

**Otter Tail Corporation d/b/a OTTER TAIL POWER COMPANY**  
**Assets and Other Debits**

**Statement A**  
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| Line No.                                | (A)  | (B)         | (C)              | (D)              |
|---|--|-------------|------------------|------------------|
|   | Description                                  | FERC Acct # | December 31 2007 | December 31 2006 |
| <b>Utility Plant</b>                    |  |             |                  |                  |
| 1                                       | Electric Plant in Service                    | 101         | \$ 956,823,748   | \$ 929,011,919   |
| 2                                       | Held for Future Use                          | 105         | 29,656           | 29,656           |
| 3                                       | Completed Construction Not Classified        | 106         | 70,416,600       | -                |
| 4                                       | Construction Work in Progress                | 107         | 33,772,360       | 18,502,442       |
| 5                                       | Gross Utility Plant                          |             | 1,061,042,364    | 947,544,017      |
| 6                                       | Accum Prov for Depreciation and Amortization | 108,111     | (445,215,922)    | (432,446,374)    |
| 7                                       | Elec Plant Acquisition Adj.                  | 114         | 1,647,128        | 1,647,128        |
| 8                                       | Accum. Prov. For Amort. Of Acq Adj           | 115         | (1,259,522)      | (1,210,585)      |
| 9                                       | Total Utility Plant                          |             | 616,214,048      | 515,534,186      |
| <b>Other Property &amp; Investments</b> |  |             |                  |                  |
| 10                                      | Nonutility Property                          | 121         | 724,247          | 680,799          |
| 11                                      | Res for Depr-Non-Utility Property            | 122         | -                | -                |
| 12                                      | Net Non-Utility Property                     |             | 724,247          | 680,799          |
| 13                                      | Long Term Notes Receivable                   | 124         | 1,185,102        | 1,098,265        |
| 14                                      | Other Investments                            | 128         | -                | -                |
| 15                                      | Total Other Property & Investments           |             | 1,909,349        | 1,779,064        |
| <b>Current and Accrued Assets</b>       |  |             |                  |                  |
| 16                                      | Cash   | 131         | 23,367           | 43,413           |
| 17                                      | Special Deposits                             | 132-134     | 1,077,734        | 1,300,137        |
| 18                                      | Working Funds                                | 135         | 22,405           | 22,880           |
| 19                                      | Temporary Cash Investments                   | 136         | 22,435,436       | 303,042          |
| 20                                      | Notes & Accts Receivable - Net               | 141-145,173 | 55,629,188       | 49,494,620       |
| 21                                      | Accounts Receivable Assoc Company            | 146         | 172,624          | 156,190          |
| 22                                      | Fuel Stock                                   | 151         | 8,798,580        | 7,467,638        |
| 23                                      | Materials & Supplies                         | 154-163     | 13,775,037       | 12,401,519       |
| 24                                      | Prepayments                                  | 165         | 152,359          | 165,943          |
| 25                                      | Other Current Assets                         | 174,176     | 8,404            | 115              |
| 26                                      | Derivative Instrument Assets                 | 175         | 5,210,365        | 2,214,914        |
| 27                                      | Total Current & Accrued Assets               |             | 107,305,499      | 73,570,412       |
| <b>Deferred Debits</b>                  |  |             |                  |                  |
| 28                                      | Unamortized Debt Expense                     | 181         | 587,853          | -                |
| 29                                      | Preliminary Survey                           | 183         | -                | -                |
| 30                                      | Miscellaneous Debits                         | 184-187     | 612,707          | 1,180,555        |
| 31                                      | Other Regulatory Assets                      | 182.3       | 38,211,758       | 49,238,541       |
| 32                                      | Unamortized Loss on Reacquired Bond          | 189         | 3,745,436        | 2,693,812        |
| 33                                      | Deferred Income Taxes                        | 190         | 48,768,820       | 34,274,916       |
| 34                                      | Total Deferred Debits                        |             | 91,926,574       | 87,387,824       |
| 35                                      | Total Assets and Other Debits                |             | \$ 817,355,470   | \$ 678,271,486   |

**Otter Tail Corporation d/b/a OTTER TAIL POWER COMPANY**  
**Liabilities and Other Credits**

**Statement A**  
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| Line No.                                 | (A)<br>Description                            | (B)<br>FERC Acct # | (C)<br>December 31<br>2007 | (D)<br>December 31<br>2006 |
|--|---|--------------------|----------------------------|----------------------------|
| <b>Proprietary Capital</b>               |   |                    |                            |                            |
| 1  | Common Stock Issued                           | 201                | \$ -                       | \$ -                       |
| 2  | Preferred Stock Issued                        | 204                | 15,500,000                 | 15,500,000                 |
| 3  | Premium on Capital Stock                      | 207                | -                          | -                          |
| 4  | Other Paid-In Capital                         | 208-211            | 149,582,173                | 91,445,258                 |
| 5  | Capital Stock Expense                         | 214                | -                          | -                          |
| 6  | Retained Earnings                             | 215-216.1, 436-438 | 123,350,695                | 127,412,721                |
| 7  | Other Comprehensive Income                    | 219                | (2,317,621)                | (2,542,691)                |
| 8  | Total Proprietary Capital                     |                    | <u>286,115,247</u>         | <u>231,815,288</u>         |
| <b>Long-Term Debt</b>                    |   |                    |                            |                            |
| 9  | Bonds   | 221                | 199,890,000                | 166,975,000                |
| 10                                       | Other Long-Term Debt                          | 224                | -                          | -                          |
| 11                                       | Total Long-Term Debt                          |                    | <u>199,890,000</u>         | <u>166,975,000</u>         |
| <b>Other Noncurrent Liabilities</b>      |   |                    |                            |                            |
| 12                                       | Accumulated Provision for Injuries & Damages  | 228.2              | 763,829                    | 786,829                    |
| 13                                       | Accumulated Provision for Pensions & Benefits | 228.3              | 74,467,970                 | 80,670,116                 |
| 14                                       | Accumulated Provision for Rate Refunds        | 229                | 805,000                    | -                          |
| 15                                       | Asset Retirement Obligations                  | 230                | 2,447,170                  | 1,334,977                  |
| 16                                       | Total Other Noncurrent Liabilities            |                    | <u>78,483,970</u>          | <u>82,791,922</u>          |
| <b>Current &amp; Accrued Liabilities</b> |   |                    |                            |                            |
| 17                                       | Notes Payable                                 | 231                | -                          | 3,900,000                  |
| 18                                       | Accounts Payable                              | 232                | 69,572,052                 | 28,150,690                 |
| 19                                       | Notes Payable Assoc Company                   | 233                | -                          | 953                        |
| 20                                       | Accounts Pay. Assoc Company                   | 234                | 1,788,681                  | 597,733                    |
| 21                                       | Customer Deposits                             | 235                | 770,506                    | 804,366                    |
| 22                                       | Taxes Accrued                                 | 236                | 12,678,529                 | 12,407,513                 |
| 23                                       | Interest Accrued                              | 237                | 2,029,447                  | 1,816,155                  |
| 24                                       | Tax Collections Payable                       | 241                | 917,231                    | 881,770                    |
| 25                                       | Misc Current & Accrued Liabilities            | 242                | 897,385                    | 1,301,188                  |
| 26                                       | Derivative Instrument Liabilities             | 244                | 5,077,975                  | 2,011,377                  |
| 27                                       | Total Current & Accrued Liabilities           |                    | <u>93,731,806</u>          | <u>51,871,744</u>          |
| <b>Deferred Credits</b>                  |   |                    |                            |                            |
| 28                                       | Customer Advance for Construction             | 252                | -                          | -                          |
| 29                                       | Other Deferred Credits                        | 253,257            | 171,527                    | 13,203,421                 |
| 30                                       | Other Regulatory Liabilities                  | 254                | 17,235,022                 | 5,378,955                  |
| 31                                       | Acc Deferred Inv Tax Credits                  | 255                | 16,761,505                 | 8,180,661                  |
| 32                                       | Acc Def Inc Taxes - Property                  | 281,282            | 123,057,760                | 116,055,244                |
| 33                                       | Acc Def Inc Taxes - Other                     | 283                | 1,908,633                  | 1,999,251                  |
| 34                                       | Total Deferred Credits                        |                    | <u>159,134,447</u>         | <u>144,817,531</u>         |
| 35                                       | Total Liabilities and Other Credits           |                    | <u>\$ 817,355,470</u>      | <u>\$ 678,271,486</u>      |