# PUBLIC - TRADE SECRET DATA HAS BEEN EXCISED

**Otter Tail Power Company**
**South Dakota Transmission Cost Recovery Rider**
**Casselton – Buffalo 115 kV 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 | | 8,042,966 | 8,042,966 | 8,042,966 | 8,042,966 | 8,042,966 | 8,042,966 | 8,042,966 | 8,042,966 | 8,042,966 | 8,042,966 | 8,042,966 | 8,042,966 | 8,042,966 |
| 2 | Accumulated Depreciation | | (274,428) | (285,776) | (297,123) | (308,471) | (319,818) | (331,166) | (342,514) | (353,861) | (365,209) | (376,557) | (376,557) | (387,904) | (399,252) |
| 3 | Net Plant in Service | | 7,768,538 | 7,757,190 | 7,745,843 | 7,734,495 | 7,723,148 | 7,711,800 | 7,700,452 | 7,689,105 | 7,677,757 | 7,666,409 | 7,666,409 | 7,655,062 | 7,643,714 |
| 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 | | (1,633,874) | (1,639,181) | (1,644,488) | (1,649,795) | (1,655,103) | (1,660,410) | (1,665,717) | (1,666,618) | (1,667,084) | (1,667,098) | (1,667,098) | (1,685,659) | (1,689,344) |
| 7 | Ending rate base | | 6,134,665 | 6,118,010 | 6,101,355 | 6,084,700 | 6,068,045 | 6,051,391 | 6,034,736 | 6,022,487 | 6,010,674 | 5,999,312 | 5,999,312 | 5,969,403 | 5,954,371 |
| 8 | | | | | | | | | | | | | | | |
| 9 | OTP Load Percentage | | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% |
| 10 | Remove Non-OTP Load Portion | | (3,042,119) | (3,033,860) | (3,025,601) | (3,017,342) | (3,009,083) | (3,000,824) | (2,992,565) | (2,986,491) | (2,980,633) | (2,974,999) | (2,974,999) | (2,960,167) | (2,952,713) |
| 11 | Retail Ending Rate Base | | 3,092,546 | 3,084,150 | 3,075,754 | 3,067,358 | 3,058,962 | 3,050,567 | 3,042,171 | 3,035,996 | 3,030,041 | 3,024,313 | 3,024,313 | 3,009,236 | 3,001,658 |
| 12 | | | | | | | | | | | | | | | |
| 13 | Average rate base | | 256,697 | 256,697 | 256,697 | 256,697 | 256,697 | 256,697 | 256,697 | 256,697 | 256,697 | 256,697 | 3,080,369 | 247,913 | 247,913 |
| 14 | | | | | | | | | | | | | | | |
| 15 | Return on Rate Base | | 19,245 | 19,245 | 19,245 | 19,245 | 19,245 | 19,245 | 19,245 | 19,245 | 19,245 | 19,245 | 230,939 | 18,586 | 18,586 |
| 16 | | | | | | | | | | | | | | | |
| 17 | Available for return (equity portion of rate base) | | 12,526 | 12,526 | 12,526 | 12,526 | 12,526 | 12,526 | 12,526 | 12,526 | 12,526 | 12,526 | 150,310 | 12,097 | 12,097 |
| 18 | | | | | | | | | | | | | | | |
| 19 | *EXPENSES* | | | | | | | | | | | | | | |
| 20 | *O&M and Depreciation* | | | | | | | | | | | | | | |
| 21 | Operating Costs | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 22 | Property Tax | | 5,161 | 5,161 | 5,161 | 5,161 | 5,161 | 5,161 | 5,161 | 5,161 | 5,161 | 5,161 | 61,931 | 5,161 | 5,161 |
| 23 | Book Depreciation | | 11,348 | 11,348 | 11,348 | 11,348 | 11,348 | 11,348 | 11,348 | 11,348 | 11,348 | 11,348 | 136,172 | 11,348 | 11,348 |
| 24 | Total O&M and Depreciation Expense | | 16,509 | 16,509 | 16,509 | 16,509 | 16,509 | 16,509 | 16,509 | 16,509 | 16,509 | 16,509 | 198,103 | 16,509 | 16,509 |
| 25 | | | | | | | | | | | | | | | |
| 26 | OTP Load Percentage | | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% |
| 27 | Remove Non-OTP Load Portion | | (8,186) | (8,186) | (8,186) | (8,186) | (8,186) | (8,186) | (8,186) | (8,186) | (8,186) | (8,186) | (98,237) | (8,186) | (8,186) |
| 28 | Retail O&M and Depreciation Expenses | | 8,322 | 8,322 | 8,322 | 8,322 | 8,322 | 8,322 | 8,322 | 8,322 | 8,322 | 8,322 | 99,865 | 8,322 | 8,322 |
| 29 | | | | | | | | | | | | | | | |
| 30 | Income before Taxes | | | | | | | | | | | | | | |
| 31 | Available for return (from above) | | 12,526 | 12,526 | 12,526 | 12,526 | 12,526 | 12,526 | 12,526 | 12,526 | 12,526 | 12,526 | 150,310 | 12,097 | 12,097 |
| 32 | Taxable Income (grossed up) | 1.5385 | 19,270 | 19,270 | 19,270 | 19,270 | 19,270 | 19,270 | 19,270 | 19,270 | 19,270 | 19,270 | 231,246 | 18,611 | 18,611 |
| 33 | | | | | | | | | | | | | | | |
| 34 | Income Taxes | | | | | | | | | | | | | | |
| 35 | Current and Def Income Taxes | 35.00% | 6,745 | 6,745 | 6,745 | 6,745 | 6,745 | 6,745 | 6,745 | 6,745 | 6,745 | 6,745 | 80,936 | 6,514 | 6,514 |
| 36 | Total Income Tax Expense | | 6,745 | 6,745 | 6,745 | 6,745 | 6,745 | 6,745 | 6,745 | 6,745 | 6,745 | 6,745 | 80,936 | 6,514 | 6,514 |
| 37 | | | | | | | | | | | | | | | |
| 38 | | | | | | | | | | | | | | | |
| 39 | *REVENUE REQUIRMENTS* | | | | | | | | | | | | | | |
| 40 | Expenses | | 15,067 | 15,067 | 15,067 | 15,067 | 15,067 | 15,067 | 15,067 | 15,067 | 15,067 | 15,067 | 279,038 | 14,836 | 14,836 |
| 41 | Return on rate base | | 19,245 | 19,245 | 19,245 | 19,245 | 19,245 | 19,245 | 19,245 | 19,245 | 19,245 | 19,245 | 230,939 | 18,586 | 18,586 |
| 42 | Subtotal revenue requirements | | 34,312 | 34,312 | 34,312 | 34,312 | 34,312 | 34,312 | 34,312 | 34,312 | 34,312 | 34,312 | 509,977 | 33,422 | 33,422 |
| 43 | Adjustments | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 44 | Transmission Revenue | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 45 | Total revenue requirements | | 34,312 | 34,312 | 34,312 | 34,312 | 34,312 | 34,312 | 34,312 | 34,312 | 34,312 | 34,312 | 509,977 | 33,422 | 33,422 |
| 46 | | | | | | | | | | | | | | | |
| 47 | South Dakota share - D2 factor | 9.82% | 3,368 | 3,368 | 3,368 | 3,368 | 3,368 | 3,368 | 3,368 | 3,368 | 3,368 | 3,368 | 40,415 | 3,281 | 3,281 |
| 48 | | | | | | | | | | | | | | | |
| 49 | Gross Receipts Tax | | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 57 | 4 | 4 |
| 50 | Total South Dakota Share | | 3,373 | 3,373 | 3,373 | 3,373 | 3,373 | 3,373 | 3,373 | 3,373 | 3,373 | 3,373 | 40,472 | 3,285 | 3,285 |

| 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 | | | | | | | | 2016 composite rate | | 0.77% | | |
| 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** | **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 | | 11,348 | 11,348 | 11,348 | 11,348 | 11,348 | 11,348 | 11,348 | 11,348 | 11,348 | 11,348 | 136,172 | 11,348 | 11,348 |
| 20 | Tax depreciation-Federal | | 26,511 | 26,511 | 26,511 | 26,511 | 26,511 | 26,511 | 26,511 | 26,511 | 26,511 | 26,511 | 318,131 | 23,864 | 23,864 |
| 21 | Tax depreciation-SD | | 26,511 | 26,511 | 26,511 | 26,511 | 26,511 | 26,511 | 26,511 | 26,511 | 26,511 | 26,511 | 318,131 | 23,864 | 23,864 |
| 22 | Federal deferred income taxes | | (5,307) | (5,307) | (5,307) | (5,307) | (5,307) | (5,307) | (5,307) | (5,307) | (5,307) | (5,307) | (63,686) | (4,381) | (4,381) |
| 23 | State deferred income taxes | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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**Otter Tail Power Company**
**South Dakota Transmission Cost Recovery Rider**
**Casselton – Buffalo 115 kV Revenue Requirements**
**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 | | 8,042,966 | 8,042,966 | 8,042,966 | 8,042,966 | 8,042,966 | 8,042,966 | 8,042,966 | 8,042,966 | 8,042,966 | 8,042,966 | 13,201,491 | 13,201,491 | 13,201,491 |
| 2 | Accumulated Depreciation | | (410,600) | (421,947) | (433,295) | (444,643) | (455,990) | (467,338) | (478,685) | (490,033) | (501,381) | (512,728) | (512,728) | (531,475) | (550,221) |
| 3 | Net Plant in Service | | 7,632,366 | 7,621,019 | 7,609,671 | 7,598,323 | 7,586,976 | 7,575,628 | 7,564,281 | 7,552,933 | 7,541,585 | 7,530,238 | 12,688,763 | 12,670,017 | 12,651,270 |
| 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 | | (1,692,656) | (1,695,609) | (1,698,189) | (1,700,409) | (1,702,258) | (1,703,734) | (1,704,850) | (1,705,594) | (1,705,978) | (1,708,587) | (1,708,587) | (1,716,018) | (1,722,828) |
| 7 | Ending rate base | | 5,939,711 | 5,925,411 | 5,911,483 | 5,897,915 | 5,884,719 | 5,871,895 | 5,859,431 | 5,847,339 | 5,835,607 | 5,821,651 | 10,980,176 | 10,953,999 | 10,928,443 |
| 8 | | | | | | | | | | | | | | | |
| 9 | OTP Load Percentage | | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% |
| 10 | Remove Non-OTP Load Portion | | (2,945,443) | (2,938,352) | (2,931,445) | (2,924,717) | (2,918,173) | (2,911,814) | (2,905,633) | (2,899,637) | (2,893,819) | (2,886,898) | (5,444,960) | (5,431,978) | (5,419,305) |
| 11 | Retail Ending Rate Base | | 2,994,268 | 2,987,059 | 2,980,037 | 2,973,198 | 2,966,546 | 2,960,081 | 2,953,798 | 2,947,702 | 2,941,788 | 2,934,752 | 5,535,217 | 5,522,020 | 5,509,137 |
| 12 | | | | | | | | | | | | | | | |
| 13 | Average rate base | | 247,913 | 247,913 | 247,913 | 247,913 | 247,913 | 247,913 | 247,913 | 247,913 | 247,913 | 247,913 | 2,974,957 | 455,285 | 455,285 |
| 14 | | | | | | | | | | | | | | | |
| 15 | Return on Rate Base | | 18,586 | 18,586 | 18,586 | 18,586 | 18,586 | 18,586 | 18,586 | 18,586 | 18,586 | 18,586 | 223,036 | 34,133 | 34,133 |
| 16 | | | | | | | | | | | | | | | |
| 17 | Available for return (equity portion of rate base) | | 12,097 | 12,097 | 12,097 | 12,097 | 12,097 | 12,097 | 12,097 | 12,097 | 12,097 | 12,097 | 145,166 | 22,216 | 22,216 |
| 18 | | | | | | | | | | | | | | | |
| 19 | *EXPENSES* | | | | | | | | | | | | | | |
| 20 | *O&M and Depreciation* | | | | | | | | | | | | | | |
| 21 | Operating Costs | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 22 | Property Tax | | 5,161 | 5,161 | 5,161 | 5,161 | 5,161 | 5,161 | 5,161 | 5,161 | 5,161 | 5,161 | 61,931 | 8,471 | 8,471 |
| 23 | Book Depreciation | | 11,348 | 11,348 | 11,348 | 11,348 | 11,348 | 11,348 | 11,348 | 11,348 | 11,348 | 11,348 | 136,172 | 18,746 | 18,746 |
| 24 | Total O&M and Depreciation Expense | | 16,509 | 16,509 | 16,509 | 16,509 | 16,509 | 16,509 | 16,509 | 16,509 | 16,509 | 16,509 | 198,103 | 27,217 | 27,217 |
| 25 | | | | | | | | | | | | | | | |
| 26 | OTP Load Percentage | | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% | 50.411% |
| 27 | Remove Non-OTP Load Portion | | (8,186) | (8,186) | (8,186) | (8,186) | (8,186) | (8,186) | (8,186) | (8,186) | (8,186) | (8,186) | (98,237) | (13,497) | (13,497) |
| 28 | Retail O&M and Depreciation Expenses | | 8,322 | 8,322 | 8,322 | 8,322 | 8,322 | 8,322 | 8,322 | 8,322 | 8,322 | 8,322 | 99,865 | 13,720 | 13,720 |
| 29 | | | | | | | | | | | | | | | |
| 30 | Income before Taxes | | | | | | | | | | | | | | |
| 31 | Available for return (from above) | | 12,097 | 12,097 | 12,097 | 12,097 | 12,097 | 12,097 | 12,097 | 12,097 | 12,097 | 12,097 | 145,166 | 22,216 | 22,216 |
| 32 | Taxable Income (grossed up) | 1.5385 | 18,611 | 18,611 | 18,611 | 18,611 | 18,611 | 18,611 | 18,611 | 18,611 | 18,611 | 18,611 | 223,332 | 34,179 | 34,179 |
| 33 | | | | | | | | | | | | | | | |
| 34 | Income Taxes | | | | | | | | | | | | | | |
| 35 | Current and Def Income Taxes | 35.00% | 6,514 | 6,514 | 6,514 | 6,514 | 6,514 | 6,514 | 6,514 | 6,514 | 6,514 | 6,514 | 78,166 | 11,963 | 11,963 |
| 36 | Total Income Tax Expense | | 6,514 | 6,514 | 6,514 | 6,514 | 6,514 | 6,514 | 6,514 | 6,514 | 6,514 | 6,514 | 78,166 | 11,963 | 11,963 |
| 37 | | | | | | | | | | | | | | | |
| 38 | | | | | | | | | | | | | | | |
| 39 | *REVENUE REQUIRMENTS* | | | | | | | | | | | | | | |
| 40 | Expenses | | 14,836 | 14,836 | 14,836 | 14,836 | 14,836 | 14,836 | 14,836 | 14,836 | 14,836 | 14,836 | 276,269 | 25,683 | 25,683 |
| 41 | Return on rate base | | 18,586 | 18,586 | 18,586 | 18,586 | 18,586 | 18,586 | 18,586 | 18,586 | 18,586 | 18,586 | 223,036 | 34,133 | 34,133 |
| 42 | Subtotal revenue requirements | | 33,422 | 33,422 | 33,422 | 33,422 | 33,422 | 33,422 | 33,422 | 33,422 | 33,422 | 33,422 | 499,305 | 59,816 | 59,816 |
| 43 | Adjustments | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 44 | Transmission Revenue | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 45 | Total revenue requirements | | 33,422 | 33,422 | 33,422 | 33,422 | 33,422 | 33,422 | 33,422 | 33,422 | 33,422 | 33,422 | 499,305 | 59,816 | 59,816 |
| 46 | | | | | | | | | | | | | | | |
| 47 | South Dakota share - D2 factor | 9.82% | 3,281 | 3,281 | 3,281 | 3,281 | 3,281 | 3,281 | 3,281 | 3,281 | 3,281 | 3,281 | 39,368 | 5,871 | 5,871 |
| 48 | | | | | | | | | | | | | | | |
| 49 | Gross Receipts Tax | | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 53 | 8 | 8 |
| 50 | Total South Dakota Share | | 3,285 | 3,285 | 3,285 | 3,285 | 3,285 | 3,285 | 3,285 | 3,285 | 3,285 | 3,285 | 39,421 | 5,879 | 5,879 |

| 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 | | | | **...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 | | 11,348 | 11,348 | 11,348 | 11,348 | 11,348 | 11,348 | 11,348 | 11,348 | 11,348 | 11,348 | 136,172 | 18,746 | 18,746 |
| 20 | Tax depreciation-Federal | | 23,864 | 23,864 | 23,864 | 23,864 | 23,864 | 23,864 | 23,864 | 23,864 | 23,864 | 2,732,090 | 2,994,593 | 41,879 | 41,879 |
| 21 | Tax depreciation-SD | | 23,864 | 23,864 | 23,864 | 23,864 | 23,864 | 23,864 | 23,864 | 23,864 | 23,864 | 2,732,090 | 2,994,593 | 41,879 | 41,879 |
| 22 | Federal deferred income taxes | | (4,381) | (4,381) | (4,381) | (4,381) | (4,381) | (4,381) | (4,381) | (4,381) | (4,381) | (952,260) | (1,000,448) | (8,096) | (8,096) |
| 23 | State deferred income taxes | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |