PUBLIC - TRADE SECRET DATA HAS BEEN EXCISED

Otter Tail Power Company
South Dakota Transmission Cost Recovery Rider
Cass Lake - Bemidji 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		7,039,948	7,039,948	7,039,948	7,039,948	7,039,948	7,039,948	7,039,948	7,039,948	7,039,948	7,039,948	7,039,948	7,039,948	7,039,948
2	Accumulated Depreciation		(396,158)	(405,538)	(414,917)	(424,297)	(433,676)	(443,056)	(452,435)	(461,815)	(471,194)	(480,574)	(480,574)	(489,953)	(499,333)
3	Net Plant in Service		6,643,790	6,634,410	6,625,031	6,615,651	6,606,272	6,596,892	6,587,513	6,578,133	6,568,754	6,559,374	6,559,374	6,549,995	6,540,615
4	CWIP		0	0	0	0	0	0	0	0	0	0	0	0	0
5	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
6	Accumulated Deferred Income Taxes Federal & State		(1,474,474)	(1,478,469)	(1,482,463)	(1,486,458)	(1,490,453)	(1,494,448)	(1,498,442)	(1,499,121)	(1,499,471)	(1,499,482)	(1,499,482)	(1,513,419)	(1,516,162)
7	Ending rate base		5,169,315	5,155,941	5,142,567	5,129,193	5,115,819	5,102,445	5,089,070	5,079,012	5,069,283	5,059,892	5,059,892	5,036,575	5,024,453
8															
9	OTP Load Percentage		31.782%	31.782%	31.782%	31.782%	31.782%	31.782%	31.782%	31.782%	31.782%	31.782%	31.782%	31.782%	31.782%
10	Remove Non-OTP Load Portion		(3,526,404)	(3,517,280)	(3,508,156)	(3,499,033)	(3,489,909)	(3,480,786)	(3,471,662)	(3,464,801)	(3,458,163)	(3,451,757)	(3,451,757)	(3,435,851)	(3,427,581)
11	Retail Ending Rate Base		1,642,912	1,638,661	1,634,411	1,630,160	1,625,910	1,621,659	1,617,408	1,614,212	1,611,119	1,608,135	1,608,135	1,600,724	1,596,872
12															
13	Average rate base		136,417	136,417	136,417	136,417	136,417	136,417	136,417	136,417	136,417	136,417	1,637,006	131,934	131,934
14															
15	Return on Rate Base		10,227	10,227	10,227	10,227	10,227	10,227	10,227	10,227	10,227	10,227	122,728	9,891	9,891
16															
17	Available for return (equity portion of rate base)		6,657	6,657	6,657	6,657	6,657	6,657	6,657	6,657	6,657	6,657	79,879	6,438	6,438
18															
19	*EXPENSES*														
20	*O&M and Depreciation*														
21	Operating Costs		502	526	526	526	526	526	526	526	526	526	6,240	526	526
22	Property Tax		10,384	10,384	10,384	10,384	10,384	10,384	10,384	10,384	10,384	10,384	124,607	10,384	10,384
23	Book Depreciation		9,379	9,379	9,379	9,379	9,379	9,379	9,379	9,379	9,379	9,379	112,554	9,379	9,379
24	Total O&M and Depreciation Expenses		20,265	20,289	20,289	20,289	20,289	20,289	20,289	20,289	20,289	20,289	243,401	20,289	20,289
25															
26	OTP Load Percentage		31.782%	31.782%	31.782%	31.782%	31.782%	31.782%	31.782%	31.782%	31.782%	31.782%	31.782%	31.782%	31.782%
27	Remove Non-OTP Load Portion		(13,825)	(13,841)	(13,841)	(13,841)	(13,841)	(13,841)	(13,841)	(13,841)	(13,841)	(13,841)	(166,043)	(13,841)	(13,841)
28	Retail O&M and Depreciation Expenses		6,441	6,448	6,448	6,448	6,448	6,448	6,448	6,448	6,448	6,448	77,358	6,448	6,448
29															
30	Income before Taxes														
31	Available for return (from above)		6,657	6,657	6,657	6,657	6,657	6,657	6,657	6,657	6,657	6,657	79,879	6,438	6,438
32	Taxable Income (grossed up)	1.53846	10,241	10,241	10,241	10,241	10,241	10,241	10,241	10,241	10,241	10,241	122,891	9,904	9,904
33															
34	Income Taxes														
35	Current and Def Income Taxes	35.00%	3,584	3,584	3,584	3,584	3,584	3,584	3,584	3,584	3,584	3,584	43,012	3,467	3,467
36	Total Income Tax Expense		3,584	3,584	3,584	3,584	3,584	3,584	3,584	3,584	3,584	3,584	43,012	3,467	3,467
37															
38															
39	*REVENUE REQUIRMENTS*														
40	Expenses		10,025	10,033	10,033	10,033	10,033	10,033	10,033	10,033	10,033	10,033	120,370	9,915	9,915
41	Return on rate base		10,227	10,227	10,227	10,227	10,227	10,227	10,227	10,227	10,227	10,227	122,728	9,891	9,891
42	Subtotal revenue requirements		20,252	20,260	20,260	20,260	20,260	20,260	20,260	20,260	20,260	20,260	243,098	19,806	19,806
43	Adjustments														
44	Transmission Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
45	Total revenue requirements		20,252	20,260	20,260	20,260	20,260	20,260	20,260	20,260	20,260	20,260	243,098	19,806	19,806
46															
47	South Dakota share - D2 factor	9.8157%	1,988	1,989	1,989	1,989	1,989	1,989	1,989	1,989	1,989	1,989	23,862	1,944	1,944
48															
49	Gross Receipts Tax		3	3	3	3	3	3	3	3	3	3	33	3	3
50	Total South Dakota Share		1,991	1,991	1,991	1,991	1,991	1,991	1,991	1,991	1,991	1,991	23,895	1,947	1,947

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										
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	0.00%													
16	SD share - D2 factor	9.8157%													
17															
18	**Deferred Tax**														
19	Book depreciation					9,379	9,379	9,379	9,379	9,379	9,379	9,379	9,379	9,379	9,379
20	Tax depreciation-Federal					20,793	20,793	20,793	20,793	20,793	20,793	20,793	20,793	20,793	20,793
21	Tax depreciation-SD					20,793	20,793	20,793	20,793	20,793	20,793	20,793	20,793	20,793	20,793
22	Federal deferred income taxes	35.00%				(3,995)	(3,995)	(3,995)	(3,995)	(3,995)	(3,995)	(3,995)	(3,995)	(3,995)	(3,995)
23	State deferred income taxes	0.00%				0	0	0	0	0	0	0	0	0	0

Property tax
2016 composite rate 1.77%

...TRADE SECRET DATA ENDS]

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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		7,039,948	7,039,948	7,039,948	7,039,948	7,039,948	7,039,948	7,039,948	7,039,948	7,039,948	7,039,948	7,039,948	7,039,948	7,039,948
2	Accumulated Depreciation		(508,712)	(518,092)	(527,471)	(536,851)	(546,230)	(555,610)	(564,989)	(574,369)	(583,748)	(593,128)	(593,128)	(602,507)	(611,887)
3	Net Plant in Service		6,531,236	6,521,856	6,512,477	6,503,097	6,493,718	6,484,338	6,474,959	6,465,579	6,456,200	6,446,820	6,446,820	6,437,441	6,428,061
4	CWIP		0	0	0	0	0	0	0	0	0	0	0	0	0
5	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
6	Accumulated Deferred Income Taxes Federal & State		(1,518,628)	(1,520,826)	(1,522,747)	(1,524,400)	(1,525,776)	(1,526,875)	(1,527,706)	(1,528,260)	(1,528,546)	(1,528,555)	(1,528,555)	(1,531,166)	(1,533,558)
7	Ending rate base		5,012,607	5,001,030	4,989,729	4,978,697	4,967,941	4,957,463	4,947,252	4,937,319	4,927,654	4,918,265	4,918,265	4,906,275	4,894,503
8															
9	OTP Load Percentage		31.782%	31.782%	31.782%	31.782%	31.782%	31.782%	31.782%	31.782%	31.782%	31.782%	31.782%	31.782%	31.782%
10	Remove Non-OTP Load Portion		(3,419,500)	(3,411,602)	(3,403,893)	(3,396,367)	(3,389,030)	(3,381,882)	(3,374,917)	(3,368,140)	(3,361,547)	(3,355,142)	(3,355,142)	(3,346,963)	(3,338,932)
11	Retail Ending Rate Base		1,593,107	1,589,427	1,585,836	1,582,329	1,578,911	1,575,581	1,572,336	1,569,179	1,566,107	1,563,123	1,563,123	1,559,312	1,555,571
12															
13	Average rate base		131,934	131,934	131,934	131,934	131,934	131,934	131,934	131,934	131,934	131,934	1,583,205	128,491	128,491
14															
15	Return on Rate Base		9,891	9,891	9,891	9,891	9,891	9,891	9,891	9,891	9,891	9,891	118,695	9,633	9,633
16															
17	Available for return (equity portion of rate base)		6,438	6,438	6,438	6,438	6,438	6,438	6,438	6,438	6,438	6,438	77,254	6,270	6,270
18															
19	*EXPENSES*														
20	*O&M and Depreciation*														
21	Operating Costs		526	526	526	526	526	526	526	526	526	526	6,312	526	526
22	Property Tax		10,384	10,384	10,384	10,384	10,384	10,384	10,384	10,384	10,384	10,384	124,607	10,384	10,384
23	Book Depreciation		9,379	9,379	9,379	9,379	9,379	9,379	9,379	9,379	9,379	9,379	112,554	9,379	9,379
24	Total O&M and Depreciation Expenses		20,289	20,289	20,289	20,289	20,289	20,289	20,289	20,289	20,289	20,289	243,473	20,289	20,289
25															
26	OTP Load Percentage		31.782%	31.782%	31.782%	31.782%	31.782%	31.782%	31.782%	31.782%	31.782%	31.782%	31.782%	31.782%	31.782%
27	Remove Non-OTP Load Portion		(13,841)	(13,841)	(13,841)	(13,841)	(13,841)	(13,841)	(13,841)	(13,841)	(13,841)	(13,841)	(166,092)	(13,841)	(13,841)
28	Retail O&M and Depreciation Expenses		6,448	6,448	6,448	6,448	6,448	6,448	6,448	6,448	6,448	6,448	77,381	6,448	6,448
29															
30	Income before Taxes														
31	Available for return (from above)		6,438	6,438	6,438	6,438	6,438	6,438	6,438	6,438	6,438	6,438	77,254	6,270	6,270
32	Taxable Income (grossed up)	1.53846	9,904	9,904	9,904	9,904	9,904	9,904	9,904	9,904	9,904	9,904	118,852	9,646	9,646
33															
34	Income Taxes														
35	Current and Def Income Taxes	35.00%	3,467	3,467	3,467	3,467	3,467	3,467	3,467	3,467	3,467	3,467	41,598	3,376	3,376
36	Total Income Tax Expense		3,467	3,467	3,467	3,467	3,467	3,467	3,467	3,467	3,467	3,467	41,598	3,376	3,376
37															
38															
39	*REVENUE REQUIRMENTS*														
40	Expenses		9,915	9,915	9,915	9,915	9,915	9,915	9,915	9,915	9,915	9,915	118,979	9,824	9,824
41	Return on rate base		9,891	9,891	9,891	9,891	9,891	9,891	9,891	9,891	9,891	9,891	118,695	9,633	9,633
42	Subtotal revenue requirements		19,806	19,806	19,806	19,806	19,806	19,806	19,806	19,806	19,806	19,806	237,674	19,458	19,458
43	Adjustments														
44	Transmission Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
45	Total revenue requirements		19,806	19,806	19,806	19,806	19,806	19,806	19,806	19,806	19,806	19,806	237,674	19,458	19,458
46															
47	South Dakota share - D2 factor	9.8157%	1,944	1,944	1,944	1,944	1,944	1,944	1,944	1,944	1,944	1,944	23,329	1,910	1,910
48															
49	Gross Receipts Tax		3	3	3	3	3	3	3	3	3	3	31	3	3
50	Total South Dakota Share		1,947	1,947	1,947	1,947	1,947	1,947	1,947	1,947	1,947	1,947	23,361	1,912	1,912

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	1.77%		
5	Preferred equity														
6	Common equity							**…TRADE SECRET DATA ENDS]**							
7	Total		100.00%				7.50%	Overall Return							
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			0.00%											
16	SD share - D2 factor			9.8157%											
17															
18	**Deferred Tax**														
19	Book depreciation			9,379	9,379	9,379	9,379	9,379	9,379	9,379	9,379	9,379	112,554	9,379	9,379
20	Tax depreciation-Federal			18,697	18,697	18,697	18,697	18,697	18,697	18,697	18,697	18,697	224,367	17,506	17,506
21	Tax depreciation-SD			18,697	18,697	18,697	18,697	18,697	18,697	18,697	18,697	18,697	224,367	17,506	17,506
22	Federal deferred income taxes	35.00%		(3,261)	(3,261)	(3,261)	(3,261)	(3,261)	(3,261)	(3,261)	(3,261)	(3,261)	(39,135)	(2,844)	(2,844)
23	State deferred income taxes	0.00%		0	0	0	0	0	0	0	0	0	0	0	0