

Otter Tail Power Company
OPERATING AND MAINTENANCE EXPENSES
For the Test Year Ended December 31, 2017

Statement H
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Line No.	FERC Account	(A) Description	(C) Per Books	(D) (1) Actual Year JCOSS Adjustments	(E) Actual Year Per JCOSS	(F) (1) Test Year Adjustments	(G) Test Year Adjusted Total
1		Steam Production Operation:					
2	500	Supervision & Engineering	\$1,651,107		\$1,651,107		\$1,651,107
3	501	Fuel (Handling and Ash Removal)	58,605,849		58,605,849		58,605,849
4	501.1	Steam Power Fuel - Gas	0		0		0
5	501.2	Steam Power Fuel - Oil	0		0		0
6	501.3	Steam Power Fuel - Coal	0		0		0
7	501.4	Steam Power Fuel - Transportation	0		0		0
8	502	Steam Expense	5,817,946		5,817,946		5,817,946
9	505	Electric Expense	2,441,793		2,441,793		2,441,793
10	506	Miscellaneous	5,061,938		5,061,938		5,061,938
11	507	Rent	1,147		1,147		1,147
12	509	Allowances	15,509		15,509		15,509
13		Total Steam Production Operation	\$73,595,289	\$0	\$73,595,289	\$0	\$73,595,289
14							
15		Steam Production Maintenance:					
16	510	Supervision & Engineering	\$842,512		\$842,512		\$842,512
17	511	Structures	1,202,457		1,202,457		1,202,457
18	512	Boilers	7,207,999		7,207,999		7,207,999
19	513	Electric Plant	797,052		797,052		797,052
20	514	Miscellaneous Plant	1,063,183		1,063,183		1,063,183
21		Total Steam Production Maintenance	\$11,113,203	\$0	\$11,113,203	\$0	\$11,113,203
22							
23		Total Steam Production Expense	\$84,708,492	\$0	\$84,708,492	\$0	\$84,708,492
24							
25		Hydro Production Operation					
26	535	Supervision and Engineering	\$13,178		\$13,178		\$13,178
27	538	Electric Expense	31,708		31,708		31,708
28	539	Miscellaneous Expense	22,132		22,132		22,132
29	540	Rents	107		107		107
30		Total Steam Production Operation	\$67,125	\$0	\$67,125	\$0	\$67,125
31							
32		Hydro Production Maintenance					
33	541	Supervision and Engineering	\$3,449		\$3,449		\$3,449
34	542	Structures	5,016		5,016		5,016
35	543	Reservoirs - Dams	277,357		277,357		277,357
36	544	Electric	50,242		50,242		50,242
37	545	Miscellaneous Expense	0		0		0
38		Total Hydro Production Maintenance	\$336,064	\$0	\$336,064	\$0	\$336,064
39							
40		Total Hydro Production	\$403,189	\$0	\$403,189	\$0	\$403,189
41							
42		Other Production Operation:					
43	546	Supervision & Engineering	\$132,618		\$132,618		\$132,618
44	546 W	Supervision & Engineering - Wind	\$132,412		132,412		132,412
45	547	Fuel	1,484,624		1,484,624		1,484,624
46	548	Generation Expense	356,444		356,444		356,444
47	548 W	Generation Expense - Wind	1,900,757		1,900,757		1,900,757
48	549	Miscellaneous	534,452		534,452	1,791,331	2,325,783
49	549 W	Miscellaneous - Wind	33,491		33,491		33,491
50	550	Rents	0		0		0
51	550 W	Rents - Wind	593,392		593,392		593,392
52		Total Other Production Operation	\$5,168,190	\$0	\$5,168,190	\$1,791,331	\$6,959,521
53							
54		Other Production Maintenance:					
55	551	Supervision & Engineering	\$85,285		\$85,285		\$85,285
56	551 W	Supervision & Engineering - Wind	\$0		0		0
57	552	Structures	124,923		124,923		124,923
58	553	Generating & Electric	656,222		656,222		656,222
59	553 W	Generating & Electric - Wind	12,986		12,986		12,986
60	554	Miscellaneous Plant	26,008		26,008		26,008
61	554 W	Miscellaneous Plant - Wind	6,338		6,338		6,338
62	556	System Control and Dispatch	590,724		590,724		590,724
63	557	Other Expenses	50,392		50,392		50,392
64		Total Other Production Maintenance	\$1,552,878	\$0	\$1,552,878	\$0	\$1,552,878
65							
66		Total Other Production Expense	\$6,721,068	\$0	\$6,721,068	\$1,791,331	\$8,512,399
67							
68		Other Power Supply					
69	555.1	Purchased Power - Capacity	\$0		\$0		\$0
70	555.2	Purchased Power - Energy	0		0		0
71		Total Other Power Supply	\$0	\$0	\$0	\$0	\$0
72							
73		Total Production Expense	\$91,832,749	\$0	\$91,832,748	\$1,791,331	\$93,624,079
74							
75		Transmission Operations:					
76	560	Supervision & Engineering	\$419,482		\$419,482		\$419,482
77	561	Load Dispatch	4,347,331		4,347,331		4,347,331
78	562	Station Equipment	297,518		297,518		297,518
79	563	Overhead Lines	368,841		368,841		368,841
80	565	Transmission of Electricity by Others	20,807,504		20,807,504		20,807,504
81	566	Miscellaneous	619,124		619,124	76,249	695,373
82	567	Rents	30,063		30,063		30,063
83		Total Transmission Operations	\$26,889,863	\$0	\$26,889,863	\$76,249	\$26,966,112
84							
85		Transmission Maintenance:					
86	568	Supervision & Engineering	\$207,223		\$207,223		\$207,223
87	569	Structures	876,627		876,627		876,627
88	570	Station Equipment	1,219,312		1,219,312		1,219,312
89	571	Overhead Lines	1,936,497		1,936,497		1,936,497
90	572	Underground Lines	14		14		14
91	573	Miscellaneous	0		0		0
92	575	Day-Ahead & Real-Time and Transmission Market Expense	793,225		793,225		793,225
93	576	Computer Software	212,635		212,635		212,635
94		Total Transmission Maintenance	\$5,245,533	\$0	\$5,245,533	\$0	\$5,245,533
95		Total Transmission Expense	\$32,135,396	\$0	\$32,135,395	\$76,249	\$32,211,643

(1) Adjustments are made at the Functional level and not at the FERC Account level therefore adjustment amounts are shown in total by function.

Otter Tail Power Company
OPERATING AND MAINTENANCE EXPENSES
For the Test Year Ended December 31, 2017

Statement H
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Line No.	FERC Account	(A) Description	(B)	(C) Per Books	(D) (1) Actual Year JCOSS Adjustments	(E) Actual Year Per JCOSS	(F) (1) Test Year Adjustments	(G) Test Year Adjusted Total
96								
97		Distribution Operations:						
98	580	Supervision		\$279,039		\$279,039		\$279,039
99	581	Load Dispatch		206,826		206,826		206,826
100	582	Station Equipment		282,504		282,504		282,504
101	583	Overhead Lines		582,917		582,917		582,917
102	584	Underground Lines		1,943,453		1,943,453		1,943,453
103	585	Street Lighting		0		0		0
104	586	Metering		650,182		650,182		650,182
105	587	Customer Installations		198,812		198,812		198,812
106	588	Miscellaneous		3,661,715		3,661,715	141,866	3,803,581
107	589	Rents		228,349		228,349		228,349
108		Total Distribution Operations		\$8,033,797	\$0	\$8,033,797	\$141,866	\$8,175,663
109								
110		Distribution Maintenances:						
111	590	Supervision		\$1,022,254		\$1,022,254		\$1,022,254
112	591	Structures		0		0		0
113	592	Station Equipment		730,319		730,319		730,319
114	593	Overhead Lines		4,884,253		4,884,253		4,884,253
115	594	Underground Lines		1,016,563		1,016,563		1,016,563
116	595	Transformers		93,253		93,253		93,253
117	596	Street Lighting		1,047,827		1,047,827		1,047,827
118	597	Metering		800,588		800,588		800,588
119	598	Miscellaneous		132,993		132,993		132,993
120		Total Distribution Maintenance		\$9,728,050	\$0	\$9,728,050	\$0	\$19,456,100
121								
122		Total Distribution Expenses		\$17,761,845	\$0	\$17,761,843	\$141,866	\$17,903,709
123								
124		Customer Accounting Expense:						
125	901	Supervision		\$85,144		\$85,144		\$85,144
126	902	Meter Reading		5,977,246		5,977,246		5,977,246
127	903	Customer Records and Collection Expense		5,579,253		5,579,253		5,579,253
128	904	Uncollectible Accounts		750,000		750,000		750,000
129	905	Miscellaneous		520,483		520,483	94,918	615,401
130		Total Customer Accounting Expense		\$12,912,126	\$0	\$12,912,126	\$94,918	\$13,007,044
131								
132		Customer Service Expense:						
133	907	Supervision		\$603,596		\$603,596		\$603,596
134	908	Customer Assistance		1,247,276		1,247,276		1,247,276
135	908	Conservation Investment Program - SD		463,357		463,357		463,357
136	908	Conservation Investment Program - MN		6,607,891		6,607,891		6,607,891
137	909	Advertisement		414,652		414,652		414,652
138	910	Miscellaneous		21,515		21,515	18,339	39,854
139		Total Customer Service Expense		\$9,358,286	\$0	\$9,358,286	\$18,339	\$9,376,625
140								
141		Total Customer Expenses		\$22,270,412	\$0	\$22,270,412	\$113,257	\$22,383,669
142								
143		Sales Expenses						
144	911	Supervisory Labor & Expenses		\$106,971		\$106,971		\$106,971
145	912	Minnesota Economic Development		\$155,664		155,664		155,664
146	912	North Dakota Economic Development		48,050		48,050		48,050
147	912	South Dakota Economic Development		9,908		9,908		9,908
148	912	Expenses - Sales & Demonstrations		15,520	(1,305)	14,215		14,215
149	913	Advertising		1,305		1,305		1,305
150	916	Miscellaneous Sales Expense		1,569		1,569		1,569
151								
152		Total Sales Expense		\$338,987	(\$1,305)	\$337,682	\$0	\$337,682
153								
154		Administrative & General Expense:						
155	920	Administrative Salaries		\$23,839,398	(\$887,093)	\$22,952,305		\$22,952,305
156	921	Office Supplies & Expense		7,875,336		7,875,336		7,875,336
157	922	A&G Expense Transferred		(2,103,759)		(2,103,759)		(2,103,759)
158	923	Outside Services		1,164,187		1,164,187		1,164,187
159	924	Property Insurance		1,062,607		1,062,607		1,062,607
160	924 W	Property Insurance - Wind		541,417		541,417		541,417
161	925	Injuries and Damages		2,209,606		2,209,606	559,500	2,769,106
162	926	Pensions & Benefits		3,066,245		3,066,245		3,066,245
163	928	Regulatory Commission		3,043,415		3,043,415	183,333	3,226,748
164	930	Miscellaneous General		2,381,297	(369,628)	2,011,669	319,662	2,331,331
165	931	Rents		281,269		281,269		281,269
166	935	Maintenance of General Plant		1,505,332		1,505,332		1,505,332
167								
168		Total Administrative & General Expense		\$44,866,350	(\$1,256,721)	\$43,609,629	\$1,062,495	\$44,672,124
169								
170		Charitable Contributions		\$0	\$0	\$0	\$0	\$0
171								
		Total Operating & Maintenance Expense		\$209,205,739	(\$1,258,026)	\$207,947,713	\$3,185,198	\$211,132,906

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