PUBLIC - TRADE SECRET DATA HAS BEEN EXCISED

Otter Tail Power Company
Hoot Lake Plant MATS Project Revenue Requirement Calc
Docket No. EL17-

Line No.		Year>>	2016 Actual November	2016 Actual December	2016 Actual Total	2017 Actual January	2017 Actual February	2017 Actual March	2017 Actual April	2017 Actual May	2017 Actual June	2017 Actual July	2017 Projected August	2017 Projected September	2017 Projected October
	RATE BASE														
1	Plant Balance		6,754,729	6,754,729	6,754,729	6,754,729	6,754,729	6,460,514	6,460,514	6,460,514	6,460,514	6,460,514	6,460,514	6,460,514	6,460,514
2	Accumulated Depreciation		(2,276,047)	(2,363,771)	(2,363,771)	(2,451,494)	(2,539,218)	(2,626,942)	(2,710,844)	(2,794,747)	(2,878,650)	(2,962,552)	(3,046,455)	(3,130,358)	(3,214,261)
3	Net Plant in Service		4,478,682	4,390,958	4,390,958	4,303,235	4,215,511	3,833,572	3,749,670	3,665,767	3,581,864	3,497,962	3,414,059	3,330,156	3,246,253
4	CWIP		0	0	0	0	0	0	0	0	0	0	0	0	0
5	ADIT Pro-Rates		1.000000	1.000000		1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
6	Accumulated Deferred Income Taxes Federal & State		(580,819)	(556,741)	(556,741)	(532,167)	(507,593)	(483,019)	(459,782)	(436,545)	(413,308)	(390,072)	(366,835)	(343,598)	(320,361)
7	Ending Rate Base		3,897,863	3,834,217	3,834,217	3,771,068	3,707,918	3,350,554	3,289,888	3,229,222	3,168,556	3,107,890	3,047,224	2,986,558	2,925,892
8															
9	Average Rate Base		351,341	351,341	4,216,090	269,752	269,752	269,752	269,752	269,752	269,752	269,752	269,752	269,752	269,752
10															
11	Return on Rate Base		26,347	26,347	316,166	20,467	20,467	20,467	20,467	20,467	20,467	20,467	20,467	20,467	20,467
12															
13	Available for Return (equity portion of rate base)		17,144	17,144	205,728	13,739	13,739	13,739	13,739	13,739	13,739	13,739	13,739	13,739	13,739
14															
15	*EXPENSES*														
16	*O&M and Depreciation*														
17	Operating Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
18	Property Tax		9,963	9,963	119,559	10,526	10,526	10,526	10,526	10,526	10,526	10,526	10,526	10,526	10,526
19	Book Depreciation		87,724	87,724	1,052,684	87,724	87,724	87,724	83,903	83,903	83,903	83,903	83,903	83,903	83,903
20	Total O&M and Depreciation Expense		97,687	97,687	1,172,243	98,250	98,250	98,250	94,429	94,429	94,429	94,429	94,429	94,429	94,429
21															
22	Income before Taxes														
23	Available for Return (from above)		17,144	17,144	205,728	13,739	13,739	13,739	13,739	13,739	13,739	13,739	13,739	13,739	13,739
24	Taxable Income (grossed up)	1.5385	26,375	26,375	316,505	21,136	21,136	21,136	21,136	21,136	21,136	21,136	21,136	21,136	21,136
25															
26	Income Taxes														
27	Current and Def Income Taxes	35.00%	9,231	9,231	110,777	7,398	7,398	7,398	7,398	7,398	7,398	7,398	7,398	7,398	7,398
28	Total Income Tax Expense		9,231	9,231	110,777	7,398	7,398	7,398	7,398	7,398	7,398	7,398	7,398	7,398	7,398
29															
30															
31	*REVENUE REQUIREMENTS*														
32	Expenses		106,918	106,918	1,283,020	105,647	105,647	105,647	101,827	101,827	101,827	101,827	101,827	101,827	101,827
33	Return on Rate Base		26,347	26,347	316,166	20,467	20,467	20,467	20,467	20,467	20,467	20,467	20,467	20,467	20,467
34	Subtotal Revenue Requirements		133,265	133,265	1,599,185	126,114	126,114	126,114	122,293	122,293	122,293	122,293	122,293	122,293	122,293
35	Adjustments														
36	Total Revenue Requirements		133,265	133,265	1,599,185	126,114	126,114	126,114	122,293	122,293	122,293	122,293	122,293	122,293	122,293
37															
38	Base Demand Factor	75.29%	100,336	100,336	1,204,026	94,951	94,951	94,951	92,075	92,075	92,075	92,075	92,075	92,075	92,075
39	Peak Demand Factor	24.71%	32,930	32,930	395,159	31,163	31,163	31,163	30,219	30,219	30,219	30,219	30,219	30,219	30,219
40															
41	South Dakota share - E1 factor	9.9710%	10,005	10,005	120,054	9,468	9,468	9,468	9,181	9,181	9,181	9,181	9,181	9,181	9,181
42	South Dakota share - D1 factor	9.9001%	3,260	3,260	39,121	3,085	3,085	3,085	2,992	2,992	2,992	2,992	2,992	2,992	2,992
43															
44	South Dakota Revenue Requirements		13,265	13,265	159,175	12,553	12,553	12,553	12,172	12,172	12,172	12,172	12,172	12,172	12,172

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Line No.			2016 Actual November	2016 Actual December	2016 Actual Total	2017 Actual January	2017 Actual February	2017 Actual March	2017 Actual April	2017 Actual May	2017 Actual June	2017 Actual July	2017 Projected August	2017 Projected September	2017 Projected October
	SUPPORTING INFORMATION / DATA														
1						**[TRADE SECRET BEGINS…**									
2															
3															**Property tax**
4			rate	0.00%											2017 composite
5															
6											**…TRADE SECRET ENDS]**				
7						Total		100.00%		7.59%	Overall Return				
8															
9								**Book**	**Tax**						
10						Project life (years)		30	7-year MACRS						
11															
12									**Federal**	**State**					
13							Statutory Tax Rate	35.00%	35.00%	0.00%					
14							Tax conversion factor	1.53846							
15							Base Demand Factor	75.29%							
16							Peak Demand Factor	24.71%							
17							SD share - E1 factor	9.9710%							
18							SD share - D1 factor	9.9001%							
19															
20	**Deferred Tax**														
21	Book depreciation		87,724	87,724	1,052,684	87,724	87,724	87,724	83,903	83,903	83,903	83,903	83,903	83,903	83,903
22	Tax depreciation-Federal		18,929	18,929	227,145	17,512	17,512	17,512	17,512	17,512	17,512	17,512	17,512	17,512	17,512
23	Tax depreciation-State		0	0	0	0	0	0	0	0	0	0	0	0	0
24	Federal deferred income taxes	35.00%	24,078	24,078	288,939	24,574	24,574	24,574	23,237	23,237	23,237	23,237	23,237	23,237	23,237
25	State deferred income taxes		0	0	0	0	0	0	0	0	0	0	0	0	0

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Line No.	Year>>		2017 Projected November	2017 Projected December	2017 Projected Total	2018 Projected January	2018 Projected February	2018 Projected March	2018 Projected April	2018 Projected May	2018 Projected June	2018 Projected July	2018 Projected August	2018 Projected September	2018 Projected October
	RATE BASE														
1	Plant Balance		6,460,514	6,460,514	6,460,514	6,460,514	6,460,514	6,460,514	6,460,514	6,460,514	6,460,514	6,460,514	6,460,514	6,460,514	6,460,514
2	Accumulated Depreciation		(3,298,163)	(3,382,066)	(3,382,066)	(3,465,969)	(3,549,871)	(3,633,774)	(3,717,677)	(3,801,579)	(3,885,482)	(3,969,385)	(4,053,288)	(4,137,190)	(4,221,093)
3	Net Plant in Service		3,162,351	3,078,448	3,078,448	2,994,545	2,910,643	2,826,740	2,742,837	2,658,935	2,575,032	2,491,129	2,407,226	2,323,324	2,239,421
4	CWIP		0	0	0	0	0	0	0	0	0	0	0	0	0
5	ADIT Pro-Rates		0.917808	0.841096		0.756164	0.673973	0.589041	0.506849	0.421918	0.336986	0.254795	0.169863	0.087671	0.002740
6	Accumulated Deferred Income Taxes Federal & State		(299,035)	(279,490)	(279,490)	(255,788)	(232,086)	(218,124)	(206,111)	(196,110)	(188,123)	(182,084)	(178,058)	(175,980)	(175,915)
7	Ending Rate Base		2,863,316	2,798,958	2,798,958	2,738,757	2,678,557	2,608,616	2,536,727	2,462,824	2,386,909	2,309,045	2,229,169	2,147,344	2,063,506
8															
9	Average Rate Base		269,752	269,752	3,237,020	198,072	198,072	198,072	198,072	198,072	198,072	198,072	198,072	198,072	198,072
10															
11	Return on Rate Base		20,467	20,467	245,600	15,028	15,028	15,028	15,028	15,028	15,028	15,028	15,028	15,028	15,028
12															
13	Available for Return (equity portion of rate base)		13,739	13,739	164,863	10,088	10,088	10,088	10,088	10,088	10,088	10,088	10,088	10,088	10,088
14															
15	*EXPENSES*														
16	*O&M and Depreciation*														
17	Operating Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
18	Property Tax		10,526	10,526	126,313	10,068	10,068	10,068	10,068	10,068	10,068	10,068	10,068	10,068	10,068
19	Book Depreciation		83,903	83,903	1,018,295	83,903	83,903	83,903	83,903	83,903	83,903	83,903	83,903	83,903	83,903
20	Total O&M and Depreciation Expense		94,429	94,429	1,144,609	93,970	93,970	93,970	93,970	93,970	93,970	93,970	93,970	93,970	93,970
21															
22	Income before Taxes														
23	Available for Return (from above)		13,739	13,739	164,863	10,088	10,088	10,088	10,088	10,088	10,088	10,088	10,088	10,088	10,088
24	Taxable Income (grossed up)	1.5385	21,136	21,136	253,635	15,520	15,520	15,520	15,520	15,520	15,520	15,520	15,520	15,520	15,520
25															
26	Income Taxes														
27	Current and Def Income Taxes	35.00%	7,398	7,398	88,772	5,432	5,432	5,432	5,432	5,432	5,432	5,432	5,432	5,432	5,432
28	Total Income Tax Expense		7,398	7,398	88,772	5,432	5,432	5,432	5,432	5,432	5,432	5,432	5,432	5,432	5,432
29															
30															
31	*REVENUE REQUIREMENTS*														
32	Expenses		101,827	101,827	1,233,381	99,402	99,402	99,402	99,402	99,402	99,402	99,402	99,402	99,402	99,402
33	Return on Rate Base		20,467	20,467	245,600	15,028	15,028	15,028	15,028	15,028	15,028	15,028	15,028	15,028	15,028
34	Subtotal Revenue Requirements		122,293	122,293	1,478,981	114,430	114,430	114,430	114,430	114,430	114,430	114,430	114,430	114,430	114,430
35	Adjustments														
36	Total Revenue Requirements		122,293	122,293	1,478,981	114,430	114,430	114,430	114,430	114,430	114,430	114,430	114,430	114,430	114,430
37															
38	Base Demand Factor	75.29%	92,075	92,075	1,113,525	86,155	86,155	86,155	86,155	86,155	86,155	86,155	86,155	86,155	86,155
39	Peak Demand Factor	24.71%	30,219	30,219	365,456	28,276	28,276	28,276	28,276	28,276	28,276	28,276	28,276	28,276	28,276
40															
41	South Dakota share - E1 factor	9.9710%	9,181	9,181	111,030	8,591	8,591	8,591	8,591	8,591	8,591	8,591	8,591	8,591	8,591
42	South Dakota share - D1 factor	9.9001%	2,992	2,992	36,181	2,799	2,799	2,799	2,799	2,799	2,799	2,799	2,799	2,799	2,799
43															
44	South Dakota Revenue Requirements		12,172	12,172	147,211	11,390	11,390	11,390	11,390	11,390	11,390	11,390	11,390	11,390	11,390

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	SUPPORTING INFORMATION / DATA														
1						**[TRADE SECRET BEGINS…**									
2															
3															
4			rate	0.00%											
5															
6											**…TRADE SECRET ENDS]**				
7						Total		100.00%		7.59%	Overall Return				
8															
9								**Book**	**Tax**						
10						Project life (years)		30	7-year MACRS						
11															
12									**Federal**	**State**					
13							Statutory Tax Rate	35.00%	35.00%	0.00%					
14							Tax conversion factor	1.53846							
15							Base Demand Factor	75.29%							
16							Peak Demand Factor	24.71%							
17							MN share - E1 factor	9.9710%							
18							MN share - D1 factor	9.9001%							
19															
20	**Deferred Tax**														
21	Book depreciation		83,903	83,903	1,018,295	83,903	83,903	83,903	83,903	83,903	83,903	83,903	83,903	83,903	83,903
22	Tax depreciation-Federal		17,512	17,512	210,144	16,182	16,182	16,182	16,182	16,182	16,182	16,182	16,182	16,182	16,182
23	Tax depreciation-State		0	0	0	0	0	0	0	0	0	0	0	0	0
24	Federal deferred income taxes	35.00%	23,237	23,237	282,853	23,702	23,702	23,702	23,702	23,702	23,702	23,702	23,702	23,702	23,702
25	State deferred income taxes		0	0	0	0	0	0	0	0	0	0	0	0	0