

Otter Tail Power Company (SD)
Electric Utility - South Dakota Retail Jurisdiction
Cost of Service Study
2016 Actuals

Current Income Tax Summary

	Total Company Electric	SD Retail Electric	All Others
Income Before Taxes			
Total Operating Revenues	\$420,781,626	\$34,977,059	\$385,804,567
less: Total Operating Expenses	(263,557,373)	(23,117,156)	(240,440,217)
Book Depreciation & Amortization	(50,551,060)	(4,709,563)	(45,841,498)
Taxes (Other Than Current Income)	(14,258,363)	(972,267)	(13,286,096)
Total Before Tax Book Income	\$92,414,829	\$6,178,073	\$86,236,756
less: Interest Cost	26,870,611	2,542,493	24,328,118
Net Income Before Tax	\$65,544,218	\$3,635,579	\$61,908,639
Federal Schedule M Adjustments			
Additional Tax Depreciation	\$11,631,746	\$983,306	\$10,648,440
Cost to Remove	2,896,437	244,854	2,651,583
Directly Assigned Schedule M Items	(162,148)	0	(162,148)
Accrued Vacation Pay	166,242	14,054	152,188
Charges - Operating Reserves	6,551,804	553,866	5,997,938
Provisions - Operating Reserves	(8,554,712)	(723,185)	(7,831,527)
Unbilled Revenues	0	0	0
Preferred Dividends Paid Credits	0	0	0
Other Schedule M Items	(1,271,524)	(107,490)	(1,164,034)
Total Schedule M Adjustments	\$11,257,845	\$965,405	\$10,292,440
Federal Adjusted Income Before Income Taxes	54,286,373	2,670,174	51,616,199
Less:			
Minnesota State Income Tax	2,007,625	0	2,007,625
North Dakota State Income Tax	822,027	0	822,027
Federal Taxable Income	51,456,721	2,670,174	48,786,546
Federal Tax Rate	35%	35%	35%
Federal Income Tax Before Credits	18,009,852	934,561	17,075,291
Investment Tax Credit - Debits Utilized	0	0	0
less: Current Federal Income Taxes transferred to Deferred Taxes due to Net Operating Loss	(13,614,412)	(934,561)	(12,679,852)
Federal Income Taxes	\$4,395,440	\$0	\$4,395,440
State Income Taxes			
Minnesota State Income Tax	2,007,625	0	2,007,625
North Dakota State Income Tax	822,027	0	822,027
Total Current Income Taxes	\$7,225,092	\$0	\$7,225,092