

| Line No. | FERC Account | (A) Description | (C) Per Books | (D) Actual Year JCOSIS Adjustments | (E) Actual Year Per JCOSIS | (F) Test Year Adjustments | (G) Test Year Adjusted Total |
|----------|--------------|---|--------------------|---|-------------------------------------|---------------------------------|---------------------------------------|
| | | | | | | | |
| 1 | | Steam Production Operation: | | | | | |
| 2 | 500 | Supervision & Engineering | 1,394,608 | | 1,394,608 | | 1,394,608 |
| 3 | 501 | Fuel (Handling and Ash Removal) | 762,974 | | 762,974 | | 762,974 |
| 4 | 501.1 | Steam Power Fuel - Gas | 54,245,543 | | 54,245,543 | | 54,245,543 |
| 5 | 501.2 | Steam Power Fuel - Oil | 0 | | 0 | | 0 |
| 6 | 501.3 | Steam Power Fuel - Coal | 0 | | 0 | | 0 |
| 7 | 501.4 | Steam Power Fuel - Transportation | 0 | | 0 | | 0 |
| 8 | 502 | Steam Expense | 3,191,009 | | 3,191,009 | | 3,191,009 |
| 9 | 505 | Electric Expense | 2,260,200 | | 2,260,200 | | 2,260,200 |
| 10 | 506 | Miscellaneous | 4,140,261 | | 4,140,261 | | 4,140,261 |
| 11 | 507 | Rent | 3,216 | | 3,216 | | 3,216 |
| 12 | | Total Steam Production Operation | 65,997,812 | 0 | 0 | 0 | 0 |
| 13 | | | | | | | |
| 14 | | Steam Production Maintenance: | | | | | |
| 15 | 510 | Supervision & Engineering | 695,172 | | 695,172 | | 695,172 |
| 16 | 511 | Structures | 805,164 | | 805,164 | | 805,164 |
| 17 | 512 | Boilers | 5,918,965 | | 5,918,965 | | 5,918,965 |
| 18 | 513 | Electric Plant | 687,113 | | 687,113 | | 687,113 |
| 19 | 514 | Miscellaneous Plant | 800,370 | | 800,370 | | 800,370 |
| 20 | | Total Steam Production Maintenance | 8,706,783 | 0 | 8,706,783 | 0 | 8,706,783 |
| 21 | | | | | | | |
| 22 | | Total Steam Production Expense | 74,704,594 | 0 | 74,704,594 | 0 | 74,704,594 |
| 23 | | | | | | | |
| 24 | | Hydro Production Operation | | | | | |
| 25 | 535 | Supervision and Engineering | 65,688 | | 65,688 | | 65,688 |
| 26 | 538 | Electric Expense | 59,043 | | 59,043 | | 59,043 |
| 27 | 539 | Miscellaneous Expense | 3,558 | | 3,558 | | 3,558 |
| 28 | | Total Steam Production Operation | 128,289 | 0 | 128,289 | 0 | 128,289 |
| 29 | | | | | | | |
| 30 | | Hydro Production Maintenance | | | | | |
| 31 | 541 | Supervision and Engineering | 280 | | 280 | | 280 |
| 32 | 542 | Structures | 4,846 | | 4,846 | | 4,846 |
| 33 | 543 | Reservoirs - Dams | 417,502 | | 417,502 | | 417,502 |
| 34 | 544 | Electric | 39,688 | | 39,688 | | 39,688 |
| 35 | 545 | Miscellaneous Expense | 18,991 | | 18,991 | | 18,991 |
| 36 | | Total Hydro Production Maintenance | 481,308 | 0 | 481,308 | 0 | 481,308 |
| 37 | | | | | | | |
| 38 | | Total Hydro Production | 609,596 | 0 | 609,596 | 0 | 609,596 |
| 39 | | | | | | | |
| 40 | | Other Production Operation: | | | | | |
| 41 | 546 | Supervision & Engineering | 37,444 | | 37,444 | | 37,444 |
| 42 | 547 | Fuel | 6,236,150 | | 6,236,150 | | 6,236,150 |
| 43 | 548 | Generation Expense | 622,259 | | 622,259 | | 622,259 |
| 44 | 549 | Miscellaneous | 68,914 | | 68,914 | | 68,914 |
| 45 | 550 | Rents | 3,647 | | 3,647 | | 3,647 |
| 46 | | Total Other Production Operation | 6,968,414 | 0 | 6,968,414 | 0 | 6,968,414 |
| 47 | | | | | | | |
| 48 | | Other Production Maintenance: | | | | | |
| 49 | 551 | Supervision & Engineering | 48,987 | | 48,987 | | 48,987 |
| 50 | 552 | Structures | 3,337 | | 3,337 | | 3,337 |
| 51 | 553 | Electric Plant | 1,191,492 | | 1,191,492 | | 1,191,492 |
| 52 | 554 | Miscellaneous Plant | 12,313 | | 12,313 | | 12,313 |
| 53 | 556 | System Control and Dispatch | 259,924 | | 259,924 | | 259,924 |
| 54 | 557 | Other Expenses | 1,847,801 | | 1,847,801 | | 1,847,801 |
| 55 | | Total Other Production Maintenance | 3,363,853 | 0 | 3,363,853 | 0 | 3,363,853 |
| 56 | | | | | | | |
| 57 | | Total Other Production Expense | 10,332,267 | 0 | 10,332,267 | 0 | 10,332,267 |
| 58 | | | | | | | |
| 59 | | Other Power Supply | | | | | |
| 60 | 555.1 | Purchased Power - Capacity | 0 | | 0 | | 0 |
| 61 | 555.2 | Purchased Power - Energy | 74,694,689 | | 74,694,689 | | 74,694,689 |
| 62 | | Total Other Power Supply | 74,694,689 | 0 | 74,694,689 | 0 | 74,694,689 |
| 63 | | | | | | | |
| 64 | | Total Production Expense | 160,341,146 | (8,944) | 160,332,202 | 5,262,491 | 165,594,693 |
| 65 | | | | | | | |
| 66 | | Transmission Operations: | | | | | |
| 67 | 560 | Supervision & Engineering | 511,139 | | 511,139 | | 511,139 |
| 68 | 561 | Load Dispatch | 2,791,737 | | 2,791,737 | | 2,791,737 |
| 69 | 562 | Station Equipment | 160,433 | | 160,433 | | 160,433 |
| 70 | 563 | Overhead Lines | 540,237 | | 540,237 | | 540,237 |
| 71 | 565 | Transmission of Electricity by Others | 10,283 | | 10,283 | | 10,283 |
| 72 | 566 | Miscellaneous | 1,018,264 | | 1,018,264 | | 1,018,264 |
| 73 | 567 | Rents | 40,143 | | 40,143 | | 40,143 |
| 74 | | Total Transmission Operations | 5,072,236 | 0 | 5,072,236 | 0 | 5,072,236 |
| 75 | | | | | | | |
| 76 | | Transmission Maintenance: | | | | | |
| 77 | 568 | Supervision & Engineering | 403,322 | | 403,322 | | 403,322 |
| 78 | 569 | Structures | 752,317 | | 752,317 | | 752,317 |
| 79 | 570 | Station Equipment | 1,143,012 | | 1,143,012 | | 1,143,012 |
| 80 | 571 | Overhead Lines | 1,630,625 | | 1,630,625 | | 1,630,625 |
| 81 | 572 | Underground Lines | 308 | | 308 | | 308 |
| 82 | 573 | Miscellaneous | 0 | | 0 | | 0 |
| 83 | 575 | Day-Ahead & Real-Time and Transmission Market Expense | 1,435,087 | | 1,435,087 | | 1,435,087 |
| 84 | 576 | Computer Software | 56,085 | | 56,085 | | 56,085 |
| 85 | | Total Transmission Maintenance | 5,420,757 | 0 | 5,420,757 | 0 | 5,420,757 |
| 86 | | | | | | | |
| 87 | | Total Transmission Expense | 10,492,992 | 0 | 10,492,992 | 334,339 | 10,827,331 |

Sources:

- (1) Col (C); Per Functionalization Run, Pages 2 & 3 of 6; Located in Volume 4A, Tab - 2007 Actual Year
- (2) Col (F), Line 64; Per Input Summary, Section "B-Summary", Page 2 of 7; Located in Volume 4A, Tab - 2007 Test Year Work Papers
- (3) Col (G), Lines 64 & 87; Per Input Summary, Section "B-Summary", Page 2 of 7; Located in Volume 4A, Tab - 2007 Test Year Work Papers

Otter Tail Corporation d/b/a OTTER TAIL POWER COMPANY
OPERATING AND MAINTENANCE EXPENSES
For the Test Year Ended December 31, 2007

Schedule H
Page 2 of 2

| Line No. | (A) FERC Account | (B) Description | (C) Per Books | (D) Actual Year JCOSS Adjustments | (E) Actual Year Per JCOSS | (F) Test Year Adjustments | (G) Test Year Adjusted Total |
|----------|---------------------|---|--------------------|--------------------------------------|------------------------------|------------------------------|---------------------------------|
| 88 | | | | | | | |
| 89 | | Distribution Operations: | | | | | |
| 90 | 580 | Supervision | 522,846 | | 522,846 | | 522,846 |
| 91 | 581 | Load Dispatch | 295,848 | | 295,848 | | 295,848 |
| 92 | 582 | Station Equipment | 145,438 | | 145,438 | | 145,438 |
| 93 | 583 | Overhead Lines | 330,930 | | 330,930 | | 330,930 |
| 94 | 584 | Underground Lines | 1,099,905 | | 1,099,905 | | 1,099,905 |
| 95 | 585 | Street Lighting | 0 | | 0 | | 0 |
| 96 | 586 | Metering | 1,000,585 | | 1,000,585 | | 1,000,585 |
| 97 | 587 | Customer Installations | 327,862 | | 327,862 | | 327,862 |
| 98 | 588 | Miscellaneous | 2,274,823 | | 2,274,823 | | 2,274,823 |
| 99 | 589 | Rents | 240,965 | | 240,965 | | 240,965 |
| 100 | | Total Distribution Operations | 6,239,202 | 0 | 6,239,202 | 0 | 6,239,202 |
| 101 | | | | | | | |
| 102 | | Distribution Maintenances: | | | | | |
| 103 | 590 | Supervision | 813,410 | | 813,410 | | 813,410 |
| 104 | 591 | Structures | 0 | | 0 | | 0 |
| 105 | 592 | Station Equipment | 832,021 | | 832,021 | | 832,021 |
| 106 | 593 | Overhead Lines | 4,537,893 | | 4,537,893 | | 4,537,893 |
| 107 | 594 | Underground Lines | 829,638 | | 829,638 | | 829,638 |
| 108 | 595 | Transformers | 0 | | 0 | | 0 |
| 109 | 596 | Street Lighting | 992,747 | | 992,747 | | 992,747 |
| 110 | 597 | Metering | 441,438 | | 441,438 | | 441,438 |
| 111 | 598 | Miscellaneous | 0 | | 0 | | 0 |
| 112 | | Total Distribution Maintenance | 8,447,147 | 0 | 8,447,147 | 0 | 16,894,294 |
| 113 | | | | | | | |
| 114 | | Total Distribution Expenses | 14,686,349 | 0 | 14,686,349 | 593,982 | 15,280,331 |
| 115 | | | | | | | |
| 116 | | Customer Accounting Expense: | | | | | |
| 117 | 901 | Supervision | 192,629 | | 192,629 | | 192,629 |
| 118 | 902 | Meter Reading | 4,569,617 | | 4,569,617 | | 4,569,617 |
| 119 | 903 | Customer Records and Collection Expense | 4,713,170 | | 4,713,170 | | 4,713,170 |
| 120 | 904 | Uncollectible Accounts | 684,000 | | 684,000 | | 684,000 |
| 121 | 905 | Miscellaneous | 347,844 | | 347,844 | | 347,844 |
| 122 | | Total Customer Accounting Expense | 10,507,260 | 0 | 10,507,260 | 424,645 | 10,931,905 |
| 123 | | | | | | | |
| 124 | | Customer Service Expense: | | | | | |
| 125 | 907 | Supervision | 727,164 | | 727,164 | | 727,164 |
| 126 | 908 | Customer Assistance | 4,106,516 | | 4,106,516 | | 4,106,516 |
| 127 | 909 | Advertisement | 327,300 | | 327,300 | | 327,300 |
| 128 | 910 | Miscellaneous | 80,719 | | 80,719 | | 80,719 |
| 129 | | Total Customer Service Expense | 5,241,699 | 0 | 5,241,699 | 146,201 | 5,387,900 |
| 130 | | | | | | | |
| 131 | | Total Customer Expenses | 15,748,958 | 0 | 15,748,958 | 570,846 | 16,319,804 |
| 132 | | | | | | | |
| 133 | | Sales Expenses | | | | | |
| 134 | 911 | Supervisory Labor & Expenses | 0 | | 0 | | 0 |
| 135 | 912 | North Dakota Economic Development | 427,508 | | 427,508 | | 427,508 |
| 136 | 912 | Expenses - Sales & Demonstrations | 376,182 | | 376,182 | | 376,182 |
| 137 | 913 | Advertising | 299,289 | | 299,289 | | 299,289 |
| 138 | 916 | Miscellaneous Sales Expense | 318,260 | | 318,260 | | 318,260 |
| 139 | | | | | | | |
| 140 | | Total Sales Expense | 1,421,239 | (299,289) | 1,121,950 | 61,922 | 1,183,873 |
| 141 | | | | | | | |
| 142 | | Administrative & General Expense: | | | | | |
| 143 | 920 | Administrative Salaries | 16,602,139 | | 16,602,139 | | 16,602,139 |
| 144 | 921 | Office Supplies & Expense | 4,647,887 | | 4,647,887 | | 4,647,887 |
| 145 | 922 | A&G Expense Transferred | 0 | | 0 | | 0 |
| 146 | 923 | Outside Services | 1,595,302 | | 1,595,302 | | 1,595,302 |
| 147 | 924 | Property Insurance | 974,518 | | 974,518 | | 974,518 |
| 148 | 925 | Injuries and Damages | 1,646,497 | | 1,646,497 | | 1,646,497 |
| 149 | 926 | Pensions & Benefits | 914,010 | | 914,010 | | 914,010 |
| 150 | 928 | Regulatory Commission | 1,931,771 | | 1,931,771 | | 1,931,771 |
| 151 | 930.1 | General Advertising | 615,095 | | 615,095 | | 615,095 |
| 152 | 930.2 | Miscellaneous General | 681,766 | | 681,766 | | 681,766 |
| 153 | 931 | Rents | 295,755 | | 295,755 | | 295,755 |
| 154 | 935 | Maintenance of General Plant | 2,724,986 | | 2,724,986 | | 2,724,986 |
| 155 | | | | | | | |
| 156 | | Total Administrative & General Expense | 32,629,726 | (791,912) | 31,837,814 | 1,765,113 | 33,602,927 |
| 157 | | | | | | | |
| 158 | | Charitable Contributions | 111,967 | 0 | 111,967 | 0 | 111,967 |
| 159 | | | | | | | |
| 160 | | Total Operating & Maintenance Expense | 235,432,377 | (1,100,143) | 234,332,234 | 8,588,693 | 242,920,927 |

Sources:

- (1) Col (C) ; Per Functionalization Run, Pages 2 & 3 of 6; Located in Volume 4A, Tab - 2007 Actual Year
- (2) Col (F); Per Input Summary, Section "B-Summary", Pages 2-3 of 7; Located in Volume 4A, Tab - 2007 Test Year Work Papers
- (3) Col (G), Lines 114, 122, 129, 140, 156, 158 & 160; Per input Summary, Section "B-Summary", Pages 2-3 of 7; Located in Volume 4A, Tab - 2007 Test Year Work Papers

Otter Tail Corporation d/b/a OTTER TAIL POWER COMPANY
Purchased Power
For the Test Year Ended December 31, 2007

Schedule H-2
Page 1 of 1

| Line No. | (A) Purchased From | (B) Mwh | (C) Demand Charges | (D) Energy Charges | (E) Other Charges | (F) Total Costs |
|----------|--|------------|-----------------------|-----------------------|----------------------|--------------------|
| 1 | American Electric Power Service | 800 | | \$52,200 | | \$52,200 |
| 2 | BP Corporation North America Inc | 1,600 | | \$11,778 | | \$11,778 |
| 3 | Black Hills Power and Light | 1,220 | | \$88,880 | | \$88,880 |
| 4 | Cargill Power Markets, LLC | 48,855 | | \$3,247,650 ** | \$2,592 | \$3,250,242 |
| 5 | Constellation Energy Commodities Group, Inc. | 386,400 | | (\$887,922) | | (\$887,922) |
| 6 | DTE Energy Trading, Inc. | 155,000 | | (\$488,462) | | (\$488,462) |
| 7 | Fortis Energy Marketing and Trading | 14,400 | | \$117,398 | | \$117,398 |
| 8 | Great River Energy | 48,800 * | \$253,750 | \$64,498 | | \$318,248 |
| 9 | High Sierra Power Marketing, LLC | 148,450 | | \$318,418 | | \$318,418 |
| 10 | Integrys Energy Services, Inc. | 130,400 | | \$820,370 | | \$820,370 |
| 11 | Lighthouse Energy Trading Company, Inc. | 6,378 | | \$400,787 | | \$400,787 |
| 12 | Manitoba Hydro Electric Board | 407,226 * | \$1,602,800 | \$20,241,191 ** | (\$837,247) | \$21,006,744 |
| 13 | Mid-American Energy Company | 208,322 | | \$9,875,211 | | \$9,875,211 |
| 14 | Minnesota Municipal Power Agency | 400 | | \$38,800 | | \$38,800 |
| 15 | Minnesota Power | 6,400 | | \$406,704 | | \$406,704 |
| 16 | Minnkota Power Cooperative | 20,258 | | \$319,433 | | \$319,433 |
| 17 | Missouri River Energy Services | 16,036 | | \$566,328 | | \$566,328 |
| 18 | Northern States Power Company | 307,030 * | \$149,000 | \$1,878,004 | | \$2,027,004 |
| 19 | NorthPoint Energy Solutions Inc. | 19,260 | | \$1,122,638 | | \$1,122,638 |
| 20 | Omaha Public Power District | 22,433 | | \$981,588 ** | \$1,315 | \$982,903 |
| 21 | Rainbow Energy Marketing Corp. | 13,129 | | \$703,305 | | \$703,305 |
| 22 | Sempra Energy Trading Corporation | 20,000 | | \$1,240,402 | | \$1,240,402 |
| 23 | Split Rock Energy | 8,400 | | (\$15,788) | | (\$15,788) |
| 24 | The Energy Authority | 19,600 | | \$904,160 | | \$904,160 |
| 25 | Transalta Energy Marketing | 38,400 | | (\$64,268) | | (\$64,268) |
| 26 | Western Area Power Administration | 16,923 | | \$667,101 *** | \$20,022 | \$687,123 |
| 27 | Western Area Power Administration - WEC | 29,870 | | \$583,668 | | \$583,668 |
| 28 | Western Resources | 9,600 | | \$111,185 | | \$111,185 |
| 29 | Wisconsin Public Power Inc. | 0 | \$207,500 | | | \$207,500 |
| 30 | Beltrami Electric Cooperative | 89,328 | \$1,085,491 | \$3,336,945 **** | \$124,967 | \$4,547,403 |
| 31 | Nodak Rural Electric Cooperative | 3,457 | \$39,814 | \$166,648 | | \$206,462 |
| 32 | P K M Electric Cooperative | 3,310 | \$39,978 | \$132,907 | | \$172,885 |
| 33 | NorthWestern Energy - NLE | 17,540 | \$143,795 | \$742,173 | | \$885,968 |
| 34 | Red Lake Rural Electric Cooperative | 313 | \$14,007 | \$13,856 | | \$27,863 |
| 35 | City of Perham | 0 | \$31,052 | | | \$31,052 |
| 36 | Lac Qui Parle School | 19 | | \$456 | | \$456 |
| 37 | Dakota Magic Casino | 0 | \$35,832 | | | \$35,832 |
| 38 | State Auto Insurance | 0 | \$36,000 | | | \$36,000 |
| 39 | Kindred School | 0 | \$35,460 | | | \$35,460 |
| 40 | Fleet Farm | 0 | \$17,944 | | | \$17,944 |
| 41 | Valley Queen Cheese | 0 | \$104,710 | | | \$104,710 |
| 42 | Stevens Community Medical | 0 | \$20,520 | | | \$20,520 |
| 43 | City of Detroit Lakes | 877 | \$1,110 | \$1,349 | | \$2,459 |
| 44 | American Crystal Sugar | 146 | | \$1,462 | | \$1,462 |
| 45 | Energy Maintenance Service | 199 | | \$6,376 | | \$6,376 |
| 46 | Hendricks Wind I | 2,801 | | \$126,058 | | \$126,058 |
| 47 | Borderline Wind | 2,411 | | \$64,991 | | \$64,991 |
| 48 | Univ. of MN - Morris | 1,454 | | \$69,084 | | \$69,084 |
| 49 | FPL Energy ND II, LLC | 62,760 | | \$1,876,532 | | \$1,876,532 |
| 50 | Langdon Wind, LLC | 1,970 | | \$77,264 | | \$77,264 |
| 51 | MN Co Generation | 11 | | \$708 | | \$708 |
| 52 | ABN AMRO Inc. / UBS Securities LLC | 1,242,300 | | \$2,758,543 | | \$2,758,543 |
| 53 | RBC Capital Markets Corporation | 126,900 | | (\$160,832) | | (\$160,832) |
| 54 | NorthWestern Energy Load Error | (14,455) | | (\$553,869) | | (\$553,869) |
| 55 | MISO Transmission Service Charge | | | | \$178,656 | \$178,656 |
| 56 | MAPP Transmission Service Charge | | | | \$272,582 | \$272,582 |
| 57 | WAPA Schedule and Dispatch | | | | \$23,552 | \$23,552 |
| 58 | Midwest ISO Energy Market | 1,558,640 | | \$77,940,563 | | \$77,940,563 |
| 59 | Control Area Exchange - Net | | | (\$1,532,363) | | (\$1,532,363) |
| 60 | Non-Asset Based Cost of Sales | (735,572) | | (\$57,284,621) | | (\$57,284,621) |
| 62 | | 4,469,999 | \$3,818,763 | \$71,089,487 | (\$213,561) | \$74,694,689 |

* Great River Energy, Manitoba Hydro Electric Board, Northern States Power Company, and Wisconsin Public Power Inc. Demand Charges are short-term service for Winter season through April 30, 2008.

** Cargill Power Market LLC Transmission, MHEB PAC Loss Credit, and Omaha Public Power District Transmission

** Load Following charge

** Nomination charge

Non-Asset Based Cost of Sales represents the forward energy sales

| Line No. | (A) Description of Accounts for Listed Expenses | (B) | | (C) | |
|----------|---|---------------------|------------|-------------|----------|
| | | Total System Amount | Allocators | Allocator % | SD |
| 1 | Federal Energy Regulatory Commission Account No. 909 | | | | |
| 2 | | | | | |
| 3 | Description | | Allocators | Allocator % | SD |
| 4 | Conservation | \$210,723 | C1 | 9.033353% | \$19,035 |
| 5 | Financial Services | \$7,361 | C1 | 9.033353% | \$665 |
| 6 | Information & Instructional | \$10,899 | C1 | 9.033353% | \$985 |
| 7 | Safety | \$98,317 | C1 | 9.033353% | \$8,881 |
| 8 | Total Account No. 909 | \$327,300 | | | \$29,566 |
| 9 | | | | | |
| 10 | Federal Energy Regulatory Commission Account No. 913 | | | | |
| 11 | None | | | | |
| 12 | | | | | |
| 13 | Federal Energy Regulatory Commission Account No. 930 Advertising Expenses | | | | |
| 14 | | | | | |
| 15 | Description | | Allocators | Allocator % | SD |
| 16 | Financial and Informational | \$1,379 | C1 | 9.033353% | \$125 |
| 17 | Total Account No. 930 Advertising Expenses | \$1,379 | | | \$125 |
| 18 | | | | | |
| 19 | Federal Energy Regulatory Commission Account No. 909, 913, & 930 Advertising Expenses | \$328,679 | | | \$29,691 |
| 20 | | | | | |
| 21 | | | | | |
| 22 | Federal Energy Regulatory Commission Account No. 922 | | | | |
| 23 | None | | | | |
| 24 | | | | | |
| 25 | Federal Energy Regulatory Commission Account No. 926 (1) | | | | |
| 26 | | | | | |
| 27 | Description | | Allocators | Allocator % | SD |
| 28 | Community & Public Relations | \$501 | | | |
| 29 | Design & Administer Hiring Policies & Procedures | \$48,819 | | | |
| 30 | Develop & Administer Employee Benefits | \$723,312 | | | |
| 31 | Employee Recognition Programs | \$115,893 | | | |
| 32 | Employee Relations | \$24,742 | | | |
| 33 | Human Resources Development | \$742 | | | |
| 34 | Total Account No. 926 | \$914,010 | | | |
| 35 | | | | | |
| 36 | Admin & General - Production; | 36.81% Allocation | OXPD | 9.286300% | \$31,243 |
| 37 | Admin & General - Transmission; | 14.09% Allocation | D2 | 8.969502% | \$11,551 |
| 38 | Admin & General - Distribution; | 25.04% Allocation | OXD | 9.797576% | \$22,424 |
| 39 | Admin & General - Customer Accounting; | 17.90% Allocation | OXC | 9.223750% | \$15,091 |
| 40 | Admin & General - Customer Service; | 6.16% Allocation | C1 | 9.033353% | \$5,086 |
| 41 | | | | | \$85,395 |
| 42 | | | | | |
| 43 | | | | | |
| 44 | Federal Energy Regulatory Commission Account No. 928 | | | | |
| 45 | | | | | |
| 46 | Description | | Allocators | Allocator % | SD |
| 47 | Minnesota | \$1,408,318 | | 0% | \$0 |
| 48 | North Dakota | \$96,703 | Directly | 0% | \$0 |
| 49 | South Dakota | \$41,863 | Assigned | 100% | \$41,863 |
| 50 | FERC | \$205,013 | | 0% | \$0 |
| 51 | Federal Assessment | \$230 | | 0% | \$0 |
| 52 | Total Account No. 928 | \$1,752,128 | | | \$41,863 |
| 53 | | | | | |
| 54 | Federal Energy Regulatory Commission Account No. 929 | | | | |
| 55 | None | | | | |
| 56 | | | | | |
| 57 | Federal Energy Regulatory Commission Account No. 930 Misc. General Expenses | | | | |
| 58 | | | | | |
| 59 | Description | | Allocators | Allocator % | SD |
| 60 | Provide Public Information & Instruction | \$11,707 | P90 | 9.077176% | \$1,063 |
| 61 | Provide Public Information & Instruction-Labor | \$11,799 | P90 | 9.077176% | \$1,071 |
| 62 | Community & Public Relations | \$27,080 | P90 | 9.077176% | \$2,458 |
| 63 | Research & Development | \$57,757 | P90 | 9.077176% | \$5,243 |
| 64 | Research & Development-Labor | \$10,509 | P90 | 9.077176% | \$954 |
| 65 | Industry Association Dues | \$67,383 | P90 | 9.077176% | \$6,116 |
| 66 | Shareholder Services | \$199,069 | P90 | 9.077176% | \$18,070 |
| 67 | Shareholder Services-Labor | \$130,376 | P90 | 9.077176% | \$11,834 |
| 68 | Director Fees & Expenses | \$166,407 | P90 | 9.077176% | \$15,105 |
| 69 | Total Account No. 930 | \$682,086 | | | \$61,914 |

(1) FERC Account No 926 is allocated to Admin & General; Salaries, Supplies, Pensions & Benefits by function based on current year labor ratios. The five functional categories include Production, Transmission, Distribution, Customer Accounts, and Customer Service & Information as shown above. Once the costs have been functionalized they are allocated to South Dakota based on their respective allocators.

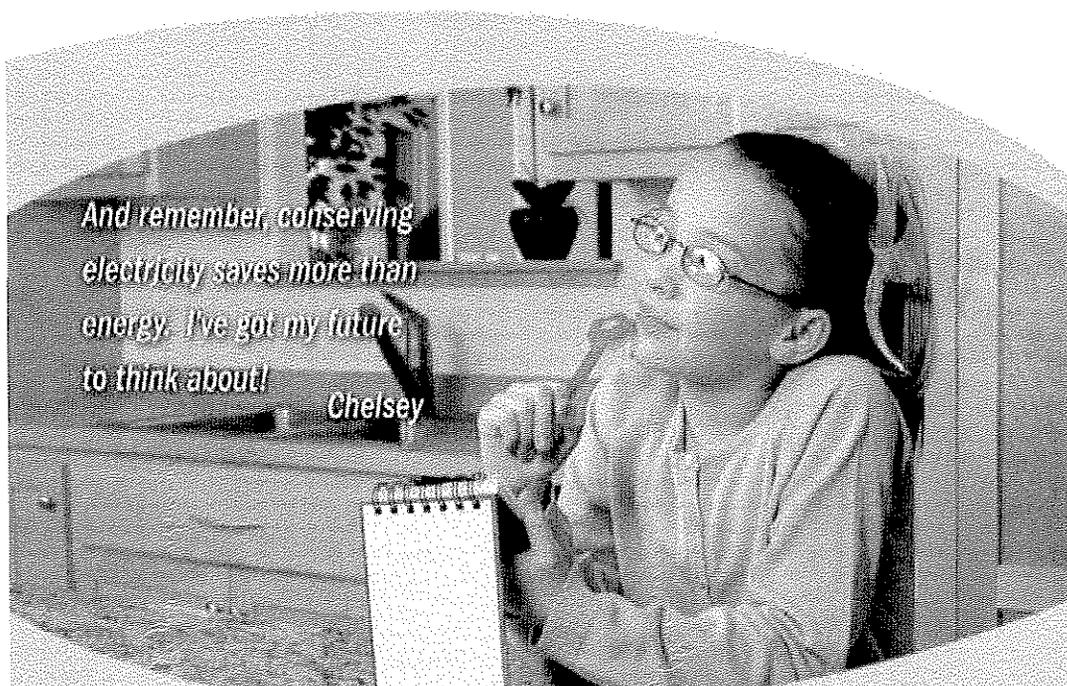


Conservation Ads

**Increase your energy efficiency.
Decrease your energy costs.**



Visit us online at www.ConservingElectricity.com to learn how you can save.



*And remember, conserving
electricity saves more than
energy. I've got my future
to think about!*

Chelsey



Conserving electricity
"I've got my future to think about."

Conserve electricity to save more than energy

Conserving electricity not only saves natural resources but is one of the easiest ways to save money. In our house we shut off the lights, turn down the heat, and wash a full load of clothes every time. These are just a few of the simple things we do every day that really can make a difference.

www.ConservingElectricity.com

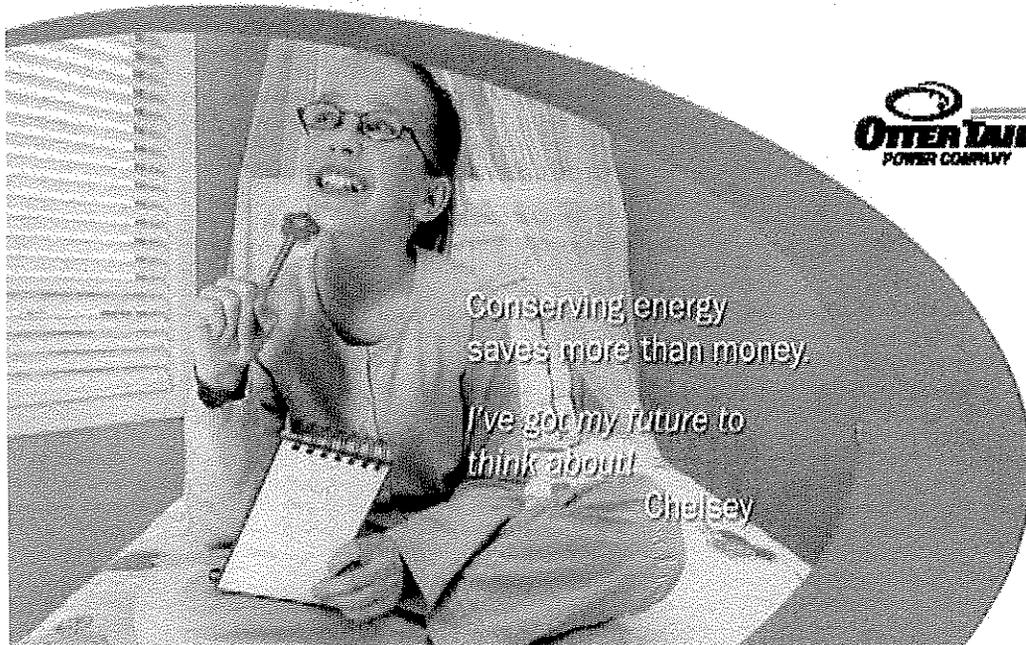


Chelsey's Checklist for conservation

Items to turn off when they're not being used:

Lights Computer TV CD player Video games

www.ConservingElectricity.com



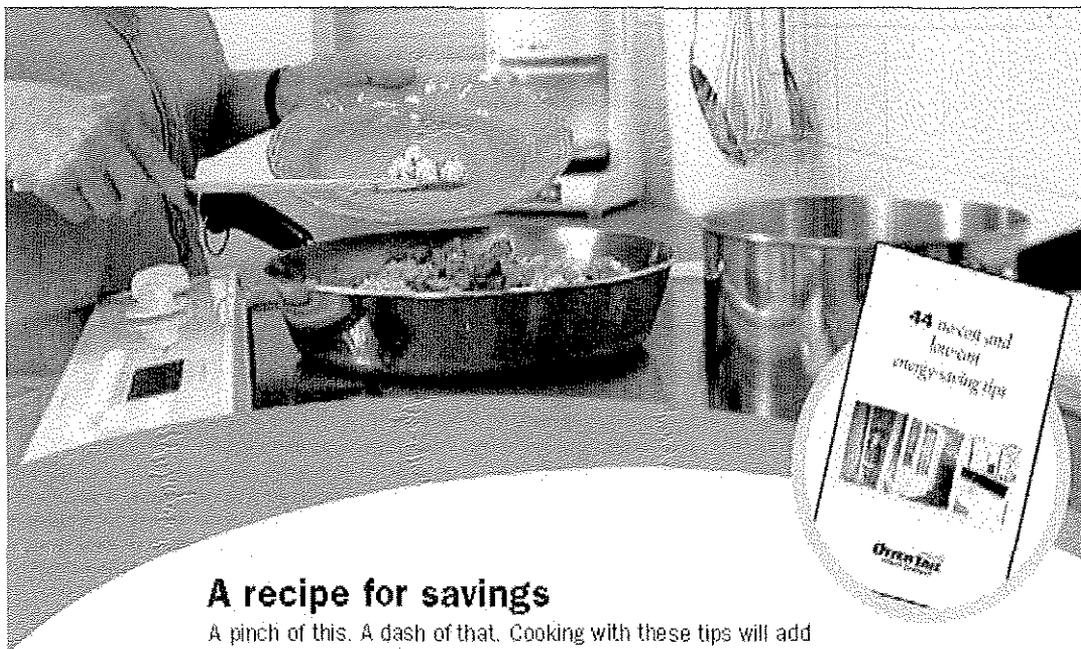


Be an energy star

When it's time to buy a new fridge, stove, or even a new computer, look for the ENERGY STAR label. When you invest in ENERGY STAR qualified appliances you can save energy costs while helping to save natural resources.

Learn more about Energy Star at ConservingElectricity.com or call Otter Tail Power Company's Idea Center at 800-493-3299.





A recipe for savings

A pinch of this. A dash of that. Cooking with these tips will add up to energy savings:

- Use the smallest pot or pan needed and cover it to keep heat from escaping.
- Use the appropriately sized element on your range and turn it down once it reaches the boiling point.
- Use your microwave or toaster oven whenever practical.

For your free booklet of energy-saving tips, call our Idea Center at 800-493-3299.





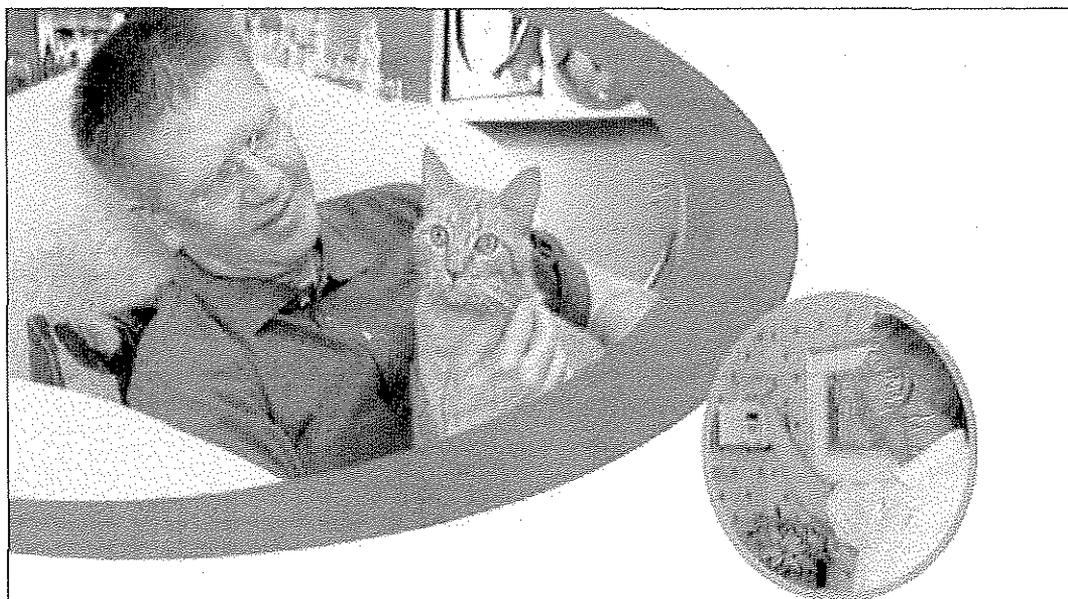
Save some green by planting some green

Trees and shrubs not only beautify your property, they also can help reduce your annual energy costs by up to 25 percent. To save some green, follow these tips:

- Create a windbreak by planting dense evergreens to the north, west, and east of your home.
- Plant trees close to your house on the east and west sides to keep out the hot summer sun and let the sun shine in during the winter.

For more energy-saving tips, call our
Idea Center at **800-493-3299**.





Program savings into your day

With a programmable thermostat you simply enter the times you're away from home or asleep and the thermostat automatically adjusts the temperature so you save energy and money!

For information about how you can save, visit ConservingElectricity.com.





Keep your refrigerator from stealing your cold cash

Conserve energy by following these simple tips:

- Keep your refrigerator $\frac{3}{4}$ full.
- Set your thermostat between 38 and 40 degrees.
- Make sure your door seals are tight.
- Purchase a high-efficiency model when it's time for a new one. Retire your old inefficient unit rather than moving and reusing it.

www.ConservingElectricity.com





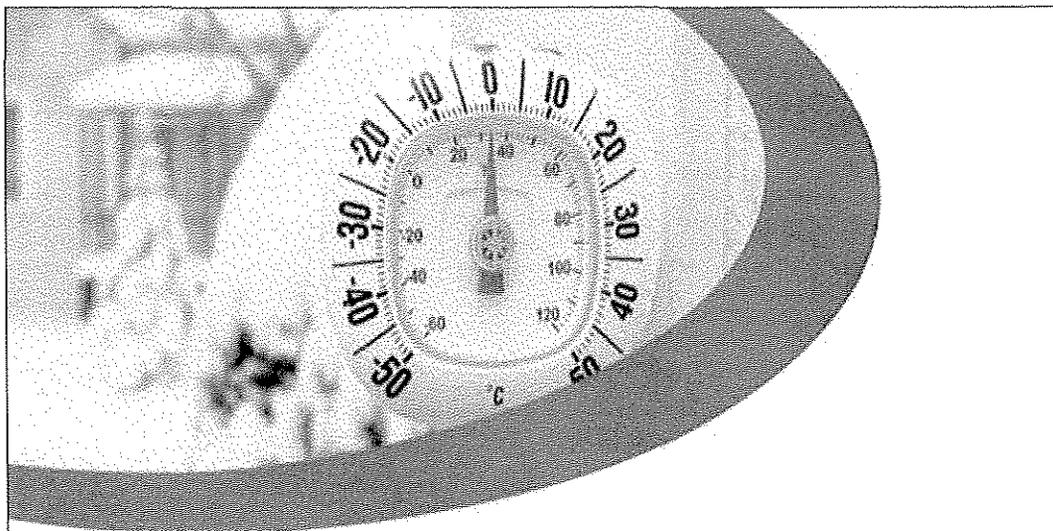
Escape the heat
Retreat to the cool comfort of your home

Follow these tips to keep hot summer air where it belongs and minimize your cooling costs:

- Seal leaks around windows and doors with caulking or weather stripping.
- Close curtains and shades during the day to help block the sun's heat.
- Caulk or seal entry points where ductwork, wiring, plumbing, or vents are installed.

www.ConservingElectricity.com





Winter winds eat up cold cash

Before the mercury dips, follow these tips to minimize your heating costs:

- Seal air leaks around windows and doors.
- Caulk or seal entry points where ductwork, wiring, and plumbing are installed.
- Add insulation to the foundation and attic.

www.ConservingElectricity.com





**Decorate with sparkly lights.
Use a timer to do it right.**

Chelsey knows that conserving electricity saves more than energy. It's also one of the easiest ways to save money. Put holiday lights on timers. Install motion-sensor light fixtures and use compact fluorescent bulbs all year. With these simple energy-saving ideas, you'll make your holiday season even brighter.

For other energy-saving ideas visit ConservingElectricity.com or call our Idea Center at 800-493-3299.



Otter Tail Power Company
Holiday Conservation
Radio - "Chelsey saves the holidays"
:30

Audio: Chelsey – clears her throat and announces the title of her story...

"Ahem...Chelsey Saves The Holidays – a story written by me - Chelsey"

Audio...light holiday music under

Decorate with sparkly lights.

Magical sound effect

Use a timer to do it right.

**Motion sensors know when family's near,
helping light our sidewalk clear."**

Efficient bulbs brighten holiday cheer

Snd efx...family laughing

saving money all through the year.

**We'll do these things without a doubt,
because I have my future to think about.**

Tag:

**For energy and money-saving ideas visit ConservingElectricity.com.
Happy Holidays from Otter Tail Power Company.**

OTTER TAIL POWER COMPANY
30-second radio: Holiday 2006

Hol 1 use energy wisely

You'll use a lot of your energy getting ready for the holidays. Otter Tail Power Company reminds you that you'll use a lot of our energy too and encourages you to use it the same way you use yours—wisely. Best wishes for the warmest, brightest holiday season ever from your friends at Otter Tail Power Company.

Otter Tail Power Company
CIP – Conserve A Lifestyle
Radio - "Little Miss Saving"
: 30

Hi. I'm Chelsey, and I always say – when you conserve electricity you save more than energy. Besides saving resources, it's one of the easiest ways to save money. In my house I shut off the lights, turn down the heat, and generally keep everyone else in line. Like reminding Dad he's been in the shower long enough, or making sure Mom washes a full load of clothes every time. After all, I have my future to think about.

Narrator: For more energy and money-saving ideas visit conservingelectricity.com brought to you by Otter Tail Power Company.

Tag: Helping you conserve energy. Another advantage from Otter Tail Power Company.

OTPC-1205_Time for savings_RADIO
:30 seconds

Chelsey: "Hi, I'm Chelsey. And I want to help you conserve electricity during the holidays. Just go to conserving electricity dot com for all kinds of energy-saving ideas from Otter Tail Power Company. Like using timers, motion sensors and other efficient lighting options. At our house, I make sure every holiday light turns on and off right on time. It's an easy way to save energy and money. After all, I have my future to think about."

ANNC: "Happy Holidays from Otter Tail Power Company."

Otter Tail Power Company
Radio - ConservingElectricity.com
:30

Imagine curling up with a good book—and a hot cup of coffee, a blanket, two sweaters, and an extra pair of socks. Is this how you conserve energy? If so, Otter Tail Power Company encourages you to visit www.ConservingElectricity.com for simple, no-cost and low-cost ways to save.

Helping you conserve energy comfortably. Another advantage from Otter Tail Power Company.

Otter Tail Power Company
Radio - Efficient energy plan
:30

Building, remodeling, or adding on to your home this year? During the planning and design phase, you'll make decisions that will affect your energy costs for years to come. Make sure your energy plan is sound before you break ground. Learn about the most energy-efficient options for heating and cooling, lighting, water heating, and more. One call to Otter Tail Power Company's Idea Center will help ensure an efficient energy plan for your home.

Sound advice, another advantage from Otter Tail Power Company.

OTPC_Time for Savings_TV
:30 seconds

| VIDEO | AUDIO |
|---|---|
| Chelsey checking watch | <i>Chelsey: "3-2-1"</i> |
| | <i>Annc: "Otter Tail Power Company wants to help you conserve electricity during the holidays."</i> |
| Chelsey runs upstairs to check tree | <i>Chelsey: "Right on time!"</i> |
| Website over background of tree | <i>Annc: "Visit conserving electricy dot com for money saving ideas"</i> |
| Outside house | <i>Like using timers, motion sensors, and other efficient lighting options.</i> |
| Inside Chelsey's bedroom -- Chelsey's checking the clock, looks outside | <i>Because when you save electricity, you save more than energy."</i> |
| Chelsey takes off glasses and goes to bed. | <i>Chelsey: "After all, I have my future to dream about!"</i> |
| Otter Tail Power Logo | <i>Annc: "Happy Holidays from Otter Tail Power Company."</i> |

Otter Tail Power Company
Holiday Conservation
TV - "Chelsey saves the holidays"
: 30

CHELSEY:

"All right everyone, Chelsey saves the holidays!

Decorate with sparkly lights ... use a timer to do it right.

Motion sensors know when family's near ... helping light our sidewalk clear.

Efficient bulbs brighten holiday cheer ... saving money all through the year.

We'll do these things without a doubt, because I have my future to think about."

ANNOUNCER:

"For more energy and money saving ideas, visit ConservingElectricity.com. Happy holidays from Otter Tail Power Company."

Otter Tail Power Company
Conservation lifestyle
TV - "Little Miss Savings"
:30

Spot opens with a little girl looking through a lampshade and replacing an incandescent bulb with a fluorescent bulb.

She says to herself, and nods in agreement, "**A penny saved...is a penny for me.**"

She turns off the TV in her room with the remote control and flips off the light switch off as she walks out of her bedroom.

She stops in the hall, looks at her watch and knocks on the bathroom door and opens it a crack. She says, "**Dad, you've been in there long enough.**" She shakes her head as a parent would.

She flips off a succession of switches. Camera shot from low angle with dishwasher in foreground. She switches the button from heated dry to air dry.

Narrator: When you save electricity you save more than energy.

She's sitting on the dryer as mom is loading clothes into the washer.

As she's about to close the lid, the girl hands her another item from the clothes basket.

"There – now it's full. Remember, I've got my future to think about"

She climbs onto her bed and picks up a notebook that is resting next to her. She starts checking off boxes that she has made. At the top of the paper it reads "Chelsea's Checklist." She is checking off a series of boxes labeled Lights, TV, Dishwasher, Clothes...etc.

Narrator: For more energy and money-saving ideas visit conservingelectricity.com brought to you by Otter Tail Power Company.

GRX: ConservingElectricity.com

GRX: Otter Tail Power Company Logo

Tag: Helping you conserve energy. Another advantage from Otter Tail Power Company.

Otter Tail Power Company
Radio - Energy Star
:60

Hi. I'm Chelsey, and I love saving energy and money. After all, I have my future to think about. When it's time for my family to buy a new fridge or a stove or even a new computer, one of the most important things I do is to make sure we look for the Energy Star label. That label means it's super efficient and meets strict government guidelines for using less energy. Learn more about Energy Star at conservingelectricity.com or call Otter Tail Power Company's Idea Center at 800-493-3299. You know, I have a good idea right now – look for the Energy Star label on the things that use electricity in your home and be an energy star like me. You'll save every year. Remember, you have your future to think about too.

Narrator: For more energy and money-saving ideas visit conservingelectricity.com brought to you by Otter Tail Power Company.

Tag: Helping you conserve energy. Another advantage from Otter Tail Power Company.

Otter Tail Power Company
Radio - "Programmable thermostat"
:60

Hi. I'm Chelsey. Last winter, every time we left the house, Mom would say, "Did someone turn down the heat?"

Well not any more. Now we use a programmable thermostat. We just enter the times we're away at school and work or when we're asleep and it adjusts the temperature to save money, all by itself! In fact, I have a neighbor who lives in a great big house who uses five of these things. Find out about his house at conservingelectricity.com. With colder weather and higher energy costs, a programmable thermostat makes even more sense. After all, we all have our future to think about.

Tag: For information on programmable thermostats or other energy and money-saving ideas visit conservingelectricity.com or call Otter Tail Power Company's Idea Center at 800- 493- 3299. Helping you conserve energy. Another advantage from Otter Tail Power Company.



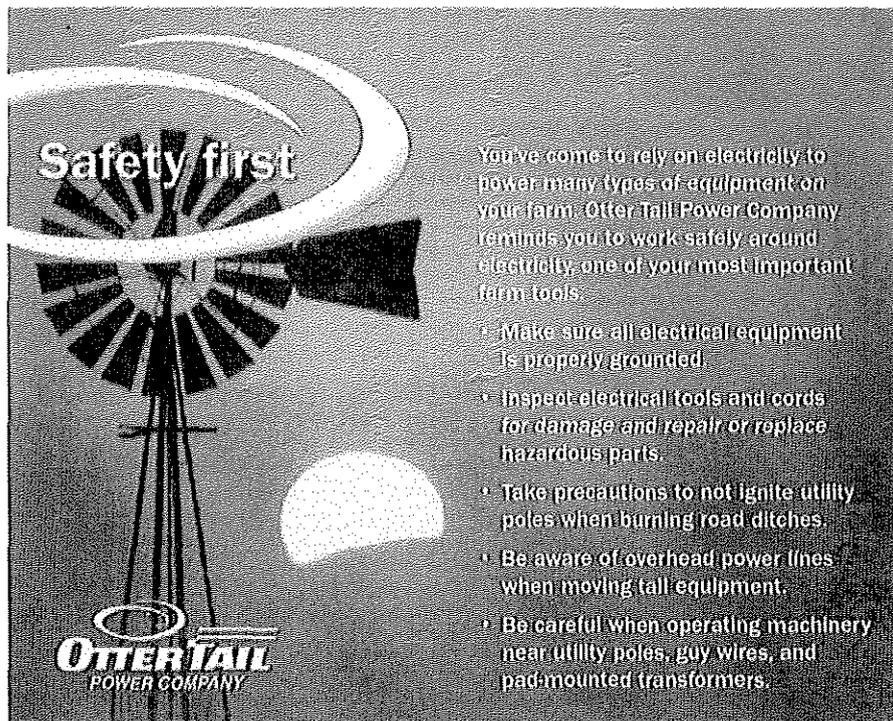
Safety Ads



Safety first

You've come to rely on electricity to power many types of equipment on your farm. Otter Tail Power Company reminds you to work safely around electricity, one of your most important farm tools.

OTTER TAIL
POWER COMPANY



Safety first

You've come to rely on electricity to power many types of equipment on your farm. Otter Tail Power Company reminds you to work safely around electricity, one of your most important farm tools.

- Make sure all electrical equipment is properly grounded.
- Inspect electrical tools and cords for damage and repair or replace hazardous parts.
- Take precautions to not ignite utility poles when burning road ditches.
- Be aware of overhead power lines when moving tall equipment.
- Be careful when operating machinery near utility poles, guy wires, and pad-mounted transformers.

OTTER TAIL
POWER COMPANY



Can you dig it?

With just one phone call, you can stay safe and prevent needless outages. It's quick. It's easy. And it's the law.

800-781-7474



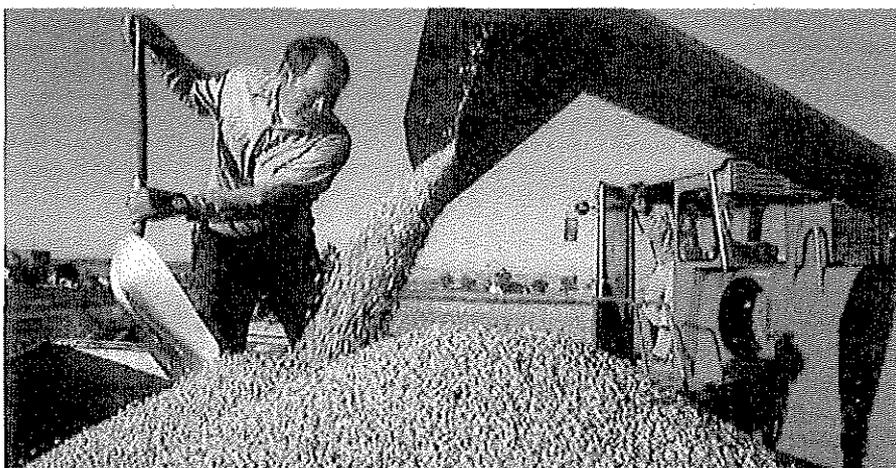


Can you dig it?

Call 800-781-7474 at least 48 hours before you start to dig. Utilities will mark the power lines, pipes, or cables buried on your property. With just one call, you can stay safe and prevent needless outages. It's easy. And it's the law.

800-781-7474



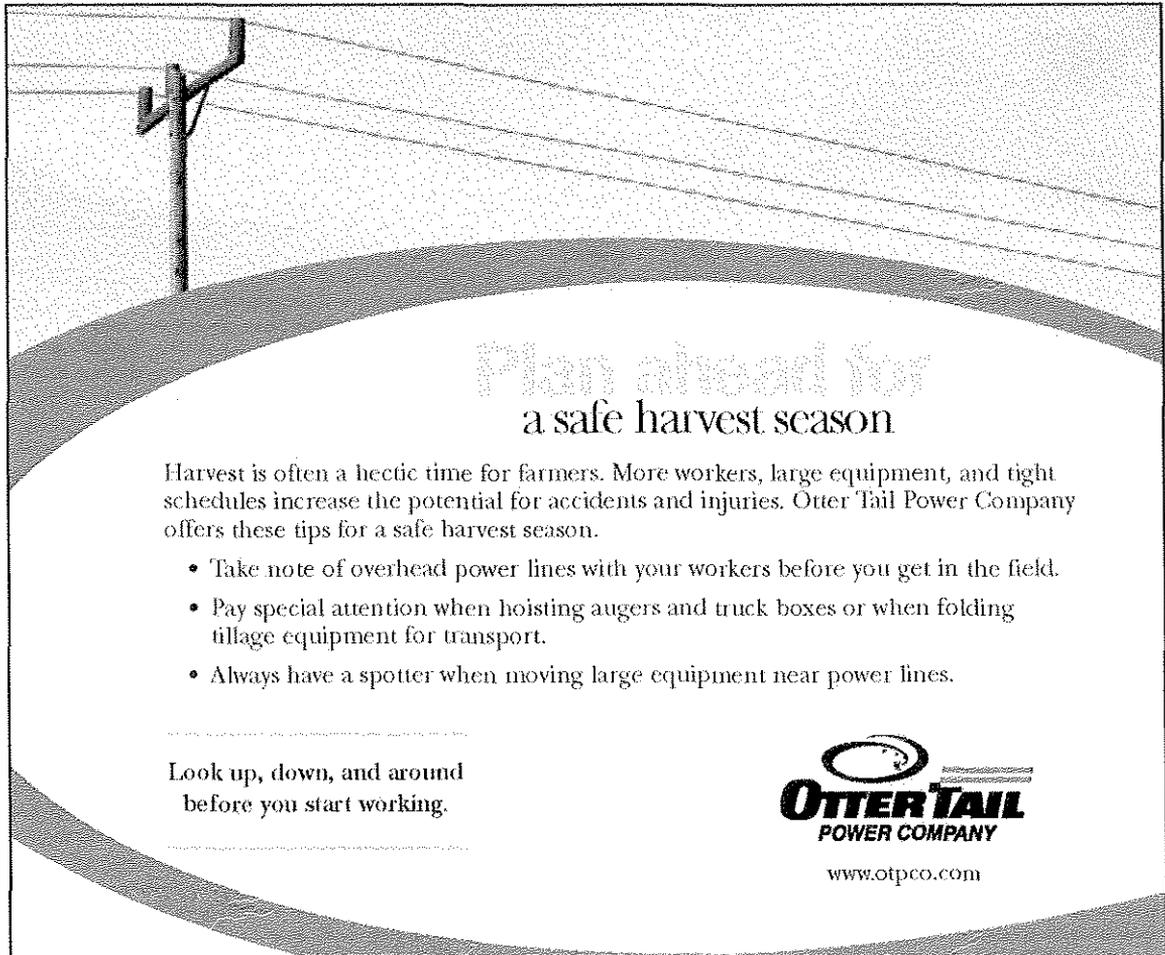


Don't let electrical accidents crop up this harvest season

To prevent accidents during harvest, follow these safety tips:

- Know the location of overhead power lines.
- Map out paths to avoid power lines when moving grain augers and other machinery.
- Call before you dig. In South Dakota call 800-784-7474.





**Plan ahead for
a safe harvest season**

Harvest is often a hectic time for farmers. More workers, large equipment, and tight schedules increase the potential for accidents and injuries. Otter Tail Power Company offers these tips for a safe harvest season.

- Take note of overhead power lines with your workers before you get in the field.
- Pay special attention when hoisting augers and truck boxes or when folding tillage equipment for transport.
- Always have a spotter when moving large equipment near power lines.

Look up, down, and around
before you start working.


www.otpc.com

OTPC_Harvest Safety_RADIO
:30 Seconds

ANNC: Harvest is often a hectic time for farmers. More workers, large equipment and tight schedules increase the potential for accidents and injuries. Otter Tail Power Company offers these tips for a safe harvest season: Take note of overhead power lines with your workers before you get in the field. Pay special attention when hoisting augers and truck boxes or when folding tillage equipment for transport. Always have a spotter when moving large equipment near power lines.

ANNC2: Plan ahead for a safe harvest season. A message from Otter Tail Power Company.

OTPC_Beet Harvest Safety __ RADIO
:30 Seconds

Otter Tail Power Company reminds you to be careful this harvest season. Sugar beet trucks are on the roads, entering and exiting the fields and piler stations. If you're following a beet truck, be patient and keep a safe distance. Sugar beet haulers - watch your surroundings and stay at least ten feet away from power lines. Always look overhead and check for power lines before lifting and lowering your truck box. Don't overload your truck, and follow the rules of the road, including stopping at stop signs. Let's make this a safe harvest for everyone. This safety message brought to you by Otter tail Power Company.

OTPC-1204_Holiday Safety_RADIO
:30 Seconds

ANNC: It's easy to get overloaded during the holidays, especially when it comes to electricity. Otter Tail Power Company wants you to keep the holidays bright by thinking safety first. Toss out decorations with old or frayed cords. Don't overload circuits or run cords under rugs or furniture. And keep in mind that even small holiday bulbs carry enough current to be dangerous. Lighten the load and stay safe.

ANNC2: Safety first. A holiday reminder from Otter Tail Power Company.

OTPC_Lines of communication
:30 seconds

| VIDEO | AUDIO |
|---|---|
| Continuous tracking shot of power outlet overloaded with cords. Gradually, the extra cords disappear. | <i>ANNCI: "It's easy to get overloaded during the holidays. Don't overload circuits, or run cords under rugs or furniture. Toss out decorations with old or frayed cords, and always turn off electric decorations before you leave home or go to bed."</i> |
| Hand reaches into screen and removes final power cord from outlet. | <i>MOM'S VOICE: "Let's go kids, dad's waiting in the car." ANNCI: "Lighten the load, and stay safe."</i> |
| OTPC logo | <i>ANNC2: "Safety first. A holiday reminder from Otter Tail Power Company."</i> |

Otter Tail Power Company
Joint Sugar Beet Harvest Safety - 1
:30 Radio
September 2007

Your regional power companies remind you to be careful during sugar beet harvest season. Sugar beet haulers, please watch your surroundings and stay at least ten feet away from power lines. Always look overhead and check for power lines before lifting and lowering your truck box. Don't overload your truck and follow the rules of the road. Let's make this a safe harvest for everyone. This safety message brought to you by Otter Tail Power Company, Cass County Electric, Lake Region Electric Co-op, and Traverse Electric Co-op.



Weathering the storm

Lightning, like electricity, is a powerful energy source. To help stay safe during thunderstorms, follow these tips:

- Take shelter in a sturdy building.
- Use a cellular phone instead of a corded phone.
- Wait to use the shower or bathtub.
- Unplug appliances.
- Call us at 800-257-4044 to report an outage or a downed power line.





Warm up a chilly room safely

Space heaters can warm up a chilly room in no time. For added safety, follow these tips:

- Keep children, pets, and flammable materials at least three feet away.
- Never leave a space heater unattended.
- Use only those models that have heating element guards and an automatic shut-off feature.







Always play it safe.

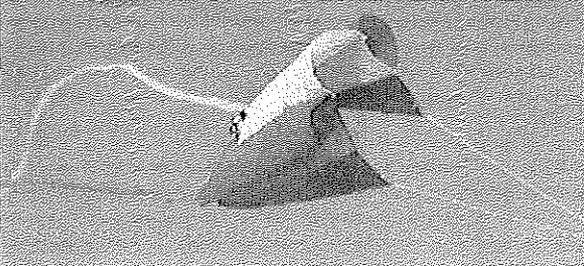




You have the power

You know that smoking is unhealthy for many reasons. But learning to say **NO** is the one way to avoid getting started.





Fly high and play safe

- Play with kites, balloons, and other flying toys in open areas far away from power lines.
- Stay away from utility poles and other electrical equipment.
- Climb trees and build tree houses away from power lines.
- Call 911 or Otter Tail Power Company at 800-257-4044 if you notice a fallen or low hanging power line.





HAVE A SAFE AND SPOOKTACULAR
HALLOWEEN!





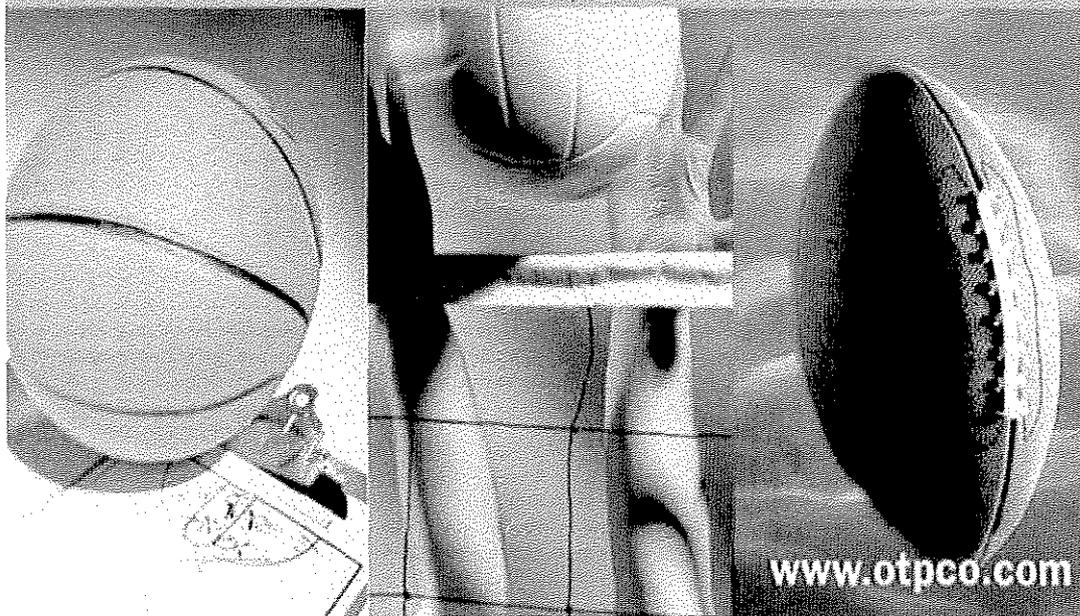


*Have a safe and happy
Fourth of July!*

OTTER TAIL
POWER COMPANY



Always play it safe.



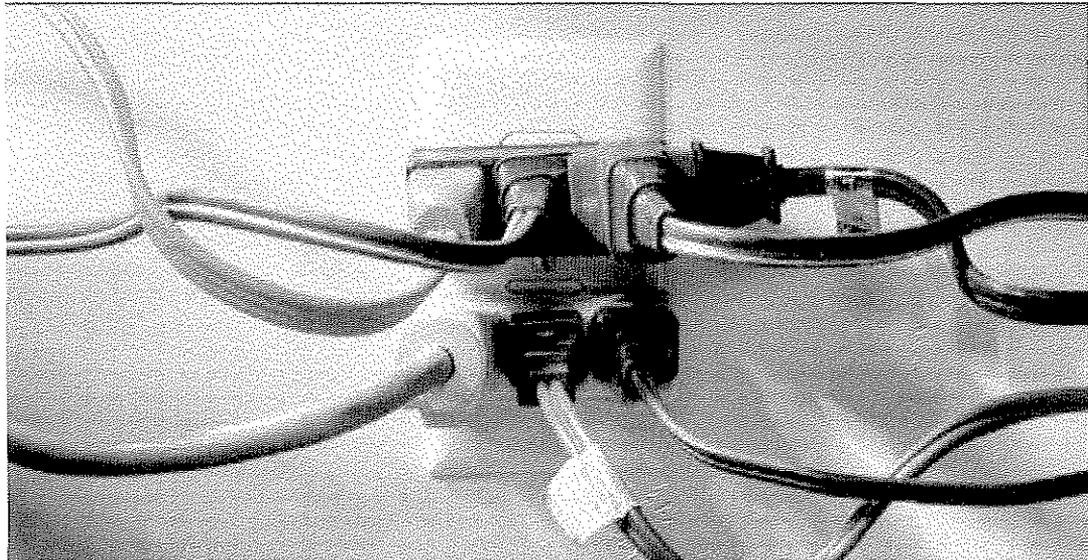
www.otpeco.com



*Warm wishes for safe
and happy holidays.*







It's easy to get overloaded during the holidays.

Keep your holidays bright and safe by using extra care around electricity.

- Don't overload circuits or run cords under rugs or furniture.
- Always turn off electric decorations before you go to sleep.
- Toss out decorations with worn or frayed cords.

For additional safety tips, visit www.otpc.com.





*Warm wishes for safe
and happy holidays.*



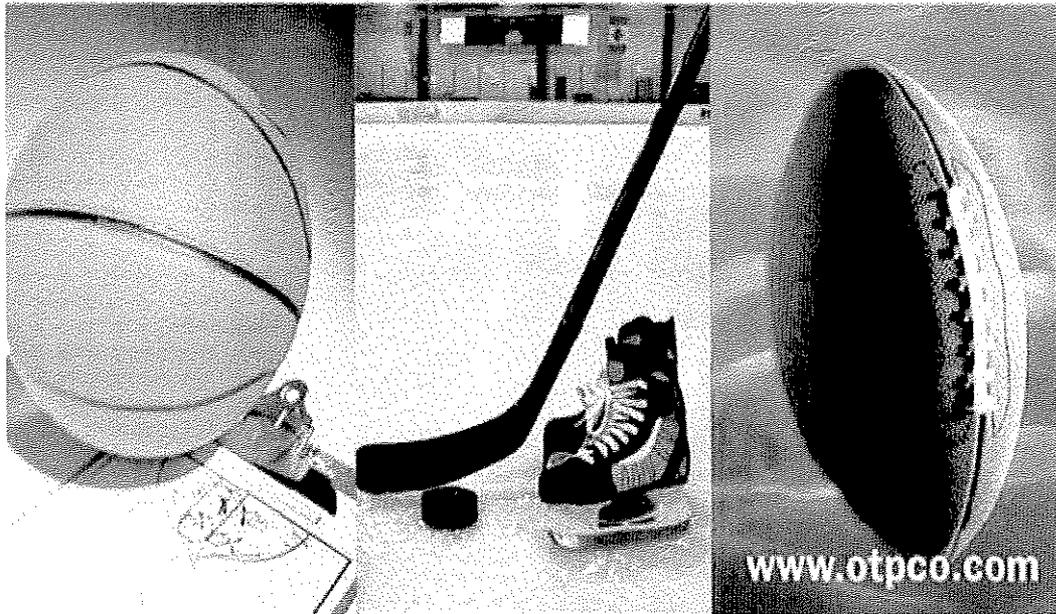


*Warm wishes for safe
and happy holidays.*





Always play it safe.





Always play it safe.







Information and Financial Ads



**One web site.
Many services.**

www.otpc.com

If you have a computer and Internet access, you have everything you need to take advantage of our convenient online services. One visit and you can:

- Pay your electric bill online with ePay.
- Power your home with wind energy by enrolling in TailWinds.
- Conduct a customized home energy audit.
- Establish, transfer, or discontinue your electric service.
- Report problems.

Just turn on your computer, go to
www.otpc.com, and start clicking.





www.otpc.com

It's amazing what you can do online! Pay your monthly electric statement, purchase wind power, start or transfer your electric service, conduct a home energy audit, receive load-control and other email alerts, and more! Just turn on your computer, go to **www.otpc.com**, and start clicking.



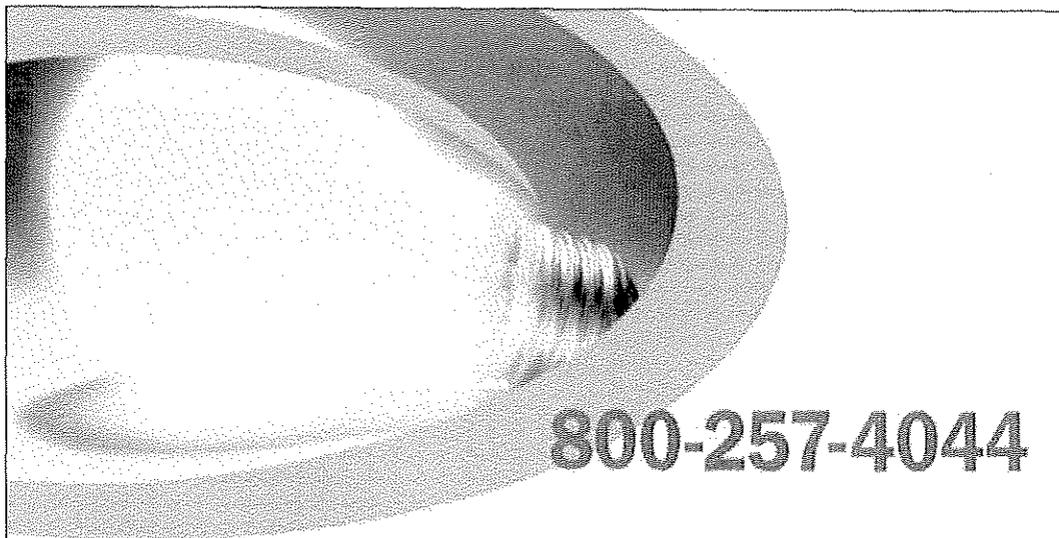


800-257-4044

One number for service

Our *one number for service* makes it easy to turn your electricity on when you need it and off when you don't. And you get answers to all of your electric service questions in between.



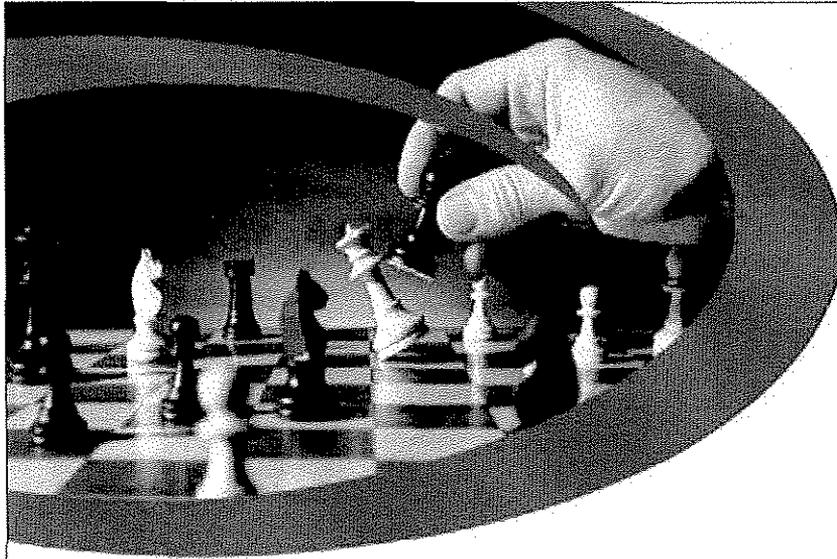


Helping you see the light

If you plan to move to the area or spend the season at a cabin in our service territory, Otter Tail Power Company's *one number for service* makes it easy to turn on your electricity when you need it and turn it off when you don't. And you can use it to get answers to all of your electric service questions in between.

If a storm causes a power outage, call our *one number for service* and count on us to restore your power quickly.



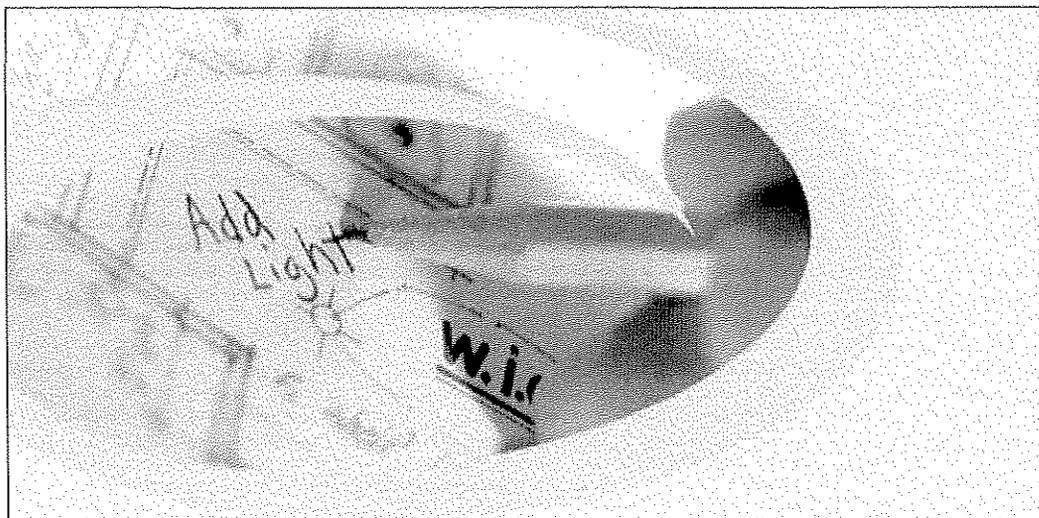


A winning strategy

Energy-efficient construction

Building or remodeling? Make sure you have a solid energy game plan. Call our **Idea Center** at **800-493-3299** and request your free *New construction resource packet.*



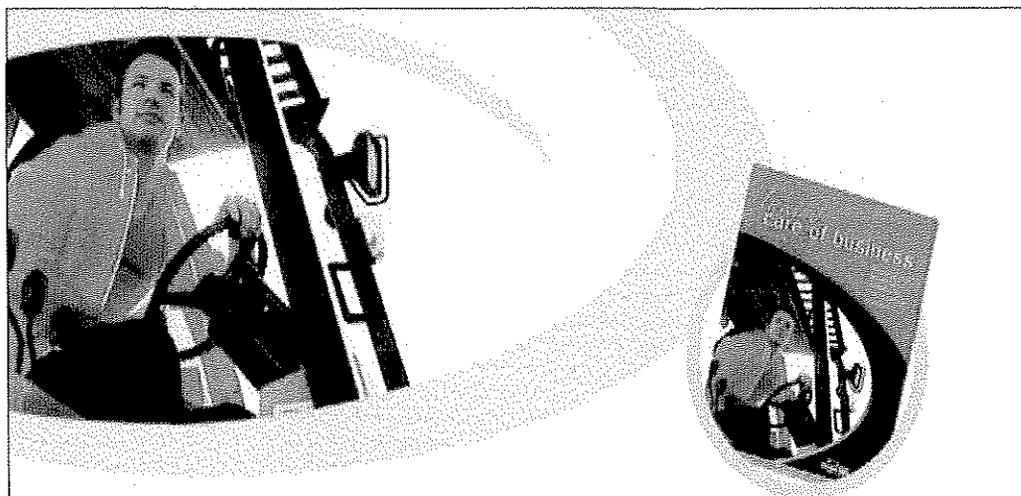


**Make sure your energy plan is sound
before you break ground**

Building, remodeling, or adding on to your home this year? During the planning and design phase, you'll make decisions that will affect your energy costs for years to come. Our *New Construction Resource* packet can help you make wise energy choices.

Call our **Idea Center** at **800-493-3299**
today to receive your free packet.





Taking care of business

Improve your bottom line

Reduce your energy costs with information from *Taking care of business*. Its money-saving, energy-efficient programs include rebates, grants, and financing for nearly every electric application.

800-493-3299





Bill-payment options

Pick the one that's right for you

- EPay
- Ready Check
- Even Monthly Payment
- COLLECTpay
- Summary billing
- Pay in person

For enrollment information, visit us at www.otpc.com
or call Customer Service at **800-257-4044**.



Otter Tail Corporation d/b/a OTTER TAIL POWER COMPANY
 INTERCOMPANY TRANSACTIONS - CORPORATE COSTS
 For the Test Year Ended December 31, 2007

Schedule H-4
 Page 1 of 2

| Line No. | FERC Acct. # | (A) Description | (B) Amounts Charged to OTP from Corporate (OTC) | (C) Allocation Factor | (D) Allocation Percentage | (E) South Dakota Amount |
|----------|--------------|---------------------------------------|---|-----------------------|---------------------------|-------------------------|
| 1 | 500 | Operation supervision and engineering | | | | |
| 2 | | Various Support Groups from OTC | \$12,778 | | | \$1,186 |
| 3 | | Base Demand @ 71.89% | 9,186 | E1 | 9.370380% | 861 |
| 4 | | Peak Demand @ 28.11% | 3,592 | D1 | 9.055845% | 325 |
| 5 | | | | | | |
| 6 | 501 | Fuel | | | | |
| 7 | | Various Support Groups from OTC | \$41,129 | E2 | 9.345615% | \$3,844 |
| 8 | | | | | | |
| 9 | 506 | Miscellaneous Steam Power Expense | | | | |
| 10 | | Various Support Groups from OTC | \$3,254 | | | \$302 |
| 11 | | Base Demand @ 71.89% | 2,339 | E1 | 9.370380% | 219 |
| 12 | | Peak Demand @ 28.11% | 915 | D1 | 9.055845% | 83 |
| 13 | | | | | | |
| 14 | 912 | Demonstrating and Selling Expenses | | | | |
| 15 | | Various Support Groups from OTC | \$6,250 | C1 | 9.033353% | \$565 |
| 16 | | | | | | |
| 17 | 920 | Administrative and General Salaries | | | | |
| 18 | | Various Support Groups from OTC | \$3,452,097 | | | \$322,526 |
| 19 | | Production @ 36.81% | 1,270,717 | OXPD | 9.286300% | 118,003 |
| 20 | | Transmission @ 14.09% | 486,400 | D2 | 8.969502% | 43,628 |
| 21 | | Distribution @ 25.04% | 864,405 | OXD | 9.797576% | 84,691 |
| 22 | | Customer Accounts @ 17.90% | 617,925 | OXC | 9.223750% | 56,996 |
| 23 | | Customer Service & Info @ 6.16% | 212,649 | C1 | 9.033353% | 19,209 |
| 24 | | | | | | |
| 25 | 921 | Office Supplies and Expenses | | | | |
| 26 | | Various Support Groups from OTC | \$850,943 | | | \$79,503 |
| 27 | | Production @ 36.81% | 313,232 | OXPD | 9.286300% | 29,088 |
| 28 | | Transmission @ 14.09% | 119,898 | D2 | 8.969502% | 10,754 |
| 29 | | Distribution @ 25.04% | 213,076 | OXD | 9.797576% | 20,876 |
| 30 | | Customer Accounts @ 17.90% | 152,319 | OXC | 9.223750% | 14,049 |
| 31 | | Customer Service & Info @ 6.16% | 52,418 | C1 | 9.033353% | 4,735 |
| 32 | | | | | | |
| 33 | 923 | Outside Services Employed | | | | |
| 34 | | Audit, Legal, Consultants, Etc. | \$1,144,941 | NEPIS | 9.367635% | \$107,254 |
| 35 | | | | | | |
| 36 | 924 | Property Insurance | | | | |
| 37 | | OTC Insurance Expense | \$30,906 | NEPIS | 9.367635% | \$2,895 |
| 38 | | | | | | |
| 39 | 925 | Injuries and Damages | | | | |
| 40 | | OTC Insurance Expense | \$20,937 | NEPIS | 9.367635% | \$1,961 |
| 41 | | | | | | |
| 42 | 928 | Regulatory Commission Expense | | | | |
| 43 | | Various Support Groups from OTC | \$10,000 | Direct | 0.000000% | \$0 |
| 44 | | | | | | |
| 45 | 930.1 | General Advertising Expenses | \$1,379 | C1 | 9.033353% | \$125 |
| 46 | | | | | | |
| 47 | 930.2 | Miscellaneous General Expenses | \$424,180 | P90 | 9.077176% | \$38,504 |
| 48 | | | | | | |
| 49 | 931 | Rents | \$116,625 | P90 | 9.077176% | \$10,586 |
| 50 | | | | | | |
| 51 | 935 | Maintenance of General Plant | \$200,336 | P90 | 9.077176% | \$18,185 |
| 52 | | | | | | |
| 53 | | TOTAL | \$6,315,754 | | | \$587,435 |

Note:

The expenses are a combination of direct charges to OTP and an allocation of costs. All costs are pushed down to OTP at the cost incurred by Otter Tail Corporation without any additional fees. The allocation method used is described in the Corporate Allocation Manual (Exhibit__(BCB-1), Schedule 1) discussed in the Direct Testimony of Ms. Bernadeen Brutlag.

Otter Tail Corporation d/b/a OTTER TAIL POWER COMPANY
INTERCOMPANY TRANSACTIONS
For the Test Year Ended December 31, 2007

Schedule H-4
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| | (A) | (B) | (C) |
|-------------|-----------------|-------------------------------------|--------------------|
| Line No. | FERC Acct. # | Description | 2007 |
| 1 | 417 | Revenues from nonutility operations | \$7,202,739 |
| 2 | | | |
| 3 | 417.1 | Expenses of nonutility operations | <u>\$6,186,959</u> |
| 4 | 417 | Net | \$1,015,780 |