



## Volume 4A

# Section 1 – 2009 Test Year Workpapers

## Functionalization

**Otter Tail Power Company  
Functionalization  
Actual Year 2009**

Line No.	Description	Accounts 101	13-Month Average 2009	Accounts 106	13-Month Average 2009	Accounts 114	13-Month Average 2009	Line No.
1	<b>Production:</b>		(1)		(1)		(1)	1
2	Steam	310 - 317	336,553,358	310 - 316	474,838	310 - 317	1,588,255	2
3	Wind	341 - 347	63,789,629	344 - 347	156,005,041		0	3
4	Hydro	330 - 335	3,762,086	330 - 335	25,922	330 - 335	0	4
5	Other IC	340 - 347	39,741,057	340 - 347	62,369	340 - 347	0	5
6								6
7	<b>Transmission</b>	350 - 358	197,465,612	350 - 358	14,062,077	350 - 358	58,287	7
8								8
9	<b>Distribution:</b>							9
10	Land	360	958,650	360	68	360	0	10
11	Station Equipment	362	51,184,273	362	641,526	362	586	11
12	Poles, Towers & Fixtures	364	56,545,183	364	182,237			12
13	Overhead Conductors & Devices	365	42,794,184	365	135,459			13
14	Underground Conduit	366	0	366	0			14
15	Underground Conductors & Devices	367	54,670,816	367	179,264			15
16	Line Transformers	368	59,269,525	368	553,709			16
17	Services	369	11,049,366	369	10,029			17
18	Underground Services	369.1	29,568,294	369.1	18,792			18
19	Meters	370	20,540,520	370	1,520			19
20	Load Management Switches	370.1	8,848,289	370.1	109			20
20A	Interruption Monitors	370.2	616,991	370.2	0			21
21	Installation on Customers' Premises	371.0	0	371.0	0			22
22	All Other Private Lighting	371.2	3,784,187	371.2	2,889			23
23	Streetlighting & Signal Systems	373	4,355,271	373	4,475			24
			<b>344,185,549</b>		<b>1,730,077</b>			25
26	<b>General:</b>							26
27	Land	389	1,285,999	389	157,791			27
28	Structures & Improvements	390	17,291,509	390	1,981,595			28
29	General Office Buildings	390.1	5,672,162	390.1	2,710			29
30	Fleet Service Center Building	390.2	789,745	390.2	0			30
31	Central Stores Buildings	390.3	3,892,112	390.3	0			31
32	Office Furniture	391	2,329,395	391	4,407			32
33	Office Equipment	391.1	1,054,364	391.1	12			33
34	Duplicating Equipment	391.2	1,190,172	391.2	912			34
35	Engineering Computers	391.3	0	391.3	0			35
36	Business Computers	391.4	0	391.4	0			36
37	Computer Systems	391.5	1,455,647	391.5	0			37
38	Computer Related Equipment	391.6	1,621,889	391.6	0			38
39	Transportation Equipment	392 & 392.1	26,012,709	392	0			39
40	Stores Equipment	393	0	393	0			40
41	Tools, Shop & Garage Equipment	394	2,933,701	394	13,413			41
42	Central Stores Tools	394.1	0					42
43	...R _quip.....	394.2	1,093,497	394.2	0			43
44	Laboratory Equipment	395	150,578	395	0	101 (Above)	1,058,690,642.00	44
45	Power-Operated Equipment	396	551,463	396	0	101.7 Intangible (1)	3,850,303.00	45
46	Communication Equipment & Communications Towers	397 & 397.4	2,085,110	397	18,771	Agrees to FERC T/B; GL 865A Report	1,062,540,945.00	46
47	Radio Tele-Communication Equipment	397.1	937,802	397.1	2,925			47
48	Microwave Equipment	397.2	2,714,320	397.2	0	106 (Above)	174,542,860.00	48
49	Radio Load Control Equipment	397.3	131,177	397.3	0	114 (Above); Agrees to FERC T/B	1,647,128.00	49
50	Miscellaneous Equipment			398	0	PHFU (1)	29,657.00	50
			<b>73,193,351</b>		<b>2,182,536</b>	Total Plant in Service (F/S)	1,238,760,590.00	
						(1) Actual Year Work Paper A-1		

Line #	Description	Operating Statement Amounts		2009	Functionalization	Page 2 of 6	Line #
		Accounts	Actual Year 2009				
1	<b>Steam Power Generation:</b>		(2)				1
2	Supervision and Engineering	401 - 500	1,563,188				2
3	Fuel	401 - 501	57,802,065				3
4	Steam Expense	401 - 502	2,742,854				4
5	Electrical Expense	401 - 505	2,450,072				5
6	Miscellaneous Expense	401 - 506	5,010,782				6
7	Rent	401 - 507	1,273	401 =	69,570,234.39		7
8							8
9	<b>Steam Power Maintenance:</b>						9
10	Supervision and Engineering	402 - 510	728,814				10
11	Structures	402 - 511	563,648				11
12	Boiler	402 - 512	6,254,624				12
13	Electric	402 - 513	3,066,190				13
14	Miscellaneous	402 - 514	1,187,668	402 =	11,800,942.61		14
15							15
16	<b>Hydro:</b>						16
17	Supervision and Engineering	401 - 535	30,609				17
17A	Electric Expense	401 - 538	94,986				17A
18	Miscellaneous Expense	401 - 539	972	401 =	127,755.65		18
19	Rents	401 - 540	1,188				19
20	Supervision & Engineering	402 - 541	4,861				20
21	Structures	402 - 542	7,836				21
22	Reservoirs - Dams	402 - 543	382,892				22
23	Electric	402 - 544	94,427				23
24	Miscellaneous Expense	402 - 545	6,407	402 =	496,423.48		24
25							25
26	<b>IC:</b>						26
27	Supervision and Engineering	401 - 546	69,865				27
28	Fuel	401 - 547	1,969,522				28
28A	Generation Expense	401 - 548	1,316,537				28A
29	Miscellaneous Expense	401 - 549	126,949				29
29A	Rents	401 - 550	316,004	401 =	3,798,877.48		29A
30	Supervision and Engineering	402 - 551	22,841				30
31	Structures	402 - 552	18,170	402 =	614,551.44		31
32	Generating and Electric	402 - 553	564,174				32
33	Miscellaneous Expense	402 - 554	9,366	Production 401 =	73,496,867.52		33
34				Production 402 =	12,911,917.53		34
35	<b>Other Power Supply Expenses:</b>						35
36	System Control and Dispatch	401 - 556	375,883				36
36A	Other Expenses	401 - 557	683,621	401 =	1,059,504.14		36A
37							37
38	<b>Transmission Expenses:</b>						38
39	Supervision and Engineering	401 - 560	460,657				39
40	Load Dispatching	401 - 561	3,112,775				40
41	Station Expense	401 - 562	205,452				41
42	Overhead Lines	401 - 563	339,387				42
42A	Transmission of Electricity by Others	401 - 565	198,817				42A
43	Miscellaneous Expense	401 - 566	1,071,888				43
44	Rents	401 - 567	14,082	401 =	6,772,404.36		44
45	Supervision and Engineering	402 - 568	448,117				45
45A	Computer Hardware, Software, etc	402 - 569	826,293				45A
46	Station Equipment	402 - 570	1,170,884				46
47	Overhead System	402 - 571	1,183,741				47
48	Underground Lines	402 - 572	220				48
48A	Maintenance of Miscellaneous Plant	402 - 573	0				48A
48B	Day-Ahead & Real-Time and Transmission Market Expense	401 - 575	1,429,347				48B
48C	Computer Software	402 - 576	285,036	402 =	3,914,291.19		48C
49							49
50	<b>Distribution Expense:</b>						50
51	Operation, Supervision & Engineering	401 - 580	424,186				51
51A	Load Dispatching	401 - 581	297,804				51A
52	Station Expenses	401 - 582	184,208				52
53	Line Expenses	401 - 583	479,539				53
54	Underground Line Expenses	401 - 584	1,194,797				54
55	Streetlighting & Signal System	401 - 585	0				55
56							56
57	Not Used	401 - 586.01					57
58	Not Used	401 - 586.02					58
59	Not Used	401 - 586.03					59
60	Not Used	401 - 586.04					60
61	Not Used	401 - 586.05					61
62	Not Used	401 - 586.06					62
63	Not Used	401 - 586.07					63
64	Meter Expenses:	401 - 586	939,070				64
65	Other Distribution Expenses	401 - 587	424,428				65
66	Miscellaneous Distribution Expenses	401 - 588	2,295,846				66
67	Rents	401 - 589	257,463	401 =	6,497,340.91		67
68	Maintenance, Supervision & Engineering	402 - 590	884,229				68
69	Maintenance of Station Equipment	402 - 592	760,920				69
70	Maintenance of Overhead Lines	402 - 593	3,703,900				70
71	Maintenance of Underground Lines	402 - 594	864,050				71
72	Maintenance of Line Transformers	402 - 595	8,816				72
73	Maintenance of Streetlighting & Signal	402 - 596	997,606				73
74	Maintenance of Meters:	402 - 597	481,294				74
75	Not Used	402 - 597.01					75
76	Not Used	402 - 597.02					76
77	Not Used	402 - 597.03					77
78	Maintenance of Property in A/C 371	402 - 598	135,862	402 =	7,836,677.68		78

		(2)		2009		Functionalization	Page 3 of 6
Line #	Description	Accounts	Statement Amounts Actual Year 2009				Line #
1	<b>Customer Accounting:</b>						1
2	Supervision	401 - 901	102,637				2
3	Meter Reading Expenses	401 - 902	4,835,907				3
4	Customer Records & Collection Expense	401 - 903	5,020,253				4
5	Uncollectible Accounts	401 - 904	865,500				5
6	Miscellaneous Expenses	401 - 905	325,296	401 =	11,149,592.82		6
7							7
8	<b>Customer Service and Information Expense:</b>						8
9	Supervision	401 - 907	574,681				9
10							10
11	Customer Assistance Expenses	401 - 908	1,245,851				11
12	Not Used	401 - 908.2					12
13	Not Used	401 - 908.3					13
14	Not Used	401 - 908.4					14
15	Not Used	401 - 908.11					15
16	Not Used	401 - 908.12					16
17	Not Used	401 - 908.13					17
18	Conservation Investment Program - SD	401 - 908.16	258,864				18
19	Conservation Investment Program - ND	401 - 908.17	27,761				19
20	Conservation Investment Program - MN	401 - 908.18	2,733,372				20
21	Not Used	401 - 908.22					21
22	Not Used	401 - 908.23					22
23	Info & Instr Advertising Expense	401 - 909	313,265				23
24	Miscellaneous Expenses	401 - 910	45,021	401 =	5,198,813.51		24
25							25
26	<b>Sales Expenses:</b>						26
27	Supervisory Labor and Expenses	401 - 911	0				27
28	Minnesota Economic Development	401 - 912	172,195				28
29	North Dakota Economic Development	401 - 912	330,235				29
30	South Dakota Economic Development	401 - 912	21,254				30
31	Not Used	401 - 912.04					31
32	Expenses - Sales & Demonstrations	401 - 912	47,304				32
33	Not Used	401 - 912.10					33
34	Not Used	401 - 912.11 & 12					34
35	Not Used	401 - 912.13					35
36	Not Used	401 - 912.14					36
37	Not Used	401 - 912.20					37
38	Not Used	401 - 912.21 & .22					38
39	Not Used	401 - 912.23					39
40	Not Used	401 - 912.24					40
41	Not Used	401 - 912.30					41
42	Not Used	401 - 912.32					42
43	Not Used	401 - 912.33					43
44	Not Used	401 - 912.34					44
45	Advertising	401 - 913	46,811				45
46	Miscellaneous Sales Expense	401 - 916	307,239				46
47	Not Used	401 - 916.02					47
48	Not Used	401 - 916.03					48
49	Not Used	401 - 916.04					49
50	Not Used	401 - 916.08					50
51	Not Used	401 - 916.10					51
52	Not Used	401 - 916.11					52
53	Not Used	401 - 916.12					53
54	Not Used	401 - 916.13					54
55	Not Used	401 - 916.20					55
56	Not Used	401 - 916.21					56
57	Not Used	401 - 916.22					57
58	Not Used	401 - 916.23					58
59	Not Used	401 - 916.30					59
60	Not Used	401 - 916.31					60
61	Not Used	401 - 916.32					61
62	Not Used	401 - 916.33		401 =	925,038.42		62
63							63
64	<b>Operating Expenses - Admin &amp; General:</b>						64
65	Salaries, Office Supplies & Expenses	401 - 920	16,708,167				65
66	Various Admin & General Expenses	401 - 921	4,331,435				66
67	Capitalized Admin & General Expenses	401 - 922	0				67
68	Outside Services Employed	401 - 923	1,350,187				68
69	Property Insurance	401 - 924	1,508,889				69
70	Injuries & Damages	401 - 925	1,416,527				70
71	Employee Pensions & Benefits	401 - 926	3,070,046				71
72	Regulatory Commission Expenses	401 - 928	2,009,549				72
73	Miscellaneous General Expenses	401 - 930	1,471,230				73
74	Informational Advertising	401 - 930.01	732,698				74
75	Rents	401 - 931	191,688	401 =	32,057,717.34		75
76	Maintenance Expenses	402 - 935	1,282,403	A/C 935.06 Included in This Account			76
77	Radio Load Control Equipment	402 - 935.06	0				77

Check Totals	Amounts
Total 401 =	137,157,279.02
Plus 555 (2)	52,943,739.25
Total	190,101,018.27
GL Total (2)	190,101,018.27
Difference	0.00
Total 402 =	25,945,289.06
GL Total (2)	25,945,289.06
Difference	0.00

(2) OTP FERC Trial Balance 2009 Report in Misc W/P Folder

Line #	Factors	Peak	Base						2009	Functionalization	Page 4 of 6	Line #
1	Base/Peak Split										1	
2	2009 Excluding Wind - (3)	24.71%	75.29%	100.00%	(3) Current Year Work Paper C-1, Page 1.						2	
3	2009 Wind - (4)	8.00%	92.00%	100.00%	(4) Per MISO Wind Capacity Credit Calculation						3	
4											4	
5											5	
6											6	
7	<b>Ending Balances</b>										7	
8	Land	958,718									8	
9	Station Equipment	51,826,385									9	
10	Poles, Towers & Fixtures	29,691,092	0	23,574,233	0	3,132,372	329,723				10	
11	Overhead Conductors & Devices	16,873,952	12,101,730	7,951,099	2,836,910	2,864,432	301,519				11	
12	Underground Conduit	0	0	0	0	0	0				12	
13	Underground Conductors & Devices	13,049,719	587,398	31,008,326	7,550,558	2,388,671	265,408				13	
14	Line Transformers	0	30,295,071	0	29,528,163	0	0				14	
15	Services	0	3,595,156	0	7,464,239	0	0				15	
16	Underground Services	0	10,741,786	0	18,845,300	0	0				16	
17	Meters							20,542,040			17	
18	Load Management Switches								8,848,398		18	
19	Interruption Monitors					616,991					19	
20	Installation on Customers' Premises			0							20	
21	All Other Private Lighting										21	
22	Streetsighting & Signal Systems					4,359,746	3,787,076				22	
23											23	
24	<b>Total Ending Balances</b>	112,399,866	57,321,142	62,533,659	66,842,161	12,745,221	4,683,726	20,542,040	8,848,398		24	
25											25	
26											26	
27	<b>Distribution Expenses</b>	<b>Primary Demand</b>	<b>Secondary Demand</b>	<b>Primary Customer</b>	<b>Secondary Customer</b>	<b>Street Lights</b>	<b>Area Lights</b>	<b>Meters</b>	<b>Load Management</b>		27	
28	Operation, Supervision & Engineering	65,799	38,131	69,435	119,793	6,670	728	123,630	0		28	
29	Load Dispatching	42,956	26,419	53,808	83,000	5,378	584	85,658	0		29	
30	Station Expenses	184,208									30	
31	Line Expenses	130,936	129,324	88,646	111,996	16,862	1,775				31	
32	Underground Line Expenses	184,655	160,309	438,772	373,505	33,800	3,756				32	
33	Streetsighting & Signal System					0					33	
34	Meter Expenses:							939,070	0		34	
35	Other Distribution Expenses				424,428						35	
36	Miscellaneous Distribution Expenses	356,129	206,377	375,808	648,364	36,099	3,941	669,129	0		36	
37	Rents	134,756		106,994		14,217	1,496				37	
38	Maintenance, Supervision & Engineering	342,264	90,105	191,487	86,398	170,650	3,326				38	
39	Maintenance of Station Equipment	760,920									39	
40	Maintenance of Overhead Lines	1,557,783	525,122	1,054,646	344,614	200,617	21,118				40	
41	Maintenance of Underground Lines	133,538	115,932	317,310	270,110	24,443	2,716				41	
42	Maintenance of Line Transformers		4,523		4,293						42	
43	Maintenance of Streetsighting & Signal					997,606					43	
44	Maintenance of Meters:							481,294	0		44	
45	Maintenance of Property in A/C 371	48,876	12,867	27,345	12,338	24,369	475	9,593	0		45	
46											46	
47	<b>Total Distribution Expenses</b>	3,942,821	1,309,109	2,724,250	2,478,838	1,530,711	39,915	2,308,374	0	14,334,018.57	47	
48											48	
49											49	
50					<b>Customer Accounting</b>	<b>Customer Service</b>					50	
51		<b>Production</b>	<b>Transmission</b>	<b>Distribution</b>							51	
52	<b>Labor Ratios: 2009 (1)</b>	35.85%	14.84%	25.98%	17.85%	5.48%	1.000000				52	
53											53	

(1) C-2, Page 1 of 2

Line #	Plant in Service	13-Month Average 2009	Line #
1	<b>Production Plant</b>		1
2	A/C 101 & 106 - Base Demand	286,549,743	2
3	Peak Demand	111,653,461	3
4	Base Energy	202,211,096	4
5			5
6	Subtotal A/C 101 & 106	600,414,300	6
7			7
8	A/C 114 - Base Demand	1,195,719	8
9	Peak Demand	392,536	9
10	Base Energy	0	10
11			11
12	Subtotal A/C 114	1,588,255	12
13			13
14	<b>Total Production Plant</b>	602,002,555	14
15			15
16	<b>Transmission Plant</b>		16
17	A/C 101 & 106	211,527,689	17
18	A/C 114	58,287	18
19			19
20	<b>Total Transmission Plant</b>	211,585,976	20
21			21
22	<b>Distribution Plant - A/C 101, 106 &amp; 114</b>		22
23	Primary Demand-INC A/C 114	112,399,866	23
24	Secondary Demand	57,321,142	24
25	Primary Customer	62,533,659	25
26	Secondary Customer	66,842,161	26
27	Streetlighting	12,745,221	27
28	Area Lighting	4,683,726	28
29	Meters	20,542,040	29
30	Load Management	8,848,398	30
31			31
32	<b>Total Distribution Plant</b>	345,916,212	32
33			33
34	<b>General Plant</b>		34
35	Production	26,975,229	35
36	Transmission	11,168,315	36
37	Distribution	19,548,576	37
38	Customer Accounts	13,431,181	38
39	Customer Service & Info	4,123,410	39
40	Load Management	131,177	40
41			41
42	<b>Total General</b>	75,375,887	42
43			43
44			44
45			45
46			46
47			47
48	<b>Operating Expenses</b>	<b>Amount</b>	48
49	<b>Production Expenses</b>		49
50	Production Expenses Excl Purchased Power		50
51	Base Demand	12,864,251	51
52	Peak Demand	4,223,136	52
53	Base Energy	68,411,380	53
54	Peak Energy	1,969,522	54
55			55
56	<b>Total Excluding Purchased Power</b>	87,468,289	56
57			57
58	<b>Transmission Expenses</b>	10,686,696	58
59			59
60	<b>Distribution Expenses</b>		60
61	Primary Demand	3,942,821	61
62	Secondary Demand	1,309,109	62
63	Primary Customer	2,724,250	63
64	Secondary Customer	2,478,838	64
65	Streetlighting	1,530,711	65
66	Area Lighting	39,915	66
67	Meters	2,308,374	67
68	Load Management	0	68
69			69
70	<b>Total Distribution</b>	14,334,019	70

  

Total Plant	Intangible	PHFU	Total	Total From Page 1	Difference
1,234,880,630	3,850,303	29,657	1,238,760,590	1,238,760,590	0

Line #		Amount	2009	Functionalization	Page 6 of 6	Line #
1	<b>Customer Accounting Expenses</b>					1
2	Meter Reading		4,880,837			2
3	Other		6,268,756			3
4						4
5	Total Customer Accounts		11,149,593			5
6						6
7	<b>Customer Service &amp; Info Expense - MN</b>		2,733,372			7
8	- ND		27,761			8
9	- SD		258,864			9
10	- Other		2,178,817			10
11						11
12	<b>Total Customer Serv &amp; Information Exp</b>		5,198,814			12
13						13
14	<b>Sales Expenses - MN</b>		172,195			14
15	- ND		330,235			15
16	- SD		21,254			16
17	- Other		401,355			17
18						18
19	<b>Total Sales Expenses</b>		925,038			19
20						20
21	<b>Administrative &amp; General Expenses</b>					21
22	<b>Salaries, Supplies, Pensions &amp; Benefits</b>					22
23	Production		8,643,309			23
24	Transmission		3,577,872			24
25	Distribution		6,263,687			25
26	Customer Accounts		4,303,572			26
27	Customer Service & Info		1,321,209			27
28						28
29	<b>Total A&amp;G Salaries, Supplies, Pensions &amp; Benefits</b>		24,109,648			29
30						30
31	<b>Administrative &amp; General Expenses</b>					31
32	Load Management		0			32
33	Outside Services (A/C 923)		1,350,187			33
34	Property Insurance (A/C 924)		1,508,889			34
35	Injuries & Damages (A/C 925)		1,416,527			35
36						36
37	General Advertising (A/C 930.1)		732,698			37
38	Misc, Rents, Maintenance		2,212,622			38

Total Expenses Pg's 5 & 6	161,093,019.56
Total Expenses Pg's 2 & 3	163,102,568.08
Difference	(2,009,548.52)
Less: Regulatory Commission Expense	2,009,549 (1)
	(0.02) Rounding due to Distribution Allocation Factors

(1) Regulatory Commission Expense is included in Operating Expense above and then is pulled out down below as it is treated as a separate adjustment on the Input Summary.