

Otter Tail Power Company South Dakota Phase-In Rider Hoot Lake Plant Adjustment				
Line No.	A Year>>	B		
		2017 Test Year	C 2021 Estimating May 31, 2021 HLP Closure	D 2022 Projected
<b>RATE BASE</b>				
1	Ending Plant in Service	60,750,486	28,556,349	1,121,269
2	Ending Accumulated Depreciation	51,130,609	37,823,937	11,830,130
3	Ending Net Plant	9,619,877	(9,267,588)	(10,708,861)
4				
5	Accumulated Deferred Income Taxes Federal & State	(8,487,919)	(5,516,228)	(57,109)
6	Rate Base - 13 Month Average	1,131,958	(14,783,816)	(10,785,970)
7				
8	Rate Base Revenue Requirement	8.32%	8.32%	8.32%
9	Return on Rate Base (OTP Total)	94,179	(1,230,013)	(895,729)
10				
11	South Dakota Share - Blended Base Peak Split	9.34%	9.34%	9.34%
12	Return on Rate Base (OTP SD)	8,798	(114,903)	(83,676)
13				
<b>EXPENSES</b>				
14	<b>O&amp;M and Depreciation</b>			
15	Operations and Maintenance	6,494,869	3,543,056	970,000
16	Property Tax	1,127,368	878,000	233,000
17	Annual Depreciation Expense	3,424,774	5,568,187	1,410,711
18	Total O&M and Depreciation Expense	11,047,631	9,989,243	2,613,711
19				
20				
21	South Dakota Share - Blended Base Peak Split	9.34%	9.34%	9.34%
22	O&M (OTP SD)	1,032,029	933,158	244,163
23				
24	<b>REVENUE REQUIREMENTS</b>			
25	Total 2017 TY Revenue Requirements (OTP SD)	1,040,827	818,255	160,488
26				
27	Revenue Shareback		(222,572)	(880,339)

South Dakota				
28	<b>Tax Rate</b>	21.00%		
29		2017 TY COSS		
30	<b>Capital Structure</b>	Rate	Ratio	Cost Weighted Debt Cost
31	LT Debt	5.2200%	47.08%	2.46%
32	ST Debt	0.0000%	0.00%	0.00%
33	Common Equity	8.7500%	52.92%	4.63%
34	Required Rate of Return			7.09%
35	Equity Return Tax Revenue Requirement			1.23%
36	<b>Rate Base Revenue Requirement Factor</b>			<b>8.32%</b>
37				
38				
39	Gross Up Factor	1.26582	Gross Up of Equity %	5.86%
40		1 / (1 - Tax Rate)	Equity %	4.63%
41			Difference	1.23%
42				
43	OTP SD Share (blended base peak split)	9.34%		
44	Base Demand Factor	81.51%		
45	Peak Demand Factor	18.49%		
46	SD share - E1 factor	9.36%		
47	SD share - D1 factor	9.24%		
48				
49				