PUBLIC - TRADE SECRET DATA HAS BEEN EXCISED

Otter Tail Power Company
Air Quality Control System Project Revenue Requirement Calc
Docket No. EL16-

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	0	0	0	0	0	0
2	Accumulated Depreciation		0	0	0	0	0	0	0	0	0	0	0	0	0
3	Net Plant in Service		0	0	0	0	0	0	0	0	0	0	0	0	0
4	CWIP		96,325,807	102,707,205	108,382,029	113,155,196	118,270,887	124,591,997	130,591,420	136,064,185	142,083,110	148,083,107	152,881,837	157,349,561	157,349,561
5	Deferred Tax Asset		0	0	0	0	0	0	0	0	0	0	0	0	0
6	Reversal of deferred tax asset		0	0	0	0	0	0	0	0	0	0	0	0	0
7	ADIT Pro-Rated														
8	Accumulated Deferred Income Taxes Fedederal & State		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Ending Rate Base		96,325,807	102,707,205	108,382,029	113,155,196	118,270,887	124,591,997	130,591,420	136,064,185	142,083,110	148,083,107	152,881,837	157,349,561	157,349,561
10															
11	Average Rate Base		10,383,604	10,383,604	10,383,604	10,383,604	10,383,604	10,383,604	10,383,604	10,383,604	10,383,604	10,383,604	10,383,604	10,383,604	124,603,247
12															
13	Return on Rate Base		757,929	757,929	757,929	757,929	757,929	757,929	757,929	757,929	757,929	757,929	757,929	757,929	9,095,143
14															
15	Available for Return (equity portion of rate base)		504,702	504,702	504,702	504,702	504,702	504,702	504,702	504,702	504,702	504,702	504,702	504,702	6,056,420
16															
17	*EXPENSES*														
18	*O&M and Depreciation*														
19	Operating Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
20	Property Tax		0	0	0	0	0	0	0	0	0	0	0	0	0
21	Book Depreciation		0	0	0	0	0	0	0	0	0	0	0	0	0
22	Total O&M and Depreciation Expense		0	0	0	0	0	0	0	0	0	0	0	0	0
23															
24	Income before Taxes														
25	Available for Return (from above)		504,702	504,702	504,702	504,702	504,702	504,702	504,702	504,702	504,702	504,702	504,702	504,702	6,056,420
26	Taxable Income (grossed up)	1.5385	776,464	776,464	776,464	776,464	776,464	776,464	776,464	776,464	776,464	776,464	776,464	776,464	9,317,569
27															
28	Income Taxes														
29	Current and Def Income Taxes	35.00%	271,762	271,762	271,762	271,762	271,762	271,762	271,762	271,762	271,762	271,762	271,762	271,762	3,261,149
30	Total Income Tax Expense		271,762	271,762	271,762	271,762	271,762	271,762	271,762	271,762	271,762	271,762	271,762	271,762	3,261,149
31															
32															
33	*REVENUE REQUIREMENTS*														
34	Expenses		271,762	271,762	271,762	271,762	271,762	271,762	271,762	271,762	271,762	271,762	271,762	271,762	3,261,149
35	Return on Rate Base		757,929	757,929	757,929	757,929	757,929	757,929	757,929	757,929	757,929	757,929	757,929	757,929	9,095,143
36	Subtotal Revenue Requirements		1,029,691	1,029,691	1,029,691	1,029,691	1,029,691	1,029,691	1,029,691	1,029,691	1,029,691	1,029,691	1,029,691	1,029,691	12,356,292
37	Adjustments														
38	Total Revenue Requirements		1,029,691	1,029,691	1,029,691	1,029,691	1,029,691	1,029,691	1,029,691	1,029,691	1,029,691	1,029,691	1,029,691	1,029,691	12,356,292
39															
40	Base Demand Factor	75.29%	775,254	775,254	775,254	775,254	775,254	775,254	775,254	775,254	775,254	775,254	775,254	775,254	9,303,052
41	Peak Demand Factor	24.71%	254,437	254,437	254,437	254,437	254,437	254,437	254,437	254,437	254,437	254,437	254,437	254,437	3,053,240
42															
43	South Dakota share - E1 factor	9.9710%	77,301	77,301	77,301	77,301	77,301	77,301	77,301	77,301	77,301	77,301	77,301	77,301	927,612
44	South Dakota share - D1 factor	9.9001%	25,190	25,190	25,190	25,190	25,190	25,190	25,190	25,190	25,190	25,190	25,190	25,190	302,274
45															
46	South Dakota Revenue Requirements		102,491	102,491	102,491	102,491	102,491	102,491	102,491	102,491	102,491	102,491	102,491	102,491	1,229,886

PUBLIC - TRADE SECRET DATA HAS BEEN EXCISED

Otter Tail Power Company
Air Quality Control System Project Revenue Requirement Calc
Docket No. EL16-

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%		7.30%	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	0
22	Tax depreciation-Federal		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
24	Federal deferred income taxes	35.00%	0	0	0	0	0	0	0	0	0	0	0	0
25	State deferred income taxes		0	0	0	0	0	0	0	0	0	0	0	0

PUBLIC - TRADE SECRET DATA HAS BEEN EXCISED

Otter Tail Power Company
Air Quality Control System Project Revenue Requirement Calc
Docket No. EL16-

Line No.	Year>>		2015 Actual January	2015 Actual February	2015 Actual March	2015 Actual April	2015 Actual May	2015 Actual June	2015 Actual July	2015 Actual August	2015 Actual September	2015 Actual October	2015 Actual November	2015 Actual December	2015 Actual Total
	RATE BASE														
1	Plant Balance		0	0	0	0	0	0	0	0	0	0	0	202,926,377	202,926,377
2	Accumulated Depreciation		0	0	0	0	0	0	0	0	0	0	0	0	0
3	Net Plant in Service		0	0	0	0	0	0	0	0	0	0	0	202,926,377	202,926,377
4	CWIP		164,210,514	169,712,202	179,063,216	187,614,392	195,189,893	198,924,764	200,744,900	197,636,038	201,215,234	201,602,646	202,157,359	0	0
5	Deferred Tax Asset		0	0	0	0	0	0	0	0	0	0	0	17,769,693	17,769,693
6	Reversal of deferred tax asset		0	0	0	0	0	0	0	0	0	0	0	0	0
7	ADIT Pro-Rated														
8	Accumulated Deferred Income Taxes Fedederal & State		0	0	0	0	0	0	0	0	0	0	0	(36,843,820)	(36,843,820)
9	Ending Rate Base		164,210,514	169,712,202	179,063,216	187,614,392	195,189,893	198,924,764	200,744,900	197,636,038	201,215,234	201,602,646	202,157,359	183,852,249	183,852,249
10															
11	Average Rate Base		15,636,365	15,636,365	15,636,365	15,636,365	15,636,365	15,636,365	15,636,365	15,636,365	15,636,365	15,636,365	15,636,365	15,636,365	187,636,382
12															
13	Return on Rate Base		1,122,973	1,122,973	1,122,973	1,122,973	1,122,973	1,122,973	1,122,973	1,122,973	1,122,973	1,122,973	1,122,973	1,122,973	13,475,680
14															
15	Available for Return (equity portion of rate base)		707,740	707,740	707,740	707,740	707,740	707,740	707,740	707,740	707,740	707,740	707,740	707,740	8,492,875
16															
17	*EXPENSES*														
18	*O&M and Depreciation*														
19	Operating Costs		0	0	0	0	0	0	0	0	0			5,511	5,511
20	Property Tax		0	0	0	0	0	0	0	0	0	0	0	0	0
21	Book Depreciation		0	0	0	0	0	0	0	0	0	0	0	0	0
22	Total O&M and Depreciation Expense		0	0	0	0	0	0	0	0	0	0	0	5,511	5,511
23															
24	Income before Taxes														
25	Available for Return (from above)		707,740	707,740	707,740	707,740	707,740	707,740	707,740	707,740	707,740	707,740	707,740	707,740	8,492,875
26	Taxable Income (grossed up)	1.5385	1,088,830	1,088,830	1,088,830	1,088,830	1,088,830	1,088,830	1,088,830	1,088,830	1,088,830	1,088,830	1,088,830	1,088,830	13,065,961
27															
28	Income Taxes														
29	Current and Def Income Taxes	35.00%	381,091	381,091	381,091	381,091	381,091	381,091	381,091	381,091	381,091	381,091	381,091	381,091	4,573,086
30	Total Income Tax Expense		381,091	381,091	381,091	381,091	381,091	381,091	381,091	381,091	381,091	381,091	381,091	381,091	4,573,086
31															
32															
33	*REVENUE REQUIREMENTS*														
34	Expenses		381,091	381,091	381,091	381,091	381,091	381,091	381,091	381,091	381,091	381,091	381,091	386,602	4,578,597
35	Return on Rate Base		1,122,973	1,122,973	1,122,973	1,122,973	1,122,973	1,122,973	1,122,973	1,122,973	1,122,973	1,122,973	1,122,973	1,122,973	13,475,680
36	Subtotal Revenue Requirements		1,504,064	1,504,064	1,504,064	1,504,064	1,504,064	1,504,064	1,504,064	1,504,064	1,504,064	1,504,064	1,504,064	1,509,575	18,054,278
37	Adjustments														
38	Total Revenue Requirements		1,504,064	1,504,064	1,504,064	1,504,064	1,504,064	1,504,064	1,504,064	1,504,064	1,504,064	1,504,064	1,504,064	1,509,575	18,054,278
39															
40	Base Demand Factor	75.29%	1,132,410	1,132,410	1,132,410	1,132,410	1,132,410	1,132,410	1,132,410	1,132,410	1,132,410	1,132,410	1,132,410	1,136,559	13,593,066
41	Peak Demand Factor	24.71%	371,654	371,654	371,654	371,654	371,654	371,654	371,654	371,654	371,654	371,654	371,654	373,016	4,461,212
42															
43	South Dakota share - E1 factor	9.9710%	112,913	112,913	112,913	112,913	112,913	112,913	112,913	112,913	112,913	112,913	112,913	113,327	1,355,371
44	South Dakota share - D1 factor	9.9001%	36,794	36,794	36,794	36,794	36,794	36,794	36,794	36,794	36,794	36,794	36,794	36,929	441,665
45															
46	South Dakota Revenue Requirements		149,707	149,707	149,707	149,707	149,707	149,707	149,707	149,707	149,707	149,707	149,707	150,256	1,797,036

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Air Quality Control System Project Revenue Requirement Calc
Docket No. EL16-

Line No.														
	SUPPORTING INFORMATION / DATA													
1		**[TRADE SECRET BEGINS…**												
2														
3												**Property tax**		
4												2015 composite rate	0.00%	
5														
6							**…TRADE SECRET ENDS]**							
7		Total	100.00%			7.18%	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	0	0
22	Tax depreciation-Federal	0	0	0	0	0	0	0	0	0	0	0	105,268,058	105,268,058
23	Tax depreciation-State	0	0	0	0	0	0	0	0	0	0	0	105,268,058	105,268,058
24	Federal deferred income taxes 35.00%	0	0	0	0	0	0	0	0	0	0	0	(36,843,820)	(36,843,820)
25	State deferred income taxes	0	0	0	0	0	0	0	0	0	0	0	0	0

PUBLIC - TRADE SECRET DATA HAS BEEN EXCISED

Otter Tail Power Company
Air Quality Control System Project Revenue Requirement Calc
Docket No. EL16-

Line No.	Year>>		2016 Actual January	2016 Actual February	2016 Actual March	2016 Actual April	2016 Actual May	2016 Actual June	2016 Actual July	2016 Projected August	2016 Projected September	2016 Projected October	2016 Projected November	2016 Projected December	2016 Projected Total
	RATE BASE														
1	Plant Balance		203,049,160	203,239,047	203,072,730	203,130,212	203,122,988	203,432,999	206,270,508	206,523,137	206,655,764	207,199,177	207,349,285	207,361,143	207,361,143
2	Accumulated Depreciation		(508,466)	(1,017,239)	(1,526,489)	(2,035,321)	(2,544,298)	(3,053,256)	(3,562,992)	(4,079,837)	(4,597,315)	(5,115,125)	(5,634,297)	(6,153,846)	(6,153,846)
3	Net Plant in Service		202,540,694	202,221,808	201,546,242	201,094,891	200,578,690	200,379,742	202,707,516	202,443,300	202,058,449	202,084,052	201,714,987	201,207,297	201,207,297
4	CWIP		0	0	0	0	0	0	0	0	0	0	0	0	0
5	Deferred Tax Asset		17,769,693	17,769,693	17,769,693	17,769,693	17,769,693	17,769,693	17,769,693	17,769,693	17,769,693	17,769,693	17,769,693	17,769,693	17,769,693
6	Reversal of deferred tax asset		(1,034,171)	(2,068,342)	(3,102,513)	(4,136,684)	(5,170,855)	(6,205,026)	(7,239,197)	(8,273,368)	(9,307,539)	(10,341,710)	(11,375,881)	(12,410,052)	(12,410,052)
7	ADIT Pro-Rated		1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	0.336986	0.254795	0.169863	0.087671	0.002740	
8	Accumulated Deferred Income Taxes Fedederal & State		(37,060,853)	(37,277,778)	(37,494,537)	(37,711,442)	(37,928,296)	(38,145,156)	(38,361,745)	(38,433,894)	(38,488,389)	(38,524,699)	(38,543,398)	(38,543,982)	(38,543,982)
9	Ending Rate Base		182,215,363	180,645,381	178,718,885	177,016,458	175,249,232	173,799,253	174,876,268	173,505,732	172,032,214	170,987,336	169,565,401	168,022,956	168,022,956
10															
11	Average Rate Base		14,618,505	14,618,505	14,618,505	14,618,505	14,618,505	14,618,505	14,618,505	14,618,505	14,618,505	14,618,505	14,618,505	14,618,505	175,422,056
12															
13	Return on Rate Base		1,096,245	1,096,245	1,096,245	1,096,245	1,096,245	1,096,245	1,096,245	1,096,245	1,096,245	1,096,245	1,096,245	1,096,245	13,154,940
14															
15	Available for Return (equity portion of rate base)		713,325	713,325	713,325	713,325	713,325	713,325	713,325	713,325	713,325	713,325	713,325	713,325	8,559,896
16															
17	*EXPENSES*														
18	*O&M and Depreciation*														
19	Operating Costs		22,911	45,054	45,718	25,351	26,738	33,358	70,764	70,764	70,764	70,764	70,764	70,764	623,715
20	Property Tax		0	0	0	0	0	0	0	0	0	0	0	0	0
21	Book Depreciation		508,466	508,774	509,249	508,833	508,977	508,958	509,735	516,845	517,478	517,810	519,172	519,548	6,153,846
22	Total O&M and Depreciation Expense		531,377	553,828	554,967	534,184	535,715	542,317	580,499	587,609	588,242	588,574	589,936	590,312	6,777,560
23															
24	Income before Taxes														
25	Available for Return (from above)		713,325	713,325	713,325	713,325	713,325	713,325	713,325	713,325	713,325	713,325	713,325	713,325	8,559,896
26	Taxable Income (grossed up)	1.5385	1,097,423	1,097,423	1,097,423	1,097,423	1,097,423	1,097,423	1,097,423	1,097,423	1,097,423	1,097,423	1,097,423	1,097,423	13,169,071
27															
28	Income Taxes														
29	Current and Def Income Taxes	35.00%	384,098	384,098	384,098	384,098	384,098	384,098	384,098	384,098	384,098	384,098	384,098	384,098	4,609,175
30	Total Income Tax Expense		384,098	384,098	384,098	384,098	384,098	384,098	384,098	384,098	384,098	384,098	384,098	384,098	4,609,175
31															
32															
33	*REVENUE REQUIREMENTS*														
34	Expenses		915,475	937,926	939,065	918,281	919,813	926,415	964,597	971,707	972,340	972,672	974,034	974,410	11,386,735
35	Return on Rate Base		1,096,245	1,096,245	1,096,245	1,096,245	1,096,245	1,096,245	1,096,245	1,096,245	1,096,245	1,096,245	1,096,245	1,096,245	13,154,940
36	Subtotal Revenue Requirements		2,011,720	2,034,171	2,035,310	2,014,526	2,016,058	2,022,660	2,060,842	2,067,952	2,068,585	2,068,917	2,070,279	2,070,655	24,541,675
37	Adjustments														
38	Total Revenue Requirements		2,011,720	2,034,171	2,035,310	2,014,526	2,016,058	2,022,660	2,060,842	2,067,952	2,068,585	2,068,917	2,070,279	2,070,655	24,541,675
39															
40	Base Demand Factor	75.29%	1,514,624	1,531,527	1,532,385	1,516,737	1,517,890	1,522,860	1,551,608	1,556,961	1,557,438	1,557,688	1,558,713	1,558,996	18,477,427
41	Peak Demand Factor	24.71%	497,096	502,644	502,925	497,789	498,168	499,799	509,234	510,991	511,147	511,229	511,566	511,659	6,064,248
42															
43	South Dakota share - E1 factor	9.9710%	151,024	152,709	152,795	151,235	151,350	151,845	154,712	155,245	155,293	155,318	155,420	155,448	1,842,393
44	South Dakota share - D1 factor	9.9001%	49,213	49,762	49,790	49,282	49,319	49,481	50,415	50,589	50,604	50,612	50,646	50,655	600,368
45															
46	South Dakota Revenue Requirements		200,237	202,472	202,585	200,516	200,669	201,326	205,126	205,834	205,897	205,930	206,066	206,103	2,442,761

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Otter Tail Power Company
Air Quality Control System Project Revenue Requirement Calc
Docket No. EL16-

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%		7.50%	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		508,466	508,774	509,249	508,833	508,977	508,958	509,735	516,845	517,478	517,810	519,172	519,548	6,153,846
22	Tax depreciation-Federal		1,128,560	1,128,560	1,128,560	1,128,560	1,128,560	1,128,560	1,128,560	1,128,560	1,128,560	1,128,560	1,128,560	1,128,560	13,542,718
23	Tax depreciation-State		1,128,560	1,128,560	1,128,560	1,128,560	1,128,560	1,128,560	1,128,560	1,128,560	1,128,560	1,128,560	1,128,560	1,128,560	13,542,718
24	Federal deferred income taxes	35.00%	(217,033)	(216,925)	(216,759)	(216,905)	(216,854)	(216,860)	(216,589)	(214,100)	(213,879)	(213,762)	(213,286)	(213,154)	(2,586,105)
25	State deferred income taxes		0	0	0	0	0	0	0	0	0	0	0	0	0

PUBLIC - TRADE SECRET DATA HAS BEEN EXCISED

Otter Tail Power Company
Air Quality Control System Project Revenue Requirement Calc
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Line No.	Year>>		2017 Projected January	2017 Projected February	2017 Projected March	2017 Projected April	2017 Projected May	2017 Projected June	2017 Projected July	2017 Projected August	2017 Projected September	2017 Projected October	2017 Projected November	2017 Projected December	2017 Projected Total
	RATE BASE														
1	Plant Balance		207,373,001	207,406,849	207,406,849	207,406,849	207,406,849	207,406,849	207,406,849	207,406,849	207,406,849	207,406,849	207,406,849	207,406,849	207,406,849
2	Accumulated Depreciation		(6,673,424)	(7,193,031)	(7,712,724)	(8,232,416)	(8,752,108)	(9,271,801)	(9,791,493)	(10,311,186)	(10,830,878)	(11,350,571)	(11,870,263)	(12,389,955)	(12,389,955)
3	Net Plant in Service		200,699,577	200,213,817	199,694,125	199,174,433	198,654,740	198,135,048	197,615,355	197,095,663	196,575,970	196,056,278	195,536,586	195,016,893	195,016,893
4	CWIP		0	0	0	0	0	0	0	0	0	0	0	0	0
5	Deferred Tax Asset		17,769,693	17,769,693	17,769,693	17,769,693	17,769,693	17,769,693	17,769,693	17,769,693	17,769,693	17,769,693	17,769,693	17,769,693	17,769,693
6	Reversal of deferred tax asset		(12,576,719)	(12,743,385)	(12,910,052)	(13,076,719)	(13,243,385)	(13,410,052)	(13,576,719)	(13,743,385)	(13,910,052)	(14,076,719)	(14,243,385)	(14,410,052)	(14,410,052)
7	ADIT Pro-Rated		0.917808	0.841096	0.756164	0.673973	0.589041	0.506849	0.421918	0.336986	0.254795	0.169863	0.087671	0.002740	
8	Accumulated Deferred Income Taxes Fedederal & State		(38,679,251)	(38,803,206)	(38,914,621)	(39,013,926)	(39,100,717)	(39,175,397)	(39,237,564)	(39,287,216)	(39,324,759)	(39,349,787)	(39,362,704)	(39,363,108)	(39,363,108)
9	Ending Rate Base		167,213,300	166,436,919	165,639,145	164,853,481	164,080,331	163,319,291	162,570,766	161,834,754	161,110,853	160,399,466	159,700,189	159,013,426	159,013,426
10															
11	Average Rate Base		13,616,634	13,616,634	13,616,634	13,616,634	13,616,634	13,616,634	13,616,634	13,616,634	13,616,634	13,616,634	13,616,634	13,616,634	163,399,606
12															
13	Return on Rate Base		1,021,114	1,021,114	1,021,114	1,021,114	1,021,114	1,021,114	1,021,114	1,021,114	1,021,114	1,021,114	1,021,114	1,021,114	12,253,373
14															
15	Available for Return (equity portion of rate base)		664,437	664,437	664,437	664,437	664,437	664,437	664,437	664,437	664,437	664,437	664,437	664,437	7,973,249
16															
17	*EXPENSES*														
18	*O&M and Depreciation*														
19	Operating Costs		72,887	72,887	72,887	72,887	72,887	72,887	72,887	72,887	72,887	72,887	72,887	72,887	874,644
20	Property Tax		0	0	0	0	0	0	0	0	0	0	0	0	0
21	Book Depreciation		519,578	519,608	519,692	519,692	519,692	519,692	519,692	519,692	519,692	519,692	519,692	519,692	6,236,110
22	Total O&M and Depreciation Expense		592,465	592,495	592,579	592,579	592,579	592,579	592,579	592,579	592,579	592,579	592,579	592,579	7,110,754
23															
24	Income before Taxes														
25	Available for Return (from above)		664,437	664,437	664,437	664,437	664,437	664,437	664,437	664,437	664,437	664,437	664,437	664,437	7,973,249
26	Taxable Income (grossed up)	1.5385	1,022,211	1,022,211	1,022,211	1,022,211	1,022,211	1,022,211	1,022,211	1,022,211	1,022,211	1,022,211	1,022,211	1,022,211	12,266,536
27															
28	Income Taxes														
29	Current and Def Income Taxes	35.00%	357,774	357,774	357,774	357,774	357,774	357,774	357,774	357,774	357,774	357,774	357,774	357,774	4,293,288
30	Total Income Tax Expense		357,774	357,774	357,774	357,774	357,774	357,774	357,774	357,774	357,774	357,774	357,774	357,774	4,293,288
31															
32															
33	*REVENUE REQUIREMENTS*														
34	Expenses		950,239	950,269	950,353	950,353	950,353	950,353	950,353	950,353	950,353	950,353	950,353	950,353	11,404,041
35	Return on Rate Base		1,021,114	1,021,114	1,021,114	1,021,114	1,021,114	1,021,114	1,021,114	1,021,114	1,021,114	1,021,114	1,021,114	1,021,114	12,253,373
36	Subtotal Revenue Requirements		1,971,353	1,971,383	1,971,468	1,971,468	1,971,468	1,971,468	1,971,468	1,971,468	1,971,468	1,971,468	1,971,468	1,971,468	23,657,415
37	Adjustments														
38	Total Revenue Requirements		1,971,353	1,971,383	1,971,468	1,971,468	1,971,468	1,971,468	1,971,468	1,971,468	1,971,468	1,971,468	1,971,468	1,971,468	23,657,415
39															
40	Base Demand Factor	75.29%	1,484,232	1,484,254	1,484,318	1,484,318	1,484,318	1,484,318	1,484,318	1,484,318	1,484,318	1,484,318	1,484,318	1,484,318	17,811,668
41	Peak Demand Factor	24.71%	487,121	487,129	487,150	487,150	487,150	487,150	487,150	487,150	487,150	487,150	487,150	487,150	5,845,747
42															
43	South Dakota share - E1 factor	9.9710%	147,993	147,996	148,002	148,002	148,002	148,002	148,002	148,002	148,002	148,002	148,002	148,002	1,776,010
44	South Dakota share - D1 factor	9.9001%	48,226	48,226	48,228	48,228	48,228	48,228	48,228	48,228	48,228	48,228	48,228	48,228	578,736
45															
46	South Dakota Revenue Requirements		196,219	196,222	196,230	196,230	196,230	196,230	196,230	196,230	196,230	196,230	196,230	196,230	2,354,746

PUBLIC - TRADE SECRET DATA HAS BEEN EXCISED

Otter Tail Power Company
Air Quality Control System Project Revenue Requirement Calc
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Line No.															
	SUPPORTING INFORMATION / DATA														
1		**[TRADE SECRET BEGINS…**													
2															
3												**Property tax**			
4												2017 composite rate		0.00%	
5															
6							**…TRADE SECRET ENDS]**								
7		Total		100.00%		7.50%	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		519,578	519,608	519,692	519,692	519,692	519,692	519,692	519,692	519,692	519,692	519,692	519,692	6,236,110
22	Tax depreciation-Federal		940,672	940,672	940,672	940,672	940,672	940,672	940,672	940,672	940,672	940,672	940,672	940,672	11,288,061
23	Tax depreciation-State		940,672	940,672	940,672	940,672	940,672	940,672	940,672	940,672	940,672	940,672	940,672	940,672	11,288,061
24	Federal deferred income taxes	35.00%	(147,383)	(147,372)	(147,343)	(147,343)	(147,343)	(147,343)	(147,343)	(147,343)	(147,343)	(147,343)	(147,343)	(147,343)	(1,768,183)
25	State deferred income taxes		0	0	0	0	0	0	0	0	0	0	0	0	0