

Otter Tail Power Company (SD)
Electric Utility - South Dakota Retail Jurisdiction
Cost of Service Study
2018 Actuals

Current Income Tax Summary

	Total Company Electric	SD Retail Electric	All Others
Income Before Taxes			
Total Operating Revenues	\$447,121,144	\$36,573,743	\$410,547,401
less: Total Operating Expenses	(289,425,502)	(26,306,446)	(263,119,055)
Book Depreciation & Amortization	(52,541,097)	(4,921,348)	(47,619,749)
Taxes (Other Than Current Income)	(15,577,084)	(950,152)	(14,626,932)
Total Before Tax Book Income	\$89,577,461	\$4,395,797	\$85,181,664
less: Interest Cost	28,207,157	2,596,435	25,610,722
Net Income Before Tax	\$61,370,304	\$1,799,362	\$59,570,942
Federal Schedule M Adjustments			
Additional Tax Depreciation	(\$13,362,674)	(\$1,067,656)	(\$12,295,018)
Cost to Remove	3,150,465	251,717	2,898,748
Directly Assigned Schedule M Items	0	0	0
Accrued Vacation Pay	(54,913)	(4,387)	(50,526)
Charges - Operating Reserves	6,121,350	489,086	5,632,264
Provisions - Operating Reserves	(10,370,579)	(828,593)	(9,541,987)
Unbilled Revenues	0	0	0
Preferred Dividends Paid Credits	0	0	0
Other Schedule M Items	7,775,137	621,221	7,153,916
Total Schedule M Adjustments	(\$6,741,214)	(\$538,612)	(\$6,202,602)
Federal Adjusted Income Before Income Taxes	68,111,518	2,337,975	65,773,543
Less:			
Minnesota State Income Tax	1,715,152	0	1,715,152
North Dakota State Income Tax	900,559	0	900,559
Federal Taxable Income	65,495,807	2,337,975	63,157,833
Federal Tax Rate	21%	21%	21%
Federal Income Tax Before Credits	13,754,120	490,975	13,263,145
Investment Tax Credit - Debits Utilized	0	0	0
less: Current Federal Income Taxes transferred to Deferred Taxes due to Net Operating Loss	(1,899,796)	(490,975)	(1,408,821)
Federal Income Taxes	\$11,854,324	(\$0)	\$11,854,324
State Income Taxes			
Minnesota State Income Tax	1,715,152	0	1,715,152
North Dakota State Income Tax	900,559	0	900,559
Total Current Income Taxes	\$14,470,034	(\$0)	\$14,470,035