Volume 4A – Section 5

2017 Test Year Step Workpapers

JCOSS

Otter Tail Power Company
Jurisdictional Cost of Service Study
2017 Test Year Step
13 MA All-In Version

Line No.	Item					Total Company		South Dakota		All Other		Line No.
1	Rate Base					1,366,920,013		107,706,525		1,259,213,488		1
2												2
3	Total Available for Return					94,600,954		8,077,190		86,523,764		3
4												4
5	Rate of Return Earned					6.92%		7.50%		6.87%		5
6												6
7	Rate of Return Requested							7.96%				7
8												8
9	Operating Income Required							8,573,439				9
10												10
11	Total Available for Return							8,077,190				11
12												12
13	Operating Income Defeciency							496,250				13
14												14
15	Incremental Taxes	GRCF =	1.267724					132,858				15
16												16
17	Revenue Increase Required							629,108				17
18												18
19	Percentage Increase							1.72%				19
20												20
21												21
22												22
23												23
24												24
25								9.44%				25
26												26
27												27
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Otter Tail Power Company
Jurisdictional Cost of Service Study
2017 Test Year Step

Line No.	Item	Total Company	South Dakota	All Other	LINE NO
1	Electric Plant in Service	2,208,896,300	187,432,675	2,021,463,626	1
2					2
3	Accumulated Depreciation	(759,421,056)	(70,164,375)	(689,256,681)	3
4					4
5	Net Plant Excluding Big Stone Plant Capitalized Items	1,449,475,244	117,268,300	1,332,206,944	5
6					6
7	Net Capitalized Items - Big Stone Plant	0	0	0	7
8					8
9	Net Electric Plant in Service	1,449,475,244	117,268,300	1,332,206,944	9
10					10
11	Plant Held for Future Use	29,657	2,786	26,871	11
12					12
13	Construction Work in Progress	158,432,233	0	158,432,233	13
14					14
15	Materials and Supplies	19,658,295	1,831,227	17,827,068	15
16					16
17	Fuel Stocks	9,089,677	849,126	8,240,551	17
18					18
19	Prepayments	(24,727,324)	(2,000,539)	(22,726,785)	19
20					20
21	Customer Advances	(934,625)	(75,615)	(859,010)	21
22					22
23	Cash Working Capital	10,224,355	2,204,665	8,019,690	23
24					24
25	Accumulated Deferred Income Taxes	(254,785,833)	(12,831,760)	(241,954,073)	25
26					26
27	Unamortized Holding Company Formation Expense	0	0	0	27
28					28
29	Unamortized Rate Case Expense	458,334	458,334	0	29
30					30
31					31
32	**Total Average Rate Base**	1,366,920,013	107,706,525	1,259,213,488	32
33					33

Otter Tail Power Company
Jurisdictional Cost of Service Study
2017 Test Year Step

Line No.	Item	Allocation Factors	FERC Accounts	Total Company	South Dakota	All Other	LINE NO
1	**Plant in Service**						1
2	A/C 101 & 106 - Direct MN	Direct MN		0	0	0	2
3	A/C 101 & 106 - Direct ND	Direct ND		0	0	0	3
4	A/C 101 & 106 - Direct SD	Direct SD		0	0	0	4
5	**Subtotal A/C 101 & 106 - Direct Assigned**			0	0	0	5
6							6
7	Production Plant						7
8	A/C 101 & 106 - Base Demand	E1		514,419,199	48,171,620	466,247,579	8
9	Peak Demand	D1		230,826,498	21,332,537	209,493,961	9
10	Base Energy	E2		425,160,230	38,455,429	386,704,801	10
11							11
12	**Subtotal A/C 101 & 106**			1,170,405,927	107,959,586	1,062,446,341	12
13							13
14	A/C 114 - Base Demand	E1		1,294,586	121,229	1,173,358	14
15	Peak Demand	D1		293,668	27,140	266,528	15
16	Base Energy	E2		0	0	0	16
17							17
18	**Subtotal A/C 114**			1,588,255	148,369	1,439,886	18
19							19
20	**Total Production Plant**	P10	310-317, 330-335, 340-347	1,171,994,182	108,107,955	1,063,886,227	20
21							21
22							22
23	Transmission Plant						23
24	A/C 101 & 106	D2		256,064,553	23,525,755	232,538,798	24
25	A/C 101 $ 106 (Direct FERC)	Direct FERC		189,412,925	0	189,412,925	25
26	A/C 114	D2		58,287	5,355	52,932	26
27							27
28	**Total Transmission Plant**		350-350.1, 353-356, 358	445,535,766	23,531,110	422,004,655	28
29							29
30							30
31	Distribution Plant						31
32	Primary Demand	D3	360, 362, 364-365, 367	168,530,989	16,560,992	151,969,997	32
33	Secondary Demand	D4	365, 367-369.1	102,546,012	10,425,792	92,120,220	33
34	Primary Customer	C2	364-365, 367	77,515,958	6,754,392	70,761,566	34
35	Secondary Customer	C3	365, 367-369.1, 370.2	75,470,223	6,574,612	68,895,611	35
36	Streetlighting	C4	364-365, 367, 373	14,071,369	1,551,471	12,519,899	36
37	Area Lighting	C5	364-365, 367, 371.2	8,093,377	532,115	7,561,262	37
38	Meters	C6	370	26,115,049	2,392,774	23,722,275	38
39	Load Management	C9	370.1	8,842,985	854,217	7,988,768	39
40							40
41	**Total Distribution Plant**	P60		481,185,961	45,646,364	435,539,597	41
42							42
43							43
44	General Plant						44
45	Production	P10		31,132,409	2,871,739	28,260,670	45
46	Transmission	D2		12,961,767	1,190,853	11,770,914	46
47	Distribution	P60		24,235,610	2,299,044	21,936,567	47
48	Customer Accounts	OXC		16,259,942	1,441,666	14,818,276	48
49	Customer Service & Info	OXI		3,150,660	275,369	2,875,291	49
50	Load Management	C9	397.3	427,496	41,295	386,200	50
51							51
52	**Total General Plant**	P90	389-398, 390.1-390.3, 391.1-391.6, 394.2, 397.1-397.2	88,167,884	8,119,967	80,047,917	52
53							53
54							54
55	Intangible Plant	P90	302-303	22,012,507	2,027,278	19,985,229	55
56							56
57							57
58	**Total Plant in Service**	EPIS		2,208,896,300	187,432,675	2,021,463,626	58
59							59
60							60
61							61
62							62
63							63
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Otter Tail Power Company
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Line No.	Item	Allocation Factors	FERC Accounts		Total Company		South Dakota		All Other		LINE NO
1	Accumulated Depreciation										1
2	Production Plant										2
3	Base Demand	E1	108, 115		(228,650,246)		(21,411,434)		(207,238,812)		3
4	Peak Demand	D1	108, 115		(71,846,369)		(6,639,902)		(65,206,467)		4
5	Base Energy	E2	108		(77,992,826)		(7,054,394)		(70,938,433)		5
6											6
7	**Total Production Plant**				(378,489,441)		(35,105,730)		(343,383,711)		7
8											8
9											9
10	Transmission Plant	D2	108, 115		(114,588,903)		(10,527,777)		(104,061,126)		10
11	Transmission Plant (Direct FERC)	Direct FERC			(6,340,674)		0		(6,340,674)		11
12	**TOTAL TRANSMISSION PLANT**				(120,929,577)		(10,527,777)		(110,401,800)		12
13											13
14											14
15	Distribution Plant	P60	108, 115		(211,729,710)		(20,085,148)		(191,644,561)		15
16											16
17											17
18	General Plant	P90	108		(40,273,827)		(3,709,085)		(36,564,743)		18
19											19
20											20
21	Intangible Plant	P90	108		(7,998,502)		(736,635)		(7,261,867)		21
22											22
23											23
24	**Total Accumulated Depreciation**				(759,421,056)		(70,164,375)		(689,256,681)		24
25											25
26											26
27	Net Plant Excluding BSP Capitalized Items				1,449,475,244		117,268,300		1,332,206,944		27
28											28
29											29
30	BSP Capitalized Items	P10		Directly Assigned to Jurisdiction	0		0		0		30
31											31
32											32
33	**Total Net Plant in Service**	NEPIS			1,449,475,244		117,268,300		1,332,206,944		33
34											34
35											35
36											36
37											37
38											38
39											39
40											40
41											41
42	Plant Held for Future Use										42
43	Production Plant	P10			0		0		0		43
44	Transmission Plant	D2			9,038		830		8,208		44
45	Distribution Plant	P60			20,619		1,956		18,663		45
46	General Plant	P90			0		0		0		46
47	Intangible Plant	P90			0		0		0		47
48											48
49	**Total Plant Held for Future Use**		105		29,657		2,786		26,871		49
50											50
51											51
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Otter Tail Power Company
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Line No.	Item	Allocation Factors	FERC Accounts		Total Company	South Dakota	All Other	LINE NO
1	Const Work-in-Progress - Direct Assigned							1
2	Production Plant - Direct MN	P10		Directly Assigned To Jurisdiction	0	0	0	2
3	Production Plant - Direct ND	P10		Directly Assigned To Jurisdiction	0	0	0	3
4	Production Plant - Direct SD	P10		Directly Assigned To Jurisdiction	0	0	0	4
5	Production Plant - Direct FERC	Direct FERC		Directly Assigned To FERC	0	0	0	5
6	Transmission Plant - Direct MN	D2		Directly Assigned To Jurisdiction	0	0	0	6
7	Transmission Plant - Direct ND	D2		Directly Assigned To Jurisdiction	0	0	0	7
8	Transmission Plant - Direct SD	D2		Directly Assigned To Jurisdiction	0	0	0	8
9	Transmission Plant - Direct FERC	Direct FERC		Directly Assigned To FERC	117,058,068	0	117,058,068	9
10	Distribution Plant - Direct MN	P60		Directly Assigned To Jurisdiction	0	0	0	10
11	Distribution Plant - Direct ND	P60		Directly Assigned To Jurisdiction	0	0	0	11
12	Distribution Plant - Direct SD	P60		Directly Assigned To Jurisdiction	0	0	0	12
13	Distribution Plant - Direct FERC	Direct FERC		Directly Assigned To FERC	0	0	0	13
14	General Plant - Direct MN	P90		Directly Assigned To Jurisdiction	0	0	0	14
15	General Plant - Direct ND	P90		Directly Assigned To Jurisdiction	0	0	0	15
16	General Plant - Direct SD	P90		Directly Assigned To Jurisdiction	0	0	0	16
17	General Plant - Direct FERC	Direct FERC		Directly Assigned To FERC	0	0	0	17
18	Intangible Plant - Direct MN	P90		Directly Assigned To Jurisdiction	0	0	0	18
19	Intangible Plant - Direct ND	P90		Directly Assigned To Jurisdiction	0	0	0	19
20	Intangible Plant - Direct SD	P90		Directly Assigned To Jurisdiction	0	0	0	20
21	Intangible Plant - Direct FERC	Direct FERC		Directly Assigned To FERC	0	0	0	21
22	**Total CWIP - Direct Assigned**			Allowed Only in MN & FERC	117,058,068	0	117,058,068	22
23								23
24								24
25	Const Work-in-Progress - Short-Term							25
26	Production Plant	P10			3,144,516	0	3,144,516	26
27	Transmission Plant	D2			894,204	0	894,204	27
28	Distribution Plant	P60			2,838,028	0	2,838,028	28
29	General Plant	P90			2,147,669	0	2,147,669	29
30	Intangible Plant	P90			85,083	0	85,083	30
31								31
32	**Total CWIP - Short-Term**			Allowed Only in MN, ND & FERC	9,109,500	0	9,109,500	32
33								33
34								34
35	Const Work-in-Progress - Long Term							35
36	Production Plant (AFUDC Projects)	P10			7,007,487	0	7,007,487	36
37	Production Plant (Rider Projects)	P10						37
38	Transmission Plant (AFUDC Projects)	D2			7,119,905	0	7,119,905	38
39	Transmission Plant (Rider Projects)	D2						39
40	Distribution Plant	P60			8,044,449	0	8,044,449	40
41	General Plant	P90			1,045,646	0	1,045,646	41
42	Intangible Plant	P90			9,047,178	0	9,047,178	42
43								43
44	**Total CWIP - Long Term**			Allowed Only in MN & FERC	32,264,665	0	32,264,665	44
45								45
46								46
47	**Total Construction Work-in-Progress**		107		158,432,233	0	158,432,233	47
48								48
49								49
50	Materials & Supplies							50
51	Production	P10			6,647,751	613,207	6,034,545	51
52	Transmission	D2			5,418,117	497,786	4,920,331	52
53	Distribution	P60			7,592,427	720,234	6,872,192	53
54								54
55	**Total Materials and Supplies**		154, 158.1		19,658,295	1,831,227	17,827,068	55
56								56
57								57
58	Fuel Stocks							58
59	Coal Stocks	E1			7,410,681	693,956	6,716,725	59
60	Fuel Oil Stocks	D1			1,678,996	155,170	1,523,826	60
61								61
62	**Total Fuel Stocks**		1510		9,089,677	849,126	8,240,551	62
63								63
64								64
65	Prepayments	NEPIS	128, 228.3		(24,727,324)	(2,000,539)	(22,726,785)	65
66								66
67	Customer Advances	NEPIS	235, 253		(934,625)	(75,615)	(859,010)	67
68								68
69	Cash Working Capital	OX		Separately calculated by Jurisdiction	10,224,355	2,204,665	8,019,690	69
70								70
71								71
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74								74
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Otter Tail Power Company
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Line No.	Item	Allocation Factors	FERC Accounts		Total Company		South Dakota		All Other		LINE NO
1	**Accumulated Deferred Income Taxes**										1
2	Items SD Flows Through										2
3	Federal	NPMNR			378,848		0		378,848		3
4	Minnesota	NPISM			62,610		0		62,610		4
5	North Dakota	NPISN			33,740		0		33,740		5
6											6
7	**Subtotal**				475,198		0		475,198		7
8											8
9	All Other										9
10	Federal	NEPIS			(158,604,826)		(12,831,760)		(145,773,066)		10
11	Federal (Direct FERC)	Direct FERC			(27,790,009)		0		(27,790,009)		11
12	Minnesota	NPISM			(31,952,589)		0		(31,952,589)		12
13	North Dakota	NPISN			(36,913,607)		0		(36,913,607)		13
14											14
15	**Subtotal**				(255,261,031)		(12,831,760)		(242,429,271)		15
16											16
17	**Total Accumulated Deferred Income Taxes**		190, 255, 281-283		(254,785,833)		(12,831,760)		(241,954,073)		17
18											18
19											19
20	Unamortized Holding Company Formation Expense	NEPIS			0		0		0		20
21											21
22											22
23	Unamortized Rate Case and Holding Company Formation Expenses	NEPIS		Directly Assigned to Jurisdiction	458,334		458,334		0		23
24											24
25											25
26											26
27											27
28	**Total Average Rate Base**				1,366,920,013		107,706,525		1,259,213,488		28
29											29
30											30
31											31
32											32
33											33
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Otter Tail Power Company
Jurisdictional Cost of Service Study
2017 Test Year Step

Line No.	Item	Total Company	South Dakota	All Other	LINE NO
1	Operating Revenues				1
2	Sales of Electricity	375,851,881	36,628,125	339,223,756	2
3	Other Operating Revenue	58,386,685	1,763,221	56,623,464	3
4					4
5	**Total Operating Revenue**	434,238,566	38,391,347	395,847,220	5
6					6
7					7
8	Operating Expenses				8
9	Production Expenses	150,402,406	13,688,425	136,713,981	9
10	Transmission Expenses	32,211,644	2,950,883	29,260,761	10
11	Distribution Expenses	17,903,711	1,699,129	16,204,582	11
12	Customer Accounting Expenses	13,007,046	1,153,253	11,853,793	12
13	Customer Service and Information Expenses	9,376,626	664,545	8,712,081	13
14	Sales Expenses	337,682	20,751	316,931	14
15	Administrative and General Expenses	45,046,125	4,045,072	41,001,053	15
16	Charitable Contributions	0	0	0	16
17	Depreciation Expense	67,352,456	6,020,289	61,332,167	17
18	Amortization of Big Stone Plant Capitalized Costs	0	0	0	18
19	Spiritwood Amortization	0	0	0	19
20	General Taxes	15,753,385	1,053,235	14,700,150	20
21					21
22	**Total Operating Expenses**	351,391,080	31,295,581	320,095,499	22
23					23
24					24
25	**Net Operating Income Before Income Taxes**	82,847,486	7,095,765	75,751,721	25
26					26
27					27
28	Income Tax Expense				28
29	Investment Tax Credit	(17,459,316)	(1,481,485)	(15,977,831)	29
30	Deferred Income Taxes	8,381,287	453,213	7,928,074	30
31	Income Taxes	1,335,984	46,847	1,289,137	31
32					32
33	**Total Income Tax Expense**	(7,742,045)	(981,425)	(6,760,620)	33
34					34
35					35
36					36
37	**Net Operating Income**	92,874,074	8,077,190	84,796,884	37
38					38
39	Allowance for Funds Used During Construction	1,726,880	0	1,726,880	39
40	Allowance for Funds Used During Construction - MN Only	0	0	0	40
41	Allowance for Funds Used During Construction - SD Only	0	0	0	41
42	**Total Allowance for Funds Used During Construction**	1,726,880	0	1,726,880	42
43					43
44					44
45	**Total Available for Return**	94,600,954	8,077,190	86,523,764	45
46					46
47					47
48					48
49					49
50					50
51					51
52					52
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Otter Tail Power Company
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2017 Test Year Step

Line No.	Item	Allocation Factors	FERC Accounts		Total Company		South Dakota		All Other		LINE NO
1	Operating Revenues										1
2											2
3	**Sales of Electricity**	R10	440, 442, 444-445		375,851,881		36,628,125		339,223,756		3
4											4
5											5
6	Other Operating Revenues										6
7	Sales for Resale										7
8	Municipalities			Directly Assigned to FERC Jurisdiction	211,572		0		211,572		8
9	Non-Associated Utilities, Co-Ops & OPA										9
10	Non-Asset Wholesale Transactions	D2			0		0		0		10
11	All Other Transactions										11
12	Base Demand	E1			0		0		0		12
13	Peak Demand	D1			0		0		0		13
14	Base Energy	E2			4,961,531		448,767		4,512,764		14
15	Peak Energy	D1			0		0		0		15
16											16
17	**Total All Other Transactions**				4,961,531		448,767		4,512,764		17
18											18
19	**Total Sales for Resale**				5,173,104		448,767		4,724,337		19
20											20
21											21
22	Other Electric Revenues										22
23	Late Fees	C1	450	Directly Assigned to Jurisdiction	708,000		95,929		612,072		23
24	Connection Fees	C1	451	Directly Assigned to Jurisdiction	355,402		28,337		327,065		24
25	Rent from Electric Property	NEPIS	454		628,233		50,827		577,407		25
26	Rent from Electric Property - Big Stone	NEPIS	454		7,256		587		6,669		26
27	Rent from Electric Property - Coyote	NEPIS	454		13,148		1,064		12,084		27
28	Other Misc Electric Revenue	NEPIS	456		3,903,072		315,774		3,587,298		28
29	Other Misc Electric Revenue - MN	C1	456	Directly Assigned to Jurisdiction	0		0		0		29
30	Other Misc Electric Revenue - ND	C1	456	Directly Assigned to Jurisdiction	0		0		0		30
31	Other Misc Electric Revenue - SD	C1	456	Directly Assigned to Jurisdiction	626		626		0		31
32	ITA Deficiency Payments	NEPIS	456		1,419,043		114,806		1,304,236		32
33					28,567		2,311		26,256		33
34	Miscellaneous Services	NEPIS			0		0		0		34
35	Wheeling		456	Directly Assigned to FERC Jurisdiction	446,129		0		446,129		35
36	Load Control and Dispatch	NEPIS	456		8,704,075		704,194		7,999,881		36
37	Load Control and Dispatch (Direct FERC)	Direct FERC	456	Directly Assigned to FERC Jurisdiction	36,996,386		0		36,996,386		37
38	Loan Pool Interest	C1	456	Directly Assigned to Jurisdiction	3,645		0		3,645		38
39											39
40	**Total Other Electric Revenues**				53,213,582		1,314,455		51,899,127		40
41											41
42	**Total Other Operating Revenues**				58,386,685		1,763,221		56,623,464		42
43											43
44											44
45	**Total Operating Revenues**				434,238,566		38,391,347		395,847,220		45
46											46
47											47
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Otter Tail Power Company
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Line No.	Item	Allocation Factors	FERC Accounts	Total Company	South Dakota	All Other	LINE NO
1	**Operating Expenses**						1
2	Production Expenses						2
3	Prod Expenses Excluding Purchased Power						3
4	Base Demand	E1	500, 502, 505-507, 509-511, 535, 537-543, 546, 548-554, 556-557	16,406,206	1,536,322	14,869,884	4
5	Peak Demand	D1	500, 502, 506-507, 509-511, 535, 537-543, 546, 548-554, 556-557	5,387,041	497,860	4,889,181	5
6	Base Energy	E2	501, 512-514, 544-546, 548-554	75,118,166	6,794,383	68,323,784	6
7	Peak Energy	D1	547	1,484,624	137,206	1,347,418	7
8	BASE DEMAND (Direct MN)	Direct MN		0	0	0	8
9	PEAK DEMAND (Direct MN)	Direct MN		0	0	0	9
10							10
11	**Total Excluding Purchased Power**			98,396,037	8,965,771	89,430,266	11
12							12
13							13
14	Purchased Power						14
15	Non-Asset Wholesale Transactions	D2		0	0	0	15
16	for Retail				0		16
17	Base Demand	E1	555	5,860,794	548,821	5,311,973	17
18	Peak Demand	D1		0	0	0	18
19	Base Energy	E2	555	46,145,575	4,173,833	41,971,742	19
20	Peak Energy	D1		0	0	0	20
21							21
22	**Total All Other Transactions**			52,006,369	4,722,654	47,283,715	22
23							23
24	**Total Purchased Power**			52,006,369	4,722,654	47,283,715	24
25							25
26	**Total Production Expenses**			150,402,406	13,688,425	136,713,981	26
27					0		27
28					0		28
29	Transmission Expenses	D2	560, 561.1-561.2, 561.4-561.6, 562-563, 565-568, 569.1-569.3, 570-573	32,118,694	2,950,883	29,167,811	29
30	Transmission Expenses (Direct MN)	Direct MN		0	0	0	30
31	Transmission Expenses (Direct FERC)	Direct FERC		92,950	0	92,950	31
32	**TOTAL TRANSMISSION EXPENSES**			32,211,644	2,950,883	29,260,761	32
33					0		33
34					0		34
35	Distribution Expenses				0		35
36	Primary Demand	D3	580-584, 588-590, 592-594, 598	5,580,589	548,386	5,032,203	36
37	Secondary Demand	D4	580-581, 583-584, 588, 590, 593-595, 598	2,277,380	231,540	2,045,840	37
38	Primary Customer	C2	580-581, 583-584, 588-590, 593-594, 598	3,600,775	313,755	3,287,019	38
39	Secondary Customer	C3	580-581, 583-584, 587-588, 590, 593-595, 598	2,465,530	214,785	2,250,744	39
40	Streetlighting	C4	580-581, 583-585, 588-590, 593-594, 596, 598	1,609,136	177,419	1,431,717	40
41	Area Lighting	C5	580-581, 583-584, 588-590, 593-594, 598	152,033	9,996	142,038	41
42	Meters	C6	580-581, 586, 588, 597-598	2,218,268	203,247	2,015,020	42
43	Load Management	C9		0	0	0	43
44							44
45	**Total Distribution**	OXD		17,903,711	1,699,129	16,204,582	45
46							46
47							47
48	Customer Accounting Expenses						48
49	Meter Reading	C7	901-902	6,061,154	548,127	5,513,026	49
50	Other	C8	901, 903-905	6,945,892	605,125	6,340,767	50
51							51
52	**Total Customer Accounts**	OXC		13,007,046	1,153,253	11,853,793	52
53							53
54							54
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Line No.	Item	Allocation Factors	FERC Accounts		Total Company		South Dakota		All Other		LINE NO
1	Customer Service & Information Expense										1
2	Conservation & DSM Rebates	C1	908	Directly Assigned to Jurisdiction	7,085,105		464,265		6,620,840		2
3	Other	C1	907-910		2,291,521		200,280		2,091,241		3
4											4
5	**Total Customer Service & Information Expense**	OXI			9,376,626		664,545		8,712,081		5
6											6
7											7
8	Sales Expenses										8
9	Off-Peak Development	C1	912	Directly Assigned to Jurisdiction	213,622		9,908		203,714		9
10	Other	C1	912-913, 916		124,060		10,843		113,217		10
11											11
12	**Total Sales Expenses**				337,682		20,751		316,931		12
13											13
14											14
15	Administrative & General Expenses										15
16	Salaries, Supplies, Pensions & Benefits										16
17	Production	OXPD			11,440,671		1,068,606		10,372,064		17
18	Transmission	D2			4,756,018		436,956		4,319,062		18
19	Distribution	OXD			8,848,774		839,782		8,008,992		19
20	Customer Accounts	OXC			5,920,460		524,930		5,395,530		20
21	Customer Service & Info	C1			1,143,867		99,975		1,043,892		21
22											22
23	**Total Salaries, Supplies, Pensions, and Benefits**		920-922, 926		32,109,789		2,970,248		29,139,541		23
24											24
25	Load Management Expenses	C9			0		0		0		25
26											26
27	Outside Services	NEPIS	923		1,164,187		94,187		1,070,000		27
28											28
29	Property Insurance	NEPIS	924		2,537,523		205,296		2,332,228		29
30											30
31	Injuries & Damages	NEPIS	925		2,209,606		178,766		2,030,840		31
32											32
33	Regulatory Commission Expense	R10	928	Directly Assigned to Jurisdiction	3,226,748		246,934		2,979,814		33
34											34
35	General Advertising	C1	930.1		35,506		3,103		32,403		35
36											36
37	Miscellaneous, Rents, Maintenance	P90	930.2, 931, 935		3,762,766		346,538		3,416,227		37
38											38
39	**Total Administrative & General Exp**				45,046,125		4,045,072		41,001,053		39
40											40
41											41
42	Charitable Contributions	C1	426.1	Directly Assigned to Jurisdiction	0		0		0		42
43											43
44											44
45											45
46	**Total O & M Expenses**				268,285,240		24,222,058		244,063,182		46
47											47
48											48
49											49
50											50
51											51
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Otter Tail Power Company
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Line No.	Item	Allocation Factors	FERC Accounts		Total Company		South Dakota		All Other		LINE NO
1	**Depreciation Expense**										1
2	Production										2
3	Base Demand	E1			15,475,014		1,449,123		14,025,891		3
4	Peak Demand	D1			8,180,485		756,025		7,424,461		4
5	Base Energy	E2			17,294,531		1,564,278		15,730,253		5
6											6
7	**Total Production**				40,950,030		3,769,425		37,180,605		7
8											8
9											9
10	Transmission	D2			7,257,167		666,747		6,590,420		10
11	Transmission (Direct FERC)	Direct FERC			2,284,543		0		2,284,543		11
12	**TOTAL TRANSMISSION**				9,541,710		666,747		8,874,963		12
13											13
14											14
15	Distribution	P60			11,318,334		1,073,682		10,244,652		15
16											16
17											17
18	General	P90			2,608,927		240,273		2,368,654		18
19											19
20											20
21	Intangible	P90			2,933,455		270,161		2,663,294		21
22											22
23											23
24	**Total Depreciation Expense**		403		67,352,456		6,020,289		61,332,167		24
25											25
26											26
27											27
28											28
29											29
30											30
31	Big Stone Expense Offsets	P10		Directly Assigned to Jurisdiction	0		0		0		31
32											32
33											33
34	Spiritwood Amortization	P10	406	Directly Assigned to Jurisdiction	0		0		0		34
35											35
36											36
37											37
38											38
39											39
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Line No.	Item	Allocation Factors	FERC Accounts		Total Company	South Dakota	All Other	LINE NO
1	General Taxes	NEPIS			13,018,335	1,053,235	11,965,100	1
2	General Taxes (Direct FERC)	Direct FERC			2,735,050	0	2,735,050	2
3	**TOTAL GENERAL TAXES**		408.1		15,753,385	1,053,235	14,700,150	3
4								4
5	Net Operating Income Before Tax (NOIBT)				82,847,486	7,095,765	75,751,721	5
6								6
7	Investment Tax Credit							7
8	Amortize Prior Years Credit	EPIS			(17,459,316)	(1,481,485)	(15,977,831)	8
9	Debits Utilized	EPIS			0	0	0	9
10								10
11	**Total Investment Tax Credit**		411.4		(17,459,316)	(1,481,485)	(15,977,831)	11
12								12
13	Deferred Income Taxes					0		13
14	Items South Dakota Flows Through					0		14
15	Federal	NPMNR			(157,245)	0	(157,245)	15
16	Minnesota	NPISM			(27,213)	0	(27,213)	16
17	North Dakota	NPISN			(11,650)	0	(11,650)	17
18								18
19	**Subtotal**				(196,108)	0	(196,108)	19
20								20
21	All Other							21
22	Federal - transfer from Current Income Taxes-NOL				0	0	0	22
23	Federal(NEPIS)	NEPIS			5,601,870	453,213	5,148,656	23
24	Total Federal				5,601,870	453,213	5,148,656	24
25								25
26	Minnesota - transfer from Current Income Taxes-NOL							26
27	Minnesota(NPISN)	NPISM			2,257,485	0	2,257,485	27
28	Total Minnesota				2,257,485	0	2,257,485	28
29								29
30	North Dakota - transfer from Current Income Taxes-NOL							30
31	North Dakota(NPISN)	NPISN			718,040	0	718,040	31
32	Total North Dakota				718,040	0	718,040	32
33								33
34	**Subtotal**				8,577,395	453,213	8,124,182	34
35								35
36	**Total Deferred Income Taxes**		410.1-410.2, 411.1-411.2		8,381,287	453,213	7,928,074	36
37								37
38								38
39	Current Income Taxes							39
	FEDERAL- transfer to Deferred Income Taxes - NOL				0	0	0	40
40	Federal Current Income Taxes			Separately Calculated by Jurisdiction	669,230	46,847	622,383	41
	Total Federal				669,230	46,847	622,383	42
								43
	MINNESOTA- transfer to Deferred Income Taxes - NOL				0	0	0	44
41	Minnesota Current Income Taxes			Separately Calculated by Jurisdiction	921,991	0	921,991	45
	Total Minnesota				921,991	0	921,991	46
								47
	NORTH DAKOTA - transfer to Deferred Income Taxes - NOL				0	0	0	48
42	North Dakota Income Taxes			Separately Calculated by Jurisdiction	(255,237)	0	(255,237)	49
43	Total North Dakota				(255,237)	0	(255,237)	50
								51
44	**Total Current Income Taxes**		409.1		1,335,984	46,847	1,289,137	52
45								53
46	**Total Income Taxes**				(7,742,045)	(981,425)	(6,760,620)	54
47								55
48								56
49	**Net Operating Income**				92,874,074	8,077,190	84,796,884	57
50								58
51	AFDC	CWIPLT			1,726,880	0	1,726,880	59
52	AFDC - MN Only	CWIPLT			0	0	0	60
53	AFDC - SD Only	CWIPLT			0	0	0	61
54	**Total AFDC**	CWIPLT	419.1	Allowed Only in MN & FERC	1,726,880	0	1,726,880	62
55								63
56	**Total Available for Return**				94,600,954	8,077,190	86,523,764	64
57								65
58								66
59	Rate of Return on Rate Base				6.92%	7.50%	6.87%	67
60								68
61								69
62								70
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64								72
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Line No.	Item	Allocation Factors			Total Company		South Dakota		All Other		LINE NO
1	Development of Federal Income Tax Expense										1
2											2
3	Net Operating Income Before Tax (NOIBT)				82,847,486		7,095,765		75,751,721		3
4	Less: Interest Cost			Calculated by Jurisdiction	33,970,749		3,045,304		30,925,445		4
5											5
6	Net Income Before Tax				51,161,280		4,050,461		47,110,819		6
7											7
8	Federal Schedule M Adjustments:										8
9	Additional Tax Depreciation	NEPIS			34,438,568		2,786,217		31,652,351		9
10	Cost to Remove	NEPIS			3,006,569		243,243		2,763,326		10
11	Directly Assigned Schedule M Items	NEPIS		Directly Assigned to Jurisdiction	0		0		0		11
12	Accrued Vacation Pay	NEPIS			(26,010)		(2,104)		(23,906)		12
13	Charges - Operating Reserves	NEPIS			6,708,805		542,769		6,166,036		13
14	Provisions - Operating Reserves	NEPIS			(8,726,396)		(706,000)		(8,020,396)		14
15	Unbilled Revenues	NEPIS			0		0		0		15
16	Preferred Dividends Paid Credit	NEPIS			0		0		0		16
17	Other Schedule M Items	NEPIS			11,906,180		963,257		10,942,923		17
18											18
19	**Subtotal Federal Schedule M Adjustments**				47,307,716		3,827,382		43,480,334		19
20											20
21	**Federal Adjusted Income Before Income Taxes**				3,853,564		223,079		3,630,485		21
22											22
23	Less:						0				23
24	Minnesota State Income Taxes			Per Minnesota State Tax Calculation	921,991		0		921,991		24
25	North Dakota State Income Taxes			Per North Dakota State Tax Calculatior	(255,237)		0		(255,237)		25
26											26
27	**Federal Taxable Income**				3,186,810		223,079		2,963,731		27
28	Federal Tax Rate				21.0%		21.0%		21.0%		28
29											29
30	Federal Income Tax Before Credits				669,230		46,847		622,383		30
31	Investment Tax Credit - Debits Utilized	EPIS			0		0		0		31
32	FEDERAL INCOME TAXES before transfer to Deferred due to NOL				669,230		46,847		622,383		32
33	Less Current Federal Income Taxes Transferred to Deferred Income Taxes due to NOL				0		0		0		33
34	**Federal Income Taxes**				669,230		46,847		622,383		34
35											35
36											36
37											37
38											38
39											39
40											40
41											41
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Line No.	Item	Allocation Factors	Total Company	South Dakota	All Other	LINE NO
1	Development of Minnesota State Income Tax Expense					1
2						2
3	**Federal Adjusted Income Before Income Taxes**		9,530,326	0	9,530,326	3
4						4
5	Minnesota Adjustments to Federal Schedule M:			0		5
6	PAYSOP Adjustment	NEPIS	0	0	0	6
7	Change in Excess Tax Depreciation - MN	NEPIS	(62,497)	0	(62,497)	7
8	Change in ACRS - Ordinary Loss	NEPIS	0	0	0	8
9	Preferred Dividends Paid Credit	NEPIS	0	0	0	9
10	Miscellaneous Adjustments to Fed Schedule M	NEPIS	(59,757)	0	(59,757)	10
11						11
12	**Total Minnesota Adjustments to Fed Schedule M**		(122,254)	0	(122,254)	12
13						13
14	Minnesota Taxable Income		9,408,072	0	9,408,072	14
15	Minnesota Tax Rate		9.80%	0.00%	9.80%	15
16						16
17	MINNESOTA INCOME TAX prior to transfer to Deferred Income Tax due to NOL		921,991	0	921,991	17
18	Minnesota Current Income Tax transfer to Deferred Income Tax due to NOL		0	0	0	18
19	**Minnesota Income Tax**		921,991	0	921,991	19
20						20
21						21
22						22
23						23
24						24
25						25
26						26
27	Development of North Dakota State Income Tax Expense					27
28						28
29	**Federal Adjusted Income Before Income Taxes**		(5,912,516)	0	(5,912,516)	29
30						30
31	North Dakota Adjustments to Federal Schedule M:			0		31
32	Change in Excess Tax Depreciation - ND	NEPIS	(6,611)	0	(6,611)	32
33	Change in ACRS - Ordinary Loss - ND	NEPIS	0	0	0	33
34	Change in Income from ADR Property - ND	NEPIS	0	0	0	34
35	Miscellaneous Adjustments to Fed Schedule M	NEPIS	(2,853)	0	(2,853)	35
36						36
37	**Total North Dakota Adjustments to Fed Schedule M**		(9,464)	0	(9,464)	37
38						38
39	**Subtotal**		(5,921,979)	0	(5,921,979)	39
40	Deduction of Federal Income Taxes		0	0	0	40
41						41
42	**North Dakota Taxable Income**		(5,921,979)	0	(5,921,979)	42
43	North Dakota Tax Rate		4.31%	0.00%	4.31%	43
44						44
45	NORTH DAKOTA INCOME TAX prior to transfer to Deferred Income Tax due to NOL		(255,237)	0	(255,237)	45
46	North Dakota Current Income Tax transfer to Deferred Income Tax due to NOL		0	0	0	46
47	**North Dakota Income Tax**		(255,237)	0	(255,237)	47
48						48
49						49
50						50
51						51
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Line No.	Item	Allocation Factors	Total Company	South Dakota	All Other	LINE NO
1	MWH Consumption at Generators - Partial	E1	4,700,055	440,126	4,259,929	1
2	Percentage		100.000000%	9.364273%	90.635727%	2
3						3
4	MWH Consumption at Generators - Total	E2	5,270,535	476,716	4,793,819	4
5	Percentage		100.000000%	9.044926%	90.955074%	5
6						6
7	Generation Demand Factor	D1	726,384	67,131	659,253	7
8	Percentage		100.000000%	9.241806%	90.758194%	8
9						9
10	Transmission Demand Factor	D2	730,683	67,131	663,552	10
11	Percentage		100.000000%	9.187431%	90.812569%	11
12						12
13	Distribution - Primary Demand Factor	D3	865,827	85,082	780,745	13
14	Percentage		100.000000%	9.826674%	90.173326%	14
15						15
16	Distribution - Secondary Demand Factor	D4	1,126,868	114,568	1,012,300	16
17	Percentage		100.000000%	10.166941%	89.833059%	17
18						18
19	Customer or Meter Factors					19
20	Total Retail Customers	C1	132,688	11,597	121,091	20
21	Percentage		100.000000%	8.740052%	91.259948%	21
22						22
23	Retail Service Locations	C2	139,438	12,150	127,288	23
24	Percentage		100.000000%	8.713550%	91.286450%	24
25						25
26	Secondary Service Locations	C3	139,367	12,141	127,226	26
27	Percentage		100.000000%	8.711531%	91.288469%	27
28						28
29	Street Lighting Factor	C4	5,697,611	628,203	5,069,408	29
30	Percentage		100.000000%	11.025726%	88.974274%	30
31						31
32	Area Lighting Factor	C5	5,010,334	329,414	4,680,920	32
33	Percentage		100.000000%	6.574691%	93.425309%	33
34						34
35	Meter Factor	C6	52,720,954	4,830,523	47,890,431	35
36	Percentage		100.000000%	9.162435%	90.837565%	36
37						37
38	Meter Reading Factor	C7	181,527	16,416	165,111	38
39	Percentage		100.000000%	9.043283%	90.956717%	39
40						40
41	System Service Locations	C8	139,463	12,150	127,313	41
42	Percentage		100.000000%	8.711988%	91.288012%	42
43						43
44	Load Management Factor	C9	42,361	4,092	38,269	44
45	Percentage		100.000000%	9.659829%	90.340171%	45
46						46
47						47
48						48
49						49
50						50
51						51
52						52
53						53
54						54
55						55
56						56
57						57
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59						59
60						60

Otter Tail Power Company
Jurisdictional Cost of Service Study
2017 Test Year Step

Line No.	Item	Allocation Factors	Total Company	South Dakota	Other	LINE NO
1	Gross Plant in Service					1
2	Production Plant	P10	1,171,994,182	108,107,955	1,063,886,227	2
3	Percentage		100.000000%	9.224274%	90.775726%	3
4						4
5	Distribution Plant	P60	481,185,961	45,646,364	435,539,597	5
6	Percentage		100.000000%	9.486221%	90.513779%	6
7						7
8	General Plant	P90	88,167,884	8,119,967	80,047,917	8
9	Percentage		100.000000%	9.209665%	90.790335%	9
10						10
11						11
12	Electric Plant in Service	EPIS	2,208,896,300	187,432,675	2,021,463,626	12
13	Percentage		100.000000%	8.485354%	91.514646%	13
14						14
15	Net Electric Plant in Service	NEPIS	1,449,475,244	117,268,300	1,332,206,944	15
16	Percentage		100.000000%	8.090397%	91.909603%	16
17						17
18	Operation and Maintenance Expense					18
19	Production Expense (Excl Energy)	OXPD	27,654,041	2,583,003	25,071,038	19
20	Percentage		100.000000%	9.340417%	90.659583%	20
21						21
22	Distribution Expense	OXD	17,903,711	1,699,129	16,204,582	22
23	Percentage		100.000000%	9.490373%	90.509627%	23
24						24
25	Customer Accounts Expense	OXC	13,007,046	1,153,253	11,853,793	25
26	Percentage		100.000000%	8.866368%	91.133632%	26
27						27
28	Customer Service & Information Expense	OXI	2,291,521	200,280	2,091,241	28
29	Percentage		100.000000%	8.740052%	91.259948%	29
30						30
31	Other Deferred Income Tax Factor					31
32	Minnesota	NPISM	828,503,658	0	828,503,658	32
33	Percentage		100.000000%	0.000000%	100.000000%	33
34						34
35	North Dakota	NPISN	503,703,287	0	503,703,287	35
36	Percentage		100.000000%	0.000000%	100.000000%	36
37						37
38	Excluding South Dakota	NPMNR	1,332,206,944	0	1,332,206,944	38
39	Percentage		100.000000%	0.000000%	100.000000%	39
40						40
41	Long-Term CWIP Ratio (W/AFDC)	CWIPLT	32,264,665	0	32,264,665	41
42	Percentage		100.000000%	0.000000%	100.000000%	42
43						43
44	Revenue	R10	375,851,881	36,628,125	339,223,756	44
45	Percentage		100.000000%	9.745362%	90.254638%	45
46						46
47	Labor and Related Expense	LRE	145,106,242	13,095,885	132,010,358	47
48	Percentage		100.000000%	9.025032%	90.974968%	48
49						49
50	Total O & M Expense	OX				50
51	Percentage					51
52						52
53						53
54						54
55						55
56						56
57						57
58						58
59						59
60						60

Otter Tail Power Company
Jurisdictional Cost of Service Study
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Line No.	Item	AMOUNT	AMOUNT AS A PERCENT OF TOTAL	COST OF CAPITAL	RATE OF RETURN	LINE NO
1	Capital Structure - Rate of Return					1
2						2
3						3
4	Long-Term Debt	496,615,385	46.901%	5.30%	2.49000%	4
5						5
6	Preferred Stock	0	0.000%	0.00%	0.00%	6
7						7
8	Common Equity	562,251,845	53.099%	10.30%	5.47000%	8
9						9
10						10
11	**Total**	$1,058,867,230	100.00%		7.96%	11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25						25
26						26
27						27
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Otter Tail Power Company
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Line No.	Item	Allocation Factors	Total Company	South Dakota	All Other	LINE NO
1	Cash Working Capital Calculation - Revenue Lead Days					1
2						2
3	Revenues					3
4	Computer Maintained Billings		339,234,846	24,355,157	314,879,688	4
5	Manually Maintained Billings		32,268,807	2,316,719	29,952,088	5
6	Cost of Energy Adjustment Revenues	R10	5,411,630	10,080,514	(4,668,884)	6
7	Sales for Resale		5,173,104	448,767	4,724,337	7
8	Rent from Electric Property		628,233	50,827	577,407	8
9	Miscellaneous		3,903,072	315,774	3,587,298	9
10	ITA Deficiency Payments		1,419,043	114,806	1,304,236	10
11	Wheeling		446,129	0	446,129	11
12	Load Control and Dispatch		45,700,461	704,194	44,996,266	12
13	Rent from Electric Property - Big Stone		7,256	587	6,669	13
14	Rent from Electric Property - Coyote		13,148	1,064	12,084	14
15	Profit on Materials and Supplies		16,519	2,938	13,582	15
16	Miscellaneous Services		0	0	0	16
17	Loan Pool Interest		3,645	0	3,645	17
18						18
19	**Total Revenues**		434,225,892	38,391,347	395,834,546	19
20						20
21						21
22	Revenue Lead Days from Service to Collection					22
23	Computer Maintained Billings		N/A	43.4	N/A	23
24	Manually Maintained Billings		N/A	41.3	N/A	24
25	Cost of Energy Adjustment Revenues		N/A	113.6	N/A	25
26	Sales for Resale		N/A	23.1	N/A	26
27	Rent from Electric Property		N/A	(92.4)	N/A	27
28	Miscellaneous		N/A	34.9	N/A	28
29	ITA Deficiency Payments		N/A	48.4	N/A	29
30	Wheeling		N/A	35.8	N/A	30
31	Load Control and Dispatch		N/A	27.9	N/A	31
32	Rent from Electric Property - Big Stone		N/A	60.9	N/A	32
33	Rent from Electric Property - Coyote		N/A	60.9	N/A	33
34	Profit on Materials and Supplies		N/A	60.9	N/A	34
35	Miscellaneous Services		N/A	60.9	N/A	35
36	Loan Pool Interest		N/A	60.9	N/A	36
37						37
38						38
39	Revenue Dollar Days (Revenues X Revenue Lead Days)					39
40	Computer Maintained Billings		14,722,792,304	1,057,013,824	13,665,778,480	40
41	Manually Maintained Billings		1,332,701,742	95,680,502	1,237,021,239	41
42	Cost of Energy Adjustment Revenues		542,931,811	1,145,002,633	(602,070,822)	42
43	Sales for Resale		119,291,773	10,348,563	108,943,210	43
44	Rent from Electric Property		(58,055,056)	(4,696,884)	(53,358,171)	44
45	Miscellaneous		136,295,288	11,026,830	125,268,458	45
46	ITA Deficiency Payments		68,681,664	5,556,619	63,125,045	46
47	Wheeling		15,953,556	0	15,953,556	47
48	Load Control and Dispatch		1,275,042,852	19,647,018	1,255,395,833	48
49	Rent from Electric Property - Big Stone		298,569	35,777	262,792	49
50	Rent from Electric Property - Coyote		541,040	64,832	476,209	50
51	Profit on Materials and Supplies		675,330	179,038	496,293	51
52	Miscellaneous Services		0	0	0	52
53	Loan Pool Interest		154,825	0	154,825	53
54						54
55	**Total Dollar Days**		18,157,305,697	2,339,858,751	15,817,446,946	55
56						56
57						57
58	**Avg Revenue Lead Days (Total Rev Dollar Days / Total Rev)**		41.8	60.9	40.0	58
59						59
60						60

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Line No.	Item	Allocation Factors		OPERATING EXPENSE	EXPENSE/DAY AT 365 DAYS PER YEAR	EXPENSE LAG DAYS	EXCESS REVENUE LEAD DAYS OF 42.5 OVER EXPENSE LAG DAYS	NET REVENUE LAG DOLLARS	LINE NO
1	Cash Working Capital Calculation by the Application of								1
2	Lead-Lag Factors - Minnesota Jurisdiction								2
3	Fuel - Coal	E2		30,471,835	83,484	15.5	27.0	2,253,246	3
4									4
5	Fuel - Oil	E1		1,436,338	3,935	11.2	31.3	123,092	5
6									6
7	Purchased Power			27,861,458	76,333	31.6	10.9	833,554	7
8									8
9	Labor and Associated Payroll Expense	LRE		2,932,810	8,035	15.1	27.4	220,081	9
10									10
11	All Other O&M Expense			77,793,141	213,132	13.1	29.4	6,268,209	11
12									12
13	Property Taxes (Excl Coal Conversion Taxes)			5,497,100	15,061	299.8	(257.3)	(3,875,041)	13
14									14
15	Coal Conversion Taxes			278,645	763	33.3	9.2	7,008	15
16									16
17	Federal Income Taxes			(2,104,022)	(5,764)	0.0	42.5	0	17
18									18
19	State Income Taxes			(1,098,865)	(3,011)	0.0	42.5	0	19
20									20
21	Incremental Federal Income Taxes			0	0	0.0	42.5	0	21
22									22
23	Incremental State Income Taxes			0	0	0.0	42.5	0	23
24									24
25	Bank Balances	NEPIS						4,348	25
26									26
27	Special Deposits	NEPIS						3,327	27
28									28
29	Working Funds	NEPIS						5,516	29
30									30
31	Tax Collections Avail - FICA Withholding	LRE		(2,598,585)	(7,119)	0.0		0	31
32									32
33	Tax Collections Avail - Federal Withholding	LRE		(4,570,897)	(12,523)	0.0		0	33
34									34
35	Tax Collections Avail - State Withholding- MN	R10	Assign to Juris	(1,996,737)	(5,471)	1.9		(10,120)	35
36									36
37	Tax Collections Avail - State Withholding- ND	R10	Assign to Juris	0	0	69.1		0	37
38									38
39	Tax Collections Available - State Sales Tax	R10		(9,605,765)	(26,317)	13.0		(340,807)	39
40									40
41	Tax Collections Available - Franchise Taxes	R10		0	0	23.9		0	41
42									42
43									43
44	**Total Cash Working Capital Requirement - Minnesota**							5,492,413	44
45									45
46									46
47									47
48									48
49									49
50									50
51									51
52									52
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Line No.	Item	Allocation Factors		OPERATING EXPENSE	EXPENSE/DAY AT 365 DAYS PER YEAR	EXPENSE LAG DAYS	EXCESS REVENUE LEAD DAYS OF 39.7 OVER EXPENSE LAG DAYS	NET REVENUE LAG DOLLARS	LINE NO
1	Cash Working Capital Calculation by the Application of								1
2	Lead-Lag Factors - North Dakota Jurisdiction								2
3	Fuel - Coal	E2		21,407,769	58,651	15.5	24.2	1,418,778	3
4									4
5	Fuel - Oil	E1		925,180	2,535	11.2	28.5	72,189	5
6									6
7	Purchased Power			19,385,288	53,110	31.6	8.1	431,256	7
8									8
9	Labor and Associated Payroll Expense	LRE		2,161,612	5,922	15.1	24.6	145,628	9
10									10
11	All Other O&M Expense			57,435,340	157,357	13.1	26.6	4,187,272	11
12									12
13	Property Taxes (Excl Coal Conversion Taxes)			4,305,713	11,796	299.8	(260.1)	(3,068,233)	13
14									14
15	Coal Conversion Taxes			218,254	598	33.3	6.4	3,815	15
16									16
17	Federal Income Taxes			(1,188,052)	(3,255)	0.0	39.7	0	17
18									18
19	State Income Taxes			(255,128)	(699)	0.0	39.7	0	19
20									20
21	Incremental Federal Income Taxes			0	0	0.0	39.7	0	21
22									22
23	Incremental State Income Taxes			0	0	0.0	39.7	0	23
24									24
25	Bank Balances	NEPIS						3,406	25
26									26
27	Special Deposits	NEPIS						2,606	27
28									28
29	Working Funds	NEPIS						4,321	29
30									30
31	Tax Collections Avail - FICA Withholding	LRE		(1,915,274)	(5,247)	0.0		0	31
32									32
33	Tax Collections Avail - Federal Withholding	LRE		(3,368,956)	(9,230)	0.0		0	33
34									34
35	Tax Collections Avail - State Withholding- MN	R10	Assign to Juris	0	0	1.9		0	35
36									36
37	Tax Collections Avail - State Withholding- ND	R10	Assign to Juris	(200,448)	(549)	69.1		(37,920)	37
38									38
39	Tax Collections Available - State Sales Tax	R10		(52)	(0)	23.8		(3)	39
40									40
41	Tax Collections Available - Franchise Taxes	R10		0	0	0.0		0	41
42									42
43									43
44	**Total Cash Working Capital Requirement - North Dakota**							3,163,114	44
45									45
46									46
47									47
48									48
49									49
50									50
51									51
52									52
53									53
54									54
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Line No.	Item	Allocation Factors		OPERATING EXPENSE	EXPENSE/DAY AT 365 DAYS PER YEAR	EXPENSE LAG DAYS	EXCESS REVENUE LEAD DAYS OF 60.9 OVER EXPENSE LAG DAYS	NET REVENUE LAG DOLLARS	LINE NO
1	Cash Working Capital Calculation by the Application of								1
2	Lead-Lag Factors - South Dakota Jurisdiction								2
3	Fuel - Coal	E2		5,163,090	14,145	15.5	45.4	642,062	3
4									4
5	Fuel - Oil	E1		244,199	669	11.2	49.7	33,238	5
6									6
7	Purchased Power			4,722,654	12,939	31.6	29.3	379,365	7
8									8
9	Labor and Associated Payroll Expense	LRE		513,446	1,407	15.1	45.8	64,413	9
10									10
11	All Other O&M Expense			13,578,669	37,202	13.1	47.8	1,778,620	11
12									12
13	Property Taxes (Excl Coal Conversion Taxes)			1,002,423	2,746	299.8	(238.9)	(656,099)	13
14									14
15	Coal Conversion Taxes			50,812	139	33.3	27.6	3,839	15
16									16
17	Federal Income Taxes			46,847	128	0.0	60.9	7,816	17
18									18
19	State Income Taxes			0	0	0.0	60.9	0	19
20									20
21	Incremental Federal Income Taxes			0	0	0.0	60.9	0	21
22									22
23	Incremental State Income Taxes			0	0	0.0	60.9	0	23
24									24
25	Bank Balances	NEPIS						793	25
26									26
27	Special Deposits	NEPIS						607	27
28									28
29	Working Funds	NEPIS						1,006	29
30									30
31	Tax Collections Avail - FICA Withholding	LRE		(454,933)	(1,246)	0.0		0	31
32									32
33	Tax Collections Avail - Federal Withholding	LRE		(800,225)	(2,192)	0.0		0	33
34									34
35	Tax Collections Avail - State Withholding- MN	R10	Assign to Juris	0	0	1.9		0	35
36									36
37	Tax Collections Avail - State Withholding- ND	R10	Assign to Juris	0	0	69.1		0	37
38									38
39	Tax Collections Available - State Sales Tax	R10		(1,362,584)	(3,733)	13.7		(50,994)	39
40									40
41	Tax Collections Available - Franchise Taxes	R10		0	0	0.0		0	41
42									42
43									43
44	**Total Cash Working Capital Requirement - South Dakota**							2,204,665	44
45									45
46									46
47									47
48									48
49									49
50									50
51									51
52									52
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Line No.	Item	Allocation Factors		OPERATING EXPENSE	EXPENSE/DAY AT 365 DAYS PER YEAR	EXPENSE LAG DAYS	EXCESS REVENUE LEAD DAYS OF 27.9 OVER EXPENSE LAG DAYS	NET REVENUE LAG DOLLARS	LINE NO
1	Cash Working Capital Calculation by the Application of								1
2	Lead-Lag Factors - FERC Jurisdiction								2
3	Fuel - Coal	E2		40,030	110	15.5	12.4	1,359	3
4									4
5	Fuel - Oil	E1		2,051	6	11.2	16.7	94	5
6									6
7	Purchased Power			36,969	101	31.6	(3.7)	(373)	7
8									8
9	Labor and Associated Payroll Expense	LRE		81,260	223	15.1	12.8	2,847	9
10									10
11	All Other O&M Expense			2,092,101	5,732	13.1	14.8	84,888	11
12									12
13	Property Taxes (Excl Coal Conversion Taxes)			1,585,043	4,343	299.8	(271.9)	(1,180,738)	13
14									14
15	Coal Conversion Taxes			80,345	220	33.3	(5.4)	(1,193)	15
16									16
17	Federal Income Taxes			3,911,795	10,717	0.0	27.9	299,011	17
18									18
19	State Income Taxes			2,020,746	5,536	0.0	27.9	154,463	19
20									20
21	Incremental Federal Income Taxes			0	0	0.0	27.9	0	21
22									22
23	Incremental State Income Taxes			0	0	0.0	27.9	0	23
24									24
25	Bank Balances	NEPIS						1,254	25
26									26
27	Special Deposits	NEPIS						959	27
28									28
29	Working Funds	NEPIS						1,591	29
30									30
31	Tax Collections Avail - FICA Withholding	LRE		(71,999)	(197)	0.0		0	31
32									32
33	Tax Collections Avail - Federal Withholding	LRE		(126,647)	(347)	0.0		0	33
34									34
35	Tax Collections Avail - State Withholding- MN	R10	Assign to Juris	0	0	1.9		0	35
36									36
37	Tax Collections Avail - State Withholding- ND	R10	Assign to Juris	0	0	69.1		0	37
38									38
39	Tax Collections Available - State Sales Tax	R10		0	0	0.0		0	39
40									40
41	Tax Collections Available - Franchise Taxes	R10		0	0	0.0		0	41
42									42
43									43
44	**Total Cash Working Capital Requirement - FERC**							(635,838)	44
45									45
46									46
47									47
48									48
49									49
50									50
51									51
52									52
53									53
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60									60

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Line No.	Item	Allocation Factors		OPERATING EXPENSE		EXPENSE/DAY AT 365 DAYS PER YEAR		EXPENSE LAG DAYS		EXCESS REVENUE LEAD DAYS OF 41.8 OVER EXPENSE LAG DAYS		NET REVENUE LAG DOLLARS		LINE NO
1	Cash Working Capital Calculation by the Application of													1
2	Lead-Lag Factors - Total Company Jurisdiction													2
3	Fuel - Coal	E2										4,315,445		3
4														4
5	Fuel - Oil	E1										228,613		5
6														6
7	Purchased Power											1,643,802		7
8														8
9	Labor and Associated Payroll Expense	LRE										432,969		9
10														10
11	All Other O&M Expense											12,318,989		11
12														12
13	Property Taxes (Excl Coal Conversion Taxes)											(8,780,111)		13
14														14
15	Coal Conversion Taxes											13,469		15
16														16
17	Federal Income Taxes											306,828		17
18														18
19	State Income Taxes											154,463		19
20														20
21	Incremental Federal Income Taxes											0		21
22														22
23	Incremental State Income Taxes											0		23
24														24
25	Bank Balances	NEPIS										9,800		25
26														26
27	Special Deposits	NEPIS										7,500		27
28														28
29	Working Funds	NEPIS										12,434		29
30														30
31	Tax Collections Avail - FICA Withholding	LRE										0		31
32														32
33	Tax Collections Avail - Federal Withholding	LRE										0		33
34														34
35	Tax Collections Avail - State Withholding- MN	R10	Assign to Juris									(10,120)		35
36														36
37	Tax Collections Avail - State Withholding- ND	R10	Assign to Juris									(37,920)		37
38														38
39	Tax Collections Available - State Sales Tax	R10										(391,805)		39
40														40
41	Tax Collections Available - Franchise Taxes	R10										0		41
42														42
43														43
44	**Total Cash Working Capital Requirement - Total Company**											10,224,355		44
45														45
46														46
47														47
48														48
49														49
50														50
51														51
52														52
53														53
54														54
55														55
56														56
57														57
58														58
59														59
60														60

Otter Tail Power Company
Jurisdictional Cost of Service Study
2017 Test Year Step
13 MA All-In Version

Line No.	Item			Minnesota	North Dakota	South Dakota	FERC	Total Company	Line No.
1	Rate Base			577,056,297	421,348,246	107,706,525	243,581,199	1,366,920,013	1
3	Total Available for Return			32,215,734	26,248,371	8,077,190	27,172,914	94,600,954	3
5	Rate of Return Earned			5.58%	6.23%	7.50%	11.16%	6.92%	5
7	Rate of Return Requested			7.96%	7.96%	7.96%	7.96%	7.96%	7
9	Operating Income Required			45,933,681	33,539,320	8,573,439	19,389,063	108,806,833	9
11	Total Available for Return			32,215,734	26,248,371	8,077,190	27,172,914	94,600,954	11
13	Operating Income Defeciency			13,717,947	7,290,949	496,250	(7,783,851)	14,205,879	13
15	Incremental Taxes	GRCF =		5,533,151	2,353,789	132,858	(5,249,896)	2,769,901	15
17	Revenue Increase Required			19,251,098	9,644,738	629,108	(13,033,747)	16,975,780	17
19	Percentage Increase			9.92%	6.64%	1.72%	-1981.71%	4.52%	19
31			**REVENUE DEF**	19,251,098	9,644,738	629,108	(13,033,747)	16,975,780	31
33			**NOIBT**	24,239,338	21,018,834	7,095,765	30,480,875	82,847,486	33
35			**TOT INC B/4 TAX**	43,490,436	30,663,572	7,724,873	19,731,671	102,107,809	35
37			**ROR REQ B/4 TAX**	7.54%	7.28%	7.17%	8.10%	7.47%	37

Otter Tail Power Company
Jurisdictional Cost of Service Study
2017 Test Year Step

Line No.	Item	Minnesota	North Dakota	South Dakota	FERC	Total Company	LINE NO
1	Electric Plant in Service	1,020,848,335	807,175,121	187,432,675	193,440,170	2,208,896,300	1
2							2
3	Accumulated Depreciation	(377,770,768)	(303,471,834)	(70,164,375)	(8,014,080)	(759,421,056)	3
4							4
5	Net Plant Excluding Big Stone Plant Capitalized Items	643,077,567	503,703,287	117,268,300	185,426,090	1,449,475,244	5
6							6
7	Net Capitalized Items - Big Stone Plant	0	0	0	0	0	7
8							8
9	Net Electric Plant in Service	643,077,567	503,703,287	117,268,300	185,426,090	1,449,475,244	9
10							10
11	Plant Held for Future Use	13,597	13,166	2,786	107	29,657	11
12							12
13	Construction Work in Progress	20,264,383	3,770,055	0	117,170,048	158,432,233	13
14							14
15	Materials and Supplies	9,606,072	8,160,986	1,831,227	60,010	19,658,295	15
16							16
17	Fuel Stocks	4,924,348	3,308,320	849,126	7,882	9,089,677	17
18							18
19	Prepayments	(10,970,582)	(8,592,927)	(2,000,539)	(3,163,277)	(24,727,324)	19
20							20
21	Customer Advances	(414,658)	(324,789)	(75,615)	(119,563)	(934,625)	21
22							22
23	Cash Working Capital	5,492,413	3,163,114	2,204,665	(635,838)	10,224,355	23
24							24
25	Accumulated Deferred Income Taxes	(94,936,845)	(91,852,967)	(12,831,760)	(55,164,261)	(254,785,833)	25
26							26
27	Unamortized Holding Company Formation Expense	0	0	0	0	0	27
28							28
29	Unamortized Rate Case Expense	0	0	458,334	0	458,334	29
30							30
31							31
32	**Total Average Rate Base**	577,056,297	421,348,246	107,706,525	243,581,199	1,366,920,013	32
33							33
34						***	34

*** NOTE: TOTAL AVERAGE RATE BASE WILL NOT ADD ACROSS BECAUSE CWIP IS NOT ALLOCATED TO ALL JURISDICTIONS.

Otter Tail Power Company
Jurisdictional Cost of Service Study
2017 Test Year Step

Line No.	Item	Allocation Factors	Minnesota	North Dakota	South Dakota	FERC	Total Company	LINE NO
1	**Plant in Service**							1
2	A/C 101 & 106 - Direct MN	Direct MN	0	0	0	0	0	2
3	A/C 101 & 106 - Direct ND	Direct ND	0	0	0	0	0	3
4	A/C 101 & 106 - Direct SD	Direct SD	0	0	0	0	0	4
5	**Subtotal A/C 101 & 106 - Direct Assigned**		0	0	0	0	0	5
6								6
7	Production Plant							7
8	A/C 101 & 106 - Base Demand	E1	283,338,122	182,504,931	48,171,620	404,526	514,419,199	8
9	Peak Demand	D1	115,840,021	93,371,439	21,332,537	282,502	230,826,498	9
10	Base Energy	E2	226,958,550	159,448,104	38,455,429	298,147	425,160,230	10
11								11
12	**Subtotal A/C 101 & 106**		626,136,694	435,324,473	107,959,586	985,174	1,170,405,927	12
13								13
14	A/C 114 - Base Demand	E1	713,048	459,292	121,229	1,018	1,294,586	14
15	Peak Demand	D1	147,377	118,792	27,140	359	293,668	15
16	Base Energy	E2	0	0	0	0	0	16
17								17
18	**Subtotal A/C 114**		860,425	578,083	148,369	1,377	1,588,255	18
19								19
20	**Total Production Plant**	P10	626,997,119	435,902,556	108,107,955	986,552	1,171,994,182	20
21								21
22								22
23	Transmission Plant							23
24	A/C 101 & 106	D2	127,749,642	102,971,044	23,525,755	1,818,111	256,064,553	24
25	A/C 101 $ 106 (Direct FERC)	Direct FERC	0	0	0	189,412,925	189,412,925	25
26	A/C 114	D2	29,079	23,439	5,355	414	58,287	26
27								27
28	**Total Transmission Plant**		127,778,722	102,994,483	23,531,110	191,231,450	445,535,766	28
29								29
30								30
31	Distribution Plant							31
32	Primary Demand	D3	71,964,070	78,997,654	16,560,992	1,008,274	168,530,989	32
33	Secondary Demand	D4	42,955,159	49,165,061	10,425,792	0	102,546,012	33
34	Primary Customer	C2	36,156,287	34,603,055	6,754,392	2,224	77,515,958	34
35	Secondary Customer	C3	35,196,188	33,699,423	6,574,612	0	75,470,223	35
36	Streetlighting	C4	6,351,990	6,167,909	1,551,471	0	14,071,369	36
37	Area Lighting	C5	3,261,496	4,299,766	532,115	0	8,093,377	37
38	Meters	C6	12,069,407	11,652,868	2,392,774	0	26,115,049	38
39	Load Management	C9	4,140,615	3,848,152	854,217	0	8,842,985	39
40								40
41	**Total Distribution Plant**	P60	212,095,212	222,433,888	45,646,364	1,010,497	481,185,961	41
42								42
43								43
44	General Plant							44
45	Production	P10	16,655,314	11,579,150	2,871,739	26,206	31,132,409	45
46	Transmission	D2	6,466,577	5,212,306	1,190,853	92,031	12,961,767	46
47	Distribution	P60	10,682,475	11,203,197	2,299,044	50,895	24,235,610	47
48	Customer Accounts	OXC	7,713,902	7,104,124	1,441,666	249	16,259,942	48
49	Customer Service & Info	OXI	1,474,937	1,400,354	275,369	0	3,150,660	49
50	Load Management	C9	200,169	186,031	41,295	0	427,496	50
51								51
52	**Total General Plant**	P90	43,193,374	36,685,162	8,119,967	169,382	88,167,884	52
53								53
54								54
55	Intangible Plant	P90	10,783,909	9,159,031	2,027,278	42,289	22,012,507	55
56								56
57								57
58	**Total Plant in Service**	EPIS	1,020,848,335	807,175,121	187,432,675	193,440,170	2,208,896,300	58
59								59
60								60
61								61
62								62
63								63
64								64
65								65
66								66

Otter Tail Power Company
Jurisdictional Cost of Service Study
2017 Test Year Step

Line No.	Item	Allocation Factors		Minnesota	North Dakota	South Dakota	FERC	Total Company	LINE NO
1	Accumulated Depreciation								1
2	Production Plant								2
3	Base Demand	E1		(125,938,790)	(81,120,217)	(21,411,434)	(179,805)	(228,650,246)	3
4	Peak Demand	D1		(36,056,020)	(29,062,516)	(6,639,902)	(87,931)	(71,846,369)	4
5	Base Energy	E2		(41,634,042)	(29,249,698)	(7,054,394)	(54,693)	(77,992,826)	5
6									6
7	**Total Production Plant**			(203,628,852)	(139,432,431)	(35,105,730)	(322,428)	(378,489,441)	7
8									8
9									9
10	Transmission Plant	D2		(57,167,973)	(46,079,548)	(10,527,777)	(813,605)	(114,588,903)	10
11	Transmission Plant (Direct FERC)	Direct FERC		0	0	0	(6,340,674)	(6,340,674)	11
12	**TOTAL TRANSMISSION PLANT**			(57,167,973)	(46,079,548)	(10,527,777)	(7,154,279)	(120,929,577)	12
13									13
14									14
15	Distribution Plant	P60		(93,325,369)	(97,874,556)	(20,085,148)	(444,635)	(211,729,710)	15
16									16
17									17
18	General Plant	P90		(19,730,115)	(16,757,257)	(3,709,085)	(77,371)	(40,273,827)	18
19									19
20									20
21	Intangible Plant	P90		(3,918,459)	(3,328,041)	(736,635)	(15,366)	(7,998,502)	21
22									22
23									23
24	**Total Accumulated Depreciation**			(377,770,768)	(303,471,834)	(70,164,375)	(8,014,080)	(759,421,056)	24
25									25
26									26
27	Net Plant Excluding BSP Capitalized Items			643,077,567	503,703,287	117,268,300	185,426,090	1,449,475,244	27
28									28
29									29
30	BSP Capitalized Items	P10	**Directly Assigned to Jurisdiction**	0	0	0	0	0	30
31									31
32									32
33	**Total Net Plant in Service**	NEPIS		643,077,567	503,703,287	117,268,300	185,426,090	1,449,475,244	33
34									34
35									35
36									36
37									37
38									38
39									39
40									40
41									41
42	Plant Held for Future Use								42
43	Production Plant	P10		0	0	0	0	0	43
44	Transmission Plant	D2		4,509	3,634	830	64	9,038	44
45	Distribution Plant	P60		9,088	9,531	1,956	43	20,619	45
46	General Plant	P90		0	0	0	0	0	46
47	Intangible Plant	P90		0	0	0	0	0	47
48									48
49	**Total Plant Held for Future Use**			13,597	13,166	2,786	107	29,657	49
50									50
51									51
52									52
53									53
54									54
55									55
56									56
57									57
58									58
59									59
60									60
61									61
62									62

Otter Tail Power Company
Jurisdictional Cost of Service Study
2017 Test Year Step

Line No.	Item	Allocation Factors		Minnesota	North Dakota	South Dakota	FERC	Total Company	LINE NO
1	Const Work-in-Progress - Direct Assigned								1
2	Production Plant - Direct MN	P10		0	0	0	0	0	2
3	Production Plant - Direct ND	P10		0	0	0	0	0	3
4	Production Plant - Direct SD	P10		0	0	0	0	0	4
5	Production Plant - Direct FERC	Direct FERC		0	0	0	0	0	5
6	Transmission Plant - Direct MN	D2		0	0	0	0	0	6
7	Transmission Plant - Direct ND	D2		0	0	0	0	0	7
8	Transmission Plant - Direct SD	D2		0	0	0	0	0	8
9	Transmission Plant - Direct FERC	Direct FERC		0	0	0	117,058,068	117,058,068	9
10	Distribution Plant - Direct MN	P60		0	0	0	0	0	10
11	Distribution Plant - Direct ND	P60		0	0	0	0	0	11
12	Distribution Plant - Direct SD	P60		0	0	0	0	0	12
13	Distribution Plant - Direct FERC	Direct FERC		0	0	0	0	0	13
14	General Plant - Direct MN	P90		0	0	0	0	0	14
15	General Plant - Direct ND	P90		0	0	0	0	0	15
16	General Plant - Direct SD	P90		0	0	0	0	0	16
17	General Plant - Direct FERC	Direct FERC		0	0	0	0	0	17
18	Intangible Plant - Direct MN	P90		0	0	0	0	0	18
19	Intangible Plant - Direct ND	P90		0	0	0	0	0	19
20	Intangible Plant - Direct SD	P90		0	0	0	0	0	20
21	Intangible Plant - Direct FERC	Direct FERC		0	0	0	0	0	21
22	**Total CWIP - Direct Assigned**		**Allowed Only in MN & FERC**	0	0	0	117,058,068	117,058,068	22
23									23
24									24
25	Const Work-in-Progress - Short-Term								25
26	Production Plant	P10		1,682,263	1,169,547	0	2,647	3,144,516	26
27	Transmission Plant	D2		446,115	359,586	0	6,349	894,204	27
28	Distribution Plant	P60		1,250,934	1,311,912	0	5,960	2,838,028	28
29	General Plant	P90		1,052,142	893,609	0	4,126	2,147,669	29
30	Intangible Plant	P90		41,682	35,401	0	163	85,083	30
31									31
32	**Total CWIP - Short-Term**		**Allowed Only in MN, ND & FERC**	4,473,136	3,770,055	0	19,245	9,109,500	32
33									33
34									34
35	Const Work-in-Progress - Long Term								35
36	Production Plant (AFUDC Projects)	P10		3,748,887	0	0	5,899	7,007,487	36
37	Production Plant (Rider Projects)	P10		0	0	0	0	0	37
38	Transmission Plant (AFUDC Projects)	D2		3,552,094	0	0	50,553	7,119,905	38
39	Transmission Plant (Rider Projects)	D2		0	0	0	0	0	39
40	Distribution Plant	P60		3,545,800	0	0	16,893	8,044,449	40
41	General Plant	P90		512,261	0	0	2,009	1,045,646	41
42	Intangible Plant	P90		4,432,205	0	0	17,381	9,047,178	42
43									43
44	**Total CWIP - Long Term**		**Allowed Only in MN & FERC**	15,791,247	0	0	92,735	32,264,665	44
45									45
46									46
47	**Total Construction Work-in-Progress**			20,264,383	3,770,055	0	117,170,048	158,432,233	47
48									48
49									49
50	Materials & Supplies								50
51	Production	P10		3,556,435	2,472,514	613,207	5,596	6,647,751	51
52	Transmission	D2		2,703,078	2,178,783	497,786	38,470	5,418,117	52
53	Distribution	P60		3,346,559	3,509,689	720,234	15,944	7,592,427	53
54									54
55	**Total Materials and Supplies**			9,606,072	8,160,986	1,831,227	60,010	19,658,295	55
56									56
57									57
58	Fuel Stocks								58
59	Coal Stocks	E1		4,081,746	2,629,151	693,956	5,828	7,410,681	59
60	Fuel Oil Stocks	D1		842,602	679,169	155,170	2,055	1,678,996	60
61									61
62	**Total Fuel Stocks**			4,924,348	3,308,320	849,126	7,882	9,089,677	62
63									63
64									64
65	Prepayments	NEPIS		(10,970,582)	(8,592,927)	(2,000,539)	(3,163,277)	(24,727,324)	65
66									66
67	Customer Advances	NEPIS		(414,658)	(324,789)	(75,615)	(119,563)	(934,625)	67
68									68
69	Cash Working Capital	OX	**Separately calculated by Jurisdiction**	5,492,413	3,163,114	2,204,665	(635,838)	10,224,355	69
70									70
71									71
72									72
73									73
74									74
75									75
76									76

Otter Tail Power Company
Jurisdictional Cost of Service Study
2017 Test Year Step

Line No.	Item	Allocation Factors		Minnesota	North Dakota	South Dakota	FERC	Total Company	LINE NO
1	**Accumulated Deferred Income Taxes**								1
2	Items SD Flows Through								2
3	Federal	NPMNR		182,876	143,241	0	52,731	378,848	3
4	Minnesota	NPISM		48,597	0	0	14,013	62,610	4
5	North Dakota	NPISN		0	33,740	0	0	33,740	5
6									6
7	**Subtotal**			231,473	176,981	0	66,743	475,198	7
8									8
9	All Other								9
10	Federal	NEPIS		(70,366,987)	(55,116,341)	(12,831,760)	(20,289,738)	(158,604,826)	10
11	Federal (Direct FERC)	Direct FERC		0	0	0	(27,790,009)	(27,790,009)	11
12	Minnesota	NPISM		(24,801,331)	0	0	(7,151,258)	(31,952,589)	12
13	North Dakota	NPISN		0	(36,913,607)	0	0	(36,913,607)	13
14									14
15	**Subtotal**			(95,168,318)	(92,029,948)	(12,831,760)	(55,231,005)	(255,261,031)	15
16									16
17	**Total Accumulated Deferred Income Taxes**			(94,936,845)	(91,852,967)	(12,831,760)	(55,164,261)	(254,785,833)	17
18									18
19									19
20	Unamortized Holding Company Formation Expense	NEPIS		0	0	0	0	0	20
21									21
22									22
23	Unamortized Rate Case and Holding Company Formation Expenses	NEPIS	**Directly Assigned to Jurisdiction**	0	0	458,334	0	458,334	23
24									24
25									25
26									26
27									27
28	**Total Average Rate Base**			577,056,297	421,348,246	107,706,525	243,581,199	1,366,920,013	28
29									29
30									30
31									31
32									32
33									33
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Otter Tail Power Company
Jurisdictional Cost of Service Study
2017 Test Year Step

Line No.	Item	Minnesota	North Dakota	South Dakota	FERC	Total Company	LINE NO
1	Operating Revenues						1
2	Sales of Electricity	194,015,710	145,208,045	36,628,125	0	375,851,881	2
3	Other Operating Revenue	9,680,619	7,391,654	1,763,221	39,538,518	58,386,685	3
4							4
5	**Total Operating Revenue**	203,696,329	152,599,699	38,391,347	39,538,518	434,238,566	5
6							6
7							7
8	Operating Expenses						8
9	Production Expenses	80,445,901	56,157,123	13,688,425	110,957	150,402,406	9
10	Transmission Expenses	16,023,895	12,915,866	2,950,883	320,999	32,211,644	10
11	Distribution Expenses	7,979,126	8,191,965	1,699,129	33,490	17,903,711	11
12	Customer Accounting Expenses	6,170,691	5,682,903	1,153,253	199	13,007,046	12
13	Customer Service and Information Expenses	7,693,583	1,018,498	664,545	0	9,376,626	13
14	Sales Expenses	213,741	103,190	20,751	0	337,682	14
15	Administrative and General Expenses	21,968,644	17,245,645	4,045,072	1,786,763	45,046,125	15
16	Charitable Contributions	0	0	0	0	0	16
17	Depreciation Expense	33,185,664	25,741,708	6,020,289	2,404,796	67,352,456	17
18	Amortization of Big Stone Plant Capitalized Costs	0	0	0	0	0	18
19	Spiritwood Amortization	0	0	0	0	0	19
20	General Taxes	5,775,745	4,523,967	1,053,235	4,400,438	15,753,385	20
21							21
22	**Total Operating Expenses**	179,456,991	131,580,865	31,295,581	9,057,643	351,391,080	22
23							23
24							24
25	**Net Operating Income Before Income Taxes**	24,239,338	21,018,834	7,095,765	30,480,875	82,847,486	25
26							26
27							27
28	Income Tax Expense						28
29	Investment Tax Credit	(8,068,878)	(6,379,985)	(1,481,485)	(1,528,969)	(17,459,316)	29
30	Deferred Income Taxes	4,140,552	2,593,627	453,213	1,193,894	8,381,287	30
31	Income Taxes	(3,202,887)	(1,443,179)	46,847	5,932,541	1,335,984	31
32							32
33	**Total Income Tax Expense**	(7,131,212)	(5,229,537)	(981,425)	5,597,467	(7,742,045)	33
34							34
35							35
36							36
37	**Net Operating Income**	31,370,550	26,248,371	8,077,190	27,167,951	92,874,074	37
38							38
39	Allowance for Funds Used During Construction	845,184	0	0	4,963	1,726,880	39
40	Allowance for Funds Used During Construction - MN Only	0	0	0	0	0	40
41	Allowance for Funds Used During Construction - SD Only	0	0	0	0	0	41
42	**Total Allowance for Funds Used During Construction**	845,184	0	0	4,963	1,726,880	42
43							43
44							44
45	**Total Available for Return**	32,215,734	26,248,371	8,077,190	27,172,914	94,600,954	45
46							46
47						***	47
48							48
49							49
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52							52
53							53
54		*** NOTE: TOTAL AVAILABLE FOR RETURN WILL NOT ADD ACROSS BECAUSE AFDC IS NOT ALLOCATED TO ALL JURISDICTIONS.					54
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Otter Tail Power Company
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2017 Test Year Step

Line No.	Item	Allocation Factors		Minnesota	North Dakota	South Dakota	FERC	Total Company	LINE NO
1	Operating Revenues								1
2									2
3	**Sales of Electricity**	R10	**440, 442, 444-445**	194,015,710	145,208,045	36,628,125	0	375,851,881	3
4									4
5									5
6	Other Operating Revenues								6
7	Sales for Resale								7
8	Municipalities		**Directly Assigned to FERC Jurisdiction**	0	0	0	211,572	211,572	8
9	Non-Associated Utilities, Co-Ops & OPA								9
10	Non-Asset Wholesale Transactions	D2		0	0	0	0	0	10
11	All Other Transactions								11
12	Base Demand	E1		0	0	0	0	0	12
13	Peak Demand	D1		0	0	0	0	0	13
14	Base Energy	E2		2,648,559	1,860,726	448,767	3,479	4,961,531	14
15	Peak Energy	D1		0	0	0	0	0	15
16									16
17	**Total All Other Transactions**			2,648,559	1,860,726	448,767	3,479	4,961,531	17
18									18
19	**Total Sales for Resale**			2,648,559	1,860,726	448,767	215,052	5,173,104	19
20									20
21									21
22	Other Electric Revenues								22
23	Late Fees	C1	**Directly Assigned to Jurisdiction**	328,164	283,907	95,929	0	708,000	23
24	Connection Fees	C1	**Directly Assigned to Jurisdiction**	189,582	137,483	28,337	0	355,402	24
25	Rent from Electric Property	NEPIS		278,724	218,316	50,827	80,368	628,233	25
26	Rent from Electric Property - Big Stone	NEPIS		3,219	2,521	587	928	7,256	26
27	Rent from Electric Property - Coyote	NEPIS		5,833	4,569	1,064	1,682	13,148	27
28	Other Misc Electric Revenue	NEPIS		1,731,646	1,356,346	315,774	499,306	3,903,072	28
29	Other Misc Electric Revenue - MN	C1		0	0	0	0	0	29
30	Other Misc Electric Revenue - ND	C1		0	0	0	0	0	30
31	Other Misc Electric Revenue - SD	C1		0	0	626	0	626	31
32	ITA Deficiency Payments	NEPIS		629,576	493,128	114,806	181,533	1,419,043	32
33					9,927	2,311	3,654	28,567	33
34	Miscellaneous Services	NEPIS		0	0	0	0	0	34
35	Wheeling		**Directly Assigned to FERC Jurisdiction**	0	0	0	446,129	446,129	35
36	Load Control and Dispatch	NEPIS		3,861,670	3,024,730	704,194	1,113,481	8,704,075	36
37	Load Control and Dispatch (Direct FERC)	Direct FERC		0	0	0	36,996,386	36,996,386	37
38	Loan Pool Interest	C1	**Directly Assigned to Jurisdiction**	3,645	0	0	0	3,645	38
39									39
40	**Total Other Electric Revenues**			7,032,059	5,530,928	1,314,455	39,323,466	53,213,582	40
41									41
42	**Total Other Operating Revenues**			9,680,619	7,391,654	1,763,221	39,538,518	58,386,685	42
43									43
44									44
45	**Total Operating Revenues**			203,696,329	152,599,699	38,391,347	39,538,518	434,238,566	45
46									46
47									47
48									48
49									49
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Otter Tail Power Company
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2017 Test Year Step

Line No.	Item	Allocation Factors	Minnesota	North Dakota	South Dakota	FERC	Total Company	LINE NO
1	**Operating Expenses**							1
2	Production Expenses							2
3	Prod Expenses Excluding Purchased Power							3
4	Base Demand	E1	9,036,412	5,820,571	1,536,322	12,901	16,406,206	4
5	Peak Demand	D1	2,703,480	2,179,107	497,860	6,593	5,387,041	5
6	Base Energy	E2	40,099,494	28,171,612	6,794,383	52,677	75,118,166	6
7	Peak Energy	D1	745,057	600,544	137,206	1,817	1,484,624	7
8	BASE DEMAND (Direct MN)	Direct MN	0	0	0	0	0	8
9	PEAK DEMAND (Direct MN)	Direct MN	0	0	0	0	0	9
10								10
11	**Total Excluding Purchased Power**		52,584,443	36,771,835	8,965,771	73,989	98,396,037	11
12								12
13								13
14	Purchased Power							14
15	Non-Asset Wholesale Transactions	D2	0	0	0	0	0	15
16	for Retail							16
17	Base Demand	E1	3,228,080	2,079,284	548,821	4,609	5,860,794	17
18	Peak Demand	D1	0	0	0	0	0	18
19	Base Energy	E2	24,633,378	17,306,004	4,173,833	32,360	46,145,575	19
20	Peak Energy	D1	0	0	0	0	0	20
21								21
22	**Total All Other Transactions**		27,861,458	19,385,288	4,722,654	36,969	52,006,369	22
23								23
24	**Total Purchased Power**		27,861,458	19,385,288	4,722,654	36,969	52,006,369	24
25								25
26	**Total Production Expenses**		80,445,901	56,157,123	13,688,425	110,957	150,402,406	26
27								27
28								28
29	Transmission Expenses	D2	16,023,895	12,915,866	2,950,883	228,049	32,118,694	29
30	Transmission Expenses (Direct MN)	Direct MN	0	0	0	0	0	30
31	Transmission Expenses (Direct FERC)	Direct FERC	0	0	0	92,950	92,950	31
32	**TOTAL TRANSMISSION EXPENSES**		16,023,895	12,915,866	2,950,883	320,999	32,211,644	32
33								33
34								34
35	Distribution Expenses							35
36	Primary Demand	D3	2,382,956	2,615,860	548,386	33,387	5,580,589	36
37	Secondary Demand	D4	953,964	1,091,876	231,540	0	2,277,380	37
38	Primary Customer	C2	1,679,533	1,607,383	313,755	103	3,600,775	38
39	Secondary Customer	C3	1,149,821	1,100,923	214,785	0	2,465,530	39
40	Streetlighting	C4	726,384	705,333	177,419	0	1,609,136	40
41	Area Lighting	C5	61,267	80,771	9,996	0	152,033	41
42	Meters	C6	1,025,201	989,819	203,247	0	2,218,268	42
43	Load Management	C9	0	0	0	0	0	43
44								44
45	**Total Distribution**	OXD	7,979,126	8,191,965	1,699,129	33,490	17,903,711	45
46								46
47								47
48	Customer Accounting Expenses							48
49	Meter Reading	C7	2,930,357	2,582,669	548,127	0	6,061,154	49
50	Other	C8	3,240,334	3,100,234	605,125	199	6,945,892	50
51								51
52	**Total Customer Accounts**	OXC	6,170,691	5,682,903	1,153,253	199	13,007,046	52
53								53
54								54
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56								56
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Otter Tail Power Company
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Line No.	Item	Allocation Factors		Minnesota	North Dakota	South Dakota	FERC	Total Company	LINE NO
1	Customer Service & Information Expense								1
2	Conservation & DSM Rebates	C1	**Directly Assigned to Jurisdiction**	6,620,840	0	464,265	0	7,085,105	2
3	Other	C1		1,072,743	1,018,498	200,280	0	2,291,521	3
4									4
5	**Total Customer Service & Information Expense**	OXI		7,693,583	1,018,498	664,545	0	9,376,626	5
6									6
7									7
8	Sales Expenses								8
9	Off-Peak Development	C1	**Directly Assigned to Jurisdiction**	155,664	48,050	9,908	0	213,622	9
10	Other	C1		58,077	55,140	10,843	0	124,060	10
11									11
12	**Total Sales Expenses**			213,741	103,190	20,751	0	337,682	12
13									13
14									14
15	Administrative & General Expenses								15
16	Salaries, Supplies, Pensions & Benefits								16
17	Production	OXPD		6,192,355	4,169,738	1,068,606	9,972	11,440,671	17
18	Transmission	D2		2,372,759	1,912,534	436,956	33,769	4,756,018	18
19	Distribution	OXD		3,943,623	4,048,817	839,782	16,552	8,848,774	19
20	Customer Accounts	OXC		2,808,734	2,586,706	524,930	91	5,920,460	20
21	Customer Service & Info	C1		535,485	508,407	99,975	0	1,143,867	21
22									22
23	**Total Salaries, Supplies, Pensions, and Benefits**			15,852,956	13,226,201	2,970,248	60,383	32,109,789	23
24									24
25	Load Management Expenses	C9		0	0	0	0	0	25
26									26
27	Outside Services	NEPIS		516,506	404,564	94,187	148,930	1,164,187	27
28									28
29	Property Insurance	NEPIS		1,125,804	881,808	205,296	324,616	2,537,523	29
30									30
31	Injuries & Damages	NEPIS		980,319	767,854	178,766	282,667	2,209,606	31
32									32
33	Regulatory Commission Expense	R10	**Directly Assigned to Jurisdiction**	1,633,062	383,814	246,934	962,938	3,226,748	33
34									34
35	General Advertising	C1		16,622	15,781	3,103	0	35,506	35
36									36
37	Miscellaneous, Rents, Maintenance	P90		1,843,376	1,565,623	346,538	7,229	3,762,766	37
38									38
39	**Total Administrative & General Exp**			21,968,644	17,245,645	4,045,072	1,786,763	45,046,125	39
40									40
41									41
42	Charitable Contributions	C1	**Directly Assigned to Jurisdiction**	0	0	0	0	0	42
43									43
44									44
45									45
46	**Total O & M Expenses**			140,495,583	101,315,190	24,222,058	2,252,410	268,285,240	46
47									47
48									48
49									49
50									50
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Otter Tail Power Company
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Line No.	Item	Allocation Factors		Minnesota	North Dakota	South Dakota	FERC	Total Company	LINE NO
1	**Depreciation Expense**								1
2	Production								2
3	Base Demand	E1		8,523,518	5,490,204	1,449,123	12,169	15,475,014	3
4	Peak Demand	D1		4,105,367	3,309,081	756,025	10,012	8,180,485	4
5	Base Energy	E2		9,232,147	6,485,979	1,564,278	12,128	17,294,531	5
6									6
7	**Total Production**			21,861,032	15,285,264	3,769,425	34,309	40,950,030	7
8									8
9									9
10	Transmission	D2		3,620,573	2,918,319	666,747	51,527	7,257,167	10
11	Transmission (Direct FERC)	Direct FERC		0	0	0	2,284,543	2,284,543	11
12	**TOTAL TRANSMISSION**			3,620,573	2,918,319	666,747	2,336,070	9,541,710	12
13									13
14									14
15	Distribution	P60		4,988,850	5,232,034	1,073,682	23,769	11,318,334	15
16									16
17									17
18	General	P90		1,278,111	1,085,530	240,273	5,012	2,608,927	18
19									19
20									20
21	Intangible	P90		1,437,097	1,220,561	270,161	5,636	2,933,455	21
22									22
23									23
24	**Total Depreciation Expense**			33,185,664	25,741,708	6,020,289	2,404,796	67,352,456	24
25									25
26									26
27									27
28									28
29									29
30									30
31	Big Stone Expense Offsets	P10	**Directly Assigned to Jurisdiction**	0	0	0	0	0	31
32									32
33									33
34	Spiritwood Amortization	P10	**Directly Assigned to Jurisdiction**	0	0	0	0	0	34
35									35
36									36
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Line No.	Item	Allocation Factors		Minnesota	North Dakota	South Dakota	FERC	Total Company	LINE NO
1	General Taxes	NEPIS		5,775,745	4,523,967	1,053,235	1,665,388	13,018,335	1
2	General Taxes (Direct FERC)	Direct FERC		0	0	0	2,735,050	2,735,050	2
3	**TOTAL GENERAL TAXES**			5,775,745	4,523,967	1,053,235	4,400,438	15,753,385	3
4									4
5	Net Operating Income Before Tax (NOIBT)			24,239,338	21,018,834	7,095,765	30,480,875	82,847,486	5
6									6
7	Investment Tax Credit								7
8	Amortize Prior Years Credit	EPIS		(8,068,878)	(6,379,985)	(1,481,485)	(1,528,969)	(17,459,316)	8
9	Debits Utilized	EPIS		0	0	0	0	0	9
10									10
11	**Total Investment Tax Credit**			(8,068,878)	(6,379,985)	(1,481,485)	(1,528,969)	(17,459,316)	11
12									12
13	Deferred Income Taxes								13
14	Items South Dakota Flows Through								14
15	Federal	NPMNR		(75,905)	(59,454)	0	(21,886)	(157,245)	15
16	Minnesota	NPISM		(21,123)	0	0	(6,091)	(27,213)	16
17	North Dakota	NPISN		0	(11,650)	0	0	(11,650)	17
18									18
19	**Subtotal**			(97,027)	(71,104)	0	(27,977)	(196,108)	19
20									20
21	All Other								21
22	Federal - transfer from Current Income Taxes-NOL			0	0	0	0	0	22
23	Federal(NEPIS)	NEPIS		2,485,339	1,946,691	453,213	716,627	5,601,870	23
24	Total Federal			2,485,339	1,946,691	453,213	716,627	5,601,870	24
25									25
26	Minnesota - transfer from Current Income Taxes-NOL								26
27	Minnesota(NPISN)	NPISM		1,752,241	0	0	505,244	2,257,485	27
28	Total Minnesota			1,752,241	0	0	505,244	2,257,485	28
29									29
30	North Dakota - transfer from Current Income Taxes-NOL								30
31	North Dakota(NPISN)	NPISN		0	718,040	0	0	718,040	31
32	Total North Dakota			0	718,040	0	0	718,040	32
33									33
34	**Subtotal**			4,237,580	2,664,731	453,213	1,221,871	8,577,395	34
35									35
36	**Total Deferred Income Taxes**			4,140,552	2,593,627	453,213	1,193,894	8,381,287	36
37									37
38									38
39	Current Income Taxes								39
	FEDERAL- transfer to Deferred Income Taxes - NOL			0	0	0	0	0	40
40	Federal Current Income Taxes			(2,104,022)	(1,188,052)	46,847	3,911,795	669,230	41
	Total Federal			(2,104,022)	(1,188,052)	46,847	3,911,795	669,230	42
									43
	MINNESOTA- transfer to Deferred Income Taxes - NOL			0	0	0	0	0	44
41	Minnesota Current Income Taxes			(1,098,865)	0	0	2,020,856	921,991	45
	Total Minnesota			(1,098,865)	0	0	2,020,856	921,991	46
									47
	NORTH DAKOTA - transfer to Deferred Income Taxes - NOL			0	0	0	0	0	48
42	North Dakota Income Taxes			0	(255,128)	0	(110)	(255,237)	49
43	Total North Dakota			0	(255,128)	0	(110)	(255,237)	50
									51
44	**Total Current Income Taxes**			(3,202,887)	(1,443,179)	46,847	5,932,541	1,335,984	52
45									53
46	**Total Income Taxes**			(7,131,212)	(5,229,537)	(981,425)	5,597,467	(7,742,045)	54
47									55
48									56
49	**Net Operating Income**			31,370,550	26,248,371	8,077,190	27,167,951	92,874,074	57
50									58
51	AFDC	CWIPLT		845,184	0	0	4,963	1,726,880	59
52	AFDC - MN Only	CWIPLT		0	0	0	0	0	60
53	AFDC - SD Only	CWIPLT		0	0	0	0	0	61
54	**Total AFDC**	CWIPLT	**Allowed Only in MN & FERC**	845,184	0	0	4,963	1,726,880	62
55									63
56	**Total Available for Return**			32,215,734	26,248,371	8,077,190	27,172,914	94,600,954	64
57									65
58									66
59	Rate of Return on Rate Base			5.58%	6.23%	7.50%	11.16%	6.92%	67
60									68
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62									70
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Line No.	Item	Allocation Factors	Minnesota	North Dakota	South Dakota	FERC	Total Company	LINE NO
1	Development of Federal Income Tax Expense							1
2								2
3	Net Operating Income Before Tax (NOIBT)		24,239,338	21,018,834	7,095,765	30,480,875	82,847,486	3
4	Less: Interest Cost		14,368,702	10,491,571	3,045,304	6,065,172	33,970,749	4
5								5
6	Net Income Before Tax		9,870,636	10,527,263	4,050,461	26,700,246	51,161,280	6
7								7
8	Federal Schedule M Adjustments:							8
9	Additional Tax Depreciation	NEPIS	15,279,095	11,967,655	2,786,217	4,405,601	34,438,568	9
10	Cost to Remove	NEPIS	1,333,901	1,044,805	243,243	384,619	3,006,569	10
11	Directly Assigned Schedule M Items	NEPIS	0	0	0	0	0	11
12	Accrued Vacation Pay	NEPIS	(11,540)	(9,039)	(2,104)	(3,327)	(26,010)	12
13	Charges - Operating Reserves	NEPIS	2,976,444	2,331,359	542,769	858,233	6,708,805	13
14	Provisions - Operating Reserves	NEPIS	(3,871,573)	(3,032,487)	(706,000)	(1,116,336)	(8,726,396)	14
15	Unbilled Revenues	NEPIS	0	0	0	0	0	15
16	Preferred Dividends Paid Credit	NEPIS	0	0	0	0	0	16
17	Other Schedule M Items	NEPIS	5,282,324	4,137,485	963,257	1,523,114	11,906,180	17
18								18
19	**Subtotal Federal Schedule M Adjustments**		20,988,652	16,439,779	3,827,382	6,051,904	47,307,716	19
20								20
21	**Federal Adjusted Income Before Income Taxes**		(11,118,016)	(5,912,516)	223,079	20,648,342	3,853,564	21
22								22
23	Less:							23
24	Minnesota State Income Taxes		(1,098,865)	0	0	2,020,856	921,991	24
25	North Dakota State Income Taxes		0	(255,128)	0	(110)	(255,237)	25
26								26
27	**Federal Taxable Income**		(10,019,151)	(5,657,388)	223,079	18,627,596	3,186,810	27
28	Federal Tax Rate		21.00%	21.00%	21.00%	21.00%	21.00%	28
29								29
30	Federal Income Tax Before Credits		(2,104,022)	(1,188,052)	46,847	3,911,795	669,230	30
31	Investment Tax Credit - Debits Utilized	EPIS	0	0	0	0	0	31
32	FEDERAL INCOME TAXES before transfer to Deferred due to NOL		(2,104,022)	(1,188,052)	46,847	3,911,795	669,230	32
33	Less Current Federal Income Taxes Transferred to Deferred Income Taxes due to NOL		0	0	0		0	33
34	**Federal Income Taxes**		(2,104,022)	(1,188,052)	46,847	3,911,795	669,230	34
35								35
36								36
37								37
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Line No.	Item	Allocation Factors	Minnesota	North Dakota	South Dakota	FERC	Total Company	LINE NO
1	Development of Minnesota State Income Tax Expense							1
2								2
3	**Federal Adjusted Income Before Income Taxes**		(11,118,016)	0	0	20,648,342 *	9,530,326	3
4								4
5	Minnesota Adjustments to Federal Schedule M:							5
6	PAYSOP Adjustment	NEPIS	0	0	0	0	0	6
7	Change in Excess Tax Depreciation - MN	NEPIS	(48,510)	0	0	(13,987)	(109,339)	7
8	Change in ACRS - Ordinary Loss	NEPIS	0	0	0	0	0	8
9	Preferred Dividends Paid Credit	NEPIS	0	0	0	0	0	9
10	Miscellaneous Adjustments to Fed Schedule M	NEPIS	(46,383)	0	0	(13,374)	(104,546)	10
11								11
12	**Total Minnesota Adjustments to Fed Schedule M**		(94,893)	0	0	(27,362)	(213,885)	12
13								13
14	Minnesota Taxable Income		(11,212,908)	0	0	20,620,981	9,408,072	14
15	Minnesota Tax Rate		9.80%	-	0.00%	9.80%	9.80%	15
16								16
17	MINNESOTA INCOME TAX prior to transfer to Deferred Income Tax due to NOL		(1,098,865)	-	-	2,020,856	921,991	17
18	Minnesota Current Income Tax transfer to Deferred Income Tax due to NOL							18
19	**Minnesota Income Tax**		(1,098,865)	0	0	2,020,856	921,991	19
20								20
21								21
22								22
23								23
24								24
25								25
26								26
27	Development of North Dakota State Income Tax Expense							27
28								28
29	**Federal Adjusted Income Before Income Taxes**		0	(5,912,516)	0	0 *	(5,912,516)	29
30								30
31	North Dakota Adjustments to Federal Schedule M:							31
32	Change in Excess Tax Depreciation - ND	NEPIS	0	(4,832)	0	(1,779)	(13,905)	32
33	Change in ACRS - Ordinary Loss - ND	NEPIS	0	0	0	0	0	33
34	Change in Income from ADR Property - ND	NEPIS	0	0	0	0	0	34
35	Miscellaneous Adjustments to Fed Schedule M	NEPIS	0	(2,085)	0	(768)	(6,000)	35
36								36
37	**Total North Dakota Adjustments to Fed Schedule M**		0	(6,917)	0	(2,546)	(19,905)	37
38								38
39	**Subtotal**		0	(5,919,433)	0	(2,546)	N/A	39
40	Deduction of Federal Income Taxes		0	ND doesn't allow deduct. For Federal	0	0 *	0	40
41								41
42	**North Dakota Taxable Income**		0	(5,919,433)	0	(2,546)	(5,921,979)	42
43	North Dakota Tax Rate		0.00%	4.31%	0.00%	4.31%	4.31%	43
44								44
45	NORTH DAKOTA INCOME TAX prior to transfer to Deferred Income Tax due to NOL		-	(255,128)	0.00%	(109.75)	(255,237.31)	45
46	North Dakota Current Income Tax transfer to Deferred Income Tax due to NOL							46
47	**North Dakota Income Tax**		0	(255,128)	0	(110)	(255,237)	47
48								48
49								49
50					NORTH			50
51			* SEE BELOW	**MINNESOTA**	DAKOTA	**SOUTH DAKOTA**	**TOTAL**	51
52								52
53			FERC STATE INCOME TAX FACTOR:					53
54			MUNICIPAL REVENUE	211,572	0	0	211,572	54
55			WHEELING REVENUE	446,129	0	0	446,129	55
56								56
57			TOTAL	657,701	0	0	657,701	57
58								58
59			PERCENTAGE OF TOTAL	100.00%	0	0.00%	100.00%	59
60			FEDERAL ADJ INCOME BEFORE TAXES - FERC	20,648,342	20,648,342	20,648,342	20,648,342	60
61								61
62			FERC FED ADJ INCOME - STATE TAX CALC	20,648,342	0	0	20,648,342	62
63								63
64								64

Otter Tail Power Company
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Line No.	Item	Allocation Factors	Minnesota	North Dakota	South Dakota	FERC	Total Company	LINE NO
1	MWH Consumption at Generators - Partial	E1	2,588,754	1,667,479	440,126	3,696	4,700,055	1
2	Percentage		55.07923%	35.47786%	9.36427%	0.07864%	100.00000%	2
3								3
4	MWH Consumption at Generators - Total	E2	2,813,511	1,976,612	476,716	3,696	5,270,535	4
5	Percentage		53.38189%	37.50306%	9.04493%	0.07013%	100.00000%	5
6								6
7	Generation Demand Factor	D1	364,535	293,829	67,131	889	726,384	7
8	Percentage		50.18489%	40.45092%	9.24181%	0.12239%	100.00000%	8
9								9
10	Transmission Demand Factor	D2	364,535	293,829	67,131	5,188	730,683	10
11	Percentage		49.88962%	40.21292%	9.18743%	0.71002%	100.00000%	11
12								12
13	Distribution - Primary Demand Factor	D3	369,715	405,850	85,082	5,180	865,827	13
14	Percentage		42.70079%	46.87426%	9.82667%	0.59827%	100.00000%	14
15								15
16	Distribution - Secondary Demand Factor	D4	472,030	540,270	114,568	0	1,126,868	16
17	Percentage		41.88867%	47.94439%	10.16694%	0.00000%	100.00000%	17
18								18
19	Customer or Meter Factors							19
20	Total Retail Customers	C1	62,116	58,975	11,597	0	132,688	20
21	Percentage		46.81358%	44.44637%	8.74005%	0.00000%	100.00000%	21
22								22
23	Retail Service Locations	C2	65,039	62,245	12,150	4	139,438	23
24	Percentage		46.64367%	44.63991%	8.71355%	0.00287%	100.00000%	24
25								25
26	Secondary Service Locations	C3	64,995	62,231	12,141	0	139,367	26
27	Percentage		46.63586%	44.65261%	8.71153%	0.00000%	100.00000%	27
28								28
29	Street Lighting Factor	C4	2,571,972	2,497,436	628,203	0	5,697,611	29
30	Percentage		45.14124%	43.83304%	11.02573%	0.00000%	100.00000%	30
31								31
32	Area Lighting Factor	C5	2,019,081	2,661,839	329,414	0	5,010,334	32
33	Percentage		40.29833%	53.12698%	6.57469%	0.00000%	100.00000%	33
34								34
35	Meter Factor	C6	24,365,669	23,524,762	4,830,523	0	52,720,954	35
36	Percentage		46.21629%	44.62128%	9.16243%	0.00000%	100.00000%	36
37								37
38	Meter Reading Factor	C7	87,762	77,349	16,416	0	181,527	38
39	Percentage		48.34653%	42.61019%	9.04328%	0.00000%	100.00000%	39
40								40
41	System Service Locations	C8	65,061	62,248	12,150	4	139,463	41
42	Percentage		46.65108%	44.63406%	8.71199%	0.00287%	100.00000%	42
43								43
44	Load Management Factor	C9	19,835	18,434	4,092	0	42,361	44
45	Percentage		46.82373%	43.51644%	9.65983%	0.00000%	100.00000%	45
46								46
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Line No.	Item	Allocation Factors	Minnesota	NORTH Dakota	SOUTH Dakota	FERC	Total Company	LINE NO
1	Gross Plant in Service							1
2	Production Plant	P10	626,997,119	435,902,556	108,107,955	986,552	1,171,994,182	2
3	Percentage		53.498313%	37.193236%	9.224274%	0.084177%	100.000000%	3
4								4
5	Distribution Plant	P60	212,095,212	222,433,888	45,646,364	1,010,497	481,185,961	5
6	Percentage		44.077598%	46.226180%	9.486221%	0.210001%	100.000000%	6
7								7
8	General Plant	P90	43,193,374	36,685,162	8,119,967	169,382	88,167,884	8
9	Percentage		48.989918%	41.608305%	9.209665%	0.192113%	100.000000%	9
10								10
11								11
12	Electric Plant in Service	EPIS	1,020,848,335	807,175,121	187,432,675	193,440,170	2,208,896,300	12
13	Percentage		46.215313%	36.542011%	8.485354%	8.757322%	100.000000%	13
14								14
15	Net Electric Plant in Service	NEPIS	643,077,567	503,703,287	117,268,300	185,426,090	1,449,475,244	15
16	Percentage		44.366233%	34.750734%	8.090397%	12.792636%	100.000000%	16
17								17
18	Operation and Maintenance Expense							18
19	Production Expense (Excl Energy)	OXPD	14,967,972	10,078,963	2,583,003	24,103	27,654,041	19
20	Percentage		54.125805%	36.446619%	9.340417%	0.087160%	100.000000%	20
21								21
22	Distribution Expense	OXD	7,979,126	8,191,965	1,699,129	33,490	17,903,711	22
23	Percentage		44.566886%	45.755683%	9.490373%	0.187058%	100.000000%	23
24								24
25	Customer Accounts Expense	OXC	6,170,691	5,682,903	1,153,253	199	13,007,046	25
26	Percentage		47.441143%	43.690957%	8.866368%	0.001532%	100.000000%	26
27								27
28	Customer Service & Information Expense	OXI	1,072,743	1,018,498	200,280	0	2,291,521	28
29	Percentage		46.813578%	44.446370%	8.740052%	0.000000%	100.000000%	29
30								30
31	Other Deferred Income Tax Factor							31
32	Minnesota	NPISM	643,077,567	0	0	185,426,090	828,503,658	32
33	Percentage		77.619159%	0.000000%	0.000000%	22.380841%	100.000000%	33
34								34
35	North Dakota	NPISN	0	503,703,287	0	0	503,703,287	35
36	Percentage		0.000000%	100.000000%	0.000000%	0.000000%	100.000000%	36
37								37
38	Excluding South Dakota	NPMNR	643,077,567	503,703,287	0	185,426,090	1,332,206,944	38
39	Percentage		48.271597%	37.809688%	0.000000%	13.918715%	100.000000%	39
40								40
41	Long-Term CWIP Ratio (W/AFDC)	CWIPLT	15,791,247	0	0	92,735	32,264,665	41
42	Percentage		48.942852%	0.000000%	0.000000%	0.287418%	100.000000%	42
43								43
44	Revenue	R10	194,015,710	145,208,045	36,628,125	0	375,851,881	44
45	Percentage		51.620258%	38.634380%	9.745362%	0.000000%	100.000000%	45
46								46
47	Labor and Related Expense	LRE	74,803,912	55,133,840	13,095,885	2,072,606	145,106,242	47
48	Percentage		51.551133%	37.995498%	9.025032%	1.428337%	100.000000%	48
49								49
50	Total O & M Expense	OX						50
51	Percentage							51
52								52
53								53
54								54
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59								59
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Line No.	Item		AMOUNT	A PERCENT OF TOTAL	COST OF CAPITAL	RATE OF RETURN	LINE NO
1	Capital Structure - Rate of Return						1
2		RATE OF RETURN EARNED - MINNESOTA					2
3							3
4	Long-Term Debt		49661538500.00%	46.90%	0	2.49%	4
5							5
6	Preferred Stock		0.00%	0.00%	0	0.00%	6
7							7
8	Common Equity		56225184500.00%	53.10%	0	3.10%	8
9							9
10							10
11	**Total**		105886723000.00%	100.00%		5.58%	11
12							12
13							13
14		RATE OF RETURN EARNED - NORTH DAKOTA					14
15							15
16			49661538500.00%	46.90%	0	2.49%	16
17							17
18			0.00%	0.00%	0	0.00%	18
19							19
20			56225184500.00%	53.10%	0	3.74%	20
21							21
22							22
23			105886723000.00%	100.00%		6.23%	23
24							24
25							25
26		RATE OF RETURN EARNED - SOUTH DAKOTA					26
27							27
28			49661538500.00%	46.90%	5.30%	2.49%	28
29							29
30			0.00%	0.00%	0.00%	0.00%	30
31							31
32			56225184500.00%	53.10%	9.44%	5.01%	32
33							33
34							34
35			105886723000.00%	100.00%		7.50%	35
36							36
37							37
38		RATE OF RETURN EARNED - FERC					38
39							39
40			49661538500.00%	46.90%	0	2.49%	40
41							41
42			0.00%	0.00%	0	0.00%	42
43							43
44			56225184500.00%	53.10%	0	8.67%	44
45							45
46							46
47			105886723000.00%	100.00%		11.16%	47
48							48
49							49
50		RATE OF RETURN EARNED - TOTAL COMPANY					50
51							51
52			49661538500.00%	46.90%	0	2.49%	52
53							53
54			0.00%	0.00%	0	0.00%	54
55							55
56			56225184500.00%	53.10%	0	4.44%	56
57							57
58							58
59			105886723000.00%	100.00%		6.92%	59
60							60

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Line No.	Item	Allocation Factors	Minnesota	North Dakota	South Dakota	FERC	Total Company	LINE NO
1	Cash Working Capital Calculation - Revenue Lead Days							1
2								2
3	Revenues							3
4	Computer Maintained Billings		177,456,569	137,423,120	24,355,157	0	339,234,846	4
5	Manually Maintained Billings		16,880,081	13,072,007	2,316,719	0	32,268,807	5
6	Cost of Energy Adjustment Revenues	R10	196,807	(4,865,691)	10,080,514	0	5,411,630	6
7	Sales for Resale		2,648,559	1,860,726	448,767	215,052	5,173,104	7
8	Rent from Electric Property		278,724	218,316	50,827	80,368	628,233	8
9	Miscellaneous		1,731,646	1,356,346	315,774	499,306	3,903,072	9
10	ITA Deficiency Payments		629,576	493,128	114,806	181,533	1,419,043	10
11	Wheeling		0	0	0	446,129	446,129	11
12	Load Control and Dispatch		3,861,670	3,024,730	704,194	38,109,866	45,700,461	12
13	Rent from Electric Property - Big Stone		3,219	2,521	587	928	7,256	13
14	Rent from Electric Property - Coyote		5,833	4,569	1,064	1,682	13,148	14
15	Profit on Materials and Supplies		0	9,927	2,938	3,654	16,519	15
16	Miscellaneous Services		0	0	0	0	0	16
17	Loan Pool Interest		3,645	0	0	0	3,645	17
18								18
19	**Total Revenues**		203,696,329	152,599,699	38,391,347	39,538,518	434,225,892	19
20								20
21								21
22	Revenue Lead Days from Service to Collection							22
23	Computer Maintained Billings		43.4	43.4	43.4	43.4	N/A	23
24	Manually Maintained Billings		41.3	41.3	41.3	41.3	N/A	24
25	Cost of Energy Adjustment Revenues		98.4	127.7	113.6	81.1	N/A	25
26	Sales for Resale		23.1	23.1	23.1	23.1	N/A	26
27	Rent from Electric Property		(92.4)	(92.4)	(92.4)	(92.4)	N/A	27
28	Miscellaneous		34.9	34.9	34.9	34.9	N/A	28
29	ITA Deficiency Payments		48.4	48.4	48.4	48.4	N/A	29
30	Wheeling		35.8	35.8	35.8	35.8	N/A	30
31	Load Control and Dispatch		27.9	27.9	27.9	27.9	N/A	31
32	Rent from Electric Property - Big Stone		42.5	39.7	60.9	27.9	N/A	32
33	Rent from Electric Property - Coyote		42.5	39.7	60.9	27.9	N/A	33
34	Profit on Materials and Supplies		42.5	39.7	60.9	27.9	N/A	34
35	Miscellaneous Services		42.5	39.7	60.9	27.9	N/A	35
36	Loan Pool Interest		42.5	39.7	60.9	27.9	N/A	36
37								37
38								38
39	Revenue Dollar Days (Revenues X Revenue Lead Days)							39
40	Computer Maintained Billings		7,701,615,081	5,964,163,399	1,057,013,824	0	14,722,792,304	40
41	Manually Maintained Billings		697,147,363	539,873,876	95,680,502	0	1,332,701,742	41
42	Cost of Energy Adjustment Revenues		19,361,362	(621,432,184)	1,145,002,633	0	542,931,811	42
43	Sales for Resale		61,075,771	42,908,345	10,348,563	4,959,094	119,291,773	43
44	Rent from Electric Property		(25,756,841)	(20,174,558)	(4,696,884)	(7,426,772)	(58,055,056)	44
45	Miscellaneous		60,469,085	47,363,613	11,026,830	17,435,760	136,295,288	45
46	ITA Deficiency Payments		30,471,467	23,867,382	5,556,619	8,786,195	68,681,664	46
47	Wheeling		0	0	0	15,953,556	15,953,556	47
48	Load Control and Dispatch		107,740,597	84,389,964	19,647,018	1,063,265,273	1,275,042,852	48
49	Rent from Electric Property - Big Stone		136,739	100,155	35,777	25,897	298,569	49
50	Rent from Electric Property - Coyote		247,787	181,493	64,832	46,928	541,040	50
51	Profit on Materials and Supplies		0	394,332	179,038	101,961	675,330	51
52	Miscellaneous Services		0	0	0	0	0	52
53	Loan Pool Interest		154,825	0	0	0	154,825	53
54								54
55	**Total Dollar Days**		8,652,663,236	6,061,635,818	2,339,858,751	1,103,147,892	18,157,305,697	55
56								56
57								57
58	**Avg Revenue Lead Days (Total Rev Dollar Days / Total Rev)**		42.5	39.7	60.9	27.9	41.8	58
59								59
60								60