

Volume 4A

Section 1 – 2009 Test Year Workpapers

Jurisdictional Cost of Service Study
(JCOSS)

SOUTH DAKOTA

Otter Tail Power Company
 Class Cost of Service Study
 2009 Test Year

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Line No.	Item	Allocation Factors	Total Company	South Dakota	All Other	Line No.
1	Rate Base		627,686,927	64,406,556	563,280,371	1
2						2
3	Total Available for Return		30,742,610	4,091,636	26,650,975	3
4						4
5	Rate of Return Earned		4.90%	6.35%	4.73%	5
6						6
7	Rate of Return Requested			9.13%		7
8						8
9	Operating Income Required			5,880,319		9
10						10
11	Total Available for Return			4,091,636		11
12						12
13	Operating Income Deficiency			1,788,683		13
14						14
15	Incremental Taxes	GRCF =	1.540773	967,271		15
16						16
17	Revenue Increase Required			2,755,954		17
18						18
19	Percentage Increase			9.96%		19
20						20
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Line No.	Item	Total Company	South Dakota	All Other	Line No.
1	Electric Plant in Service	1,327,700,479	130,563,662	1,197,136,817	1
2					2
3	Accumulated Depreciation	(520,199,885)	(51,343,632)	(468,856,253)	3
4					4
5	Net Plant Excluding Big Stone Plant Capitalized Items	807,500,594	79,220,029	728,280,565	5
6					6
7	Net Capitalized Items - Big Stone Plant	40,651	3,366	37,285	7
8					8
9	Net Electric Plant in Service	807,541,245	79,223,395	728,317,850	9
10					10
11	Plant Held for Future Use	29,657	2,928	26,729	11
12					12
13	Construction Work in Progress	14,013,401	0	14,013,401	13
14					14
15	Materials and Supplies	16,443,148	1,621,042	14,822,106	15
16					16
17	Fuel Stocks	8,615,745	857,871	7,757,875	17
18					18
19	Prepayments	(35,012,678)	(3,434,900)	(31,577,778)	19
20					20
21	Customer Advances	(396,606)	(38,909)	(357,697)	21
22					22
23	Cash Working Capital	4,523,862	789,011	3,734,851	23
24					24
25	Accumulated Deferred Income Taxes	(188,464,431)	(14,808,071)	(173,656,359)	25
26					26
27	Unamortized Holding Company Formation Expense	221,082	21,689	199,393	27
28					28
29	Unamortized Rate Case Expense	172,500	172,500	0	29
30					30
31					31
32	Total Average Rate Base	627,686,927	64,406,556	563,280,371	32
33					33
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Line No.	Item	Allocation Factors	Total Company	South Dakota	All Other	Line No.
1	Plant in Service					1
2	<u>Production Plant</u>					2
3	A/C 101 & 106 - Base Demand	E1	303,009,278	30,213,197	272,796,081	3
4	Peak Demand	D1	120,725,590	11,951,981	108,773,609	4
5	Base Energy	E2	246,123,942	23,739,813	222,384,130	5
6						6
7	Subtotal A/C 101 & 106		669,858,810	65,904,991	603,953,819	7
8						8
9	A/C 114 - Base Demand	E1	1,195,719	119,226	1,076,493	9
10	Peak Demand	D1	392,536	38,862	353,675	10
11	Base Energy	E2	0	0	0	11
12						12
13	Subtotal A/C 114		1,588,255	158,087	1,430,168	13
14						14
15	Total Production Plant	P10	671,447,065	66,063,078	605,383,987	15
16						16
17	<u>Transmission Plant</u>					17
18	A/C 101 & 106	D2	217,601,495	21,359,147	196,242,348	18
19	A/C 114	D2	58,287	5,721	52,566	19
20						20
21	Total Transmission Plant		217,659,782	21,364,868	196,294,914	21
22						22
23	<u>Distribution Plant</u>					23
24	Primary Demand	D3	118,371,401	12,799,935	105,571,466	24
25	Secondary Demand	D4	58,222,231	6,542,188	51,680,043	25
26	Primary Customer	C2	63,946,121	5,449,418	58,496,703	26
27	Secondary Customer	C3	68,070,006	5,800,207	62,269,799	27
28	Streetlighting	C4	13,035,982	1,391,611	11,644,370	28
29	Area Lighting	C5	4,776,361	454,458	4,321,903	29
30	Meters	C6	21,040,054	1,947,831	19,092,223	30
31	Load Management	C9	8,995,085	888,695	8,106,390	31
32						32
33	Total Distribution Plant	P60	356,457,240	35,274,343	321,182,897	33
34						34
35	<u>General Plant</u>					35
36	Production	P10	27,690,629	2,724,456	24,966,172	36
37	Transmission	D2	11,478,762	1,126,723	10,352,039	37
38	Distribution	P60	20,221,459	2,001,078	18,220,381	38
39	Customer Accounts	OXC	13,915,503	1,210,550	12,704,953	39
40	Customer Service & Info	OXI	4,223,980	357,118	3,866,862	40
41	Load Management	C9	193,250	19,093	174,157	41
42						42
43	Total General Plant	P90	77,723,582	7,439,017	70,284,565	43
44						44
45	<u>Intangible Plant</u>	P90	4,412,810	422,355	3,990,455	45
46						46
47	Total Plant in Service	EPIS	1,327,700,479	130,563,662	1,197,136,817	47
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Line No.	Item	Allocation Factors	Total Company	South Dakota	All Other	Line No.
1	<u>Accumulated Depreciation</u>					1
2	Production Plant					2
3	Base Demand	E1	(172,442,646)	(17,194,337)	(155,248,309)	3
4	Peak Demand	D1	(58,414,257)	(5,783,083)	(52,631,174)	4
5	Base Energy	E2	(21,008,486)	(1,995,112)	(19,013,375)	5
6						6
7	Total Production Plant		(251,865,389)	(24,972,531)	(226,892,858)	7
8						8
9						9
10	Transmission Plant	D2	(82,727,831)	(8,120,330)	(74,607,501)	10
11						11
12	Distribution Plant	P60	(149,721,166)	(14,816,127)	(134,905,039)	12
13						13
14						14
15	General Plant	P90	(32,884,697)	(3,147,434)	(29,737,263)	15
16						16
17						17
18	Intangible Plant	P90	(3,000,801)	(287,210)	(2,713,591)	18
19						19
20						20
21	Total Accumulated Depreciation		(520,199,885)	(51,343,632)	(468,856,253)	21
22						22
23						23
24	Net Plant Excluding BSP Capitalized Items		807,500,594	79,220,029	728,280,565	24
25						25
26						26
27	BSP Capitalized Items	P10	40,651	3,366	37,285	27
28		Directly Assigned to Jurisdiction				28
29						29
30	Total Net Plant in Service	NEPIS	807,541,245	79,223,395	728,317,850	30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38						38
39						39
40	<u>Plant Held for Future Use</u>					40
41	Production Plant	P10	0	0	0	41
42	Transmission Plant	D2	9,038	887	8,151	42
43	Distribution Plant	P60	20,619	2,040	18,579	43
44	General Plant	P90	0	0	0	44
45	Intangible Plant	P90	0	0	0	45
46						46
47	Total Plant Held for Future Use		29,657	2,928	26,729	47
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Line No.	Item	Allocation Factors	Total Company	South Dakota	All Other	Line No.
1	<u>Const Work-in-Progress - Major Projects</u>					1
2	Production Plant	P10	0	0	0	2
3	Transmission Plant	D2	0	0	0	3
4	Distribution Plant	P60	0	0	0	4
5	General Plant	P90	0	0	0	5
6	Intangible Plant	P90	0	0	0	6
7						7
8	Total CWIP - Major Projects		0	0	0	8
9		Allowed Only in MN & FERC				9
10						10
11	<u>Const Work-in-Progress - Short-Term</u>					11
12	Production Plant	P10	298,155	0	298,155	12
13	Transmission Plant	D2	832,171	0	832,171	13
14	Distribution Plant	P60	1,707,960	0	1,707,960	14
15	General Plant	P90	1,377,657	0	1,377,657	15
16	Intangible Plant	P90	0	0	0	16
17						17
18	Total CWIP - Short-Term		4,215,943	0	4,215,943	18
19		Allowed Only in MN, ND & FERC				19
20						20
21	<u>Const Work-in-Progress - Long Term</u>					21
22	Production Plant	P10	112,666	0	112,666	22
23	Transmission Plant	D2	6,523,248	0	6,523,248	23
24	Distribution Plant	P60	2,323,206	0	2,323,206	24
25	General Plant	P90	838,338	0	838,338	25
26	Intangible Plant	P90	0	0	0	26
27						27
28	Total CWIP - Long Term		9,797,458	0	9,797,458	28
29		Allowed Only in MN & FERC				29
30						30
31	Total Construction Work-in-Progress		14,013,401	0	14,013,401	31
32						32
33						33
34	<u>Materials & Supplies</u>					34
35	Production	P10	4,986,923	490,659	4,496,264	35
36	Transmission	D2	4,124,241	404,824	3,719,417	36
37	Distribution	P60	7,331,984	725,559	6,606,425	37
38						38
39	Total Materials and Supplies		16,443,148	1,621,042	14,822,106	39
40						40
41						41
42	<u>Fuel Stocks</u>					42
43	Coal Stocks	E1	6,910,549	689,054	6,221,495	43
44	Fuel Oil Stocks	D1	1,705,196	168,816	1,536,380	44
45						45
46	Total Fuel Stocks		8,615,745	857,871	7,757,875	46
47						47
48						48
49	Prepayments	NEPIS	(35,012,678)	(3,434,900)	(31,577,778)	49
50						50
51	Customer Advances	NEPIS	(396,606)	(38,909)	(357,697)	51
52						52
53	Cash Working Capital	OX	4,523,862	789,011	3,734,851	53
54		Separately calculated by Jurisdiction				54
55						55
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Line No.	Item	Allocation Factors	Total Company	South Dakota	All Other	Line No.
1	Accumulated Deferred Income Taxes					1
2	<u>Items SD Flows Through</u>					2
3	Federal	NPMNR	(6,241,352)	0	(6,241,352)	3
4	Minnesota	NPISM	(898,158)	0	(898,158)	4
5	North Dakota	NPISN	(550,400)	0	(550,400)	5
6						6
7	Subtotal		(7,689,909)	0	(7,689,909)	7
8						8
9	<u>All Other</u>					9
10	Federal	NEPIS	(150,941,883)	(14,808,071)	(136,133,812)	10
11	Minnesota	NPISM	(24,342,859)	0	(24,342,859)	11
12	North Dakota	NPISN	(5,489,779)	0	(5,489,779)	12
13						13
14	Subtotal		(180,774,521)	(14,808,071)	(165,966,450)	14
15						15
16	Total Accumulated Deferred Income Taxes		(188,464,431)	(14,808,071)	(173,656,359)	16
17						17
18	Unamortized Holding Company Formation Expense	NEPIS	221,082	21,689	199,393	18
19						19
20	Unamortized Rate Case and Holding Company Formation Expenses	NEPIS	172,500	172,500	0	20
21		Directly Assigned to Jurisdiction				21
22						22
23						23
24						24
25						25
26						26
27	Total Average Rate Base		627,686,927	64,406,556	563,280,371	27
28						28
29						29
30						30
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Line No.	Item	Total Company	South Dakota	All Other	Line No.
1	<u>Operating Revenues</u>				1
2	Sales of Electricity	275,143,628	27,672,377	247,471,251	2
3	Other Operating Revenue	23,723,640	2,280,393	21,443,247	3
4					4
5	Total Operating Revenue	298,867,268	29,952,770	268,914,498	5
6					6
7	<u>Operating Expenses</u>				7
8	Production Expenses	141,192,060	13,698,261	127,493,799	8
9	Transmission Expenses	11,688,244	1,147,285	10,540,959	9
10	Distribution Expenses	15,689,632	1,529,964	14,159,667	10
11	Customer Accounting Expenses	12,058,572	1,049,010	11,009,562	11
12	Customer Service and Information Expenses	5,225,951	211,061	5,014,890	12
13	Sales Expenses	878,227	51,229	826,999	13
14	Administrative and General Expenses	35,466,679	3,461,663	32,005,016	14
15	Charitable Contributions	93,665	0	93,665	15
16	Depreciation Expense	41,824,544	4,109,295	37,715,249	16
17	Amortization of Big Stone Plant Capitalized Costs	0	0	0	17
18	Spiritwood Amortization	0	0	0	18
19	General Taxes	9,632,831	945,024	8,687,808	19
20					20
21	Total Operating Expenses	273,750,405	26,202,791	247,547,614	21
22					22
23					23
24					24
25	Net Operating Income Before Income Taxes	25,116,863	3,749,979	21,366,884	25
26					26
27	<u>Income Tax Expense</u>				27
28	Investment Tax Credit	(10,077,892)	(991,042)	(9,086,850)	28
29	Deferred Income Taxes	36,853,943	2,775,578	34,078,365	29
30	Income Taxes	(29,143,340)	(2,126,193)	(27,017,147)	30
31					31
32	Total Income Tax Expense	(2,367,288)	(341,656)	(2,025,632)	32
33					33
34					34
35					35
36	Net Operating Income	27,484,152	4,091,636	23,392,516	36
37					37
38					38
39					39
40	Allowance for Funds Used During Construction	3,258,459	0	3,258,459	40
41					41
42					42
43	Total Available for Return	30,742,610	4,091,636	26,650,975	43
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Line No.	Item	Allocation Factors	Total Company	South Dakota	All Other	Line No.
1	<u>Operating Revenues</u>					1
2						2
3	Sales of Electricity	R10	275,143,628	27,672,377	247,471,251	3
4						4
5						5
6	<u>Other Operating Revenues</u>					6
7	Sales for Resale					7
8	Municipalities		229,736	0	229,736	8
9	Non-Associated Utilities, Co-Ops & OPA					9
10	Non-Asset Wholesale Transactions	D2	0	0	0	10
11	All Other Transactions					11
12	Base Demand	E1	0	0	0	12
13	Peak Demand	D1	0	0	0	13
14	Base Energy	E2	10,371,955	1,000,424	9,371,531	14
15	Peak Energy	D1	0	0	0	15
16						16
17	Total All Other Transactions		10,371,955	1,000,424	9,371,531	17
18						18
19	Total Sales for Resale		10,601,691	1,000,424	9,601,267	19
20						20
21	Other Electric Revenues					21
22	Late Fees	C1	557,298	91,254	466,044	22
23	Connection Fees	C1	305,140	30,119	275,021	23
24	Rent from Electric Property	NEPIS	638,477	62,637	575,840	24
25	Rent from Electric Property - Hoot Lake	NEPIS	1,550	152	1,398	25
26	Rent from Electric Property - Big Stone	NEPIS	6,583	646	5,937	26
27	Rent from Electric Property - Coyote	NEPIS	15,017	1,473	13,544	27
28	Other Misc Electric Revenue	NEPIS	3,353,015	328,946	3,024,069	28
29	ITA Deficiency Payments	NEPIS	3,747,651	367,661	3,379,990	29
30	Miscellaneous Services	NEPIS	32,304	3,169	29,135	30
31	Wheeling		432,905	0	432,905	31
32	Load Control and Dispatch	NEPIS	4,007,399	393,144	3,614,255	32
33	Loan Pool Interest	C1	24,609	768	23,842	33
34						34
35	Total Other Electric Revenues		13,121,949	1,279,969	11,841,980	35
36						36
37	Total Other Operating Revenues		23,723,640	2,280,393	21,443,247	37
38						38
39	Total Operating Revenues		298,867,268	29,952,770	268,914,498	39
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Line No.	Item	Allocation Factors	Total Company	South Dakota	All Other	Line No.
1	Operating Expenses					1
2	<u>Production Expenses</u>					2
3	Prod Expenses Excluding Purchased Power					3
4	Base Demand	E1	15,749,641	1,570,404	14,179,237	4
5	Peak Demand	D1	4,580,854	453,510	4,127,344	5
6	Base Energy	E2	66,208,895	6,386,160	59,822,735	6
7	Peak Energy	D1	1,969,522	194,985	1,774,537	7
8						8
9	Total Excluding Purchased Power		88,508,912	8,605,059	79,903,853	9
10						10
11	Purchased Power					11
12	Non-Asset Wholesale Transactions	D2	0	0	0	12
13	for Retail					13
14	Base Demand	E1	3,582,617	357,224	3,225,393	14
15	Peak Demand	D1	0	0	0	15
16	Base Energy	E2	49,100,531	4,735,977	44,364,554	16
17	Peak Energy	D1	0	0	0	17
18						18
19	Total All Other Transactions		52,683,148	5,093,202	47,589,946	19
20						20
21	Total Purchased Power		52,683,148	5,093,202	47,589,946	21
22						22
23	Total Production Expenses		141,192,060	13,698,261	127,493,799	23
24						24
25	Transmission Expenses	D2	11,688,244	1,147,285	10,540,959	25
26						26
27						27
28						28
29	<u>Distribution Expenses</u>					29
30	Primary Demand	D3	4,317,961	466,917	3,851,044	30
31	Secondary Demand	D4	1,433,666	161,095	1,272,571	31
32	Primary Customer	C2	2,983,447	254,246	2,729,201	32
33	Secondary Customer	C3	2,714,686	231,317	2,483,369	33
34	Streetlighting	C4	1,676,351	178,953	1,497,398	34
35	Area Lighting	C5	43,713	4,159	39,554	35
36	Meters	C6	2,519,807	233,277	2,286,530	36
37	Load Management	C9	0	0	0	37
38						38
39	Total Distribution	OXD	15,689,632	1,529,964	14,159,667	39
40						40
41	<u>Customer Accounting Expenses</u>					41
42	Meter Reading	C7	5,278,750	471,400	4,807,350	42
43	Other	C8	6,779,822	577,610	6,202,212	43
44						44
45	Total Customer Accounts	OXC	12,058,572	1,049,010	11,009,562	45
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Line No.	Item	Allocation Factors		Total Company	South Dakota	All Other	Line No.
1	<u>Customer Service & Information Expense</u>						1
2	Conservation & DSM Rebates	C1	Directly Assigned to Jurisdiction	2,897,983	14,242	2,883,741	2
3	Other	C1		2,327,968	196,819	2,131,149	3
4							4
5	Total Customer Service & Information Expense	OXI		5,225,951	211,061	5,014,890	5
6							6
7	<u>Sales Expenses</u>						7
8	Off-Peak Development	C1	Directly Assigned to Jurisdiction	523,683	21,254	502,430	8
9	Other	C1		354,544	29,975	324,569	9
10							10
11	Total Sales Expenses			878,227	51,229	826,999	11
12							12
13							13
14	<u>Administrative & General Expenses</u>						14
15	Salaries, Supplies, Pensions & Benefits						15
16	Production	OXPD		9,498,151	945,775	8,552,376	16
17	Transmission	D2		3,928,956	385,655	3,543,301	17
18	Distribution	OXD		6,865,605	669,495	6,196,110	18
19	Customer Accounts	OXC		4,725,542	411,089	4,314,454	19
20	Customer Service & Info	C1		1,454,560	122,976	1,331,583	20
21							21
22	Total Salaries, Supplies, Pensions, and Benefits			26,472,813	2,534,990	23,937,824	22
23							23
24	Load Management Expenses	C9		0	0	0	24
25							25
26	Outside Services	NEPIS		1,404,387	137,777	1,266,610	26
27							27
28	Property Insurance	NEPIS		1,829,627	179,495	1,650,133	28
29							29
30	Injuries & Damages	NEPIS		1,416,527	138,968	1,277,559	30
31							31
32	Regulatory Commission Expense	R10	Directly Assigned to Jurisdiction	2,024,845	249,998	1,774,846	32
33							33
34	General Advertising	C1		131,525	11,120	120,406	34
35							35
36	Miscellaneous, Rents, Maintenance	P90		2,186,955	209,316	1,977,639	36
37							37
38	Total Administrative & General Exp			35,466,679	3,461,663	32,005,016	38
39							39
40							40
41	Charitable Contributions	C1	Directly Assigned to Jurisdiction	93,665	0	93,665	41
42							42
43							43
44							44
45	Total O & M Expenses			222,293,029	21,148,472	201,144,557	45
46							46
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Line No.	Item	Allocation Factors	Total Company	South Dakota	All Other	Line No.
1	Depreciation Expense					1
2	Production					2
3	Base Demand	E1	10,558,985	1,052,841	9,506,143	3
4	Peak Demand	D1	4,326,348	428,314	3,898,034	4
5	Base Energy	E2	9,684,507	934,116	8,750,391	5
6						6
7	Total Production		24,569,840	2,415,271	22,154,569	7
8						8
9	Transmission	D2	4,108,771	403,305	3,705,466	9
10						10
11	Distribution	P60	10,010,971	990,667	9,020,304	11
12						12
13	General	P90	2,515,630	240,774	2,274,856	13
14						14
15	Intangible	P90	619,332	59,277	560,055	15
16						16
17						17
18						18
19						19
20						20
21						21
22	Total Depreciation Expense		41,824,544	4,109,295	37,715,249	22
23						23
24						24
25						25
26						26
27						27
28	Big Stone Expense Offsets	P10	0	0	0	28
29						29
30						30
31	Spiritwood Amortization	P10	0	0	0	31
32						32
33						33
34						34
35						35
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Line No.	Item	Allocation Factors		Total Company	South Dakota	All Other	0 Line
1	General Taxes	NEPIS		9,632,831	945,024	8,687,808	0
2							1
3	Net Operating Income Before Tax (NOIBT)			25,116,863	3,749,979	21,366,884	2
4							3
5	<u>Investment Tax Credit</u>						4
6	Amortize Prior Years Credit	EPIS		(10,077,892)	(991,042)	(9,086,850)	5
7	Debits Utilized	EPIS		0	0	0	6
8							7
9	Total Investment Tax Credit			(10,077,892)	(991,042)	(9,086,850)	8
10							9
11	<u>Deferred Income Taxes</u>						10
12	Items South Dakota Flows Through						11
13	Federal	NPMNR		1,001,833	0	1,001,833	12
14	Minnesota	NPISM		146,049	0	146,049	13
15	North Dakota	NPISN		88,623	0	88,623	14
16							15
17	Subtotal			1,236,505	0	1,236,505	16
18							17
19	All Other						18
20	Federal	NEPIS		28,292,071	2,775,578	25,516,492	19
21	Minnesota	NPISM		6,130,188	0	6,130,188	20
22	North Dakota	NPISN		1,195,180	0	1,195,180	21
23							22
24	Subtotal			35,617,439	2,775,578	32,841,860	23
25							24
26	Total Deferred Income Taxes			36,853,943	2,775,578	34,078,365	25
27							26
28							27
29	<u>Current Income Taxes</u>						28
30	Federal Income Taxes		Separately Calculated by Jurisdiction	(23,717,915)	(2,126,193)	(21,591,722)	29
31	Minnesota Income Taxes		Separately Calculated by Jurisdiction	(4,259,747)	0	(4,259,747)	30
32	North Dakota Income Taxes		Separately Calculated by Jurisdiction	(1,165,678)	0	(1,165,678)	31
33							32
34	Total Current Income Taxes			(29,143,340)	(2,126,193)	(27,017,147)	33
35							34
36	Total Income Taxes			(2,367,288)	(341,656)	(2,025,632)	35
37							36
38							37
39	Net Operating Income			27,484,152	4,091,636	23,392,516	38
40							39
41	AFDC	CWIPLT	Allowed Only in MN & FERC	3,258,459	0	3,258,459	40
42							41
43	Total Available for Return			30,742,610	4,091,636	26,650,975	42
44							43
45							44
46	Rate of Return on Rate Base			4.90%	6.35%	4.73%	45
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Line No.	Item	Allocation Factors		Total Company	South Dakota	All Other	Line No.
1	Development of Federal Income Tax Expense						1
2							2
3	Net Operating Income Before Tax (NOIBT)			25,116,863	3,749,979	21,366,884	3
4	Less: Interest Cost		Calculated by Jurisdiction	19,607,883	2,094,071	17,513,812	4
5							5
6	Net Income Before Tax			5,508,981	1,655,909	3,853,072	6
7							7
8	Federal Schedule M Adjustments:						8
9	Additional Tax Depreciation	NEPIS		36,932,813	3,623,274	33,309,539	9
10	Cost to Remove	NEPIS		3,029,927	297,249	2,732,678	10
11	Directly Assigned Schedule M Items	NEPIS	Directly Assigned to Jurisdiction	(186,954)	(8,404)	(178,550)	11
12	Accrued Vacation Pay	NEPIS		73,953	7,255	66,698	12
13	Charges - Operating Reserves	NEPIS		4,161,474	408,259	3,753,215	13
14	Provisions - Operating Reserves	NEPIS		(7,629,629)	(748,501)	(6,881,128)	14
15	Unbilled Revenues	NEPIS		0	0	0	15
16	Preferred Dividends Paid Credit	NEPIS		0	0	0	16
17	Other Schedule M Items	NEPIS		42,318,293	4,151,613	38,166,680	17
18							18
19	Subtotal Federal Schedule M Adjustments			78,699,877	7,730,746	70,969,131	19
20							20
21	Federal Adjusted Income Before Income Taxes			(73,190,896)	(6,074,837)	(67,116,059)	21
22							22
23	Less:						23
24	Minnesota State Income Taxes		Per Minnesota State Tax Calculation	(4,259,747)	0	(4,259,747)	24
25	North Dakota State Income Taxes		Per North Dakota State Tax Calculation	(1,165,678)	0	(1,165,678)	25
26							26
27	Federal Taxable Income			(67,765,472)	(6,074,837)	(61,690,635)	27
28	Federal Tax Rate			35.00%	35.00%	35.00%	28
29							29
30	Federal Income Tax Before Credits			(23,717,915)	(2,126,193)	(21,591,722)	30
31	Investment Tax Credit - Debits Utilized	EPIS		0	0	0	31
32							32
33	Federal Income Taxes			(23,717,915)	(2,126,193)	(21,591,722)	33
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Line No.	Item	Allocation Factors	Total Company	South Dakota	All Other	Line No.
1	Development of Minnesota State Income Tax Expense					1
2						2
3	Federal Adjusted Income Before Income Taxes		(39,735,384)	0	(39,735,384)	3
4						4
5	<u>Minnesota Adjustments to Federal Schedule M:</u>					5
6	PAYSOP Adjustment	NEPIS	0	0	0	6
7	Change in Excess Tax Depreciation - MN	NEPIS	(3,651,702)	0	(3,651,702)	7
8	Change in ACRS - Ordinary Loss	NEPIS	0	0	0	8
9	Preferred Dividends Paid Credit	NEPIS	0	0	0	9
10	Miscellaneous Adjustments to Fed Schedule M	NEPIS	(79,720)	0	(79,720)	10
11						11
12	Total Minnesota Adjustments to Fed Schedule M		(3,731,422)	0	(3,731,422)	12
13						13
14	Minnesota Taxable Income		(43,466,807)	0	(43,466,807)	14
15	Minnesota Tax Rate		9.80%	0.00%	9.80%	15
16						16
17	Minnesota Income Tax		(4,259,747)	0	(4,259,747)	17
18						18
19						19
20						20
21						21
22						22
23						23
24	Development of North Dakota State Income Tax Expense					24
25						25
26						26
27	Federal Adjusted Income Before Income Taxes		(27,371,714)	0	(27,371,714)	27
28						28
29	<u>North Dakota Adjustments to Federal Schedule M:</u>					29
30	Change in Excess Tax Depreciation - ND	NEPIS	(7,383)	0	(7,383)	30
31	Change in ACRS - Ordinary Loss - ND	NEPIS	0	0	0	31
32	Change in Income from ADR Property - ND	NEPIS	0	0	0	32
33	Miscellaneous Adjustments to Fed Schedule M	NEPIS	(3,771)	0	(3,771)	33
34						34
35	Total North Dakota Adjustments to Fed Schedule M		(11,154)	0	(11,154)	35
36						36
37	Subtotal		(27,382,869)	0	(27,382,869)	37
38	Deduction of Federal Income Taxes		(9,169,157)	0	(9,169,157)	38
39						39
40	North Dakota Taxable Income		(18,213,711)	0	(18,213,711)	40
41	North Dakota Tax Rate		6.40%	0.00%	6.40%	41
42						42
43	North Dakota Income Tax		(1,165,678)	0	(1,165,678)	43
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Line No.	Item	Allocation Factors	Total Company	South Dakota	All Other	Line No.
1	MWH Consumption at Generators - Partial	E1	3,991,958	398,040	3,593,918	1
2	Percentage		100.000000%	9.971047%	90.028953%	2
3						3
4	MWH Consumption at Generators - Total	E2	4,594,063	443,119	4,150,944	4
5	Percentage		100.000000%	9.645471%	90.354529%	5
6						6
7	Generation Demand Factor	D1	635,315	62,897	572,418	7
8	Percentage		100.000000%	9.900122%	90.099878%	8
9						9
10	Transmission Demand Factor	D2	640,778	62,897	577,881	10
11	Percentage		100.000000%	9.815717%	90.184283%	11
12						12
13	Distribution - Primary Demand Factor	D3	835,022	90,294	744,728	13
14	Percentage		100.000000%	10.813368%	89.186632%	14
15						15
16	Distribution - Secondary Demand Factor	D4	1,086,585	122,095	964,490	16
17	Percentage		100.000000%	11.236581%	88.763419%	17
18						18
19	Customer or Meter Factors					19
20	Total Retail Customers	C1	100,656	8,510	92,146	20
21	Percentage		100.000000%	8.454538%	91.545462%	21
22						22
23	Retail Service Locations	C2	105,141	8,960	96,181	23
24	Percentage		100.000000%	8.521890%	91.478110%	24
25						25
26	Secondary Service Locations	C3	105,094	8,955	96,139	26
27	Percentage		100.000000%	8.520943%	91.479057%	27
28						28
29	Street Lighting Factor	C4	4,372,320	466,752	3,905,568	29
30	Percentage		100.000000%	10.675156%	89.324844%	30
31						31
32	Area Lighting Factor	C5	3,790,846	360,689	3,430,157	32
33	Percentage		100.000000%	9.514736%	90.485264%	33
34						34
35	Meter Factor	C6	30,573,543	2,830,416	27,743,127	35
36	Percentage		100.000000%	9.257730%	90.742270%	36
37						37
38	Meter Reading Factor	C7	127,859	11,418	116,441	38
39	Percentage		100.000000%	8.930150%	91.069850%	39
40						40
41	System Service Locations	C8	105,170	8,960	96,210	41
42	Percentage		100.000000%	8.519540%	91.480460%	42
43						43
44	Load Management Factor	C9	41,175	4,068	37,107	44
45	Percentage		100.000000%	9.879781%	90.120219%	45
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Line No.	Item	Allocation Factors	Total Company	South Dakota	All Other	Line No.
1	<u>Gross Plant in Service</u>					1
2	Production Plant	P10	671,447,065	66,063,078	605,383,987	2
3	Percentage		100.000000%	9.838911%	90.161089%	3
4						4
5	Distribution Plant	P60	356,457,240	35,274,343	321,182,897	5
6	Percentage		100.000000%	9.895813%	90.104187%	6
7						7
8	General Plant	P90	77,723,582	7,439,017	70,284,565	8
9	Percentage		100.000000%	9.571120%	90.428880%	9
10						10
11	Electric Plant in Service	EPIS	1,327,700,479	130,563,662	1,197,136,817	11
12	Percentage		100.000000%	9.833819%	90.166181%	12
13						13
14	Net Electric Plant in Service	NEPIS	807,541,245	79,223,395	728,317,850	14
15	Percentage		100.000000%	9.810446%	90.189554%	15
16						16
17	<u>Operation and Maintenance Expense</u>					17
18	Production Expense (Excl Energy)	OXPD	23,913,112	2,381,139	21,531,974	18
19	Percentage		100.000000%	9.957460%	90.042540%	19
20						20
21	Distribution Expense	OXD	15,689,632	1,529,964	14,159,667	21
22	Percentage		100.000000%	9.751435%	90.248565%	22
23						23
24	Customer Accounts Expense	OXC	12,058,572	1,049,010	11,009,562	24
25	Percentage		100.000000%	8.699288%	91.300712%	25
26						26
27	Customer Service & Information Expense	OXI	2,327,968	196,819	2,131,149	27
28	Percentage		100.000000%	8.454538%	91.545462%	28
29						29
30						30
31	Other Deferred Income Tax Factor					31
32	Minnesota	NPISM	391,214,367	0	391,214,367	32
33	Percentage		100.000000%	0.000000%	100.000000%	33
34						34
35	North Dakota	NPISN	337,074,781	0	337,074,781	35
36	Percentage		100.000000%	0.000000%	100.000000%	36
37						37
38	Excluding South Dakota	NPMNR	728,317,850	0	728,317,850	38
39	Percentage		100.000000%	0.000000%	100.000000%	39
40						40
41	Long-Term CWIP Ratio (W/AFDC)	CWIPLT	9,797,458	0	9,797,458	41
42	Percentage		100.000000%	0.000000%	100.000000%	42
43						43
44	Revenue	R10	275,143,628	27,672,377	247,471,251	44
45	Percentage		100.000000%	10.057430%	89.942570%	45
46						46
47	Labor and Related Expense	LRE	104,042,190	9,780,121	94,262,068	47
48	Percentage		100.000000%	9.400150%	90.599850%	48
49						49
50	Total O & M Expense	OX				50
51	Percentage					51
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Line No.	Item	Amount	Amount as a Percent of Total	Cost of Capital	Rate of Return	Line No.
1	<u>Capital Structure - Rate of Return</u>					1
2						2
3						3
4	Long-Term Debt	288,367,295	46.776%	6.71%	3.14%	4
5						5
6	Preferred Stock	0	0.000%	0.00%	0.00%	6
7						7
8	Common Equity	328,112,867	53.224%	11.25%	5.99%	8
9						9
10						10
11	Total	616,480,162	100.00%		9.13%	11
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Line No.	Item	Allocation Factors	Total Company	South Dakota	All Other	Line No.
1	<u>Cash Working Capital Calculation - Revenue Lead Days</u>					1
2						2
3	<u>Revenues</u>					3
4	Computer Maintained Billings		252,730,854	23,180,105	229,550,749	4
5	Manually Maintained Billings		29,978,500	2,749,584	27,228,916	5
6	Cost of Energy Adjustment Revenues	R10	(6,669,437)	1,864,061	(8,533,498)	6
7	Sales for Resale		10,567,840	1,000,424	9,567,416	7
8	Rent from Electric Property		638,477	62,637	575,840	8
9	Miscellaneous		15,017	1,473	13,544	9
10	ITA Deficiency Payments		3,353,015	328,946	3,024,069	10
11	Wheeling		432,905	0	432,905	11
12	Load Control and Dispatch		4,007,399	393,144	3,614,255	12
13	Rent from Electric Property - Big Stone		1,550	152	1,398	13
14	Rent from Electric Property - Coyote		6,583	646	5,937	14
15	Profit on Materials and Supplies		3,747,651	367,661	3,379,990	15
16	Miscellaneous Services		32,304	3,169	29,135	16
17	Loan Pool Interest		24,609	768	23,842	17
18						18
19	Total Revenues		298,867,268	29,952,770	268,914,498	19
20						20
21	<u>Revenue Lead Days from Service to Collection</u>					21
22						22
23	Computer Maintained Billings		N/A	38.9	N/A	23
24	Manually Maintained Billings		N/A	41.3	N/A	24
25	Cost of Energy Adjustment Revenues		N/A	113.5	N/A	25
26	Sales for Resale		N/A	28.4	N/A	26
27	Rent from Electric Property		N/A	(87.8)	N/A	27
28	Miscellaneous		N/A	42.6	N/A	28
29	ITA Deficiency Payments		N/A	50.1	N/A	29
30	Wheeling		N/A	38.6	N/A	30
31	Load Control and Dispatch		N/A	33.4	N/A	31
32	Rent from Electric Property - Big Stone		N/A	43.3	N/A	32
33	Rent from Electric Property - Coyote		N/A	43.3	N/A	33
34	Profit on Materials and Supplies		N/A	43.3	N/A	34
35	Miscellaneous Services		N/A	43.3	N/A	35
36	Loan Pool Interest		N/A	43.3	N/A	36
37						37
38						38
39	<u>Revenue Dollar Days (Revenues X Revenue Lead Days)</u>					39
40	Computer Maintained Billings		9,831,230,232	901,706,082	8,929,524,149	40
41	Manually Maintained Billings		1,239,311,187	113,667,813	1,125,643,374	41
42	Cost of Energy Adjustment Revenues		(776,381,120)	211,570,924	(987,952,044)	42
43	Sales for Resale		299,598,268	28,362,018	271,236,251	43
44	Rent from Electric Property		(56,032,750)	(5,497,063)	(50,535,688)	44
45	Miscellaneous		638,969	62,686	576,283	45
46	ITA Deficiency Payments		167,952,508	16,476,890	151,475,619	46
47	Wheeling		16,705,821	0	16,705,821	47
48	Load Control and Dispatch		133,847,127	13,131,000	120,716,127	48
49	Rent from Electric Property - Big Stone		57,019	6,577	50,441	49
50	Rent from Electric Property - Coyote		242,177	27,936	214,241	50
51	Profit on Materials and Supplies		137,862,032	15,902,955	121,959,077	51
52	Miscellaneous Services		1,188,343	137,080	1,051,263	52
53	Loan Pool Interest		909,270	33,198	876,072	53
54						54
55	Total Dollar Days		10,997,129,081	1,295,588,095	9,701,540,986	55
56						56
57	Avg Revenue Lead Days (Total Rev Dollar Days / Total Rev)		36.8	43.3	36.1	57
58						58
59						59
60						60

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Line No.	Item	Allocation Factors	Operating Expense	Expense/Day at 365 Days/Year	Expense Lag Days	Excess Revenue Lead Days of 37.0 Over Expense Lag Days	Net Revenue Lag Dollars	Line No.
1	Cash Working Capital Calculation by the Application of							1
2	Lead-Lag Factors - Minnesota Jurisdiction							2
3	Fuel - Coal	E2	28,337,123	77,636	11.9	25.2	1,952,708	3
4								4
5	Fuel - Oil	E1	1,414,882	3,876	13.5	23.5	91,258	5
6								6
7	Purchased Power		26,411,455	72,360	30.6	6.4	461,810	7
8								8
9	Labor and Associated Payroll Expense	LRE	30,170,844	82,660	15.9	21.2	1,749,257	9
10								10
11	All Other O&M Expense		24,183,992	66,258	14.5	22.5	1,492,265	11
12								12
13	Property Taxes (Excl Coal Conversion Taxes)		4,278,547	11,722	309.2	(272.2)	(3,190,995)	13
14								14
15	Coal Conversion Taxes		373,312	1,023	309.2	(272.2)	(278,421)	15
16								16
17	Federal Income Taxes		(12,295,031)	(33,685)	0.0	37.0	0	17
18								18
19	State Income Taxes		(4,219,957)	(11,562)	0.0	37.0	0	19
20								20
21	Incremental Federal Income Taxes		0	0	0.0	37.0	0	21
22								22
23	Incremental State Income Taxes		0	0	0.0	37.0	0	23
24								24
25	Bank Balances	NEPIS					3,837	25
26								26
27	Special Deposits	NEPIS					307,864	27
28								28
29	Working Funds	NEPIS					10,164	29
30								30
31	Tax Collections Avail - FICA Withholding	LRE	(2,102,517)	(5,760)	0.0		0	31
32								32
33	Tax Collections Avail - Federal Withholding	LRE	(3,381,254)	(9,264)	0.0		0	33
34								34
35	Tax Collections Avail - State Withholding- MN	R10 Assign to Juris	(1,740,489)	(4,768)	1.9		(9,108)	35
36								36
37	Tax Collections Avail - State Withholding- ND	R10 Assign to Juris	0	0	62.0		0	37
38								38
39	Tax Collections Available - State Sales Tax	R10	(6,391,206)	(17,510)	12.7		(222,204)	39
40								40
41	Tax Collections Available - Franchise Taxes	R10	(841,881)	(2,307)	32.2		(74,362)	41
42								42
43								43
44	Total Cash Working Capital Requirement - Minnesota						2,294,074	44
45								45
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Line No.	Item	Allocation Factors	Operating Expense	Expense/Day at 365 Days/Year	Expense Lag Days	Excess Revenue Lead Days of 35.0 Over Expense Lag Days	Net Revenue Lag Dollars	Line No.
1	Cash Working Capital Calculation by the Application of							1
2	Lead-Lag Factors - North Dakota Jurisdiction							2
3	Fuel - Coal	E2	22,843,899	62,586	11.9	23.1	1,447,243	3
4								4
5	Fuel - Oil	E1	1,054,077	2,888	13.5	21.5	62,130	5
6								6
7	Purchased Power		21,178,491	58,023	30.6	4.4	252,637	7
8								8
9	Labor and Associated Payroll Expense	LRE	24,538,968	67,230	15.9	19.1	1,286,384	9
10								10
11	All Other O&M Expense		20,038,081	54,899	14.5	20.5	1,125,105	11
12								12
13	Property Taxes (Excl Coal Conversion Taxes)		3,689,871	10,109	309.2	(274.2)	(2,772,455)	13
14								14
15	Coal Conversion Taxes		321,949	882	309.2	(274.2)	(241,902)	15
16								16
17	Federal Income Taxes		(9,093,177)	(24,913)	0.0	35.0	0	17
18								18
19	State Income Taxes		(1,155,447)	(3,166)	0.0	35.0	0	19
20								20
21	Incremental Federal Income Taxes		0	0	0.0	35.0	0	21
22								22
23	Incremental State Income Taxes		0	0	0.0	35.0	0	23
24								24
25	Bank Balances	NEPIS					3,309	25
26								26
27	Special Deposits	NEPIS					265,505	27
28								28
29	Working Funds	NEPIS					8,766	29
30								30
31	Tax Collections Avail - FICA Withholding	LRE	(1,710,048)	(4,685)	0.0		0	31
32								32
33	Tax Collections Avail - Federal Withholding	LRE	(2,750,088)	(7,534)	0.0		0	33
34								34
35	Tax Collections Avail - State Withholding- MN	R10	0	0	1.9		0	35
36								36
37	Tax Collections Avail - State Withholding- ND	R10	(261,115)	(715)	62.0		(44,382)	37
38								38
39	Tax Collections Available - State Sales Tax	R10	(1,364)	(4)	24.3		(91)	39
40								40
41	Tax Collections Available - Franchise Taxes	R10	0	0	0.0		0	41
42								42
43								43
44	Total Cash Working Capital Requirement - North Dakota						<u>1,392,250</u>	44
45								45
46								46
47								47
48								48
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Line No.	Item	Allocation Factors	Operating Expense	Expense/Day at 365 Days/Year	Expense Lag Days	Excess Revenue Lead Days of 43.3 Over Expense Lag Days	Net Revenue Lag Dollars	Line No.
1	Cash Working Capital Calculation by the Application of							1
2	Lead-Lag Factors - South Dakota Jurisdiction							2
3	Fuel - Coal	E2	5,463,645	14,969	11.9	31.4	469,939	3
4								4
5	Fuel - Oil	E1	273,446	749	13.5	29.8	22,314	5
6								6
7	Purchased Power		5,093,202	13,954	30.6	12.6	176,160	7
8								8
9	Labor and Associated Payroll Expense	LRE	5,735,412	15,713	15.9	27.4	430,617	9
10								10
11	All Other O&M Expense		4,582,767	12,556	14.5	28.8	361,153	11
12								12
13	Property Taxes (Excl Coal Conversion Taxes)		869,186	2,381	309.2	(266.0)	(633,385)	13
14								14
15	Coal Conversion Taxes		75,838	208	309.2	(266.0)	(55,264)	15
16								16
17	Federal Income Taxes		(2,126,193)	(5,825)	0.0	43.3	0	17
18								18
19	State Income Taxes		0	0	0.0	43.3	0	19
20								20
21	Incremental Federal Income Taxes		0	0	0.0	43.3	0	21
22								22
23	Incremental State Income Taxes		0	0	0.0	43.3	0	23
24								24
25	Bank Balances	NEPIS					780	25
26								26
27	Special Deposits	NEPIS					62,542	27
28								28
29	Working Funds	NEPIS					2,065	29
30								30
31	Tax Collections Avail - FICA Withholding	LRE	(399,684)	(1,095)	0.0		0	31
32								32
33	Tax Collections Avail - Federal Withholding	LRE	(642,769)	(1,761)	0.0		0	33
34								34
35	Tax Collections Avail - State Withholding- MN	R10	0	0	1.9		0	35
36								36
37	Tax Collections Avail - State Withholding- ND	R10	0	0	62.0		0	37
38								38
39	Tax Collections Available - State Sales Tax	R10	(1,287,693)	(3,528)	13.6		(47,909)	39
40								40
41	Tax Collections Available - Franchise Taxes	R10	0	0	0.0		0	41
42								42
43								43
44	Total Cash Working Capital Requirement - South Dakota						<u>789,011</u>	44
45								45
46								46
47								47
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Line No.	Item	Allocation Factors	Operating Expense	Expense/Day at 365 Days/Year	Expense Lag Days	Excess Revenue Lead Days of 39.6 Over Expense Lag Days	Net Revenue Lag Dollars	Line No.
1	Cash Working Capital Calculation by the Application of							1
2	Lead-Lag Factors - FERC Jurisdiction							2
3	Fuel - Coal	E2	0	0	11.9	27.7	0	3
4								4
5	Fuel - Oil	E1	0	0	13.5	26.1	0	5
6								6
7	Purchased Power		0	0	30.6	8.9	0	7
8								8
9	Labor and Associated Payroll Expense	LRE	568,825	1,558	15.9	23.7	36,946	9
10								10
11	All Other O&M Expense		403,918	1,107	14.5	25.1	27,740	11
12								12
13	Property Taxes (Excl Coal Conversion Taxes)		22,193	61	309.2	(269.7)	(16,397)	13
14								14
15	Coal Conversion Taxes		1,936	5	309.2	(269.7)	(1,431)	15
16								16
17	Federal Income Taxes		(203,514)	(558)	0.0	39.6	0	17
18								18
19	State Income Taxes		(50,021)	(137)	0.0	39.6	0	19
20								20
21	Incremental Federal Income Taxes		0	0	0.0	39.6	0	21
22								22
23	Incremental State Income Taxes		0	0	0.0	39.6	0	23
24								24
25	Bank Balances	NEPIS					20	25
26								26
27	Special Deposits	NEPIS					1,597	27
28								28
29	Working Funds	NEPIS					53	29
30								30
31	Tax Collections Avail - FICA Withholding	LRE	(39,640)	(109)	0.0		0	31
32								32
33	Tax Collections Avail - Federal Withholding	LRE	(63,748)	(175)	0.0		0	33
34								34
35	Tax Collections Avail - State Withholding- MN	R10	0	0	1.9		0	35
36								36
37	Tax Collections Avail - State Withholding- ND	R10	0	0	62.0		0	37
38								38
39	Tax Collections Available - State Sales Tax	R10	0	0	0.0		0	39
40								40
41	Tax Collections Available - Franchise Taxes	R10	0	0	0.0		0	41
42								42
43								43
44	Total Cash Working Capital Requirement - FERC						<u>48,527</u>	44
45								45
46								46
47								47
48								48
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Line No.	Item	Allocation Factors	Operating Expense	Expense/Day at 365 Days/Year	Expense Lag Days	Excess Revenue Lead Days of 36.8 Over Expense Lag Days	Net Revenue Lag Dollars	Line No.
1	Cash Working Capital Calculation by the Application of							1
2	Lead-Lag Factors - Total Company Jurisdiction							2
3	Fuel - Coal	E2					3,869,890	3
4								4
5	Fuel - Oil	E1					175,702	5
6								6
7	Purchased Power						890,608	7
8								8
9	Labor and Associated Payroll Expense	LRE					3,503,204	9
10								10
11	All Other O&M Expense						3,006,263	11
12								12
13	Property Taxes (Excl Coal Conversion Taxes)						(6,613,232)	13
14								14
15	Coal Conversion Taxes						(577,017)	15
16								16
17	Federal Income Taxes						0	17
18								18
19	State Income Taxes						0	19
20								20
21	Incremental Federal Income Taxes						0	21
22								22
23	Incremental State Income Taxes						0	23
24								24
25	Bank Balances	NEPIS					7,946	25
26								26
27	Special Deposits	NEPIS					637,508	27
28								28
29	Working Funds	NEPIS					21,047	29
30								30
31	Tax Collections Avail - FICA Withholding	LRE					0	31
32								32
33	Tax Collections Avail - Federal Withholding	LRE					0	33
34								34
35	Tax Collections Avail - State Withholding- MN	R10	Assign to Juris				(9,108)	35
36								36
37	Tax Collections Avail - State Withholding- ND	R10	Assign to Juris				(44,382)	37
38								38
39	Tax Collections Available - State Sales Tax	R10					(270,204)	39
40								40
41	Tax Collections Available - Franchise Taxes	R10					(74,362)	41
42								42
43								43
44	Total Cash Working Capital Requirement - Total Company						<u>4,523,862</u>	44
45								45
46								46
47								47
48								48
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