

Otter Tail Power Company  
 Cost of Capital  
 2017 Test Year

Statement G  
 Lead Sheet  
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	(A)	(B)	(C)	(D)	(E)
Line No.	Description	Amount	Percent of Total	Cost	Weighted Cost
1	Long Term Debt	\$496,615,385	46.90%	5.30%	2.49%
2	Common Equity	562,251,845	53.10%	10.30%	5.47%
3	Total Capitalization	<u>\$1,058,867,229</u>	<u>100.00%</u>		<u>7.96%</u>

Otter Tail Power Company  
Cost of Capital  
As of December 31, 2017  
EOM

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	(A)	(B)	(C)	(D)	(E)
Line No.	Description	Amount	Percent of Total	Cost	Weighted Cost
1	Short Term Debt	\$112,370,691	10.42%	2.79%	0.29%
2	Long Term Debt (1)	\$412,000,000	38.21%	5.86%	2.24%
3	Preferred Equity	-	0.00%	-	0.00%
4	Common Equity (2)	553,828,205	51.37%	10.00%	5.14%
		<u>\$1,078,198,896</u>	<u>100.00%</u>		<u>7.67%</u>

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(2) Common Equity:

Common Stock	\$500
Contributed Capital	376,988,966
Accumulated Other Comprehensive Income/(Loss)	(2,419,283)
Retained Earnings Unappropriated	661,608
Retained Earnings	178,596,414
Common Equity	<u>\$553,828,205</u>

**Otter Tail Power Company**  
**Cost of Capital**  
**For the Year Ended December 31, 2017**

**Statement G**  
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	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
Line No.	Title	Issue	Maturity	Amount Issued	Interest Rate	Net Proceeds Amount	Per Unit	Yield to Maturity	Cost of Money	Principal Outstanding	Annual Cost
	Long Term Debt:										
1	Senior Unsecured Notes - 2021	12/1/2011	12/1/2011	140,000,000	4.630%	139,108,146.00	\$0.99	4.630%	4.660%	\$140,000,000	\$6,482,000
2	Series B - 2017 Unsecured Senior Note	10/1/2007	7/1/2017	33,000,000	5.950%	32,584,453.00	\$0.99	5.950%	6.026%	\$0	\$1,254,458
3	Series B - 2022 Unsecured Senior Note	10/15/2007	8/20/2022	30,000,000	6.150%	29,613,012.00	\$0.99	6.150%	6.230%	30,000,000	1,845,000
4	Series C - 2027 Unsecured Senior Note	8/20/2007	8/20/2027	42,000,000	6.370%	41,459,232.00	\$0.99	6.370%	6.453%	42,000,000	2,675,400
5	Series A - 2029 Unsecured Senior Note	2/27/2014	2/27/2029	60,000,000	4.680%	59,804,186.00	\$1.00	4.680%	4.695%	60,000,000	3,235,000
6	Series D - 2037 Unsecured Senior Note	8/20/2007	8/20/2037	50,000,000	6.470%	49,334,025.00	\$0.99	6.470%	6.557%	50,000,000	2,808,000
7	Series B - 2044 Unsecured Senior Note	2/27/2014	2/27/2044	90,000,000	5.470%	89,705,832.00	\$1.00	5.470%	5.488%	90,000,000	4,923,000
8	Loss/Gain on Required Debt									(3,675,755)	705,079
9	Total Outstanding									<u>\$408,324,245</u>	<u>\$23,927,937</u>
10	Weighted Average Cost of Debt										5.86%

**Otter Tail Power Company**  
**Cost of Preferred Stock**  
**For the Year Ended December 31, 2017**

**Statement G**  
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	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(P)	(Q)
								<u>Underwriter's Discount/Commission</u>		<u>Issuance Expense</u>						
Line No.	Description	Date of Issuance	Call Price (If applicable)	Convertible	Dividend Rate	Par Value of Issue	Price to Public per Share	Amount	% of Gross Proceeds	Amount	% of Gross Proceeds	Net Proceeds	Net Proceeds Per Unit	Cost of Money	Amount Outstanding	Public or Subscribed Issue
1	Otter Tail Power Company has no Cumulative Preferred Shares outstanding as of December 31, 2017. Otter Tail Corporation has no Cumulative Preferred Shares outstanding as of December 31, 2017.															

**Otter Tail Power Company**  
**Sale of Common Stock**  
**For the Period of January 1, 2013 Through December 31, 2017**

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	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
Line No.	Title	Number of Shares Issued	Gross Proceeds at Offering Price	Underwriter's Discount (3)	Proceeds to Otter Tail Corp	Issuance Expense	Net Proceeds	Offering Price Per Share (1)	Book Value Per Share	Closing Mkt Price Per latest Trading Date Prior to Date of Issuance (2)	Earnings/Share at Date of Issuance	Dividend Rate at Date of Issuance	Public or Subscribed Issue
1	2014 At-The-Market Program	519,636	\$15,336,351.65	\$535,374.36	\$14,800,977.29	\$137,884.34	\$14,663,092.95	\$28.48	Varied	\$29.27	Varied	\$1.21	Public
2	2015 At-The-Market Program	133,197	\$3,785,244.15	\$56,484.67	\$3,728,759.48	\$241,428.28	\$3,487,331.20	\$27.99	Varied	\$30.96	Varied	\$1.23	Public
3	2016 At-The-Market Program	1,014,115	\$33,235,081.37	\$415,446.64	\$32,819,634.73	\$146,101.44	\$32,673,533.29	\$32.36	Varied	\$26.63	Varied	\$1.25	Public

**Note:** These shares were issued by Otter Tail Corporation under a Distribution Agreement with J.P. Morgan Securities under which Otter Tail Corporation may offer and sell its common shares from time to time in an At-the-Market offering program through J.P. Morgan Securities as its distribution agent, up to an aggregate sales price of \$75 million.

Otter Tail Power Company did not sell or issue any additional stock during this period. 100 shares of stock have been issued by Otter Tail Power Company and are held by Otter Tail Corporation as the parent company of Otter Tail Power Company.