

Otter Tail Power Company
South Dakota Retail Jurisdiction

IV. Cost of Capital ¹

2013 Actual

Line		<u>Amount</u>	<u>% of Total</u>	<u>Cost</u>	<u>Weighted Cost</u>
1	Long-Term Debt	\$346,514,682	47.97%	5.32%	2.55%
2	Short-Term Debt	-	0.00%		0.00%
3	Total Debt	<u>\$346,514,682</u>	<u>47.97%</u>		
4	Preferred Stock	-	0.00%	0.00%	0.00%
5	Common Equity	<u>\$375,849,424</u>	<u>52.03%</u>	8.61%	4.48%
6	Total Equity	<u>\$375,849,424</u>	<u>52.03%</u>		
7	Total Capital	\$722,364,106	100.00%		7.03%

2013 Normalized

Line		<u>Amount</u>	<u>% of Total</u>	<u>Cost</u>	<u>Weighted Cost</u>
8	Long-Term Debt	\$346,514,682	47.97%	5.32%	2.55%
9	Short-Term Debt	-	0.00%	0.00%	0.00%
10	Total Debt	<u>\$346,514,682</u>	<u>47.97%</u>		
11	Preferred Stock	-	0.00%	0.00%	0.00%
12	Common Equity	<u>\$375,849,424</u>	<u>52.03%</u>	7.83%	4.07%
13	Total Equity	<u>\$375,849,424</u>	<u>52.03%</u>		
14	Total Capital	\$722,364,106	100.00%		6.63%

¹ Based on 13 month averages, consistent with methodology approved in last rate case, Docket No. EL10-011