Otter Tail Power Company
Transmission Rider - Revenue Requirements
Hankinson Transformer Addition (Project #104776)
Docket No. EL12-

Line No.	Year>>		2011 Actual Total	2012 Actual January	2012 Actual February	2012 Actual March	2012 Actual April	2012 Actual May	2012 Actual June	2012 Actual July	2012 Projected August	2012 Projected September	2012 Projected October	2012 Projected November	2012 Projected December	2012 Projected Total
	RATE BASE															
1	Plant Balance		0	0	0	0	0	0	0	0	0	0	877,358	877,358	877,358	877,358
2	Accumulated Depreciation		0	0	0	0	0	0	0	0	0	0	0	(1,438)	(2,876)	(2,876)
3	Net Plant in Service		0	0	0	0	0	0	0	0	0	0	877,358	875,920	874,482	874,482
4	CWIP		0	4,016	22,585	41,997	76,070	112,327	501,684	604,971	660,909	839,162	0	0	0	0
5	Accumulated Deferred Income Taxes Fedederal & State		0	0	0	0	0	0	0	0	0	0	(53,738)	(106,973)	(160,208)	(160,208)
6	Ending rate base		0	4,016	22,585	41,997	76,070	112,327	501,684	604,971	660,909	839,162	823,620	768,947	714,274	714,274
7																
8	OTP Load Percentage		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
9	Remove Non-OTP Load Portion		0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Retail Ending Rate Base		0	4,016	22,585	41,997	76,070	112,327	501,684	604,971	660,909	839,162	823,620	768,947	714,274	714,274
11																
12	Average rate base			33,145	33,145	33,145	33,145	33,145	33,145	33,145	33,145	33,145	33,145	33,145	33,145	397,736
13																
14	Return on Rate Base			2,817	2,817	2,817	2,817	2,817	2,817	2,817	2,817	2,817	2,817	2,817	2,817	33,809
15																
16	Available for return (equity portion of rate base)			1,757	1,757	1,757	1,757	1,757	1,757	1,757	1,757	1,757	1,757	1,757	1,757	21,080
17																
18	*EXPENSES*															
19	*O&M and Depreciation*															
20	Operating Costs			0	0	0	0	0	0	0	0	0	0	0	0	0
21	Property Tax			0	0	0	0	0	0	0	0	0	0	0	0	0
22	Book Depreciation			0	0	0	0	0	0	0	0	0	0	1,438	1,438	2,876
23	Total O&M and Depreciation Expense			0	0	0	0	0	0	0	0	0	0	1,438	1,438	2,876
24																
25	OTP Load Percentage		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
26	Remove Non-OTP Load Portion		0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	Retail O&M and Depreciation Expenses		0	0	0	0	0	0	0	0	0	0	0	1,438	1,438	2,876
28																
29	Income before Taxes															
30	Available for return (from above)			1,757	1,757	1,757	1,757	1,757	1,757	1,757	1,757	1,757	1,757	1,757	1,757	21,080
31	Taxable Income (grossed up)	1.5385		2,703	2,703	2,703	2,703	2,703	2,703	2,703	2,703	2,703	2,703	2,703	2,703	32,431
32																
33	Income Taxes															
34	Current and Def Income Taxes	35.00%		946	946	946	946	946	946	946	946	946	946	946	946	11,351
35	Total Income Tax Expense			946	946	946	946	946	946	946	946	946	946	946	946	11,351
36																
37																
38	*REVENUE REQUIRMENTS*															
39	Expenses			946	946	946	946	946	946	946	946	946	946	2,384	2,384	14,227
40	Return on rate base			2,817	2,817	2,817	2,817	2,817	2,817	2,817	2,817	2,817	2,817	2,817	2,817	33,809
41	Subtotal revenue requirements			3,763	3,763	3,763	3,763	3,763	3,763	3,763	3,763	3,763	3,763	5,201	5,201	48,036
42	Adjustments			0	0	0	0	0	0	0	0	0	0	0	0	0
43	Transmission Revenue			(807)	(807)	(807)	(807)	(807)	(807)	(807)	(807)	(807)	(807)	(1,115)	(1,115)	(10,297)
44	Total revenue requirements			2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	4,086	4,086	37,739
45																
46	South Dakota share - D2 factor	9.82%		290	290	290	290	290	290	290	290	290	290	401	401	3,704
47																
48	Gross Receipts Tax (at 0.0015)	0.15%		0	0	0	0	0	0	0	0	0	0	1	1	6
49	Total South Dakota Share			291	291	291	291	291	291	291	291	291	291	402	402	3,710

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Line No.														
	SUPPORTING INFORMATION / DATA													
1														
2			SD Cap Structure with allowed ROE per order.											
3			Capital Structure		**Ratio**		**Cost**		**WA Cost**			**Property tax**		
4			Debt		47.00%		6.81%		3.20%			2012 composite rate	1.50%	
5			Preferred equity		0.00%		0.00%		0.00%					
6			Common equity		53.01%		10.00%		5.30%					
7			Total		100.00%				8.50%	Overall Return				
8														
9					**Book**	**Tax**								
10			Project life (years)		50	15-year MACRS								
11								**SD Special**						
12						**Fed Portion**	**State Portion**	**Hearing Fund:**						
13			Statutory Tax Rate		35.00%	35.00%	0.00%	0.15%						
14			Tax conversion factor		1.53846									
15			Transmission Revenue		21.44%									
16			SD share - D2 factor		9.8157%									
17														
18	**Deferred Tax**													
19	Book depreciation	1.96680%	0	0	0	0	0	0	0	0	0	0	1,438	1,438	2,876
20	Tax depreciation-Federal		0	0	0	0	0	0	0	0	0	153,538	153,538	153,538	460,613
21	Tax depreciation-ND		0	0	0	0	0	0	0	0	0	36,557	36,557	36,557	109,670
22	Federal deferred income taxes		0	0	0	0	0	0	0	0	0	(53,738)	(53,235)	(53,235)	(160,208)
23	State deferred income taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
22															
23	Book Depreciation Rate														

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Line No.	*Year>>*		2013 Projected January	2013 Projected February	2013 Projected March	2013 Projected April	2013 Projected May	2013 Projected June	2013 Projected July	2013 Projected August	2013 Projected September	2013 Projected October	2013 Projected November	2013 Projected December	2013 Projected Total
	RATE BASE														
1	Plant Balance		877,358	877,358	877,358	877,358	877,358	877,358	877,358	877,358	877,358	877,358	877,358	877,358	877,358
2	Accumulated Depreciation		(4,314)	(5,752)	(7,190)	(8,628)	(10,066)	(11,504)	(12,942)	(14,380)	(15,818)	(17,256)	(18,694)	(20,132)	(20,132)
3	Net Plant in Service		873,044	871,606	870,168	868,730	867,292	865,854	864,416	862,979	861,541	860,103	858,665	857,227	857,227
4	CWIP		0	0	0	0	0	0	0	0	0	0	0	0	0
5	Accumulated Deferred Income Taxes Fedederal & State		(160,920)	(161,632)	(162,345)	(163,057)	(163,769)	(164,481)	(165,193)	(165,906)	(166,618)	(167,330)	(168,042)	(168,755)	(168,755)
6	Ending rate base		712,124	709,974	707,824	705,674	703,523	701,373	699,223	697,073	694,923	692,772	690,622	688,472	688,472
7															
8	OTP Load Percentage		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
9	Remove Non-OTP Load Portion		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Retail Ending Rate Base		712,124	709,974	707,824	705,674	703,523	701,373	699,223	697,073	694,923	692,772	690,622	688,472	688,472
11															
12	Average rate base		58,448	58,448	58,448	58,448	58,448	58,448	58,448	58,448	58,448	58,448	58,448	58,448	701,373
13															
14	Return on Rate Base		4,968	4,968	4,968	4,968	4,968	4,968	4,968	4,968	4,968	4,968	4,968	4,968	59,619
15															
16	Available for return (equity portion of rate base)		3,098	3,098	3,098	3,098	3,098	3,098	3,098	3,098	3,098	3,098	3,098	3,098	37,173
17															
18	*EXPENSES*														
19	*O&M and Depreciation*														
20	Operating Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
21	Property Tax		1,097	1,097	1,097	1,097	1,097	1,097	1,097	1,097	1,097	1,097	1,097	1,097	13,160
22	Book Depreciation		1,438	1,438	1,438	1,438	1,438	1,438	1,438	1,438	1,438	1,438	1,438	1,438	17,256
23	Total O&M and Depreciation Expense		2,535	2,535	2,535	2,535	2,535	2,535	2,535	2,535	2,535	2,535	2,535	2,535	30,416
24															
25	OTP Load Percentage		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
26	Remove Non-OTP Load Portion		0	0	0	0	0	0	0	0	0	0	0	0	0
27	Retail O&M and Depreciation Expenses		2,535	2,535	2,535	2,535	2,535	2,535	2,535	2,535	2,535	2,535	2,535	2,535	30,416
28															
29	Income before Taxes														
30	Available for return (from above)		3,098	3,098	3,098	3,098	3,098	3,098	3,098	3,098	3,098	3,098	3,098	3,098	37,173
31	Taxable Income (grossed up)	1.5385	4,766	4,766	4,766	4,766	4,766	4,766	4,766	4,766	4,766	4,766	4,766	4,766	57,189
32															
33	Income Taxes														
34	Current and Def Income Taxes	35.00%	1,668	1,668	1,668	1,668	1,668	1,668	1,668	1,668	1,668	1,668	1,668	1,668	20,016
35	Total Income Tax Expense		1,668	1,668	1,668	1,668	1,668	1,668	1,668	1,668	1,668	1,668	1,668	1,668	20,016
36															
37															
38	*REVENUE REQUIRMENTS*														
39	Expenses		4,203	4,203	4,203	4,203	4,203	4,203	4,203	4,203	4,203	4,203	4,203	4,203	50,432
40	Return on rate base		4,968	4,968	4,968	4,968	4,968	4,968	4,968	4,968	4,968	4,968	4,968	4,968	59,619
41	Subtotal revenue requirements		9,171	9,171	9,171	9,171	9,171	9,171	9,171	9,171	9,171	9,171	9,171	9,171	110,052
42	Adjustments		0	0	0	0	0	0	0	0	0	0	0	0	0
43	Transmission Revenue		(1,966)	(1,966)	(1,966)	(1,966)	(1,966)	(1,966)	(1,966)	(1,966)	(1,966)	(1,966)	(1,966)	(1,966)	(23,591)
44	Total revenue requirements		7,205	7,205	7,205	7,205	7,205	7,205	7,205	7,205	7,205	7,205	7,205	7,205	86,461
45															
46	South Dakota share - D2 factor	9.82%	707	707	707	707	707	707	707	707	707	707	707	707	8,487
47															
48	Gross Receipts Tax (at 0.0015)	0.15%	1	1	1	1	1	1	1	1	1	1	1	1	13
49	Total South Dakota Share		708	708	708	708	708	708	708	708	708	708	708	708	8,499

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2			SD Cap Structure with allowed ROE per order.												
3			Capital Structure		**Ratio**		**Cost**		**WA Cost**			**Property tax**			
4			Debt		47.00%		6.81%		3.20%			2013 composite rate		1.50%	
5			Preferred equity		0.00%		0.00%		0.00%						
6			Common equity		53.01%		10.00%		5.30%						
7			Total		100.00%				8.50%	Overall Return					
8															
9					**Book**	**Tax**									
10			Project life (years)		50	15-year MACRS									
11								**SD Special**							
12						**Fed Portion**	**State Portion**	**Hearing Fund:**							
13			Statutory Tax Rate		35.00%	35.00%	0.00%	0.15%							
14			Tax conversion factor		1.53846										
15			Transmission Revenue		21.44%										
16			SD share - D2 factor		9.8157%										
17															
18	**Deferred Tax**														
19	Book depreciation	1.96680%	1,438	1,438	1,438	1,438	1,438	1,438	1,438	1,438	1,438	1,438	1,438	1,438	17,256
20	Tax depreciation-Federal		3,473	3,473	3,473	3,473	3,473	3,473	3,473	3,473	3,473	3,473	3,473	3,473	41,675
21	Tax depreciation-ND		9,322	9,322	9,322	9,322	9,322	9,322	9,322	9,322	9,322	9,322	9,322	9,322	111,863
22	Federal deferred income taxes		(712)	(712)	(712)	(712)	(712)	(712)	(712)	(712)	(712)	(712)	(712)	(712)	(8,547)
23	State deferred income taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
22															
23	Book Depreciation Rate														