

Otter Tail Power Company
Property Records Working Papers
For the Test Year Ended December 31, 2017

Line No.	Policy Description
1	Power Plants:
2	Each power plant is unitized in accordance with the FERC rules and regulations. A record of
3	original cost, vintage and description is maintained for each utility plant location. When a
4	unit of property is retired, the original installed cost of the units is removed from the records
5	of the Company. Salvage value of the unit, if any, is booked at the actual salvage
6	value received. Units that are reusable and put into material and supplies inventory is
7	booked at the average unit price for that item.
8	
9	Transmission Plant:
10	A record similar to power plant records is maintained for each transmission substation
11	by location.
12	
13	A record for transmission lines 69kv and above are maintained by line. Transmission lines
14	under 69kv are maintained by State location.
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16	When a unit is retired, it is handled in the same manner described above for power plants.
17	
18	Distribution Plant:
19	A record similar to power plant records is maintained for each distribution substation
20	by location.
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22	The units in the mass distribution accounts are maintained by State in the year installed.
23	When a unit is retired, the State location is determined by the retirement project and the
24	original installed cost is retired based on specific vintage identification, if available, or
25	based in Iowa Curves through the fixed asset system.
26	
27	General and Intangible Plant:
28	Each unit of general and intangible plant is separately identified and the records maintained
29	similar to the power plant records described above.
30	
31	Retirements are specifically identified. Some accounts are amortized and the units
32	retired at the end of their average useful life.
33	
34	Retirement Units:
35	The Company uses retirement units that conform to FERC guidelines.