PUBLIC - TRADE SECRET DATA HAS BEEN EXCISED

Otter Tail Power Company
South Dakota Transmission Cost Recovery Rider
Oakes Area Transmission Revenue Requirements
Docket No. EL16-

Line No.		Year>>	2016 Actual March	2016 Actual April	2016 Actual May	2016 Actual June	2016 Actual July	2016 Actual August	2016 Actual September	2016 Projected October	2016 Projected November	2016 Projected December	2016 Projected Total	2017 Projected January	2017 Projected February
	RATE BASE														
1	Plant Balance		7,043,579	7,043,546	7,042,807	7,042,807	7,042,807	7,042,807	7,042,807	7,042,807	7,042,807	7,042,807	7,042,807	7,042,807	7,042,807
2	Accumulated Depreciation		(30,846)	(41,121)	(51,397)	(61,671)	(71,946)	(82,220)	(92,495)	(102,770)	(113,044)	(123,319)	(123,319)	(133,593)	(143,868)
3	Net Plant in Service		7,012,734	7,002,425	6,991,410	6,981,135	6,970,861	6,960,586	6,950,312	6,940,037	6,929,763	6,919,488	6,919,488	6,909,214	6,898,939
4	CWIP		0	0	0	0	0	0	0	0	0	0	0	0	0
5	ADIT - NOL DTA		677,428	677,428	677,428	677,428	677,428	677,428	677,428	677,428	677,428	677,428	677,428	677,428	677,428
6	Reversal of ADIT - NOL DTA		(118,276)	(157,702)	(197,127)	(236,553)	(275,978)	(315,403)	(354,829)	(361,526)	(364,982)	(365,090)	(365,090)	(509,290)	(542,451)
7	ADIT Federal Proration Factors		1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.1699	0.0877	0.0027		0.9178	0.8411
8	Accumulated Deferred Income Taxes Federal & State		(1,313,113)	(1,319,200)	(1,325,287)	(1,331,374)	(1,337,461)	(1,343,549)	(1,349,636)	(1,350,670)	(1,351,204)	(1,351,220)	(1,351,220)	(1,372,641)	(1,376,988)
9	Ending rate base		6,258,772	6,202,951	6,146,424	6,090,637	6,034,850	5,979,062	5,923,275	5,905,270	5,891,005	5,880,606	5,880,606	5,704,710	5,656,928
10															
11	Average rate base		509,210	509,210	509,210	509,210	509,210	509,210	509,210	509,210	509,210	509,210	6,110,525	461,819	461,819
12															
13	Return on Rate Base		38,178	38,178	38,178	38,178	38,178	38,178	38,178	38,178	38,178	38,178	458,138	34,625	34,625
14															
15	Available for return (equity portion of rate base)		24,849	24,849	24,849	24,849	24,849	24,849	24,849	24,849	24,849	24,849	298,194	22,537	22,537
16															
17	*EXPENSES*														
18	*O&M and Depreciation*														
19	Operating Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
20	Property Tax		4,933	4,933	4,933	4,933	4,933	4,933	4,933	4,933	4,933	4,933	54,261	4,930	4,930
21	Book Depreciation		10,282	10,276	10,276	10,275	10,275	10,275	10,275	10,275	10,275	10,275	123,319	10,275	10,275
22	Total O&M and Depreciation Expense		15,215	15,208	15,208	15,207	15,207	15,207	15,207	15,207	15,207	15,207	177,579	15,205	15,205
23															
24	Income before Taxes														
25	Available for return (from above)		24,849	24,849	24,849	24,849	24,849	24,849	24,849	24,849	24,849	24,849	298,194	22,537	22,537
26	Taxable Income (grossed up)	1.5385	38,230	38,230	38,230	38,230	38,230	38,230	38,230	38,230	38,230	38,230	458,759	34,672	34,672
27															
28	Income Taxes														
29	Current and Def Income Taxes	35.00%	13,380	13,380	13,380	13,380	13,380	13,380	13,380	13,380	13,380	13,380	160,566	12,135	12,135
30	Total Income Tax Expense		13,380	13,380	13,380	13,380	13,380	13,380	13,380	13,380	13,380	13,380	160,566	12,135	12,135
31															
32															
33	*REVENUE REQUIRMENTS*														
34	Expenses		28,595	28,589	28,589	28,588	28,588	28,588	28,588	28,588	28,588	28,588	338,145	27,340	27,340
35	Return on rate base		38,178	38,178	38,178	38,178	38,178	38,178	38,178	38,178	38,178	38,178	458,138	34,625	34,625
36	Subtotal revenue requirements		66,773	66,767	66,767	66,766	66,766	66,766	66,766	66,766	66,766	66,766	796,283	61,965	61,965
37	Adjustments		0	0	0	0	0	0	0	0	0	0	0	0	0
38	Transmission Revenue		(11,163)	(11,162)	(11,162)	(11,162)	(11,162)	(11,162)	(11,162)	(11,162)	(11,162)	(11,162)	(133,119)	(10,153)	(10,153)
39	Total revenue requirements		55,610	55,605	55,605	55,604	55,604	55,604	55,604	55,604	55,604	55,604	663,163	51,811	51,811
40															
41	South Dakota share - D2 factor	9.82%	5,459	5,458	5,458	5,458	5,458	5,458	5,458	5,458	5,458	5,458	65,497	5,086	5,086
42															
43	Gross Receipts Tax		8	8	8	8	8	8	8	8	8	8	92	7	7
44	Total South Dakota Share		5,466	5,466	5,466	5,466	5,466	5,466	5,466	5,466	5,466	5,466	65,589	5,093	5,093

Line No.															
	SUPPORTING INFORMATION / DATA														
1															
2	SD Cap Structure with allowed ROE per order.														
	[TRADE SECRET DATA BEGINS…														
3	Capital Structure	**Ratio**	**Cost**	**WA Cost**											
4	Debt														
5	Preferred equity														
6	Common equity														
7	Total	100.00%		7.50%	Overall Return										
	...TRADE SECRET DATA ENDS]														
8															
9		**Book**	**Tax**												
10	Project life (years)	50	15-year MACRS												
11															
12			**Fed Portion**	**State Portion**	**SD Gross Receipts Tax**										
13	Statutory Tax Rate	35.00%	35.00%	0.00%	0.14%										
14	Tax conversion factor	1.53846													
15	Transmission Revenue	16.72%													
16	SD share - D2 factor	9.8157%													
17															
18	**Deferred Tax**														
19	Book depreciation														
20	Tax depreciation-Federal														
21	Tax depreciation-SD														
22	Federal deferred income taxes														
23	State deferred income taxes														

10	10,282	10,276	10,276	10,275	10,275	10,275	10,275	10,275	10,275	10,275	123,319	10,275	10,275
11	27,667	27,667	27,667	27,667	27,667	27,667	27,667	27,667	27,667	27,667	332,003	25,041	25,041
12	27,667	27,667	27,667	27,667	27,667	27,667	27,667	27,667	27,667	27,667	332,003	25,041	25,041
13	(6,085)	(6,087)	(6,087)	(6,087)	(6,087)	(6,087)	(6,087)	(6,087)	(6,087)	(6,087)	(73,039)	(5,168)	(5,168)
14	0	0	0	0	0	0	0	0	0	0	0	0	0

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Docket No. EL16-

Line No.		Year>>	2017 Projected March	2017 Projected April	2017 Projected May	2017 Projected June	2017 Projected July	2017 Projected August	2017 Projected September	2017 Projected October	2017 Projected November	2017 Projected December	2017 Projected Total	2018 Projected January	2018 Projected February
	RATE BASE														
1	Plant Balance		7,042,807	7,042,807	7,042,807	7,042,807	7,042,807	7,042,807	7,042,807	7,042,807	7,042,807	7,042,807	7,042,807	7,042,807	7,042,807
2	Accumulated Depreciation		(154,142)	(164,417)	(174,691)	(184,966)	(195,240)	(205,515)	(215,790)	(226,064)	(236,339)	(246,613)	(246,613)	(256,888)	(267,162)
3	Net Plant in Service		6,888,664	6,878,390	6,868,115	6,857,841	6,847,566	6,837,292	6,827,017	6,816,743	6,806,468	6,796,194	6,796,194	6,785,919	6,775,644
4	CWIP		0	0	0	0	0	0	0	0	0	0	0	0	0
5	ADIT - NOL DTA		677,428	677,428	677,428	677,428							0		
6	Reversal of ADIT - NOL DTA		(572,263)	(598,834)	(622,057)	(625,705)							0		
7	ADIT Federal Proration Factors		0.7562	0.6740	0.5890	0.5068	0.4219	0.3370	0.2548	0.1699	0.0877	0.0027		0.9178	0.8411
8	Accumulated Deferred Income Taxes Federal & State		(1,380,896)	(1,384,379)	(1,387,424)	(1,390,043)	(1,392,224)	(1,393,965)	(1,395,282)	(1,396,160)	(1,396,613)	(1,396,627)	(1,396,627)	(1,400,569)	(1,404,182)
9	Ending rate base		5,612,934	5,572,604	5,536,062	5,519,521	5,455,342	5,443,326	5,431,735	5,420,582	5,409,855	5,399,566	5,399,566	5,385,350	5,371,462
10															
11	Average rate base		461,819	461,819	461,819	461,819	461,819	461,819	461,819	461,819	461,819	461,819	5,541,829	443,503	443,503
12															
13	Return on Rate Base		34,625	34,625	34,625	34,625	34,625	34,625	34,625	34,625	34,625	34,625	415,499	33,252	33,252
14															
15	Available for return (equity portion of rate base)		22,537	22,537	22,537	22,537	22,537	22,537	22,537	22,537	22,537	22,537	270,441	21,643	21,643
16															
17	*EXPENSES*														
18	*O&M and Depreciation*														
19	Operating Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
20	Property Tax		4,930	4,930	4,930	4,930	4,930	4,930	4,930	4,930	4,930	4,930	54,230	4,930	4,930
21	Book Depreciation		10,275	10,275	10,275	10,275	10,275	10,275	10,275	10,275	10,275	10,275	123,295	10,275	10,275
22	Total O&M and Depreciation Expense		15,205	15,205	15,205	15,205	15,205	15,205	15,205	15,205	15,205	15,205	177,524	15,205	15,205
23															
24	Income before Taxes														
25	Available for return (from above)		22,537	22,537	22,537	22,537	22,537	22,537	22,537	22,537	22,537	22,537	270,441	21,643	21,643
26	Taxable Income (grossed up)	1.5385	34,672	34,672	34,672	34,672	34,672	34,672	34,672	34,672	34,672	34,672	416,063	33,297	33,297
27															
28	Income Taxes														
29	Current and Def Income Taxes	35.00%	12,135	12,135	12,135	12,135	12,135	12,135	12,135	12,135	12,135	12,135	145,622	11,654	11,654
30	Total Income Tax Expense		12,135	12,135	12,135	12,135	12,135	12,135	12,135	12,135	12,135	12,135	145,622	11,654	11,654
31															
32															
33	*REVENUE REQUIRMENTS*														
34	Expenses		27,340	27,340	27,340	27,340	27,340	27,340	27,340	27,340	27,340	27,340	323,146	26,858	26,858
35	Return on rate base		34,625	34,625	34,625	34,625	34,625	34,625	34,625	34,625	34,625	34,625	415,499	33,252	33,252
36	Subtotal revenue requirements		61,965	61,965	61,965	61,965	61,965	61,965	61,965	61,965	61,965	61,965	738,646	60,110	60,110
37	Adjustments		0	0	0	0	0	0	0	0	0	0	0	0	0
38	Transmission Revenue		(10,153)	(10,153)	(10,153)	(10,153)	(10,153)	(10,153)	(10,153)	(10,153)	(10,153)	(10,153)	(121,031)	(10,147)	(10,147)
39	Total revenue requirements		51,811	51,811	51,811	51,811	51,811	51,811	51,811	51,811	51,811	51,811	617,615	49,963	49,963
40															
41	South Dakota share - D2 factor	9.82%	5,086	5,086	5,086	5,086	5,086	5,086	5,086	5,086	5,086	5,086	61,028	4,904	4,904
42															
43	Gross Receipts Tax		7	7	7	7	7	7	7	7	7	7	82	7	7
44	Total South Dakota Share		5,093	5,093	5,093	5,093	5,093	5,093	5,093	5,093	5,093	5,093	61,110	4,911	4,911

Line No.															
	SUPPORTING INFORMATION / DATA														
1															
2	SD Cap Structure with allowed ROE per order.														
	[TRADE SECRET DATA BEGINS…														
3	Capital Structure	**Ratio**	**Cost**	**WA Cost**					**Property tax**						
4	Debt								2017 composite rate	0.77%					
5	Preferred equity														
6	Common equity														
7	Total	100.00%		7.50%	Overall Return				**..TRADE SECRET DATA ENDS]**						
8															
9		**Book**	**Tax**												
10	Project life (years)	50	15-year MACRS												
11								**SD Gross**							
12			**Fed Portion**	**State Portion**											
13	Statutory Tax Rate	35.00%	35.00%	0.00%	0.135%										
14	Tax conversion factor	1.53846													
15	Transmission Revenue	16.39%													
16	SD share - D2 factor	9.8157%													
17															
18	**Deferred Tax**														
19	Book depreciation												10,275	10,275	10,275
20	Tax depreciation-Federal												25,041	25,041	25,041
21	Tax depreciation-SD												25,041	25,041	25,041
22	Federal deferred income taxes												(5,168)	(5,168)	(5,168)
23	State deferred income taxes												0	0	0