# OF THE STATE OF SOUTH DAKOTA

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In the Matter	of the	Petition of	of (	Otter	Tail	)	SETTLEMENT STIPULATION
Power Compa Cost Recovery	ny to Es	tablish a T	rar	nsmis	sion	)	EL10-015

This Settlement Stipulation (Settlement) is made and entered into on this \_//e day of November, 2011, by and between Otter Tail Power Company (OTP), and the Staff of the South Dakota Public Utilities Commission (Commission Staff). Throughout this Settlement OTP and Commission Staff will be referred to jointly as the Parties or individually as Party.

## **RECITALS**

WHEREAS, pursuant to South Dakota Codified Law (SDCL) §§49-34A-25.1 through 49-34A-25.4, the South Dakota Legislature provides that the South Dakota Public Utilities Commission (Commission) may approve a tariff mechanism for the automatic annual adjustment of charges for the jurisdictional costs of new or modified transmission facilities with a design capacity of thirty-four and one-half kilovolts (34.5 kV) or more and which are more than five (5) miles in length (TCR rider).

WHEREAS, on November 5, 2010, OTP filed a petition with the Commission for approval to establish a TCR rider pursuant to state statute for the recovery of investments and expenses associated with new or modified transmission projects that are not included in base rates, and for the recovery of expenses or charges from the Midwest Independent Transmission System Operator (MISO) through Schedule 26 under the federally regulated MISO Open Access Transmission, Energy, and Operating Reserve Markets Tariff (MISO tariff).

WHEREAS, OTP is an active member of the Midwest Independent Transmission System Operator (MISO), and is assessed costs through the MISO tariff known as Schedule 26 charges, and such costs represent the charges OTP incurs from MISO as a Transmission Customer to pay its assigned portion of transmission investments made by transmission owners which are allowed cost allocation and recovery pursuant to the MISO tariff.

WHEREAS, in its petition filed on November 5, 2010, OTP proposed to flow the South Dakota jurisdictional portion of its Schedule 26 charges through the TCR rider for recoupment of these expenses from its South Dakota ratepayers as opposed to the

traditional method of accounting for such costs during a regular retail rate case proceeding.

WHEREAS, in its petition filed on November 5, 2010, OTP did not seek retail cost recovery for its investment in these regional transmission projects through the TCR rider, other than expense recovery of the Schedule 26 charges allocated to OTP, as described above. Instead, OTP proposed to leave these investments at the FERC jurisdictional level with no portion of these investments to be included as part of retail rate base.

WHEREAS, Commission Staff reviewed the petition and entered into extended negotiations with OTP regarding establishment of a TCR rider.

WHEREAS, the Parties recognize the developing nature of transmission investments and note a distinction should be made between transmission investments attributable to serving retail load requirements and investments made for non-retail, regional transmission purposes.

WHEREAS, the Parties recognize the undefined nature for structuring a TCR rider and agree various approaches can be utilized, but such structure must remain in the public's best interest and ensure costs included for recovery through the tariff are prudently incurred and achieve transmission system improvements at the lowest reasonable cost to ratepayers.

WHEREAS, the Parties wish to fully resolve all the issues outstanding in this matter and the Parties acknowledge they may have differing views to justify entering this Settlement which they deem just and reasonable.

THEREFORE, it is hereby agreed by and between OTP and Commission Staff as follows:

### **GENERAL PROVISIONS**

- 1. This Settlement is made upon the express understanding that it constitutes a negotiated agreement. The provisions of this Settlement are not severable and shall become effective only after the Commission enters an order approving this Settlement without modification. In the event this Settlement is not approved in whole by the Commission, it shall be deemed withdrawn, without prejudice to any testimony, claims, positions or contentions which may have been made in this proceeding by any Party and no part of this Settlement shall be admissible as evidence or in any way described or discussed in any proceeding hereafter.
- 2. The provisions of this Settlement shall not be construed as, or deemed to be a precedent by any Party, the Commission, or other state or federal government regulatory body with respect to any issue, principle or interpretation or application of law and

regulations, for any purpose in connection with any proceeding before a court of law or any state or federal governmental regulatory body.

#### SPECIFIC UNDERSTANDINGS AND AGREEMENTS

- 1. **TCR Rider Tariff Mechanism:** The Parties agree OTP will establish a TCR rider tariff mechanism for the recovery of charges for the jurisdictional share of costs for new or modified transmission facilities and federally regulated costs charged to OTP to increase regional transmission capacity or reliability in accordance with state statute and the framework set forth under this Settlement.
- 2. Regional Transmission Investment Allocation: For the purpose of determining inclusion of regional transmission investments (those that qualify for regional cost allocation through MISO's tariff) in the TCR rider, the Parties agree to utilize a method of project cost allocation referred to by the Parties as the "hybrid" method. The Parties find this method best conforms to traditional ratemaking philosophy and facilitates proper allocation of transmission investments to the jurisdiction which has created a need for the investment. Specifically this method has been selected to address the large differential between the total amount of regional transmission investments made by OTP and the portion of the total investments which can be attributed to serving retail load versus regional transmission purposes.

Under this method, OTP's regional transmission investments will be allocated into state or FERC jurisdictions for recovery on a percent-of-responsibility basis. This allocation will be made as follows:

- A. All portions of the regional transmission investments for which OTP is allocated MISO Schedule 26 charges shall be allocated to the state jurisdiction. These investments shall be included in retail rate base for recovery through the TCR mechanism until rolled into base rates in a future general rate case. In addition, retail customers will be credited a pro-rata share of FERC authorized MISO Schedule 26 revenues associated with this retail load portion of the transmission investments.
- B. All portions of the regional transmission investments for which OTP is not allocated Schedule 26 charges shall be allocated to the FERC jurisdiction. OTP's revenue requirement for these transmission investments will be recovered through the MISO Schedule 26 revenues received for these investments.

- 3. **Transmission Facilities:** The Parties agree, under the framework described in Clause 2, the retail sales portion of the following regional transmission investments shall be included in retail rate base for rate recovery through the TCR mechanism.
  - a. Bemidji to Grand Rapids CAPX2020
  - b. Fargo to Monticello Phase I CAPX2020
  - c. Fargo to Monticello Phase II CAPX2020
  - d. Fargo to Monticello Phase III CAPX2020
  - e. Rugby Wind Farm Interconnection

In the future, OTP's investment in new transmission projects will require Commission approval in a future TCR annual update filing through which Commission Staff shall be provided an opportunity to review such projects for statutory compliance. Such projects may be regional, like those described in this Settlement or they may be local (projects that do not qualify for regional cost allocation through MISO's FERC authorized rates).

- 4. Schedule 26 Expenses: The Parties agree it is proper to utilize the TCR as the mechanism to flow through the jurisdictional share of Schedule 26 expenses incurred by OTP as an active member of MISO. Pursuant to SDCL 49-34A-25.1, the TCR rider applies only to new or modified transmission facilities with a design capacity of thirty-four and one-half kilovolts (34.5 kV) or more and which are more than five (5) miles in length. Under the MISO tariff, transmission projects eligible for cost allocation under Attachment FF are of the capacity and nature to comply with these SDCL requirements.
- 5. Rate of Return: The Parties agree OTP's revenue requirement for the retail load obligation of the transmission investments will be based on the rate of return established from OTP's most recent retail rate case (Commission Docket No. EL10-011) as permitted under SDCL 49-34A-25.2(2). The Parties agree, due to the unique characteristics of current transmission investments made by OTP--such as, the voluntary nature of OTP's investment in these transmission projects, the Schedule 26 revenue to be credited to OTP's South Dakota retail customers, and the assumption of risk by OTP's South Dakota retail customers of a portion of these investments--justifies maintaining the ROR at this established level. The Parties further agree, this negotiated ROR is based on the current status quo of these factors and if these factors change from the current status, such changes may justify a subsequent review and adjustment of the ROR to reflect different circumstances.
- 6. **Rate Design:** The Parties agree the TCR rate design will utilize the transmission demand allocation factor from OTP's last South Dakota general rate case (Commission Docket No. EL10-011) to allocate total revenue requirements to jurisdictions (South Dakota, 9.260463 percent) and rate classes. The large general service (LGS) class's portion of retail revenue requirements is 33.96%. The

remaining 66.04% of the retail revenue requirements will be collected from the non-LGS rate classes.

OTP's LGS rate design for the TCR rider will incorporate demand (\$/kW-month) and energy ( $\rlap/e/kWh$ ) rates that recover the transmission project costs in a manner that follows existing LGS base rate design. Specifically, the LGS revenue requirements will be split between demand and energy based on the 2011 forecast base rate demand and energy revenue proportion of approximately 14% demand and 86% energy. As part of future filings, this split will be reviewed as necessary to reflect any material load changes. The LGS demand rate will be calculated as the LGS demand revenue requirements divided by the LGS class billing demand for the projected period. The LGS energy rate will be calculated as the LGS energy revenue requirements divided by the LGS kilowatt-hour sales for the projected period .

For the remaining retail rate classes (non-LGS) of controlled service, and lighting, and all other classes, OTP will incorporate an energy rate only. A rate for each class will be a separate energy-based (kWh) charge calculated as the revenue requirements divided by the kilowatt-hour sales for the projected period.

- 7. **Tracker Balance:** The Parties agree the tracker account balance will accrue monthly carrying charges at a rate of 1/12 of OTP's cost of capital times the tracker balance. Carrying charges on a over-collected balance will accrue to the benefit of retail customers and carrying charges on a under-collected balance will accrue to OTP.
- 8. Effective Date & Projected Period: The Parties agree the initial TCR mechanism will be implemented with an effective date of December 1, 2011 and shall remain in effect through December 2012. Further, the Parties agree costs which have gone uncollected for the period of January 1, 2011 to the first billing under the TCR will be recovered from the implementation date through the 2012 year, with actual collections reflected in the tracker balance to ensure no over- or under-recovery.
- 9. **Customer Notice:** The Parties agree OTP will provide individual customer notice to all affected South Dakota customers through a bill notation or bill stuffer included with the first billing to include the TCR rider following Commission approval, as provided on Attachment 10. TCR billings will be reflected as a separate line item on customer bills.
- 10. Annual Reporting: The Parties agree OTP will submit an annual TCR filing on a going forward basis to be received by the PUC by September 1 of each year. Based on this annual report, OTP will adjust the TCR rate each year based on actual costs and collections.

11. Attachments: The Parties agree the TCR rider shall be implemented according to the Attachments 1 through 11 made part of this Settlement and which are incorporated here by reference.

South Dakota Public Utilities Staff Dated: ////6/11 Title: Blast Athorney Dated: 11/16/11 Otter Tail Power Company

BY: / om Down

# Projected Revenue for December 2011-December 2012

Class	·	Units		Rate per Unit	Amount
Large General Service	(a)	408,107		\$0.072	\$29,301
Total LGS		217,480,154	KVVN	0.083 ¢	179,994 \$209,295
Controlled service	(b)	47,531,608	kWh	0.020 ¢	\$9,721
Lighting	(c)	4,885,742	kWh	0.108 ¢	5,272
All other service		217,949,874	kWh	0.180 ¢	392,063
Total revenue					\$616,351

<sup>(</sup>a) Rate Schedules 10.03 Large General Service and 10.05 Large General Service - Time of Day

<sup>(</sup>b) Rate Schedules 14.01 Water Heating, 14.04 Interruptible Load (CT Metering), 14.05 Interruptible Load (Self-Contained Metering), 14.06 Deferred Load

<sup>(</sup>c) Rate Schedules 11.03 Outdoor Lighting (energy only), 11.04 Outdoor Lighting

# Otter Tail Power Company Transmission Cost Recovery Rider Docket No. EL10-015

Attachment 2 Page 1 of 1

Summary of Revenue Requirements

Revenue Requirements	2011-12
Rugby Wind Interconnection	\$1,157
Bemidji CAPX 2020	190,664
Fargo CAPX 2020	382,245
	\$0
Schedule 26	28,245
Carrying cost	14,040
True Up	0
Total	\$616,351

# Otter Tail Power Company Transmission Cost Recovery Rider Docket No. EL10-015

# Class Allocation and Rate Design

For all 2011 - 2012 Revenue Requirements collected from 12/1/2011 - 12/31/2012

•	_	2011-2012	
South Dakota revenue requirements		\$616,351	k
Large General Service class Controlled service Lighting All other service	33.96% 1.58% 0.86% 63.61%	\$209,295 9,721 5,272 392,063	
Total		\$616,351	
Large General Service class	kW	408,107	
Large General Service class	kWh	217,480,154	
Controlled service Lighting	kWh kWh kWh	47,531,608 4,885,742	
All other service	KVVII	217,949,874	
Large General Service class Large General Service class	\$ / kW month cents / kwh	0.072 0.083	**
Controlled service	cents / kwh	0.020	
Lighting	cents / kwh	0.108	
All other service	cents / kwh	0.180	

<sup>\*</sup> Jurisdictional transmission allocation factor (D2 = 9.815717%) is from Otter Tail's last general rate case in South Dakota.

<sup>\*\*</sup> LGS revenue is 14% demand and 86% energy

#### Otter Tail Power Company Transmission Cost Recovery Rider Docket EL10-015

Line	TRACKER SUMMARY  Requirements Compared to Billed: Revenue Requirements	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	2011 July Actual	August Actual	September Projected	October Projected	November Projected	December Projected	YE Projected
1	Rugby Wind Interconnection	41	41	41	41	41	41	41	41	50	50	50	50	531
2	Bemidii	4,102	4,352	4,352	4,352	4,352	4,352	4,352	4,352	4,352	4,352	4,352	4,352	51,969
3	Fargo (I, II, and III)	9,541	9.549	9,549	9,549	9,549	9,549	9,549	9,549	9,549	9,549	9,549	9,549	114,579
4														0
5	Total	13,684	13,942	13,942	13,942	13,942	13,942	13,942	13,942	13,950	13,950	13,950	13,950	167,079
6	MISO Schedule 26 - expense/(revenue)	1,827	6,157	6,132	6,690	2,829	(3,051)	(4,529)	(6,478)	158	85	(4,057)	(2,759)	3,004
7	Net Revenue Requirement	15,511	20,099	20,073	20,632	16,771	10,891	9,413	7,464	14,108	14,036	9,893	11,191	170,083
8														
9	Billed (forecast kWh x billing factor)	٥	0	o	0	0	0	0	0	0	0	0	52,125 _	52,125
10														
11	Difference .	15,511	20,099	20,073	20,632	16,771	10,891	9,413	7,464	14,108	14,036	9,893	(40,934)	117,958
12								••••					******	
13	Cummulative Difference	15,511	35,610	55,684	76,316	93,086	103,976	113,391	120,854	134,963	148,998	158,892	117,958	117,958
14														
15	Carrying Charge Calculation	108	253	397	546	669	751	823	881	987	1,094	1,172	890	896
16	Cumulative Carrying Charge	108	361	758	1,304	1,972	2,723	3,546	4,427	5,414	6,508	7,680	8,570	8,570
17	Carrying cost	8.34%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
18	Monthly Rate													
19		108	253	397	546	669	751	823	881	987	1,094	1,172	890	
20		108	361	758	1,304	1,972	2,723	3,546	4,427	5,414	6,508	7,680	8,570	8,570
21														
22														
23														454.000
24	Forecasted Sales (MWh)	44,366	43,953	40,309	37,446	33,471	33,561	34,516	35,149	35,525	33,537	37,446	41,043	450,322
25			*****		77.000		400 704	440.000	405.004	140 077	455 500	186,572	400 500	
26	Total Cumulative Diff, including Carrying Cost	15,619	35,971	56.441	77,620	95,059	106,701	118,936	125,281	140,377	155,506	100,5/2	126,528	
27														

#### Otter Tail Power Company Transmission Cost Recovery Rider Docket EL10-015

	TRACKER SUMMARY							, 2012						
Line		January	February	March	lingA	May	June	July	August	September	October	November	December	YE
	Requirements Compared to Billed:	Projected												
	Revenue Requirements													
1	Rugby Wind Interconnection	52	52	52	52	52	52	52	52	52	52	52	52	626
2	Bemîdjî	11,558	11,558	11,558	11,558	11,558	11,558	11,558	11,558	11,558	11,558	11,558	11,558	138,695
3	Fargo (I, iI, and III)	22,282	22,287	22,292	22,296	22,301	22,306	22,310	22,313	22,320	22,320	22,320	22,320	267.666 n
5	Total -	33,892	. 33,897	33,902	33,906	33,911	33,916	33,920	33,923	33,930	33,930	33,930	33,930	406,987
6	MISO Schedule 26 - expense/(revenue)	7,814	8,655	13,265	5,463	4,338	(8,704)	(1,394)	573_	3,530	3,340	(7,521)	(4,119)	25,241
7	Net Revenue Requirement	41,706	42,552	47,167	39,370	38,249	25,211	32,526	34,497	37,460	37,270	26,408	29,811	432,228
8														
9	Billed (forecast kWh x billing factor)	55,916	55,964	52,045	46,081	42,767	41,125	43,080	43,788	44,280	40,829	47,767	50,212	563,853
10														
11	Difference	(14,209)	(13,412)	(4,878)	(6,711)	(4,518)	(15,914)	(10,554)	(9,292)	(6,820)	(3,559)	(21,359)	(20,401)	(131,625)
12	_													
13	Cummulative Difference	103,749	90,338	85,460	78,749	74,231	58,317	47,763	38,472	31,652	28,093	6,734	(13,667)	(13,667)
14														
15	Carrying Charge Calculation	796	706	677	634	606	498	427	364	318	295	146	3	3
16	Cumulative Carrying Charge	9,366	10,072	10,749	11,383	11,989	12,487	12,914	13,278	13,596	13,892	14,038	14,040	14,040
17	Carrying cost	8.50%	8,50%	8.50%	8.50%	8,50%	8.50%	8,50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
18	Monthly Rate													
19		796	706	677	634	606	498	427	364	318	295	146	3	3
20		9,366	10,072	10,749	11,383	11,989	12,487	12,914	13,278	13,596	13,892	14,038	14,040	14,040
21														
22														
23														
24	Forecasted Sales (MWh)	44,028	44,066	40,980	36,284	33,675	32,382	33,921	34,479	34,866	32,149	37,612	39,537	443,979
25														
26	Total Cumulative Diff. Including Carrying Cost	113,115	100,409	96,209	90,131	86,220	70,804	60,677	51,750	45,248	41,984	20,772	373	

SUMMARY	13 month rate
Year	12/11-12/12
Revenue requirements	\$602,311
Carrying Charge	14,040
True-up	0
True up	O
Total requirements	\$616,351
Projected sales in MWh	485,022
Average Rate	\$0.00127

Otter Tail Power Company Transmission Rider - Revenue Requirements Bemidji-Grand Rapids Project Docket EL10-015

	DOCKEL EL 10-013														
		Year>>	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011
	Retail Load Responsibility Only	100,	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected
Line			January	February	March	April	May	June	July	August	September	October	November	December	Total
1	RATE BASE														
ż	Plant Balance		0	0	0	0	0	0	0	0	0	0	0	0	0
3	Accumulated, Depreciation		0	0	0_	0 .	0	0	0		0		0	0	<u>o</u> _
4	Net Plant in Service	-	0	0	0	0	0	0	0	0	0	0	0	0	0
5	CWIP (project 103487, 104395 & 104587)		1,769,490	2,966,462	3,427,985	2,940,167	3,627,930	3,312,628	3,543,584	5,257,481	5,894,736	7,868,083	8,789,711	10,017,548	10,017,548
6	, , , , , , , , , , , , , , , , , , ,									_	_		n	0	0
7	Accum, Deferred Inc. Taxes Fed & State		. 0	0	0	0	0	0	0	0	0	0	8,789,711	10,017,548	10,017,548
8	Ending rate base	_	1,769,490	2,966,462	3,427,985	2,940,167	3,627,930	3,312,628	3,543,584	5,257,481	5.894,736	7,868,083	8,789,711	10,017,546	10,017,546
9	•									4 005 450	4,685,158	4,685,158	4,585,158	4,685,158	4,685,158
10	Average rate base		4,685,158	4,685,158	4,685,158	4,685,158	4,685,158	4,685,158	4,685,158	4,685,158	4,003,130	4,000,100	4,000,100	4,000,100 [	7,000,100
11		_					00.400	33,190	33,190	33,190	33,190	33,190	33,190	33,190	397,638
12	Return on Rate Base	_	32,549	33,190	33,190	33,190	33,190	33,190	33,190	33,190	33,150	35,130	99,100	99,150	201,000
13		-		22.005	00 COF	20,695	20,695	20.695	20,695	20,695	20,695	20,695	20,695	20,695	249,450
14	Available for return (equity portion of rate base)	-	21,808	20,695	20,695	20,033	20,030	20,000	20,000	20,000	20,000				
15															
16															
17	O&M and Depreciation		0	0	0	0	٥	G	0	0	0	0	0	0	0
18			0	ō	ň	ŏ	ō	ū	Q	0	0	8	0	0	٥
19	Property Tax		0	Ď	ŏ	ŏ	ō	0	0	0	0	0	0	0	. 0
20	Book Depreciation Total O&M and Depreciation Expense		0	0	0	0	0	0	0	0	0	0_	0	0	0
21 22	Lotsi Ogivi sud Debiedisgou Exheuse														
23	Income before Taxes													_	
24	Available for return (from above)		21,808	20,695	20,695	20,695	20,695	20,695	20,695	20,695	20,695	20,695	20,695	20,695	249,450
25	Taxable Income (grossed up)		33,551	31,838	31,838	31,838	31,838	31,838	31,838	31,838	31,838	31,838	31,838	31,838	383,770
26	taxable blooms (ground ap)														
27	Income Taxes												44.45	44.440	404.040
28	Current and Def Income Taxes		11,743	11,143	11.143	11,143	11,143	11,143	11,143	11,143	11,143	11,143	11,143	11,143 11,143	134,319 134,319
29	Total Income Tax Expense		11,743	11,143	11,143	11,143	11,143	11,143	11,143	11,143	11,143	11,143	11,143	11,143	134,519
30															
31															
32	REVENUE REQUIRMENTS						44.440	11,143	11.143	11,143	11,143	11,143	11,143	11,143	134,319
33	Expenses		11,743	11,143	11,143	11,143 33,190	11,143 33,190	33.190	33,190	33,190	33,190	33,190	33,190	33,190	397,638
34	Return on rate base		32,549	33,190	33,190 44,333	44,333	44,333	44,333	44,333	44,333	44,333	44,333	44,333	44,333	531,957
35	Subtotal revenue requirements		44,292	44,333	44,353	44,555	44,000	74,550	11,000	,			•		
36	Adjustments		D	n	0	o	n	0	0	0	0	0	0		0_
37	Transmission Revenue		44,292	44,333	44,333	44,333	44,333	44,333	44,333	44,333	44,333	44,333	44,333	44,333	531,957
38	Total revenue requirements		44,232	44,355	+1,555	44,000	1,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,								
39 40	South Dakota share - D2 factor		4,102	4,352	4,352	4,352	4,352	4.352	4,352	4,352	4,352	4,352	4,352	4,352	51,969
40	South Dakota share - Dz ractor		.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,												
	SUPPORTING INFORMATION / DATA														
Line															
1	SD Capstructure with allowed ROE per order.		SD Capstructure	with allowed Re	OE per order.										
2	Capital Structure		Capital Structure		Taxu 1/31/2011	From 2/1/2011					Property tax				
3	Debt		Debt		2.61%	3.20%					2010 composite	rate	1.88%		
4	Preferred equity		Preferred equity		0.14%	0.00%									
5	Common equity		Common equity	_	5.59%	5.30%									
6	Total		Total		8.34%	8.50%					Book Depreciati		1,9562%		
7						_					2010 composite	raic	1.550270		
8						Tax									
9						15-year MACRS									
10					Thru 1/31/2011	From 2/1/2011									
11	Statutory Tax Rate		Statutory Tax R		35.00%										
12			Tax conversion		1.5385	1.5385 0.00%								•	
13			Transmission R		0.00% 9.26%	0.0U% 9.82%									
14			SD share - D2 f	actor	9.25%	9.02%									

Otter Tail Power Company Transmission Rider - Revenue Requirements Bemidji-Grand Rapids Project Docket EL10-015

Line 1 2	Retail Load Responsibility Only  RATE BASE Plant Balance	2012 Projected January	2012 Projected February	2012 Projected March	2012 Projected April	2012 Projected May	2012 Projected June	2012 Projected July	<b>2012</b> Projected August	2012 Projected September	2012 Projected October	2012 Projected November	2012 Projected December	2012 Total
3	Accumulated, Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0
4 5 6	Net Plant in Service CWIP (project 103487, 104395 & 104587)	10,712,610	0 11,135,994	12,040,390	12,395,221	0 12,717,535	0 12.849,064	12,968,292	0 13,095,778	13,194,347	13,278,736	0 13,547,773	13,815,410	0 0 13,815,410
7	Accum. Deferred Inc. Taxes Fed & State	0	0	0	0	0	0	0	n	0	0	0	0	
8	Ending rate base	10,712.610	11,135,994	12,040,390	12,395,221	12,717,535	12,849,064	12,968,292	13,095,778	13,194,347	13,278,736	13,547,773	13,815,410	13,815,410
10 11	Average rate base	12,443,746	12,443,746	12,443,746	12,443,746	12,443,746	12,443,746	12,443,746	12,443,746	12,443,746	12,443,746	12,443,746	12,443,746	12,443,746
12 13	Return on Rate Base	88,152	88,152	88,152	88,152	88,152	88.152	88,152	88,152	88,152	88,152	88,152	88,152	1,057,825
14	Available for return (equity portion of rate base)	54,965	54,965	54,965	54,965	54,965	54,965	64,965	54, <b>9</b> 65	54,965	54,965	54,965	54,965	659,581
16 17	EXPENSES O&M and Depreciation													
18 19	Operating Costs Property Tax	0	0	0	0	0	0	0	0	0	G	0	0	0
20	Book Depreciation	0	0	0	0	0 D	0	0	o .	. 0	0	0	0	Ö
21 22	Total O&M and Depreciation Expense	0			0	Ö	0		<u>0</u>	0			0	0
22	Income before Taxes												<u></u>	
24	Available for return (from above)	54,965	54,965	54,965	54,965	54,965	54,965	54,965	54,965	F / DFF				
25 26	Taxable Income (grossed_up)	84,562	84,562	84,582	84,562	84,562	84,562	84,562	84,562	54,965 84,562	54,965 84,562	54,965 84,562	54,965 84,562	659,581_ 1,014,740
27	Income Taxes									, -		,	01,002	1,014,140
28	Current and Def Income Taxes	29,597	29,597	29,597	29,597	29.597	29,597	29,597	29,597	29,597	29,597	20 507	00.000	
29 30	Total Income Tax Expense	29,597	29 597	29,597	29,597	29,597	29,597	29,597	29,597	29,597	29,597	29,597 29,597	29,597 29,597	355,159 355,159
31														050,100_
32	REVENUE REQUIRMENTS													
33 34	Expenses Return on rate base	29,597 8,152	29,597 88,152	29,597	29,597	29,597	29,597	29,597	29,597	29,597	29,597	29,597	29,597	355,159
35	Subtotal revenue requirements	117,749	117,749	88,152 117,749	88,152 117,749	88,152 117,749	88,152 117,749	88,152 117,749	88,152 117,749	88,152	88,152	88,152	88,152	1,057,825
36 37	Adjustments			,.	,	117,140	,,,+2	117,745	117,749	117,749	117,749	117,749	117,749	1,412,984
38	Transmission Revenue Total revenue requirements	117.749	117,749	117,749	117,749	0				0		0	0	o
39	·	117,143	117,749	117,749	(117,749	117,749	117,749	117,749	117,749	117,749	117,749	117,749	117,749	1,412,984
40	South Dakota share - D2 factor	11,558	11,558	11,558	11,558	11,558	11,558	11,558	11,558	11,558	11,558	11,658	11,558	138,695
Line	SUPPORTING INFORMATION / DATA													
1 2	SD Capstructure with allowed ROE per order, Capital Structure	SD Capstructure Capital Structure	with allowed RO	E per order. Ratio		Cost		WA Cost	_					
3	Debt	Debt		46.995%		6,81%		3.20%		Property tax 2011 composite rai	P	1.77%		
5	Preferred equity Common equity	Preferred equity Common equity		0.000%		0.00%		0.00%				1.1770		
6	⊤otal	Total		53.005% 100.00%		10.00%		5,30% 8,50%	vorali Petura E	Book Depreciation				
7 8			_					0.50%		2011 composite ra	ie:	1.9338%		
9		Project life (years			Tax 15-year MACRS									
10		, .	•		io-jeai movers									
11 12	Statutory Tax Rate Tax conversion factor	Statutory Tax Rat Tax conversion fa		35.00%										
13		Transmission R		1.5385 0.00%										
14		SD share - D2 fac	ctor	9.816%										

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Line	Retail Load Responsibility Only	Year>>		2011 Actual January	2011 Actual February	2011 Actual March	2011 Actual April	2011 Actual May	2011 Actual June	2011 Actual July	2011 Projected August		2011 Projected October	2011 Projected November	2011 Projected December	2011 Projected Total
1 2	RATE BASE Plant Balance			0	0	0	0	0	0	0	0	0	0	0	7,679,223	7,679,223
3 4 5	Accumulated. Depreciation Net Plant in Service CWIP		-	0 2,491,541	3,232,811	0 5,275,403	7,015,770	6,170,795	6,035,727	7,016,799	0 7,314,871	0 7,542,655	0 7,621,349	0 7,679,640	7,679,223 0	7,679,223 0
7 8	Accum, Deferred Inc. Taxes Fed & State Ending rate base			0 2,491,541	0 3,232,811	5,275,403	7,015,770	0 6,170,795	6,035,727	7,016,799	7.314,871	7,542,655	7,621,349	7,679,640	(2,687,728) 4,991,495	(2,687,728) 4,991,495
9 10	Average rate base		-	5,684,857	5,684,857	5,684,857	5,684,857	5,684.857	5,684,857	5,684,857	5,684,857	5,684,857	5,684,857	5,684,857	5,684,857	5,684,857
11	Return on Rate Base			39,494	40,272	40.272	40,272	40,272	40,272	40,272	40,272	40,272	40,272	40,272	40,272	482,484
13 14 15	Available for return (equity portion of rate base)			26,462	25,110	25,110	25,110	25,110	25,110	25,110	25,110	25,110	25,110	25,110	25,110	302,677
16 17	EXPENSES O&M and Depreciation			٥	0	0	0	Ď.	0	0	0	0	0	0	0	0
18	Operating Costs Property Tax			9,599	9,599	9,599	9,599	9,599	9,599	9,599	9,599	9,599	9,599 0	9,599	9,599 D	115,188 0
20 21 22	Book Depreciation Total O&M and Depreciation Expense			9,599	9,599	9.599	9,599	9,599	9,599	9,599	9,599	9,599	9,599	9,599	9,599	115,188
23 24 25	Income before Taxes Available for return (from above) Taxable income (grossed_up)	1.5385		26,462 40,710	25,110 38,632	25,110 38,632	25,110 38,632	25,110 38,632	25,110 38,632	25,110 38,632	25,110 38,632	25,110 38,632	25,110 38,632	25,110 38,632	25,110 38,632	302,677 46\$,657
26 27 28	Income Taxes Current and Def Income Taxes		35.00%	14,249	13,521 13,521	13,521 13,521	13,521 13,521	13,521 13,521	13,521 13,521	13,521 13,521	13,521 13.521	13,521 13,521	13,521 13.521	13,52 <u>1</u> 13,521	13,521 13,521	162,980 162,980
29 30 31	Total Income Tax Expense			14,249	15,521	13,521	13,521	13,321	13,921	13,321	13,521	18,321	13.321	15,321	19,021	102,000
32 33	REVENUE REQUIRMENTS Expenses			23,848	23,120	23,120	23,120 40,272	23,120 40,272	23,120 40,272	23,120 40,272	23,120 40,272	23,120 40,272	23,120 40,272	23,120 40,272	23,120 40,272	278,168 482,484
34 35 36	Retum on rate base Subtotal revenue requirements Adjustments			39,494 63,342	40,272 63,392	40,272 63,392	63,392	63,392	63,392	63,392	63,392	63,392	63,392	63,392	63,392	760,652
37 38	Transmission Revenue Total revenue requirements		0.00%	63.342	63.392	63,392	63.392	63,392	63,392	63.392	63,392	63,392	63.392	63,392	63,392	760,652
39 40	SD share - D2 factor		9.26%	6,217	6,222	6,222	6,222	6,222	6,222	6,222	6,222	6,222	6,222	6,222	6,222	74,663
	SUPPORTING INFORMATION / DATA							-			•					
Line 1 2 3			41.15%	SD Capstructure Capital Structure	with allowed RC	DE per order. Thru 1/31/2011 41,15%	From 2/1/2011 46,995%	Thru 1/31/2011 6.34%	From 2/1/2011 6.81%	Thru 1/31/2011 2 61%	From 2/1/2011 3.20%	Property tax 2011 composite rat	æ	1.50%		
4 5 6	Preferred equity Common equity Total	_	3.00%	Preferred equity Common equity	_	3,00% 55.86% 100.00%	0.000% 53.005% 100.00%	4,75% 10.00%	0.00% 10.00%	0.14% 5.59% 8.34%	0,00% 5.30% 8.50%	Book Depreciation	Α.	1,6150%		
7 8 9 10 11 12 13	Statutory Tax Rate Tax conversion factor		35.00% 1.53846	Statutory Tax Ra Tax conversion f Transmission F SD share - D2 fa	actor Revenue		Tax 15-year MACRS From 2/1/2011 35,00% 1,5385 0,00% 9,82%									

Otter Tail Power Company Transmission Rider - Revenue Requirements Fargo-Monticello Project Phase I Docket No. EL10-015

	The second second	2012	2012 Projected	2012 Projected	2012 Projected	2012 Projected	2012 Projected	2012 Projected	2012 Projected	2012 Projected	2012 Projected	2012 Projected	2012 Projected	Total-
	Retail Load Responsibility Only	Projected January	February	March	April	May	June	July	August	September	October	November	December	2012
Line		Jenuary	replanty	Hibren	. <b></b>			,	•					
1	RATE BASE Plant Balance	7,716,298	7.749.933	7.763.567	7,817,201	7,850,835	7.884.469	7,907,909	7,955,005	7,955,005	7,955,005	7,955,005	7,955,005	7,955,005
2		(10,751)	(21.554)	(32,404)	(43,301)	(54,245)	(65,236)	(76,274)	(87,345)	(98,482)	(109,619)	(120,756)	(131,893)	(133,644)
4	Accumulated, Depreciation Net Plant in Service	7.705.547	7,728,379	7,751,163	7,773,900	7,796,590	7,819,233	7,831,635	7,867,660	7,856,523	7,845,386	7,834,249	7,823,112	7,821,361
	CWIP	0,700,047	0	0	0	0	٥	0	0	0	0	0	0	D
5 6	CAALL	•	-											
7	Accum, Deferred Inc. Taxes Fed & State	(2,683,965)	(2.680,184)	(2,676,387)	(2,672,573)	(2,668,742)	(2,664,896)	(2,661,032)	(2.657,157)	(2,653,259)	(2,649,361)	[2,645,463)	(2,641,565)	(2,640,953)
á	Ending rate base	5,021,582	5,048,195	5,074,776	5,101,327	5 127 848	5,154,338	5,170,603	5 210 503	5,203,264	5,196,025	5,188,786	5,181,547	5 180,409
9	Average rate base	5,128,484	5,128,484	5,128,484	5,128,484	5,128,484	5,128,484	5,128,484	5 128 484	5,128,484	5,128,484	5,128,484	5,128,484	5,128,484
11	Average line 0000										36.330	36,330	36,330	435,985
12	Return on Rate Base	36,330	36,330	36,330	36,330	36,330	36,330	36,330	36,330	36,330	30,330	30,330	30,330	433,303
13									00.050	22.553	22,653	22.653	22,653	271,835
14	Available for return (equity portion of rate base)	22,653	22,653	22,653	22,653	22,653	22,653	22,653	22,653	22,000	22,000	22,033	22,000	211,000
15														
16	EXPENSES													
17	O&M and Depreciation			_	_		0	٥	0	0	o	0	0	0
18	Operating Costs	0	0	0	0	0	9.944	9.944	9,944	9,944	9 944	9.944	9,944	119,325
19	Property Tax	9,944	9,944	9,944	9,944	9,944 10.944	10,991	11,038	11,071	11.137	11,137	11,137	11,137	131.893
20	Book Depreciation	10,751	10,803	10,850	10,897	20,888	20,935	20,982	21,015	21,081	21,081	21,081	21,081	251,218
21	Total O&M and Depreciation Expense	20,695	20,747	20,794	20,841	20,668	20,900	20,862	21,010	21,001	. 21.001			
22														
23	Income before Taxes		go 050	22,653	22,653	22,653	22,653	22,653	22,653	22,653	22,653	22,653	22,653	271.835
24	Available for retum (from above)	22,653 34 851	22,653 34,851	34,851	34,851	34,851	34,851	34,851	34,851	34,651	34.851	34,851	34,851	418,208
25	Taxable income (grossed up)	34,851	34,001	34,601	24,001	34,031	54,00	04,007	- 1,					
26														
27	Income Taxes	12.198	12.198	12,198	12,198	12,198	12,198	12,198	12,198	12,198	12.198	12,198	12,198	146,373
28	Current and Def Income Taxes	12,198	12,198	12,198_	12,198	12,198	12,198	12,198	12,198	12,198	12,198	12,198	12,198	146,373
29	Total Income Tax Expense	12,190	12,130	12,130	16,100						•			
30														
31	SELECTIC SECURDAENTS													
32		32,892	32,944	32,991	33.038	33,086	33,133	33,180	33,213	33,279	33,279	33,279	33,279	397,591
33	Expenses Return on rate base	36,330	36,330	36,330	36,330	36,330	36,330	36,330	36,330	36,330	36,330	36,330	36,330	435,965
34 35	Sublotal revenue requirements	69,223	69.275	69,322	69,369	69,416	69,463	69,510	69,543	69,609	69,609	69,609	69,609	833,556
36		00,220												
37	Transmission Revenue	0	0	0	0	00	0	0	0	0	0	0	0	833,556
38		69,223	69,275	69,322	69,369	69,416	69,463	69,510	69,543	69,609	59,609	69,609	69,509	833,500
39											6.000	6,833	6,833 -	81,620
40		6,795	6,800	6,804	6,809	6,814	6,618	6,823	6,826	6,833	6,833	0,033	0,033	61,020
	SUPPORTING INFORMATION / DATA	-												
Lin		00.0		OF and a										
1	SD Capstructure with allowed ROE per order.	SD Capstructure		O≞ per order. Ratio		Cost		WA Cost		Property tax				
5	Capital Structure	Capital Structure				6.81%		3,20%		2012 composite n	ate	1,50%		
3	Debt	Debt		46,995% 0.000%		0.00%		0.00%		Zu iz composite				
4	Preferred equity	Preferred equity		53.005%		10.00%		5.30%						
5	Common equity	Common equity	,	100.00%		10.00%			Overall Return	Book Depreciatio	n			
6	Total	Total		100.00%				Ų.D.		2012 composite r		1.6357%		
7					Tax									
8					15-year MACRS									
9					rayen macro	•								
10		Statutory Tax Ra	nto	35,00%										
11		Tax conversion		1.5385										
12		Transmission		0.00%										
13 14		SD share - D2 fa		9.816%										

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Line	Retail Load Responsibility Only	Year>>		2011 Actual January	2011 Actual February	2011 Actual March	2011 Actual April	2011 Actual May	2011 Actual June	2011 Actual July	2011 Projected August	2011 Projected September	2011 Projected October	2011 Projected November	2011 Projected December	2011 Projected Total
1 2 3 4	RATE BASE Plant balance Accumulated, Depresiation Net Plant in Service			0	0	0	0 0	0 0	0	0	0	0	0 D	0	0	0 0
5	CWIP			1,783,169	1,822,288	1,867,630	1,908,884	1,919,609	1,978,099	0 2,289,413	0 2,551,680	0 3,423,507	4,368,503	5,525,984	6,592,699	6,592,698
7	Accum, Deferred Inc. Taxes Fed & State Ending rate base			1,783,169	1,822,286	1,867,630	1,909,884	1,919,609	1,978,099	2,289,413	2,551,680	3,423,507	0 4,368,503	0 5.525.984	6,592,699	6,592,699
9 10	Average rate base		-	2,902,623	2,902,623	2,902,623	2,902,623	2,902,623	2,902,623	2,902,623	2,902,623	2,902,623	2,902,623	2,902,623	2,902,623	2,902,623
11· 12 13	Return on Rate Base			20,165	20,562	20,562	20,562	20,562	20,562	20,562	20,562	20,562	20,562	20,562	20,562	246,351
14 15	Available for return (equity portion of rate base)			13,511	12.821	12,821	12,821	12,821	12,621	12,821	12,821	12,821	12,821	12,821	12,821	154,543
16 17 18	EXPENSES O&M and Depreciation Operating Costs			0	ñ	2	0		•					4		
19	Property Tax Book Depreciation			å	0	0 0	0	0 0	0 0	0 0	0 0	0 0 0	0	0	0 0	0 0
21 22	Total O&M and Depreciation Expense			0	0	0	0	0	0	0	0	0	- 0	0	0	0
23 24 25 26	Income before Taxes Available for return (from above) Taxable Income (grossed up)	1.5385		13,511 20,786	12,821 19,725	12,821 19,725	12,821 19,725	12,821 19,725	12,821 19,725	12,821 19,725	12,821 19,725	12,821 19,725	12,821 19,725	12,821 19,725	12,821 19,725	154,543 237,75p
27 28 29 30	Income Taxes Current and Def Income Taxes Total Income Tax Expense		35.00%	7,275 7,275	6,904 6,904	6,904 6,904	6,904 6,904	6,904 6,904	6,904 6,904	6,904 6,904	6,904 6,904	6,904 6,904	6,904 6,904	6,904 6,904	6,904 6,904	83,216 83,216
31 32 33 34	REVENUE REQUIRMENTS Expenses Retum on rate base			7,275 20 <u>,165</u>	6,904 20.562	6,904 20,562	5,904 20,562	6,904 20,562	6,904 20,562	6,904 20,562	6,904 20,562	6,904 20,562	6,904 20,562	6,904 20,562	6,904 20,562	83,216 246,351
35 36	Subtotal revenue requirements Adjustments		•	27,441	27,466	27.466	27,466	27,466	27,466	27,466	27,466	27,466	27,466	27,466	27,466	329,567
37 38	Transmission Revenue Total revenue requirements		0.00%	0 27,441	27,466	27,466	27,466	27,466	27.466	27,466	27,456	27,456	27,466	27,466	0 27,466	0 329,567
39 40	SD share - D2 factor		9.26%	2,693	2,696	2,698	2,696	2,696	2,696	2,696	2.696	2,696	2,696	2,696	2,696	32,349
	SUPPORTING INFORMATION / DATA															
Line 1 2 3 4	SD Capstructure with allowed ROE per order. Capital Structure Debt Preferred equity		41.15% 3.00%	Preferred equity	with allowed R	Thru 1/31/2011 41.15% 3.00%	From 2/1/2011 46,995% 0.000%	Thru 1/31/2011 6.34% 4.75%	From 2/1/2011 6.81% 0.00%	Thru 1/31/2011 2.61% 0.14%	From 2/1/2011 3.20% 0.00%	Property tax 2011 composite rate	e	1.86%		
5 6 7	Common equity Total	_	55.86 <u>%</u> 100.00%	Common equity Total		55.86% 100.00%	53.005% 100.00%	10.0⊡%	10.00%	5,59% 6,34%	5.30% 8.50%	Book Depreciation 2011 composite rate	ė	1.6150%		
8 10 11 12 13	Statutory Tax Rate Tax conversion factor		1,53846	Project life (years Statutory Tax Rat Tax conversion fa Transmission R SD share - D2 fai	e ictor evenue	50 Thru 1/31/2011 35.00% 1.5385 0.00% 9.26%	Tax 15-year MACRS From 2/1/2011 35.00% 1.5385 100.00% 9.82%	3								

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Line	Retail Load Responsibility Only	2012 Projected January	2012 Projected February	2012 Projected March	2012 Projected April	2012 Projected May	2012 Projected June	2012 Projected July	2012 Projected August	2012 Projected September	2012 Projected October	2012 Projected November	2012 Projected December	Total 2012
1	RATE BASE	n	a	0	o	0	0	0	0	o	0	0	۵	0
2	Plant Balance Accumulated, Depreciation	a	ŏ	õ		Ö	0	0	0	. 0	0	. 0	<u> </u>	0
4	Net Plant in Service	D	D	0	0	. 0	0	Û	0	0	0	0	0 19,595,765	19,595,765
5	CWIP	7,940,986	9,120,683	10,252,065	11,400,147	12,344,986	13,166,582	14,259,453	15,233,822	16,343,000	17,660,715	18,767,447	19,595,705	18,585,765
6	···				_			0	D	0	0	0	٥	0
7	Accum, Deferred Inc. Taxes Fed & State	0	0	0	0	12,344,986	13,166,582	14,259,453	15,233,822	16,343,000	17,660,715	18,767,447	19,595,765	19,595,765
8	Ending rate base	7,940,986	9,120,883	10,252,065	11,400,147	12,344,960	13,100,362	14,235,433	10,200,022	10,040,000	17,000,7,34			
9 10	Average rate base	13,282,965	13,282,965	13,282,965	13,282,965	13,282,965	13,262,965	13,262,965	13,282,965	13,282,965	13,282,965	13,282,965	13,282,965	13,282,965
11 12	Return on Rate Base	94,097	94,097	94,097	94,097	94,097	94,097	94.097	94,097	94,097	94,097	94,097	94,097	1 129 166
13	Ketam on Nate 6836							ED 070	F0 070	58.672	58,672	58,672	58,672	704,064
14 15	Available for return (equity portion of rate base)	58,672	58,672	58,672	58,672	58,672	58,672	58,672	58,672	58,672	50,672	56,672	56,672	704,004
16	EXPENSES													
17	O&M and Depreciation	_		0	O	0	0	0	0	D	0	0	0	0
18	Operating Costs	0	0	0	0	ő	Ď	ő	ū	ō	0	0	. 0	0
19	Property Tax	0	0	ő	0	ő	ō	ō	0	. 0	00	0	0	0
20	Book Depreciation Total O&M and Depreciation Expense			0	0	0	0	0	.0_	. 0	0		0	0
21 22	Total Osivi and Depreciation Expense													
23	Income before Taxes								en 470	50.070	58.672	58,672	58,672	704.064
24	Available for return (from above)	58,672	58,672	58,672	58,672	58,672	58,672	58,672 90,265	58,672 90,265	58,672 90,265	90,265	90,265	90,265	1,083,175
25	Taxable Income (grossed up)	90,265	90,265	90,265	90,265	90,265	90,265	90,265	20,200	90,200	50,200	30,203	50,250	1,000,110
26														
27	Income Taxes	64 505	31,593	31,593	31,593	31,593	31,593	31,593	31,593	31,593	31,593	31,593	31,593	379,111
28	Current and Def Income Taxes	31,593 31,593	31,593	31,593	31,593	31,593	31,593	31,593	31,593	31,593	31,593	31,593	31,593	379,111
29	Total Income Tax Expense	31,393	31,353	31,040	01,000									
30 31														
32	REVENUE REQUIRMENTS										31,593	31,593	31,593	379,111
33	Expenses	31,593	31,593	31,593	31,593	31,593	31,593	31.593	31,593	31,593 94 097	31,593 94.097	94,097	94,097	1 129 166
34	Return on rate base	94,097	94,097	94,097	94,097	94,097	94,097 125,690	94,097 125,690	94,097 125,690	125.690	125,690	125,690	125,690	1,508 277
35	Subtotal revenue requirements	125,690	125,690	125,690	125,690	125,690	125,090	123,000	123,030	120,030	120,000	,		
36	Adjustments	n	D	0	O.	0	0	0	0	0	0_	0	0	0
37	Transmission Revenue	125,690	125,690	125,690	125,690	125,690	125,690	125,690	125,690	125,690	125,690	125,690	125,690	1,508,277
38 39	Total revenue requirements	120,030	120,000											
40	SD share - D2 factor	12,337	12,337	12,337	12,337	12,337	12,337	12,337_	12,337	12,337	12,337	12,337	12,337	148,048
Line	SUPPORTING INFORMATION / DATA													
1	SD Capstructure with allowed ROE per order.	SD Capstructure	with allowed R	OE per order.										
2	Capital Structure	Capital Structure		Ratio		Cost		WA Cost		Property tax		1.50%		
3	Debt	Debt		46.995%		6.81%		3.20% 0.00%		2012 composite	rate	1.50%		
4	Preferred equity	Preferred equity	•	0.000%		0.00% 10.00%		5.30%						
5	Common equity	Common equity		53.005% 100.00%		10.00%			Overall Return	Book Depreciation	on			
6	Total	Total		100.00%				0,0075		2012 composite		1.6357%		
7					Tax									
8					15-year MACRS	3								
9 10					•									
11	Statutory Tax Rate	Statutory Tax R		35.00%										
12		Tax conversion	factor	1.5385			-							
13		Transmission		0.00%										
14		SD share - D2 f	actor	9.816%										

Otter Tail Power Company Transmission Rider - Revenue Requirements Fargo-Monticello Phase III Docket No. EL10-015

	Retail Load Responsibility Only	Year>>		2011 Actual January	2011 Actual February	2011 Actual March	2011 Actual April	2011 Actual May	2011 Actual June	2011 Actual July	2011 Projected August		2011 Projected October	2011 Projected November	2011 Projected December	2011 Projected Total
Line 1 2 3	RATE BASE Plant Balance Accumulated, Depreciation			D	0	0	0 0	0	0	0	0	D D	0	0	0	0
4 5	Net Plant in Service CWIP		-	0 452,396	0 461,748	0 474,919	0 492,801	501,051	0 \$15,212	0 582,567	811,355	893,618	0 980,257	0 1,057,881	0 1,157,723	0 1,157,723
7 8 9	Accum. Deferred Inc. Taxes Fed & State Ending rate base		-	452.396	0 461,748	0 474,919	492,801	0 501,051	515,212	582 <u>,567</u>	811,355	893,818	980,257	1,057,881	1,157,723	1,157,723
10 11	Average rate base			678,898	678,898	678,898	678,898	678,898	678,898	678,898	678,896	678,898	678,898	678,898	678,898	678,898
12	Return on Rate Base		-	4,717	4,809	4,809	4,809	4,809	4,809	4,809	4,809	4,809	4,809	4,809	4,809	57,619
14 15	Available for return (equity portion of rate base)		-	3,160	2,999	2,999	2,999	2.999	2,999	2,999	2,999	2,999	2,999	2,999	2,999	35,146
16 17 18 19 20	EXPENSES O&M and Depreciation Operating Costs Property Tax Book Depreciation			0 0	0 0 0	0 0	0	0	0 0	0 0 0	0 0	0 0 0	0 0 0	0 0	0 0 0	0 0 0
21 22	Total O&M and Depreciation Expense		•	U		0		0								
23 24 25 26	Income before Taxes Available for return (from above) Taxable Income (grossed up)	1.5385	-	3,160 4,862	2,999 4,613	2,999 4,613	2,999 4,613	2,999 4,613	2,999 4,613	2,999 4,613	2,999 4,613	2,999 4,613	2,999 4,613	2,999 4,613	2,999 4,613	36,146 55,610
27 28 29 30	Income Taxes Current and Def Income Taxes Total Income Tax Expense		35.00%	1,702 1,702	1.515 1.615	1,615 1,615	1,615 1,615	1,615 1,615	1,615 1,615	1,615 1,615	1.615 1,615	1,615 1,615	1,615 1,615	1.615 1.615	1,615 1,615	19,463 19,463
31 32 33 34 35	REVENUE REQUIRMENTS Expenses Return on rate base Subtotal revenue requirements			1,702 4,717 6,418	1,615 4,809 6,424	1,615 4,809 6,424	1,615 4,809 6,424	1,615 4,809 6,424	1,615 4,809 6,424	1,615 4,809 6,424	1,615 4,809 6,424	1,615 4,809 6,424	1,615 4,809 6,424	1,615 4,809 6,424	1,615 4,809 6,424	19,463 57,619 77,083
36 37	Adjustments Transmission Revenue		0.00%	0	0	0	0	0	.0	a	D		0	0		0
38	Total revenue requirements			6,418	6,424	6,424	6,424	6,424	6,424	6,424	6,424		6,424	6,424	6,424	77,083
40	SD share - D2 factor		9.26%	630	631	631	631	631_	631	631	631	631	631	631	631	7,566
Line 1 2 3 4 5 6 7	SUPPORTING INFORMATION / DATA  SD Capstructure with allowed ROE per order. Capital Structure Debt Preferred equity Common equity Total	_		Preferred equity Common equity		DE per order. Thru 1/31/2011 41.15% 3.00% 55.86% 100.00%	From 27/2011 46,995% 9,000% 53,005% 100,00%	Thru 1/31/2011 6.34% 4.75% 10.00%	From 2/1/2011 6.81% 0.00% 10.00%	Thru 1/31/2011 2.61% 0.14% 5.59% 8.34%	From 2/1/2011 3.20% 0.00% 5.30% 8.50%	Property tax 2011 composite rate  Book Depreciation 2011 composite rate		1.50% 1.6150%		
8 9 10 11 12 13 14				Statutory Tax R: Tax conversion Transmission SD share - D2 fi	factor Revenue	Thru 1/31/2011 35.00% 1.5385 0.00% 9.26%	Tax 15-year MACR- From 2/1/2011 35.00% 1.5385 100.00% 9.82%	s								

Otter Tail Power Company Transmission Rider - Revenue Requirements Fargo-Monticello Phase III Docket No. EL10-015

Line	Retail Load Responsibility Only	2012 Projected January	2012 Projected February	2012 Projected March	2012 Projected April	2012 Projected May	2012 Projected June	2012 Projected July	2012 Projected August	2012 Projected September	2012 Projected October	2012 Projected November	2012 Projected December	Yotal 2012
1	RATE BASE		•								_	_	_	
2	Plant Balance	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Accumulated, Depreciation	0	0	. 0	0 :	0	0	Ů.	0	. 0	0		0	0
4	Net Plant in Service	0	0.	0	D	0	0	D	0	0	0	0		
5	CWIP	1,253,984	1,522,725	1,894,085	2,294,942	2,695,997	3,195,932	3,709,903	4,277,585	4,845,956	5,305,320	5,745,807	6,187,030	6,187,030
6	VII.									_				•
7	Accum, Deferred Inc. Taxes Fed & State	0	0	0.	. 0	0 .	0	0	00	0	0	0	6,187,030	6,187,030
8	Ending rate base	1,253,984	1,522,725	1,894,085	2,294,942	2,695,997	3,195,932	3,709,903	4,277,585	4,845,956	5,305,320	5,745,807	0,167,030	0,107,030
9											E 004 007	3,391,307	3,391,307	3,391,307
10	Average rate base	3,391,307	3,391,307	3,391,307	3,391,307	3,391,307	3,391,307	. 3,391,307	3,391,307	3,391,307	3,391,307	2,381,301	3,391,307	3,351,307
11									24,024	24,024	24,024	24,024	24,024	286,290
12	Return on Rate Base	24,024	24,024	24,024	24,024	24,024	24,024	24,024	24,024	24,024	24,024	24,024	24,024	200,280
13					14.980	14,980	14,980	14.980	14,980	14,980	14,980	14,980	14,980	179,756
14	Available for return (equity portion of rate base)	14,980	14,980	14,980	14,980	14,980	14,960	14.900	14,200	14,000	14.000	14,000	17,000	
15														
-16	EXPENSES													
17	O&M and Depreciation	_	0	0	0	0	0	0	0	0	0-	0	0	0
18	Operating Costs	0 0	0	ŏ	0	Ď	ő	ő	Ď	ō	0	٥	0	0
19	Property Tax	0	0	0	0	ő	ő	ŏ	ō	ō	ō	0	0	0
20	Book Depreciation	0	- 0	0		0	- 0	0	0	0	Ó	0	0	0
21	Total O&M and Depreciation Expense													
22	Inches the face Towns													
23 24	Income before Taxes Available for return (from above)	14.980	14,980	14,980	14,980	14,980	14,980	14,980	14,980	14,980	14,980	14,980	14,980	179,756
	Taxable Income (grossed up)	23,046	23,046	23,046	23.046	23,046	23,046	23,046	23,046	23,046	23,046	23,046	23,046	276,548
25 26	Taxable income (grossed up)	20,040	20,0											
27	Income Taxes													
28	Current and Del Income Taxes	8.066	8,066	8,066	8,066	8,066	8.066	8,066_	8,066	8,068	8,066	8,066_	8,066	96,792
29	Total Income Tax Expense	8 066	8,066	8,066	8,066	8,066	8,066	8,066	8,066	8,066	8,066	8,066	8,066	96,792
30	1000 months (Dr. C. Parist		-											
31														
32	REVENUE REQUIRMENTS									0.000	8.066	8,066	8,066	96,792
33	Expenses	8,066	8,066	8,066	8,066	8,066	8,066	8,066	8,066	8,066	24,024	24,024	24,024	288,290
34	Return on rate base	24,024	24,024	24,024	24,024	24,024	24,024	24,024	24,024	24,024 32,090	32,090	32,090	32,090	385,082
35	Subtotal revenue requirements	32,090	32,090	32,090	32,090	32,090	32,090	32,090	32,090	32,090	32,090	32,090	32,090	505,002
36	Adjustments						0	0	0	0	0	0	n	0
37	Transmission Revenue	0	. 0	0	32.090	32,090	32,090	32,090	32,090	32,090	32,090	32,090	32,090	385,082
38	Total revenue requirements	32,090	32,090	32,090	32,090	32,090	32,090	32,030	02,000	52,555	50,500			
39		3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	37,799
40	SD share - D2 factor	3,130	3,130	3,130	5,100	5,155								
	SUPPORTING INFORMATION / DATA													
Line	SD Capstructure with allowed ROE per order.	SD Capstructure	with allowed Ro	DE per order.										
1 2	Capital Structure	Capital Structure		Ratio		Cost		WA Cost		Property tax				
3	Debt	Debt		46.995%		6.81%		3.20%		2012 composite	rate	1,50%		
3	Preferred equity	Preferred equity		0.000%		0.00%		0.00%						
5	Common equity	Common equity		53.005%		10.00%		5.30%						
8	Total	Total	•	100.00%				8.50%	Overall Return	Book Depreciation				
7	1000									2012 composite	rate	1,6357%		
8					⊤ax									
g					15-year MACRS	\$								-
10														
11	Statutory Tax Rate	Statutory Tax R	ate	35.00%										
12		Tax conversion		1,5385										
13		Transmission	Revenue	0.00%										
14		SD share - D2 f	actor	9.816%										

Otter Tail Power Company Transmission Rider - Revenue Requirements Rugby Wind Interconnection Docket No. EL10-015

Line	Retail Load Responsibility Only	Year>>		2011 Actual January	2011 Actual February	2011 Actual March	2011 Actual April	2011 Actual May	2011 Actual June	2011 Actual July	2011 Projected August	2011 Projected September	2011 Projected October	2011 Projected November	2011 Projected December	2011 Projected Total
1 2	RATE BASE Plant Balance			0	0	0	0	0	0	0	64,516 0	64.516	64,516 (174)	64,516 (260)	64,516 (347)	64,516 (347)
3 4 5	Accumulated, Depreciation Net Plant in Service CWIP		_	0 2,895	0 2,895	67,766	0 67,765	67,766	0 67,766	0 67,765	64,516 0	64,429 0	64,342 0	64,255 0	64,169 0	64.169 D
6 7 8	Accum. Deferred Inc. Taxes Fed & State Ending rate base	•	-	2,895	0 2,895	67,766	0 67,766	0 67 <u>,766</u>	0 67,766	0 67,766	0 64,516	(22,550) 41,879	(22,520) 41,822	(22,489) 41,766	(22.459) 41,710	(22,459) 41,710
9	Average rate base		-	44,554	44,554	44,554	44,554	44,554	44,554	44.554	44,554	44,554	44,554	44,554	44,554	44,554
11 12	Return on Rate Base		_	310	316	316	316	316	316	316	316	316	316	316	316	3,781
13 14	Available for return (equity portion of rate base)		-	207	197	197	197	197	197	197_	197	197	197	197_	197	2,372
15 16 17	EXPENSES  Q&M and Depreciation						0	D	٥	0	0	0	0	o	0	0
18 19	Operating Costs Property Tax			0	0	0 0	0	0	0	0	0	0 87	0 87	0 87	0 87	0 347
20 21	Book Depreciation Total O&M and Depreciation Expense			0	0	0		0		0	0	87	87	87	87	347_
22 23 24 25	Income before Taxes Available for return (from above) Taxable Income (grossed up)	1.5385	-	207 319	197 303	197 303	197 303	197 303	197 303	197 303	197 303	197 303	197 303	197 303	197 303	2,372 3,650
26 27 28 29	Income Taxes Current and Def Income Taxes Total Income Tax Expense		35.00%	112 112	106 106	106 106	106 106	106 106	106 106	106 106	106 106	106 106	106 106	106 106	106 106	1,277 1,277
30 31 32 33	REVENUE REQUIRMENTS Expenses			112	106	106 316	105 316	106 316	106 316	106 316	106 316	193 316	193 316	193 316	193 316	1, <b>62</b> 5 3,7 <b>8</b> 1
34 35	Return on rate base Subtotal revenue requirements			310 421	31 <u>6</u> 422	422	422	422	422	422	422	508	508	508	508	5,406
36 37	Adjustments Transmission Revenue		0.00%	0 421	0 422	0 422	422	0 422	422	0 422	422	508	0 508	0 508	508	5,406
38 39 40	Total revenue requirements  SD share - D2 factor		9.26%	41	41	41	41	41	41	41	41.	50	50	50	50	531
70	SUPPORTING INFORMATION / DATA															
Line 1 2 3 4 5 6		_		Preferred equity Common equity		DE per order. Thru 1/31/2011 41,15% 3,00% 55,86%	From 2/1/2011 46,995% 0.000% 53,005%	Thru 1/31/2011 6.34% 4,75% 10.00%	From 2/1/2011 6.61% 0.00% 10.00%	Theu 1/31/2011 2.61% 0.14% 5.59% 8.34%	From 2/1/2011 3.20% 0.00% 5.30% 8.50%	Property tax 2011 composite to Book Depreciation 2011 composite to	on	0.00%	(would take effe	ct in 2012)
7 8 9 10 11 12 13	Statutory Tax Rate Tax conversion factor		35.00% 1.53846	Statutory Tax Ra Tax conversion t Transmission t SD share - D2 ta	factor Revenue	Theu 1/31/2011 35.00% 1.5385 0.00% 9.260463%	Tax 15-year MACRS From 2/1/2011 35:00% 1:5385 0:00% 9:815717%					·				

Otter Tail Power Company
Transmission Rider - Revenue Requirements
Rugby Wind Interconnection
Docket No. EL10-015

Line	Retail Load Responsibility Only	2012 Projected January	2012 Projected February	2012 Projected March	2012 Projected April	2012 Projected	2012 Projected	2012 Projected	2012 Projected	2012 Projected	2012 Projected	2012 Projected	2012 Projected	Total
1	RATE BASE	January	rebluary	Match	April	May	June	July	August	September	October	November	December	2012
2	Plant Balance	64,518	64,516	64,516	64,516	64,516	64.540						•	
3	Accumulated, Depreciation	(435)	(523)	(611)	(699)	(787)	64,516 (875)	64,516	64,516	64,516	64,516	64,516	64,516	64,516
4	Net Plant in Service	64,081	63,993	63,905	63,817	63,729	63,641	(963) 63,553	(1,051)	(1,139)	(1,227)	(1,315)	(1,403)	[1,403]
5	CWIP	ø	C	0	0	03,725	03,041	93,553 0	63,465 0	63,377	63,289	63,201	63,113	63,113
6 7	Assure Deferred to Torrest to the second						•	v	U	0	0	0	0	0
8	Accum, Deferred Inc. Taxes Fed & State Ending rate base	(22,428)	(22,397)	(22,367)	(22,336)	(22,305)	(22,274)	(22,244)	(22,213)	(22, 182)	(22,151)	(22,120)	·	
9	Clinify late base	41,652	41,595	41,538	41,481	41.424	41,367	41,310	41,252	41.195	41.138	41.081	(22,090)	(22,090)
10	Average rate base	41,367	40.007	44.007								4 (,001	41,024	41,024
11		41.007	41,367	41,367	41,367	41,367	41,367	41,367	41,367	41,367	41,367	41,367	41,367	41,367
12	Retum on Rate Base	293	293	293	293	293							,	71,007
13				200		293	293	293	293	293	293	293	293	3,517
14	Available for return (equity portion of rate base)	183	183	183	183	183	183	183	183	183				
15 16	EXPENSES							103	183	183	183	183	183	2,193
17	O&M and Depreciation													
18	Operating Costs	_												
19	Property Tax	D	0	.0	a	0	0	0	۵	0	0	0	0	0
20	Book Depreciation	52 88	52 88	52 88	52	52	52	52	52	52	52	52	52	626
21	Total O&M and Depreciation Expense	140	140	140	88 140	88	88	88	88	88	88	. 88	88	1,055
22				140		140	140	140	140	140	140	140	140	1,681
23	Income before Taxes													
24	Available for return (from above)	183	183	183	183	183	183	183	400					
25 26	Taxable income (grossed up)	281	281	281	281	261	281	281	183 281	183 281	183 281	183 281	183	2,193 3,373
27	Income Taxes								201	201	281	281	281	3,373
28	Current and Def Income Taxes													
29	Total Income Tax Expense	98	98 98	98	98	98	98	98	98	98	98	98	98	1.181
30	The same of the sa	96	56		9.8	98	98	98	98	98	98	98	98	1,181
31														12391
32	RÉVENUE REQUIRMENTS													
33	Expenses	238	238	238	238	238	238	238	238	•••				
34 35	Return on rate base	293	293	_293	293	293	293	293	293	238 293	238	238	238	2,852
36	Subtotal revenue requirements Adjustments	532	532	532	532	532	532	532	532	532	<u>293</u> 532	293 532		3,517
37	Transmission Revenue	_	_						302	302	552	532	532	6,378
38	Total revenue requirements	532	532	532	0	0	0	0	Đ	0	o	_ D	0	n
39	Tanana Tanana	552	. 532	532	532	532	532	532	532	532	532	532	532	6,378
40	SD share - D2 factor	52	52	52	52	52								5,570
					- 72	34	52	52	52	52	52	52	52	626
	SUPPORTING INFORMATION / DATA													
. Line														
1 2	SD Capstructure with allowed ROE per order. Capital Structure	SD Capstructure w	ith allowed ROE											
3	Debt Capital Solucture	Capital Structure		Ratio		Cost		WA Cost	р	roperty tax				
4	Preferred equity	Debt		46,995%		6.81%		3.20%		012 composite rate		0.97%		
s	Common equity	Preferred equity Common equity		0.000%		0.00%		0.00%	~	- 'C LOTTO SAC TOTO	•	0.3776		
6	Total	Total	-	33.005% 100.00%		10.00%		5.30%						
7				100.00%				8.50% Ov		ook Depreciation				
ŧ				Ŧ	ax				20	01⊋ composite rate	<b>:</b>	1.6357%		
9					5-year MACRS									
10	Standard Transport													
11 12	Statutory Tax Rate Tax conversion factor	Statutory Tax Rate		35.00%										
13	1 of Consell four rector	Tax conversion fact		1.538\$										
14		Transmission Rev SD share - D2 factor		0.00%										
		OD SHORE - UZ RICH	υ <b>ι</b>	9.816%										

Otter Tail Power Company Transmission Cost Recovery Rider Docket No. EL10-015 Sample Bill Comparisons

9.01 - Residential Electric Service – Monthly Bill Example Summer<sup>1</sup>

Example Summer											
Usage	Present		Percent								
(kWh)	Rates	TCR	Increase								
800	\$71.78	\$1.44	2.01%								
900	\$79.38	\$1.62	2.04%								
1,000	\$86.97	\$1.80	2.07%								
2,000	\$162.87	\$3.60	2.21%								
3,000	\$238.77	\$5.40	2.26%								
4,000	\$314.67	\$7.20	2,29%								

<sup>&</sup>lt;sup>1</sup>Summer season is considered June through September.

10.01 - General Service Under 20 kW – Secondary Service Monthly Bill Example

			-	
Usage	Demand	Present		Percent
(kWh)	(kW)	Rates	TCR	Increase
1,500	5.1	\$130.58	\$2.70	2.07%
2,500	8.6	\$205.16	\$4.50	2.19%
3,500	12.0	\$275.95	\$6.30	2,28%
4,500	15.4	\$346,74	\$8.10	2.34%
5,500	18,8	\$417.53	\$9.90	2.37%
6,500	22.3	\$488.32	\$11.70	2.40%

<sup>&</sup>lt;sup>1</sup>Summer season is considered June through September.

10.03 Large General Service – Monthly Bill Example Summer

Example Summer										
Usage	Demand	Present		Percent						
(kWh)	(kW)	Rates	TCR	Increase						
50,000	114.2	\$3,069.71	\$49.72	1.62%						
75,000	171.2	\$4,578.80	\$74.58	1.63%						
100,000	228.3	\$6,088.65	\$99.44	1.63%						
150,000	342.5	\$9,108.36	\$149.16	1.64%						
200,000	456.6	\$12,127.29	\$198.88	1.64%						
300,000	684,9	\$18,165.94	\$298.31	1.64%						

<sup>&</sup>lt;sup>1</sup>Summer season is considered June through September.

9.03 - Farm Electric Service – Monthly Bill Example Summer<sup>1</sup>

-				
	Usage	Present		Percent
1	(kWh)	Rates	TCR	Increase
ı	1,000	\$89.21	\$1.80	2.02%
ı	3,000	\$235.60	\$5.40	2.29%
ı	5,000	\$380.26	\$9.00	2.37%
ı	8,000	\$597.25	\$14.40	2.41%
ı	11,000	\$814.24	\$19.80	2.43%
l	14,000	\$1,031.23	\$25.20	2.44%

<sup>&</sup>lt;sup>1</sup>Summer season is considered June through September.

10.02 - General Service - 20 kW and Greater - Monthly Bill Example Summer

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Usage (kWh)	Demand (kW) <sup>2</sup>	Present Rates	TCR	Percent Increase					
10,500	36.0	\$757.96	\$18.90	2.49%					
12,500	42.8	\$899.98	\$22.50	2.50%					
14,500	49.7	\$1,042.11	\$26.10	2.50%					
16,500	56.5	\$1,184.13	\$29,70	2.51%					
18,500	63.4	\$1,326.27	\$33.30	2.51%					
20,500	70.2	\$1,468.28	\$36.90	2.51%					

<sup>&</sup>lt;sup>1</sup>Summer season is considered June through September.

<sup>&</sup>lt;sup>2</sup>We've assumed a 40 percent load factor for this comparison.

<sup>&</sup>lt;sup>2</sup>We've assumed a 60 percent load factor for this comparison.

<sup>&</sup>lt;sup>2</sup>We've assumed the customers are three phase customers for this comparison.

<sup>&</sup>lt;sup>2</sup>We've assumed a 40 percent load factor for this comparison.

Otter Tail Power Company Transmission Cost Recovery Rider Docket No. EL10-015

				-											
Line	SCHEDULE 26		Jan Actual	Feb Actual	Mar Actual	Apr Actual	May Actual	Jun Actual	2008 Jul Actual	Aug Actual	Sep Actual	Oct Actual	Nov Actual	Dec Actual	YE Actual
1	MISO Schedule 26 Expense														0
2		0.000	۵	0	0	n	O	0	0	0	0	0	0	0	0
3	South Dakota share	0,00%	_	n	0	٥	0	0	0	0	a	o o	0	- 0	0
4	Sum		0	U	υ	U	U	Ü	2009	·		·		Ü	•
5	SCHEDULE 26											0-4	Nov	Dec	YE
6			Jan	Feb	Mar	Apr	May	jun	Jul	Aug	Sep	Oct			
7			Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
8	MISO Schedule 26 Expense														0
9															
10	South Dakota share	0.00%	0	0	0	0	0	0	0	0	0	0	0	٥	0
11	SCHEDULE 26								2010						
12	CONEDULE 23		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	ΥE
13			Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected
			riciaai	1 lotaus											٥
14	MISO Schedule 26 Expense														0
15	MISO Schedule 26 Revenue	_	0		0	0	0	0	0	0	0	0	0	0	0
16	Net Schedule 26		0	0	0	0	D	D	. 0	0	0	0	0	0	0
17	South Dakota share	0.00%	0	0	U	<u> </u>		U							
18	SCHEDULE 26		_		Mar	• • •	Mav	Jun	2011 Jul	Aug	Sep	Oct	Nov	Dec	YE
19			Jan Actual	Feb Actual	Actual	Apr Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected
20	MISO Schedule 26 Expense		98.095	263,224	244,971	256,072	198,610	187,017	209,602	225,474	226,042	225,305	183,104	196,324	2,513,839
21 22	MISO Schedule 26 Revenue		(78.363)	(200,499)	(182,504)	(187.913)	(169,791)	(2.18.095)	(255, 743)	(291,471)	(224,436)	(224,436)	(224,436)	(224,436)	(2.482,123)
23	Net Schedule 26	9.26%	19.732	62,725	62,467	68,160	28,819	(31,079)	(46,141)	(65,997)	1,606	869	(41,332)	(28,112)	31,716
24	South Dakota share	9.82%	1,827	6,157	6,132	6,690	2,829	(3,051)	(4.529)	(6,476)	158	85	(4,057)	(2,759)	3,113
25	SCHEDULE 26	-							2012						
26	001,122,022,04		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YE
27			Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected 590,766	Projected 480,111	Projected 514,777	Projected 6,938,001
28	MISO Schedule 26 Expense		636,349	644,914	691,881	612,395 (556,737)	600,936 (556,737)	468,059 (556,737)	542,535 (556,737)	562,579 (556,737)	592,699 (556,737)	(558,737)	(556,737)	(556,737)	(6,680,849)
29	MISO Schedule 26 Revenue	_	(556.737) 79,612	(556,737) 88,177	(556,737) 135,144	55,658	44,199	(88,678)	(14,202)	5,842	35,962	34,029	(76,626)	(41,960)	257,152
30	Net Schedule 26 Minnesota share	9.82%	7,814	8.655	13.265	5,463	4,338	(8.704)	(1,394)	573	3,530	3,340	(7,521)	(4.119)	25,241
31	Millinesora strate	3.0270	.,014	0,000		31100									

Notice to Otter Tail Power Company Customers

Otter Tail Power Company has upgraded transmission facilities to help ensure continued reliable service and to bring renewable energy to our South Dakota customers. The South Dakota Public Utilities Commission has approved a Transmission Cost Recovery Rider as a separate line item on your monthly electric bill beginning December 1, 2011 to recover the cost of these transmission upgrades and expansions.

The current Transmission charge is:

Class	¢/kWh	\$/kW
Large General Service	0.083¢	\$0.072
Controlled Service	0.020¢	N/A
Lighting	0.108¢	N/A
All other service	0.180¢	N/A

For more information contact Customer Service at 800-257-4044 or place an inquiry from our web site at <a href="https://www.otpco.com">www.otpco.com</a>.

Fergus Falls, Minnesota

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# TRANSMISSION COST RECOVERY RIDER

DESCRIPTION	RATE		
	CODE		
Large General Service	71-510		
Controlled Service	71-511		
Lighting	71-512		
All Other Service	71-513		

**<u>REGULATIONS</u>**: Terms and conditions of this tariff and the General Rules and Regulations govern use of this schedule.

<u>APPLICATION OF SCHEDULE</u>: This rate schedule is applicable to any electric service under all of the Company's retail rate schedules.

<u>COST RECOVERY FACTOR</u>: There shall be included on each South Dakota Customer's monthly bill a Transmission Cost Recovery charge, which shall be calculated before any applicable municipal payment adjustments and sales taxes as provided in the General Rules and Regulations for the Company's electric service. The following charges are applicable in addition to all charges for service being taken under the Company's standard rate schedules.

#### RATE:

TRANSMISSIO	ON COST RE	COVERY	
Energy Charge per kWh:	kWh		kW
Large General Service (a)	0.083	¢/kWh	\$0.072
Controlled Service (b)	0.020	¢/kWh	N/A
Lighting (c)	0,108	¢/kWh	N/A
All Other Service	0.180	¢/kWh	N/A

- (a) Rate schedules 10.03 Large General Service, 10.05 Large General Service Time of Day, 14.02 Real Time Pricing Rider and 14.03 Large General Service Rider.
- (b) Rate Schedules 14.01 Water Heating, 14.04 Interruptible Load (CT Metering), 14.05 Interruptible Load (Self-Contained Metering), 14.06 Deferred Load, and 14.07 Fixed Time of Delivery
- (c) Rate Schedules 11.03 Outdoor Lighting (energy only) and 11.04 Outdoor Lighting

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION Filed on: November 5, 2010 Approved by order dated: (DATE)

Docket No. EL10-015

Thomas R. Brause Vice-President, Administration

EFFECTIVE with bills rendered on and after December 1, 2011, in South Dakota



Fergus Falls, Minnesota

Minnesota electric rates for the matrices of riders.

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<u>DETERMINATION OF DEMAND CHARGE (LARGE GENERAL SERVICE CLAS</u>	<u>s 19</u>
ONLY): The demand charge shall be billed according to the demand charge as defined in the	
applicable rate schedule the Customer is taking service.	<u>N</u>
MANDATORY AND VOLUNTARY RIDERS: The amount of a bill for service will be	<u>N</u>
modified by any Mandatory Rate Riders that must apply or Voluntary Rate Riders selected by	
the Customer, unless otherwise noted in this rider. See sections 12.00, 13.00 and 14.00 of the	ie <u>N</u>

Docket No. EL10-015