PUBLIC - TRADE SECRET DATA HAS BEEN EXCISED

Otter Tail Power Company
South Dakota Transmission Cost Recovery Rider
Cass Lake - Bemidji 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			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			(508,549)	(517,874)	(527,199)	(536,524)	(545,850)	(555,175)	(564,500)	(573,825)	(583,150)	(592,475)	(592,475)	(601,800)	(611,125)
3	Net Plant in Service			6,531,399	6,522,074	6,512,749	6,503,423	6,494,098	6,484,773	6,475,448	6,466,123	6,456,798	6,447,473	6,447,473	6,438,148	6,428,822
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	1.0000	1.0000	1.0000		1.0000	1.0000
6	Accumulated Deferred Income Taxes Federal & State			(1,520,267)	(1,523,547)	(1,526,828)	(1,530,108)	(1,533,388)	(1,536,668)	(1,539,949)	(1,543,229)	(1,546,509)	(1,549,789)	(1,549,789)	(1,552,653)	(1,555,516)
7	Ending rate base			5,011,132	4,998,526	4,985,921	4,973,316	4,960,710	4,948,105	4,935,499	4,922,894	4,910,289	4,897,683	4,897,683	4,885,495	4,873,307
8																
9	OTP Load Percentage			32.328%	32.328%	32.328%	32.328%	32.328%	32.328%	32.328%	32.328%	32.328%	32.328%	32.328%	32.328%	32.328%
10	Remove Non-OTP Load Portion			(3,391,153)	(3,382,623)	(3,374,092)	(3,365,562)	(3,357,032)	(3,348,501)	(3,339,971)	(3,331,441)	(3,322,910)	(3,314,380)	(3,314,380)	(3,306,132)	(3,297,884)
11	Retail Ending Rate Base			1,619,979	1,615,904	1,611,829	1,607,754	1,603,679	1,599,604	1,595,529	1,591,454	1,587,379	1,583,303	1,583,303	1,579,363	1,575,423
12																
13	Average rate base			133,803	133,803	133,803	133,803	133,803	133,803	133,803	133,803	133,803	133,803	1,605,633	130,080	130,080
14																
15	Return on Rate Base			10,152	10,152	10,152	10,152	10,152	10,152	10,152	10,152	10,152	10,152	121,823	9,869	9,869
16																
17	Available for return (equity portion of rate base)			6,815	6,815	6,815	6,815	6,815	6,815	6,815	6,815	6,815	6,815	81,776	6,625	6,625
18																
19	*EXPENSES*															
20	*O&M and Depreciation*															
21	Operating Costs			526	522	522	522	522	522	522	522	522	522	6,272	522	522
22	Property Tax			10,971	10,971	10,971	10,971	10,971	10,971	10,971	10,971	10,971	10,971	131,647	10,971	10,971
23	Book Depreciation			9,325	9,325	9,325	9,325	9,325	9,325	9,325	9,325	9,325	9,325	111,901	9,325	9,325
24	Total O&M and Depreciation Expenses			20,822	20,817	20,817	20,817	20,817	20,817	20,817	20,817	20,817	20,817	249,821	20,817	20,817
25																
26	OTP Load Percentage			32.328%	32.328%	32.328%	32.328%	32.328%	32.328%	32.328%	32.328%	32.328%	32.328%	32.328%	32.328%	32.328%
27	Remove Non-OTP Load Portion			(14,091)	(14,088)	(14,088)	(14,088)	(14,088)	(14,088)	(14,088)	(14,088)	(14,088)	(14,088)	(169,060)	(14,088)	(14,088)
28	Retail O&M and Depreciation Expenses			6,731	6,730	6,730	6,730	6,730	6,730	6,730	6,730	6,730	6,730	80,761	6,730	6,730
29																
30	Income before Taxes															
31	Available for return (from above)			6,815	6,815	6,815	6,815	6,815	6,815	6,815	6,815	6,815	6,815	81,776	6,625	6,625
32	Taxable Income (grossed up)		1.53846	10,484	10,484	10,484	10,484	10,484	10,484	10,484	10,484	10,484	10,484	125,809	10,192	10,192
33																
34	Income Taxes															
35	Current and Def Income Taxes		35.00%	3,669	3,669	3,669	3,669	3,669	3,669	3,669	3,669	3,669	3,669	44,033	3,567	3,567
36	Total Income Tax Expense			3,669	3,669	3,669	3,669	3,669	3,669	3,669	3,669	3,669	3,669	44,033	3,567	3,567
37																
38																
39	*REVENUE REQUIRMENTS*															
40	Expenses			10,401	10,399	10,399	10,399	10,399	10,399	10,399	10,399	10,399	10,399	124,794	10,297	10,297
41	Return on rate base			10,152	10,152	10,152	10,152	10,152	10,152	10,152	10,152	10,152	10,152	121,823	9,869	9,869
42	Subtotal revenue requirements			20,552	20,551	20,551	20,551	20,551	20,551	20,551	20,551	20,551	20,551	246,617	20,167	20,167
43	Adjustments															
44	Transmission Revenue			0	0	0	0	0	0	0	0	0	0	0	0	0
45	Total revenue requirements			20,552	20,551	20,551	20,551	20,551	20,551	20,551	20,551	20,551	20,551	246,617	20,167	20,167
46																
47	South Dakota share - D2 factor		9.8157%	2,017	2,017	2,017	2,017	2,017	2,017	2,017	2,017	2,017	2,017	24,207	1,979	1,979
48																
49	Gross Receipts Tax			3	3	3	3	3	3	3	3	3	3	33	3	3
50	Total South Dakota Share			2,020	2,020	2,020	2,020	2,020	2,020	2,020	2,020	2,020	2,020	24,240	1,982	1,982

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		9,325	9,325	9,325	9,325	9,325	9,325	9,325	9,325	9,325	9,325	111,901	9,325	9,325
20	Tax depreciation-Federal		18,697	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	18,697	224,367	17,506	17,506
22	Federal deferred income taxes	35.00%	(3,280)	(3,280)	(3,280)	(3,280)	(3,280)	(3,280)	(3,280)	(3,280)	(3,280)	(3,280)	(39,363)	(2,863)	(2,863)
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
Cass Lake - Bemidji Revenue Requirements

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		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		(620,450)	(629,776)	(639,101)	(648,426)	(657,751)	(667,076)	(676,401)	(685,726)	(695,051)	(704,377)	(704,377)	(713,702)	(723,027)
3	Net Plant in Service		6,419,497	6,410,172	6,400,847	6,391,522	6,382,197	6,372,872	6,363,547	6,354,221	6,344,896	6,335,571	6,335,571	6,326,246	6,316,921
4	CWIP		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		(1,558,144)	(1,560,536)	(1,562,686)	(1,564,600)	(1,566,271)	(1,567,698)	(1,568,891)	(1,569,840)	(1,570,554)	(1,571,024)	(1,571,024)	(1,571,246)	(1,571,254)
7	Ending rate base		4,861,354	4,849,636	4,838,161	4,826,922	4,815,926	4,805,173	4,794,656	4,784,382	4,774,343	4,764,547	4,764,547	4,755,000	4,745,667
8															
9	OTP Load Percentage		32.328%	32.328%	32.328%	32.328%	32.328%	32.328%	32.328%	32.328%	32.328%	32.328%	32.328%	32.328%	32.328%
10	Remove Non-OTP Load Portion		(3,289,795)	(3,281,865)	(3,274,100)	(3,266,494)	(3,259,053)	(3,251,776)	(3,244,659)	(3,237,706)	(3,230,912)	(3,224,283)	(3,224,283)	(3,217,822)	(3,211,507)
11	Retail Ending Rate Base		1,571,559	1,567,771	1,564,061	1,560,428	1,556,873	1,553,397	1,549,997	1,546,676	1,543,430	1,540,264	1,540,264	1,537,177	1,534,160
12															
13	Average rate base		130,080	130,080	130,080	130,080	130,080	130,080	130,080	130,080	130,080	130,080	1,560,965	126,630	126,630
14															
15	Return on Rate Base		9,869	9,869	9,869	9,869	9,869	9,869	9,869	9,869	9,869	9,869	118,434	9,608	9,608
16															
17	Available for return (equity portion of rate base)		6,625	6,625	6,625	6,625	6,625	6,625	6,625	6,625	6,625	6,625	79,501	6,449	6,449
18															
19	*EXPENSES*														
20	*O&M and Depreciation*														
21	Operating Costs		522	522	522	522	522	522	522	522	522	522	6,259	522	522
22	Property Tax		10,971	10,971	10,971	10,971	10,971	10,971	10,971	10,971	10,971	10,971	131,647	10,971	10,971
23	Book Depreciation		9,325	9,325	9,325	9,325	9,325	9,325	9,325	9,325	9,325	9,325	111,901	9,325	9,325
24	Total O&M and Depreciation Expenses		20,817	20,817	20,817	20,817	20,817	20,817	20,817	20,817	20,817	20,817	249,807	20,817	20,817
25															
26	OTP Load Percentage		32.328%	32.328%	32.328%	32.328%	32.328%	32.328%	32.328%	32.328%	32.328%	32.328%	32.328%	32.328%	32.328%
27	Remove Non-OTP Load Portion		(14,088)	(14,088)	(14,088)	(14,088)	(14,088)	(14,088)	(14,088)	(14,088)	(14,088)	(14,088)	(169,051)	(14,088)	(14,088)
28	Retail O&M and Depreciation Expenses		6,730	6,730	6,730	6,730	6,730	6,730	6,730	6,730	6,730	6,730	80,757	6,730	6,730
29															
30	Income before Taxes														
31	Available for return (from above)		6,625	6,625	6,625	6,625	6,625	6,625	6,625	6,625	6,625	6,625	79,501	6,449	6,449
32	Taxable Income (grossed up)	1.53846	10,192	10,192	10,192	10,192	10,192	10,192	10,192	10,192	10,192	10,192	122,309	9,922	9,922
33															
34	Income Taxes														
35	Current and Def Income Taxes	35.00%	3,567	3,567	3,567	3,567	3,567	3,567	3,567	3,567	3,567	3,567	42,808	3,473	3,473
36	Total Income Tax Expense		3,567	3,567	3,567	3,567	3,567	3,567	3,567	3,567	3,567	3,567	42,808	3,473	3,473
37															
38															
39	*REVENUE REQUIRMENTS*														
40	Expenses		10,297	10,297	10,297	10,297	10,297	10,297	10,297	10,297	10,297	10,297	123,565	10,202	10,202
41	Return on rate base		9,869	9,869	9,869	9,869	9,869	9,869	9,869	9,869	9,869	9,869	118,434	9,608	9,608
42	Subtotal revenue requirements		20,167	20,167	20,167	20,167	20,167	20,167	20,167	20,167	20,167	20,167	241,999	19,810	19,810
43	Adjustments														
44	Transmission Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
45	Total revenue requirements		20,167	20,167	20,167	20,167	20,167	20,167	20,167	20,167	20,167	20,167	241,999	19,810	19,810
46															
47	South Dakota share - D2 factor	9.8157%	1,979	1,979	1,979	1,979	1,979	1,979	1,979	1,979	1,979	1,979	23,754	1,945	1,945
48															
49	Gross Receipts Tax		3	3	3	3	3	3	3	3	3	3	32	3	3
50	Total South Dakota Share		1,982	1,982	1,982	1,982	1,982	1,982	1,982	1,982	1,982	1,982	23,786	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**				**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 Special**								
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		9,325	9,325	9,325	9,325	9,325	9,325	9,325	9,325	9,325	9,325	111,901	9,325	9,325
20	Tax depreciation-Federal		17,506	17,506	17,506	17,506	17,506	17,506	17,506	17,506	17,506	17,506	210,070	17,307	17,307
21	Tax depreciation-SD		17,506	17,506	17,506	17,506	17,506	17,506	17,506	17,506	17,506	17,506	210,070	17,307	17,307
22	Federal deferred income taxes	35.00%	(2,863)	(2,863)	(2,863)	(2,863)	(2,863)	(2,863)	(2,863)	(2,863)	(2,863)	(2,863)	(34,359)	(2,793)	(2,793)
23	State deferred income taxes	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0