

Otter Tail Power Company
Docket EL18-021
Cost of Capital
Adjusted Test Year Ended December 31, 2017

Line	Component (a)	Capital Structure (b)	% of Total (c)	Cost (d)	Weighted Cost (e)
1	Long Term Debt	\$512,000,000	47.08%	5.22%	2.46%
2	Common Equity	\$575,490,161	52.92%	8.75%	4.63%
3	Total	\$1,087,490,161	100.00%		7.09%
Long Term Debt Cost:		Amount	Rate	Annual Cost	
4	4.630% Series for 2021	\$ 140,000,000	4.63%	\$ 6,482,000	
5	6.150% Unsecured Series B 2022 Senior Notes	30,000,000	6.15%	1,845,000	
6	6.370% Unsecured Series C 2027 Senior Notes	42,000,000	6.37%	2,675,400	
7	6.470% Series D 2037 Unsecured Senior Notes	50,000,000	6.47%	3,235,000	
8	4.070% Unsecured Series A 2048 Senior Notes	100,000,000	4.07%	4,070,000	
9	4.680% 2029 Series Bonds	60,000,000	4.68%	2,808,000	
10	5.470% 2044 Series Bonds	90,000,000	5.47%	4,923,000	
11	Amort. Of Debt Disc. & Exp. & Loss on Required Debt			705,079	
12	Total Long Term Debt	\$ 512,000,000	5.22%	\$ 26,743,479	

Sources:

Long Term Debt Amounts and Costs: Volume 4A, Section 3, Exhibit___(KGM-1), Schedule D-2 workpaper

Common Equity Amount: Call from Pete Beithon to Brittany Mehlhaff on 01/30/2019

Return on Equity: Commission Decision 05/14/2019