



**Otter Tail Corporation**  
**Cost of Capital**  
**13 Month Average for 2009**  
**(Used in this case)**

**Statement G**  
**Lead Sheet**  
**Page 1 of 5**

	(A)	(B)	(C)	(D)	(E)
Line No.	Description	Amount	Percent of Total	Cost	Weighted Cost
1	Long Term Debt	\$288,367,295	46.78%	6.71%	3.14%
2	Common Equity	328,112,867	53.22%	11.25%	5.99%
3	Total Capitalization	<u>\$616,480,162</u>	<u>100.00%</u>		<u>9.13%</u>

NOTE: Details for the 13-month average are located in Volume 4A; Tab - Test Year Adjustments. See Test Year adjustment Work Paper Series 2009 SD TY-20.

**Otter Tail Power Company**  
**Cost of Capital**  
**As of December 31, 2009**

**Statement G**  
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	(A)	(B)	(C)	(D)	(E)
Line No.	Description	Amount	Percent of Total	Cost	Weighted Cost
1	Short Term Debt	\$1,585,324	0.23%	0.73%	0.00%
2	Long Term Debt (1)	354,425,000	51.66%	5.87%	3.03%
3	Preferred Equity	-	0.00%	-	0.00%
4	Common Equity (2)	330,036,972	48.11%	11.25%	5.41%
		<u>\$686,047,296</u>	<u>100.00%</u>		<u>8.44%</u>

(1) Statement G, Page 3.

(2) Common Equity:

Common Stock	\$500
Contributed Capital	204,860,891
Accumulated Other Comprehensive Income/(Loss)	(653,159)
Retained Earnings	125,828,740
Common Equity	<u><b>\$330,036,972</b></u>

**Otter Tail Power Company**  
**Cost of Capital**  
**For the Year Ended December 31, 2009**

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
Line No.	Title	Issue	Maturity	Amount Issued	Interest Rate	Net Proceeds Amount	Per Unit	Yield to Maturity	Cost of Money	Principal Outstanding	Annual Cost
	Long Term Debt:										
1	Series 2011, Term Loan (1) (2)	5/22/2009	5/20/2011	75,000,000	3.730%	73,071,093.90	\$0.97	3.730%	3.828%	\$58,000,000	\$2,220,509
2	Series 2011	12/28/2001	12/1/2011	90,000,000	6.630%	89,377,248.08	\$0.99	6.630%	6.676%	90,000,000	6,008,576
3	Series 2012 PCR (1)	12/15/1993	12/1/2012	10,400,000	3.000%	10,374,338.65	\$1.00	3.000%	3.007%	10,400,000	367,633
4	Series 2017 PCR	9/1/2001	9/1/2017	5,185,000	4.650%	5,020,732.98	\$0.97	4.650%	4.802%	5,125,000	246,110
5	Series 2022 PCR	9/1/2001	9/1/2022	20,790,000	4.850%	19,977,100.40	\$0.96	4.850%	5.047%	20,400,000	1,029,660
6	Series A - 2017 Unsecured Senior Note	10/15/2007	8/20/2017	33,000,000	5.950%	32,584,453.38	\$0.99	5.950%	6.026%	33,000,000	1,988,540
7	Series B - 2022 Unsecured Senior Note	10/15/2007	8/20/2022	30,000,000	6.150%	29,622,318.86	\$0.99	6.150%	6.228%	30,000,000	1,868,524
8	Series C - 2027 Unsecured Senior Note	8/20/2007	8/20/2027	42,000,000	6.370%	41,493,620.37	\$0.99	6.370%	6.448%	42,000,000	2,708,050
9	Series D - 2037 Unsecured Senior Note	8/20/2007	8/20/2037	50,000,000	6.470%	49,400,729.78	\$0.99	6.470%	6.548%	50,000,000	3,274,243
10	Notes Payable to Otter Tail Corporation (3)										
11	5.33% Notes	7/1/2009	none	6,000,000	5.330%	6,000,000.00	\$1.00	5.330%	5.330%	6,000,000	319,800
12	7.21% Notes	7/1/2009	none	2,500,000	7.210%	2,500,000.00	\$1.00	7.210%	7.210%	2,500,000	180,250
13	7.62% Notes	7/1/2009	none	3,000,000	7.620%	3,000,000.00	\$1.00	7.620%	7.620%	3,000,000	228,600
14	9.35% Notes	7/1/2009	none	4,000,000	9.350%	4,000,000.00	\$1.00	9.350%	9.350%	4,000,000	374,000
14	Total Outstanding									<u>\$354,425,000</u>	<u>\$20,814,494</u>
15	Weighted Average Cost of Debt										5.87%

(1) The Series 2011 Term Loan and 2012 PCR bonds have a variable interest rate.

(2) This loan was retired early on January 4, 2010.

(3) These loans are the result of the formation of the holding company on July 1, 2009. They replace the four series of preferred stock formerly part of the Otter Tail Power Company utility capital structure.



Otter Tail Power Company  
 Sale of Common Stock  
 For the Period of January 1, 2005 Through December 31, 2009

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
Line No.	Title	Number of Shares Issued	Gross Proceeds at Offering Price	Underwriter's Discount	Proceeds to Otter Tail Corp	Issuance Expense	Net Proceeds	Offering Price Per Share	Book Value Per Share	Closing Mkt Price Per latest Trading Date Prior to Date of Issuance	Earnings/Share at Date of Issuance	Dividend Rate at Date of Issuance	Public or Subscribed Issue
1	2008 Public Offering	5,175,000	\$155,250,000.00	\$5,627,812.00	\$149,622,188.00	\$816,685.46	\$148,805,502.54	\$30.00	\$19.09	\$33.00	.69 (1)	\$1.19	Public

(1) Basic earnings per share for the nine months ended 9/30/08.

**Note:** These shares were issued by Otter Tail Corporation prior to the formation of the holding company on July 1, 2009. Following the holding company reorganization Otter Tail Power Company has outstanding 100 shares of stock which are held by Otter Tail Corporation as the parent company of Otter Tail Power Company.

Otter Tail Power Company  
Stock Dividends, Stock Splits, or Changes in Par or Stated Value  
For the Period January 1, 2005 through December 31, 2009

Schedule G-1  
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	(A)	(B)	(C)	(D)
Line No.	Year	Total Stock Dividends	Stock Splits	Changes in Par Value
1	2005	None	None	None
2	2006	None	None	None
3	2007	None	None	None
4	2008	None	None	None
5	2009	None	None	None

**Otter Tail Power Company  
Common Stock Information  
For the Periods 2005-2009**

**Schedule G-2  
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Line No.	Year		Average Shares Outstanding	Earnings Per Average Share	Dividends Per Share	Dividends as a % of Earnings	OTC Market Price at End of Year	OTC Price/Earnings Ratio	OTC Dividend Yield
1	2004	(1)	26,089,361	\$1.59	\$1.10	69%	\$25.96	16.3	4.2%
2	2005		29,222,621	\$2.12	\$1.12	53%	\$27.42	12.9	4.1%
3	2006		29,394,033	\$1.71	\$1.15	67%	\$29.25	17.1	3.9%
4	2007		29,681,237	\$1.79	\$1.17	65%	\$33.85	18.9	3.5%
5	2008		31,409,076	\$1.09	\$1.19	109%	\$23.33	21.4	5.1%
6	2009		35,463,097	\$0.71	\$1.19	168%	\$24.82	35.0	4.8%
7	2009	(2)	100	\$337,110.60	\$338,457.36	100%	na	na	na
8	Jan-09	(3)	35,311,492	\$0.06			\$20.27		
9	Feb-09		35,327,031	\$0.03			\$17.41		
10	Mar-09		35,335,686	\$0.03			\$22.05		
11	Apr-09		35,355,560	\$0.03			\$22.18		
12	May-09		35,376,634	(\$0.01)			\$18.95		
13	Jun-09		35,434,067	\$0.10			\$21.84		
14	Jul-09		35,507,010	\$0.10			\$23.32		
15	Aug-09		35,515,927	\$0.09			\$23.59		
16	Sep-09		35,561,634	\$0.10			\$23.93		
17	Oct-09		35,584,972	\$0.06			\$23.26		
18	Nov-09		35,593,003	\$0.09			\$23.03		
19	Dec-09		35,654,146	\$0.08			\$24.82		
20	Jan-09	(4)	35,311,492	\$0.07			\$20.27		
21	Feb-09		35,327,031	\$0.09			\$17.41		
22	Mar-09		35,335,686	\$0.07			\$22.05		
23	Apr-09		35,355,560	\$0.02			\$22.18		
24	May-09		35,376,634	\$0.02			\$18.95		
25	Jun-09		35,434,067	\$0.08			\$21.84		
26	Jul-09		100	\$39,404.29			NA		
27	Aug-09		100	\$32,687.76			NA		
28	Sep-09		100	\$23,174.92			NA		
29	Oct-09		100	\$27,801.79			NA		
30	Nov-09		100	\$43,059.28			NA		
31	Dec-09		100	\$45,448.18			NA		

- (1) Data provided for lines 1-6 are for Otter Tail Corporation consolidated, not limited to Otter Tail Power Company utility division.
- (2) Following the reorganization to a holding company on July 1, 2009, Otter Tail Power became a subsidiary of Otter Tail Corporation. This reflects Otter Tail Power Company stand alone.
- (3) Lines 8-19 are for Otter Tail Corporation consolidated.
- (4) Earnings per share in lines 20-31 are Otter Tail Power Company only. Lines 26-31 reflect the 100 Otter Tail Power Company common shares held by Otter Tail Corporation.



**Otter Tail Corporation**  
**Reacquisition of Bonds or Preferred Stock**  
**For the 18 Month Period Prior to Filing**  
**February 1, 2009 through July 31, 2010**

**Schedule G-3**  
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	(A)	(B)	(C)	(D)	(E)
Line No.	Title or Series	Principal Amounts or Par Value Reaquired	Reacquisition Cost	Gain or Loss on Reacquisition	Incr/Dec Income Taxes due to Gain or Loss (1)
1	Series 2011, Term Loan*	\$58,000,000	none	(\$1,295,695)	(\$511,000)

(1) Decrease in Income Tax

\* This loan was retired early on January 4, 2010. Maturity date was May 20, 2011. There was no premium paid to retire this debt early. The loss on reacquisition is the balance of the unamortized debt issuance expenses at the time the debt was retired.

**Otter Tail Power Company**  
**Earnings Per Share for Claimed Rate of Return**  
**For the Year Ended December 31, 2009**

**Schedule G-4**  
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	(A)	(B)
Line No.	Description	Amount
1	Common Equity, Statement G, Lead Sheet	\$328,112,867
2	Return-Percentage	11.25%
3	Return-Amount	<u>\$36,912,698</u>
4	Average Common Shares Outstanding 2009 - OTC	35,463,097 (1)
5	Contribution to Earnings Per Share from Otter Tail Power Company	\$1.04

(1) Average Common Shares outstanding before and after holding company reorganization for Otter Tail Corporation. Otter Tail Power Company has 100 common shares outstanding which are owned by OtterTail Corporation, parent of Otter Tail Power Company.