

OTTER TAIL POWER COMPANY
Electric Utility - State of South Dakota
RATE BASE SCHEDULES
RATE BASE JURISDICTIONAL ALLOCATION FACTORS

Exhibit ___ (SDT-1), Schedule B-7
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The allocation factors on this page were used to determine South Dakota jurisdictional rate base amounts for all of the years presented in these schedules. Accounts not on this page have been directly assigned to jurisdictions.

Descriptions under the Allocation Factor column with a / means the first method was used in historic actual and projected, the method after the / is used in the test year.

The following allocation factors are used to compute South Dakota jurisdictional amounts for Plant-in-Service, Accumulated Depreciation, Accumulated Deferred Income Tax and Construction Work in Progress.

For a full description of each allocation factor, see OTP's *Cost Allocation Procedure Manual for Jurisdictional and Class Cost of Service Studies*, Mr. Stuart Tommerdahl's direct testimony, Exhibit ___(SDT-1), Schedule 3.

Line No.	Description	Allocation Basis
	<u>RATE BASE COMPONENT</u>	<u>ALLOCATION FACTOR</u>
1	<u>Electric Plant in Service</u>	
2	Production Plant	
3	Base Demand	kwh Sales Factor (E1)
4	Peak Demand	Generation Demand Factor (D1)
5	Base Energy	kwh Sales Factor (E2)
6	Transmission Plant	Transmission Demand Factor (D2)
7	Distribution Plant	
8	Primary Demand	Distribution Primary Demand Factor (D3)
9	Secondary Demand	Distribution Secondary Demand Factor (D4)
10	Primary Customer	Total Retail Service Locations Factor (C2)
11	Secondary Customer	Total Secondary Retail Service Location Factor (C3)
12	Street Lighting	Streetlight Factor (C4)
13	Area Lighting	Area Light Factor (C5)
14	Meters	Meter Factor (C6)
15	Load Management	Load Management Factor (C9)
16	Rental Equipment	Direct Assignment (South Dakota only)
17	General Plant	
18	Production	Gross Production Plant in Service Ratio (P10)
19	Transmission	Gross Transmission Plant in Service Ratio (P50)
20	Distribution	Gross Distribution Plant in Service Ratio (P60)
21	Customer Accounts	Customer Accounts Expense Ratio (OXC)
22	Customer Service & Info.	Customer Service & Info, Expense Ratio (OXI)
23	Load Management	Load Management Factor (C9)
24	Intangible Plant	
25	Production	Gross Production Plant in Service Ratio (P10)
26	Transmission	Gross Transmission Plant in Service Ratio (P50)
27	Distribution	Gross Distribution Plant in Service Ratio (P60)
28	General	Gross General Plant in Service Ratio (P90)
29	<u>Accumulated Provision for Depreciation</u>	
30	Production Plant	
31	Base Demand	Direct Assignment/kwh Sales Factor (E1)
32	Peak Demand	Direct Assignment/Generation Demand Factor (D1) Base Energy
33	Base Energy	Direct Assignment/kwh Sales Factor (E2)
34	Transmission Plant	Direct Assignment/Transmission Demand Factor (D2)
35	Distribution Plant	Direct Assignment/Gross Distribution Plant in Service Ratio (P60)
36	General Plant	Direct Assignment/Gross General Plant in Service Ratio (P90)
37	Intangible Plant	Gross General Plant in Service Ratio (P90)

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Line No.	RATE BASE COMPONENT	ALLOCATION FACTOR
1	<u>Electric Plant Held for Future Use</u>	
2	Production Plant	Gross Production Plant in Service Ratio (P10)
3	Base Demand	kwh Sales Factor (E1)
4	Peak Demand	Generation Demand Factor (D1)
5	Base Energy	kwh Sales Factor (E1)
6	Transmission Plant	Transmission Demand Factor (D2)
7	Distribution Plant	Gross Distribution Plant in Service Ratio (P60)
8	Primary Demand	Distribution Primary Demand Factor (D3)
9	Secondary Demand	Distribution Secondary Demand Factor (D4)
10	Primary Customer	Total Retail Service Locations Factor (C2)
11	Secondary Customer	Total Secondary Retail Service Location Factor (C3)
12	Streetlighting	Streetlight Factor (C4)
13	Area Lighting	Area Light Factor (C5)
14	Meters	Metering Factor (C6)
15	General Plant	Gross General Plant in Service Ratio (P90)
16	Production	Gross Production Plant in Service Ratio (P10)
17	Transmission	Transmission Demand Factor (D2)
18	Distribution	Gross Distribution Plant in Service Ratio (P60)
19	Customer Accounts	Customer Accounts Expense Ratio (OXC)
20	Customer Service & Info.	Customer Service & Info, Expense Ratio (OXI)
21	Intangible Plant	Gross General Plant in Service Ratio (P90)
22	Production	Gross Production Plant in Service Ratio (P10)
23	Transmission	Gross Transmission Plant in Service Ratio (P50)
24	Distribution	Gross Distribution Plant in Service Ratio (P60)
25	General	Gross General Plant in Service Ratio (P90)
26	<u>Unamortized Balance -</u>	
27	<u>Spiritwood Plant</u>	Gross Production Plant in Service Ratio (P10)
28	<u>Construction Work in Progress — Short Term</u>	
29	Production Plant	Gross Production Plant in Service Ratio (P10)
30	Transmission Plant	Transmission Demand Factor (D2)
31	Distribution Plant	Gross Distribution Plant in Service Ratio (P60)
32	General Plant	Gross General Plant in Service Ratio (P90)
33	Intangible Plant	Gross General Plant in Service Ratio (P90)

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Line No.	RATE BASE COMPONENT	ALLOCATION FACTOR
1	<u>Construction Work in Progress — Other</u>	
2	Production Plant	Gross Production Plant in Service Ratio (P10)
3	Transmission Plant	Transmission Demand Factor (D2)
4	Distribution Plant	Gross Distribution Plant in Service Ratio (P60)
5	General Plant	Gross General Plant in Service Ratio (P90)
6	Intangible Plant	Gross General Plant in Service Ratio (P90)
7	<u>Materials and Supplies</u>	
8	Diesel Parts and Supplies	Generation Demand Factor (D1)
9	Big Stone and Coyote Plants	
10	Base Demand	kwh Sales Factor (E1)
11	Peak Demand	Generation Demand Factor (D1)
12	Base Energy	kwh Sales Factor (E2)
13	All Other	
14	Transmission	Transmission Demand Factor (D2)
15	Distribution	Gross Distribution Plant in Service Ratio (P60)
16	<u>Fuel Stocks</u>	
17	Coal Stocks	kwh Sales Factor (E1)
18	Fuel Oil Stocks	Generation Demand Factor (D1)
19	<u>Prepayments</u>	Total Net Plant in Service Ratio (NEPIS)
20	<u>Customer Advances</u>	Total Net Plant in Service Ratio (NEPIS)
21	<u>Cash Working Capital</u>	Separately Calculated by Jurisdiction
22	<u>Accumulated Deferred Income Taxes</u>	
23	Items South Dakota flows through:	
24	Federal	Total Net Plant in Service Ratio (NEPIS)
25	excluding South Dakota (NPMNR)	
26	Minnesota	Total Net Plant in Service — MN Ratio (NPISM)
27	North Dakota	Total Net Plant in Service — ND Ratio (NPISN)
28	All Other:	
29	Federal	Total Net Plant in Service Ratio (NEPIS)
30	Minnesota	Total Net Plant in Service — MN Ratio (NPISM)
31	North Dakota	Total Net Plant in Service — ND Ratio (NPISN)

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OTTER TAIL POWER COMPANY
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RATE BASE JURISDICTIONAL ALLOCATION FACTORS
Allocators - Demand, Energy and Customer

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Line No.	Item	Factor	2017 Actual Year			2017 Test Year		
			Total Utility	South Dakota	All Other	Total Utility	South Dakota	All Other
1	MWH Consumption at Generators - Partial	E1	4,636,467	432,349	4,204,118	4,700,055	440,126	4,259,929
2	Percentage		100.000000%	9.324967%	90.675033%	100.000000%	9.364273%	90.635727%
3	MWH Consumption at Generators - Total	E2	5,190,164	468,064	4,722,100	5,270,535	476,716	4,793,819
4	Percentage		100.000000%	9.018289%	90.981711%	100.000000%	9.044926%	90.955074%
5	Generation Demand Factor	D1	715,048	65,922	649,126	726,384	67,131	659,253
6	Percentage		100.000000%	9.219241%	90.780759%	100.000000%	9.241806%	90.758194%
7	Transmission Demand Factor	D2	719,347	65,922	653,425	730,683	67,131	663,552
8	Percentage		100.000000%	9.164145%	90.835855%	100.000000%	9.187431%	90.812569%
9	Distribution - Primary Demand Factor	D3	848,531	83,402	765,129	865,827	85,082	780,745
10	Percentage		100.000000%	9.828987%	90.171013%	100.000000%	9.826674%	90.173326%
11	Distribution - Secondary Demand Factor	D4	1,102,886	112,429	990,457	1,126,868	114,568	1,012,300
12	Percentage		100.000000%	10.194073%	89.805927%	100.000000%	10.166941%	89.833059%
13	Customer or Meter Factors							
14	Total Retail Customers	C1	132,688	11,597	121,091	132,688	11,597	121,091
15	Percentage		100.000000%	8.740052%	91.259948%	100.000000%	8.740052%	91.259948%
16	Retail Service Locations	C2	139,438	12,150	127,288	139,438	12,150	127,288
17	Percentage		100.000000%	8.713550%	91.286450%	100.000000%	8.713550%	91.286450%
18	Secondary Service Locations	C3	139,367	12,141	127,226	139,367	12,141	127,226
19	Percentage		100.000000%	8.711531%	91.288469%	100.000000%	8.711531%	91.288469%
20	Street Lighting Factor	C4	5,697,611	628,203	5,069,408	5,697,611	628,203	5,069,408
21	Percentage		100.000000%	11.025726%	88.974274%	100.000000%	11.025726%	88.974274%
22	Area Lighting Factor	C5	5,010,334	329,414	4,680,920	5,010,334	329,414	4,680,920
23	Percentage		100.000000%	6.574691%	93.425309%	100.000000%	6.574691%	93.425309%
24	Meter Factor	C6	52,720,954	4,830,523	47,890,431	52,720,954	4,830,523	47,890,431
25	Percentage		100.000000%	9.162435%	90.837565%	100.000000%	9.162435%	90.837565%
26	Meter Reading Factor	C7	181,527	16,416	165,111	181,527	16,416	165,111
27	Percentage		100.000000%	9.043283%	90.956717%	100.000000%	9.043283%	90.956717%
28	System Service Locations	C8	139,463	12,150	127,313	139,463	12,150	127,313
29	Percentage		100.000000%	8.711988%	91.288012%	100.000000%	8.711988%	91.288012%
30	Load Management Factor	C9	42,361	4,092	38,269	42,361	4,092	38,269
31	Percentage		100.000000%	9.659829%	90.340171%	100.000000%	9.659829%	90.340171%

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Allocators - General Plant, Operation and Maintenance Expense and Taxes

Line No.	Item	Factor	2017 Actual Year			2017 Test Year		
			Total Utility	South Dakota	All Other	Total Utility	South Dakota	All Other
1	Production Plant	P10	901,391,463	83,221,204	818,170,258	901,370,600	83,517,617	817,852,983
2	Percentage		100.000000%	9.232526%	90.767474%	100.000000%	9.265625%	90.734375%
3	Distribution Plant	P60	481,185,961	45,678,084	435,507,877	481,185,961	45,646,364	435,539,597
4	Percentage		100.000000%	9.492813%	90.507187%	100.000000%	9.486221%	90.513779%
5	General Plant	P90	88,167,884	8,121,115	80,046,769	88,167,884	8,132,840	80,035,044
6	Percentage		100.000000%	9.210968%	90.789032%	100.000000%	9.224266%	90.775734%
7	Electric Plant in Service	EPIS	1,926,147,002	161,400,619	1,764,746,383	1,938,272,718	162,858,425	1,775,414,294
8	Percentage		100.000000%	8.379455%	91.620545%	100.000000%	8.402245%	91.597755%
9	Net Electric Plant in Service	NEPIS	1,178,514,260	92,444,584	1,086,069,676	1,189,676,605	93,670,615	1,096,005,990
10	Percentage		100.000000%	7.844163%	92.155837%	100.000000%	7.873620%	92.126380%
11	Operation and Maintenance Expense	OXPD	24,925,633	2,319,809	22,605,824	26,555,059	2,481,437	24,073,622
12	Production Expense (Excl Energy)		100.000000%	9.306922%	90.693078%	100.000000%	9.344498%	90.655502%
13	Percentage	OXD	17,761,845	1,686,406	16,075,438	17,903,711	1,699,129	16,204,582
14	Distribution Expense		100.000000%	9.494545%	90.505455%	100.000000%	9.490373%	90.509627%
15	Percentage	OXC	12,912,128	1,144,837	11,767,291	13,007,046	1,153,253	11,853,793
16	Customer Accounts Expense		100.000000%	8.866368%	91.133632%	100.000000%	8.866368%	91.133632%
17	Percentage	OXI	2,287,040	199,888	2,087,151	2,291,521	200,280	2,091,241
18	Customer Service & Information Expense		100.000000%	8.740052%	91.259948%	100.000000%	8.740052%	91.259948%
19	Percentage	NPISM	686,515,378	0	686,515,378	691,415,387	0	691,415,387
20	Other Deferred Income Tax Factor		100.000000%	0.000000%	100.000000%	100.000000%	0.000000%	100.000000%
21	Minnesota	NPISN	399,554,298	0	399,554,298	404,590,603	0	404,590,603
22	Percentage		100.000000%	0.000000%	100.000000%	100.000000%	0.000000%	100.000000%
23	South Dakota	NPMNR	1,086,069,676	0	1,086,069,676	1,096,005,990	0	1,096,005,990
24	Percentage		100.000000%	0.000000%	100.000000%	100.000000%	0.000000%	100.000000%
25	Excluding South Dakota	CWIPLT	32,264,665	0	32,264,665	32,264,665	0	32,264,665
26	Percentage		100.000000%	0.000000%	100.000000%	100.000000%	0.000000%	100.000000%
27	Long-Term CWIP Ratio (W/AFDC)	R10	372,153,628	32,929,872	339,223,756	369,873,771	30,650,015	339,223,756
28	Percentage		100.000000%	8.848462%	91.151538%	100.000000%	8.286615%	91.713385%
29	Revenue	LRE	140,609,967	12,490,627	128,119,341	143,633,260	12,953,073	130,680,187
30	Percentage		100.000000%	8.883173%	91.116827%	100.000000%	9.018157%	90.981843%
31	Labor and Related Expense		140,609,967	12,490,627	128,119,341	143,633,260	12,953,073	130,680,187
32	Percentage		100.000000%	8.883173%	91.116827%	100.000000%	9.018157%	90.981843%