

Otter Tail Power Company
Depreciation Expense
Actual Year 2017

Statement J
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| | (A) | (B) | (C) | (D) | (E) | (F) |
|----------|---------------------------|---|-----------------|--|---|-------------------------|
| Line No. | Functional Classification | Total 2017 Base Year Depreciation Expense | Adjustments (1) | Adjusted 2017 Test Year Depreciation Expense | 13-Month Average Depreciable Property (2) | Annual Accrual Rate (3) |
| 1 | Production | | | | | |
| 2 | Steam | | | | | |
| 3 | Hoot Lake Plant | \$3,376,522 | | \$3,376,522 | \$68,120,895 | 4.96% |
| 4 | Big Stone Plant | 9,136,207 | 1,074,059 | 10,210,266 | 327,803,684 | 2.79% |
| 5 | Coyote Station | 3,336,240 | 542,337 | 3,878,577 | 174,303,340 | 1.91% |
| 6 | Total Steam | \$15,848,969 | \$1,616,396 | \$17,465,365 | \$570,227,919 | 2.78% |
| 7 | | | | | | |
| 8 | Hydro | \$557,027 | | \$557,027 | \$8,343,611 | 6.68% |
| 9 | Internal Combustion | 1,012,222 | | 1,012,222 | 41,419,146 | 2.44% |
| 10 | Wind | 11,090,471 | | 11,090,471 | 268,511,490 | 4.00% |
| 11 | Total Production | \$28,508,690 | \$1,616,396 | \$30,125,086 | \$888,502,166 | 3.21% |
| 12 | | | | | | |
| 13 | Transmission | 7,392,819 | 2,148,892 | 9,541,711 | 438,654,741 | 1.69% |
| 14 | | | | | | |
| 15 | Distribution | 11,287,497 | 30,837 | 11,318,334 | 472,023,836 | 2.39% |
| 16 | | | | | | |
| 17 | General Plant | 2,674,335 | (65,408) | 2,608,927 | 83,577,167 | 3.20% |
| 18 | | | | | | |
| 19 | Intangibles | 1,567,291 | 1,366,164 | 2,933,455 | 7,995,632 | 19.60% |
| 20 | | | | | | |
| 21 | Total | \$51,430,632 | \$5,096,882 | \$56,527,513 | \$1,890,753,542 | |

(1) The adjustments to depreciation expense by function can be traced to the 2017 Actual and Test Year Input Summaries found in Volume 4A, Tabs - 2017 Actual Year Workpapers and 2017 Test Year Workpapers

(2) The Depreciable Property Balances in Column E above do not include land if trying to tie back to Plant in Service Balances for the Test Year Ending 12/31/17. Total land balances for the Test Year using a 13-month average is \$5,377,583.

(3) The Annual Accrual Rate is a composite total system rate.