PUBLIC - TRADE SECRET DATA HAS BEEN EXCISED

Otter Tail Power Company
South Dakota Transmission Cost Recovery Rider
Bemidji-Grand Rapids Revenue Requirements

Line No.			2017 Actual Mar	2017 Actual Apr	2017 Actual May	2017 Actual Jun	2017 Actual Jul	2017 Actual Aug	2017 Actual Sep	2017 Projected Oct	2017 Projected Nov	2017 Projected Dec	2017 Projected Total	2018 Projected Jan	2018 Projected Feb
	RATE BASE														
	Plant Balance														
	Transmission Plant - Land and Land Rights (350)		1,056,789	1,056,789	1,056,789	1,056,789	1,056,789	1,056,789	1,056,789	1,056,789	1,056,789	1,056,789	1,056,789	1,056,789	1,056,789
	Transmission Plant - Poles & Fixtures (355)		11,803,146	11,803,146	11,803,146	11,803,146	11,803,146	11,803,146	11,803,146	11,803,146	11,803,146	11,803,146	11,803,146	11,803,146	11,803,146
	Transmission Plant - Overhead Conductors & Devices (356)		3,471,266	3,471,266	3,471,266	3,471,266	3,471,266	3,471,266	3,471,266	3,471,266	3,471,266	3,471,266	3,471,266	3,471,266	3,471,266
1	Plant Balance	Aug-12	16,331,201	16,331,201	16,331,201	16,331,201	16,331,201	16,331,201	16,331,201	16,331,201	16,331,201	16,331,201	16,331,201	16,331,201	16,331,201
2	Accumulated Depreciation		(1,419,343)	(1,444,945)	(1,470,547)	(1,496,150)	(1,521,752)	(1,547,354)	(1,572,956)	(1,598,558)	(1,624,161)	(1,649,763)	(1,649,763)	(1,675,365)	(1,700,967)
3	Net Plant in Service		14,911,858	14,886,256	14,860,654	14,835,051	14,809,449	14,783,847	14,758,245	14,732,643	14,707,040	14,681,438	14,681,438	14,655,836	14,630,234
	CWIP Calculation:														
	Beginning Balance		(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)		(0)	(0)
	Additiontial CWIP		0	0	0	0	0	0	0	0	0	0		0	0
	Closings from CWIP		0	0	0	0	0	0	0	0	0	0		0	0
	AFUDC														
4	CWIP (Project #103487)	103487	(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	1.0000	1.0000	1.0000		1.0000	1.0000
6	Accumulated Deferred Income Taxes Federal & State		(3,469,459)	(3,475,449)	(3,481,439)	(3,487,428)	(3,493,418)	(3,499,408)	(3,505,398)	(3,511,388)	(3,517,378)	(3,523,368)	(3,523,368)	(3,528,523)	(3,533,678)
7	Ending rate base		11,442,399	11,410,807	11,379,215	11,347,623	11,316,031	11,284,438	11,252,846	11,221,254	11,189,662	11,158,070	11,158,070	11,127,313	11,096,556
8															
9	OTP Load Percentage		12.931%	12.931%	12.931%	12.931%	12.931%	12.931%	12.931%	12.931%	12.931%	12.931%	12.931%	12.931%	12.931%
10	Remove Non-OTP Load Portion		(9,962,805)	(9,935,298)	(9,907,791)	(9,880,284)	(9,852,777)	(9,825,270)	(9,797,763)	(9,770,256)	(9,742,749)	(9,715,242)	(9,715,242)	(9,688,462)	(9,661,682)
11	Retail Ending Rate Base		1,479,594	1,475,509	1,471,423	1,467,338	1,463,253	1,459,168	1,455,083	1,450,998	1,446,913	1,442,828	1,442,828	1,438,851	1,434,873
12															
13	Average rate base		122,117	122,117	122,117	122,117	122,117	122,117	122,117	122,117	122,117	122,117	1,465,400	118,325	118,325
14															
15	Return on Rate Base		9,265	9,265	9,265	9,265	9,265	9,265	9,265	9,265	9,265	9,265	111,183	8,978	8,978
16															
17	Available for return (equity portion of rate base)		6,219	6,219	6,219	6,219	6,219	6,219	6,219	6,219	6,219	6,219	74,634	6,026	6,026
18															
19	*EXPENSES*														
20	*O&M and Depreciation*														
21	Operating Costs		0	0	407	0	2,097	2,606	0	0	0	7,028	13,427	0	0
22	Property Tax		25,449	24,103	25,449	25,449	25,449	25,449	25,449	25,449	25,449	25,449	304,047	25,449	25,449
23	Book Depreciation		25,602	25,602	25,602	25,602	25,602	25,602	25,602	25,602	25,602	25,602	307,227	25,602	25,602
24	Total O&M and Depreciation Expenses		51,052	49,705	51,459	51,052	53,148	53,657	51,052	51,052	51,052	58,080	624,701	51,052	51,052
25															
26	OTP Load Percentage		12.931%	12.931%	12.931%	12.931%	12.931%	12.931%	12.931%	12.931%	12.931%	12.931%	12.931%	12.931%	12.931%
27	Remove Non-OTP Load Portion		(44,450)	(43,278)	(44,805)	(44,450)	(46,276)	(46,719)	(44,450)	(44,450)	(44,450)	(50,569)	(543,922)	(44,450)	(44,450)
28	Retail O&M and Depreciation Expenses		6,601	6,427	6,654	6,601	6,873	6,938	6,601	6,601	6,601	7,510	80,779	6,601	6,601
29															
30	Income before Taxes														
31	Available for return (from above)		6,219	6,219	6,219	6,219	6,219	6,219	6,219	6,219	6,219	6,219	74,634	6,026	6,026
32	Taxable Income (grossed up)	1.53846	9,568	9,568	9,568	9,568	9,568	9,568	9,568	9,568	9,568	9,568	114,821	9,271	9,271
33															
34	Income Taxes														
35	Current and Def Income Taxes	35.00%	3,349	3,349	3,349	3,349	3,349	3,349	3,349	3,349	3,349	3,349	40,187	3,245	3,245
36	Total Income Tax Expense		3,349	3,349	3,349	3,349	3,349	3,349	3,349	3,349	3,349	3,349	40,187	3,245	3,245
37															
38															
39	*REVENUE REQUIRMENTS*														
40	Expenses		9,950	9,776	10,003	9,950	10,221	10,287	9,950	9,950	9,950	10,859	120,966	9,846	9,846
41	Return on rate base		9,265	9,265	9,265	9,265	9,265	9,265	9,265	9,265	9,265	9,265	111,183	8,978	8,978
42	Subtotal revenue requirements		19,216	19,042	19,268	19,216	19,487	19,553	19,216	19,216	19,216	20,124	232,149	18,824	18,824
43	Adjustments														
44	Transmission Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
45	Total revenue requirements		19,216	19,042	19,268	19,216	19,487	19,553	19,216	19,216	19,216	20,124	232,149	18,824	18,824
46															
47	South Dakota share - D2 factor	9.8157%	1,886	1,869	1,891	1,886	1,913	1,919	1,886	1,886	1,886	1,975	22,787	1,848	1,848
48															
49	Gross Receipts Tax		3	3	3	3	3	3	3	3	3	3	31	2	2
50	Total South Dakota Share		1,889	1,872	1,894	1,889	1,915	1,922	1,889	1,889	1,889	1,978	22,818	1,850	1,850

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**													
	Book depreciation													
	Transmission Plant - Land and Land Rights (350)		1,258	1,258	1,258	1,258	1,258	1,258	1,258	1,258	1,258	1,258	15,097	1,258	1,258
	Transmission Plant - Poles & Fixtures (355)		19,430	19,430	19,430	19,430	19,430	19,430	19,430	19,430	19,430	19,430	233,159	19,430	19,430
	Transmission Plant - Overhead Conductors & Devices (356)		4,914	4,914	4,914	4,914	4,914	4,914	4,914	4,914	4,914	4,914	58,970	4,914	4,914
19	Book depreciation		25,602	25,602	25,602	25,602	25,602	25,602	25,602	25,602	25,602	25,602	307,227	25,602	25,602
20	Tax depreciation-Federal		42,716	42,716	42,716	42,716	42,716	42,716	42,716	42,716	42,716	42,716	512,594	40,331	40,331
21	Tax depreciation-SD		42,716	42,716	42,716	42,716	42,716	42,716	42,716	42,716	42,716	42,716	512,594	40,331	40,331
22	Federal deferred income taxes	35.00%	(5,990)	(5,990)	(5,990)	(5,990)	(5,990)	(5,990)	(5,990)	(5,990)	(5,990)	(5,990)	(71,879)	(5,155)	(5,155)
23	State deferred income taxes	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0

PUBLIC - TRADE SECRET DATA HAS BEEN EXCISED

Otter Tail Power Company
South Dakota Transmission Cost Recovery Rider
Bemidji-Grand Rapids Revenue Requirements

Line No.			Year>>	2018 Projected Mar	2018 Projected Apr	2018 Projected May	2018 Projected Jun	2018 Projected Jul	2018 Projected Aug	2018 Projected Sep	2018 Projected Oct	2018 Projected Nov	2018 Projected Dec	2018 Projected Total	2019 Projected Jan	2019 Projected Feb
	RATE BASE															
	Plant Balance															
	Transmission Plant - Land and Land Rights (350)			1,056,789	1,056,789	1,056,789	1,056,789	1,056,789	1,056,789	1,056,789	1,056,789	1,056,789	1,056,789	1,056,789	1,056,789	1,056,789
	Transmission Plant - Poles & Fixtures (355)			11,803,146	11,803,146	11,803,146	11,803,146	11,803,146	11,803,146	11,803,146	11,803,146	11,803,146	11,803,146	11,803,146	11,803,146	11,803,146
	Transmission Plant - Overhead Conductors & Devices (356)			3,471,266	3,471,266	3,471,266	3,471,266	3,471,266	3,471,266	3,471,266	3,471,266	3,471,266	3,471,266	3,471,266	3,471,266	3,471,266
1	Plant Balance	Aug-12		16,331,201	16,331,201	16,331,201	16,331,201	16,331,201	16,331,201	16,331,201	16,331,201	16,331,201	16,331,201	16,331,201	16,331,201	16,331,201
2	Accumulated Depreciation			(1,726,570)	(1,752,172)	(1,777,774)	(1,803,376)	(1,828,978)	(1,854,581)	(1,880,183)	(1,905,785)	(1,931,387)	(1,956,989)	(1,956,989)	(1,982,592)	(2,008,194)
3	Net Plant in Service			14,604,631	14,579,029	14,553,427	14,527,825	14,502,223	14,476,620	14,451,018	14,425,416	14,399,814	14,374,212	14,374,212	14,348,609	14,323,007
	CWIP Calculation:															
	Beginning Balance			(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)		(0)	(0)
	Additiontial CWIP			0	0	0	0	0	0	0	0	0	0		0	0
	Closings from CWIP			0	0	0	0	0	0	0	0	0	0		0	0
	AFUDC															
4	CWIP (Project #103487)	103487		(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
5	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
6	Accumulated Deferred Income Taxes Federal & State			(3,538,409)	(3,542,717)	(3,546,587)	(3,550,033)	(3,553,041)	(3,555,612)	(3,557,758)	(3,559,467)	(3,560,752)	(3,561,600)	(3,561,600)	(3,562,005)	(3,562,019)
7	Ending rate base			11,066,222	11,036,312	11,006,840	10,977,792	10,949,181	10,921,009	10,893,260	10,865,948	10,839,061	10,812,611	10,812,611	10,786,604	10,760,988
8																
9	OTP Load Percentage			12.931%	12.931%	12.931%	12.931%	12.931%	12.931%	12.931%	12.931%	12.931%	12.931%	12.931%	12.931%	12.931%
10	Remove Non-OTP Load Portion			(9,635,271)	(9,609,229)	(9,583,568)	(9,558,275)	(9,533,365)	(9,508,835)	(9,484,674)	(9,460,894)	(9,437,484)	(9,414,454)	(9,414,454)	(9,391,810)	(9,369,506)
11	Retail Ending Rate Base			1,430,951	1,427,083	1,423,272	1,419,516	1,415,817	1,412,174	1,408,586	1,405,054	1,401,577	1,398,157	1,398,157	1,394,794	1,391,482
12																
13	Average rate base			118,325	118,325	118,325	118,325	118,325	118,325	118,325	118,325	118,325	118,325	1,419,903	114,698	114,698
14																
15	Return on Rate Base			8,978	8,978	8,978	8,978	8,978	8,978	8,978	8,978	8,978	8,978	107,731	8,702	8,702
16																
17	Available for return (equity portion of rate base)			6,026	6,026	6,026	6,026	6,026	6,026	6,026	6,026	6,026	6,026	72,316	5,842	5,842
18																
19	*EXPENSES*															
20	*O&M and Depreciation*															
21	Operating Costs			10,032	0	0	10,032	0	0	10,032	0	0	10,032	40,128	0	0
22	Property Tax			25,449	25,449	25,449	25,449	25,449	25,449	25,449	25,449	25,449	25,449	305,393	25,449	25,449
23	Book Depreciation			25,602	25,602	25,602	25,602	25,602	25,602	25,602	25,602	25,602	25,602	307,227	25,602	25,602
24	Total O&M and Depreciation Expenses			61,084	51,052	51,052	61,084	51,052	51,052	61,084	51,052	51,052	61,084	652,748	51,052	51,052
25																
26	OTP Load Percentage			12.931%	12.931%	12.931%	12.931%	12.931%	12.931%	12.931%	12.931%	12.931%	12.931%	12.931%	12.931%	12.931%
27	Remove Non-OTP Load Portion			(53,185)	(44,450)	(44,450)	(53,185)	(44,450)	(44,450)	(53,185)	(44,450)	(44,450)	(53,185)	(568,342)	(44,450)	(44,450)
28	Retail O&M and Depreciation Expenses			7,899	6,601	6,601	7,899	6,601	6,601	7,899	6,601	6,601	7,899	84,406	6,601	6,601
29																
30	Income before Taxes															
31	Available for return (from above)			6,026	6,026	6,026	6,026	6,026	6,026	6,026	6,026	6,026	6,026	72,316	5,842	5,842
32	Taxable Income (grossed up)		1.53846	9,271	9,271	9,271	9,271	9,271	9,271	9,271	9,271	9,271	9,271	111,256	8,987	8,987
33																
34	Income Taxes															
35	Current and Def Income Taxes		35.00%	3,245	3,245	3,245	3,245	3,245	3,245	3,245	3,245	3,245	3,245	38,940	3,146	3,146
36	Total Income Tax Expense			3,245	3,245	3,245	3,245	3,245	3,245	3,245	3,245	3,245	3,245	38,940	3,146	3,146
37																
38																
39	*REVENUE REQUIRMENTS*															
40	Expenses			11,144	9,846	9,846	11,144	9,846	9,846	11,144	9,846	9,846	11,144	123,345	9,747	9,747
41	Return on rate base			8,978	8,978	8,978	8,978	8,978	8,978	8,978	8,978	8,978	8,978	107,731	8,702	8,702
42	Subtotal revenue requirements			20,121	18,824	18,824	20,121	18,824	18,824	20,121	18,824	18,824	20,121	231,076	18,449	18,449
43	Adjustments															
44	Transmission Revenue			0	0	0	0	0	0	0	0	0	0	0	0	0
45	Total revenue requirements			20,121	18,824	18,824	20,121	18,824	18,824	20,121	18,824	18,824	20,121	231,076	18,449	18,449
46																
47	South Dakota share - D2 factor		9.8157%	1,975	1,848	1,848	1,975	1,848	1,848	1,975	1,848	1,848	1,975	22,682	1,811	1,811
48																
49	Gross Receipts Tax			3	2	2	3	2	2	3	2	2	3	31	2	2
50	Total South Dakota Share			1,978	1,850	1,850	1,978	1,850	1,850	1,978	1,850	1,850	1,978	22,712	1,813	1,813

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**													
	Book depreciation													
	Transmission Plant - Land and Land Rights (350)				1,258	1,258	1,258	1,258	1,258	1,258	1,258	1,258	15,097	1,258	1,258
	Transmission Plant - Poles & Fixtures (355)				19,430	19,430	19,430	19,430	19,430	19,430	19,430	19,430	233,159	19,430	19,430
	Transmission Plant - Overhead Conductors & Devices (356)				4,914	4,914	4,914	4,914	4,914	4,914	4,914	4,914	58,970	4,914	4,914
19	Book depreciation				25,602	25,602	25,602	25,602	25,602	25,602	25,602	25,602	307,227	25,602	25,602
20	Tax depreciation-Federal				40,331	40,331	40,331	40,331	40,331	40,331	40,331	40,331	483,972	40,178	40,178
21	Tax depreciation-SD				40,331	40,331	40,331	40,331	40,331	40,331	40,331	40,331	483,972	40,178	40,178
22	Federal deferred income taxes			35.00%	(5,155)	(5,155)	(5,155)	(5,155)	(5,155)	(5,155)	(5,155)	(5,155)	(61,861)	(5,102)	(5,102)
23	State deferred income taxes			0.00%	0	0	0	0	0	0	0	0	0	0	0