OTTER TAIL POWER COMPANY Electric Utility - State of South Dakota

Docket No. EL18-___ Exhibit ___(KGM-1), Schedule 2 Page 1 of 1

PROPOSED COST OF CAPITAL FOR 2017 TEST YEAR

	(A)	(B)	(C)	(D)	(E) Weighted
Line			Percent	Cost of	Cost of
No.	Capitalization	Amount	of Total	Capital	Capital
1	Long term debt	496,615,385	46.90%	5.30%	2.49%
2	Common equity	\$562,251,845	53.10%	10.30%	5.47%
3	Total Capitalization	1,058,867,229	100.00%		7.96%