PUBLIC - TRADE SECRET DATA HAS BEEN EXCISED

Otter Tail Power Company
Hoot Lake Plant MATS Project Revenue Requirement Calc
SD PUC Docket No.

Line No.	Year>>		2013 Actual Total	2014 Actual January	2014 Actual February	2014 Actual March	2014 Actual April	2014 Actual May	2014 Actual June	2014 Projected July	2014 Projected August	2014 Projected September	2014 Projected October	2014 Projected November	2014 Projected December	2014 Projected Total
	RATE BASE															
1	Plant Balance		0	0	0	0	0	0	0	0	0	0	0	8,179,131	8,189,131	8,189,131
2	Accumulated. Depreciation		0	0	0	0	0	0	0	0	0	0	0	0	(106,222)	(106,222)
3	Net Plant in Service		0	0	0	0	0	0	0	0	0	0	0	8,179,131	8,082,909	8,082,909
4	CWIP		2,586,212	2,715,318	2,832,610	2,985,647	4,176,991	4,663,057	6,103,885	7,188,646	7,663,554	8,107,414	8,169,131	(0)	(0)	(0)
5	Accumulated Deferred Income Taxes Fedederal & State		0	0	0	0	0	0	0	0	0	0	0	(34,060)	(30,942)	(30,942)
6	Ending Rate Base		2,586,212	2,715,318	2,832,610	2,985,647	4,176,991	4,663,057	6,103,885	7,188,646	7,663,554	8,107,414	8,169,131	8,145,071	8,051,966	8,051,966
7																
8	Average Rate Base			470,446	470,446	470,446	470,446	470,446	470,446	470,446	470,446	470,446	470,446	470,446	470,446	5,645,346
9																
10	Return on Rate Base		0	34,764	34,764	34,764	34,764	34,764	34,764	34,764	34,764	34,764	34,764	34,764	34,764	417,165
11																
12	Available for Return (equity portion of rate base)		0	23,377	23,377	23,377	23,377	23,377	23,377	23,377	23,377	23,377	23,377	23,377	23,377	280,523
13																
14	*EXPENSES*															
15	*O&M and Depreciation*															
16	Operating Costs		0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Property Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Book Depreciation		0	0	0	0	0	0	0	0	0	0	0	0	106,222	106,222
19	Total O&M and Depreciation Expense		0	0	0	0	0	0	0	0	0	0	0	0	106,222	106,222
20																
21	Income before Taxes															
22	Available for Return (from above)		0	23,377	23,377	23,377	23,377	23,377	23,377	23,377	23,377	23,377	23,377	23,377	23,377	280,523
23	Taxable Income (grossed up)	1.5385	0	35,964	35,964	35,964	35,964	35,964	35,964	35,964	35,964	35,964	35,964	35,964	35,964	431,574
24																
25	Income Taxes															
26	Current and Def Income Taxes	35.00%	0	12,588	12,588	12,588	12,588	12,588	12,588	12,588	12,588	12,588	12,588	12,588	12,588	151,051
27	Total Income Tax Expense		0	12,588	12,588	12,588	12,588	12,588	12,588	12,588	12,588	12,588	12,588	12,588	12,588	151,051
28																
29																
30	*REVENUE REQUIREMENTS*															
31	Expenses		0	12,588	12,588	12,588	12,588	12,588	12,588	12,588	12,588	12,588	12,588	12,588	118,810	257,273
32	Return on Rate Base		0	34,764	34,764	34,764	34,764	34,764	34,764	34,764	34,764	34,764	34,764	34,764	34,764	417,165
33	Subtotal Revenue Requirements		0	47,351	47,351	47,351	47,351	47,351	47,351	47,351	47,351	47,351	47,351	47,351	153,574	674,439
34	Adjustments															
35	Total Revenue Requirements		0	47,351	47,351	47,351	47,351	47,351	47,351	47,351	47,351	47,351	47,351	47,351	153,574	674,439
36																
37	Base Demand Factor	75.29%	0	35,651	35,651	35,651	35,651	35,651	35,651	35,651	35,651	35,651	35,651	35,651	115,626	507,785
38	Peak Demand Factor	24.71%	0	11,701	11,701	11,701	11,701	11,701	11,701	11,701	11,701	11,701	11,701	11,701	37,948	166,654
39																
40	South Dakota share - E1 factor	9.9710%	0	3,555	3,555	3,555	3,555	3,555	3,555	3,555	3,555	3,555	3,555	3,555	11,529	50,631
41	South Dakota share - D1 factor	9.9001%	0	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	3,757	16,499
42																
43	South Dakota Revenue Requirements		0	4,713	4,713	4,713	4,713	4,713	4,713	4,713	4,713	4,713	4,713	4,713	15,286	67,130

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Line No.															
	SUPPORTING INFORMATION / DATA														
1			**[TRADE SECRET BEGINS…**												
2			SD Cap Structure with allowed ROE per order.												
3			Capital Structure	**Ratio**	**Cost**	**WA Cost**						**Property tax**			
4			Debt									2014 composite rate		0.00%	
5			Preferred equity												
6			Common equity				**…TRADE SECRET ENDS]**								
7			Total	100.00%		7.39%	Overall Return								
8															
9				**Book**	**Tax**										
10			Project life (years)	30	7-year MACRS										
11															
12					**Federal**	**State**									
13			Statutory Tax Rate	35.00%	35.00%	0.00%									
14			Tax conversion factor	1.53846											
15			Base Demand Factor	75.29%											
16			Peak Demand Factor	24.71%											
17			SD share - E1 factor	9.9710%											
18			SD share - D1 factor	9.9001%											
19															
20	**Deferred Tax**														
21	Book depreciation		0	0	0	0	0	0	0	0	0	0	0	106,222	106,222
22	Tax depreciation-Federal		0	0	0	0	0	0	0	0	0	0	0	0	0
23	Tax depreciation-State		0	0	0	0	0	0	0	0	0	0	0	0	0
24	Federal deferred income taxes	35.00%	0	0	0	0	0	0	0	0	0	0	0	37,178	37,178
25	State deferred income taxes		0	0	0	0	0	0	0	0	0	0	0	0	0

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Line No.	Year>>		2015 Projected January	2015 Projected February	2015 Projected March	2015 Projected April	2015 Projected May	2015 Projected June	2015 Projected July	2015 Projected August	2015 Projected September	2015 Projected October	2015 Projected November	2015 Projected December	2015 Projected Total
	RATE BASE														
1	Plant Balance		8,189,131	8,189,131	8,189,131	8,189,131	8,189,131	8,189,131	8,189,131	8,189,131	8,189,131	8,189,131	8,189,131	8,189,131	8,189,131
2	Accumulated. Depreciation		(212,575)	(318,927)	(425,279)	(531,631)	(637,984)	(744,336)	(850,688)	(957,040)	(1,063,393)	(1,169,745)	(1,276,097)	(1,382,449)	(1,382,449)
3	Net Plant in Service		7,976,556	7,870,204	7,763,852	7,657,500	7,551,147	7,444,795	7,338,443	7,232,091	7,125,738	7,019,386	6,913,034	6,806,682	6,806,682
4	CWIP		(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	0
5	Accumulated Deferred Income Taxes Fedederal & State		(52,213)	(73,484)	(94,755)	(116,026)	(137,297)	(158,568)	(179,839)	(201,110)	(222,381)	(243,652)	(264,923)	(286,194)	(286,194)
6	Ending Rate Base		7,924,343	7,796,720	7,669,097	7,541,473	7,413,850	7,286,227	7,158,604	7,030,981	6,903,357	6,775,734	6,648,111	6,520,488	6,520,488
7															
8	Average Rate Base		607,186	607,186	607,186	607,186	607,186	607,186	607,186	607,186	607,186	607,186	607,186	607,186	7,286,227
9															
10	Return on Rate Base		44,868	44,868	44,868	44,868	44,868	44,868	44,868	44,868	44,868	44,868	44,868	44,868	538,419
11															
12	Available for Return (equity portion of rate base)		30,172	30,172	30,172	30,172	30,172	30,172	30,172	30,172	30,172	30,172	30,172	30,172	362,060
13															
14	*EXPENSES*														
15	*O&M and Depreciation*														
16	Operating Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
17	Property Tax		0	0	0	0	0	0	0	0	0	0	0	0	0
18	Book Depreciation		106,352	106,352	106,352	106,352	106,352	106,352	106,352	106,352	106,352	106,352	106,352	106,352	1,276,227
19	Total O&M and Depreciation Expense		106,352	106,352	106,352	106,352	106,352	106,352	106,352	106,352	106,352	106,352	106,352	106,352	1,276,227
20															
21	Income before Taxes														
22	Available for Return (from above)		30,172	30,172	30,172	30,172	30,172	30,172	30,172	30,172	30,172	30,172	30,172	30,172	362,060
23	Taxable Income (grossed up)	1.5385	46,418	46,418	46,418	46,418	46,418	46,418	46,418	46,418	46,418	46,418	46,418	46,418	557,015
24															
25	Income Taxes														
26	Current and Def Income Taxes	35.00%	16,246	16,246	16,246	16,246	16,246	16,246	16,246	16,246	16,246	16,246	16,246	16,246	194,955
27	Total Income Tax Expense		16,246	16,246	16,246	16,246	16,246	16,246	16,246	16,246	16,246	16,246	16,246	16,246	194,955
28															
29															
30	*REVENUE REQUIREMENTS*														
31	Expenses		122,599	122,599	122,599	122,599	122,599	122,599	122,599	122,599	122,599	122,599	122,599	122,599	1,471,182
32	Return on Rate Base		44,868	44,868	44,868	44,868	44,868	44,868	44,868	44,868	44,868	44,868	44,868	44,868	538,419
33	Subtotal Revenue Requirements		167,467	167,467	167,467	167,467	167,467	167,467	167,467	167,467	167,467	167,467	167,467	167,467	2,009,601
34	Adjustments														
35	Total Revenue Requirements		167,467	167,467	167,467	167,467	167,467	167,467	167,467	167,467	167,467	167,467	167,467	167,467	2,009,601
36															
37	Base Demand Factor	75.29%	126,086	126,086	126,086	126,086	126,086	126,086	126,086	126,086	126,086	126,086	126,086	126,086	1,513,029
38	Peak Demand Factor	24.71%	41,381	41,381	41,381	41,381	41,381	41,381	41,381	41,381	41,381	41,381	41,381	41,381	496,572
39															
40	South Dakota share - E1 factor	9.9710%	12,572	12,572	12,572	12,572	12,572	12,572	12,572	12,572	12,572	12,572	12,572	12,572	150,865
41	South Dakota share - D1 factor	9.9001%	4,097	4,097	4,097	4,097	4,097	4,097	4,097	4,097	4,097	4,097	4,097	4,097	49,161
42															
43	South Dakota Revenue Requirements		16,669	16,669	16,669	16,669	16,669	16,669	16,669	16,669	16,669	16,669	16,669	16,669	200,026

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	SUPPORTING INFORMATION / DATA													
1		**[TRADE SECRET BEGINS…**												
2		SD Cap Structure with allowed ROE per order.												
3		Capital Structure		**Ratio**	**Cost**	**WA Cost**					**Property tax**			
4		Debt									2015 composite rate		0.00%	
5		Preferred equity												
6		Common equity					**…TRADE SECRET ENDS]**							
7		Total		100.00%		7.39%	Overall Return							
8														
9				**Book**	**Tax**									
10		Project life (years)		30	7-year MACRS									
11														
12					**Federal**	**State**								
13		Statutory Tax Rate		35.00%	35.00%	0.00%								
14		Tax conversion factor		1.53846										
15		Base Demand Factor		75.29%										
16		Peak Demand Factor		24.71%										
17		SD share - E1 factor		9.9710%										
18		SD share - D1 factor		9.9001%										
19														
20	**Deferred Tax**													
21	Book depreciation		106,352	106,352	106,352	106,352	106,352	106,352	106,352	106,352	106,352	106,352	106,352	1,276,227
22	Tax depreciation-Federal		0	0	0	0	0	0	0	0	0	10,204,192	10,204,192	10,204,192	30,612,577
23	Tax depreciation-State		0	0	0	0	0	0	0	0	0	10,204,192	10,204,192	10,204,192	30,612,577
24	Federal deferred income taxes	35.00%	37,223	37,223	37,223	37,223	37,223	37,223	37,223	37,223	37,223	(3,534,244)	(3,534,244)	(3,534,244)	(10,267,723)
25	State deferred income taxes		0	0	0	0	0	0	0	0	0	0	0	0	0