

CAPACITY PAYMENT SCHEDULE FOR RATE 12.03

OTTER TAIL POWER COMPANY

| | | |
|-----------------|-------|-----|
| Year of Filing | 2015 | new |
| Year of Deficit | 2021 | |
| Inflation Rate | 0.03 | |
| Cost of Capital | 0.085 | |
| Project Life | 35 | |

| Contract Term | Multiplier | \$/kW-Month Gross Capacity Rate | \$/kW-Month Net Capacity Rate | \$/kW-Month Net Levelized Rate |
|---------------|------------|--|--|---|
| 1 | 0.6482 | \$12.75 | \$0.00 | \$0.00 |
| 2 | 0.6588 | \$12.75 | \$0.00 | \$0.00 |
| 3 | 0.6694 | \$12.75 | \$0.00 | \$0.00 |
| 4 | 0.6799 | \$12.75 | \$0.00 | \$0.00 |
| 5 | 0.6905 | \$12.75 | \$0.00 | \$0.00 |
| 6 | 0.7010 | \$12.75 | \$0.00 | \$0.00 |
| 7 | 0.7115 | \$12.75 | \$9.07 | \$1.30 |
| 8 | 0.7220 | \$12.75 | \$9.21 | \$2.30 |
| 9 | 0.7324 | \$12.75 | \$9.34 | \$3.11 |
| 10 | 0.7429 | \$12.75 | \$9.47 | \$3.79 |
| 11 | 0.7533 | \$12.75 | \$9.60 | \$4.37 |
| 12 | 0.7636 | \$12.75 | \$9.74 | \$4.87 |
| 13 | 0.7740 | \$12.75 | \$9.87 | \$5.31 |
| 14 | 0.7843 | \$12.75 | \$10.00 | \$5.71 |
| 15 | 0.7946 | \$12.75 | \$10.13 | \$6.08 |
| 16 | 0.8048 | \$12.75 | \$10.26 | \$6.41 |
| 17 | 0.8150 | \$12.75 | \$10.39 | \$6.72 |
| 18 | 0.8252 | \$12.75 | \$10.52 | \$7.01 |
| 19 | 0.8354 | \$12.75 | \$10.65 | \$7.29 |
| 20 | 0.8456 | \$12.75 | \$10.78 | \$7.55 |
| 21 | 0.8557 | \$12.75 | \$10.91 | \$7.79 |
| 22 | 0.8659 | \$12.75 | \$11.04 | \$8.03 |
| 23 | 0.8760 | \$12.75 | \$11.17 | \$8.26 |
| 24 | 0.8861 | \$12.75 | \$11.30 | \$8.47 |
| 25 | 0.8963 | \$12.75 | \$11.43 | \$8.68 |
| 26 | 0.9064 | \$12.75 | \$11.56 | \$8.89 |
| 27 | 0.9166 | \$12.75 | \$11.69 | \$9.09 |
| 28 | 0.9268 | \$12.75 | \$11.82 | \$9.28 |
| 29 | 0.9371 | \$12.75 | \$11.95 | \$9.48 |
| 30 | 0.9474 | \$12.75 | \$12.08 | \$9.66 |
| 31 | 0.9577 | \$12.75 | \$12.21 | \$9.85 |
| 32 | 0.9682 | \$12.75 | \$12.34 | \$10.03 |
| 33 | 0.9787 | \$12.75 | \$12.48 | \$10.21 |
| 34 | 0.9893 | \$12.75 | \$12.61 | \$10.39 |
| 35 | 1.0000 | \$12.75 | \$12.75 | \$10.56 |