

Otter Tail Power Company
Derivation of Base Cost of Energy (Used for Energy Adjustment Rider)
For the Test Year Ended December 31, 2017

Line No.	(A) Description	(B) Energy KWH	(C) Adjustments	(D) Adjusted Energy KWH	(E) Actual Cost As Filed	(F) Adjustments	(G) Actual Cost Adjusted
1	Otter Tail Power Company Generation						
2	Steam Plant Generation	2,360,467,677	39,085,478 (1)	2,399,553,155	\$58,207,716	\$1,026,502 (1)	\$59,234,218
3	Hydro Plant Generation	25,128,461		25,128,461	0	\$0	\$0
4	Steam Plant Reagents & Emission Allowance Purchase			-	\$ 2,152,138	\$624,921 (2)	\$2,777,059
5	Wind Generation	509,346,434		509,346,434			\$0
6				-			\$0
7	Other Plant Generation	36,702,828		36,702,828	\$ 1,484,623	\$0	\$1,484,623
8		2,931,645,400	39,085,478	2,970,730,878	\$61,844,477	\$1,651,423	\$63,495,901
9							
10	Purchased Energy (including purchases from MISO)	2,135,655,325	0	2,135,655,325	\$ 59,277,175	\$0	59,277,175
11							
12	Total Energy and Cost	5,067,300,725	39,085,478	5,106,386,203	\$121,121,653	\$1,651,423	\$122,773,076
13							
14	Less Intersystem Sales	(199,838,135)		(199,838,135)	(\$4,092,173)	\$0	(\$4,092,173)
15							
16	Net Energy and Costs	4,867,462,590	39,085,478	4,906,548,068	\$117,029,480	\$1,651,423	\$118,680,903
17							
18							
19	Energy Reduced for 8% Average System Loss on Retail Sales	4,478,065,583		4,514,024,222			
20							
21	Base Rate for Energy Adjustment Rider - Actual	\$0.026134					\$0.026292
22	(Actual is line 16, Column (E)/line 19, Column (B))				Base Rate for Energy Adjustment Rider - Adjusted (Adjusted is line 16, Column (G)/line 19, Column (D))		

(1)	System Weather Normalization Summary	Weather Normalized kWhs	Weather Normalized Cost of Energy \$'s
	Minnesota	15,711,499	\$431,471
	North Dakota	17,420,410	\$457,444
	South Dakota	5,953,568 (a)	\$137,587 (b)
	Total System	39,085,478	\$1,026,502

(a) Tommerdahl Supplemental Direct - Schedule 2 Summary-Base Revenues-Revised - Column F, Line No. 26
(b) Tommerdahl Supplemental Direct - Schedule 2 Summary-All Revenues-Revised - Column C, Line No. 27

(2) Moves Coyote Lime reagent costs from base rates into the Energy Adjustment Rider. See Page 8 of Akerman Supplemental Direct Testimony