

Otter Tail Power Company
Docket EL18-021
South Dakota Electric Operating Income Statement With Known and Measurable Adjustments
Adjusted Test Year Ended December 31, 2017

Line No.	Description	TY-01	TY-02	TY-03	TY-05	TY-06	
		South Dakota Per Books (b)	ClSone Project (c)	BSP II Amortization (d)	New Depreciation Rates (e)	Weather Normalization (f)	Revenue Normalization (g)
1	OPERATING REVENUES:						
2	Retail Revenue	\$ 32,929,872			343,731	4,325	
3	Other Electric Operating Revenue	1,725,695					
4	TOTAL OPERATING REVENUES	\$ 34,655,568	-	-	343,731	4,325	
5	OPERATING EXPENSES:						
6	Operation and Maintenance:						
7	Production Expense	\$ 14,201,172			137,587	2,179	
8	Transmission Expense	2,936,416					
9	Distribution Expense	1,686,406					
10	Customer Accounting Expense	1,144,837					
11	Customer Service and Information Expense	663,245					
12	Sales Expenses	11,402					
13	Administration and General Expense	3,691,031					
14	Other	-					
15	Total Operation and Maintenance	\$ 24,334,509	-	-	137,587	2,179	
16	Depreciation and Amortization	\$ 4,719,228	160,129	43,892	22,072		
17	Taxes:						
18	Property Taxes	\$ 919,049					
19	Coal Conversion Tax	46,586					
20	South Dakota Gross Receipts Tax	48,882					
21	Investment Tax Credit	(753,931)					
22	Deferred Income Taxes	1,083,502					
23	Federal Income Taxes	(556,439)	(33,627)	(9,217)	(4,635)	43,290	
24	Other Taxes					451	
25	Total Taxes	\$ 787,649	(33,627)	(9,217)	(4,635)	43,290	
26	TOTAL OPERATING EXPENSES	\$ 29,841,385	126,502	34,675	17,437	180,877	
27	OPERATING INCOME	\$ 4,814,182	(126,502)	(34,675)	(17,437)	162,854	
	Source		Attachment 4	Attachment 5	Exhibit__(TAA-1) Schedule C-8 Column (D)	Exhibit__(TAA-1) Schedule C-8 Column (E) + Supplemental Exhibit__(TAA-2) Schedule 4, Column (C)	Exhibit__(TAA-1) Schedule C-8 Column (F)
	Staff Witness Testimony		Steffensen	Rezac	Paulson	Paulson	Reichert
	Staff position on OTP's Adjustment		Adjusted	Adjusted	Accepted	Accepted	Accepted

Otter Tail Power Company
Docket EL18-021
South Dakota Electric Operating Income Statement With Known and Measurable Adjustments
Adjusted Test Year Ended December 31, 2017

Line No.	Description	TY-07 Wages, KPA, and Management Incentive (h)	TY-08 Medical/Dental FAS 87, 106, 112 (i)	TY-09 Rate Case Expense Amortization (j)	TY-10 Storm Damages (k)	TY-11 Removal of PTC's (l)	TY-12 Plant Outage Normalization (m)	TY-13 TCRR Revenue Removal (n)
1	OPERATING REVENUES:							
2	Retail Revenue							(245,070)
3	Other Electric Operating Revenue							
4	TOTAL OPERATING REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(245,070)</u>
5	OPERATING EXPENSES:							
6	Operation and Maintenance:							
7	Production Expense	47,715	6,202				146,808	
8	Transmission Expense	19,514	2,535					
9	Distribution Expense	37,504	4,873					
10	Customer Accounting Expense	23,443	3,047					
11	Customer Service and Information Expense	1,148	150					
12	Sales Expenses							
13	Administration and General Expense	(14,430)	10,704	132,775	44,053			
14	Other							
15	Total Operation and Maintenance	<u>114,893</u>	<u>27,511</u>	<u>132,775</u>	<u>44,053</u>	<u>-</u>	<u>146,808</u>	<u>-</u>
16	Depreciation and Amortization							
17	Taxes:							
18	Property Taxes							
19	Coal Conversion Tax							
20	South Dakota Gross Receipts Tax							
21	Investment Tax Credit					632,422		
22	Deferred Income Taxes							
23	Federal Income Taxes	(24,128)	(5,777)	(27,883)	(9,251)	-	(30,830)	(51,465)
24	Other Taxes							
25	Total Taxes	<u>(24,128)</u>	<u>(5,777)</u>	<u>(27,883)</u>	<u>(9,251)</u>	<u>632,422</u>	<u>(30,830)</u>	<u>(51,465)</u>
26	TOTAL OPERATING EXPENSES	<u>90,765</u>	<u>21,734</u>	<u>104,892</u>	<u>34,802</u>	<u>632,422</u>	<u>115,978</u>	<u>(51,465)</u>
27	OPERATING INCOME	<u>(90,765)</u>	<u>(21,734)</u>	<u>(104,892)</u>	<u>(34,802)</u>	<u>(632,422)</u>	<u>(115,978)</u>	<u>(193,605)</u>
	Source	Attachment 6	Attachment 7	Attachment 8	Exhibit__(TAA-1) Schedule C-8 Column (J)	Exhibit__(TAA-1) Schedule C-8 Column (K)	Attachment 9	Exhibit__(TAA-1) Schedule C-8 Column (M)
	Staff Witness Testimony	Steffensen	Steffensen	Reichert	Reichert	Rezac	Steffensen	Rezac
	Staff position on OTP's Adjustment	Adjusted	Adjusted	Adjusted	Accepted	Accepted	Adjusted	Accepted

Otter Tail Power Company
Docket EL18-021
South Dakota Electric Operating Income Statement With Known and Measurable Adjustments
Adjusted Test Year Ended December 31, 2017

Line No.	Description	TY-14 ECRR Revenue Removal (o)	TY-15 Adjust Deferred Tax for Tax Reform (p)	Association Dues (q)	Late Payment Revenues (r)	Employee Gifts & Recognition (s)	Charitable Admin Removal (t)	Intrest Sync (u)
1	OPERATING REVENUES:							
2	Retail Revenue	(2,374,465)						
3	Other Electric Operating Revenue				(95,929)			
4	TOTAL OPERATING REVENUES	(2,374,465)	-	-	(95,929)	-	-	-
5	OPERATING EXPENSES:							
6	Operation and Maintenance:							
7	Production Expense							
8	Transmission Expense							
9	Distribution Expense							
10	Customer Accounting Expense							
11	Customer Service and Information Expense							
12	Sales Expenses							
13	Administration and General Expense			(11,094)		(2,942)	(6,800)	
14	Other							
15	Total Operation and Maintenance	-	-	(11,094)	-	(2,942)	(6,800)	-
16	Depreciation and Amortization							
17	Taxes:							
18	Property Taxes							
19	Coal Conversion Tax							
20	South Dakota Gross Receipts Tax							
21	Investment Tax Credit							
22	Deferred Income Taxes		(691,179)					
23	Federal Income Taxes	(498,638)	-	2,330	(20,145)	618	1,428	74,251
24	Other Taxes							
25	Total Taxes	(498,638)	(691,179)	2,330	(20,145)	618	1,428	74,251
26	TOTAL OPERATING EXPENSES	(498,638)	(691,179)	(8,764)	(20,145)	(2,324)	(5,372)	74,251
27	OPERATING INCOME	(1,875,827)	691,179	8,764	(75,784)	2,324	5,372	(74,251)
	Source	Exhibit__(TAA-1) Schedule C-8 Column (N)	Attachment 10	Attachment 11	Volume 4B Actual Year JCOSS Page 8-1, line 23	DR 9.12 and DR 13.13	Supplemental Exhibit__(TAA-2) Schedule 5 Column (C)	Attachment 12
	Staff Witness Testimony	Rezac	Mehlhoff	Reichert	Paulson	Reichert	Reichert	Rezac
	Staff position on OTP's Adjustment	Accepted	Adjusted	Staff Proposed	Staff Proposed	Staff Proposed	Staff Proposed	Staff Proposed

Otter Tail Power Company
Docket EL18-021
South Dakota Electric Operating Income Statement With Known and Measurable Adjustments
Adjusted Test Year Ended December 31, 2017

Line No.	Description	Vegetation Management (v)	Provision for Potential FERC Penalty (w)	Advertising Expense (x)	Structure Expense (y)	Changes in Allocation Factors (z)	Subtotal Staff Adjustments (aa)	Adjusted Test Year (ab)
1	OPERATING REVENUES:							
2	Retail Revenue						\$ (2,271,479)	\$ 30,658,393
3	Other Electric Operating Revenue					6,352	(89,577)	1,636,118
4	TOTAL OPERATING REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,352</u>	<u>(2,361,056)</u>	<u>32,294,512</u>
5	OPERATING EXPENSES:							
6	Operation and Maintenance:							
7	Production Expense		(9,305)		(5,828)	45,458	370,815	14,571,988
8	Transmission Expense	(6,655)				7,462	22,856	2,959,272
9	Distribution Expense	(19,836)				(105)	22,436	1,708,842
10	Customer Accounting Expense					(33)	26,457	1,171,293
11	Customer Service and Information Expense						1,298	664,543
12	Sales Expenses					9,349	9,349	20,751
13	Administration and General Expense			(3,508)		55,583	204,340	3,895,372
14	Other						-	-
15	Total Operation and Maintenance	<u>(26,491)</u>	<u>(9,305)</u>	<u>(3,508)</u>	<u>(5,828)</u>	<u>117,714</u>	<u>657,551</u>	<u>24,992,060</u>
16	Depreciation and Amortization					10,266	236,359	4,955,587
17	Taxes:							
18	Property Taxes						-	919,049
19	Coal Conversion Tax						-	46,586
20	South Dakota Gross Receipts Tax						-	48,882
21	Investment Tax Credit					(2,083)	630,339	(123,593)
22	Deferred Income Taxes					1,125,995	434,816	1,518,318
23	Federal Income Taxes	5,563	1,954	737	1,224	(992,828)	(1,576,578)	(2,133,017)
24	Other Taxes					(43,850)	(43,850)	(43,850)
25	Total Taxes	<u>5,563</u>	<u>1,954</u>	<u>737</u>	<u>1,224</u>	<u>87,234</u>	<u>(555,273)</u>	<u>232,375</u>
26	TOTAL OPERATING EXPENSES	<u>(20,928)</u>	<u>(7,351)</u>	<u>(2,771)</u>	<u>(4,604)</u>	<u>215,214</u>	<u>338,637</u>	<u>30,180,022</u>
27	OPERATING INCOME	<u>20,928</u>	<u>7,351</u>	<u>2,771</u>	<u>4,604</u>	<u>(208,862)</u>	<u>\$ (2,699,693)</u>	<u>\$ 2,114,489</u>
	Source	Attachment 13	Attachment 1 to DR 13.08	Attachment 14	Attachment 15	Email from Pete Beithon on 02/07/2019		
	Staff Witness Testimony	Reichert	Reichert	Reichert	Reichert	Mehlhoff		
	Staff position on OTP's Adjustment	Staff Proposed	Staff Proposed	Staff Proposed	Staff Proposed	Adjusted		

SOURCES:

Line 4:	Sum of lines 2 through 3
Line 15:	Sum of lines 7 through 14
Line 25:	Sum of lines 18 through 24
Line 26:	Sum of lines 15, 16, and 25
Line 27:	Line 4 less line 26
Column b, line 2:	Volume 4A, Section 3, Exhibit__(TAA-1), Schedule C-1, Column (B), Line 1
Column b, line 3:	Volume 4A, Section 3, Exhibit__(TAA-1), Schedule C-1, Column (B), Line 2
Column b, line 7:	Volume 4A, Section 3, Exhibit__(TAA-1), Schedule C-1, Column (B), Line 4
Column b, line 8:	Volume 4A, Section 3, Exhibit__(TAA-1), Schedule C-1, Column (B), Line 5
Column b, line 9:	Volume 4A, Section 3, Exhibit__(TAA-1), Schedule C-1, Column (B), Line 6
Column b, line 10:	Volume 4A, Section 3, Exhibit__(TAA-1), Schedule C-1, Column (B), Line 7
Column b, line 11:	Volume 4A, Section 3, Exhibit__(TAA-1), Schedule C-1, Column (B), Line 8
Column b, line 12:	Volume 4A, Section 3, Exhibit__(TAA-1), Schedule C-1, Column (B), Line 9
Column b, line 13:	Volume 4A, Section 3, Exhibit__(TAA-1), Schedule C-1, Column (B), Line 10 - Column b, line 20, per email from Christy Peterson on 11/30/18
Column b, line 16:	Exhibit__(TAA-1), Schedule C-1, Column (B), Line 12
Column b, line 18:	Volume 4A, Section 2, Workpaper 21-1, Line 13
Column b, line 19:	Volume 4A, Section 2, Workpaper 21-1, Line 15
*Note - Column b, line 18 + line 19 = General Taxes on Volume 4A, Work paper 21-1, line 13 and line 15	
Column b, line 20:	Email from Tyler Akerman on 11/30/18
Column b, line 21:	Exhibit__(TAA-1), Schedule C-1, Column (B), Line 20
Column b, line 22:	Exhibit__(TAA-1), Schedule C-1, Column (B), Line 21 + Exhibit__(TAA-1), Schedule C-5, Column (B) Line 3
Column b, line 23:	Exhibit__(TAA-1), Schedule C-5, Column (B) Line 31