

Otter Tail Power Company  
Depreciation Expense Charged to Other Accounts  
Actual Year 2017

Schedule J - 1  
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Line No.	(A) Functional Classification	(B) Depreciable Property 12/31/2016	(C) Depreciable Property 12/31/2017	(D) Total Depreciation Expense 2017	(E) Depreciation Expense Charged to Other Accounts	(F) Notes	(G) Net Depreciation Expense
1	Production						
2	Steam						
3	Hoot Lake Plant	\$66,362,433	\$70,163,201	\$3,376,522			\$3,376,522
4	Big Stone Plant	327,531,612	328,665,197	9,136,207			9,136,207
5	Coyote Station	174,224,658	175,630,485	3,336,240			3,336,240
6	Total Steam	<u>\$568,118,703</u>	<u>\$574,458,883</u>	<u>\$15,848,969</u>	\$0		<u>\$15,848,969</u>
7							
8	Hydro	\$8,339,631	\$8,344,334	\$557,027			\$557,027
9	Internal Combustion	41,415,555	41,423,335	1,012,222			1,012,222
10	Wind	268,611,109	268,660,779	11,090,471			11,090,471
11	Total Production	<u>\$886,484,998</u>	<u>\$892,887,331</u>	<u>\$28,508,690</u>	\$0		<u>\$28,508,690</u>
12							
13	Transmission	410,231,568	499,904,364	7,392,819			7,392,819
14							
15	Distribution	464,957,476	481,539,883	11,287,497			11,287,497
16							
17	General Plant	83,333,679	88,639,101	4,440,461	1,766,125	(1 & 2)	2,674,335
18							
19	Intangibles	7,207,561	9,905,743	1,567,291			1,567,291
20							
21	Total	<u>\$1,852,215,282</u>	<u>\$1,972,876,422</u>	<u>\$53,196,757</u>	<u>\$1,766,125</u>		<u>\$51,430,632</u>

- 1) Depreciation expense of \$1,845,271 on transportation equipment is charged to the appropriate account based on vehicle usage. Depreciation is included in the rate per mile or hour established for the use of the vehicle.
- 2) Depreciation expense of (\$79,146) on warehouse property is charged to material as the material moves through the warehouse.

**Note 1:** The Depreciable Property Balances in Columns B & C above do not include land if trying to tie back to Plant in Service Balances for 12/31/16 and 12/31/17. Total land balances for 12/31/16 and 12/31/17 are \$5,377,583 and \$5,377,583, respectively. These amounts include \$29,657 that is classified as Transmission and Distribution Plant Held for Future Use, most commonly these are held for future substation expansions.

**Note 2:** ARO Depreciation & Accretion Expense along with its corresponding regulatory credit offset generates a \$0 income statement result and are appropriately netted here at the Functional Classification level.