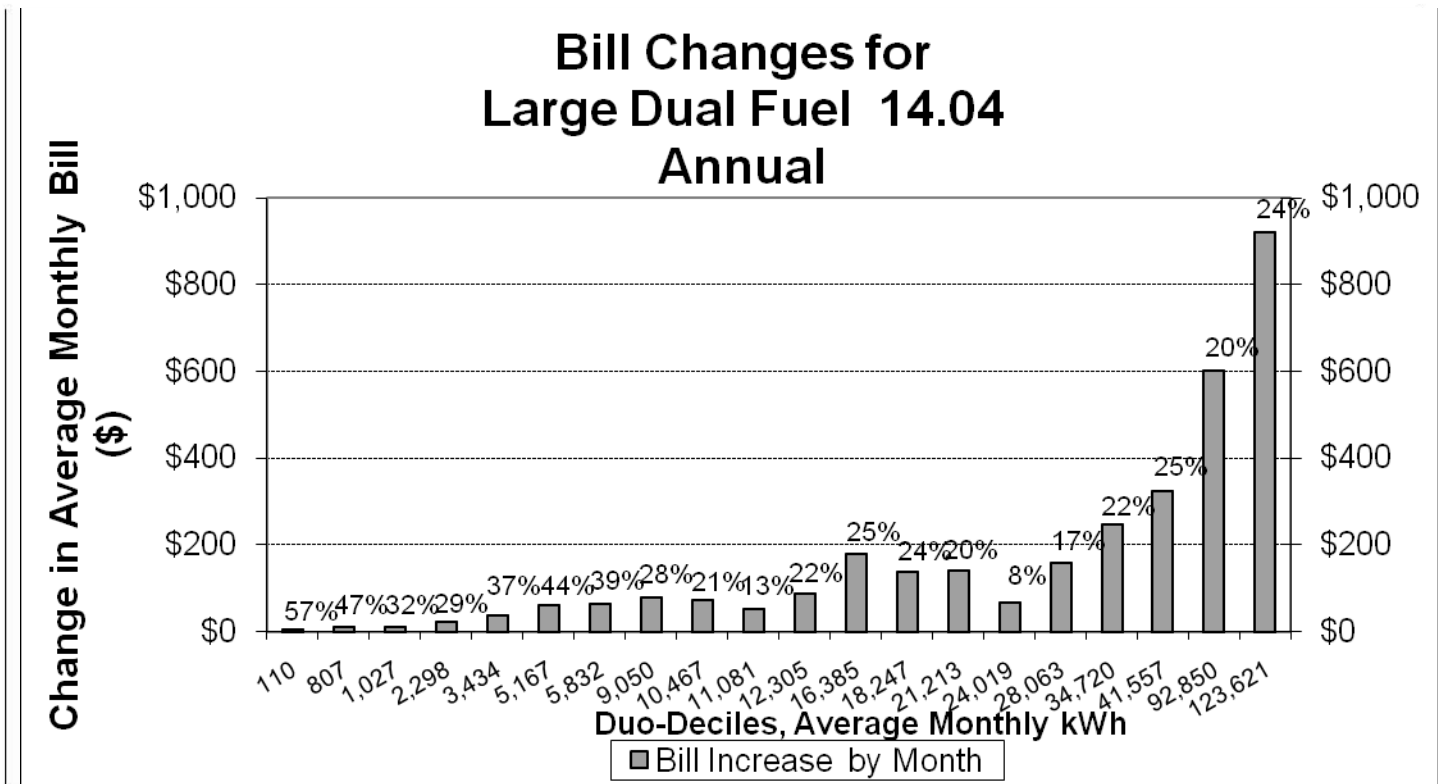


Figure 13. Controlled Service – Interruptible Load CT Metering (LDF)



**Figure 14.** Controlled Service – Interruptible Load Self-Contained Metering (SDF)

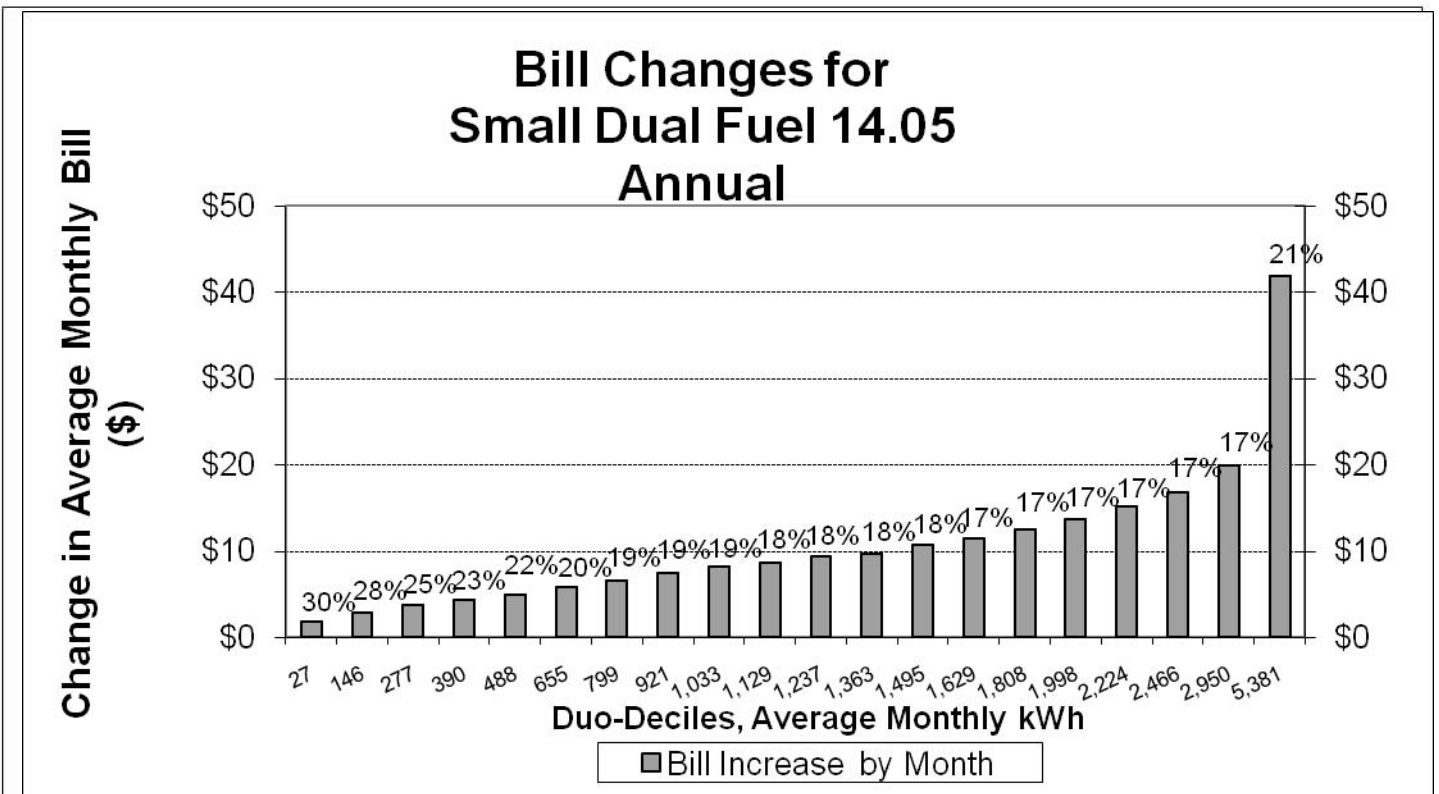




Figure 15. Controlled Service Deferred Load Rider

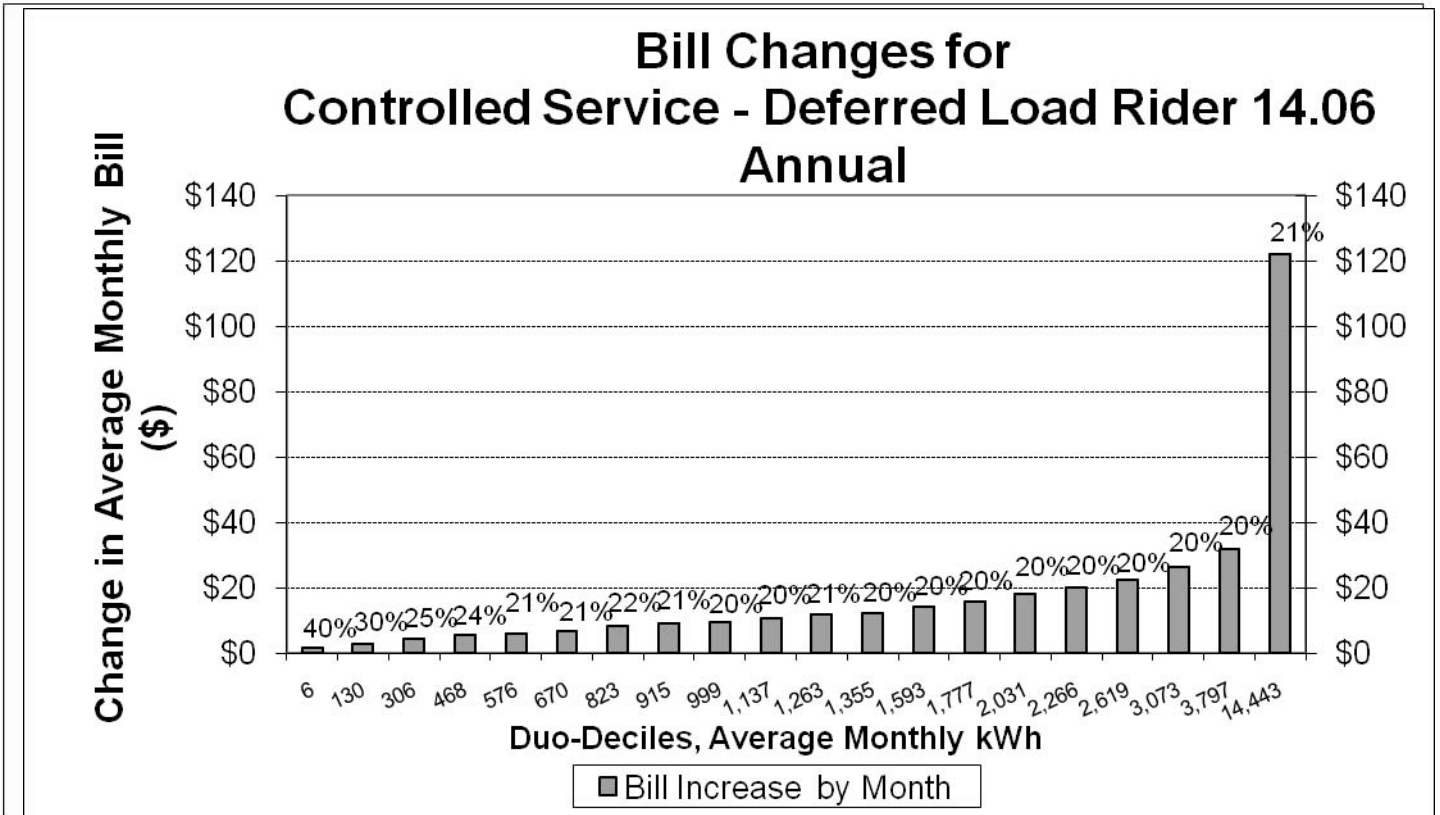
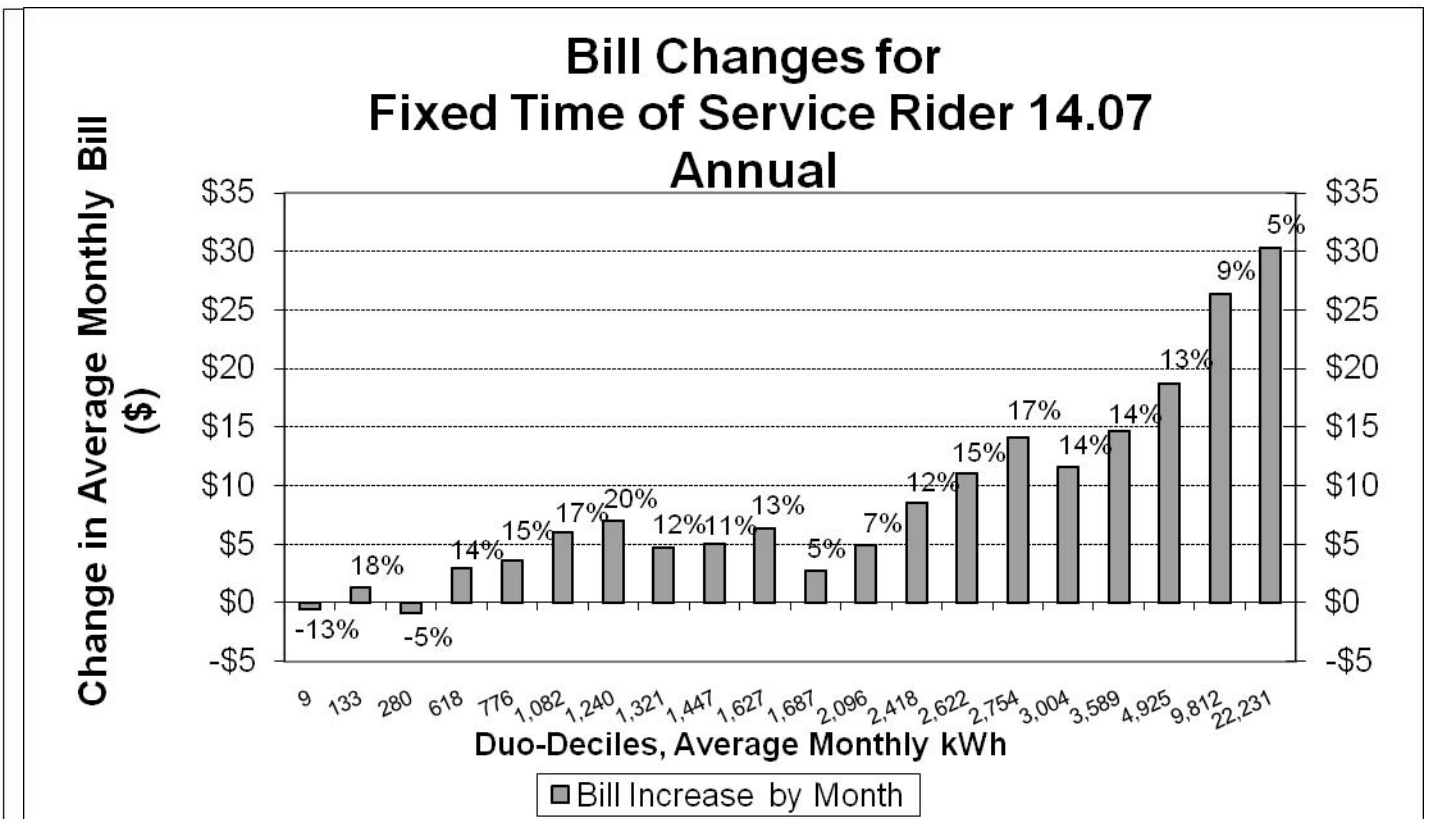


Figure 16. Fixed Time of Service Rider



OTTER TAIL POWER COMPANY  
 Electric Utility - State of South Dakota  
 RATE BASE SCHEDULES  
 RATE BASE SUMMARY

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		<u>South Dakota Jurisdiction</u>		
		( A )	( B )	( C )
		( C ) = ( B ) - ( A )		
Line No.	Description	<u>2009 Actual Year</u>	<u>2009 Test Year</u>	<u>\$ Change</u>
1	Electric Plant in Service	\$123,393,484	\$130,567,028	\$7,173,544
2	Less: Accumulated Depreciation	<u>(49,764,183)</u>	<u>(51,343,632)</u>	<u>(1,579,449)</u>
3	Net Electric Plant in Service	\$73,629,301	\$79,223,396	\$5,594,095
Other Rate Base Components:				
4	Plant Held for Future Use	\$2,926	\$2,928	\$2
5	Construction Work in Progress	0	0	0
6	Materials and Supplies	1,604,175	1,621,042	16,867
7	Fuel Stocks	857,871	857,871	0
8	Prepayments	(3,433,622)	(3,434,900)	(1,278)
9	Customer Advances	(38,894)	(38,909)	(15)
10	Cash Working Capital	2,875,500	789,011	(2,086,489)
11	Accumulated Deferred Income Taxes	(12,800,615)	(14,808,071)	(2,007,456)
12	Unamortized Holding Company Formation Expense	11,056	21,689	10,633
13	Unamortized Rate Case Expense	<u>214,615</u>	<u>172,500</u>	<u>(42,115)</u>
14	TOTAL	<u><u>\$62,922,312</u></u>	<u><u>\$64,406,556</u></u>	<u><u>\$1,484,242</u></u>

**Note:** The 2009 Actual Year is based on 2009 historic financial information. The 2009 Test Year is the 2009 Actual Year with known and measureable adjustments to arrive at the Test Year.

OTTER TAIL POWER COMPANY  
Electric Utility - State of South Dakota  
**OPERATING INCOME SCHEDULES**  
**TOTAL UTILITY AND SOUTH DAKOTA TEST YEAR**

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		(A)	(B)	(C)	(D)
		2009 Test Year			
Line No.	Description	Actual Year Total Utility	Actual Year SD Jurisdiction	Adjustments	Proposed SD Jurisdiction
<b><u>OPERATING REVENUES</u></b>					
1	Retail Revenue	\$288,387,480	\$27,634,807	\$37,570	\$27,672,377
2	Other Electric Operating Revenue	<u>23,723,640</u>	<u>2,279,962</u>	<u>431</u>	<u>2,280,393</u>
3	<b>TOTAL OPERATING REVENUE</b>	<b>\$312,111,120</b>	<b>\$29,914,769</b>	<b>\$38,001</b>	<b>\$29,952,770</b>
<b><u>OPERATING EXPENSES</u></b>					
4	Production Expenses	\$138,946,818	\$13,473,421	\$224,840	\$13,698,261
5	Transmission Expenses	10,686,696	1,048,976	98,309	1,147,285
6	Distribution Expenses	14,334,019	1,397,735	132,229	1,529,964
7	Customer Accounting Expenses	11,149,593	969,935	79,075	1,049,010
8	Customer Service and Information Expenses	4,939,950	186,556	24,505	211,061
9	Sales Expenses	878,227	51,229	0	51,229
10	Administration and General Expenses	32,468,730	3,105,795	355,868	3,461,663
11	Charitable Contributions	93,665	0	0	0
12	Depreciation Expense	36,158,445	3,550,318	558,977	4,109,295
13	General Taxes	<u>8,845,653</u>	<u>867,475</u>	<u>77,549</u>	<u>945,024</u>
14	<b>TOTAL OPERATING EXPENSES</b>	<b>\$258,501,795</b>	<b>\$24,651,439</b>	<b>\$1,551,352</b>	<b>\$26,202,791</b>
15	<b>NET OPERATING INCOME BEFORE INCOME TAXES</b>	<b>\$53,609,325</b>	<b>\$5,263,330</b>	<b>(\$1,513,351)</b>	<b>\$3,749,979</b>
<b><u>INCOME TAX EXPENSE</u></b>					
17	Investment Tax Credit	(\$9,310,969)	(\$915,852)	(\$75,190)	(\$991,042)
18	Deferred Income Taxes	49,196,013	3,953,396	(1,177,818)	2,775,578
19	Income Taxes	<u>(36,898,709)</u>	<u>(3,343,116)</u>	<u>1,216,923</u>	<u>(2,126,193)</u>
20	<b>TOTAL INCOME TAX EXPENSE</b>	<b>\$2,986,335</b>	<b>(\$305,572)</b>	<b>(\$36,085)</b>	<b>(\$341,656)</b>
21	<b>NET OPERATING INCOME</b>	<b>\$50,622,990</b>	<b>\$5,568,902</b>	<b>(\$1,477,266)</b>	<b>\$4,091,636</b>
22	Allowance for Funds Used During Construction	<u>4,216,005</u>	<u>0</u>	<u>0</u>	<u>0</u>
23	<b>TOTAL AVAILABLE FOR RETURN</b>	<b>\$54,838,994</b>	<b>\$5,568,902</b>	<b>(\$1,477,266)</b>	<b>\$4,091,636</b>

OTTER TAIL POWER COMPANY  
Electric Utility - State of South Dakota  
OPERATING INCOME SCHEDULES  
COMPUTATION OF FEDERAL AND STATE INCOME TAXES

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Line No.	Description	(A)		(B)		(C)		(D)	
		2009 Actual Year				2009 Test Year			
		Total Utility	SD Jurisdiction	Total Utility	SD Jurisdiction	Total Utility	SD Jurisdiction	Total Utility	SD Jurisdiction
<b><u>Income Before Taxes</u></b>									
1	Total Operating Revenues	\$312,111,120	\$29,914,769	\$298,867,268	\$29,952,770				
2	less: Total Operating Expenses	(213,497,697)	(20,233,646)	(222,293,029)	(21,148,472)				
3	Book Depreciation & Amortization	(36,158,445)	(3,550,318)	(41,824,544)	(4,109,295)				
4	Taxes Other Than Income	(8,845,653)	(867,475)	(9,632,831)	(945,024)				
5	Interest Cost	(19,559,234)	(2,073,277)	(19,607,883)	(2,094,071)				
6	<b>Total Before Tax Book Income</b>	<b>\$34,050,091</b>	<b>\$3,190,053</b>	<b>\$5,508,981</b>	<b>\$1,655,908</b>				
<b><u>Tax Additions</u></b>									
7	Additional Tax Depreciation								
8	Directly Assigned Schedule M Items	186,954	8,404	186,954	8,404				
9	Provisions - Operating Reserves	7,629,629	748,222	7,629,629	748,501				
10	Other Schedule M Items	-	-	-	-				
11	<b>Total Tax Additions</b>	<b>\$7,816,583</b>	<b>\$756,626</b>	<b>\$7,816,583</b>	<b>\$756,905</b>				
<b><u>Tax Deductions</u></b>									
12	Additional Tax Depreciation	\$87,767,748	\$8,607,205	\$36,932,813	\$3,623,274				
13	Cost to Remove	3,029,927	297,139	3,029,927	297,249				
14	Accrued Vacation Pay	73,953	7,252	73,953	7,255				
15	Charges - Operating Reserves	4,161,474	408,107	4,161,474	408,259				
	Preferred Dividends Paid Credit	-	-	-	-				
16	Other Schedule M Items	42,610,619	4,178,737	42,318,293	4,151,613				
17	<b>Total Tax Deductions</b>	<b>\$137,643,721</b>	<b>\$13,498,440</b>	<b>\$86,516,460</b>	<b>\$8,487,650</b>				
18	ND Adjustments to Federal Schedule M; ND Jurisdiction	-	-	-	-				
19	<b>State Taxable Income</b>	<b>(\$95,777,047)</b>	<b>(\$9,551,761)</b>	<b>(\$73,190,896)</b>	<b>(\$6,074,837)</b>				
20	State Income Tax Rate	5.42%	0.00%	7.41%	0.00%				
21	<b>Total State Income Taxes &amp; ND Incremental Tax Rate Adj (\$505)</b>	<b>(\$5,194,989)</b>	<b>\$0</b>	<b>(\$5,425,425)</b>	<b>\$0</b>				
22	<b>Federal Taxable Income</b>	<b>(\$90,582,058)</b>	<b>(\$9,551,761)</b>	<b>(\$67,765,472)</b>	<b>(\$6,074,837)</b>				
23	Addback of MN Adjustments to Federal Schedule M; MN Jurisdiction	-	-	-	-				
24	<b>Adjusted Federal Taxable Income</b>	<b>(\$90,582,058)</b>	<b>(\$9,551,761)</b>	<b>(\$67,765,472)</b>	<b>(\$6,074,837)</b>				
25	Federal Income Tax Rate	35.00%	35.00%	35.00%	35.00%				
26	<b>Total Federal Income Taxes</b>	<b>(\$31,703,720)</b>	<b>(\$3,343,116)</b>	<b>(\$23,717,915)</b>	<b>(\$2,126,193)</b>				
27	<b>Total State and Federal Income Tax</b>	<b>(\$36,898,709)</b>	<b>(\$3,343,116)</b>	<b>(\$29,143,340)</b>	<b>(\$2,126,193)</b>				

**OTTER TAIL POWER COMPANY**  
**Electric Utility - State of South Dakota**  
**OPERATING INCOME SCHEDULES**  
**COMPUTATION OF DEFERRED INCOME TAXES**

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Line No.	Description	2009 Actual Year		2009 Test Year	
		Total Utility ( A )	SD Jurisdiction ( B )	Total Utility ( C )	SD Jurisdiction ( D )
1	Excess Tax Over Book Depreciation	\$36,150,274	2,986,280	\$22,980,804	\$2,254,519
2	Excess Tax Over Book Pensions	(1,191,258)	(98,189)	(1,191,258)	(116,868)
3	Capitalized A & G Expenses	(413,026)	(33,184)	(413,026)	(40,520)
4	Provisions for Operating Reserves in Excess of Actual Charges	(1,295,734)	(104,247)	(1,295,734)	(127,117)
5	Other Capitalized Items	<u>15,945,757</u>	<u>1,202,736</u>	<u>16,773,157</u>	<u>805,563</u>
6	<b>TOTAL Deferred Income Taxes</b>	<u>\$49,196,013</u>	<u>\$3,953,396</u>	<u>\$36,853,943</u>	<u>\$2,775,578</u>

OTTER TAIL POWER COMPANY  
 Electric Utility - State of South Dakota  
 DEVELOPMENT OF GROSS REVENUE CONVERSION FACTOR

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**Definition:** Description  
 additional dollar of operating income. Gross earnings fees included.

Line_No.	Description	% of Incremental Gross Revenues
1	Federal Income Taxes	35.00%
2	State Income Taxes	0.00%
3	Total Tax Percentage	35.00%

4 SD GROSS REVENUE CONVERSION FACTOR:  
 5 (INCLUDING RECOGNITION OF SD SPECIAL HEARING FUND ASSESSMENT)

6 WHERE "X" = GROSS REVENUE DEFICIENCY  
 7 "Y" = CONVERSION FACTOR  
 8 .0015 = SDPUC SPECIAL HEARING FUND ASSESSMENT  
 9 35.00% = FEDERAL TAX RATE

10  $X = [X - .0015X - [(X - .0015X) * .34]] * Y$   
 11  $X = [.9985X - (.9985X * .34)] * Y$   
 12  $X = (.9985X - .33949X) * Y$   
 13  $X = .65901XY$   
 14  $1 = .65901Y$   
 15 **Gross Revenue Conversion Factor**  $Y = 1.540773$

**OTTER TAIL POWER COMPANY**  
**Electric Utility - State of South Dakota**  
**RATE OF RETURN COST OF CAPITAL**  
**2009 Test Year**

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**PROPOSED COST OF CAPITAL FOR TEST YEAR 2009**

	(A)	(B)	(C)	(D)	(E)
<b>Line No.</b>	<b>Capitalization</b>	<b>Amount</b>	<b>Percent of Total</b>	<b>Cost of Capital</b>	<b>Weighted Cost of Capital</b>
1	Long term debt	288,367,295	46.8%	6.71%	3.14%
2	Common equity	328,112,867	53.2%	11.25%	5.99%
3	Total Capitalization	<u>616,480,162</u>	<u>100.0%</u>		<u>9.13%</u>

OTTER TAIL POWER COMPANY  
 Electric Utility - State of South Dakota  
 RATE BASE SCHEDULES  
 RATE BASE ADJUSTMENTS  
 2009 Actual Year versus 2009 Test Year

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Line No.	Description	(A) 2009 Actual Year	(B) Annualize Plant in Service	(C) BSP II Deferred Recovery	(D) Transmission Plant Transfer	(E) Depreciation to Reflect 2009 Rates	(F) Special Deposits	(G) Unamortized Hold Company Expense	(H) Unamortized Rate Case Expense	(I) Patient Protection and Affordable Care Act	(J) Wind Removal	(K) Wind Added	(L) Changes in Allocations due to Effect of Test Year Adjustments	(M) Income Statement Adjustments Affecting CWC	(N) 2009 Test Year
<b>Utility Plant in Service:</b>															
1	Production	\$59,479,824	\$730,985	\$1,010,651	\$227,895						(\$21,245,007)	\$25,858,731	\$0		\$66,063,078
2	Transmission	21,200,923	741,630		(577,684)								(1)		21,364,868
3	Distribution	34,846,607	51,339		376,397										35,274,343
4	General	7,440,335	0											(1,318)	7,439,017
5	Intangible	422,430	0										(75)		422,355
6	<b>TOTAL Utility Plant in Service</b>	<b>\$123,390,119</b>	<b>\$1,523,954</b>	<b>\$1,010,651</b>	<b>\$26,607</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$21,245,007)</b>	<b>\$25,858,731</b>	<b>(\$1,394)</b>	<b>\$0</b>	<b>\$130,563,662</b>
<b>Accumulated Depreciation</b>															
7	Production	(\$23,389,938)	(\$29,853)		(\$30,794)	(\$63,473)					\$715,083	(\$2,173,544)	(\$11)		(\$24,972,531)
8	Transmission	(8,241,289)	(14,768)		139,924	(4,196)									(8,120,330)
9	Distribution	(14,696,617)	1,656		(110,450)	(203)							(10,513)		(14,816,127)
10	General	(3,149,078)	0		0	1,087							557		(3,147,434)
11	Intangible	(287,261)	0										51		(287,210)
12	<b>TOTAL Accumulated Depreciation</b>	<b>(\$49,764,182)</b>	<b>(\$42,965)</b>	<b>\$0</b>	<b>(\$1,320)</b>	<b>(\$66,786)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$715,083</b>	<b>(\$2,173,544)</b>	<b>(\$9,916)</b>	<b>\$0</b>	<b>(\$51,343,631)</b>
<b>NET Utility Plant in Service</b>															
14	Production	\$36,089,886	\$701,132	\$1,010,651	\$197,101	(\$63,473)	\$0	\$0	\$0	\$0	(\$20,529,924)	\$23,685,186	(\$11)	\$0	\$41,090,547
15	Transmission	12,959,634	726,862	0	(437,761)	(4,196)	0	0	0	0	0	0	(1)	0	13,244,538
16	Distribution	20,149,990	52,995	0	265,947	(203)	0	0	0	0	0	0	(10,513)	0	20,458,216
17	General	4,291,257	0	0	0	1,087	0	0	0	0	0	0	(761)	0	4,291,583
18	Intangible	135,169	0	0	0	0	0	0	0	0	0	0	(24)	0	135,145
19	<b>NET Utility Plant in Service</b>	<b>\$73,625,935</b>	<b>\$1,480,989</b>	<b>\$1,010,651</b>	<b>\$25,287</b>	<b>(\$66,786)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$20,529,924)</b>	<b>\$23,685,186</b>	<b>(\$11,310)</b>	<b>\$0</b>	<b>\$79,220,030</b>
20	Big Stone Plant capitalized items	\$3,366													3,366
21	Utility Plant Held for Future Use	2,926												\$2	2,928
22	Construction Work in Progress	0													0
23	Materials and Supplies	1,604,175									(54,735)	71,562		\$40	1,621,042
24	Fuel Stocks	857,871													857,871
25	Prepayments	(3,433,622)												(1,278)	(3,434,900)
26	Customer Advances	(38,894)												(15)	(38,909)
27	Cash Working Capital	2,875,500					(2,104,951)							18,462	789,011
28	Accumulated Deferred Income Taxes	(12,800,615)								(247,171)	5,437,370	(7,192,893)	(4,762)		(14,808,071)
29	Unamortized Holding Co. Formation Exp	11,056						10,629					4		21,689
30	Unamortized Rate Case Expense	214,615							(42,115)						172,500
31	<b>Total Average Rate Base</b>	<b>\$62,922,312</b>	<b>\$1,480,989</b>	<b>\$1,010,651</b>	<b>\$25,287</b>	<b>(\$66,786)</b>	<b>(\$2,104,951)</b>	<b>\$10,629</b>	<b>(\$42,115)</b>	<b>(\$247,171)</b>	<b>(\$15,147,290)</b>	<b>\$16,563,855</b>	<b>(\$16,068)</b>	<b>\$17,211</b>	<b>\$64,406,557</b>

Column references to adjustment workpapers:  
 (B) W/P 2009 SD TY-01  
 (C) W/P 2009 SD TY-02  
 (D) W/P 2009 SD TY-03  
 (E) W/P 2009 SD TY-04  
 (F) W/P 2009 SD TY-05



OTTER TAIL POWER COMPANY  
 Electric Utility - State of South Dakota  
 OPERATING INCOME STATEMENT SCHEDULES  
 OPERATING INCOME STATEMENT ADJUSTMENTS SCHEDULE

		<b>KNOWN AND MEASURABLE CHANGES</b>							
Line No.	Description	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		2009 Actual Year	Depreciation Expense for Current and Future Plant	BSP II Amortization and Removal of AFUCD	Transmission Plant Transfer Adjustment	Update Depreciation Expense	Weather Normalization	Retail Revenue Normalization	Labor Expense - April & November Annual Increases
<b>OPERATING REVENUES</b>									
1	Retail Revenue	\$27,634,807					(\$64,029)	\$101,599	
2	Other Electric Operating Revenue	2,279,962							
3	<b>TOTAL OPERATING REVENUE</b>	<b>\$29,914,769</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$64,029)</b>	<b>\$101,599</b>	<b>\$0</b>
<b>OPERATING EXPENSES</b>									
4	Production Expenses	\$13,473,421					(\$36,134)		\$48,518
5	Transmission Expenses	1,048,976							18,317
6	Distribution Expenses	1,397,735							32,326
7	Customer Accounting Expenses	969,935							20,618
8	Customer Service and Information Expenses	186,556							6,991
9	Sales Expenses	51,229							
10	Administration and General Expenses	3,105,795							61,314
11	Charitable Contributions	0							
12	Depreciation Expense	3,550,318	46,353	252,663	306	66,786			
13	General Taxes	867,475							
14	<b>TOTAL OPERATING EXPENSES</b>	<b>\$24,651,439</b>	<b>\$46,353</b>	<b>\$252,663</b>	<b>\$306</b>	<b>\$66,786</b>	<b>(\$36,134)</b>	<b>\$0</b>	<b>\$188,086</b>
15	<b>NET OPERATING INCOME BEFORE INCOME TAXES</b>	<b>\$5,263,330</b>	<b>(\$46,353)</b>	<b>(\$252,663)</b>	<b>(\$306)</b>	<b>(\$66,786)</b>	<b>(\$27,895)</b>	<b>\$101,599</b>	<b>(\$188,086)</b>
<b>INCOME TAX EXPENSE</b>									
17	Investment Tax Credit	(\$915,852)							
18	Deferred Income Taxes	3,953,396							
19	Income Taxes	(3,343,116)	(16,223)	(88,432)	(107)	(23,375)	(9,763)	35,560	(65,830)
20	<b>TOTAL INCOME TAX EXPENSE</b>	<b>(\$305,572)</b>	<b>(\$16,223)</b>	<b>(\$88,432)</b>	<b>(\$107)</b>	<b>(\$23,375)</b>	<b>(\$9,763)</b>	<b>\$35,560</b>	<b>(\$65,830)</b>
21	<b>NET OPERATING INCOME</b>	<b>\$5,568,902</b>	<b>(\$30,129)</b>	<b>(\$164,231)</b>	<b>(\$199)</b>	<b>(\$43,411)</b>	<b>(\$18,132)</b>	<b>\$66,039</b>	<b>(\$122,256)</b>
22	Allowance for Funds Used During Construction	0							
23	<b>TOTAL AVAILABLE FOR RETURN</b>	<b>\$5,568,902</b>	<b>(\$30,129)</b>	<b>(\$164,231)</b>	<b>(\$199)</b>	<b>(\$43,411)</b>	<b>(\$18,132)</b>	<b>\$66,039</b>	<b>(\$122,256)</b>

Column references to adjustment workpapers:

- |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|
| (B) W/P 2009 SD TY-01 | (H) W/P 2009 SD TY-08 | (N) W/P 2009 SD TY-11 | (T) W/P 2009 SD TY-17 |
| (C) W/P 2009 SD TY-02 | (I) W/P 2009 SD TY-08 | (O) W/P 2009 SD TY-12 | (U) W/P 2009 SD TY-18 |
| (D) W/P 2009 SD TY-03 | (J) W/P 2009 SD TY-09 | (P) W/P 2009 SD TY-13 | (V) W/P 2009 SD TY-19 |
| (E) W/P 2009 SD TY-04 | (K) W/P 2009 SD TY-09 | (Q) W/P 2009 SD TY-14 |                       |
| (F) W/P 2009 SD TY-06 | (L) W/P 2009 SD TY-09 | (R) W/P 2009 SD TY-15 |                       |
| (G) W/P 2009 SD TY-07 | (M) W/P 2009 SD TY-10 | (S) W/P 2009 SD TY-16 |                       |

OTTER TAIL POWER COMPANY  
Electric Utility - State of South Dakota  
OPERATING INCOME STATEMENT SCHEDULES  
OPERATING INCOME STATEMENT ADJUSTMENTS SCHEDULE

Docket No. EL10-\_\_\_\_  
Exhibit \_\_\_\_ (Application)  
Schedule 5  
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**KNOWN AND MEASURABLE CHANGES**

Line No.	Description	(I) KPA & Utility Management Incentive	(J) Employee Benefits Medical/Dental	(K) FAS 87 Pension Costs	(L) FAS 106 & 112 Benefits	(M) Holding Company Formation Costs	(N) Amortized Rate Case Expenses	(O) Patient Protection and Affordable Care Act	(P) Vegetation Maintenance Cycles
<b><u>OPERATING REVENUES</u></b>									
1	Retail Revenue							\$0	
2	Other Electric Operating Revenue								
3	<b>TOTAL OPERATING REVENUE</b>		\$0	\$0	\$0		\$0	\$0	\$0
<b><u>OPERATING EXPENSES</u></b>									
4	Production Expenses	(\$11,634)	\$29,499	\$96,142	\$20,080				
5	Transmission Expenses	(4,392)	12,044	39,254	8,198				38,316
6	Distribution Expenses	(7,752)	20,941	68,253	14,254				4,205
7	Customer Accounting Expenses	(4,944)	12,835	41,830	8,737				
8	Customer Service and Information Expenses	(1,676)	3,884	12,660	2,644				
9	Sales Expenses								
10	Administration and General Expenses	(14,704)	40,892	133,279	27,835	3,075	75,000		
11	Charitable Contributions								
12	Depreciation Expense								
13	General Taxes								
14	<b>TOTAL OPERATING EXPENSES</b>	(\$45,103)	\$120,095	\$391,419	\$81,748	\$3,075	\$75,000	\$0	\$42,519
15	<b>NET OPERATING INCOME BEFORE INCOME TAXES</b>	\$45,103	(\$120,095)	(\$391,419)	(\$81,748)	(\$3,075)	(\$75,000)	\$0	(\$42,519)
<b><u>INCOME TAX EXPENSE</u></b>									
17	Investment Tax Credit								
18	Deferred Income Taxes							81,172	
19	Income Taxes	15,786	(42,033)	(136,997)	(28,612)	(1,076)	(26,250)	0	(14,882)
20	<b>TOTAL INCOME TAX EXPENSE</b>	\$15,786	(\$42,033)	(\$136,997)	(\$28,612)	(\$1,076)	(\$26,250)	\$81,172	(\$14,882)
21	<b>NET OPERATING INCOME</b>	\$29,317	(\$78,062)	(\$254,422)	(\$53,136)	(\$1,999)	(\$48,750)	(\$81,172)	(\$27,637)
22	Allowance for Funds Used During Construction								
23	<b>TOTAL AVAILABLE FOR RETURN</b>	\$29,317	(\$78,062)	(\$254,422)	(\$53,136)	(\$1,999)	(\$48,750)	(\$81,172)	(\$27,637)

OTTER TAIL POWER COMPANY  
 Electric Utility - State of South Dakota  
 OPERATING INCOME STATEMENT SCHEDULES  
 OPERATING INCOME STATEMENT ADJUSTMENTS SCHEDULE

**KNOWN AND MEASURABLE CHANGES**

Line No.	Description	(Q) Normalized Storm Repair Expense	(R) Reduction in Capacity Costs	(S) Schedule 26 Expenses Collected in Transmission Rider	(T) Remove Minor Affiliate Transactions	(U) Wind Removal	(V) Wind In	(W) Changes in Allocations due to Effect of Test Year Adjustments	(X) 2009 Test Year
<b><u>OPERATING REVENUES</u></b>									
1	Retail Revenue								\$27,672,377
2	Other Electric Operating Revenue							431	2,280,393
3	<b>TOTAL OPERATING REVENUE</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$431	\$29,952,770
<b><u>OPERATING EXPENSES</u></b>									
4	Production Expenses		(\$62,145)			(\$124,085)	\$264,600		\$13,698,261
5	Transmission Expenses			(13,427)					1,147,285
6	Distribution Expenses								1,529,964
7	Customer Accounting Expenses								1,049,010
8	Customer Service and Information Expenses								211,061
9	Sales Expenses								51,229
10	Administration and General Expenses	21,433			(2,468)	(28,228)	38,261	179	3,461,663
11	Charitable Contributions								0
12	Depreciation Expense					(825,622)	1,017,855	636	4,109,295
13	General Taxes					(63,480)	140,705	324	945,024
14	<b>TOTAL OPERATING EXPENSES</b>	\$21,433	(\$62,145)	(\$13,427)	(\$2,468)	(\$1,041,415)	\$1,461,421	\$1,139	\$26,202,791
15	<b>NET OPERATING INCOME BEFORE INCOME TAXES</b>	(\$21,433)	\$62,145	\$13,427	\$2,468	\$1,041,415	(\$1,461,421)	(\$708)	\$3,749,979
<b><u>INCOME TAX EXPENSE</u></b>									
17	Investment Tax Credit					\$777,842	(\$853,260)	\$228	(\$991,042)
18	Deferred Income Taxes					(2,438,900)	1,178,440	1,470	2,775,578
19	Income Taxes	(7,502)	21,751	4,699	864	3,149,052	(1,553,920)	4,212	(2,126,193)
20	<b>TOTAL INCOME TAX EXPENSE</b>	(\$7,502)	\$21,751	\$4,699	\$864	\$1,487,994	(\$1,228,740)	\$5,910	(\$341,656)
21	<b>NET OPERATING INCOME</b>	(\$13,931)	\$40,394	\$8,727	\$1,604	(\$446,579)	(\$232,681)	(\$6,618)	\$4,091,636
22	Allowance for Funds Used During Construction								0
23	<b>TOTAL AVAILABLE FOR RETURN</b>	(\$13,931)	\$40,394	\$8,727	\$1,604	(\$446,579)	(\$232,681)	(\$6,618)	\$4,091,636

