PUBLIC - TRADE SECRET DATA HAS BEEN EXCISED

Otter Tail Power Company
South Dakota Transmission Cost Recovery Rider
Casselton – Buffalo 115 kV Revenue Requirements
Docket No. EL15-

Line No.		Year>>	2015 Actual March	2015 Actual April	2015 Actual May	2015 Actual June	2015 Actual July	2015 Actual August	2015 Actual September	2015 Projected October	2015 Projected November	2015 Projected December	2015 Projected Total	2016 Projected January	2016 Projected February
	RATE BASE														
1	Plant Balance		8,042,966	8,042,966	8,042,966	8,042,966	8,042,966	8,042,966	8,042,966	8,042,966	8,042,966	8,042,966	8,042,966	8,042,966	8,042,966
2	Accumulated Depreciation		(139,640)	(150,873)	(162,106)	(173,338)	(184,571)	(195,803)	(207,036)	(218,269)	(229,501)	(240,734)	(240,734)	(251,967)	(263,199)
3	Net Plant in Service		7,903,326	7,892,093	7,880,860	7,869,628	7,858,395	7,847,163	7,835,930	7,824,697	7,813,465	7,802,232	7,802,232	7,790,999	7,779,767
4	CWIP		0	0	0	0	0	0	0	0	0	0	0	0	0
5	Accumulated Deferred Income Taxes Fedederal & State		(1,585,622)	(1,591,780)	(1,597,939)	(1,604,098)	(1,610,256)	(1,616,415)	(1,622,574)	(1,628,732)	(1,634,891)	(1,641,050)	(1,641,050)	(1,646,204)	(1,651,358)
6	Ending rate base		6,317,705	6,300,313	6,282,922	6,265,531	6,248,139	6,230,748	6,213,357	6,195,965	6,178,574	6,161,183	6,161,183	6,144,796	6,128,409
7															
8	OTP Load Percentage		52.916%	52.916%	52.916%	52.916%	52.916%	52.916%	52.916%	52.916%	52.916%	52.916%	52.916%	52.916%	52.916%
9	Remove Non-OTP Load Portion		(2,974,628)	(2,966,439)	(2,958,251)	(2,950,062)	(2,941,874)	(2,933,685)	(2,925,497)	(2,917,308)	(2,909,120)	(2,900,931)	(2,900,931)	(2,893,216)	(2,885,500)
10	Retail Ending Rate Base		3,343,077	3,333,874	3,324,671	3,315,468	3,306,265	3,297,063	3,287,860	3,278,657	3,269,454	3,260,251	3,260,251	3,251,580	3,242,909
11															
12	Average rate base		275,938	275,938	275,938	275,938	275,938	275,938	275,938	275,938	275,938	275,938	3,311,254	267,352	267,352
13															
14	Return on Rate Base		20,394	20,394	20,394	20,394	20,394	20,394	20,394	20,394	20,394	20,394	244,732	19,760	19,760
15															
16	Available for return (equity portion of rate base)		12,630	12,630	12,630	12,630	12,630	12,630	12,630	12,630	12,630	12,630	151,557	12,237	12,237
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		4,759	4,759	4,759	4,759	4,759	4,759	4,759	4,759	4,759	4,759	57,105	4,759	4,759
22	Book Depreciation		11,233	11,233	11,233	11,233	11,233	11,233	11,233	11,233	11,233	11,233	134,791	11,233	11,233
23	Total O&M and Depreciation Expense		15,991	15,991	15,991	15,991	15,991	15,991	15,991	15,991	15,991	15,991	191,897	15,991	15,991
24															
25	OTP Load Percentage		52.916%	52.916%	52.916%	52.916%	52.916%	52.916%	52.916%	52.916%	52.916%	52.916%	52.916%	52.916%	52.916%
26	Remove Non-OTP Load Portion		(7,529)	(7,529)	(7,529)	(7,529)	(7,529)	(7,529)	(7,529)	(7,529)	(7,529)	(7,529)	(90,353)	(7,529)	(7,529)
27	Retail O&M and Depreciation Expenses		8,462	8,462	8,462	8,462	8,462	8,462	8,462	8,462	8,462	8,462	101,544	8,462	8,462
28															
29	Income before Taxes														
30	Available for return (from above)		12,630	12,630	12,630	12,630	12,630	12,630	12,630	12,630	12,630	12,630	151,557	12,237	12,237
31	Taxable Income (grossed up)	1.5385	19,430	19,430	19,430	19,430	19,430	19,430	19,430	19,430	19,430	19,430	233,164	18,826	18,826
32															
33	Income Taxes														
34	Current and Def Income Taxes	35.00%	6,801	6,801	6,801	6,801	6,801	6,801	6,801	6,801	6,801	6,801	81,608	6,589	6,589
35	Total Income Tax Expense		6,801	6,801	6,801	6,801	6,801	6,801	6,801	6,801	6,801	6,801	81,608	6,589	6,589
36															
37															
38	*REVENUE REQUIRMENTS*														
39	Expenses		15,263	15,263	15,263	15,263	15,263	15,263	15,263	15,263	15,263	15,263	273,504	15,051	15,051
40	Return on rate base		20,394	20,394	20,394	20,394	20,394	20,394	20,394	20,394	20,394	20,394	244,732	19,760	19,760
41	Subtotal revenue requirements		35,657	35,657	35,657	35,657	35,657	35,657	35,657	35,657	35,657	35,657	518,236	34,811	34,811
42	Adjustments		0	0	0	0	0	0	0	0	0	0	0	0	0
43	Transmission Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
44	Total revenue requirements		35,657	35,657	35,657	35,657	35,657	35,657	35,657	35,657	35,657	35,657	518,236	34,811	34,811
45															
46	South Dakota share - D2 factor	9.82%	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000	3,417	3,417
47															
48	Gross Receipts Tax (at 0.0015)	0.15%	5	5	5	5	5	5	5	5	5	5	63	5	5
49	Total South Dakota Share		3,505	3,505	3,505	3,505	3,505	3,505	3,505	3,505	3,505	3,505	42,063	3,422	3,422

Line No.															
	SUPPORTING INFORMATION / DATA														
1															
2	SD Cap Structure with allowed ROE per order.														
	[TRADE SECRET DATA BEGINS…														
3	Capital Structure	**Ratio**	**Cost**	**WA Cost**					**Property tax**						
4	Debt								2015 composite rate		0.71%				
5	Preferred equity														
6	Common equity								**…TRADE SECRET DATA ENDS]**						
7	Total	100.00%		7.39%	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	0.00%													
16	SD share - D2 factor	9.8157%													
17															
18	**Deferred Tax**														
19	Book depreciation	11,233	11,233	11,233	11,233	11,233	11,233	11,233	11,233	11,233	11,233	134,791	11,233	11,233	
20	Tax depreciation-Federal	28,829	28,829	28,829	28,829	28,829	28,829	28,829	28,829	28,829	28,829	345,946	25,959	25,959	
21	Tax depreciation-SD	28,829	28,829	28,829	28,829	28,829	28,829	28,829	28,829	28,829	28,829	345,946	25,959	25,959	
22	Federal deferred income taxes	(6,159)	(6,159)	(6,159)	(6,159)	(6,159)	(6,159)	(6,159)	(6,159)	(6,159)	(6,159)	(73,904)	(5,154)	(5,154)	
23	State deferred income taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	

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Line No.		Year>>	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	2017 Projected January	2017 Projected February
1	*RATE BASE*														
2	Plant Balance		8,042,966	8,042,966	8,042,966	8,042,966	8,042,966	8,042,966	8,042,966	8,042,966	8,042,966	8,042,966	8,042,966	8,042,966	8,042,966
3	Accumulated Depreciation		(274,432)	(285,664)	(296,897)	(308,130)	(319,362)	(330,595)	(341,828)	(353,060)	(364,293)	(375,525)	(375,525)	(386,758)	(397,991)
4	Net Plant in Service		7,768,534	7,757,302	7,746,069	7,734,836	7,723,604	7,712,371	7,701,138	7,689,906	7,678,673	7,667,441	7,667,441	7,656,208	7,644,975
5	CWIP		0	0	0	0	0	0	0	0	0	0	0	0	0
6	Accumulated Deferred Income Taxes Fedederal & State		(1,656,512)	(1,661,666)	(1,666,820)	(1,671,974)	(1,677,128)	(1,682,282)	(1,687,437)	(1,692,591)	(1,697,745)	(1,702,899)	(1,702,899)	(1,707,146)	(1,711,393)
7	Ending rate base		6,112,023	6,095,636	6,079,249	6,062,862	6,046,476	6,030,089	6,013,702	5,997,316	5,980,929	5,964,542	5,964,542	5,949,063	5,933,583
8	OTP Load Percentage		52.916%	52.916%	52.916%	52.916%	52.916%	52.916%	52.916%	52.916%	52.916%	52.916%	52.916%	52.916%	52.916%
9	Remove Non-OTP Load Portion		(2,877,785)	(2,870,069)	(2,862,354)	(2,854,638)	(2,846,923)	(2,839,207)	(2,831,492)	(2,823,776)	(2,816,061)	(2,808,345)	(2,808,345)	(2,801,057)	(2,793,768)
10	Retail Ending Rate Base		3,234,238	3,225,567	3,216,896	3,208,224	3,199,553	3,190,882	3,182,211	3,173,540	3,164,868	3,156,197	3,156,197	3,148,006	3,139,815
11															
12	Average rate base		267,352	267,352	267,352	267,352	267,352	267,352	267,352	267,352	267,352	267,352	3,208,224	258,921	258,921
13															
14	Return on Rate Base		19,760	19,760	19,760	19,760	19,760	19,760	19,760	19,760	19,760	19,760	237,117	19,137	19,137
15															
16	Available for return (equity portion of rate base)		12,237	12,237	12,237	12,237	12,237	12,237	12,237	12,237	12,237	12,237	146,841	11,851	11,851
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		4,759	4,759	4,759	4,759	4,759	4,759	4,759	4,759	4,759	4,759	57,105	7,036	7,036
22	Book Depreciation		11,233	11,233	11,233	11,233	11,233	11,233	11,233	11,233	11,233	11,233	134,791	11,233	11,233
23	Total O&M and Depreciation Expense		15,991	15,991	15,991	15,991	15,991	15,991	15,991	15,991	15,991	15,991	191,897	18,269	18,269
24															
25	OTP Load Percentage		52.916%	52.916%	52.916%	52.916%	52.916%	52.916%	52.916%	52.916%	52.916%	52.916%	52.916%	52.916%	52.916%
26	Remove Non-OTP Load Portion		(7,529)	(7,529)	(7,529)	(7,529)	(7,529)	(7,529)	(7,529)	(7,529)	(7,529)	(7,529)	(90,353)	(8,602)	(8,602)
27	Retail O&M and Depreciation Expenses		8,462	8,462	8,462	8,462	8,462	8,462	8,462	8,462	8,462	8,462	101,544	9,667	9,667
28															
29	Income before Taxes														
30	Available for return (from above)		12,237	12,237	12,237	12,237	12,237	12,237	12,237	12,237	12,237	12,237	146,841	11,851	11,851
31	Taxable Income (grossed up)	1.5385	18,826	18,826	18,826	18,826	18,826	18,826	18,826	18,826	18,826	18,826	225,910	18,232	18,232
32															
33	Income Taxes														
34	Current and Def Income Taxes	35.00%	6,589	6,589	6,589	6,589	6,589	6,589	6,589	6,589	6,589	6,589	79,068	6,381	6,381
35	Total Income Tax Expense		6,589	6,589	6,589	6,589	6,589	6,589	6,589	6,589	6,589	6,589	79,068	6,381	6,381
36															
37															
38	*REVENUE REQUIRMENTS*														
39	Expenses		15,051	15,051	15,051	15,051	15,051	15,051	15,051	15,051	15,051	15,051	270,965	16,048	16,048
40	Return on rate base		19,760	19,760	19,760	19,760	19,760	19,760	19,760	19,760	19,760	19,760	237,117	19,137	19,137
41	Subtotal revenue requirements		34,811	34,811	34,811	34,811	34,811	34,811	34,811	34,811	34,811	34,811	508,082	35,185	35,185
42	Adjustments		0	0	0	0	0	0	0	0	0	0	0	0	0
43	Transmission Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
44	Total revenue requirements		34,811	34,811	34,811	34,811	34,811	34,811	34,811	34,811	34,811	34,811	508,082	35,185	35,185
45															
46	South Dakota share - D2 factor	9.82%	3,417	3,417	3,417	3,417	3,417	3,417	3,417	3,417	3,417	3,417	41,003	3,454	3,454
47															
48	Gross Receipts Tax (at 0.0015)	0.15%	5	5	5	5	5	5	5	5	5	5	62	5	5
49	Total South Dakota Share		3,422	3,422	3,422	3,422	3,422	3,422	3,422	3,422	3,422	3,422	41,065	3,459	3,459

Line No.															
1	*SUPPORTING INFORMATION / DATA*														
2	SD Cap Structure with allowed ROE per order.														SD Cap Structure with allowed RO
3	**[TRADE SECRET DATA BEGINS…**														**[TRADE SECRET D**
4	Capital Structure	**Ratio**	**Cost**	**WA Cost**											Capital Structure
5	Debt														Debt
6	Preferred equity														Preferred equity
7	Common equity														Common equity
8	Total	100.00%		7.39%	Overall Return										Total
9															
10		**Book**	**Tax**												
11	Project life (years)	50	15-year MACRS												Project life (years)
12			**Fed Portion**	**State Portion**	**SD Special Hearing Fund:**										
13	Statutory Tax Rate	35.00%	35.00%	0.00%	0.15%										Statutory Tax Rate
14	Tax conversion factor	1.53846													Tax conversion Factor
15	Transmission Revenue	0.00%													Transmission Revenue
16	SD share - D2 factor	9.8157%													SD share - D2 factor
17															
18	**Deferred Tax**														
19	Book depreciation					11,233	11,233	11,233	11,233	11,233	11,233	11,233	134,791	11,233	11,233
20	Tax depreciation-Federal					25,959	25,959	25,959	25,959	25,959	25,959	25,959	311,503	23,367	23,367
21	Tax depreciation-SD					25,959	25,959	25,959	25,959	25,959	25,959	25,959	311,503	23,367	23,367
22	Federal deferred income taxes					(5,154)	(5,154)	(5,154)	(5,154)	(5,154)	(5,154)	(5,154)	(61,849)	(4,247)	(4,247)
23	State deferred income taxes					0	0	0	0	0	0	0	0	0	0

Property tax
2016 composite rate 0.71%

...TRADE SECRET DATA ENDS]