PUBLIC - TRADE SECRET DATA HAS BEEN EXCISED

Otter Tail Power Company
South Dakota Transmission Cost Recovery Rider
CAPX2020 Brookings, SD - Hampton, MN Revenue Requirements

Line No.	Year>>	2017 Actual March	2017 Actual April	2017 Actual May	2017 Actual June	2017 Actual July	2017 Actual August	2017 Actual September	2017 Projected October	2017 Projected November	2017 Projected December	2017 Projected Total	2018 Projected January	2018 Projected February
	RATE BASE													
1	Plant Balance	26,361,954	26,327,578	26,324,346	26,330,885	26,318,546	26,326,045	26,263,979	26,259,562	26,264,862	26,264,862	26,264,862	26,264,862	26,264,862
2	Accumulated Depreciation	(827,742)	(862,217)	(896,647)	(931,072)	(965,506)	(999,925)	(1,034,353)	(1,068,700)	(1,103,042)	(1,137,390)	(1,137,390)	(1,171,739)	(1,206,087)
3	Net Plant in Service	25,534,212	25,465,361	25,427,699	25,399,813	25,353,040	25,326,121	25,229,626	25,190,862	25,161,820	25,127,472	25,127,472	25,093,123	25,058,775
4	CWIP	0	0	0	0	0	0	0	0	0	0	(132,914)	0	0
5	ADIT - NOL DTA	806,640	806,640	806,640	806,640	806,640	806,640	806,640	806,640	806,640	806,640	806,640	0	0
6	Reversal of ADIT - NOL DTA	(641,089)	(659,483)	(677,878)	(696,272)	(714,666)	(733,061)	(751,455)	(769,849)	(788,244)	(806,640)	(806,640)		
7	ADIT Federal Proration Factors	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		1.0000	1.0000
8	Accumulated Deferred Income Taxes Federal & State	(5,324,792)	(5,341,523)	(5,358,269)	(5,375,017)	(5,391,761)	(5,408,511)	(5,425,258)	(5,442,033)	(5,458,810)	(5,475,585)	(5,475,585)	(5,491,241)	(5,506,896)
9	Ending rate base	20,374,971	20,270,995	20,198,193	20,135,164	20,053,252	19,991,188	19,859,553	19,785,619	19,721,406	19,651,887	19,518,972	19,601,883	19,551,878
10														
11	OTP Load Percentage	0.667%	0.667%	0.667%	0.667%	0.667%	0.667%	0.667%	0.667%	0.667%	0.667%	0.667%	0.667%	0.667%
12	Remove Non-OTP Load Portion	(20,239,136)	(20,135,853)	(20,063,536)	(20,000,928)	(19,919,562)	(19,857,912)	(19,727,154)	(19,653,713)	(19,589,928)	(19,520,872)	(19,388,844)	(19,471,202)	(19,421,531)
13	Retail Ending Rate Base	135,835	135,142	134,656	134,236	133,690	133,276	132,399	131,906	131,478	131,014	130,128	130,681	130,348
14														
15	Average rate base	11,172	11,172	11,172	11,172	11,172	11,172	11,172	11,172	11,172	11,172	134,067	10,758	10,758
16														
17	Return on Rate Base	848	848	848	848	848	848	848	848	848	848	10,176	817	817
18														
19	Available for return (equity portion of rate base)	569	569	569	569	569	569	569	569	569	569	6,824	548	548
20														
21	*EXPENSES*													
22	*O&M and Depreciation*													
23	Operating Costs	0	0	4,198	0	0	1,517	0	0	0	1,917	10,541	0	0
24	Property Tax	41,150	41,150	41,150	41,150	41,150	41,150	41,150	41,150	41,150	41,150	493,798	40,929	40,929
25	Book Depreciation	34,848	34,475	34,430	34,425	34,434	34,418	34,428	34,347	34,342	34,348	414,221	34,348	34,348
26	Total O&M and Depreciation Expense	75,998	75,625	79,777	75,575	75,584	77,085	75,578	75,497	75,492	77,415	918,560	75,278	75,278
27														
28	OTP Load Percentage	0.667%	0.667%	0.667%	0.667%	0.667%	0.667%	0.667%	0.667%	0.667%	0.667%	0.667%	0.667%	0.667%
29	Remove Non-OTP Load Portion	(75,491)	(75,121)	(79,245)	(75,071)	(75,080)	(76,571)	(75,074)	(74,994)	(74,988)	(76,899)	(912,437)	(74,776)	(74,776)
30	Retail O&M and Depreciation Expenses	507	504	532	504	504	514	504	503	503	516	6,124	502	502
31														
32	Income before Taxes													
33	Available for return (from above)	569	569	569	569	569	569	569	569	569	569	6,824	548	548
34	Taxable Income (grossed up) 1.5385	875	875	875	875	875	875	875	875	875	875	10,499	842	842
35														
36	Income Taxes													
37	Current and Def Income Taxes 35.00%	306	306	306	306	306	306	306	306	306	306	3,674	295	295
38	Total Income Tax Expense	306	306	306	306	306	306	306	306	306	306	3,674	295	295
39														
40														
41	*REVENUE REQUIRMENTS*													
42	Expenses	813	810	838	810	810	820	810	810	809	822	922,235	797	797
43	Return on rate base	848	848	848	848	848	848	848	848	848	848	10,176	817	817
44	Subtotal revenue requirements	1,661	1,658	1,686	1,658	1,658	1,668	1,658	1,658	1,657	1,670	932,411	1,613	1,613
45	Adjustments													
46	Transmission Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
47	Total revenue requirements	1,661	1,658	1,686	1,658	1,658	1,668	1,658	1,658	1,657	1,670	932,411	1,613	1,613
48														
49	South Dakota share - D2 factor 9.82%	163	163	165	163	163	164	163	163	163	164	1,961	158	158
50														
51	Gross Receipts Tax	0	0	0	0	0	0	0	0	0	0	3	0	0
52	Total South Dakota Share	163	163	166	163	163	164	163	163	163	164	1,963	159	159

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		1.87%		
5		Preferred equity											
6		Common equity				**...TRADE SECRET DATA ENDS]**							
7		Total	100.00%		7.59%	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	34,848	34,475	34,430	34,425	34,434	34,418	34,428	34,347	34,342	34,348	414,221	34,348	34,348
20	Tax depreciation-Federal	82,276	82,276	82,276	82,276	82,276	82,276	82,276	82,276	82,276	82,276	987,312	79,079	79,079
21	Tax depreciation-SD	82,276	82,276	82,276	82,276	82,276	82,276	82,276	82,276	82,276	82,276	987,312	79,079	79,079
22	Federal deferred income taxes	(16,600)	(16,730)	(16,746)	(16,748)	(16,745)	(16,750)	(16,747)	(16,775)	(16,777)	(16,775)	(200,582)	(15,656)	(15,656)
23	State deferred income taxes	0	0	0	0	0	0	0	0	0	0	0	0	0

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Line No.	*Year>>*		2018 Projected March	2018 Projected April	2018 Projected May	2018 Projected June	2018 Projected July	2018 Projected August	2018 Projected September	2018 Projected October	2018 Projected November	2018 Projected December	2018 Projected Total	2019 Projected January	2019 Projected February
	RATE BASE														
1	Plant Balance		26,264,862	26,264,862	26,264,862	26,264,862	26,264,862	26,264,862	26,264,862	26,264,862	26,264,862	26,264,862	26,264,862	26,264,862	26,264,862
2	Accumulated Depreciation		(1,240,436)	(1,274,784)	(1,309,133)	(1,343,481)	(1,377,829)	(1,412,178)	(1,446,526)	(1,480,875)	(1,515,223)	(1,549,572)	(1,549,572)	(1,583,920)	(1,618,269)
3	Net Plant in Service		25,024,426	24,990,078	24,955,729	24,921,381	24,887,032	24,852,684	24,818,335	24,783,987	24,749,638	24,715,290	24,715,290	24,680,942	24,646,593
4	CWIP		0	0	0	0	0	0	0	0	0	0	0	0	0
5	ADIT - NOL DTA		0	0	0	0	0	0	0	0	0	0	0	0	0
6	Reversal of ADIT - NOL DTA														
7	ADIT Federal Proration Factors		0.9178	0.8356	0.7507	0.6685	0.5836	0.4986	0.4164	0.3315	0.2493	0.1644		0.0795	0.0027
8	Accumulated Deferred Income Taxes Federal & State		(5,521,265)	(5,534,347)	(5,546,100)	(5,556,566)	(5,565,702)	(5,573,508)	(5,580,028)	(5,585,218)	(5,589,121)	(5,591,695)	(5,591,695)	(5,592,717)	(5,592,753)
9	Ending rate base		19,503,161	19,455,730	19,409,629	19,364,815	19,321,331	19,279,176	19,238,308	19,198,769	19,160,517	19,123,595	19,123,595	19,088,224	19,053,841
10															
11	OTP Load Percentage		0.667%	0.667%	0.667%	0.667%	0.667%	0.667%	0.667%	0.667%	0.667%	0.667%	0.667%	0.667%	0.667%
12	Remove Non-OTP Load Portion		(19,373,138)	(19,326,024)	(19,280,230)	(19,235,715)	(19,192,520)	(19,150,646)	(19,110,051)	(19,070,776)	(19,032,779)	(18,996,103)	(18,996,103)	(18,960,968)	(18,926,813)
13	Retail Ending Rate Base		130,023	129,707	129,399	129,100	128,811	128,530	128,257	127,993	127,738	127,492	127,492	127,256	127,027
14															
15	Average rate base		10,758	10,758	10,758	10,758	10,758	10,758	10,758	10,758	10,758	10,758	129,093	10,489	10,489
16															
17	Return on Rate Base		817	817	817	817	817	817	817	817	817	817	9,798	796	796
18															
19	Available for return (equity portion of rate base)		548	548	548	548	548	548	548	548	548	548	6,571	534	534
20															
21	*EXPENSES*														
22	*O&M and Depreciation*														
23	Operating Costs		1,917	0	0	1,917	0	0	1,917	0	0	1,917	7,668	0	0
24	Property Tax		40,929	40,929	40,929	40,929	40,929	40,929	40,929	40,929	40,929	40,929	491,153	40,929	40,929
25	Book Depreciation		34,348	34,348	34,348	34,348	34,348	34,348	34,348	34,348	34,348	34,348	412,182	34,348	34,348
26	Total O&M and Depreciation Expense		77,195	75,278	75,278	77,195	75,278	75,278	77,195	75,278	75,278	77,195	911,003	75,278	75,278
27															
28	OTP Load Percentage		0.667%	0.667%	0.667%	0.667%	0.667%	0.667%	0.667%	0.667%	0.667%	0.667%	0.667%	0.667%	0.667%
29	Remove Non-OTP Load Portion		(76,680)	(74,776)	(74,776)	(76,680)	(74,776)	(74,776)	(76,680)	(74,776)	(74,776)	(76,680)	(904,929)	(74,776)	(74,776)
30	Retail O&M and Depreciation Expenses		515	502	502	515	502	502	515	502	502	515	6,073	502	502
31															
32	Income before Taxes														
33	Available for return (from above)		548	548	548	548	548	548	548	548	548	548	6,571	534	534
34	Taxable Income (grossed up)	1.5385	842	842	842	842	842	842	842	842	842	842	10,109	821	821
35															
36	Income Taxes														
37	Current and Def Income Taxes	35.00%	295	295	295	295	295	295	295	295	295	295	3,538	0	0
38	Total Income Tax Expense		295	295	295	295	295	295	295	295	295	295	3,538	0	0
39															
40															
41	*REVENUE REQUIRMENTS*														
42	Expenses		809	797	797	809	797	797	809	797	797	809	914,541	502	502
43	Return on rate base		817	817	817	817	817	817	817	817	817	817	9,798	796	796
44	Subtotal revenue requirements		1,626	1,613	1,613	1,626	1,613	1,613	1,626	1,613	1,613	1,626	924,339	1,298	1,298
45	Adjustments														
46	Transmission Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
47	Total revenue requirements		1,626	1,613	1,613	1,626	1,613	1,613	1,626	1,613	1,613	1,626	924,339	1,298	1,298
48															
49	South Dakota share - D2 factor	9.82%	160	158	158	160	158	158	160	158	158	160	1,905	127	127
50															
51	Gross Receipts Tax		0	0	0	0	0	0	0	0	0	0	3	0	0
52	Total South Dakota Share		160	159	159	160	159	159	160	159	159	160	1,908	128	128

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								2018 composite rate		1.87%		
5		Preferred equity												
6		Common equity				**...TRADE SECRET DATA ENDS]**								
7		Total	100.00%		7.59%	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		34,348	34,348	34,348	34,348	34,348	34,348	34,348	34,348	34,348	34,348	412,182	34,348	34,348
20	Tax depreciation-Federal		79,079	79,079	79,079	79,079	79,079	79,079	79,079	79,079	79,079	79,079	948,949	71,125	71,125
21	Tax depreciation-SD		79,079	79,079	79,079	79,079	79,079	79,079	79,079	79,079	79,079	79,079	948,949	71,125	71,125
22	Federal deferred income taxes		(15,656)	(15,656)	(15,656)	(15,656)	(15,656)	(15,656)	(15,656)	(15,656)	(15,656)	(15,656)	(187,869)	(12,872)	(12,872)
23	State deferred income taxes		0	0	0	0	0	0	0	0	0	0	0	0	0