

Otter Tail Power Company
 Normalized Plant in Service
 2017 Test Year

ADJUSTMENT TO ANNUALIZE DEPRECIATION & OTHER OPERATING EXPENSE ON CURRENT & FUTURE CAPITAL PROJECTS

Line No.	(A)	(B)	(C)	(D)	(E)
	System-Wide	Allocation Factor	Allocation Percentage	SD Test-Year Amount	TAA C-8 Reference
1	1,949,530	P90	9.224266%	179,830	
2	\$1,949,530			\$179,830	Col (B); Line 12
3	0	CWIPLT	0.000000%	-	
4	(\$1,949,530)			(\$179,830)	
5	37.80%				
6	(\$736,952)			(\$67,978)	Col (B); Line 19
7	<u>(\$1,212,579)</u>			<u>(\$111,851)</u>	Col (B); Line 23

ADJUSTMENT TO ANNUALIZE PLANT-IN-SERVICE ON CURRENT AND FUTURE CAPITAL PROJECTS

Line No.	(A)	(B)	(C)	(D)	(E)
	<u>System-Wide</u>	<u>Allocation Factor</u>	<u>Allocation Percentage</u>	<u>SD Test-Year Amount</u>	<u>TAA B-2 Reference</u>
1	Plant-in-Service Additions & Retirements				
2	\$19,495,303	P90	9.224266%	\$1,798,299	Col (E); Line 5
3					
4	<u>\$19,495,303</u>			<u>\$1,798,299</u>	Col (E); Line 6
5	Accumulated Depreciation				
6					
7	(1,949,530)	P90	9.224266%	(179,830)	Col (E); Line 10
8	<u>(\$1,949,530)</u>			<u>(\$179,830)</u>	Col (E); Line 12
9	L-T Construction Work-in-Progress				
10					
11	0	P90	9.224266%	0	
12	<u>(\$1)</u>			<u>\$0</u>	Col (E); Line 21

(A)	(B)	(C)	(D)	(E)	(F)	
Projects Moved from CWIP @ 12/31/17 to Capitalized Accounts During 2018						
Line No.	Project	Project Description	Function	Amount in CWIP @ 12/31/17	Additional Charges Incurred During 2018	Total Project Costs
1		Customer Information System	Intangible	11,446,138	8,049,165	19,495,303
2						
3				<u>\$11,446,138</u>	<u>\$8,049,165</u>	<u>\$19,495,303</u>

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Test Year Adjustment to CWIP to Transfer Project Costs to Capitalized Accounts						
Line No.	Project	Project Description	Function	Simple Average Avg CWIP @ 12/31/18	NO CWIP to remove SD does not allow LT CWIP	NO AFUDC to Remove SD does not allow
4		Customer Information System	Intangible	13,845,679	0	0
5						
6		Total 2017 Test Year Adjustment to CWIP		<u>\$13,845,679</u>	<u>\$0</u>	<u>\$0</u>

(A)	(B)	(C)	(D)	(E)	(F)	(G)	
Test Year Adjustment to Plant in Service to Transfer Project Costs to Capitalized Accounts							
Line No.	Project	Project Description	Function	Amount Capitalized @ 12/31/18	13-Month Average Plant-in-Service @ 12/31/18	Difference	2018 Test Year Plant-in-Service Adjustment
7		Customer Information System	Intangible	19,495,303	0	19,495,303	19,495,303
8							
9				<u>\$19,495,303</u>	<u>\$0</u>	<u>\$19,495,303</u>	<u>\$19,495,303</u>
10		Total 2017 Test Year Adjustment to Plant in Service					<u><u>\$19,495,303</u></u>

(A)	(B)	(C)	(D)	(E)	(F)	(G)	
Test Year Adjustment to Accumulated Depreciation to Reflect Increase in Plant in Service							
Line No.	Project	Project Description	Function	Annualized Accumulated Depreciation	13-Month Average Plant-in-Service @ 12/31/18	Difference	2018 Test Year A/D Adjustment
11		Customer Information System	Intangible	(1,949,530)	0	(1,949,530)	(1,949,530)
12							
13				<u>(\$1,949,530)</u>	<u>\$0</u>	<u>(\$1,949,530)</u>	<u>(\$1,949,530)</u>
14		Total 2017 Test Year Adjustment to Accumulated Depreciation					<u><u>(\$1,949,530)</u></u>

(A)	(B)	(C)	(D)	(E)	(F)	(G)	
Test Year Adjustment Depreciation Expense to Reflect Increase in Plant in Service							
Line No.	Project	Project Description	Function	Supplemental Depreciation Expense 2018	13-Month Average Plant-in-Service @ 12/31/18	Difference	2018 Test Year Expense Adjustment
15		Customer Information System	Intangible	1,949,530	0	1,949,530	1,949,530
16							
17				<u>\$1,949,530</u>	<u>\$0</u>	<u>\$1,949,530</u>	<u>\$1,949,530</u>
18		Total 2017 Test Year Adjustment to Depreciation Expense					<u><u>\$1,949,530</u></u>