

OTTER TAIL POWER COMPANY  
 Electric Utility - State of South Dakota  
 OPERATING INCOME SCHEDULES  
 OPERATING INCOME STATEMENT ADJUSTMENTS SCHEDULE

Exhibit (TAA-1), Schedule C-8  
 Page 1 of 1

Line No.	(A)	TY-01 (B)	TY-02 (C)	TY-03 (D)	TY-05 (E)	TY-06 (F)	TY-07 (G)	TY-08 (H)	TY-09 (I)	TY-10 (J)	TY-11 (K)	TY-12 (L)	TY-13 (M)	TY-14 (N)	TY-15 (O)	(P)	(Q)	
Description	2017 Actual Year	Normalize Plant in Service	BSP II Amortization	New Depreciation Rates	Weather Normalization	Revenue Normalization	Wages, KPA and Manu Inc.	Medical/Dental FAS 87, 106, 112	Rate Case Expense Amortization	Storm Damages	Removal of PTC's	Plant Outage Normalization	TCRR Revenue Removal	ECRR Revenue Removal	Adjust Deferred Tax for Tax Reform	Changes in Allocations due to Effect of Test Year Adjustments	2017 Test Year	
<b>OPERATING REVENUES</b>																		
#### Retail Revenue	\$32,929,872				\$335,353	\$4,325											\$0	\$30,650,015
#### Other Electric Operating Revenue	\$1,725,695																\$5,653	\$1,731,348
#### <b>TOTAL OPERATING REVENUE</b>	\$34,655,568	\$0	\$0	\$0	\$335,353	\$4,325	\$0	\$0	\$0	\$0	\$0	\$0	(\$245,070)	(\$2,374,465)	\$0	\$5,652	\$32,381,363	
<b>OPERATING EXPENSES</b>																		
#### Production Expenses	\$14,201,172				\$133,229	\$2,179	\$1,065	\$16,069				\$145,434					\$44,109	\$14,543,258
#### Transmission Expenses	\$2,936,416						435	6,570									\$7,462	\$2,950,883
#### Distribution Expenses	\$1,686,406						836	12,627									(\$740)	\$1,699,129
#### Customer Accounting Expenses	\$1,144,837						523	7,894									(\$1)	\$1,153,253
#### Customer Service and Information Expenses	\$663,245						81	1,219									(\$1)	\$664,545
#### Sales Expenses	\$11,402																	\$20,751
#### Administration and General Expenses	\$3,730,913						1,839	27,734	183,333	44,053								\$4,003,827
#### Charitable Contributions	\$0																	\$0
#### Depreciation Expense	\$4,719,228	121,380	15,117	22,072														\$5,037,485
#### General Taxes	\$965,635																	\$969,261
#### <b>TOTAL OPERATING EXPENSES</b>	\$30,068,254	\$121,380	\$15,117	\$22,072	\$133,229	\$2,179	\$4,780	\$72,111	\$183,333	\$44,053	\$0	\$145,434	\$0	\$0	\$0	\$0	\$230,450	\$31,042,392
#### <b>NET OPERATING INCOME BEFORE INCOME TAXES</b>	\$4,587,314	(\$121,380)	(\$15,117)	(\$22,072)	\$202,124	\$2,146	(\$4,780)	(\$72,111)	(\$183,333)	(\$44,053)	\$0	(\$145,434)	(\$245,070)	(\$2,374,465)	\$0	(\$224,797)	\$1,338,971	
<b>INCOME TAX EXPENSE</b>																		
#### Investment Tax Credit	(\$753,931)																	(\$123,560)
#### Deferred Income Taxes	\$527,063																	\$441,070
#### Income Taxes	\$0	(\$25,490)		(\$4,635)	42,446	451	(\$1,004)	(\$15,143)	(\$38,500)	(\$9,251)	0	(\$30,541)	(\$1,465)	(\$498,638)	0		(\$389,576)	(\$1,021,346)
#### <b>TOTAL INCOME TAX EXPENSE</b>	(\$228,869)	(\$25,490)	\$0	(\$4,635)	\$42,446	\$451	(\$1,004)	(\$15,143)	(\$38,500)	(\$9,251)	\$632,422	(\$30,541)	(\$51,465)	(\$498,638)	(\$560,452)		\$182,833	(\$703,836)
#### <b>NET OPERATING INCOME</b>	\$4,814,182	(\$95,890)	(\$15,117)	(\$17,437)	\$159,678	\$1,695	(\$3,776)	(\$56,967)	(\$144,833)	(\$34,802)	(\$632,422)	(\$114,893)	(\$193,605)	(\$1,875,827)	\$560,452		\$407,631	\$2,042,807
#### Allowance for Funds Used During Construction	0																0	0
#### <b>TOTAL AVAILABLE FOR RETURN</b>	\$4,814,182	(\$95,890)	(\$15,117)	(\$17,437)	\$159,678	\$1,695	(\$3,776)	(\$56,967)	(\$144,833)	(\$34,802)	(\$632,422)	(\$114,893)	(\$193,605)	(\$1,875,827)	\$560,452		\$407,631	\$2,042,807

Column references to adjustment worksheets:  
 (B) W/P 2017 SD TY-01 (H) W/P 2017 SD TY-08 (N) W/P 2017 SD TY-14  
 (C) W/P 2017 SD TY-02 (I) W/P 2017 SD TY-09 (O) W/P 2017 SD TY-15  
 (D) W/P 2017 SD TY-03 (J) W/P 2017 SD TY-10  
 (E) W/P 2017 SD TY-05 (K) W/P 2017 SD TY-11  
 (F) W/P 2017 SD TY-06 (L) W/P 2017 SD TY-12  
 (G) W/P 2017 SD TY-07 (M) W/P 2017 SD TY-13