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>>		2014 Actual January	2014 Actual February	2014 Actual March	2014 Actual April	2014 Actual May	2014 Actual June	2014 Actual July	2014 Actual August	2014 Actual September	2014 Actual October	2014 Actual November	2014 Actual December	2014 Actual Total
	RATE BASE														
1	Plant Balance		0	0	0	0	0	0	0	6,203,947	6,203,947	6,203,947	6,203,947	6,203,947	6,203,947
2	Accumulated. Depreciation		0	0	0	0	0	0	0	0	(80,571)	(161,141)	(241,712)	(322,283)	(322,283)
3	Net Plant in Service		0	0	0	0	0	0	0	6,203,947	6,123,376	6,042,806	5,962,235	5,881,664	5,881,664
4	CWIP		2,760,674	2,878,262	3,031,600	4,223,242	4,709,606	6,150,731	6,342,963	(291,740)	(291,740)	(291,740)	(291,740)	(291,740)	(291,740)
5	Accumulated Deferred Income Taxes Fedederal & State		0	0	0	0	0	0	0	(248,102)	(468,004)	(687,907)	(907,809)	(1,127,711)	(1,127,711)
6	Ending Rate Base		2,760,674	2,878,262	3,031,600	4,223,242	4,709,606	6,150,731	6,342,963	5,664,105	5,363,632	5,063,159	4,762,686	4,462,214	4,462,214
7															
8	Average Rate Base		372,078	372,078	372,078	372,078	372,078	372,078	372,078	372,078	372,078	372,078	372,078	372,078	4,464,935
9															
10	Return on Rate Base		27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	329,999
11															
12	Available for Return (equity portion of rate base)		17,030	17,030	17,030	17,030	17,030	17,030	17,030	17,030	17,030	17,030	17,030	17,030	204,361
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		0	0	0	0	0	0	0	0	80,571	80,571	80,571	80,571	322,283
19	Total O&M and Depreciation Expense		0	0	0	0	0	0	0	0	80,571	80,571	80,571	80,571	322,283
20															
21	Income before Taxes														
22	Available for Return (from above)		17,030	17,030	17,030	17,030	17,030	17,030	17,030	17,030	17,030	17,030	17,030	17,030	204,361
23	Taxable Income (grossed up)	1.5385	26,200	26,200	26,200	26,200	26,200	26,200	26,200	26,200	26,200	26,200	26,200	26,200	314,402
24															
25	Income Taxes														
26	Current and Def Income Taxes	35.00%	9,170	9,170	9,170	9,170	9,170	9,170	9,170	9,170	9,170	9,170	9,170	9,170	110,041
27	Total Income Tax Expense		9,170	9,170	9,170	9,170	9,170	9,170	9,170	9,170	9,170	9,170	9,170	9,170	110,041
28															
29															
30	*REVENUE REQUIREMENTS*														
31	Expenses		9,170	9,170	9,170	9,170	9,170	9,170	9,170	9,170	89,741	89,741	89,741	89,741	432,323
32	Return on Rate Base		27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	329,999
33	Subtotal Revenue Requirements		36,670	36,670	36,670	36,670	36,670	36,670	36,670	36,670	117,241	117,241	117,241	117,241	762,323
34	Adjustments														
35	Total Revenue Requirements		36,670	36,670	36,670	36,670	36,670	36,670	36,670	36,670	117,241	117,241	117,241	117,241	762,323
36															
37	Base Demand Factor	75.29%	27,609	27,609	27,609	27,609	27,609	27,609	27,609	27,609	88,270	88,270	88,270	88,270	573,953
38	Peak Demand Factor	24.71%	9,061	9,061	9,061	9,061	9,061	9,061	9,061	9,061	28,970	28,970	28,970	28,970	188,370
39															
40	South Dakota share - E1 factor	9.9710%	2,753	2,753	2,753	2,753	2,753	2,753	2,753	2,753	8,801	8,801	8,801	8,801	57,229
41	South Dakota share - D1 factor	9.9001%	897	897	897	897	897	897	897	897	2,868	2,868	2,868	2,868	18,649
42															
43	South Dakota Revenue Requirements		3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	11,670	11,670	11,670	11,670	75,878

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Line No.														
	SUPPORTING INFORMATION / DATA													
1		**[TRADE SECRET BEGINS…**												
2														
3												**Property tax**		
4												2014 composite rate	0.00%	
5														
6										**…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	80,571	80,571	80,571	80,571	322,283
22	Tax depreciation-Federal		0	0	0	0	0	0	0	0	708,863	708,863	708,863	708,863	2,835,452
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	(219,902)	(219,902)	(219,902)	(219,902)	(879,609)
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 Actual January	2015 Actual February	2015 Actual March	2015 Actual April	2015 Actual May	2015 Actual 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		6,203,947	6,203,947	6,203,947	6,203,947	6,203,947	6,203,947	6,203,947	6,203,947	6,837,251	6,837,251	6,837,251	6,837,251	6,837,251
2	Accumulated. Depreciation		(402,853)	(483,424)	(563,995)	(644,565)	(725,136)	(805,707)	(886,277)	(966,848)	(1,047,419)	(1,136,214)	(1,225,009)	(1,313,805)	(1,313,805)
3	Net Plant in Service		5,801,094	5,720,523	5,639,952	5,559,382	5,478,811	5,398,240	5,317,670	5,237,099	5,789,832	5,701,037	5,612,241	5,523,446	5,523,446
4	CWIP		(290,692)	(176,910)	(104,521)	648,555	666,033	633,304	633,304	633,304	0	0	0	0	0
5	Accumulated Deferred Income Taxes Fedederal & State		(1,124,303)	(1,120,894)	(1,117,486)	(1,114,077)	(1,110,668)	(1,107,260)	(1,103,851)	(1,100,443)	(1,097,034)	(1,090,747)	(1,084,460)	(1,078,172)	(1,078,172)
6	Ending Rate Base		4,386,099	4,422,719	4,417,945	5,093,859	5,034,175	4,924,284	4,847,122	4,769,960	4,692,798	4,610,290	4,527,782	4,445,273	4,445,273
7															
8	Average Rate Base		388,683	388,683	388,683	388,683	388,683	388,683	388,683	388,683	388,683	388,683	388,683	388,683	4,664,194
9															
10	Return on Rate Base		28,727	28,727	28,727	28,727	28,727	28,727	28,727	28,727	28,727	28,727	28,727	28,727	344,726
11															
12	Available for Return (equity portion of rate base)		17,790	17,790	17,790	17,790	17,790	17,790	17,790	17,790	17,790	17,790	17,790	17,790	213,481
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		9,714	9,714	9,714	9,714	9,714	9,714	9,714	9,714	9,714	9,714	9,714	9,714	116,572
18	Book Depreciation		80,571	80,571	80,571	80,571	80,571	80,571	80,571	80,571	80,571	88,795	88,795	88,795	991,522
19	Total O&M and Depreciation Expense		90,285	90,285	90,285	90,285	90,285	90,285	90,285	90,285	90,285	98,510	98,510	98,510	1,108,094
20															
21	Income before Taxes														
22	Available for Return (from above)		17,790	17,790	17,790	17,790	17,790	17,790	17,790	17,790	17,790	17,790	17,790	17,790	213,481
23	Taxable Income (grossed up)	1.5385	27,369	27,369	27,369	27,369	27,369	27,369	27,369	27,369	27,369	27,369	27,369	27,369	328,433
24															
25	Income Taxes														
26	Current and Def Income Taxes	35.00%	9,579	9,579	9,579	9,579	9,579	9,579	9,579	9,579	9,579	9,579	9,579	9,579	114,951
27	Total Income Tax Expense		9,579	9,579	9,579	9,579	9,579	9,579	9,579	9,579	9,579	9,579	9,579	9,579	114,951
28															
29															
30	*REVENUE REQUIREMENTS*														
31	Expenses		99,864	99,864	99,864	99,864	99,864	99,864	99,864	99,864	99,864	108,089	108,089	108,089	1,223,046
32	Return on Rate Base		28,727	28,727	28,727	28,727	28,727	28,727	28,727	28,727	28,727	28,727	28,727	28,727	344,726
33	Subtotal Revenue Requirements		128,591	128,591	128,591	128,591	128,591	128,591	128,591	128,591	128,591	136,816	136,816	136,816	1,567,772
34	Adjustments														
35	Total Revenue Requirements		128,591	128,591	128,591	128,591	128,591	128,591	128,591	128,591	128,591	136,816	136,816	136,816	1,567,772
36															
37	Base Demand Factor	75.29%	96,817	96,817	96,817	96,817	96,817	96,817	96,817	96,817	96,817	103,009	103,009	103,009	1,180,376
38	Peak Demand Factor	24.71%	31,775	31,775	31,775	31,775	31,775	31,775	31,775	31,775	31,775	33,807	33,807	33,807	387,396
39															
40	South Dakota share - E1 factor	9.9710%	9,654	9,654	9,654	9,654	9,654	9,654	9,654	9,654	9,654	10,271	10,271	10,271	117,696
41	South Dakota share - D1 factor	9.9001%	3,146	3,146	3,146	3,146	3,146	3,146	3,146	3,146	3,146	3,347	3,347	3,347	38,353
42															
43	South Dakota Revenue Requirements		12,799	12,799	12,799	12,799	12,799	12,799	12,799	12,799	12,799	13,618	13,618	13,618	156,049

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Line No.															
	SUPPORTING INFORMATION / DATA														
1		**[TRADE SECRET BEGINS…**													
2															
3													**Property tax**		
4													2015 composite rate	0.00%	
5															
6															
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		80,571	80,571	80,571	80,571	80,571	80,571	80,571	80,571	80,571	88,795	88,795	88,795	991,522
22	Tax depreciation-Federal		70,832	70,832	70,832	70,832	70,832	70,832	70,832	70,832	70,832	70,832	70,832	70,832	849,982
23	Tax depreciation-State		0	0	0	0	0	0	0	0	0	0	0	0	0
24	Federal deferred income taxes	35.00%	3,409	3,409	3,409	3,409	3,409	3,409	3,409	3,409	3,409	6,287	6,287	6,287	49,539
25	State deferred income taxes		0	0	0	0	0	0	0	0	0	0	0	0	0

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SD PUC Docket No.

Line No.	Year>>		2016 Projected January	2016 Projected February	2016 Projected March	2016 Projected April	2016 Projected May	2016 Projected June	2016 Projected July	2016 Projected August	2016 Projected September	2016 Projected October	2016 Projected November	2016 Projected December	2016 Projected Total
	RATE BASE														
1	Plant Balance		6,837,251	6,837,251	6,837,251	6,837,251	6,837,251	6,837,251	6,837,251	6,837,251	6,837,251	6,837,251	6,837,251	6,837,251	6,837,251
2	Accumulated. Depreciation		(1,402,600)	(1,491,395)	(1,580,191)	(1,668,986)	(1,757,782)	(1,846,577)	(1,935,372)	(2,024,168)	(2,112,963)	(2,201,758)	(2,290,554)	(2,379,349)	(2,379,349)
3	Net Plant in Service		5,434,651	5,345,855	5,257,060	5,168,264	5,079,469	4,990,674	4,901,878	4,813,083	4,724,288	4,635,492	4,546,697	4,457,901	4,457,901
4	CWIP		0	0	0	0	0	0	0	0	0	0	0	0	0
5	Accumulated Deferred Income Taxes Fedederal & State		(1,067,442)	(1,056,711)	(1,045,980)	(1,035,249)	(1,024,518)	(1,013,788)	(1,003,057)	(992,326)	(981,595)	(970,864)	(960,134)	(949,403)	(949,403)
6	Ending Rate Base		4,367,209	4,289,144	4,211,080	4,133,015	4,054,951	3,976,886	3,898,822	3,820,757	3,742,692	3,664,628	3,586,563	3,508,499	3,508,499
7															
8	Average Rate Base		331,407	331,407	331,407	331,407	331,407	331,407	331,407	331,407	331,407	331,407	331,407	331,407	3,976,886
9															
10	Return on Rate Base		24,494	24,494	24,494	24,494	24,494	24,494	24,494	24,494	24,494	24,494	24,494	24,494	293,928
11															
12	Available for Return (equity portion of rate base)		15,169	15,169	15,169	15,169	15,169	15,169	15,169	15,169	15,169	15,169	15,169	15,169	182,023
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		10,706	10,706	10,706	10,706	10,706	10,706	10,706	10,706	10,706	10,706	10,706	10,706	128,472
18	Book Depreciation		88,795	88,795	88,795	88,795	88,795	88,795	88,795	88,795	88,795	88,795	88,795	88,795	1,065,544
19	Total O&M and Depreciation Expense		99,501	99,501	99,501	99,501	99,501	99,501	99,501	99,501	99,501	99,501	99,501	99,501	1,194,016
20															
21	Income before Taxes														
22	Available for Return (from above)		15,169	15,169	15,169	15,169	15,169	15,169	15,169	15,169	15,169	15,169	15,169	15,169	182,023
23	Taxable Income (grossed up)	1.5385	23,336	23,336	23,336	23,336	23,336	23,336	23,336	23,336	23,336	23,336	23,336	23,336	280,035
24															
25	Income Taxes														
26	Current and Def Income Taxes	35.00%	8,168	8,168	8,168	8,168	8,168	8,168	8,168	8,168	8,168	8,168	8,168	8,168	98,012
27	Total Income Tax Expense		8,168	8,168	8,168	8,168	8,168	8,168	8,168	8,168	8,168	8,168	8,168	8,168	98,012
28															
29															
30	*REVENUE REQUIREMENTS*														
31	Expenses		107,669	107,669	107,669	107,669	107,669	107,669	107,669	107,669	107,669	107,669	107,669	107,669	1,292,029
32	Return on Rate Base		24,494	24,494	24,494	24,494	24,494	24,494	24,494	24,494	24,494	24,494	24,494	24,494	293,928
33	Subtotal Revenue Requirements		132,163	132,163	132,163	132,163	132,163	132,163	132,163	132,163	132,163	132,163	132,163	132,163	1,585,957
34	Adjustments														
35	Total Revenue Requirements		132,163	132,163	132,163	132,163	132,163	132,163	132,163	132,163	132,163	132,163	132,163	132,163	1,585,957
36															
37	Base Demand Factor	75.29%	99,506	99,506	99,506	99,506	99,506	99,506	99,506	99,506	99,506	99,506	99,506	99,506	1,194,067
38	Peak Demand Factor	24.71%	32,657	32,657	32,657	32,657	32,657	32,657	32,657	32,657	32,657	32,657	32,657	32,657	391,890
39															
40	South Dakota share - E1 factor	9.9710%	9,922	9,922	9,922	9,922	9,922	9,922	9,922	9,922	9,922	9,922	9,922	9,922	119,061
41	South Dakota share - D1 factor	9.9001%	3,233	3,233	3,233	3,233	3,233	3,233	3,233	3,233	3,233	3,233	3,233	3,233	38,798
42															
43	South Dakota Revenue Requirements		13,155	13,155	13,155	13,155	13,155	13,155	13,155	13,155	13,155	13,155	13,155	13,155	157,859

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Line No.															
	SUPPORTING INFORMATION / DATA														
1		**[TRADE SECRET BEGINS…**													
2															
3													**Property tax**		
4													2016 composite rate	0.00%	
5															
6										**…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		88,795	88,795	88,795	88,795	88,795	88,795	88,795	88,795	88,795	88,795	88,795	88,795	1,065,544
22	Tax depreciation-Federal		58,136	58,136	58,136	58,136	58,136	58,136	58,136	58,136	58,136	58,136	58,136	58,136	697,631
23	Tax depreciation-State		0	0	0	0	0	0	0	0	0	0	0	0	0
24	Federal deferred income taxes	35.00%	10,731	10,731	10,731	10,731	10,731	10,731	10,731	10,731	10,731	10,731	10,731	10,731	128,770
25	State deferred income taxes		0	0	0	0	0	0	0	0	0	0	0	0	0