

OTTER TAIL POWER COMPANY
Electric Utility - State of South Dakota
OPERATING INCOME SCHEDULES
STATEMENT OF OPERATING INCOME - 2017 TEST YEAR

Exhibit ____ (TAA-1), Schedule C-3
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Line No.	Description	(A)	(B)	(C)	(D)
		2017 Test Year			
		2017 Actual Year Total Utility	2017 Actual Year SD Jurisdiction	Adjustments	2017 Test Year SD Jurisdiction
<u>OPERATING REVENUES</u>					
1	Retail Revenue	\$372,153,628	\$32,929,872	(\$2,279,857)	\$30,650,015
2	Other Electric Operating Revenue	\$58,386,685	\$1,725,695	5,653	\$1,731,348
3	TOTAL OPERATING REVENUE	\$430,540,313	\$34,655,568	(\$2,274,205)	\$32,381,363
<u>OPERATING EXPENSES</u>					
4	Production Expenses	\$156,639,966	\$14,201,172	\$342,086	\$14,543,258
5	Transmission Expenses	\$32,135,395	\$2,936,416	14,467	\$2,950,883
6	Distribution Expenses	\$17,761,845	\$1,686,406	12,723	\$1,699,129
7	Customer Accounting Expenses	\$12,912,128	\$1,144,837	8,416	\$1,153,253
8	Customer Service and Information Expenses	\$9,358,287	\$663,245	1,300	\$664,545
9	Sales Expenses	\$230,711	\$11,402	9,349	\$20,751
10	Administration and General Expenses	\$43,609,630	\$3,739,913	263,914	\$4,003,827
11	Charitable Contributions	\$0	\$0	0	\$0
12	Depreciation Expense	\$53,185,267	\$4,719,228	318,257	\$5,037,485
13	Amortization of Big Stone Plant Capitalized Costs	\$0	\$0	0	\$0
14	Spiritwood Amortization	\$0	\$0	0	\$0
15	General Taxes	\$15,045,286	\$965,635	3,626	\$969,261
16	TOTAL OPERATING EXPENSES	\$340,878,513	\$30,068,254	\$974,138	\$31,042,392
17	NET OPERATING INCOME BEFORE INCOME TAXES	\$89,661,800	\$4,587,314	(\$3,248,343)	\$1,338,971
<u>INCOME TAX EXPENSE</u>					
19	Investment Tax Credit	(\$8,997,380)	(\$753,931)	\$630,371	(\$123,560)
20	Deferred Income Taxes	\$15,897,422	\$527,063	-85,993	\$441,070
21	Income Taxes	\$7,042,429	\$0	(1,021,346)	(\$1,021,346)
22	TOTAL INCOME TAX EXPENSE	\$13,942,471	-\$226,869	(\$476,968)	(\$703,836)
23	NET OPERATING INCOME	\$75,719,328	\$4,814,182	(\$2,771,375)	\$2,042,807
24	Allowance for Funds Used During Construction	1,726,880	0	0	0
25	TOTAL AVAILABLE FOR RETURN	\$77,446,208	\$4,814,182	(\$2,771,375)	\$2,042,807