PUBLIC - TRADE SECRET DATA HAS BEEN EXCISED

Otter Tail Power Company
South Dakota Transmission Cost Recovery Rider
Rugby Wind Interconnection Revenue Requirements

Line No.		Year>>	2017 Actual Mar	2017 Actual Apr	2017 Actual May	2017 Actual Jun	2017 Actual Jul	2017 Actual Aug	2017 Actual Sep	2017 Projected Oct	2017 Projected Nov	2017 Projected Dec	2017 Projected Total	2018 Projected Jan	2018 Projected Feb
	RATE BASE														
1	Plant Balance (Station Equipment - 353)	Aug-11	394,399	394,399	394,399	394,399	394,399	394,399	394,399	394,399	394,399	394,399	394,399	394,399	394,399
2	Accumulated Depreciation		(34,807)	(35,320)	(35,833)	(36,345)	(36,858)	(37,371)	(37,884)	(38,397)	(38,909)	(39,422)	(39,422)	(39,935)	(40,448)
3	Net Plant in Service		359,592	359,079	358,566	358,054	357,541	357,028	356,515	356,002	355,489	354,977	354,977	354,464	353,951
	CWIP Calculation:														
	Beginning Balance		0	0	0	0	0	0	0	0	0	0		0	0
	Additional CWIP														
	Closings from CWIP														
	AFUDC														
4	CWIP (Project #103897)	103897	0	0	0	0	0	0	0	0	0	0	0	0	0
5	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
6	Accumulated Deferred Income Taxes Federal & State		(115,519)	(115,340)	(115,160)	(114,981)	(114,801)	(114,622)	(114,442)	(114,263)	(114,083)	(113,904)	(113,904)	(113,724)	(113,545)
7	Ending rate base		244,073	243,739	243,406	243,073	242,739	242,406	242,073	241,739	241,406	241,073	241,073	240,740	240,406
8															
9	OTP Load Percentage		17.040%	17.040%	17.040%	17.040%	17.040%	17.040%	17.040%	17.040%	17.040%	17.040%	17.040%	17.040%	17.040%
10	Remove Non-OTP Load Portion		(202,483)	(202,206)	(201,930)	(201,653)	(201,377)	(201,100)	(200,824)	(200,547)	(200,271)	(199,994)	(199,994)	(199,717)	(199,441)
11	Retail Ending Rate Base		41,590	41,533	41,476	41,420	41,363	41,306	41,249	41,192	41,136	41,079	41,079	41,022	40,965
12															
13	Average rate base		3,452	3,452	3,452	3,452	3,452	3,452	3,452	3,452	3,452	3,452	41,420	3,391	3,391
14															
15	Return on Rate Base		262	262	262	262	262	262	262	262	262	262	3,143	257	257
16															
17	Available for return (equity portion of rate base)		176	176	176	176	176	176	176	176	176	176	2,110	173	173
18															
19	*EXPENSES*														
20	*O&M and Depreciation*														
21	Operating Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
22	Property Tax		256	256	256	256	256	256	256	256	256	256	3,076	256	256
23	Book Depreciation		513	513	513	513	513	513	513	513	513	513	6,154	513	513
24	Total O&M and Depreciation Expense		769	769	769	769	769	769	769	769	769	769	9,230	769	769
25															
26	OTP Load Percentage		17.040%	17.040%	17.040%	17.040%	17.040%	17.040%	17.040%	17.040%	17.040%	17.040%	17.040%	17.040%	17.040%
27	Remove Non-OTP Load Portion		(638)	(638)	(638)	(638)	(638)	(638)	(638)	(638)	(638)	(638)	(7,657)	(638)	(638)
28	Retail O&M and Depreciation Expenses		131	131	131	131	131	131	131	131	131	131	1,573	131	131
29															
30	Income before Taxes														
31	Available for return (from above)		176	176	176	176	176	176	176	176	176	176	2,110	173	173
32	Taxable Income (grossed up)	1.5385	270	270	270	270	270	270	270	270	270	270	3,245	266	266
33															
34	Income Taxes														
35	Current and Def Income Taxes	35.00%	95	95	95	95	95	95	95	95	95	95	1,136	93	93
36	Total Income Tax Expense		95	95	95	95	95	95	95	95	95	95	1,136	93	93
37															
38															
39	*REVENUE REQUIRMENTS*														
40	Expenses		226	226	226	226	226	226	226	226	226	226	2,709	224	224
41	Return on rate base		262	262	262	262	262	262	262	262	262	262	3,143	257	257
42	Subtotal revenue requirements		488	488	488	488	488	488	488	488	488	488	5,851	481	481
43	Adjustments														
44	Transmission Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
45	Total revenue requirements		488	488	488	488	488	488	488	488	488	488	5,851	481	481
46															
47	South Dakota share - D2 factor	9.82%	48	48	48	48	48	48	48	48	48	48	574	47	47
48															
49	Gross Receipts Tax		0	0	0	0	0	0	0	0	0	0	1	0	0
50	Total South Dakota Share		48	48	48	48	48	48	48	48	48	48	575	47	47

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		0.78%		
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		513	513	513	513	513	513	513	513	513	513	6,154	513	513
20	Tax depreciation-Federal		0	0	0	0	0	0	0	0	0	0	0	0	0
21	Tax depreciation-SD		0	0	0	0	0	0	0	0	0	0	0	0	0
22	Federal deferred income taxes	35.00%	179	179	179	179	179	179	179	179	179	179	2,154	179	179
23	State deferred income taxes	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0

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Rugby Wind Interconnection Revenue Requirements

Line No.		Year>>	2018 Projected Mar	2018 Projected Apr	2018 Projected May	2018 Projected Jun	2018 Projected Jul	2018 Projected Aug	2018 Projected Sep	2018 Projected Oct	2018 Projected Nov	2018 Projected Dec	2018 Projected Total	2019 Projected Jan	2019 Projected Feb
	RATE BASE														
1	Plant Balance (Station Equipment - 353)	Aug-11	394,399	394,399	394,399	394,399	394,399	394,399	394,399	394,399	394,399	394,399	394,399	394,399	394,399
2	Accumulated Depreciation		(40,961)	(41,474)	(41,986)	(42,499)	(43,012)	(43,525)	(44,038)	(44,550)	(45,063)	(45,576)	(45,576)	(46,089)	(46,602)
3	Net Plant in Service		353,438	352,925	352,413	351,900	351,387	350,874	350,361	349,848	349,336	348,823	348,823	348,310	347,797
	CWIP Calculation:														
	Beginning Balance		0	0	0	0	0	0	0	0	0	0		0	0
	Additional CWIP														
	Closings from CWIP														
	AFUDC														
4	CWIP (Project #103897)	103897	0	0	0	0	0	0	0	0	0	0	0	0	0
5	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
6	Accumulated Deferred Income Taxes Federal & State		(113,380)	(113,230)	(113,095)	(112,975)	(112,871)	(112,781)	(112,706)	(112,647)	(112,602)	(112,573)	(112,573)	(112,558)	(112,558)
7	Ending rate base		240,058	239,695	239,317	238,924	238,516	238,093	237,655	237,202	236,733	236,250	236,250	235,752	235,239
8															
9	OTP Load Percentage		17.040%	17.040%	17.040%	17.040%	17.040%	17.040%	17.040%	17.040%	17.040%	17.040%	17.040%	17.040%	17.040%
10	Remove Non-OTP Load Portion		(199,152)	(198,851)	(198,538)	(198,212)	(197,873)	(197,522)	(197,158)	(196,782)	(196,394)	(195,993)	(195,993)	(195,580)	(195,155)
11	Retail Ending Rate Base		40,906	40,844	40,780	40,713	40,643	40,571	40,496	40,419	40,339	40,257	40,257	40,172	40,085
12															
13	Average rate base		3,391	3,391	3,391	3,391	3,391	3,391	3,391	3,391	3,391	3,391	40,695	3,318	3,318
14															
15	Return on Rate Base		257	257	257	257	257	257	257	257	257	257	3,088	252	252
16															
17	Available for return (equity portion of rate base)		173	173	173	173	173	173	173	173	173	173	2,073	169	169
18															
19	*EXPENSES*														
20	*O&M and Depreciation*														
21	Operating Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
22	Property Tax		256	256	256	256	256	256	256	256	256	256	3,076	256	256
23	Book Depreciation		513	513	513	513	513	513	513	513	513	513	6,154	513	513
24	Total O&M and Depreciation Expense		769	769	769	769	769	769	769	769	769	769	9,230	769	769
25															
26	OTP Load Percentage		17.040%	17.040%	17.040%	17.040%	17.040%	17.040%	17.040%	17.040%	17.040%	17.040%	17.040%	17.040%	17.040%
27	Remove Non-OTP Load Portion		(638)	(638)	(638)	(638)	(638)	(638)	(638)	(638)	(638)	(638)	(7,657)	(638)	(638)
28	Retail O&M and Depreciation Expenses		131	131	131	131	131	131	131	131	131	131	1,573	131	131
29															
30	Income before Taxes														
31	Available for return (from above)		173	173	173	173	173	173	173	173	173	173	2,073	169	169
32	Taxable Income (grossed up)	1.5385	266	266	266	266	266	266	266	266	266	266	3,189	260	260
33															
34	Income Taxes														
35	Current and Def Income Taxes	35.00%	93	93	93	93	93	93	93	93	93	93	1,116	91	91
36	Total Income Tax Expense		93	93	93	93	93	93	93	93	93	93	1,116	91	91
37															
38															
39	*REVENUE REQUIRMENTS*														
40	Expenses		224	224	224	224	224	224	224	224	224	224	2,689	222	222
41	Return on rate base		257	257	257	257	257	257	257	257	257	257	3,088	252	252
42	Subtotal revenue requirements		481	481	481	481	481	481	481	481	481	481	5,776	474	474
43	Adjustments														
44	Transmission Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
45	Total revenue requirements		481	481	481	481	481	481	481	481	481	481	5,776	474	474
46															
47	South Dakota share - D2 factor	9.82%	47	47	47	47	47	47	47	47	47	47	567	47	47
48															
49	Gross Receipts Tax		0	0	0	0	0	0	0	0	0	0	1	0	0
50	Total South Dakota Share		47	47	47	47	47	47	47	47	47	47	568	47	47

Line No.														
	SUPPORTING INFORMATION / DATA													
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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 rate		0.78%		
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7		Total	100.00%		7.59%	Overall Return								
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16		SD share - D2 factor	9.8157%											
17														
18	**Deferred Tax**													
19	Book depreciation		513	513	513	513	513	513	513	513	513	513	6,154	513	513
20	Tax depreciation-Federal		0	0	0	0	0	0	0	0	0	0	0	0	0
21	Tax depreciation-SD		0	0	0	0	0	0	0	0	0	0	0	0	0
22	Federal deferred income taxes	35.00%	179	179	179	179	179	179	179	179	179	179	2,154	179	179
23	State deferred income taxes	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0