

May 14, 2019 Commission Decision

Otter Tail Power Company  
Docket EL18-021  
South Dakota Electric Revenue Requirement  
Adjusted Test Year Ended December 31, 2017

Line	Description	South Dakota Electric Adjusted 2017 Test Year	OTP Filed South Dakota Electric Adjusted 2017 Test Year	Difference
	(a)	(b)	(c)	(d)
1	Average Rate Base	\$ 83,501,485	\$ 84,904,901	\$ (1,403,416)
2	Adjusted Test Year Operating Income	2,109,622	2,042,808	66,814
3	Earned Rate of Return	2.53%	2.41%	
4	Commission Authorized Rate of Return	7.09%	7.96%	
5	Required Operating Income	5,920,255	6,758,430	(838,175)
6	Income Deficiency (Excess)	3,810,633	4,715,622	(904,989)
7	Gross Revenue Conversion Factor	1.26582		
8	Revenue Deficiency (Excess)	4,823,586		
9	Gross Receipts Tax (at 0.0015)	7,235		
10	<b>Total Revenue Deficiency (Excess)</b>	<b>4,830,821</b>	<b>5,978,109</b>	(1,147,288)
11	Adjusted Test Year Retail Revenue	30,658,393	30,650,015	8,378
12	<b>Revenue Requirement</b>	<b>\$ 35,489,214</b>	<b>\$ 36,628,124</b>	<b>\$ (1,138,910)</b>
13	Rider Roll-in Revenues	\$ 2,619,535	\$ 2,619,535	
14	<b>Net Revenue Deficiency</b>	<b>\$ 2,211,286</b>	<b>\$ 3,358,574</b>	<b>\$ (1,147,288)</b>

**SOURCES:**

Column b, line 1: Exhibit 3a, page 1, column d, line 31  
Column b, line 2: Exhibit 2a, page 1, column d, line 27  
Column b, line 3: Line 2 divided by line 1  
Column b, line 4: Exhibit 8, column e, line 3  
Column b, line 5: Line 1 \* line 4  
Column b, line 6: Line 5 less line 2  
Column b, line 7: Effective FIT rate / inverse + 1  
Column b, line 8: Line 6 \* line 7  
Column b, line 9: Line 8 \* 0.0015  
Column b, line 10: Line 8 plus line 9  
Column b, line 11: Exhibit 2a, page 1, column d, line 2  
Column b, line 12: Line 11 plus line 10

Column c, line 1: Exhibit\_\_(TAA-1), Schedule 2, page 1 of 1, line 1, column (A)  
Column c, line 2: Exhibit\_\_(TAA-1), Schedule 2, page 1 of 1, line 2, column (A)  
Column c, line 3: Exhibit\_\_(TAA-1), Schedule 2, page 1 of 1, line 5, column (A)  
Column c, line 4: Exhibit\_\_(TAA-1), Schedule 2, page 1 of 1, line 6, column (A)  
Column c, line 5: Exhibit\_\_(TAA-1), Schedule 2, page 1 of 1, line 7, column (A)  
Column c, line 6: Exhibit\_\_(TAA-1), Schedule 2, page 1 of 1, line 8, column (A)  
Column c, line 10: Exhibit\_\_(TAA-1), Schedule 2, page 1 of 1, line 10, column (A)  
Column c, line 11: Exhibit\_\_(TAA-1), Schedule 2, page 1 of 1, line 11, column (A)  
Column c, line 12: Line 10 plus line 11  
Column c, line 13: Exhibit\_\_(TAA-1), Schedule C-8, col. (M) +(N)  
Column c, line 14: Line 10 less line 13

May 14, 2019 Commission Decision

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

Line No.	Description (a)	South Dakota Per Books (b)	Total Staff Adjustments (c)	Adjusted Test Year (d)	Revenue Adjustment (e)	Adjusted Test Year with Revenue Adjustment (f)
1	OPERATING REVENUES:					
2	Retail Revenue	\$ 32,929,872	\$ (2,271,479)	\$ 30,658,393	\$ 4,830,821	\$ 35,489,214
3	Other Electric Operating Revenue	1,725,695	(89,577)	1,636,118		1,636,118
4	<b>TOTAL OPERATING REVENUES</b>	<b>34,655,568</b>	<b>(2,361,056)</b>	<b>32,294,512</b>	<b>4,830,821</b>	<b>37,125,333</b>
5	OPERATING EXPENSES:					
6	Operation and Maintenance:					
7	Production Expense	14,201,172	370,815	14,571,988		14,571,988
8	Transmission Expense	2,936,416	22,856	2,959,272		2,959,272
9	Distribution Expense	1,686,406	22,436	1,708,842		1,708,842
10	Customer Accounting Expense	1,144,837	26,457	1,171,293		1,171,293
11	Customer Service and Information Expense	663,245	1,298	664,543		664,543
12	Sales Expenses	11,402	9,349	20,751		20,751
13	Administration and General Expense	3,691,031	210,581	3,901,612		3,901,612
14	Other	-	-	-		-
15	Total Operation and Maintenance	24,334,509	663,791	24,998,301	-	24,998,301
16	Depreciation and Amortization	4,719,228	236,359	4,955,587		4,955,587
17	Taxes:					
18	Property Taxes	919,049	-	919,049		919,049
19	Coal Conversion Tax	46,586	-	46,586		46,586
20	South Dakota Gross Receipts Tax	48,882	-	48,882	7,235	56,117
21	Investment Tax Credit	(753,931)	630,339	(123,593)		(123,593)
22	Deferred Income Taxes	1,083,502	434,816	1,518,318		1,518,318
23	Federal Income Taxes	(556,439)	(1,577,951)	(2,134,390)	1,012,953	(1,121,437)
24	Other Taxes	-	(43,850)	(43,850)		(43,850)
25	Total Taxes	787,649	(556,646)	231,002	1,020,188	1,251,190
26	<b>TOTAL OPERATING EXPENSES</b>	<b>29,841,385</b>	<b>343,504</b>	<b>30,184,889</b>	<b>1,020,188</b>	<b>31,205,077</b>
27	<b>OPERATING INCOME</b>	<b>\$ 4,814,182</b>	<b>\$ (2,704,560)</b>	<b>\$ 2,109,622</b>	<b>\$ 3,810,633</b>	<b>\$ 5,920,255</b>
28	Rate Base	83,294,793		\$ 83,501,485		\$ 83,501,485
29	Earned Rate of Return	5.78%		2.53%		7.09%
30	Commission Authorized Rate of Return			7.09%		7.09%

**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  
Line 28: Exhibit 3a, line 31  
Line 29: Line 27 / line 28  
Line 30: Exhibit 8, column e, line 3  
Column b: Exhibit 2b, page 1, column b

Column c: Exhibit 2b, page 4, column aa  
Column d: Column b plus column c  
Column e, line 2: Exhibit 1, column b, line 10  
Column e, line 20: Exhibit 1, column b, line 9  
Column e, line 23: Exhibit 1, column b, line 8 less  
Exhibit 1, column b, line 6  
Column f: Column d plus column e

May 14, 2019 Commission Decision

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	South Dakota Per Books (b)	TY-01 CISone Project (c)	TY-02 BSP II Amortization (d)	TY-03 New Depreciation Rates (e)	TY-05 Weather Normalization (f)	TY-06 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	<b>TOTAL OPERATING REVENUES</b>	<b>\$ 34,655,568</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>343,731</b>	<b>4,325</b>
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	451
24	Other Taxes						
25	Total Taxes	\$ 787,649	(33,627)	(9,217)	(4,635)	43,290	451
26	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 29,841,385</b>	<b>126,502</b>	<b>34,675</b>	<b>17,437</b>	<b>180,877</b>	<b>2,630</b>
27	<b>OPERATING INCOME</b>	<b>\$ 4,814,182</b>	<b>(126,502)</b>	<b>(34,675)</b>	<b>(17,437)</b>	<b>162,854</b>	<b>1,695</b>
	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

May 14, 2019 Commission Decision

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	<b>TOTAL OPERATING REVENUES</b>	<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	139,015	44,053			
14	Other							
15	Total Operation and Maintenance	<u>114,893</u>	<u>27,511</u>	<u>139,015</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)	(29,193)	(9,251)	-	(30,830)	(51,465)
24	Other Taxes							
25	Total Taxes	<u>(24,128)</u>	<u>(5,777)</u>	<u>(29,193)</u>	<u>(9,251)</u>	<u>632,422</u>	<u>(30,830)</u>	<u>(51,465)</u>
26	<b>TOTAL OPERATING EXPENSES</b>	<u>90,765</u>	<u>21,734</u>	<u>109,822</u>	<u>34,802</u>	<u>632,422</u>	<u>115,978</u>	<u>(51,465)</u>
27	<b>OPERATING INCOME</b>	<u>(90,765)</u>	<u>(21,734)</u>	<u>(109,822)</u>	<u>(34,802)</u>	<u>(632,422)</u>	<u>(115,978)</u>	<u>(193,605)</u>
	Source	Attachment 6	Attachment 7	Exhibit 4	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

May 14, 2019 Commission Decision

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	<b>TOTAL OPERATING REVENUES</b>	<b>(2,374,465)</b>	<b>-</b>	<b>-</b>	<b>(95,929)</b>	<b>-</b>	<b>-</b>	<b>-</b>
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	74,188
24	Other Taxes							
25	Total Taxes	(498,638)	(691,179)	2,330	(20,145)	618	1,428	74,188
26	<b>TOTAL OPERATING EXPENSES</b>	<b>(498,638)</b>	<b>(691,179)</b>	<b>(8,764)</b>	<b>(20,145)</b>	<b>(2,324)</b>	<b>(5,372)</b>	<b>74,188</b>
27	<b>OPERATING INCOME</b>	<b>(1,875,827)</b>	<b>691,179</b>	<b>8,764</b>	<b>(75,784)</b>	<b>2,324</b>	<b>5,372</b>	<b>(74,188)</b>
	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)	Exhibit 5
	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

May 14, 2019 Commission Decision

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	<b>TOTAL OPERATING REVENUES</b>	<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	210,581	3,901,612
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>663,791</u>	<u>24,998,301</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)	(1,577,951)	(2,134,390)
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>(556,646)</u>	<u>231,002</u>
26	<b>TOTAL OPERATING EXPENSES</b>	<u>(20,928)</u>	<u>(7,351)</u>	<u>(2,771)</u>	<u>(4,604)</u>	<u>215,214</u>	<u>343,504</u>	<u>30,184,889</u>
27	<b>OPERATING INCOME</b>	<u>20,928</u>	<u>7,351</u>	<u>2,771</u>	<u>4,604</u>	<u>(208,862)</u>	<u>\$ (2,704,560)</u>	<u>\$ 2,109,622</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		

May 14, 2019 Commission Decision

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

**SOURCES:**

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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

May 14, 2019 Commission Decision

## Otter Tail Power Company

Docket EL18-021

## South Dakota Average Rate Base with Known and Measurable Adjustments

Adjusted Test Year Ended December 31, 2017

Line No.	Description	South Dakota Test Year Average Per Books	Total Pro Forma Adjustments	South Dakota Pro Forma Rate Base
	(a)	(b)	(c)	(d)
1	Electric Plant in Service			
2	Production (including unclassified)	\$ 83,221,206	\$ 296,409	\$ 83,517,615
3	Transmission (including unclassified)	23,471,468	59,641	23,531,109
4	Distribution (including unclassified)	45,678,085	(31,720)	45,646,365
5	General (including unclassified)	8,121,115	11,725	8,132,840
6	Intangible	908,747	1,602,599	2,511,346
7	Total Plant in Service	161,400,621	1,938,654	163,339,275
8	Accumulated Depreciation & Amortization			
9	Production	33,959,567	162,548	34,122,115
10	Transmission	10,478,951	48,826	10,527,777
11	Distribution	20,113,236	(28,088)	20,085,148
12	General	3,730,350	(15,385)	3,714,965
13	Intangible	673,931	157,242	831,173
14	Total Accumulated Depreciation and Amortization	68,956,035	325,142	69,281,177
15	TOTAL NET ELECTRIC PLANT IN SERVICE	92,444,586	1,613,512	94,058,098
16	Additions to Rate Base:			
17	Big Stone Plant capitalized items	-	-	-
18	Utility Plant Held for Future Use	2,786		2,786
19	Materials and Supplies	1,831,014	73,045	1,904,059
20	Fuel Stocks	845,834	(164,126)	681,708
21	Cash Working Capital	2,352,212	(1,671,005)	681,207
22	Tax Collections Available	-	(69,675)	(69,675)
23	Other	468,908	(190,287)	278,621
24	TOTAL ADDITIONS TO RATE BASE	5,500,755	(2,022,049)	3,478,706
25	Deductions to Rate Base:			
26	Prepayments	1,939,652	(406,574)	1,533,078
27	Customer Advances	73,314	7,034	80,348
28	Accumulated Deferred Income Taxes	12,637,582	(215,689)	12,421,893
29	Other	-	-	-
30	TOTAL DEDUCTIONS TO RATE BASE	14,650,548	(615,229)	14,035,319
31	TOTAL SOUTH DAKOTA RATE BASE	\$ 83,294,793	\$ 206,692	\$ 83,501,485

**Sources:**

Line 7: Sum of lines 2 through 6  
Line 14: Sum of lines 9 through 13  
Line 15: Line 7 less line 14  
Line 24: Sum of lines 17 through 23  
Line 30: Sum of lines 26 through 29

Line 31: Line 15 plus line 24 less line 30  
Column b: Exhibit 3b, page 1, column (b)  
Column c: Exhibit 3b, page 2, column (l)  
Column d: column b plus column c



May 14, 2019 Commission Decision

Otter Tail Power Company  
Docket EL18-021  
South Dakota Average Rate Base with Known and Measurable Adjustments  
Adjusted Test Year Ended December 31, 2017

Line No.	Description	South Dakota Test Year Average Per Books (b)	TY-01 CI Sone Project (c)	TY-03 New Depreciation Rates (d)	TY-09 Rate Case Expense Amortization (e)	TY-15 Adjust ADIT for Tax Reform (f)	Cash Working Capital (g)	Tax Collections Available (h)
1	Electric Plant in Service							
2	Production (including unclassified)	\$ 83,221,206						
3	Transmission (including unclassified)	23,471,468						
4	Distribution (including unclassified)	45,678,085						
5	General (including unclassified)	8,121,115						
6	Intangible	908,747	1,601,287					
7	Total Plant in Service	\$ 161,400,621	1,601,287	-	-	-	-	-
8	Accumulated Depreciation & Amortization							
9	Production	\$ 33,959,567		38,626				
10	Transmission	10,478,951		22,199				
11	Distribution	20,113,236		(14,121)				
12	General	3,730,350		(20,771)				
13	Intangible	673,931	160,129	(3,860)				
14	Total Accumulated Depreciation and Amortization	\$ 68,956,035	160,129	22,072	-	-	-	-
15	TOTAL NET ELECTRIC PLANT IN SERVICE	\$ 92,444,586	1,441,158	(22,072)	-	-	-	-
16	Additions to Rate Base:							
17	Big Stone Plant capitalized items							
18	Utility Plant Held for Future Use	\$ 2,786						
19	Materials and Supplies	1,831,014						
20	Fuel Stocks	845,834						
21	Cash Working Capital	2,352,212					(1,671,005)	
22	Tax Collections Available							(69,675)
23	Other	468,908			278,030			
24	TOTAL ADDITIONS TO RATE BASE	\$ 5,500,755	-	-	278,030	-	(1,671,005)	(69,675)
25	Deductions to Rate Base:							
26	Prepayments	\$ 1,939,652						
27	Customer Advances	73,314						
28	Accumulated Deferred Income Taxes	12,637,582				(476,003)		
29	Other							
30	TOTAL DEDUCTIONS TO RATE BASE	\$ 14,650,548	-	-	-	(476,003)	-	-
31	TOTAL SOUTH DAKOTA RATE BASE	\$ 83,294,793	1,441,158	(22,072)	278,030	476,003	(1,671,005)	(69,675)
	Source	Exhibit__(TAA-1) Schedule 8	Attachment 4	Exhibit__(TAA-1) Schedule B-5 Column (C)	Exhibit 4	Attachment 10	Exhibit 6	Exhibit 7
	Staff Witness Testimony		Steffensen	Paulson	Reichert	Mehlhoff	Paulson	Paulson
	Staff position on OTP's Adjustment		Adjusted	Accepted	Adjusted	Adjusted	Adjusted	Staff Proposed

May 14, 2019 Commission Decision

## Otter Tail Power Company

Docket EL18-021

South Dakota Average Rate Base with Known and Measurable Adjustments

Adjusted Test Year Ended December 31, 2017

Line No.	Description	Working Capital Updates (i)	Special Deposits (j)	Jurisdiction Allocation Adjustment (k)	Total Staff Adjustments (l)	Total Staff South Dakota Rate Base (m)
1	Electric Plant in Service					
2	Production (including unclassified)			296,409	\$ 296,409	\$ 83,517,615
3	Transmission (including unclassified)			59,641	59,641	23,531,109
4	Distribution (including unclassified)			(31,720)	(31,720)	45,646,365
5	General (including unclassified)			11,725	11,725	8,132,840
6	Intangible			1,312	1,602,599	2,511,346
7	Total Plant in Service	-	-	337,367	1,938,654	163,339,275
8	Accumulated Depreciation & Amortization					
9	Production			123,922	162,548	34,122,115
10	Transmission			26,627	48,826	10,527,777
11	Distribution			(13,967)	(28,088)	20,085,148
12	General			5,386	(15,385)	3,714,965
13	Intangible			973	157,242	831,173
14	Total Accumulated Depreciation and Amortization	-	-	142,941	325,142	69,281,177
15	TOTAL NET ELECTRIC PLANT IN SERVICE	-	-	194,426	1,613,512	94,058,098
16	Additions to Rate Base:					
17	Big Stone Plant capitalized items				-	-
18	Utility Plant Held for Future Use				-	2,786
19	Materials and Supplies	73,045			73,045	1,904,059
20	Fuel Stocks	(164,126)			(164,126)	681,708
21	Cash Working Capital				(1,671,005)	681,207
22	Tax Collections Available				(69,675)	(69,675)
23	Other		(468,317)		(190,287)	278,621
24	TOTAL ADDITIONS TO RATE BASE	(91,082)	(468,317)	-	(2,022,049)	3,478,706
25	Deductions to Rate Base:					
26	Prepayments	(414,782)		8,208	(406,574)	1,533,078
27	Customer Advances	6,798		236	7,034	80,348
28	Accumulated Deferred Income Taxes			260,314	(215,689)	12,421,893
29	Other				-	-
30	TOTAL DEDUCTIONS TO RATE BASE	(407,984)	-	268,758	(615,229)	14,035,319
31	<b>TOTAL SOUTH DAKOTA RATE BASE</b>	<b>316,902</b>	<b>(468,317)</b>	<b>(74,332)</b>	<b>206,692</b>	<b>\$ 83,501,485</b>

Source	Attachment 18	TY04 - Per Books	Email from Pete Beithon on 02/07/2019
Staff Witness Testimony	Paulson	Paulson	Mehlhoff
Staff position on OTP's Adjustment	Staff Proposed	Accepted	Adjusted

**Otter Tail Power Company**  
**Docket EL18-021**  
**South Dakota Average Rate Base with Known and Measurable Adjustments**  
**Adjusted Test Year Ended December 31, 2017**

**Sources**

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Line 7: Sum of lines 2 through 6  
Line 14: Sum of lines 9 through 13  
Line 15: Line 7 less line 14  
Line 24: Sum of lines 17 through 23  
Line 30: Sum of lines 26 through 29  
Line 31: Line 15 plus 24 less line 30

Column b, line 2: Exhibit\_\_(TAA-1), Schedule 8, Column A, Line 1  
Column b, line 3: Exhibit\_\_(TAA-1), Schedule 8, Column A, Line 2  
Column b, line 4: Exhibit\_\_(TAA-1), Schedule 8, Column A, Line 3  
Column b, line 5: Exhibit\_\_(TAA-1), Schedule 8, Column A, Line 4  
Column b, line 6: Exhibit\_\_(TAA-1), Schedule 8, Column A, Line 5  
Column b, line 9: Exhibit\_\_(TAA-1), Schedule 8, Column A, Line 7  
Column b, line 10: Exhibit\_\_(TAA-1), Schedule 8, Column A, Line 8  
Column b, line 11: Exhibit\_\_(TAA-1), Schedule 8, Column A, Line 9  
Column b, line 12: Exhibit\_\_(TAA-1), Schedule 8, Column A, Line 10  
Column b, line 13: Exhibit\_\_(TAA-1), Schedule 8, Column A, Line 11

Column b, line 18: Exhibit\_\_(TAA-1), Schedule 8, Column A, Line 21  
Column b, line 19: Exhibit\_\_(TAA-1), Schedule 8, Column A, Line 23  
Column b, line 20: Exhibit\_\_(TAA-1), Schedule 8, Column A, Line 24  
Column b, line 21: Exhibit\_\_(TAA-1), Schedule 8, Column A, Line 27

Column b, line 23: Volume 4A, Section 3, Exhibit\_\_(TAA-1), Schedule B-4, page 2, Line 13

Column b, line 26: Exhibit\_\_(TAA-1), Schedule 8, Column A, Line 25  
Column b, line 27: Exhibit\_\_(TAA-1), Schedule 8, Column A, Line 26  
Column b, line 28: Exhibit\_\_(TAA-1), Schedule 8, Column A, Line 28

Column l Sum of Column c through Column k  
Column m Column b + Column l