

OTTER TAIL POWER COMPANY
Electric Utility - State of South Dakota
RATE BASE SCHEDULES
CASH WORKING CAPITAL

Exhibit ____ (TAA-1), Schedule B-4
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LINE NO	ITEM	2017 Actual Year		2017 Test Year	
		TOTAL UTILITY	South Dakota	TOTAL UTILITY	South Dakota
1	<u>CASH WORKING CAPITAL CALCULATION - REVENUE LEAD DAYS</u>				
2					
3	<u>REVENUES</u>				
4	COMPUTER MAINTAINED BILLINGS	\$335,857,823	\$20,978,135	\$333,775,994	\$18,896,306
5	MANUALLY MAINTAINED BILLINGS	\$31,947,577	\$1,995,489	\$31,749,549	\$1,797,461
6	COST OF ENERGY REVENUES	\$5,411,630	\$10,080,514	\$5,411,630	\$10,080,514
7	SALES FOR RESALE	\$5,173,104	\$447,445	\$5,173,104	\$448,767
8	RENT FROM ELECTRIC PROPERTY	\$628,233	\$49,280	\$628,233	\$49,465
9	OTHER MISC ELECTRIC REVENUE	\$3,903,072	\$306,163	\$3,903,072	\$307,313
10	ITA DEFICIENCY PAYMENTS	\$1,419,043	\$111,312	\$1,419,043	\$111,730
11	WHEELING	446,129	\$0	446,129	\$0
12	LOAD CONTROL AND DISPATCH	\$45,700,461	\$682,762	\$45,700,461	\$685,326
13	RENT FROM ELECTRIC PROPERTY - BIG STONE	\$7,256	\$569	\$7,256	\$571
14	RENT FROM ELECTRIC PROPERTY - COYOTE	\$13,148	\$1,031	\$13,148	\$1,035
15	PROFIT ON MATERIALS AND SUPPLIES	\$17,042	\$2,867	\$29,193	\$2,876
16	MISCELLANEOUS SERVICES	\$0	\$0	\$0	\$0
17	RESIDENTIAL CONSERVATION SERVICES	3,645	\$0	3,645	\$0
18					
19	TOTAL REVENUES	\$430,528,162	\$34,655,568	\$428,260,456	\$32,381,363
20					
21	<u>REVENUE LEAD DAYS FROM SERVICE TO COLLECTION</u>				
22	COMPUTER MAINTAINED BILLINGS ¹	N/A	43.4	N/A	43.4
23	MANUALLY MAINTAINED BILLINGS	N/A	41.3	N/A	41.3
24	COST OF ENERGY REVENUES	N/A	113.6	N/A	113.6
25	SALES FOR RESALE	N/A	23.1	N/A	23.1
26	RENT FROM ELECTRIC PROPERTY	N/A	(92.4)	N/A	(92.4)
27	OTHER MISC ELECTRIC REVENUE	N/A	34.9	N/A	34.9
28	ITA DEFICIENCY PAYMENTS	N/A	48.4	N/A	48.4
29	WHEELING	N/A	35.8	N/A	35.8
30	LOAD CONTROL AND DISPATCH	N/A	27.9	N/A	27.9
31	RENT FROM ELECTRIC PROPERTY - BIG STONE	N/A	62.2	N/A	63.6
32	RENT FROM ELECTRIC PROPERTY - COYOTE	N/A	62.2	N/A	63.6
33	PROFIT ON MATERIALS AND SUPPLIES	N/A	62.2	N/A	63.6
34	MISCELLANEOUS SERVICES	N/A	62.2	N/A	63.6
35	RESIDENTIAL CONSERVATION SERVICES	N/A	62.2	N/A	63.6
36					
37	<u>REVENUE DOLLAR DAYS (REVENUES X REVENUE LEAD DAYS)</u>				
38	COMPUTER MAINTAINED BILLINGS	\$14,576,229,527	\$910,451,047	\$14,485,878,155	\$820,099,674
39	MANUALLY MAINTAINED BILLINGS	\$1,319,434,933	82,413,694	\$1,311,256,360	\$74,235,121
40	COST OF ENERGY REVENUES	\$542,931,811	1,145,002,633	\$542,931,811	\$1,145,002,633
41	SALES FOR RESALE	\$119,291,773	10,318,087	\$119,291,773	\$10,348,563
42	RENT FROM ELECTRIC PROPERTY	(\$58,055,056)	(4,553,933)	(\$58,055,056)	(\$4,571,034)
43	OTHER MISC ELECTRIC REVENUE	\$136,295,288	10,691,225	\$136,295,288	\$10,731,373
44	ITA DEFICIENCY PAYMENTS	\$68,681,664	5,387,502	\$68,681,664	\$5,407,733
45	WHEELING	\$15,953,556	0	\$15,953,556	\$0
46	LOAD CONTROL AND DISPATCH	\$1,275,042,852	19,049,056	\$1,275,042,852	\$19,120,589
47	RENT FROM ELECTRIC PROPERTY - BIG STONE	\$296,487	35,786	\$297,452	\$36,708
48	RENT FROM ELECTRIC PROPERTY - COYOTE	\$537,269	64,848	\$539,017	\$66,518
49	PROFIT ON MATERIALS AND SUPPLIES	\$690,313	180,283	\$1,211,376	\$184,774
50	MISCELLANEOUS SERVICES	\$0	0	\$0	\$0
51	RESIDENTIAL CONSERVATION SERVICES	\$154,900	0	\$154,900	\$0
52					
53	TOTAL DOLLAR DAYS	\$17,997,485,316	\$2,179,040,227	\$17,899,479,148	\$2,080,662,652
54					
55	AVG REVENUE LEAD DAYS (TOTAL REV DOLLAR DAYS / TOTAL REV)	41.8	62.9	41.8	64.3
56					
57	¹ Calculation of Days from Service to Collection				
58	Service Period to Date Meter is Read	(365 / 12 / 2)	15.2		
59	Read Date to Date Billing is Prepared		3.5		
60	Billing Date to Date Collection is Received		24.7		
61	Total		43.4		

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Calculation applying lead-lag factors

		2017 Actual Year					TOTAL
		South Dakota JURISDICTION					UTILITY
LINE		(A)	(B)	(C)	(D)	(E)	(F)
NO	ITEM	Operating	Expense/day	Expense	Lead Days of	Net Revenue	Net Revenue
		Expense	at 365	Lag Days	Over Expense	Lag Dollars	Lag Dollars
			day/year		Lag Days		
					62.9		
1	FUEL - COAL	\$5,147,885	\$14,104	15.5	47.4	668,379	\$4,343,120
2	FUEL - OIL	\$243,173	666	11.2	51.7	34,431	\$229,914
3	PURCHASED POWER	\$5,858,042	16,049	31.6	31.3	502,668	\$2,078,984
4	LABOR AND ASSOC PAYROLL EXPENSE	\$505,375	1,385	15.1	47.8	66,170	\$435,189
5	ALL OTHER O&M EXPENSE	\$12,628,916	34,600	13.1	49.8	1,723,415	\$11,684,426
6	PROPERTY TAX (EXCL COAL CONV TAX)	\$919,049	2,518	300.1	(237.2)	(597,375)	(\$8,323,128)
7	COAL CONVERSION TAXES	\$46,586	128	33.3	29.6	3,775	\$12,262
8	FEDERAL INCOME TAXES	(\$556,439)	(1,524)	0.0	62.9	-	\$455,386
9	STATE INCOME TAXES	\$0	0	0.0	62.9	-	\$136,790
10	INCREMENTAL FEDERAL INCOME TAXES	0	0	0.0	62.9	-	\$0
11	INCREMENTAL STATE INCOME TAXES	0	0	0.0		-	\$0
12	BANK BALANCES		0	0.0		769	\$9,800
13	SPECIAL DEPOSITS		0	0.0		468,908	\$5,977,794
14	WORKING FUNDS					975	\$12,434
15	TAX COLLECTIONS AVAILABLE						
16	FICA WITHHOLDING	(\$447,782)	(1,227)	0.0		0	\$0
17	FEDERAL WITHHOLDING	(\$787,646)	(2,158)	0.0		0	\$0
18	STATE WITHHOLDING- MN	\$0	0	1.9		0	(\$10,120)
19	STATE WITHHOLDING- ND	\$0	0	69.1		0	(\$37,920)
20	STATE SALES TAX	(\$1,362,584)	(3,733)	13.7		(50,994)	(\$391,805)
21	FRANCHISE TAXES	0	0	0.0		0	-
22							
23	TOTAL CASH WORKING CAPITAL REQUIREMENT					2,821,120	\$16,613,125

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		2017 Test Year					TOTAL
		South Dakota JURISDICTION					UTILITY
LINE		(A)	(B)	(C)	(D)	(E)	(F)
NO	ITEM	Operating	Expense/day	Expense	Lead Days of	Net Revenue	Net Revenue
		Expense	at 365	Lag Days	Over Expense	Lag Dollars	Lag Dollars
			day/year		Lag Days		
					64.3		
1	FUEL - COAL	\$5,163,090	\$14,145	15.5	48.79	\$690,157	\$4,363,540
2	FUEL - OIL	\$244,199	669	11.2	53.08	35,512	\$230,887
3	PURCHASED POWER	\$6,011,271	16,469	31.6	32.72	538,873	\$2,149,606
4	LABOR AND ASSOC PAYROLL EXPENSE	\$513,054	1,406	15.1	49.19	69,143	\$437,554
5	ALL OTHER O&M EXPENSE	\$13,104,031	35,901	13.1	51.21	1,838,514	\$12,014,056
6	PROPERTY TAX (EXCL COAL CONV TAX)	\$922,500	2,527	300.1	(235.76)	(595,870)	(\$8,316,136)
7	COAL CONVERSION TAXES	\$46,761	128	33.3	30.98	3,969	\$12,482
8	FEDERAL INCOME TAXES	(\$1,021,346)	(2,798)	0.0	64.30	-	\$250,176
9	STATE INCOME TAXES	\$0	0	0.0	64.30	-	\$129,145
10	INCREMENTAL FEDERAL INCOME TAXES	0	0	0.0	64.30	0	\$0
11	INCREMENTAL STATE INCOME TAXES	0	0	0.0	64.30	0	\$0
12	BANK BALANCES		0	0.0		772	\$9,800
13	SPECIAL DEPOSITS		0	0.0		591	\$7,500
14	WORKING FUNDS		0	0.0		979	\$12,434
15	TAX COLLECTIONS AVAILABLE						
16	FICA WITHHOLDING	(\$454,586)	(1,245)	0.0		0	\$0
17	FEDERAL WITHHOLDING	(\$799,615)	(2,191)	0.0		0	\$0
18	STATE WITHHOLDING- MN	\$0	0	1.9		0	(\$10,120)
19	STATE WITHHOLDING- ND	\$0	0	69.1		0	(\$37,920)
20	STATE SALES TAX	(\$1,362,584)	(3,733)	13.7		(50,994)	(\$391,805)
21	FRANCHISE TAXES	0	0	0.0		0	-
22							
23	TOTAL CASH WORKING CAPITAL REQUIREMENT					2,531,644	\$10,861,197