

Otter Tail Corporation d/b/a OTTER TAIL POWER COMPANY
Comparison of Cost of Service
Actual Year 2007

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	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Line No.	Customer Group	Rate Status	Revenue	Expenses	Net Operating Income	Average Rate Base (1)	% Rate of Return
1	Residential Service	Present	8,583,125	7,874,583	708,542	19,338,179	3.66%
2		Proposed	9,732,705	8,276,959	1,455,746	19,330,789	7.53%
3							
4	Farm Service	Present	670,782	617,765	53,017	1,682,948	3.15%
5		Proposed	760,109	649,031	111,078	1,682,371	6.60%
6							
7	General Service	Present	7,250,405	6,096,144	1,154,261	14,494,695	7.96%
8		Proposed	8,070,088	6,382,715	1,687,373	14,489,297	11.65%
9							
10	Large General Service	Present	9,416,059	8,451,175	964,884	18,716,947	5.16%
11		Proposed	10,660,862	8,886,879	1,773,982	18,709,071	9.48%
12							
13	Irrigation	Present	27,211	25,827	1,384	75,116	1.84%
14		Proposed	31,275	27,250	4,024	75,092	5.36%
15							
16	Outdoor Lighting	Present	574,923	529,974	44,949	1,510,036	2.98%
17		Proposed	679,939	566,784	113,155	1,509,545	7.50%
18							
19	Other Public Authority	Present	244,147	239,725	4,422	602,981	0.73%
20		Proposed	281,451	252,794	28,658	602,747	4.75%
21							
22	Controlled Water Heating	Present	417,393	454,375	(36,982)	1,342,328	-2.76%
23		Proposed	536,039	496,035	40,004	1,341,868	2.98%
24							
25	Controlled Service - Interruptible	Present	1,135,709	1,198,989	(63,280)	2,018,166	-3.14%
26		Proposed	1,422,912	1,299,809	123,103	2,016,916	6.10%
27							
28	Controlled Service Deferred	Present	230,370	227,473	2,897	449,404	0.64%
29		Proposed	258,141	237,189	20,952	449,177	4.66%
30							
31	Totals	Present	28,550,123	25,716,028	2,834,096	60,230,800	4.71%
32		Proposed	32,433,520	27,075,444	5,358,076	60,206,873	8.89%

(1) There is an immaterial change in Average Rate Base when incorporating the proposed revenue increase in each of the customer classes due to changes in the cash working capital calculation.

Otter Tail Corporation d/b/a OTTER TAIL POWER COMPANY
Derivation of Increased Rates
Actual Year 2007

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Not required with initial filing