PUBLIC - TRADE SECRET DATA HAS BEEN EXCISED

Otter Tail Power Company
South Dakota Transmission Cost Recovery Rider
CAPX2020 Fargo-Monticello Revenue Requirements

Line No.			*Year>>*	2017 Actual March	2017 Actual April	2017 Actual May	2017 Actual June	2017 Actual July	2017 Actual August	2017 Actual September	2017 Projected October	2017 Projected November	2017 Projected December	2017 Projected Total	2018 Projected January	2018 Projected February
	RATE BASE															
1	Plant Balance			81,382,607	81,406,205	81,423,916	81,414,124	81,428,594	81,505,398	81,521,045	81,392,824	81,392,682	81,392,682	81,392,682	81,392,682	81,392,682
2	Accumulated Depreciation			(2,934,758)	(3,039,849)	(3,144,971)	(3,250,116)	(3,355,249)	(3,460,400)	(3,565,650)	(3,670,921)	(3,776,025)	(3,881,129)	(3,881,129)	(3,986,233)	(4,091,337)
3	Net Plant in Service			78,447,849	78,366,355	78,278,944	78,164,008	78,073,346	78,044,999	77,955,395	77,721,903	77,616,657	77,511,553	77,511,553	77,406,449	77,301,345
4	CWIP			(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
5	ADIT - NOL DTA			3,355,899	3,355,899	3,355,899	3,355,899	3,355,899	3,355,899	3,355,899	3,355,899	3,355,899	3,355,899	3,355,899		
6	Reversal of ADIT - NOL DTA			(2,667,155)	(2,743,682)	(2,820,209)	(2,896,736)	(2,973,263)	(3,049,790)	(3,126,317)	(3,202,844)	(3,279,371)	(3,355,899)	(3,355,899)		
7	ADIT Federal Proration Factors			1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		1.0000	1.0000
8	Accumulated Deferred Income Taxes Federal & State			(17,165,257)	(17,213,094)	(17,260,921)	(17,308,740)	(17,356,563)	(17,404,379)	(17,452,161)	(17,499,936)	(17,547,769)	(17,595,602)	(17,595,602)	(17,636,721)	(17,677,840)
9	Ending rate base			61,971,335	61,765,478	61,553,713	61,314,431	61,099,419	60,946,728	60,732,816	60,375,022	60,145,416	59,915,951	59,915,951	59,769,728	59,623,505
10																
11	OTP Load Percentage			9.766%	9.766%	9.766%	9.766%	9.766%	9.766%	9.766%	9.766%	9.766%	9.766%	9.766%	9.766%	9.766%
12	Remove Non-OTP Load Portion			(55,919,091)	(55,733,337)	(55,542,254)	(55,326,341)	(55,132,327)	(54,994,549)	(54,801,527)	(54,478,677)	(54,271,495)	(54,064,440)	(54,064,440)	(53,932,497)	(53,800,554)
13	Retail Ending Rate Base			6,052,245	6,032,140	6,011,459	5,988,090	5,967,091	5,952,179	5,931,288	5,896,345	5,873,922	5,851,512	5,851,512	5,837,231	5,822,951
14																
15	Average rate base			498,519	498,519	498,519	498,519	498,519	498,519	498,519	498,519	498,519	498,519	5,982,228	480,957	480,957
16																
17	Return on Rate Base			37,824	37,824	37,824	37,824	37,824	37,824	37,824	37,824	37,824	37,824	453,885	36,491	36,491
18																
19	Available for return (equity portion of rate base)			25,390	25,390	25,390	25,390	25,390	25,390	25,390	25,390	25,390	25,390	304,678	24,495	24,495
20																
21	*EXPENSES*															
22	*O&M and Depreciation*															
23	Operating Costs			0	0	5,161	0	0	1,413	0	0	0	6,314	45,048	0	0
24	Property Tax			127,044	127,044	127,044	127,044	127,044	127,044	127,044	127,044	127,044	127,044	1,524,526	126,837	126,837
25	Book Depreciation			105,167	105,092	105,122	105,145	105,132	105,151	105,250	105,271	105,104	105,104	1,261,978	105,104	105,104
26	Total O&M and Depreciation Expenses			232,210	232,135	237,327	232,189	232,176	233,608	232,294	232,314	232,148	238,462	2,831,551	231,941	231,941
27																
28	OTP Load Percentage			9.766%	9.766%	9.766%	9.766%	9.766%	9.766%	9.766%	9.766%	9.766%	9.766%	9.766%	9.766%	9.766%
29	Remove Non-OTP Load Portion			(209,532)	(209,465)	(214,149)	(209,513)	(209,501)	(210,793)	(209,608)	(209,626)	(209,476)	(215,173)	(2,555,016)	(209,289)	(209,289)
30	Retail O&M and Depreciation Expenses			22,678	22,671	23,178	22,676	22,675	22,815	22,686	22,688	22,672	23,289	276,535	22,652	22,652
31																
32	Income before Taxes															
33	Available for return (from above)			25,390	25,390	25,390	25,390	25,390	25,390	25,390	25,390	25,390	25,390	304,678	24,495	24,495
34	Taxable Income (grossed up)		1.53846	39,061	39,061	39,061	39,061	39,061	39,061	39,061	39,061	39,061	39,061	468,735	37,685	37,685
35																
36	Income Taxes															
37	Current and Def Income Taxes		35.00%	13,671	13,671	13,671	13,671	13,671	13,671	13,671	13,671	13,671	13,671	164,057	13,190	13,190
38	Total Income Tax Expense			13,671	13,671	13,671	13,671	13,671	13,671	13,671	13,671	13,671	13,671	164,057	13,190	13,190
39																
40																
41	*REVENUE REQUIRMENTS*															
42	Expenses			36,350	36,342	36,849	36,347	36,346	36,486	36,358	36,360	36,343	36,960	440,592	35,842	35,842
43	Return on rate base			37,824	37,824	37,824	37,824	37,824	37,824	37,824	37,824	37,824	37,824	453,885	36,491	36,491
44	Subtotal revenue requirements			74,173	74,166	74,673	74,171	74,170	74,310	74,181	74,183	74,167	74,784	894,477	72,333	72,333
45	Adjustments															
46	Transmission Revenue			0	0	0	0	0	0	0	0	0	0	0	0	0
47	Total revenue requirements			74,173	74,166	74,673	74,171	74,170	74,310	74,181	74,183	74,167	74,784	894,477	72,333	72,333
48																
49	South Dakota share - D2 factor		9.816%	7,281	7,280	7,330	7,280	7,280	7,294	7,281	7,282	7,280	7,341	87,799	7,100	7,100
50																
51	Gross Receipts Tax			10	10	10	10	10	10	10	10	10	10	119	10	10
52	Total South Dakota Share			7,290	7,290	7,340	7,290	7,290	7,304	7,291	7,291	7,290	7,350	87,918	7,110	7,110

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								2017 composite rate		1.87%		
5		Preferred equity												
6		Common equity				**...TRADE SECRET DATA ENDS]**								
7		Total	100.00%		7.59%	Overall Return								
8														
9			**Book**	**Tax**										
10		Project life (years)	50	15-year MACRS										
11						**SD Gross**								
12				**Fed Portion**	**State Portion**									
13		Statutory Tax Rate	35.00%	35.00%	0.00%	0.135%								
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		105,167	105,092	105,122	105,145	105,132	105,151	105,250	105,271	105,104	105,104	1,261,978	105,104	105,104
20	Tax depreciation-Federal		241,770	241,770	241,770	241,770	241,770	241,770	241,770	241,770	241,770	241,770	2,901,235	222,588	222,588
21	Tax depreciation-SD		241,770	241,770	241,770	241,770	241,770	241,770	241,770	241,770	241,770	241,770	2,901,235	222,588	222,588
22	Federal deferred income taxes	35.00%	(47,811)	(47,837)	(47,827)	(47,819)	(47,823)	(47,816)	(47,782)	(47,775)	(47,833)	(47,833)	(573,740)	(41,119)	(41,119)
23	State deferred income taxes	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0

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CAPX2020 Fargo-Monticello Revenue Requirements

Line No.	*Year>>*		2018 Projected March	2018 Projected April	2018 Projected May	2018 Projected June	2018 Projected July	2018 Projected August	2018 Projected September	2018 Projected October	2018 Projected November	2018 Projected December	2018 Projected Total	2019 Projected January	2019 Projected February
	RATE BASE														
1	Plant Balance		81,392,682	81,392,682	81,392,682	81,392,682	81,392,682	81,392,682	81,392,682	81,392,682	81,392,682	81,392,682	81,392,682	81,392,682	81,392,682
2	Accumulated Depreciation		(4,196,441)	(4,301,545)	(4,406,648)	(4,511,752)	(4,616,856)	(4,721,960)	(4,827,064)	(4,932,168)	(5,037,272)	(5,142,376)	(5,142,376)	(5,247,480)	(5,352,584)
3	Net Plant in Service		77,196,241	77,091,138	76,986,034	76,880,930	76,775,826	76,670,722	76,565,618	76,460,514	76,355,410	76,250,306	76,250,306	76,145,202	76,040,098
4	CWIP		(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
5	ADIT - NOL DTA														
6	Reversal of ADIT - NOL DTA														
7	ADIT Federal Proration Factors		0.9178	0.8356	0.7507	0.6685	0.5836	0.4986	0.4164	0.3315	0.2493	0.1644		0.0795	0.0027
8	Accumulated Deferred Income Taxes Federal & State		(17,715,580)	(17,749,940)	(17,780,808)	(17,808,296)	(17,832,292)	(17,852,795)	(17,869,919)	(17,883,550)	(17,893,802)	(17,900,561)	(17,900,561)	(17,903,218)	(17,903,309)
9	Ending rate base		59,480,661	59,341,197	59,205,225	59,072,633	58,943,534	58,817,926	58,695,699	58,576,963	58,461,608	58,349,744	58,349,744	58,241,984	58,136,788
10															
11	OTP Load Percentage		9.766%	9.766%	9.766%	9.766%	9.766%	9.766%	9.766%	9.766%	9.766%	9.766%	9.766%	9.766%	9.766%
12	Remove Non-OTP Load Portion		(53,671,661)	(53,545,817)	(53,423,125)	(53,303,482)	(53,186,990)	(53,073,650)	(52,963,359)	(52,856,220)	(52,752,130)	(52,651,192)	(52,651,192)	(52,553,955)	(52,459,033)
13	Retail Ending Rate Base		5,809,000	5,795,380	5,782,101	5,769,152	5,756,543	5,744,276	5,732,339	5,720,743	5,709,478	5,698,553	5,698,553	5,688,029	5,677,755
14															
15	Average rate base		480,957	480,957	480,957	480,957	480,957	480,957	480,957	480,957	480,957	480,957	5,771,481	468,958	468,958
16															
17	Return on Rate Base		36,491	36,491	36,491	36,491	36,491	36,491	36,491	36,491	36,491	36,491	437,895	35,581	35,581
18															
19	Available for return (equity portion of rate base)		24,495	24,495	24,495	24,495	24,495	24,495	24,495	24,495	24,495	24,495	293,944	23,884	23,884
20															
21	*EXPENSES*														
22	*O&M and Depreciation*														
23	Operating Costs		6,246	0	0	6,246	0	0	6,246	0	0	6,246	24,984	0	0
24	Property Tax		126,837	126,837	126,837	126,837	126,837	126,837	126,837	126,837	126,837	126,837	1,522,043	126,837	126,837
25	Book Depreciation		105,104	105,104	105,104	105,104	105,104	105,104	105,104	105,104	105,104	105,104	1,261,248	105,104	105,104
26	Total O&M and Depreciation Expenses		238,187	231,941	231,941	238,187	231,941	231,941	238,187	231,941	231,941	238,187	2,808,275	231,941	231,941
27															
28	OTP Load Percentage		9.766%	9.766%	9.766%	9.766%	9.766%	9.766%	9.766%	9.766%	9.766%	9.766%	9.766%	9.766%	9.766%
29	Remove Non-OTP Load Portion		(214,925)	(209,289)	(209,289)	(214,925)	(209,289)	(209,289)	(214,925)	(209,289)	(209,289)	(214,925)	(2,534,013)	(209,289)	(209,289)
30	Retail O&M and Depreciation Expenses		23,262	22,652	22,652	23,262	22,652	22,652	23,262	22,652	22,652	23,262	274,262	22,652	22,652
31															
32	Income before Taxes														
33	Available for return (from above)		24,495	24,495	24,495	24,495	24,495	24,495	24,495	24,495	24,495	24,495	293,944	23,884	23,884
34	Taxable Income (grossed up)	1.53846	37,685	37,685	37,685	37,685	37,685	37,685	37,685	37,685	37,685	37,685	452,222	36,745	36,745
35															
36	Income Taxes														
37	Current and Def Income Taxes	35.00%	13,190	13,190	13,190	13,190	13,190	13,190	13,190	13,190	13,190	13,190	158,278	12,861	12,861
38	Total Income Tax Expense		13,190	13,190	13,190	13,190	13,190	13,190	13,190	13,190	13,190	13,190	158,278	12,861	12,861
39															
40															
41	*REVENUE REQUIRMENTS*														
42	Expenses		36,452	35,842	35,842	36,452	35,842	35,842	36,452	35,842	35,842	36,452	432,539	35,513	35,513
43	Return on rate base		36,491	36,491	36,491	36,491	36,491	36,491	36,491	36,491	36,491	36,491	437,895	35,581	35,581
44	Subtotal revenue requirements		72,943	72,333	72,333	72,943	72,333	72,333	72,943	72,333	72,333	72,943	870,434	71,093	71,093
45	Adjustments														
46	Transmission Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
47	Total revenue requirements		72,943	72,333	72,333	72,943	72,333	72,333	72,943	72,333	72,333	72,943	870,434	71,093	71,093
48															
49	South Dakota share - D2 factor	9.816%	7,160	7,100	7,100	7,160	7,100	7,100	7,160	7,100	7,100	7,160	85,439	6,978	6,978
50															
51	Gross Receipts Tax		10	10	10	10	10	10	10	10	10	10	115	9	9
52	Total South Dakota Share		7,170	7,110	7,110	7,170	7,110	7,110	7,170	7,110	7,110	7,170	85,555	6,988	6,988

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									2018 composite	1.87%			
5		Preferred equity													
6		Common equity				**...TRADE SECRET DATA ENDS]**									
7		Total	100.00%		7.59%	Overall Return									
8															
9			**Book**	**Tax**											
10		Project life (years)	50	15-year MACRS											
11						**SD Gross**									
12				**Fed Portion**	**State Portion**										
13		Statutory Tax Rate	35.00%	35.00%	0.00%	0.135%									
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		105,104	105,104	105,104	105,104	105,104	105,104	105,104	105,104	105,104	105,104	1,261,248	105,104	105,104
20	Tax depreciation-Federal		222,588	222,588	222,588	222,588	222,588	222,588	222,588	222,588	222,588	222,588	2,671,056	200,637	200,637
21	Tax depreciation-SD		222,588	222,588	222,588	222,588	222,588	222,588	222,588	222,588	222,588	222,588	2,671,056	200,637	200,637
22	Federal deferred income taxes	35.00%	(41,119)	(41,119)	(41,119)	(41,119)	(41,119)	(41,119)	(41,119)	(41,119)	(41,119)	(41,119)	(493,433)	(33,437)	(33,437)
23	State deferred income taxes	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0