

Otter Tail Corporation d/b/a Otter Tail Power Company
Cost of Capital
13 Month Average for 2007
(Used in this case)

Statement G
Lead Sheet
Page 1 of 5

	(A)	(B)	(C)	(D)	(E)
Line No.	Description	Amount	Percent of Total	Cost	Weighted Cost
1	Short Term Debt	\$12,154,247	2.82%	5.85%	0.17%
2	Long Term Debt	173,571,466	40.28%	6.33%	2.55%
3	Preferred Equity	15,500,000	3.60%	4.75%	0.17%
4	Common Equity	229,633,133	53.30%	11.25%	6.00%
		<u>\$430,858,846</u>	<u>100.00%</u>		<u>8.89%</u>

NOTE: Details for the 13 month average are in Volume 4A of the Work Papers. See JCOSS Work Papers D-1, D-2, and D-3.

Otter Tail Corporation d/b/a Otter Tail Power Company
Cost of Capital
December 31, 2007

Statement G
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	(A)	(B)	(C)	(D)	(E)
Line No.	Description	Amount	Percent of Total	Cost	Weighted Cost
1	Short Term Debt	\$0	0.00%		0.00%
2	Long Term Debt (1)	199,890,000	41.13%	5.94%	2.44%
3	Preferred Equity	15,500,000	3.19%	4.75%	0.15%
4	Common Equity (2)	270,615,247	55.68%	11.25%	6.26%
		<u>\$486,005,247</u>	<u>100.00%</u>		<u>8.86%</u>
5	(1) Statement G, Page 2.				
6	(2) Common Equity:				
7	Common Stock Issued		\$0		
8	Premium on capital Stock		-		
9	Other Paid-in Capital		149,582,173		
10	Capital Stock Expense		-		
11	Accumulated Other Comprehensive Income/(Loss)		(2,317,621)		
12	Retained Earnings		123,350,695		
13	Common Equity		<u>\$270,615,247</u>		

Otter Tail Corporation d/b/a Otter Tail Power Company
 Cost of Capital
 For the Year Ended December 31, 2007

Statement G
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	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
Line No.	Title	Issue	Maturity	Amount Issued	Interest Rate	Net Proceeds Amount	Per Unit	Yield to Maturity	Cost of Money	Principal Outstanding	Annual Cost
	Long Term Debt:										
1	Series 2017	10/1/2002	10/1/2017	40,000,000	6.086%	40,000,000.00	\$1.00	6.086%	6.086%	0	1,920,471
2	Series 2032	11/1/2002	10/1/2032	20,000,000	6.919%	20,000,000.00	\$1.00	6.919%	6.919%	0	1,091,664
3	Series 2007 Sr. Debentures	11/21/1997	12/1/2007	50,000,000	6.375%	50,000,000.00	\$1.00	6.375%	6.375%	0	2,021,938
4	Series 2011	12/28/2001	12/1/2011	36,000,000	6.700%	36,000,000.00	\$1.00	6.700%	6.700%	36,000,000	2,412,000
5	Series 2012 PCR (1)	12/15/1993	12/1/2012	10,400,000	3.970%	10,400,000.00	\$1.00	3.970%	3.970%	10,400,000	424,576
6	Series 2017 PCR	9/1/2001	9/1/2017	5,185,000	4.650%	5,185,000.00	\$1.00	4.650%	4.650%	5,185,000	241,103
7	Series 2022 PCR	9/1/2001	9/1/2022	20,790,000	4.850%	20,790,000.00	\$1.00	4.850%	4.850%	20,705,000	1,006,274
8	Series A - 2017 Unsecured Senior Note	10/15/2007	8/20/2017	33,000,000	5.950%	32,769,956.00	\$0.99	5.950%	5.992%	33,000,000	1,977,284
9	Series B - 2022 Unsecured Senior Note	10/15/2007	8/20/2022	30,000,000	6.150%	29,790,918.00	\$0.99	6.150%	6.193%	30,000,000	1,857,949
10	Series C - 2027 Unsecured Senior Note	8/20/2007	8/20/2027	17,000,000	6.370%	16,881,476.40	\$0.99	6.370%	6.415%	17,000,000	1,090,503
11	Series D - 2037 Unsecured Senior Note	8/20/2007	8/20/2037	13,000,000	6.470%	12,909,369.72	\$0.99	6.470%	6.515%	13,000,000	847,005
12	Series 2017 Cascade	12/14/2007	11/30/2017	34,600,000	5.778%	34,360,068.00	\$0.99	5.778%	5.818%	34,600,000	2,013,148
13	Total Outstanding									<u>199,890,000</u>	<u>\$16,903,915</u>
14	Weighted Average Cost of Debt										5.94%
15	(1) The Series 2012 PCR bonds have a variable interest rate.										

Otter Tail Corporation d/b/a Otter Tail Power Company
 Cost of Preferred Stock
 For the Year Ended December 31, 2007

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(P)	(Q)	
Line No.	Description	Date of Issuance	Call Price (If applicable)	Convertible?	Dividend Rate	Par Value of Issue	Price to Public per Share	Underwriter's Discount/Commission		Issuance Expense		Net Proceeds Per Unit	Cost of Money	Amount Outstanding	Public or Subscribed Issue	
								Amount	% of Gross Proceeds	Amount	% of Gross Proceeds					
Cumulative Preferred Shares:																
1	Dividend Series \$3.60	8/15/1946	\$102.25	No	\$3.60	Without par	\$99.25	\$84,173	1.43%	\$29,620	0.50%	\$5,757,034	\$95.95	3.752%	60,000	Public
2	Dividend Series \$4.40	3/8/1950	\$102.00	No	\$4.40	Without par	\$101.00	\$68,750	2.72%	\$16,750	0.66%	\$2,439,500	\$97.58	4.509%	40,000	Public
3	Dividend Series \$4.65	3/24/1964	\$101.50	No	\$4.65	Without par	\$100.00	\$15,802	0.53%	\$12,049	0.40%	\$2,972,149	\$99.07	4.694%	30,000	Public
4	Dividend Series \$6.75	9/30/1993	\$102.03	No	\$6.75	Without par	\$100.00	\$20,000	0.50%	\$66,017	1.65%	\$3,918,000	\$97.95	6.891%	40,000	Private

Otter Tail Corporation d/b/a Otter Tail Power Company
Sale of Common Stock
For the Period of January 1, 2003 Through December 31, 2007

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
Line No.	Title	Number of Shares Issued	Gross Proceeds at Offering Price	Underwriter's Discount	Proceeds to Otter Tail Corp	Issuance Expense	Net Proceeds	Offering Price Per Share	Book Value Per Share	Closing Mkt Price Per latest Trading Date Prior to Date of Issuance	Earnings/Share at Date of Issuance	Dividend Rate at Date of Issuance	Public or Subscribed Issue
1	2004 Public Offering	3,335,000	84,875,750.00	2,921,250.00	81,954,500.00	391,452.34	81,563,047.66	25.45	13.28	25.45	1.03	1.10	Public

Otter Tail Corporation d/b/a Otter Tail Power Company
Stock Dividends, Stock Splits, or Changes in Par or Stated Value
For the Period January 1, 2003 through December 31, 2007

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	(A)	(B)	(C)	(D)
Line No.	Year	Total Stock Dividends	Stock Splits	Changes in Par Value
1	2003	None	None	None
2	2004	None	None	None
3	2005	None	None	None
4	2006	None	None	None
5	2007	None	None	None

Otter Tail Corporation d/b/a Otter Tail Power Company
Common Stock Information
For the Periods 2003-2007

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Line No.	Year	Average Shares Outstanding	Earnings Per Average Share	Dividends Per Share	Dividends as a % of Earnings	OTP Market Price at End of Year	OTP Price/Earnings Ratio	OTP Dividend Yield
1	2002	25,175,554	\$1.80	1.06	59%	\$28.61	15.9	3.7%
2	2003	25,673,130	\$1.52	1.08	71%	\$26.82	17.6	4.0%
3	2004	26,089,361	\$1.59	1.10	69%	\$25.96	16.3	4.2%
4	2005	29,222,621	\$2.12	1.12	53%	\$27.42	12.9	4.1%
5	2006	29,394,033	\$1.71	1.15	67%	\$29.25	17.1	3.9%
6	2007	29,681,237	\$1.79	1.17	65%	\$33.85	18.9	3.5%
7	Jan-07	29,461,585	\$0.14			\$31.67		
8	Feb-07	29,490,320	\$0.11			\$33.09		
9	Mar-07	29,557,851	\$0.10			\$33.10		
10	Apr-07	29,637,516	\$0.19			\$35.49		
11	May-07	29,701,118	\$0.17			\$33.59		
12	Jun-07	29,718,602	\$0.19			\$31.83		
13	Jul-07	29,719,520	\$0.12			\$32.00		
14	Aug-07	29,732,907	\$0.16			\$34.93		
15	Sep-07	29,784,374	\$0.16			\$35.66		
16	Oct-07	29,789,145	\$0.10			\$35.83		
17	Nov-07	29,790,637	\$0.18			\$34.09		
18	Dec-07	29,791,267	\$0.19			\$34.84		

Otter Tail Corporation d/b/a Otter Tail Power Company
Reacquisition of Bonds or Preferred Stock
For the 18 Month Period Prior to Filing
May 1, 2007 through October 31, 2008

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	(A)	(B)	(C)	(D)	(E)
Line No.	Title or Series	Principal Amounts or Par Value Required	Reacquisition Cost	Gain or Loss on Reacquisition	Incr/Dec Income Taxes due to Gain or Loss
1	No Reacquisition of Bonds of Preferred Stock for the 18 Month Period Prior to Filing				

**Otter Tail Corporation d/b/a Otter Tail Power Company
Earnings Per Share for Claimed Rate of Return
For the Year Ended December 31, 2007**

**Schedule G-4
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	(A)	(B)
Line No.	Description	Amount
1	Common Equity, Statement G, Lead Sheet	\$ 229,633,133
2	Return-Percentage	11.25%
3	Return-Amount	<u>\$ 25,833,727</u>
4	Average Common Shares outstanding 2007	29,681,237
5	Earnings per Common Share-Otter Tail Power	\$0.87