OTTER TAIL POWER COMPANY
TEST YEAR ADJUSTMENTS
Reference Workpaper for 2017 SD TY-01 and

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> TY-01 SD Share

Otter Tail Power Company Normalized Plant in Service 2017 Test Year

ADJUSTMENT TO ANNUALIZE DEPRECIATION & OTHER OPERATING EXPENSE ON CURRENT & FUTURE CAPITAL PROJECTS (A) (B) (C) (D) (E)

Line No.	Depreciation Expense	System-Wide	Allocation Factor	Allocation Percentage	SD Test-Year Amount	TAA C-8 Reference
1	Additions Intangible	1,949,530	P90	9.224266%	179,830	
2	Total Depreciation Expense Additions	\$1,949,530			\$179,830	Col (B); Line 12
3	AFUDC in L-T CWIP Removed	0	CWIPLT	0.000000%		
4	Operating Income Impact	(\$1,949,530)			(\$179,830)	
5	ND Tax Rate	37.80%				
6	Income Tax Impact	(\$736,952)			(\$67,978)	Col (B); Line 19
7	Net Operating Income Impact	(\$1,212,579)			(\$111,851)	Col (B); Line 23

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> TY-01 SD Share

ADJUSTMENT TO ANNUALIZE PLANT-IN-SERVICE ON CURRENT AND FUTURE CAPITAL PROJECTS

		(A)	(B)	(C)	(D)	(E)
Line No.	Plant-in-Service	System-Wide	Allocation Factor	Allocation Percentage	SD Test-Year Amount	TAA B-2 Reference
2	Additions & Retirements Intangible	\$19,495,303	P90	9.224266%	\$1,798,299	Col (E); Line 5
4	Total Plant-in-Service Additions	\$19,495,303	=		\$1,798,299	Col (E); Line 6
5 6 7	Accumulated Depreciation Additions & Retirements Intangible	System-Wide (1,949,530)	Allocation Factor	Allocation Percentage 9.224266%	SD Test-Year Amount (179,830)	Col (E); Line 10
8	Total A/D Additions	(\$1,949,530)			(\$179,830)	Col (E); Line 12
9	L-T Construction Work-in-Progress Transfers	System-Wide	Allocation Factor	Allocation Percentage	SD Test-Year Amount	
11	Intangible	0	P90	9.224266%	0	
12	Total CWIP Transfers	(\$1)			\$0	Col (E); Line 21

Customer Information System

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16 17

18

TY-01 SD Share

	(A)	(B)	(C)	(D)	(E)	(F)	
Proje ine No.	ects Moved f	from CWIP @ 12/31/17 to Capitalized Accounts Duri Project Description	ing 2018 Function	Amount in CWIP @ 12/31/17	Additional Charges Incurred During 2018	Total Project Costs	
1		Customer Information System	Intangible	11,446,138	8,049,165	19,495,303	
3				\$11,446,138	\$8,049,165	\$19,495,303	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
ine	Year Adjustr	nent to CWIP to Transfer Project Costs to Capitaliz Project Description	ed Accounts Function	Simple Average Avg CWIP @ 12/31/18	NO CWIP to remove SD does not allow LT CWIP		NO AFUDC to Remove SD does not allow
4 5		Customer Information System	Intangible	13,845,679	0		0
6		Total 2017 Test Year Adjustment to CWIP		\$13,845,679	\$0		\$0
est `	(A) Year Adiustr	(B) nent to Plant in Service to Transfer Project Costs to	(C)	(D)	(E)	(F)	(G)
ine	Project	Project Description	Function	Amount Capitalized @ 12/31/18	13-Month Average Plant-in-Service @ 12/31/18	Difference	2018 Test Year Plant-in-Service Adjustment
7 8		Customer Information System	Intangible	19,495,303	0	19,495,303	19,495,303
9				\$19,495,303	\$0	\$19,495,303	\$19,495,303
10				Total 2017 Test Yea	ar Adjustment to Plant in S	Service	\$19,495,303
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
est ` .ine No.	Year Adjustn	nent to Accumulated Depreciation to Reflect Increa Project Description	se in Plant in Service	Annualized Accumulated Depreciation	13-Month Average Plant-in-Service @ 12/31/18	Difference	2018 Test Year A/D Adjustment
11 12		Customer Information System	Intangible	(1,949,530)	0	(1,949,530)	(1,949,530)
13				(\$1,949,530)	\$0	(\$1,949,530)	(\$1,949,530)
14				Total 2017 Test Yea	(\$1,949,530)		
004	(A)	(B)	(C)	(D)	(E)	(F)	(G)
_ine No.	Project	nent Depreciation Expense to Reflect Increase in P Project Description	Function	Supplemental Depreciation Expense 2018	13-Month Average Plant-in-Service @ 12/31/18	Difference	2018 Test Year Expense Adjustment

Intangible

Total 2017 Test Year Adjustment to Depreciation Expense

1,949,530

\$1,949,530

0

\$0

1,949,530

\$1,949,530

1,949,530

\$1,949,530

\$1,949,530