

OTTER TAIL POWER COMPANY
Electric Utility - State of South Dakota
OPERATING INCOME SCHEDULES
STATEMENT OF OPERATING INCOME - 2017 TEST YEAR
TO OTP'S MOST RECENT GENERAL RATE CASE

Exhibit ____ (TAA-1), Schedule C-4
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Line No.	Description	(A) 2010 Per Order in Docket No. EL10-011	(B) 2017 Test Year	(C) Change (B) - (A)
<u>OPERATING REVENUES</u>				
1	Retail	\$27,736,406	\$30,650,015	\$2,913,609
2	Other Operating Revenue	1,207,557	\$1,731,348	523,791
3	TOTAL OPERATING REVENUE	\$28,943,963	\$32,381,363	\$3,437,400
<u>OPERATING EXPENSES</u>				
5	Production Expenses	\$12,737,956	\$14,543,258	\$1,805,302
6	Transmission Expenses	1,108,035	\$2,950,883	1,842,848
7	Distribution Expenses	1,461,533	\$1,699,129	237,596
8	Customer Accounting Expenses	1,006,759	\$1,153,253	146,494
9	Customer Service & Information Expenses	191,592	\$664,545	472,953
10	Sales Expenses	40,602	\$20,751	(19,851)
11	Administration & General Expenses	3,230,243	\$4,003,827	773,584
12	Charitable Contributions	0	\$0	0
13	Depreciation Expense	3,959,069	\$5,037,485	1,078,416
14	Amortization of Big Stone Plant Capitalized Costs		\$0	
15	Spiritwood Amortization		\$0	
16	General Taxes	938,222	\$969,261	31,039
17	TOTAL OPERATING EXPENSES	\$24,674,012	\$31,042,392	\$6,368,381
18	NET OPERATING INCOME BEFORE INCOME TAXES	\$4,269,951	\$1,338,971	(\$2,930,981)
<u>INCOME TAX EXPENSE</u>				
20	Investment Tax Credit	(\$955,800)	(\$123,560)	\$832,240
21	Deferred Income Taxes	2,513,352	\$441,070	(2,072,282)
22	Income Taxes	(2,609,058)	(\$1,021,346)	1,587,712
23	TOTAL INCOME TAX EXPENSE	(\$1,051,506)	(\$703,836)	\$347,670
24	NET OPERATING INCOME	\$5,321,457	\$2,042,807	(\$3,278,651)
25	Allowance for Funds Used During Construction	0	0	0
26	TOTAL AVAILABLE FOR RETURN	\$5,321,459	\$2,042,807	(\$3,278,651)