



**Otter Tail Power Company  
Depreciation Expense  
Actual Year 2009**

**Statement J  
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Line No.	(A) Functional Classification	(B) Total 2009 Actual Year Depreciation Expense	(C) Adjustments (1)	(D) Adjusted 2009 Test Year Depreciation Expense	(E) 13-Month Average Depreciable Property (2)	(F) Annual Accrual Rate (3)	(G) Accrual Rate Last Filing Docket No. EL08-030 (4)
1	Production						
2	Steam						
3	Hoot Lake Plant	\$1,917,608		\$1,917,608	\$55,751,902	3.44%	2.78%
4	Big Stone Plant	4,186,421		4,186,421	147,054,573	2.85%	2.67%
5	Coyote Station	3,116,398		3,116,398	155,119,165	2.01%	2.33%
6	Total Steam	\$9,220,427	\$0	\$9,220,427	\$357,925,639	2.58%	2.53%
7							
8	Hydro	\$167,215		\$167,215	\$3,480,385	4.80%	4.30%
9	Internal Combustion	1,096,555		1,096,555	40,559,664	2.70%	2.73%
10	Wind	8,541,650		8,541,650	267,526,913	4.00%	4.00%
11	Total Production	\$19,025,847	\$5,543,993	\$24,569,840	\$669,492,601	2.84%	2.53%
12							
13	Transmission	4,215,774	(107,003)	4,108,771	217,295,214	1.94%	2.07%
14							
15	Distribution	9,436,705	574,266	10,010,971	355,498,523	2.65%	2.79%
16							
17	General Plant	2,409,155	106,475	2,515,630	76,279,792	3.16%	3.52%
18							
19	Intangibles	506,831	112,501	619,332	4,412,810	11.49%	12.03%
20							
21	Total	\$35,594,312	\$6,230,233	\$41,824,544	\$1,322,978,940		

- (1) The adjustments to depreciation expense by function can be traced to the 2009 Test Year Input Summary found in Volume 4A, Tab - 2009 Test Year Work Papers
- (2) The Depreciable Property Balances in Column E above do not include land if trying to tie back to Plant in Service Balances for the Test Year Ending 12/31/09. Total land balances for the Test Year using a 13-month average is \$4,721,539.
- (3) The Annual Accrual Rate is a composite total system rate.
- (4) The original filing accrual rates in Docket No. EL08-030 were based on a 12-month average depreciable plant calculation consistent with the method submitted for Statement J in Docket No. F-3691. Commission Staff requested that OTP re-calculate the Test Year in Docket No. EL08-030 based on a 13-month average for rate base which is the basis for the accrual rate calculation in column (F).

**Otter Tail Power Company**  
**Depreciation Expense Charged to Other Accounts**  
**Actual Year 2009**

**Schedule J - 1**  
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Line No.	(A) Functional Classification	(B) Depreciable Property 12/31/2008	(C) Depreciable Property 12/31/2009	(D) Total Depreciation Expense 2009	(E) Depreciation Expense Charged to Other Accounts	(F) Notes	(G) Net Depreciation Expense
1	Production						
2	Steam						
3	Hoot Lake Plant	\$52,017,237	\$55,248,467	\$1,917,608			\$1,917,608
4	Big Stone Plant	135,248,493	135,125,348	4,186,421			4,186,421
5	Coyote Station	147,390,343	154,697,980	3,116,398			3,116,398
6	Total Steam	<u>\$334,656,073</u>	<u>\$345,071,796</u>	<u>\$9,220,427</u>	\$0		<u>\$9,220,427</u>
7							
8	Hydro	\$3,457,029	\$3,735,571	\$119,331			\$119,331
9	Internal Combustion	39,665,520	39,723,799	1,096,555			1,096,555
10	Wind	193,935,976	268,815,462	8,541,650			8,541,650
11	Total Production	<u>\$571,714,598</u>	<u>\$657,346,628</u>	<u>\$18,977,963</u>	\$0		<u>\$18,977,963</u>
12							
13	Transmission	210,707,557	216,136,857	4,215,774			4,215,774
14							
15	Distribution	340,710,692	356,640,165	9,436,705			9,436,705
16							
17	General Plant	73,931,320	74,064,758	3,853,512	1,444,357	(1 & 2)	2,409,155
18							
19	Intangibles	3,921,477	4,020,399	554,715			554,715
20							
21	Total	<u>\$1,200,985,645</u>	<u>\$1,308,208,807</u>	<u>\$37,038,669</u>	<u>\$1,444,357</u>		<u>\$35,594,312</u>

- 1) Depreciation expense of \$1,351,746 on transportation equipment is charged to the appropriate account based on vehicle usage. Depreciation is included in the rate per mile or hour established for the use of the vehicle.
- 2) Depreciation expense of \$92,611 on warehouse property is charged to material as the material moves through the warehouse.

**Note 1:** The Depreciable Property Balances in Columns B & C above do not include land if trying to tie back to Plant in Service Balances for 12/31/08 and 12/31/09. Total land balances for 12/31/08 and 12/31/09 are \$4,661,081 and \$4,806,253, respectively. These amounts include \$29,656 that is classified as Transmission and Distribution Plant Held for Future Use, most commonly these are held for future substation expansions.

**Note 2:** ARO Depreciation & Accretion Expense along with its corresponding regulatory credit offset generates a \$0 income statement result and are appropriately netted here at the Functional Classification level.