

Volume 4A

Section 2 – 2009 Actual Year work papers

State Adjustments

Prepared by: arh
 Reviewed by: kas

**Otter Tail Power Company
 Adjustment to Include CWIP in SD Interest
 Synchronization Calculation
 Actual Year 2009**

Line No.	(A)	(B)	(C)	(D)	(E)	(F)
				13 Month Average (2)	South Dakota Allocation Factor (3)	South Dakota Amount
	Long-Term CWIP:					
1	Production			\$23,120,078	10.145886% (P10)	\$2,345,737
2	Transmission			\$11,095,893	9.908644% (D2)	\$1,099,453
3	Distribution			\$2,336,582	10.123196% (P60)	\$236,537
4	General			\$838,338	9.869497% (P90)	\$82,740
5	Intangible			\$0	9.869497% (P90)	\$0
6						
7	Subtotal			\$37,390,891		\$3,764,466
8						
	Short-Term CWIP:					
9	Production			\$179,725	10.145886% (P10)	\$18,235
10	Transmission			\$832,171	9.908644% (D2)	\$82,457
11	Distribution			\$1,707,960	10.123196% (P60)	\$172,900
12	General			\$1,377,657	9.869497% (P90)	\$135,968
13	Intangible			\$0	9.869497% (P90)	\$0
14						
15						
16	Subtotal			\$4,097,513		\$409,560
17						
18						
19	Total CWIP			\$41,488,404	(\$4)	\$4,174,025

SD Interest Deduction = (SD Rate Base + CWIP) X WTD Cost of Debt

- (1) Amounts already reduced by reimburseable amounts; See A-2, Page 1 of 8
- (2) A-2, Pages 1 and 2
- (3) Allocation factors from 2008 Actual SD COSS run, Pages 15-1 and 16-1
- (4) See SD COSS Run - Page 13(a) for use of amount (Located at X978)

Note: No adjustment is made to the Input Summary for this adjustment. Only a change to the formula that calculated the Interest Deduction in the Federal Income Tax Calculation is made. Instead of using SD Rate Base X Weighted Cost of Debt, we use (SD Rate Base + SD CWIP Above) X Weighted Cost of Debt. This is the result of the Settlement Agreement in our last case. (See SD COSS Run, Page 13-A for use of the amount).

Otter Tail Power Company
AFDC on Short-Term CWIP - Plant in Service Effect
Actual Year 2009

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Line No.		2008 December	2009 January	February	March	April	May	June
	Plant in Service	(1)						
	Production Plant							
1	A/C 101 - Base Demand	1,553,940	1,554,527	1,555,032	1,555,959	1,557,120	1,558,659	1,560,491
2	Peak Demand	364,842	364,787	364,740	364,653	364,544	364,399	364,228
3	Base Energy	0	(62)	(115)	(213)	(336)	(498)	(691)
4	Total Production Plant	1,918,782	1,919,252	1,919,657	1,920,398	1,921,328	1,922,561	1,924,027
5								
6	Transmission Plant - A/C 101	4,374,815	4,376,992	4,378,864	4,382,298	4,386,603	4,392,309	4,399,098
7								
8	Distribution Plant - A/C 101							
9	Primary Demand	2,686,887	2,689,365	2,691,495	2,695,403	2,700,303	2,706,796	2,714,522
10	Secondary Demand	735,907	736,586	737,169	738,240	739,582	741,360	743,476
11	Primary Customer	878,666	879,477	880,173	881,451	883,054	885,177	887,704
12	Secondary Customer	1,176,891	1,177,976	1,178,909	1,180,621	1,182,767	1,185,611	1,188,995
13	Streetlighting	195,536	195,716	195,871	196,155	196,512	196,985	197,547
14	Area Lighting	81,865	81,941	82,006	82,125	82,274	82,472	82,707
15	Meters	492,022	492,476	492,866	493,581	494,478	495,668	497,082
16	Load Management	144,922	145,056	145,171	145,382	145,646	145,996	146,413
17	Total Distribution Plant	6,392,696	6,398,591	6,403,660	6,412,957	6,424,615	6,440,064	6,458,447
18								
19	General Plant - A/C 101							
20	Production	700,893	701,992	702,936	704,669	706,841	709,719	713,144
21	Transmission	306,111	306,591	307,003	307,760	308,709	309,966	311,462
22	Distribution	659,239	660,272	661,161	662,790	664,833	667,541	670,762
23	Customer Accounts	474,502	475,245	475,895	477,058	478,528	480,477	482,796
24	Customer Service & Informational	98,531	98,685	98,818	99,061	99,367	99,771	100,253
25	Load Management	60,814	60,910	60,992	61,142	61,330	61,580	61,877
26	Total General Plant	2,300,090	2,303,695	2,306,795	2,312,479	2,319,608	2,329,054	2,340,295
27								
28	Intangible Plant - A/C 101	562,507	562,507	562,507	562,507	562,507	562,507	562,507
29								
30	Total Plant in Service - A/C 101	15,548,890	15,561,038	15,571,482	15,590,640	15,614,661	15,646,496	15,684,374

(1) 2008 Actual Year COSS, W/P SD-3, Page 1 of 8

(2) SD-3, Page 2 of 8

(3) Spread within function based on 12/31/08 balances

This adjustment contains only estimates of 1994 AFDC for South Dakota. We have actual data through 1986 (per Adjustment 7 in that case). When we need to make this adjustment for a South Dakota case, we will have to build from the 12/31/86 balance using the procedures of Adjustment 7 in our 1986 case.

Otter Tail Power Company
AFDC on Short-Term CWIP - Plant in Service Effect
Actual Year 2009

Line No.	(A)	(I)	(J)	(K)	(L)	(M)	(N)	(O)
		July	August	September	October	November	December	13-Month Average
	Plant in Service							
1	Production Plant							
	A/C 101 - Base Demand	1,562,549	1,564,818	1,566,816	1,569,059	1,571,045	1,572,038	1,561,696
2	Peak Demand	364,034	363,822	363,634	363,424	363,238	363,144	364,114
3	Base Energy	(908)	(1,148)	(1,359)	(1,595)	(1,805)	(1,910)	(818)
4	Total Production Plant	1,925,675	1,927,492	1,929,092	1,930,887	1,932,478	1,933,273	1,924,992
5								
6	Transmission Plant - A/C 101	4,406,730	4,415,139	4,422,546	4,430,859	4,438,223	4,441,904	4,403,568
7								
8	Distribution Plant - A/C 101							
9	Primary Demand	2,723,208	2,732,779	2,741,208	2,750,669	2,759,049	2,763,238	2,719,609
10	Secondary Demand	745,855	748,476	750,785	753,376	755,672	756,819	744,869
11	Primary Customer	890,544	893,674	896,431	899,524	902,265	903,635	889,367
12	Secondary Customer	1,192,800	1,196,992	1,200,684	1,204,828	1,208,499	1,210,334	1,191,224
13	Streetlighting	198,179	198,875	199,489	200,177	200,787	201,092	197,917
14	Area Lighting	82,972	83,263	83,520	83,809	84,064	84,192	82,862
15	Meters	498,673	500,425	501,969	503,702	505,236	506,003	498,014
16	Load Management	146,881	147,397	147,852	148,362	148,814	149,040	146,687
17	Total Distribution Plant	6,479,111	6,501,882	6,521,939	6,544,448	6,564,387	6,574,353	6,470,550
18								
19	General Plant - A/C 101							
20	Production	716,995	721,238	724,975	729,169	732,884	734,741	715,400
21	Transmission	313,143	314,996	316,628	318,460	320,083	320,894	312,447
22	Distribution	674,384	678,374	681,889	685,834	689,328	691,075	672,883
23	Customer Accounts	485,402	488,275	490,805	493,644	496,159	497,416	484,322
24	Customer Service & Informational	100,794	101,391	101,916	102,506	103,028	103,289	100,570
25	Load Management	62,211	62,580	62,904	63,268	63,590	63,751	62,073
26	Total General Plant	2,352,930	2,366,853	2,379,117	2,392,880	2,405,072	2,411,166	2,347,695
27								
28	Intangible Plant - A/C 101	562,507	562,507	562,507	562,507	562,507	562,507	562,507
29								
30	Total Plant in Service - A/C 101	15,726,953	15,773,874	15,815,200	15,861,581	15,902,666	15,923,203	15,709,312

- (1) 2008 Actual Year COSS, W/P SD-3, Page 1 of 8
- (2) SD-3, Page 2 of 8
- (3) Spread within function based on 12/31/08 balances

This adjustment contains only estimates of 1994 AFDC for South Dakota. We have actual data through 1986 (per Adjustment 7 in that case). When we need to make this adjustment for a South Dakota case, we will have to build from the 12/31/86 balance using the procedures of Adjustment 7 in our 1986 case.

Offet Tall Power Company
AFDC - Short-Term
Actual Year 2009

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Line No.	AFDC on Short-Term CWIP	Production				Total Production	Transmission	Distribution	General	Intangible
		Base Demand	Peak Demand	Base Energy						
1	Total at 12/31/2008 (1)	15,548,890	1,553,940	364,842	0	1,918,782	4,374,815	6,392,696	2,300,090	562,507
2										
3	Balances		(3)	(3)	(3)		(3)	(3)	(3)	(3)
4	January 2009	12,148 (4)	587	(55)	(62)	470	2,177	5,896	3,605	0
5	February	10,444 (4)	505	(47)	(53)	404	1,872	5,069	3,099	0
6	March	19,157 (4)	926	(87)	(98)	742	3,434	9,297	5,685	0
7	April	24,022 (4)	1,161	(109)	(123)	930	4,305	11,658	7,128	0
8	May	31,834 (4)	1,539	(144)	(162)	1,232	5,706	15,450	9,447	0
9	June	37,878 (4)	1,831	(172)	(193)	1,466	6,789	18,383	11,240	0
10	July	42,679 (4)	2,059	(193)	(217)	1,648	7,632	20,664	12,635	0
11	August	46,921 (4)	2,269	(213)	(239)	1,816	8,410	22,771	13,924	0
12	September	41,326 (4)	1,998	(187)	(211)	1,600	7,407	20,056	12,263	0
13	October	46,381 (4)	2,243	(210)	(237)	1,796	8,313	22,509	13,763	0
14	November	41,085 (4)	1,986	(186)	(210)	1,591	7,364	19,939	12,192	0
15	December	20,536 (4)	993	(93)	(105)	795	3,681	9,966	6,094	0
16										
17		374,313	18,098	(1,698)	(1,910)	14,491	67,089	181,658	111,076	0
18										
19	Total at 12/31/2009	15,923,202	1,572,038	363,144	(1,910)	1,933,273	4,441,904	6,574,354	2,411,166	562,507

(1) 2008 Actual Year COSS, W/P SD-3, Page 2 of 7
(2) SD-3, Page 3 of 8

Otter Tail Power Company
AFDC -CWIP - Ratio
Actual Year 2009

Line No.	(A)	(B)	Production			(D)	(E)	(F)	(G)	(H)	(I)
			Base Demand	Peak Demand	Base Energy						
1	Balance @ 12/31/82	(1) 258,675	23,404	0	282,079	1,680,147	1,663,880	269,993	62,582	4,158,691	
2	Ratio's @ 12/31/82	(1) 6.2%	0.6%	0.0%	6.8%	40.4%	44.8%	6.5%	1.5%	100.0%	
3	Balance @ 12/31/83	(1) 177,937	70,243	0	248,180	1,409,291	1,339,576	297,341	85,508	3,382,894	
4	Ratio's @ 12/31/83	(1) 5.3%	2.1%	0.0%	7.3%	41.7%	39.6%	8.8%	2.6%	100.0%	
5	Balance @ 12/31/84	(1) 172,209	47,698	0	219,907	1,910,846	2,223,899	507,989	198,033	5,080,874	
6	Ratio's @ 12/31/84	(1) 3.4%	0.9%	0.0%	4.3%	37.8%	43.9%	10.0%	3.6%	100.0%	
7	Balance @ 12/31/85	(1) 349,667	91,337	0	440,904	1,751,201	2,255,375	669,388	168,285	5,275,153	
8	Ratio's @ 12/31/85	(1) 6.6%	1.7%	0.0%	8.4%	33.2%	42.8%	12.7%	3.0%	100.0%	
9	Balance @ 12/31/86	(1) 303,640	69,903	0	373,543	1,220,911	1,798,163	592,916	38,895	4,022,429	
10	Ratio's @ 12/31/86	(1) 7.5%	1.7%	0.0%	9.3%	30.4%	44.7%	14.7%	0.9%	100.0%	
11	Balance @ 12/31/87	(1) 425,905	98,051	0	523,956	843,625	1,529,144	391,082	80,307	3,388,114	
12	Ratio's @ 12/31/87	(1) 12.6%	2.9%	0.0%	15.8%	25.0%	45.4%	11.6%	2.4%	100.0%	
13	Balance @ 12/31/88	(1) 425,905	98,051	0	523,956	786,384	1,700,566	898,851	171,824	3,849,561	
14	Ratio's @ 12/31/88	(1) 11.1%	2.5%	0.0%	13.6%	20.4%	44.2%	17.3%	4.5%	100.0%	
15	Balance @ 12/31/89	(1) 652,301	150,172	0	802,473	740,180	2,039,252	1,470,046	557,273	5,609,224	
16	Ratio's @ 12/31/89	(1) 11.6%	2.7%	0.0%	14.3%	13.2%	36.4%	26.2%	9.9%	100.0%	
17	Balance @ 12/31/90	(1) 839,657	193,304	0	1,032,961	796,180	2,037,535	1,777,569	819,979	6,558,224	
18	Ratio's @ 12/31/90	(1) 12.8%	2.9%	0.0%	15.8%	12.1%	31.1%	27.1%	13.8%	100.0%	
19	Balance @ 12/31/91	(1) 1,020,409	234,917	0	1,255,326	884,571	1,996,499	1,482,551	884,823	6,303,584	
20	Ratio's @ 12/31/91	(1) 16.2%	3.7%	0.0%	19.9%	14.0%	31.7%	23.5%	10.9%	100.0%	
21	Balance @ 12/31/92	(1) 746,275	171,806	0	918,080	1,144,371	2,333,774	933,216	473,883	5,803,324	
22	Ratio's @ 12/31/92	(1) 12.9%	3.0%	0.0%	15.8%	19.7%	40.2%	16.1%	8.2%	100.0%	
23	Balance @ 12/31/93	(1) 803,102	184,889	0	987,991	1,382,268	2,250,963	979,458	306,893	5,887,373	
24	Ratio's @ 12/31/93	(1) 13.6%	3.1%	0.0%	16.8%	23.1%	38.2%	16.6%	5.2%	100.0%	
25	Balance @ 12/31/94	(1) 1,525,242	351,138	0	1,876,380	2,021,836	2,085,929	1,260,492	160,291	7,394,928	
26	Ratio's @ 12/31/94	(1) 20.6%	4.7%	0.0%	25.4%	27.3%	28.2%	17.0%	2.0%	100.0%	
27	Balance @ 12/31/95	(1) 1,563,044	359,841	0	1,922,885	3,203,185	2,490,859	1,076,566	269,194	8,962,687	
28	Ratio's @ 12/31/95	(1) 17.4%	4.0%	0.0%	21.5%	35.7%	27.8%	12.0%	3.0%	100.0%	
29	Balance @ 12/31/96	(1) 1,262,849	290,731	0	1,553,580	3,406,883	3,075,569	890,789	588,518	9,483,318	
30	Ratio's @ 12/31/96	(1) 13.3%	3.1%	0.0%	16.4%	35.9%	32.4%	9.4%	6.0%	100.0%	
31	Balance @ 12/31/97	(1) 1,023,085	235,528	0	1,258,613	3,279,156	3,200,870	324,755	1,262,816	9,326,189	
32	Ratio's @ 12/31/97	(1) 11.0%	2.5%	0.0%	13.5%	35.2%	34.3%	3.5%	13.8%	100.0%	
33	Balance @ 12/31/98	(1) 729,957	168,048	0	898,006	3,663,919	2,753,602	680,262	844,257	8,840,046	
34	Ratio's @ 12/31/98	(1) 8.3%	1.9%	0.0%	10.2%	41.4%	31.1%	7.7%	9.8%	100.0%	
35	Balance @ 12/31/99	(1) 767,688	176,736	0	944,424	2,916,713	2,248,434	1,420,462	0	7,527,034	
36	Ratio's @ 12/31/99	(1) 10.2%	2.3%	0.0%	12.5%	38.7%	29.8%	18.9%	0.0%	100.0%	
37	Balance @ 12/31/00	(1) 627,292	144,414	0	771,706	2,303,949	2,280,589	1,324,587	0	6,680,832	
38	Ratio's @ 12/31/00	(1) 9.4%	2.2%	0.0%	11.6%	34.6%	34.1%	19.8%	0.0%	100.0%	
39	Balance @ 12/31/01	(1) 552,914	127,291	0	680,205	1,570,262	2,088,140	640,921	0	4,979,527	
40	Ratio's @ 12/31/01	(1) 11.1%	2.8%	0.0%	13.7%	31.5%	41.9%	12.9%	0.0%	100.0%	
41	Balance @ 12/31/02	(1) 463,539	106,715	0	570,255	397,268	1,411,974	221,608	0	2,601,093	
42	Ratio's @ 12/31/02	(1) 17.8%	4.1%	0.0%	21.9%	15.3%	54.3%	8.5%	0.0%	100.0%	
43	Balance @ 12/31/03	(1) 450,684	103,758	0	554,442	187,510	1,536,411	334,129	0	2,612,490	
44	Ratio's @ 12/31/03	(1) 17.3%	4.0%	0.0%	21.2%	7.2%	58.8%	12.8%	0.0%	100.0%	
45	Balance @ 12/31/04	(1) 405,082	93,257	0	498,339	(822)	1,706,133	282,503	0	2,486,153	
46	Ratio's @ 12/31/04	(1) 16.2%	3.7%	0.0%	20.0%	0.0%	68.4%	11.7%	0.0%	100.0%	
47	Balance @ 12/31/05	(1) 159,413	36,700	0	196,112	610,791	2,286,531	251,559	0	3,324,994	
48	Ratio's @ 12/31/05	(1) 4.8%	1.1%	0.0%	5.9%	16.4%	68.2%	7.6%	0.0%	100.0%	
49	Balance @ 12/31/06	(1) 47,200	33,217	0	80,417	890,467	3,780,376	1,028,574	0	5,789,834	
50	Ratio's @ 12/31/06	(1) 0.8%	0.8%	0.0%	1.4%	15.4%	65.5%	17.8%	0.0%	100.0%	
51	Balance @ 12/31/07	(1) 104,221	40,761	0	144,982	574,800	3,202,398	1,304,249	0	5,226,428	
52	Ratio's @ 12/31/07	(1) 2.0%	0.8%	0.0%	2.8%	11.0%	61.3%	25.0%	0.0%	100.0%	
53	Balance @ 12/31/08	(1) 224,938	64,734	0	289,672	404,952	1,147,239	722,301	0	2,564,164	
54	Ratio's @ 12/31/08	(1) 8.8%	2.5%	0.0%	11.3%	15.8%	44.7%	28.2%	0.0%	100.0%	
55	Balance @ 12/31/09	(2) 224,466	(21,055)	(23,686)	179,725	832,095	2,253,079	1,377,657	0	4,642,556	
56	Ratio's @ 12/31/09	(1) 4.8%	-0.5%	-0.5%	3.9%	17.9%	48.5%	29.7%	0.0%	100.0%	

(1) 2008 Actual Year COSS W/P SD - 3, Page 3 of 7
(2) SD - 3, Page 4 of 8

Otter Tail Power Company
CWIP
Actual 13-Month Average Ending December 31, 2009

Line No.	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(B)	
		2008 December	2009 January	February	March	April	May	June	
1									
2	Short Term Projects	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
3									
4	Production (A)	391,016	385,576	462,964	(122,969)	(146,516)	(92,473)	902,096	
5	Production - Wind (2) (B)	1,152	(945,134)	(665,448)	(716,846)	1,152	244,534	96,234	
6	Transmission	131,039	377,534	835,138	1,089,466	1,248,171	1,331,511	898,324	
7	Distribution	477,286	1,469,981	339,736	1,890,418	2,158,862	2,511,370	2,391,508	
8	General & Intangible	637,023	617,612	665,920	865,006	506,410	998,698	1,653,492	
9									
10	Total Short-Term CW P	1,637,516	1,905,570	1,638,310	3,005,073	3,768,079	4,993,640	5,941,654	
11									
12		2008	2009						
13	AFUDC Rate (C)	7.63%	7.65%	(5)					
14				12,148	10,444	19,157	24,022	31,834	37,878

- (1) A-2, Page 1 of 8
 (2) Per "CW P Long Short Term for - Wind ONLY" file located in the Misc Work Paper Folder.
 (A) Use the Base/Peak Ratio's as Calculated in 2008 Actual Year
 COSS W/P C-1.

	2008	2009	
Base (3)	77.65%	75.29%	224,466
Peak (3)	22.35%	24.71%	73,689
	100.00%	100.00%	298,155

(B) Wind-Related CW P

	2008	2009	
Peak Demand (4)	80.00%	92.00%	(94,744)
Base Energy (4)	20.00%	8.00%	(23,686)
	100.00%	100.00%	(118,430)

- (C) AFUDC Rate (per Tom Weiss);
 (3) C-1, Page 1 of 3
 (4) Per 2009 Functionalization Run
 (5) AFUDC Rate * 1/12 * Monthly S-T CW P Balance

Prepared by: ama
 Reviewed by: pjb

Otter Tail Power Company
 CWIP
 Actual 13-Month Average Ending December 31, 2009

Line No.	(A)	(C)	(D)	(E)	(F)	(G)	(N)	(O)			
Line No.		July	August	September	October	November	December	13-Month Average			
1											
2	Short Term Projects	(1)	(1)	(1)	(1)	(1)	(1)				
3											
4	Production (A)	511,070	483,911	306,326	321,614	60,452	412,943	298,155			
5	Production - Wind (2) (B)	96,234	96,234	1,152	1,152	0	250,000	(118,430)			
6	Transmission	844,246	890,314	555,331	979,923	812,753	813,486	832,095			
7	Distribution	3,303,138	3,372,357	3,149,265	3,553,238	3,777,472	895,387	2,253,078			
8	General & Intangible	1,924,390	2,517,362	2,460,507	2,419,526	1,794,016	849,562	1,377,657			
9											
10	Total Short-Term CW P	6,679,078	7,360,197	6,482,581	7,275,454	6,444,693	3,221,378	4,642,556			
11											
12		2008	2009								
13	AFUDC Rate (C)	7.63%	7.65%	(5)	42,579	46,921	41,326	46,381	41,085	20,536	374,313
14											

- (1) A-2, Page 1 of 8
- (2) Per "CW P Long Short Term for - Wind ONLY" file located in the N
- (A) Use the Base/Peak Ratio's as Calculated in 2008 Actual Year COSS W/P C-1.

	2008	2009	
Base (3)	77.65%	75.29%	224,466
Peak (3)	22.35%	24.71%	73,689
	100.00%	100.00%	298,155

(B) Wind-Related CW P

	2008	2009	
Peak Demand (4)	80.00%	92.00%	(94,744)
Base Energy (4)	20.00%	8.00%	(23,686)
	100.00%	100.00%	(118,430)

- (C) AFUDC Rate (per Tom Weiss):
- (3) C-1, Page 1 of 3
- (4) Per 2009 Functionalization Run
- (5) AFUDC Rate * 1/12 * Monthly S-T CW P Balance

Prepared by: ama
 Reviewed by: pjb

**Otter Tail Power Company
 Calculation of AFDC Depreciation Expense
 Actual Year 2009**

	(A)	(B)	(C)
Line No.		13-Month Average Balance	Monthly Depreciation
		(1)	(3)
1	Production-Base Demand	1,561,696	3,038
2	Production-Peak Demand	364,114	2,505
3	Production-Base Energy	(818)	(3)
4	Transmission	4,403,568	7,342
5	Distribution	6,470,550	14,935
6	General	2,347,695	9,819
7	Intangible	562,507	9,375
8			
9		15,709,312	47,011
10			
11			
12			
13		2009 Depreciation Rates (Monthly)	
14			
15	Production-Base Demand	0.1945%	
16	Production-Peak Demand	0.6879%	
17	Production-Base Energy	0.3377%	
18	Transmission	0.1667%	
19	Distribution	0.2308%	
20	General	0.4182%	
21			
22		2009 Depreciation Rates (Yearly)	
23			
24	Intangible	20%	

- (1) SD-3, Page 1 of 8
- (2) SD-3, Page 7 of 8
- (3) Amount (1) times Depreciation Rates

Otter Tail Power Company
AFDC on Short-Term CWIP
Accumulated Depreciation Effect
Actual Year 2009

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
Line No.	2009 Depreciation (1)	Accumulated Depreciation	2008 December (2)	2009 January	February	March	April	May	June
1	3,038	Production Plant	590,603	593,641	596,680	599,718	602,756	605,794	608,832
2	2,505	Base Demand	205,128	207,633	210,138	212,643	215,148	217,653	220,158
3	(3)	Peak Demand	0	(3)	(6)	(8)	(11)	(14)	(17)
4	5,540	Base Energy	795,732	801,272	806,812	812,352	817,892	823,433	828,973
5		Total Production Plant							
6	7,342	Transmission Plant	1,436,134	1,445,477	1,452,819	1,460,161	1,467,503	1,474,845	1,482,187
7	14,935	Distribution Plant	3,116,792	3,131,726	3,146,661	3,161,596	3,176,530	3,191,465	3,206,400
8	9,819	General Plant	1,678,135	1,687,964	1,697,773	1,707,592	1,717,411	1,727,230	1,737,049
9									
10	9,375	Intangible Plant	1,853,639	1,862,914	1,872,289	1,881,665	1,891,040	1,900,415	1,909,790
11									
12									
13									
14	47,011	Total Accumulated Depr.	8,882,333	8,929,344	8,976,355	9,023,366	9,070,377	9,117,388	9,164,399

(1) SD-3, Page 5 of 8

(2) 2008 Actual Year COSS W/P SD-3; Page 6 of 8.

(3) (1) + (2)

Otter Tail Power Company
AFDC on Short-Term CWIP
Accumulated Depreciation Effect
Actual Year 2009

(A)	(B)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	
Line No.	2009 Depreciation	Accumulated Depreciation	July	August	September	October	November	December	13-Month Average
1	(1)	Production Plant							
2	3,038	Base Demand	611,870	614,908	617,946	620,984	624,022	627,060	608,832
3	2,605	Peak Demand	222,662	225,167	227,672	230,177	232,682	235,187	220,158
4	(3)	Base Energy	(19)	(22)	(25)	(28)	(30)	(33)	(17)
5	5,540	Total Production Plant	834,513	840,053	845,593	851,134	858,674	862,214	828,973
6	7,342	Transmission Plant	1,489,529	1,496,871	1,504,213	1,511,555	1,518,898	1,526,240	1,482,187
7	14,935	Distribution Plant	3,221,334	3,236,269	3,251,204	3,266,138	3,281,073	3,296,007	3,206,400
8	9,819	General Plant	1,746,868	1,756,687	1,766,506	1,776,325	1,786,144	1,795,963	1,737,049
9	9,375	Intangible Plant	1,919,165	1,928,540	1,937,915	1,947,290	1,956,666	1,966,041	1,909,790
10									
11									
12									
13									
14	47,011	Total Accumulated Depr.	9,211,410	9,258,421	9,305,432	9,352,443	9,399,454	9,446,465	9,164,399

(1) SD-3, Page 5 of 8

(2) 2008 Actual Year COSS W/P SD-3; Page 6 of 8.

(3) (1) + (2)

Prepared by: ama
 Reviewed by: pjb

**Otter Tail Power Company
 2009 Composite Depreciation Rates - Used in SD-3**

(A)

(B)

Line No.	Production Depreciation Expense -Base Demand	Total
1	Total Production - Base Demand (2)	7,893,035
2		
3	Production Plant in Service-Base Demand	
4	Steam Plant (Total from Page 11)	334,656,073
5	Less: Unit Train (Total from Page 11)	0
6		
7	Steam W/O Unit Train	334,656,073
8	Plus: Hydro (Total from Page 11)	3,457,029
9		
10	Total Production - Base Demand	338,113,102
11		
12	Annual Depreciation Rate	2.33%
13		
14	Monthly Depreciation Rates	0.19454%
15		
16	Production-Peak Demand	
17	Depreciation (2)	3,274,494
18	Plant in Service (Total From Page 11)	39,665,520
19		
20	Annual Depreciation Rates	8.26%
21		
22	Monthly Depreciation Rates	0.68794%
23		
24		
25	Production-Base Energy	
26	Depreciation (2)	7,858,318
27	Plant in Service (Total From Page 11)	193,935,977
28		
29	Annual Depreciation Rates	4.05%
30		
31	Monthly Depreciation Rates	0.33767%
32		
33		
34	Transmission	
35	Depreciation (1)	4,215,774
36	Plant in Service (Total From Page 11)	210,707,558
37		
38	Annual Depreciation Rates	2.00%
39		
40	Monthly Depreciation Rates	0.16673%
41		
42		
43	Distribution	
44	Depreciation (1)	9,436,705
45	Plant in Service (Total From Page 11)	340,710,692
46		
47	Annual Depreciation Rates	2.77%
48		
49	Monthly Depreciation Rates	0.23081%
50		
51		
52	General	
53	Depreciation (1)	2,409,155
54	Plant in Service (Total From Page 11)	48,001,835
55		
56	Annual Depreciation Rates	5.02%
57		
58	Monthly Depreciation Rates	0.41824%

(1) B-7, Page 2 of 2
 (2) B-7, Page 1 of 2

Prepared by: ama
 Reviewed by: pjb

**Otter Tail Power Company
 Plant in Service Schedule**

Line No.	(A)	(B)	(C)	(D) (1) Beginning Balance 1/1/2009
1	Steam Plant	Plant in Service (includes Unit Train)	101 310-317	334,162,671
2		Completed Construction Not Classified	106 310-316	344,794
3		Electric Plant Acquisition adjustments	114 310-316	1,588,255
4		Less: Land	101 310	(1,439,646)
5		Total Depreciable Steam Plant		334,656,073
6				
7	Hydro Plant	Plant in Service	101 330-335	3,652,325
8		Completed Construction Not Classified	106 330-335	112,327
9		Less: Land	101 330.0,.1,.2	(307,623)
10		Total Depreciable Hydro Plant		3,457,029
11				
12	IC & Other	Plant in Service	101 340-346	39,686,240
13		Completed Construction Not Classified	106 340-346	106,042
14		Less: Land	101 340	(126,762)
15		Total Depreciable IC and Other Plant		39,665,520
16				
17	Wind	Plant in Service	101 340-347	193,123,849
18		Completed Construction Not Classified	106 340-347	812,128
19		Less: Land	101 340	0
20		Total Depreciable IC and Other Plant		193,935,977
21				
22	Transmission	Plant in Service	101 350-358	197,567,940
23		Completed Construction Not Classified	106 350-358	13,444,014
24		Electric Plant Acquisition adjustments	114 350-358	58,287
25		Less: Land	101 350	(362,684)
26		Total Depreciable Transmission Plant		210,707,558
27				
28				
29	Distribution	Plant in Service	101 360-373	337,275,122
30		Completed Construction Not Classified	106 360-373	4,395,518
31		Electric Plant Acquisition adjustments	114 360-373	586
32		Less: Land	101 360	(960,534)
33		Total Depreciable Distribution Plant		340,710,692
34				
35				
36	General	Plant in Service	101 389-398	72,731,297
37		Completed Construction Not Classified	106 389-398	2,634,195
38		Less: Transportation	101 392	(26,087,249)
39		Less: Land	101 389	(1,276,408)
40		Total Depreciable General Plant		48,001,835

(1) 2009 Actual year Work Paper A-1-a

Prepared by: arh
 Reviewed by: pjb

**Otter Tail Power Company
 Adjustment to Calculate Deferred Income Taxes
 For Land Portion of Big Stone Capitalized Overhead Costs
 South Dakota Jurisdiction
 Actual Year 2009**

(A) (B) (C) (D)

Line No.	South Dakota Adjustment	Systemwide Rate Base Amounts		
1		Adjustment to 12/31/2008	Adjustment to 12/31/2009	Adjustment to Average Balance
2				
3	Accumulated Deferred Income Taxes:			
4	Items South Dakota Flows Through			
5	Federal	0	0	0
6	Minnesota	0	0	0
7	North Dakota	0	0	0
8				
9	Subtotal	0	0	0
10				
11	Accumulated Deferred Income Taxes:	(1)	(2)	
12	All Other Accumulated Deferred Income Taxes			
13	Federal	(22,332)	(16,929)	(19,631)
14	Minnesota	0	0	0
15	North Dakota	0	0	0
16				
17	Subtotal	(22,332)	(16,929)	(19,631)
18				
19	Total Accumulated Deferred Income Tax	(22,332)	(16,929)	(19,631)

(1) 2008 Actual Year Coss W/P SD-4, Page 1 of 3
 (2) Amounts at (1) less amounts at SD-4, Page 2 of 3

Prepared by: arh
 Reviewed by: pjb

**Otter Tail Power Company
 Adjustment To Calculate Deferred Income Taxes For
 Amortization Of Big Stone Capitalized Overhead Costs
 South Dakota Jurisdiction
 Actual Year 2009**

(A)

(B)

Line No.	South Dakota Adjustment	System-Wide Operating Statement Amounts
		Expense
1		
2		
3	<u>Deferred Income Taxes:</u>	
4	Items South Dakota Flows Through	
5	Federal	-
6	Minnesota	-
7	North Dakota	-
8		
9	Subtotal	-
10		
11	<u>Deferred Income Taxes:</u>	
12	All Other Deferred Income Taxes	
13	Federal	(5,402.66) (1)
14	Minnesota	- (1)
15	North Dakota	- (1)
16		
17	Subtotal	(5,402.66)
18		
19	Total Deferred Income Tax	(5,402.66)
20		
21		

(1) SD-4, Page 3 of 3

Prepared by: arh
 Reviewed by: pjb

**Otter Tail Power Company
 Adjustment to Calculate Deferred Income Taxes
 For Amortization of Big Stone Capitalized Overhead Costs
 South Dakota Jurisdiction
 Actual Year 2009**

(A) (B) (C) (D)

Line No.	(A)	(B)	(C)	(D)
Flowback of Deferred Taxes - South Dakota				
1		Deferred Federal Tax	Deferred State Tax	Deferred Total Tax
2				
3				
4	Required Decrease In SD Deferred Tax (1)	(544)	0	(544)
5	Estimated NEPIS Factor (2)	10.08%	0.00%	N/A
6				
7	System-wide Deferred Tax Decrease	(5,403)	N/A	(5,403)
8				
9				

- (1) Year End Tax Accrual W/P Source Data-39, Page 5 of 5 (Monthly Amount multiplied by 12)
- (2) 2008 Actual Year COSS. Rounded to 4 decimal places to emphasize that the NEPIS factor is only an estimate of the actual year 2009 factors. (Page 16-1)

Note: A gross up of deferred tax expense is necessary because we don't jurisdictionalize deferred tax.

Prepared by: kas
 Reviewed by:

Otter Tail Power Company
Unamortized Rate Case Expense
Actual 12 Months Ending December 31, 2009

	(A)	(B)	(C)	(D)	(E)	(F)
Line No.					Monthly Amortization	FERC 182.3 Unamortized Balance
1	December	End	2008			225,000
2	January	End	2009			225,000
3	February	End	2009			225,000
4	March	End	2009			225,000
5	April	End	2009			225,000
6	May	End	2009		3,750	221,250
7	June	End	2009		3,750	217,500
8	July	End	2009		3,750	213,750
9	August	End	2009		3,750	210,000
10	September	End	2009		3,750	206,250
11	October	End	2009		3,750	202,500
12	November	End	2009		3,750	198,750
13	December	End	2009		3,750	195,000
14	Total					2,790,000
15	Average					214,615

Source: GL Fire Inquiry using Oracle Acct: 1822-5100; FERC: 182.3

Prepared by: kas
Reviewed by:

**Otter Tail Power Company
Unamortized Holding Company Formation Expense
December 31, 2009**

	(A)	(B)	(C)	(D)	(E)	(F)
Line No.				Monthly Amortization	Deferral Amount	FERC 182.3 Unamortized Balance
1	December	End	2008			0
2	January	End	2009			0
3	February	End	2009			0
4	March	End	2009			0
5	April	End	2009			0
6	May	End	2009			0
7	June	End	2009		180,000	180,000
8	July	End	2009	3,000		177,000
9	August	End	2009	3,000		174,000
10	September	End	2009	4,086	63,000	232,914
11	October	End	2009	4,086		228,828
12	November	End	2009	4,086		224,742
13	December	End	2009	4,600	28,000	248,142
14	Total			22,858		1,465,626
15	Average					112,740

Source: GL Fire Inquiry using Oracle Acct: 1822-5100; FERC: 182.3